

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

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1. EARLY YEARS / CHILD CARE

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Baby Mac Court Case

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Children and Family Development Date: Feb. 25, 2019 Minister Responsible: Katrine Conroy</p>	<p>Baby Mac Court Case</p>
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ADVICE AND RECOMMENDED RESPONSE:

- We regret any continued distress that legal proceedings may have on baby Mac's parents, family and friends.
- While government acknowledges the profound grief baby Mac's family continues to endure, and regrets any additional stress legal proceedings may cause, the suit brought against the province must be responded to on the basis of law.
- I cannot comment further as this matter is before the courts.

If needed re: what's being done to make child care safer:

- We know families want access to as much information as possible to make the best care choices for their children.
- Previously, information about child care facilities was difficult to find, and parents did not know if there had been any investigations or substantiated complaints about child care operators.
- That's why we made changes to the *Community Care and Assisted Living Act*, to give the public this information.
- These changes mean that information about licensed child care providers – including summaries of inspection reports and substantiated complaints – are now available on health authority websites for up to five years, up from two years previously.

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- In addition, for the first time, information is now available about unlicensed child care providers who have been found to be operating illegally.
- This information is available on Health Authority websites or on our website at <https://connect.health.gov.bc.ca/ext/ccala/child-care>

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KEY FACTS:

On September 17, 2018, the parents of Baby Mac filed a lawsuit with the B.C. Supreme Court against Vancouver Coastal Health and the Ministry of Children and Family Development, as well as the child care operator and the property owners. On December 5, 2018, Vancouver Coastal Health filed a statement of defence denying negligence and claiming it had no knowledge of the unlicensed facility. The Ministry of Children and Family Development filed its response on February 15, 2019.

On January 18, 2017, a toddler – Macallan Saini (Baby Mac) – died in an unlicensed child care facility in East Vancouver.

s.13; s.15

In March 2018, government made legislative changes to the *Community Care and Assisted Living Act* to give families more information about the facilities caring for their loved ones – including child care providers. Health Authorities are now required to publish information about investigations and substantiated complaints against licensed and unlicensed care providers for at least five years.

These changes also mean that information will be publicly posted if any unlicensed child care provider is found to be operating illegally.

Media Interest: There was significant media coverage in January 2017, and several outlets reached out to the Ministry for a comment on the lawsuit on September 18, 2018.

On January 3, 2019, there was further interest from media as the response to the civil claim from Vancouver Coastal Health was made public. We also expect media interest when MCFD files its statement of defence.

Communications:	Brendan Wright	250 356-2028
Program:	Christine Massey / Cheryl May	778 698-7115 / 778 698-1701

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Childcare BC Maintenance Fund expended

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ISSUES NOTE

Ministry of Children and Family Development

Date: Dec 4, 2018

Minister Responsible: Katrina Chen

Childcare BC Maintenance Fund expended

ADVICE AND RECOMMENDED RESPONSE:

- Interest in the Childcare BC Maintenance Fund has been high since it launched in June 2018.
- We initially invested \$1.2 million – three times more than what the previous government invested – and we have since increased the budget by nearly \$1 million to respond to the demand for funding.
- Despite increasing the fund's budget substantially, we have expended the entire amount for this fiscal year and so must close the program due to the overwhelming number of applications.
- It's important to note that we will continue to provide funding for emergency circumstances that pose a danger to health and safety of children and/or would cause the closure of a program.
- The fund will reopen for general applications on April 1, 2019.

If needed:

- Under the new maintenance fund, we opened up eligibility – for the first time – to for-profit group operators and child care providers operating out of their own home.
- Maintenance funding has allowed nearly 600 providers to upgrade equipment, relocate or have repairs done to meet licensing standards and ensure that children at their facilities are able to learn in a safe environment.

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- **Letters have gone out to providers who applied for maintenance funding to let them know that any non-emergency requests will not be processed at this time.**
- **We will review the program over the coming months to ensure that we continue to improve supports for child care providers in B.C.**

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KEY FACTS:

On June 14, 2018 the Childcare BC Maintenance Fund replaced the former Child Care Minor Capital Funding Program. This new fund increased support to licensed child care providers to help ensure existing licensed child care spaces could be properly maintained and continue operating.

In *Budget 2018*, the annual budget for the Fund increased from \$0.4M to \$1.2M. Eligibility was expanded to include (for the first time) licensed for-profit group operators, as well as child care providers operating out of a personal residence (including licensed Family, In-Home Multi-Age, and Multi-Age Child Care). Maximum funding amounts to eligible providers also increased, with repair and replacement funding maximums rising to:

- \$10,000 per facility for non-profit licensed group operators;
- \$5,000 per facility for for-profit licensed group operators; and
- \$2,000 for Licensed personal residence operators.

Funding for relocation expenses was capped at \$25,000 per licensed group facility, with applicants required to be enrolled in the Child Care Fee Reduction Initiative, if their program was eligible.

As of November 2018, the ministry had approved 705 applications, with \$2.2 million in funding allocated.

s.13

In September 2018, the ministry invested an additional \$500,000 in the program, and a subsequent \$500,000 in October (increasing the overall budget to \$2.2 million) to try to sustain the program.

s.13

The Ministry has made the decision to close the Childcare BC Maintenance Fund until April 2019 – except for applications for emergency repair and replacement and/or relocation – for the remainder of the fiscal year. ^{s.13}

Emergency repair and replacement includes indoor and outdoor facility maintenance such as remediation to drywall and foundation damage, repair of heating and cooling systems, flooring, counters, plumbing, light and washroom fixtures, etc.

Media Interest: There has been no media interest to date. However, there are a significant number of applicants who will be denied funding and it's possible some may reach out to the media to complain about the program.

Communications:	Brendan Wright	250 356-2028
Program:	Jonathan Barry	778 698-5313

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Delay to CCFRI payments

CONFIDENTIAL
ISSUES NOTE

Ministry of Children and Family Development

Date: Jan 3, 2019

Minister Responsible: Katrina Chen

Delay to CCFRI payments

ADVICE AND RECOMMENDED RESPONSE:

- We understand the impact that payment delays have on providers, and it is unacceptable that providers are being forced to pay out of pocket due to a delay caused by government systems.
- We are working to address this issue and improve our processes to ensure that this does not happen again.
- We have recently doubled the number of ministry staff reviewing enrolment reports and expect this to speed up the verification and payment process.
- The ministry reviewed and approved payment for around 2,200 facilities by December 24, 2018.
- The majority of providers who submitted an enrolment form on December 20th received their payment on or before January 3, 2019.

If needed:

In most cases, when a provider submits their enrolment form on or before the 20th of the month, they will receive their funding before or on the first day of the following month.

While the ministry makes every effort to pay providers as soon as possible, we cannot guarantee payment by the first of the month if the provider submits their enrolment form after the 20th.

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Payments may also be delayed if a provider has not completed their forms properly, or if has requested payment by cheque rather than direct deposit.

Since December 20, 2018, the ministry has processed all incoming invoices from providers within one business day and will continue to do so for all incoming invoices received in late December and early January.

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KEY FACTS:

On January 1, 2019, the owner of Little Owls Academy sent an open letter to the Ministry of Children and Family Development, as well as media across the province. The letter was also posted to the BC Child Care Owners Association Facebook page. The provider reached out to the Ministry towards the end of November and December to express concerns about delays to her funding payments.

In the letter, the provider expressed frustration at delays to her Child Care Fee Reduction Initiative (CCFRI) payments for both November and December.

In most circumstances, when a provider submits their monthly enrolment report by the 20th of a month, they will receive their payment before or on the first day of the following month. There may be delays if the provider has not completed the form properly, or they have requested payment by check rather than direct deposit.

s.13

Media Interest: There was significant media interest in this story on January 2, 2019, with several major media outlets requesting comment from the ministry. The opposition critic also drafted an open letter to the ministry requesting information on how this issue will be mitigated in future.

Communications:	Brendan Wright	250 356-2028
Program:	Anne Wetherill	778 698-2093

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Child Care Fee Reduction Initiative

Confidential ISSUES NOTE

Ministry of Children and Family Development

Date: January 11, 2019

Ministers Responsible: Minister Katrine Conroy
and Minister of State Katrina Chen

Child Care Fee Reduction Initiative

Advice and Recommended response:

- Both parents and child care providers have embraced the Child Care Fee Reduction Initiative.
- So far, 95% of providers who have applied for the initiative have been approved to participate.
- The program is a success with nearly 52,200 licensed child care spaces already approved for fee reductions.
- This means that tens of thousands of B.C. families have already saved a total of more than \$76 million on the cost of child care.

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KEY FACTS:

The Child Care Fee Reduction Initiative (CCFRI), which was introduced in April 2018, is one of two key affordability measures for child care under Budget 2018. As the first cost-saving measure under *Childcare BC*, the goal of the initiative is to help B.C. families save on the cost of child care each month. Through the fee reduction initiative, the Province provides funding to child care providers, who then pass the savings on to parents.

Under the initiative, licensed child care providers have the option to participate as part of the renewal process for annual Child Care Operating Funding (CCOF). Those who apply and are approved to opt in to the initiative receive a lump-sum payment from the Province on top of their CCOF base funding each month.

Providers then use this additional funding to reduce their parent fees by up to:

- \$350/month for Group infant/toddler (under 36 months) care
- \$200/month for Family infant/toddler care
- \$100/month for Group child care for children aged 3 years to Kindergarten
- \$60/month for Family child care for children aged 3 years to Kindergarten.

In addition, child care providers who choose to participate in the fee reduction initiative receive a 10% increase to their operating funding each month for spaces that are funded through this initiative. This funding, which is on top of their other funding, can be used to cover administrative or other operational costs.

Media Interest:

When the initiative launched in April 2018, the ministry received media coverage criticizing the launch of the initiative – providers felt they had not been given sufficient time to opt in before the launch and that technical difficulties prevented them from applying before the initial opt-in deadline.

A key critic was Amanda Worms from the B.C. Child Care Owners Association (BCCCOA), who was featured in CBC and a few other papers stating that she felt providers were not given enough time to opt in, or felt coerced to do so.

This issue was addressed by extending the opt-in deadline and communicating regularly with the child care sector with updates and information on the opt-in process. Many of the most vocal critics of the Child Care Fee Reduction Initiative initially have since opted in to the fee reduction – Amanda Worms included.

On January 2, 2019, Amanda Worms also raised the issue of delayed CCFRI payments. There was significant media issue at the time – *please see separate note for more information*.

Communications:	Brendan Wright, Senior PAO MCFD	250 356-2028
Program:	Christine Massey, ADM Early Years and Inclusion	778 698-7121

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Childcare BC Rollout Issues (General)

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: Feb 13, 2019</p> <p>Minister Responsible: Katrine Conroy & Katrina Chen</p>	<p>Childcare BC Rollout Issues (General)</p>
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Advice and Recommended response:

- Our plan is making a real difference for B.C. families, with thousands seeing savings through both the Affordable Child Care Benefit and the Child Care Fee Reduction Initiative.
- We've had an incredible response from providers and other key partners who want work with us to bring change to B.C.'s child care system.
- Both parents and child care providers have embraced the Child Care Fee Reduction Initiative – to date, more than 90% of providers have applied for the initiative, with more than 52,600 licensed child care spaces already approved for fee reductions.
- This means that tens of thousands of B.C. families have already saved almost \$83 million on the cost of child care.
- We're not just helping with the cost of child care – our Childcare BC New Spaces Fund and Start-Up Grant program are helping us to create more spaces more quickly than ever before.
- Since launching the programs last summer, we've already approved funding for almost 2,000 new licensed spaces across B.C., with many more to come.
- As we continue to build the Childcare BC plan we are refining and adjusting programs to ensure that they are working for both parents and child care providers.

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- **We will continue to work closely with our key stakeholders to gather feedback and make any necessary improvements.**

If needed:

Affordability:

The Affordable Child Care Benefit is also offering significant savings to families across the province, with almost 35,000 children to date approved for benefit plans since the launch in September 2018.

Space Creation:

The Start-Up Grant program is also helping to create new licensed child care spaces by supporting unlicensed providers with the cost of becoming licensed. To date, the program has helped to create more than 400 spaces across the province, with hundreds more to come as providers complete the process.

As well as creating new spaces, the ministry is also helping existing providers with the cost of maintaining and repairing their facility through the Childcare BC Maintenance Fund. To date, more than 700 applications have been approved for a total cost of more than \$2.2 million.

Quality:

The newly expanded ECE Education Fund, administered by the Early Childhood Educators of BC (ECEBC), has approved nearly 1,100 bursary applications for the Fall 2018 semester, providing a total of \$2,075,500 to help students with their ECE studies.

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KEY FACTS:

The *Childcare BC* plan was launched under Budget 2018, as part of a three-year, \$1-billion investment in B.C.'s child care system. The plan has three core pillars: affordability (\$630m), accessibility (\$237m) and quality (\$136m).

Over the past twelve months, the Ministry has launched programs that support each of the three pillars:

Affordability: The first program under *Childcare BC* was the Child Care Fee Reduction Initiative (CCFRI). When the program launched in April 2018, providers felt they had not been given sufficient time to opt in before the launch and that technical difficulties prevented them from applying before the initial opt-in deadline. The opposition at this time claimed that the plan was rushed and was not aligned with providers' needs. There were also some payment issues in both December 2018 and January 2019, with providers receiving late payments – *please see separate note for more information*.

However, as of February 12, 2019, more than 90% of eligible providers have applied to opt in to the program, with more than 52,600 licensed child care spaces seeing a fee reduction.

In September, the Ministry launched the new Affordable Child Care Benefit (ACCB), which replaced the previous Child Care Subsidy (CCS) program. Under the new program, families are eligible for up to \$1,250 a month per child (up from \$750 under CCS), depending on income and type of care. The income threshold has also been increased to \$111,000, meaning that more than 80,000 families are now eligible for some form of support with the cost of child care. The ministry also introduced a new online portal – moving away from the previous paper-based system, and making the process of applying and tracking benefit plans much easier.

In January 2019, some child care providers raised concerns that they were receiving late payments for some families. This was due to families not renewing their benefit plan, which are issued for a maximum of twelve months. The ministry provides instructions and a reminder to parents that they need to renew their plan, and also notifies child care providers of the length of each plan which providers can view in the system. If a renewal is not completed, the family will no longer receive funding once their current plan expires.

Accessibility: The opposition have regularly stated that the *Childcare BC* plan has yet to make a meaningful difference for families, and they assert that more spaces have in fact closed since the plan launched than have been built. This information came from an FOI request which provided Child Care Operating Funding data for several months in early 2018, before the *Childcare BC* New Spaces Fund was launched.

In June 2018, the Province launched a new Start-Up Grant Program, which is supporting individuals and unlicensed child care providers with the cost of becoming licensed. As of January 18, 2019, the program has created more than 400 new licensed child care spaces, with another approximately 1,000 expected to open as providers complete the licensing process.

The Childcare BC Maintenance Fund was also launched in June 2018. This program helps eligible child care providers maintain existing spaces by providing funding to help with minor repairs or to replace equipment in order to meet licensing standards. The fund also helps cover relocation costs for eligible providers so they can quickly move their operations. As of January 18, 2019, the program has funded delivered more than \$2.2 million to approximately 700 applicants. As this is beyond the amount budgeted for the program, the ministry decided to close the Maintenance Fund for new applicants – except for

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providing funding for emergency circumstances that pose a danger to health and safety of children and/or would cause the closure of a program. The fund will reopen for general applications on April 1, 2019.

The Childcare BC New Spaces Fund was introduced in July 2018 as replacement for the previous Child Care Major Capital Funding Program. The New Spaces Fund is supporting the creation of 22,000 new licensed child care spaces by 2021. The program offers eligible child care providers up to \$1 million to create new spaces by renovating an existing space or building a new facility. Child care providers can apply at any time throughout the year under a new continuous application process. As of January 18, 2019, the Ministry has approved more than 1,600 new licensed spaces for funding.

The Province is working with the Union of British Columbia Municipalities (UBCM) on two initiatives that support local government and municipalities to plan for and create new child care spaces, and make effective use of publicly available assets and lands. The first partnership is the Community Child Care Space Creation Program, which provides up to \$1 million for local governments who are working with partners to create new child care spaces in their community. The second partnership delivers Community Child Care Planning Grants, which help communities assess and plan for the creation of new child care spaces that meet the needs of local families. s.16

s.16

Quality: The opposition has stated that government has not moved quickly enough to support the child care sector and recruit more Early Childhood Educators, suggesting the shortage of staff is a major cause for the difficulties parents face in finding child care.

A key goal under *Childcare BC* is to improve the quality of B.C.'s child care system through enhanced supports for early childhood educators (ECEs) and other child care professionals. As part of this commitment, the Province launched the Early Care and Learning Recruitment and Retention Strategy in September, which is providing supports to the child care sector, including:

- \$1/hr wage lift for eligible ECEs, beginning in early 2019, with an additional \$1/hr lift in April 2020
- An expanded ECE bursary and education fund, delivered by the Early Childhood Educators of BC
- Improved access to professional development opportunities.
- Increased funding through the Ministry of Advanced Education, Skills and Training to increase the number of ECE seats at public post-secondary institutions.

The newly expanded ECE Education Fund, administered by the Early Childhood Educators of BC (ECEBC), has approved nearly 1,100 bursary applications for the Fall 2018 semester, providing a total of \$2,075,500 to help students with their ECE studies.

Media Interest: There has been significant media interest in the issues around CCFRI, with outlets covering both the issues at launch and the more recent payment delays (*please see separate Issues Note*). In addition, Opposition Critic Laurie Throness has repeatedly stated that government is moving too quickly on its plan, which is impacting the quality of individual programs, and that the Province is unlikely to meet its space-creation targets because ECEs (quality) should have been the first target rather than affordability.

Communications:

Brendan Wright

250 356-2028

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Program:	Christine Massey	778 698-7121
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ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Child Care Closures (General)

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: Mar 25, 2019</p> <p>Minister Responsible: Katrina Chen</p>	<p>Child Care Closures (General)</p>
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Advice and Recommended Response:

- I feel for families affected by child care closures.
- I want to be clear that the decision to close a facility is an operational decision that's made by the child care operators themselves.
- Our government has made historic investments to improve access to high-quality, affordable child care across the province.
- We are supporting the creation of 22,000 new licensed child care spaces over three years, and have also enhanced the Childcare BC Maintenance Fund to support providers with relocation or repair costs to keep spaces open.
- As well, Start-Up Grants are helping new and existing providers to create new licensed child care spaces.
- These programs are helping us to create more spaces more quickly than ever before: we've already approved funding for 3,900 new licensed spaces across B.C., with many more to come.

If needed:

I'd encourage all parents who are looking for child care spaces to get in touch with their local child care resource and referral program, or view the ministry's child care map, which includes information on available spaces in B.C. communities.

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KEY FACTS:

Over summer 2018, the ministry heard stories of several child care facilities that were closing, leaving parents struggling to find care for their children. s.13

s.13

s.13; s.16

In September 2018, the ministry launched its *Early Care and Learning Recruitment and Retention Strategy*, which is offering improved supports (including a wage enhancement and training/development opportunities) to encourage more people to pursue a career as an Early Childhood Educator.

In addition, the Childcare BC Maintenance Fund is helping eligible providers carry out necessary repairs or relocate their operations if their facility is at risk of closure. The budget for this program has been fully expended in 2018-19, and further funding (until March 31, 2019) is only available for emergency circumstances that pose a danger to the health and safety of children and/or would cause the closure of a program/facility. The fund will reopen for general applications spring 2019.

The maintenance fund is supplemented by the Childcare BC New Spaces Fund and Start-Up Grant Program, which are both helping new and existing providers to create new licensed child care spaces across the province. To date, approximately 2,000 new licensed child care spaces have been approved for funding through the Childcare BC New Spaces Fund, while the Start-Up Grant Program funding has been earmarked to help child care providers create about 1,920 spaces.

In addition, the results of the Province's partnership with the Union of BC Municipalities (UBCM) to provide planning grants were announced March 22, 2019, with the results of space-creation grants coming in April 2019.

Media Interest: Through the summer of 2018, media covered a number of centre closures – particularly in Victoria and the Lower Mainland. Some providers have suggested that the problem is worse this year due to the ECE shortage and the push to create new spaces without the capacity to staff them.

Communications:	Brendan Wright	250 356-2028
Program:	Jonathan Barry	250 387-7762

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ECE Wage Enhancement (General)

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: April 26, 2019</p> <p>Minister Responsible: Katrina Chen</p>	<p>ECE Wage Enhancement (General)</p>
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Advice and Recommended response:

- Early Childhood Educators (ECEs) provide rich learning environments that make a huge difference in the lives of the children they teach each day.
- ECEs are the heart of the child care system and deserve both recognition and support for the essential work they do.
- That's why we launched an *Early Care and Learning Recruitment and Retention Strategy* in September 2018.
- At the core of this strategy is a \$1-an-hour wage enhancement, which rolled out in early 2019 for eligible ECEs who are working in licensed child care facilities.
- In April 2020, the wage enhancement will increase to a total of \$2 an hour.
- As of the end of February 2019, approximately 7,500 ECEs have received a wage enhancement, amounting to more than \$5 million in funding.
- These wage enhancements will be supplemented by additional funding that will provide bursaries for students who want to become ECEs, while also helping current ECEs to upgrade their skills and training.

If asked about why ECE Assistants aren't getting a wage lift:

Government is responding first to the most urgent needs within the sector: increasing ECE staffing and responding to the critical need for trained and

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qualified ECEs, as well as improving families' access to affordable child care.

Through this new strategy, professionals who are currently working at a child care facility and looking to upgrade their education may be eligible for up to \$5,000 a semester through the new ECE Workforce Development Fund.

This fund helps with the cost of tuition, books, materials, paid time off to complete practicums, travel for those attending courses outside of their community, and child care costs while studying.

While we know it will take time to increase the number of ECEs in B.C., this strategy is the first step in making a career in child care more appealing and more sustainable as we move towards a universal child care system in B.C.

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KEY FACTS:

Under Budget 2018, the Province committed \$136 million over three years to boost the quality of child care in B.C.

Stakeholder engagement has shown that there is a shortage of Early Childhood Educators (ECEs) across the province, caused in part by low wages, long hours and a lack of professional development opportunities. As part of this commitment, the Province launched an *Early Care and Learning Recruitment and Retention Strategy* in September 2018 to make a career as an ECE more attractive and sustainable. According to the *BC Labour Market Outlook 2018*, the province will need approximately 9,000 new ECEs by 2028.

The *Early Care and Learning Recruitment and Retention Strategy* includes:

- A \$1-per-hour wage enhancement in early 2019 for eligible ECEs (retroactive to Sept. 2018), with an additional \$1-per-hour enhancement slated for April 2020, for a total of \$2-an-hour wage enhancement.
- Expanded bursary and funding opportunities to help prospective ECEs complete their post-secondary qualifications and enable current ECEs to upgrade their certification.
- Professional development funding to support current ECEs to keep up with current trends and best practices.
- Additional funding to increase the number of ECE seats in public post-secondary institutions across B.C., and develop alternative ECE upgrading pathways for experienced child care staff.

Media Interest: There was some media interest at the time of the announcement, but the strategy did not get widespread media coverage. The opposition critic has regularly mentioned that more needs to be done to increase the number of ECEs, citing the staff shortage as a major reason for child care closures. BCCCOA have also raised the issue several times.

On April 23, there was a question from CBC Radio Canada about the ECE shortage, and the struggle to find French-speaking ECEs in particular. There has not yet been a story from this request.

Communications:	Brendan Wright	250 356-2028
Program:	Teresa Butler / Michelle Gilmour	778 698-9796 / 778 698-7367

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Investigation into billing fraud at child care centre in Langley

Confidential ISSUES NOTE Ministry of Children and Family Development Date: UPDATED: January 24, 2019 Minister Responsible: Katrine Conroy	Investigation into billing fraud at child care centre in Langley
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Advice and Recommended response:

- **We are aware there is an investigation underway, and as such, we can't comment about case specifics.**
- **What we can say is that in cases where there is a suspicion of fraud, government would investigate. Steps in that process include:**
 - **Referral for criminal investigation, as appropriate;**
 - **Gathering evidence;**
 - **And recovering the amount of the overpayment through collections activity.**

If needed – timelines:

The ministry receives 500 or more reports of potential fraud each year for child care alone. Historically, most of these reports are about individuals who were not providing proper documentation for calculating the benefit amount under the previous Child Care Subsidy.

Under the new Affordable Child Care Benefit, income statements are verified by Canada Revenue Agency, and we expect to see the number of fraud reports fall as a result.

The Ministry of Social Development and Poverty Reduction has dedicated criminal investigators who work on these cases and others involving welfare and other forms of fraud related to government social programs and services.

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I can't speak to specifics about an active criminal investigation other than to say there is a significant amount of work involved.

These investigators need to gather information, work with other organizations and speak to witnesses. As a result, these investigations can take time.

SDPR has put extra resources on this case and are hiring additional staff to help address the overall backlog.

If needed – what CFD is doing:

The ministry is hiring more staff to work on audits and investigations. We also continue to review our internal audit processes to ensure they are working well.

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KEY FACTS:

s.13; s.15

Background:

s.13; s.15

These investigations take time and resources, and some of them are referred to SDPR, which also deals with welfare fraud investigations. s.13; s.15

Investigations:

- Step 1 – Reporting – When a phone call comes in, staff in the verification and audit branch at MCFD take down key information and determine whether the initial information they receive warrants further investigation.
- Step 2 – Gathering Evidence and Analysis – If a case is criminal in nature, the investigation is referred to the Ministry of Social Development and Poverty Reduction, which has criminal investigators on staff.
- Step 3 – SDPR staff conduct a criminal fraud investigation
- If recommended for criminal charges, a package is passed to Crown Counsel for action
- Recovery – At the conclusion of the investigation, if it's found that an organization or individual did in fact receive overpayments from government, the Province seeks to recover those overpayments by collections activity and/or civil litigation.

Challenges:

s.13

Media Interest: CTV has interviewed the main witness (new owner/plaintiff). However, as of January 24, 2019, they have not yet published a story.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Communications:	Kirsten Lauvaas	250 356-1553
Program:	Philip Twyford / Francisco Suarez	778 698-4972 / 778 698-5685

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Child Care Space Shortage (General)

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: March 25, 2019</p> <p>Minister Responsible: Katrina Chen</p>	<p>Child Care Space Shortage (General)</p>
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Advice and Recommended response:

- The programs we launched under *Childcare BC* are helping us create new licensed child care spaces more quickly than ever before.
- Since July 2018, we've already approved funding for 3,900 licensed spaces through New Spaces funding and Start-Up Grants – and more projects are being approved each week.
- I am proud of our achievements so far – and the numbers speak for themselves.
- With the pace set over the past eight months, we have already exceeded our Year 1 target of 3,635 new spaces for B.C. families.

If needed – Year 2 & 3 Targets:

Our *Childcare BC* space-creation programs have existed for less than a year and we're already seeing success.

We have set aggressive space-creation targets because we're trying to fix a problem that was left to fester and grow for more than a decade.

This issue wasn't created overnight, and it won't be fixed overnight.

If needed – government's approach:

We're looking at innovative partnerships and finding more flexible ways to create new licensed child care throughout the province.

Whether it's public or private organizations getting funding through our *Childcare BC* New Spaces Fund, or small family providers accessing Start-

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Up Grants to become licensed. . . . the number of new spaces and the families who can finally find affordable and quality child care are climbing.

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KEY FACTS:

The opposition critic has regularly spoken about the lack of spaces that have been created under *Childcare BC*, attributing the shortage of spaces to a lack of supports for the child care sector. He has also asserted that the ministry will not meet its 22,000 new spaces target.

During estimates, the critic raised the following space-creation concerns:

- If government is spending \$221 million over three years for new spaces, that's about \$73 million per year. But through the press releases that the government has issued so far, they've only announced about \$7.5 million to create 1,600 spaces.
- In this fiscal year, the minister set a target of 115,000 licensed funded spaces. This would require 7,000 to 9,000 spaces in this fiscal year.
- In the service plan, it uses the number 108,000 as the baseline. In the performance report of that same time period, it uses the figure of 106,000, which would suggest that instead of having a target of 7,000 spaces this year, it should have a target of 9,000 incremental spaces.
- What is the target is for this year: 7,000 or 9,000 spaces?

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Improving access to child care is one of the key pillars under *Childcare BC*. Under Budget 2018, the Province committed \$237 million over three years to support the creation of 22,000 new licensed child care spaces.

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In June 2018, the ministry announced the Start-Up Grant program to help unlicensed child care providers with the cost of becoming licensed. Through this program, providers are eligible for up to \$4,000 to become a Family Child Care provider (seven licensed spaces) or up to \$4,500 to become an In-Home Multi-Age care provider (eight licensed spaces) if they are a certified Early Childhood Educator. To date, the program has funded about 1,920 licensed spaces – with a target of 1,460 net new spaces.

In July 2018, the Province launched the Childcare BC New Spaces Fund to support the creation of new licensed child care spaces. Under this program, the ministry has moved to a continuous intake process, which allows providers to apply for funding at any time during the year. Providers are eligible for up to \$1 million to create new spaces, either by building a new facility or expanding an existing facility. To date, the Province has provided funding to help child care providers create approx. 2,000 new licensed spaces.

The ministry has also invested \$13.7 million from its Early Learning and Child Care Agreement with the Government of Canada to create the Community Child Care Space Creation Program in partnership with UBCM. The results of this partnership will be announced in April 2019.

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In addition to the space-creation programs, the ministry launched the Childcare BC Maintenance Fund in June 2018. This program provides support to providers who need to carry out essential repairs at their facilities – or relocate their operations altogether – to maintain licensing standards.

Media Interest: There have been no media articles specific to this issue to date.

Communications:	Brendan Wright	250 356-2028
Program:	Jonathan Barry	778 698-5313

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Shortage of Early Childhood Educators

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: Feb 13, 2019</p> <p>Minister Responsible: Katrine Conroy & Katrina Chen</p>	<p>Shortage of Early Childhood Educators</p>
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ADVICE AND RECOMMENDED RESPONSE:

- Early Childhood Educators are at the heart of B.C.'s child care system, yet for many years, the sector has not received appropriate support from government.
- This has led to the staffing shortage that we are seeing today.
- That's why, in September 2018, we launched a comprehensive recruitment and retention strategy that includes a wage enhancement and improved access to training and development funding.
- The strategy is part of a three-year, \$136-million investment to boost the quality of B.C.'s child care system and recognize ECEs for the important work they do every day to teach and inspire the children in their care.
- It will take time to strengthen the sector and build the profession.
- This strategy, as part of our overarching *Childcare BC* plan, is the first step towards bringing quality, affordable child care to B.C. families.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

KEY FACTS:

For many years, the child care sector has been struggling to recruit and retain qualified staff. This has led to a number of child care closures, and the issue has been raised in the media several times.

In September 2018, the Province launched its *Early Care and Learning Recruitment and Retention Strategy*, which seeks to address the key issues that are currently affecting the child care sector. As part of this strategy, eligible Early Childhood Educators (ECEs) are receiving a \$1/hr wage enhancement starting in early 2019 (retroactive to September 2018). This will be followed by an additional \$1/hr enhancement in April 2020. Each lift represents a \$21-million annual investment.

In addition to the wage enhancement, the ministry is increasing training and development opportunities for the sector. This includes a \$16.3-million investment through the Province's Early Learning and Child Care Agreement with the Government of Canada to expand the current ECE bursary and to fund a variety of professional development opportunities around the province. The Ministry of Advanced Education, Skills and Training is also funding more than 600 new ECE graduates over the next three years.

The newly expanded ECE Education Fund, administered by the Early Childhood Educators of BC (ECEBC), has approved nearly 1,100 bursary applications for the Fall 2018 semester, providing a total of \$2,075,500 to help students with their ECE studies.

s.13

The ministry has worked closely with the sector – including the ECEBC – to understand their needs. This strategy is a first step to addressing the key issues for the sector and recognizing them for the important work that they do.

Media Interest: In July/August 2018, the media linked the closure of several child care centres to the shortage of qualified ECE staff. s.13

s.13

Communications:	Angus Noble	778 974-5964
Program:	Christine Massey	778 698-7367

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Child Care Report – Canadian Centre for Policy Alternatives

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: Feb. 7, 2019</p> <p>Minister Responsible: Katrine Conroy & Katrina Chen</p>	<p>Child Care Report – Canadian Centre for Policy Alternatives</p>
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ADVICE AND RECOMMENDED RESPONSE:

- It's important to note that the full effects of our *Childcare BC* plan are not reflected in the Canadian Centre for Policy Alternative's 2018 report.
- The Childcare Fee Reduction Initiative, the Affordable Child Care Benefit and the Childcare BC Universal Prototype Sites have all been introduced over the past 11 months.
- We are well aware that B.C. parents have been facing a child care crisis for many years.
- That's why we've taken action over the past year to improve the child care landscape in our province.
- We're confident that our *Childcare BC* Plan will help reduce costs and increase affordability for B.C. families.

Budget 2019:

The Finance Minister will release *Budget 2019* soon, but I want to remind you about last year's budget, which committed more than \$1 billion over three years – the largest investment in child care in B.C.'s history.

We've completed year one and we've seen an amazing take-up by providers on the Child Care Fee Reduction Initiative, which translates into savings for families.

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We've seen the most new child care spaces approved over an eight-month period than ever before.

We have a Start-Up Grant program that is exceeding our expectations and allows unlicensed, in-home daycare providers to become licensed and offer more child care spaces in their communities.

And to recognize the invaluable difference that Early Childhood Educators make in children's lives, eligible ECEs will soon receive wage a enhancement that includes a dollar-an-hour increase, with a further dollar-an-hour increase coming in April 2020.

This is in addition to ECE education bursaries that are offered through post-secondary institutions and funding for professional development that is coming soon.

We've done a lot, and we have more to do. I'm excited about launching year two and continuing our successful *Childcare BC* plan.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

KEY FACTS:

Since 2014, the Canadian Centre for Policy Alternatives (CCPA) has investigated the cost of child care across the country and released a report annually.

On Feb. 4, 2019, CCPA issued an article entitled Maintain momentum building a universal, affordable, quality child care system as part of a BC Budget 2019 Policy Note series based on feedback the CCPA submitted to the Province during budget consultations. The article states that the evidence-based and widely endorsed \$10-a-Day Child Care Plan includes a blueprint for action. Last year's budget took some big steps forward. What we need now is for *BC Budget 2019* to maintain the momentum with additional investments in child care. CCPA suggests three key steps government can take in Budget 2019 to maintain momentum:

1. Improve access to child care by introducing a new capital budget to purchase and build publicly owned child care facilities.
2. Enhance quality and address the recruitment and retention crisis in the child care sector by further raising wages.
3. Further reduce child care fees for families

CCPA believes all public funding (both capital and operating) for new child care spaces should flow only to public or not-for-profit licensed programs to ensure public funds are not used to accumulate private assets. They support the Coalition of Child Care Advocates of BC's recommendation that participation in the child care fee reduction initiative be made a condition for receiving public funding (as opposed to it being an optional program). This is already a condition for receiving public capital funds through the BC New Spaces Fund and it should be extended to operating funds as well.

On Feb. 7, 2019, CCPA released its 2018 report on child care fees in urban centres: Developmental Milestones – Child care fees in Canada's big cities 2018.

It's important to note that the benefits of *Childcare BC*, including the Child Care Fee Reduction Initiative (CCFRI), the Affordable Child Care Benefit and the Childcare BC Universal Prototype Sites, are not reflected in this year's CCPA report, as the programs are too new to have yielded reliable data.

Four B.C. communities are included: Vancouver, Surrey, Burnaby and Richmond. B.C. communities fall into the middle to high end of the fee spectrum, depending on care type. During the reporting period, Vancouver had the highest fees in the country for toddlers.

Fees rose higher than the rate of inflation in all care types in B.C. communities (with one exception). The report authors are critical of the CCFRI (see excerpt below) and note that the intended benefit may be eroded by providers' increasing their fees in anticipation of the CCFRI being introduced:

"Fee hikes were particularly severe in the Toronto suburbs of Brampton, Mississauga, Markham and Vaughan, where parental child care costs are up between 5% and 9% – two to three times the rate of inflation. The cities of Metro Vancouver, including Burnaby, Surrey and Vancouver proper, also experienced median fee increases that were roughly twice the rate of inflation. This is particularly important as British Columbia's new child care fee plans came into effect after this report's data were collected.

"The first part of the BC plan, as discussed above, does not set fees directly but rather reduces them by \$100 for preschooler spaces. However, since 2017, median fees in much of Metro Vancouver have increased by \$50 to \$60, potentially swallowing up half the planned reduction for parents. Thus, plans to reduce fees can fall victim to potential front-running behaviour; centres may have raised fees in anticipation of the coming policy. Our 2019 fee

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

survey will reveal how much of the \$100 reduction in preschool-age fees parents actually experienced. However, if BC cities experience any reduction in median fees, that will be a rare event in our tracking of child care fees.

Here are some of the study's main findings:

- Cities in and around the Greater Toronto Area (GTA) and Metro Vancouver continue to have the highest fees for infants. Toronto tops the list at \$1,685 a month or \$20,220 a year. Mississauga, Hamilton and Kitchener follow at more than \$1,490 a month. Infant fees in Vancouver were \$1,400 a month;
- Preschooler spaces, the most numerous type, are most expensive in Toronto with a median fee of \$1,150 a month, but close behind at over \$1,000 are: Ontario cities of Brampton, Mississauga, Vaughan, Markham, London, Kitchener and Ottawa; Calgary (AB); and Vancouver (BC);
- No matter the age category, fees remain lowest in all Quebec cities at under \$200 a month, followed by Winnipeg and Charlottetown – all of these are in the three provinces that have had set fees for years. In addition, Newfoundland and Labrador, Alberta and British Columbia also implemented policies directly targeting high parent fees in 2018.

Infant fees:

Vancouver is 6th most expensive at \$1,400/month (Toronto is most expensive at \$1,685/month)

Richmond is 8th at \$1,335/month

Burnaby is 9th at \$1,260/month

Surrey is 10th at \$1,250/month

Toddler fees:

Vancouver is the most expensive in Canada at \$1,407/month (Toronto is 2nd at \$1,367/month)

Surrey is 4th at \$1,250/month

Burnaby and Richmond tie for 7th at \$1,200/month

Pre-school fees:

Vancouver is 10th most expensive at \$1,000/month (Toronto is most expensive at \$1,150)

Richmond is 12th at \$975/month

Burnaby is 13th at \$900/month

Surrey is 15th at \$850/month

Waitlists:

In terms of centres claiming to maintain waitlists:

- Vancouver tied for 1st highest with Kitchener, ON at 100%
- Burnaby is 9th highest (tied with Toronto and Markham ON) at 91%
- Surrey is 3rd lowest 72%
- Richmond is 2nd lowest at 65% (Edmonton is lowest at 49%)

In terms of centres claiming they charge a waitlist fee:

- Burnaby is 3rd highest at 27%
- Surrey is 4th highest at 26%
- Richmond is 9th highest at 7%
- Vancouver is in 11th place (exactly in the middle, and tied with Saskatoon, SK) at 3%.

Media Interest: The Vancouver Sun published an article on the report on Feb. 7th, and CBC will interview Minister of State Chen on their morning show on Feb. 8th.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Communications:	Kirsten Lauvaas	250 356-1553
Program:	Christine Massey	778-698-7121

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

CARDUS Child Care Report

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: February 5, 2019</p> <p>Minister Responsible: Katrine Conroy & Katrina Chen</p>	<p>CARDUS Child Care Report</p>
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ADVICE AND RECOMMENDED RESPONSE:

- Cardus' position that government funding for child care should also support a parent's choice to stay at home with their young children is well known.
- We respect parents' right to choose whether they stay at home or return to the workforce.
- Our *Childcare BC* plan makes it easier for those parents who do choose to go back to work, by:
 - Helping to make child care more affordable.
 - Funding new child care spaces.
 - And helping to ensure that new spaces meet the quality standards that parents expect.

If needed:

Parents who choose to stay home with their children will continue to have access to many free-of-charge early learning programs and supports, including StrongStart BC Centres.

As part of updating the Early Learning Framework, government is also creating resources for parents to use at home with their children.

Sixteen new resources are currently available online, with more coming later this spring.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

They include literacy, interactive play and library programs for children and their parents to explore together.

The online resources will soon be available in multiple languages.

Parents will also be able to access new early years programs and services in communities throughout B.C. starting in April 2019.

We are in the process of identifying service providers through a Request for Proposals process and we will share more information about these programs and services in March.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

KEY FACTS:

On Jan. 21, 2019, Cardus – a non-partisan, faith-based think tank – published *A Positive Vision for Child Care Policy Across Canada: Avoiding the Social and Economic Pitfalls of Universal Child Care.*

The report asserts that universal child care creates fundamental inequities for families by taking away their choice and diversity of options and that “the creation of government-funded universal child care systems is structurally opposed to the diversity children and families need”.

The report argues that child care policy should be removed from policies related to GDP enhancement, labour force attachment and gender equity and should instead be solely attached to “family policy”. It puts forward the position that any funding for child care should follow the child, not child care spaces, to also support those that choose parental care. The report asserts that universal systems do not provide high-quality, sustainable child care. To support this position, the report argues that, in Quebec, many families have been excluded from significantly benefiting from their universal system because universal childcare allocates funding “based on the style of child care chosen” (i.e. licensed care vs. parental care). Cardus asserts this violates the human-rights principle of equal benefit under the law, as well as “the principle of free choice without discrimination based on lifestyle choices.”

The report’s contributors have suggested several alternative approaches to universal child care; however, the only shared consensus of all parties is that universal systems like Quebec’s aren’t accessible to everyone – in other words, the term “universal” is misleading. They don’t believe universal child care works and they want to see it removed as an option altogether.

The report suggests that solutions should be community-based and not delivered through federal or provincial governments and should focus on the following principles:

1. Choice – accommodating diverse types of care, including independent care providers, parents, grandparents or anyone else a family chooses.
2. Funding Neutrality – all levels of government should remain neutral on the types of childcare families choose. Government monopolies are as negative as corporate monopolies.
3. Quality – child care settings should have simple, consistent, easily understood and enforced quality and safety standards that are transparently enforced.
4. Diversity – different communities have different needs, just as different families have different needs. Diversity in child care options should be celebrated and embraced.
5. Parent Accountability – parents need to be able to advocate for their children, especially those who have extra support needs. Funding parents instead of providers gives parents strength and places them at the centre of decision-making.
6. Best Interests of the Child – the child should come first...before any argument about the economic or social benefits of child care, like drawing correlations to increased labour-force participation, raising the GDP, responding to gender equity in the workplace, or attempting to increase fertility rates. Ultimately, the best approach is to ensure that children are getting high-quality care that is based on solid evidence and best practices and is focused on positive early learning and care outcomes.

Media Interest: The Cardus report has received minimal media coverage to date; however, it’s possible that the results of the report could be raised in the House during Question Period, or by B.C. media.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Communications:	Kirsten Lauvaas	250 356-1553
Program:	Christine Massey	778 698-7121

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Early Childhood Educators – staffing & licensing exemptions

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: Feb. 13, 2019</p> <p>Minister Responsible: Katrine Conroy & Katrina Chen</p>	<p>Early Childhood Educators – staffing & licensing exemptions</p>
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ADVICE AND RECOMMENDED RESPONSE:

- We recognize that there is a shortage of qualified Early Childhood Educators in B.C.
- That's why, in September 2018, we launched a comprehensive recruitment and retention strategy that includes expanded ECE bursaries, a wage enhancement, and improved access to training and development.
- This strategy, as part of our overarching *Childcare BC* plan, is the first step towards bringing quality, affordable child care to B.C. families.
- While I can say that the supports for ECEs are being well received so far, it will take time to get future ECEs trained and certified.

If needed:

Early Childhood Educators are at the heart of B.C.'s child care system, yet for many years, the sector has not received appropriate support from government.

This has led to the staffing shortage that we are seeing today.

Our recruitment and retention strategy is part of a three-year, \$136-million investment to boost the quality of B.C.'s child care system and recognize ECEs for the important work they do every day to teach and inspire the children in their care.

Stats:

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

The ECE Education Fund, administered by the Early Childhood Educators of BC (ECEBC), approved nearly 1,100 bursary applications for the Fall 2018 semester, providing more than \$2 million to help students with their ECE studies.

As of December 2018, post-secondary institutions reported that the expanded ECE seats at B.C. post-secondary institutions are about 80% full, on average.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

KEY FACTS:

For many years, the child care sector has been struggling to recruit and retain qualified staff, and many child care facilities have had to seek licensing exemptions to allow underqualified employees to act in place of qualified educators due to a lack of available Early Childhood Educators (ECEs). This means that in some cases, Responsible Adults (RAs) may act in the position of an Early Childhood Educator Assistant (ECEA), while ECEAs may act in the position of an ECE. In other cases, providers are looking outside of B.C. and Canada to find qualified workers; however, they claim the process to bring those workers to Canada is frustratingly unclear and time consuming.

Under Section 16 of the *Community Care and Assisted Living Act*, medical health officers/licensing officers may grant exemptions "if satisfied there will be no increased risk to the health and safety of persons in care"; these officers are also able to suspend, cancel or vary exemptions as needed.

On Feb. 11, 2019, Castanet published an article that highlights a number of key concerns from Amanda Worms, member of the BC Child Care Owners Association (BCCCOA) and owner of two child care facilities in Kelowna. One of the key concerns is the lack of qualified Early Childhood Educators in B.C.: "The federal and provincial governments have thrown a lot of money at child care and they are making announcements about opening new spaces, but the fact is we have no teachers. Why would anybody spend \$10-\$15,000 getting a post-secondary education to make \$16 an hour? It just doesn't make sense and [government's] not doing anything about it... It is increasingly difficult to do business without being able to pay staff well enough to keep them, let alone attract new employees; I need nine new educators this year and I've got two applicants."

Through a Freedom of Information request, Worms says from April 2016 through April 2017, that Health Authorities throughout the Province approved 2,194 licensing exemptions for "underqualified educators" to act in place of qualified educators. Worms claims these exemptions could affect the quality care of about 13,000 children in B.C., and claims that without government action, operators are left with the choice between operating with unqualified educators, shutting down spaces, or raising fees.

s.13; s.22

What the Province is Doing:

In September 2018, the Province launched its *Early Care and Learning Recruitment and Retention Strategy*, which seeks to address the key issues that are currently affecting the child care sector. As part of this strategy, eligible Early Childhood Educators (ECEs) are receiving a \$1/hr wage enhancement starting in early 2019 (retroactive to September 2018). This will be followed by an additional \$1/hr enhancement in April 2020. Each lift represents a \$21-million annual investment.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

In addition to the wage enhancement, the ministry is increasing training and development opportunities for the sector. This includes a \$16.3-million investment through the Province's Early Learning and Child Care Agreement with the Government of Canada to expand the current ECE bursary and to fund a variety of professional development opportunities around the province. The Ministry of Advanced Education, Skills and Training is also funding new seats for 620 new ECE graduates over three years.

The newly expanded ECE Education Fund, administered by the Early Childhood Educators of BC (ECEBC), has approved nearly 1,100 bursary applications for the Fall 2018 semester, providing a total of \$2,075,500 to help students with their ECE studies.

s.13

The ministry has worked closely with the sector – including the ECEBC – to understand their needs. This strategy is a first step to addressing the key issues for the sector and recognizing them for the important work that they do.

Media Interest: In July/August 2018, the media linked the closure of several child care centres to the shortage of qualified ECE staff. The ECE shortage is brought up regularly through media, due to the advocacy of BCCCOA. s.13

s.13

Communications:	Kirsten Lauvaas	250 356-1553
Program:	Christine Massey	778 698-7367

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Redirection of Funding for Early Years Initiatives (Ashcroft)

CONFIDENTIAL ISSUES NOTE

Ministry of Children and Family Development

Date: Feb 21, 2019

Minister Responsible: Katrine Conroy & Katrina Chen

Redirection of Funding for Early Years Initiatives (Ashcroft)

ADVICE AND RECOMMENDED RESPONSE:

- We continue to place a high value on early years planning, and working with communities remains critical to this work.
- It's important to note that the sector will not see a decrease in funding or supports – in fact, many communities will see an increase.
- We've heard from parents that they want access to more direct services, and that's why we've decided to put more resources into programs and services that directly support families with young children in B.C.
- To this end, funding currently used for several early years programs that offer coordination services – including Early Years Centres, Success by 6 and Children First – will end as of March 31, 2019.
- This funding will be redirected into other programs, including parent and family supports, early childhood development, and Indigenous culture and language programming.
- The Ministry posted Requests for Proposals in November 2018, and welcomed organizations who offer direct services to families – including those that coordinated early years centres – to apply for funding through this process.
- The RFP closed on January 16, 2019 and the review process is now underway to determine successful proponents.

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- **We will be able to announce final results in March, with the intention that the programs and services will be in place in April.**
- **Through this process, the Ministry expects to expand programming for families, including providing services in some rural and remote parts of the province where services have never before been funded.**

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

KEY FACTS:

The total budgeted investments province wide in 2018/19 for Success by 6 (\$3.4 million), Children First (\$3.7 million) and Early Years Centres (\$2.6 million). This totals \$9.7 million. The new total going to direct services in 2019/20 is expected to be over \$9.9 million.

The ministry has heard from parents that they want access to more direct services, and that's why a decision has been made to put more resources into programs and services that directly support families with young children in B.C. To this end, funding currently used for Early Years Centres (EYCs) and Children First will end as of March 31, 2019 and will be redirected into other programs, including parent and family supports, early childhood development, and Indigenous culture and language programming. In addition, the Ministry and United Way of the Lower Mainland made a joint decision to end funding to the Success by 6 initiative.

To achieve a balance across all regions of the province, the ministry will redirect the funding previously available for these initiatives to ministry Service Delivery Areas – for direct services that will align with the Early Years Service Framework – in order to better meet the needs of the children and families we serve.

The Ministry posted 13 customized Request for Proposals on November 21, 2018 – one for each MCFD Service Delivery Area in the province. The RFPs closed on January 16, 2019.

These RFPs will be used to distribute approximately \$8 million in funding for direct services to children and families. The remaining \$1.9 million will be allocated through contract amendments to support the continuation of direct services, the majority of which is being directed to Indigenous communities.

Request for Proposals were customized using regional data and information, including program and population data, summaries of past community projects and other information from health and education partners – this information was used to determine the amount of funding allocated to each community.

As part of this RFP process, Ashcroft will receive \$26,000 for direct service, which is more than was previously available for families in this area. s.13

s.13

As well as this funding for early years services, in October 2018 the Ministry announced a three-year \$30-million investment through the Early Learning and Child Care Agreement with the Government of Canada to improve services for children with extra support needs. As part of this investment, Nzen'man' Child and Family Development Centre is receiving funding to support children in the Ashcroft area.

Media Interest: On Wednesday 20 February, the Ashcroft Cache Creek Journal published an article titled 'Make Children First's CareFairs are going out with a bang'. In this article, a Make Children First coordinator expressed her disappointment that funding for the Make Children First initiative was ending as of March 31, 2019, and saying that the changes were 'poorly rolled out'.

The Ministry has also received correspondence from several stakeholders, expressing concern about the redirection of funding. 100 Mile House Free Press also released a story on February 8, 2019, about the Cariboo Family Enrichment Centre seeing cuts to their Success by 6 and Early Years Centre funding.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Communications:	Brendan Wright	250 356-2028
Program:	Danielle Smith	250-413-7608

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Supported Child Development Funding

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: February 26, 2019</p> <p>Minister Responsible: Katrine Conroy & Katrina Chen</p>	<p>Supported Child Development Funding</p>
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Advice and Recommended response:

- Giving B.C. families access to affordable, quality child care is a key priority under *Childcare BC*.
- This includes families who have children with extra support needs who – for too long – have been ignored.
- Waitlists for inclusive child care and early intervention programs have been building for years.
- In October, we took the first steps to support waiting families.
- Through our Early Learning and Child Care Agreement with the Government of Canada, we are investing \$30 million to help reduce wait times and better support waiting families.
- This is allowing about one thousand more children to access child care and interventions that will meet their unique needs.

If needed:

We know that we have more to do to achieve our long-term vision of inclusive child care for every child who needs it.

While this funding will not fix the problem, it is a step in the right direction as we move towards a universal child care system – one that provides inclusive and accessible programming for children with extra support needs.

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As part of our Childcare BC Universal Prototype Sites, we are working with child care providers across the province to understand how we can create more inclusive child care environments and better support all B.C. families.

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KEY FACTS:

During her response to the budget speech, a former minister of Children and Family Development raised the issue of wait lists for infant and child development programs, as well as for early childhood interventions at child development centres in B.C. She questions why there is no budget – under *Budget 2018* or *Budget 2019* – to address “the very real needs that [government] said were necessary and that they would fund? They’re not there. It’s just that simple.”

Childcare BC has three key pillars: Access, Affordability and Quality. Inclusive child care is an important part of providing parents with access to programs and services that best meet children’s needs – whatever their abilities. Inclusivity is a priority consideration as part of the application process for *Childcare BC* programs, including the *Childcare BC* Universal Prototype Sites.

Through its Early Learning and Child Care Agreement with the Government of Canada, the Province is investing \$30 million over three years to address waitlist pressures and help ensure that families are getting access to the Supported Child Development and Aboriginal Supported Child Development programs and services their children need.

Aboriginal Supported Child Development (ASCD) and Supported Child Development (SCD) programs offer support and services to child care providers and to families with children with extra support needs so that they can fully participate in child care and early learning programs across B.C.

SCD programs may provide:

- Information and training for child care staff to help them make their programming more inclusive, such as creating a visual schedule to help a child better understand their daily routine, learning strategies for managing difficult behaviours, or allowing a child to begin their day earlier to be better oriented before their peers arrive.
- Working with families to link them to other local resources and support groups in the community, or to help them access medical and other needed services.
- When needed, one-on-one help for children who may need assistance during meals or to take part in activities with their peers.

ASCD programs offer SCD services within a cultural model, so that Indigenous children with extra support needs can be included meaningfully in child care programs – both on and off reserve – while also learning about their heritage and culture.

As part of their duties, staff at SCD and ASCD programs may:

- Assess a child’s behavioural and developmental challenges and create a support plan for that child.
- Work with child care providers and their staff to understand a child’s support needs and accommodate them by making changes to support the child’s learning and development (for example, creating a visual schedule to help a child better understand their daily routine or training staff in new approaches to teaching the curriculum).
- Work with families to link them to other local resources and support groups in the community or help them access medical and other services.

There is no additional cost for families accessing SCD/ASCD programming; their child care fees will remain the same. ASCD programming can be delivered on- or off-reserve, within Indigenous and non-Indigenous child care facilities.

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Media Interest: There was some light media coverage at the time of the announcement of funding in October 2018; this issue is likely to come up as part of MCFD's Estimates for 2019-20.

Communications:	Kirsten Lauvaas	250 356-1553
Program:	Christine Massey	778 698-7121

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Redirection of Funding for Early Years Initiatives

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: April 26, 2019</p> <p>Minister Responsible: Katrine Conroy</p>	<p>Redirection of Funding for Early Years Initiatives</p>
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ADVICE AND RECOMMENDED RESPONSE:

- We continue to place a high value on early years planning, and working with communities remains a priority.
- We heard from parents that they wanted access to more direct services, and that's why we've decided to put more resources into programs and services that directly support families with young children in B.C.
- To this end, we ended our contracts for several early years programs – including Early Years Centres, Success by 6 and Children First –and instead redirected that funding into other programs -- programs that will directly benefit children and families in B.C.
- Money has started to flow to successful funding applicants and many of these new services are now in place.
- However, several contracts are still being finalized.
- Once all of the contracts are signed, more than 95 B.C. communities will see new or enhanced programming for families, including providing services in some rural and remote parts of the province where services have never before been funded.

If needed:

During a provincial gathering for all Success by 6 and Children First coordinators in February 2018, the Ministry notified organizations that there

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would be funding changes coming. After this meeting, the Ministry had follow-up calls with organizations to discuss the changes in more detail.

On June 12, 2018, I issued a public letter, with copies sent to all Success by 6 and Children First funding, outlining the Ministry's decision to end funding to these initiatives and to instead focus on providing direct services for families.

This letter was posted to the Ministry's website, along with FAQs to outline the changes.

In September 2019, the Ministry posted a Notice to Vendors to BC Bid informing organizations that Requests for Proposals for new services would be posted in the months ahead.

At the beginning of November 2018, all non-Indigenous organizations receiving Early Years Centre funding were notified by telephone that this funding would end on March 31, 2019. The organizations also received an e-mail confirming this change, followed by official contract letters shortly after.

In November 2018, the Ministry also issued official contract letters to all Children First and Success by 6 organizations that their funding was ending as of March 31, 2018. All organizations received information about the upcoming RFPs and were invited to apply if they offered direct services to families.

Throughout November and December, Ministry staff hosted information sessions and answered questions about the RFPs, including one province-wide call for applicants, and 13 regional calls.

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KEY FACTS:

The total budgeted investments province wide in 2018/19 for Success by 6 (\$3.4 million), Children First (\$3.7 million) and Early Years Centres (\$2.6 million). This totals \$9.7 million. The new total going to direct services in 2019/20 is expected to be over \$9.9 million.

We've heard from parents that they want access to more direct services, and that's why we've decided to put more resources into programs and services that directly support families with young children in B.C. To this end, funding currently used for Early Years Centres (EYCs) and Children First will end as of March 31, 2019 and will be redirected into other programs, including parent and family supports, early childhood development, and Indigenous culture and language programming. In addition, the Ministry and United Way of the Lower Mainland made a joint decision to end funding to the Success by 6 initiative.

To achieve a balance across all regions of the province, the ministry will redirect the funding previously available for these initiatives to ministry Service Delivery Areas – for direct services that will align with the Early Years Service Framework – in order to better meet the needs of the children and families we serve.

The Ministry posted 13 customized Request for Proposals on November 21, 2018 – one for each MCFD Service Delivery Area in the province. The RFPs closed on January 16, 2019.

These RFPs will be used to distribute approximately \$8 million in funding for direct services to children and families. The remaining \$1.9 million will be allocated through contract amendments to support the continuation of direct services, the majority of which is being directed to Indigenous communities.

Request for Proposals were customized using regional data and information, including program and population data, summaries of past community projects and other government data – this information was used to determine the amount of funding allocated to each community.

Process undertaken to inform cancellation of Early Years Centres and key finding:

MCFD funded an Early Years Centre Evaluation led by the Human Early Learning Project (HELP) at the University of British Columbia (UBC). HELP received \$165,000 over three years to evaluate the Early Years Centres in B.C. The ministry received HELP's final report in April 2018.

This report found that the EYC initiative acted primarily as a coordination function and showed that there was very little improvement in key areas, such as increased access to services under the Early Years Centres. In fact, some key aspects – such as quality of trust and relationships between service providers – actually declined as a result of the implementation of the Early Years Centres.

These findings, along with the inequitable distribution of EYCs across B.C., led to the decision to reallocate the funds into direct programming for families.

The ministry collected information for the evaluation through multiple different media, including: Reflective journaling from service providers, interviews with key early childhood development professionals and EYC administrators (telephone), and EYC baseline and follow-up surveys (online). In the second phase of the evaluation, the ministry conducted more intensive case studies in four communities, which provided the opportunity to speak to actual families as well.

Parents reported as part of the evaluation that what they needed most were direct in-person services, including:

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- o better staffing to help improve access and reduce wait times;
- o reduced costs for some programs and services;
- o a greater range of programs that are inclusive of gender, class and culture; and,
- o and additional programs and services offered throughout the day and on weekends, rather than only in the mornings/early afternoon.

These findings are reflected in the Early Years Service Framework and the RFPs that were posted on Nov. 21, 2018.

The review also underscored challenges with community collaboration initiatives, including EYCs, stating that these initiatives did not always deliver a “comprehensive, coordinated and integrated service system”, but instead worked towards “individual organizational objectives and practices” that did not directly help families.

Media Interest: The Ministry has received correspondence from several stakeholders, expressing concern about the redirection of funding. On Feb. 8, 2019, 100 Mile House Free Press also released a story about the Cariboo Family Enrichment Centre seeing cuts to their Success by 6 and Early Years Centre funding.

On March 24, 2019, the Abbotsford News announced that the Abbotsford School District was the successful proponent for the early years RFP in the area.

On April 24, 2019, the Barriere Star Journal announced that Yellowhead Community Service had been selected as the successful proponent for the early years RFP in the area.

As of April 26, there have been no further concerns raised by unsuccessful stakeholders, and none are expected at this time.

Communications:	Brendan Wright	250 356-2028
Program:	Danielle Smith	250-413-7608

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Private vs Public Child Care

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: Mar 18, 2019</p> <p>Minister Responsible: Katrine Conroy & Katrina Chen</p>	<p>Private vs Public Child Care</p>
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Advice and Recommended response:

- As the Premier has said, we're delivering innovative solutions to help parents access affordable, quality child care throughout B.C.
- We are doing that by working with both the private and public sectors.
- We will continue to support B.C.'s diverse child care sector so that parents have the option to choose what works best for their families.
- Our long-term goal is to make sure we have more quality, licensed child care spaces for kids, so that parents can go back to work or school if they want to.

If asked about the long-term plan:

- We have made a commitment to B.C. families and we're going to keep it.
- As we move towards our long-term goal of delivering universal child care, we will continue to work closely with B.C. child care providers to make life better for families.
- Through our Childcare BC Universal Prototype Sites, we will gather feedback to understand what a universal child care system could look like, including the best model to deliver affordable, accessible and quality child care for B.C. families.

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KEY FACTS:

On March 14, 2019, the Province announced that it would not renew contracts for senior care providers and would instead bring this service in to government. This change led Global BC to speculate about the government also taking this approach with child care.

In response, the Premier stated: "When it comes to delivering child care, we are innovating as a new government, bringing in affordable, accessible, quality child care. And we're working with the private sector to deliver those services. I don't see that changing in the short term, but in the long term we want to make sure we've got more spaces for kids so that families can be full participants in the work force, and make the economy run."

When the *Childcare BC* plan launched in February 2018, many private child care providers were concerned about the Province ending support for their businesses. The opposition critic for child care has also repeatedly raised the question of whether government would continue to support private providers.

Private providers continue to be eligible for support through several *Childcare BC* initiatives, including:

- Up to \$250,000 through the Childcare BC New Spaces Fund to help create new licensed child care spaces across the province.
- Up to \$5,000 a year through the Childcare BC Maintenance Fund to help them with emergency repairs or to replace items to maintain their facility, and up to \$25,000 to help with emergency relocation costs.
- Child Care Operating Funding, to help them with the day-to-day costs of running a child care business.
- Additional administrative top-ups to monthly Child Care Operating Funding for those who participate in the Child Care Fee Reduction Initiative.

Media Interest: There have been no media requests for comment from the ministry to date.

Communications:	Brendan Wright	250 356-2028
Program:	Christine Massey	778 698-7121

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Child injured at licensed daycare

<p>CONFIDENTIAL ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: April 2, 2019</p> <p>Minister Responsible: Katrine Conroy and Katrina Chen</p>	<p>Child injured at licensed daycare</p>
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ADVICE AND RECOMMENDED RESPONSE:

- It's a tragedy when a child is seriously injured and our thoughts go out to the family at this difficult time.
- When a report is received, our role is to assess whether a child protection investigation is required by the Ministry.

If needed:

- Where a child is injured at a licensed child care facility, the local Health authority would be responsible for undertaking any investigation to understand the nature of the alleged incident and injuries.
- In circumstances where a child's injuries are undetermined, the police are also contacted as per policy.
- The ministry is available to assist in licensing investigations if requested.

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KEY FACTS:

s.13

Media Interest: CHEK News reached out for comment from the Ministry on April 1, and ran a story the same day. A GoFundMe page has been created to raise money for the family and has been shared widely on social media.

Communications:	Brendan Wright	250 213-2844
Program:	Cory Heavener	778 698-5125

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

Child Care Fee Reduction Initiative Adjudication

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: April 26, 2019</p> <p>Minister Responsible: Katrine Conroy and Katrina Chen</p>	<p>Child Care Fee Reduction Initiative Adjudication</p>
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Advice and Recommended response:

- For child care providers who have requested extraordinary fee increases that require review, government is extending a temporary approval for the fee reduction based on their current fees so that parents are not negatively impacted.
- We are balancing parents' right to savings with the need to be fair to providers – and this takes time.
- Situations where we have granted an extension include:
 - The proposed fee is significantly higher than others in the region.
 - The provider wants to increase fees to support higher staff wages despite the fact that there is a separate program that has lifted wages by \$1 per hour for eligible Early Childhood Educators.
 - The ministry is waiting on further information from the child care provider before a decision can be made.
- In some cases, a provider may request fee increases for other operational pressures, all of which need to be reviewed to ensure that the goal of the program – to make child care more affordable for parents – is being met.

If asked why it's taking so long to adjudicate:

- Our Childcare BC programs are new, and we are finding ways to improve them as we learn more about how best to support providers, while also ensuring that parents are getting more affordable child care.
- We are aware that our application processes for these programs need to be further streamlined, and that we may need to build in additional time.

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- **The Ministry will work with providers this year to identify how we can further improve this process for next year.**
- **I've already heard some good suggestions from providers, such as:**
 - **Starting the renewal process earlier**
 - **Staggering contract expiry dates or considering multi-year contracts**
 - **Improving the application form to reduce back-and-forths between the ministry and providers.**
- **I look forward to continuing to work with the sector and to receiving recommendations from staff.**

If asked why the Ministry denied organizations' applications for CCFRI:

- **The Child Care Fee Reduction Initiative was designed to save parents money.**
- **We recognize that there are legitimate reasons why child care operators may have to raise fees.**
- **But where the ministry and a child care provider cannot come to an agreement about a proposed fee increase to ensure it is in line with the intention of the program, the provider will not be approved for CCFRI.**
- **Providers are able to reapply with a revised application at any time.**

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KEY FACTS:

As some applications for the Child Care Fee Reduction Initiative are still in progress, the Ministry has decided to again offer a funding extension to affected providers for May – meaning that parents will not see an increase in fees if their provider is still waiting on a decision from the Ministry.

Child care providers were able to apply for the Child Care Fee Reduction Initiative at the same time as they renewed their Child Care Operating Funding for the 2019/20 contract term.

As of April 24, 3,391 organizations have returned their program confirmation for the 2019/20 CCOF funding agreement (out of 3,607 who received a form). This represents 4,502 facilities.

Of these, 3,225 organizations (95%) representing 4,211 facilities have been put into base pay.

With regards to the Child Care Fee Reduction Initiative, of the 4,211 facilities in base pay:

- **2,873 (68%) are complete and the provider has received a decision email**
 - **2,025 (70%) are approved**
 - 1,605 (56%) are approved with no fee increase
 - 420 (14%) are approved with an historical, nominal (less than \$25/month total increase over the entire year) or within the allowable range above the regional monthly median fee (median +\$50/month for Group; median +\$35/month for family)
 - **43 (1%) are ineligible**
 - **805 (29%) have opted out** of CCFRI (includes ineligible facilities that select to opt-out because ineligible)
- **1,338 (32%) are in progress**
 - 235 (18%) have errors and cannot be adjudicated - the program is waiting for a provider response
 - 103 (8%) have not yet adjudicated (these came in April onwards)
 - 1,000 (74%) have been asked for further information before they can be adjudicated

Media Interest: The ministry and parents have received letters from child care providers about their concerns with the application process for CCFRI; BCCCOA received early media coverage (March 2019) criticizing the ministry's approach to contract renewals.

Communications:	Brendan Wright	250 356-2028
Program:	Christine Massey	778 698-7121

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

BCCCOA CCFRI Concerns

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: April 24, 2019</p> <p>Minister Responsible: Katrina Chen and Katrine Conroy</p>	<p>BCCCOA CCFRI Concerns</p>
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Advice and Recommended response:

Child Care Fee Reduction Initiative:

- It's important to remember that the fee reduction is about making child care more affordable for B.C. families.
- Ministry staff are doing their due diligence to ensure that families are receiving the maximum benefit possible.
- Where child care providers have requested non-standard fee increases that require review, government is extending a temporary approval for the fee reduction based on their current fees so that parents are not negatively impacted.
- Situations where we have granted an extension include:
 - The proposed fee is significantly higher than others in the region.
 - The provider wants to increase fees to support higher staff wages despite the fact that the Early Childhood Educator Wage Enhancement program exists. As of the end of February 2019, approximately 7,500 ECEs have received a wage enhancement, amounting to more than \$5 million in funding.
 - The ministry is waiting on further information from the child care provider before a decision can be made.
- Assessment of these applications can be complex and involves back and forth dialogue between Ministry staff and the provider.
- We are balancing parents' right to savings with the need to be fair to providers – and this takes time.

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If asked why it's taking so long to adjudicate:

- Our *Childcare BC* programs are new, and we are finding ways to improve them as we learn more about how best to support providers, while also ensuring that parents are getting more affordable child care.
- We are aware that our application processes for these programs need to be further streamlined.
- The Ministry will work with providers this year to identify how we can further improve this process for next year.
- I've already heard some good suggestions from providers, such as:
 - Starting the renewal process earlier
 - Staggering contract expiry dates or considering multi-year contracts
 - And improving the application form to reduce back-and-forths between the ministry and providers.
- I look forward to continuing to work with the sector and to receiving recommendations from staff.

Early Childhood Educator Shortage:

- Early Childhood Educators (ECEs) provide rich learning environments that make a huge difference in the lives of the children they care for and support each day.
- ECEs are the heart of the child care system and deserve both recognition and support for the essential work they do.
- That's why we launched an *Early Care and Learning Recruitment and Retention Strategy* in September 2018.
- At the core of this strategy is a \$1-an-hour wage enhancement plus additional funding to offset statutory benefits, which rolled out in early 2019 for eligible front-line ECEs who are working in licensed child care facilities.
- In April 2020, the wage enhancement will increase to \$2 an hour.

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- **As of the end of February 2019, approximately 7,500 ECEs have received a wage enhancement, amounting to more than \$5 million in funding.**
- **These wage enhancements will be supplemented by additional funding that will provide bursaries for post-secondary students who want to become ECEs, while also helping current ECEs and other child care workers to upgrade their skills and training.**

Child Care Closures:

- **I want to be clear that the decision to close a facility is an operational decision that's made by the child care operators themselves.**
- **Our government has made historic investments to improve access to high-quality, affordable child care across the province.**
- **We are supporting the creation of 22,000 new licensed child care spaces over three years and have also enhanced the Childcare BC Maintenance Fund to support more providers with relocation or repair costs to keep spaces open.**
- **As well, Start-Up Grants are helping new and existing providers to create new licensed child care spaces.**
- **These programs are helping us to create more spaces more quickly than ever before: we've already approved funding for more than 4,000 new licensed spaces across B.C., with many more to come.**

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KEY FACTS:

On April 23, the Ministry received a letter from ^{s.22}, sent on behalf of the BC Child Care Owners Association. The Ministry is currently working on a response to this letter.

s.13

On the week of April 17, 2019, the Ministry extended temporary approval for CCFRI to ensure that parents' fees do not increase while providers wait for their application to be adjudicated. As part of this approval, providers are asked to hold any fee increases until their application has been approved.

According to BCCCOA, this 'limbo' is causing issues for parents, leaving them unable to budget for possible fee changes. BCCCOA also claims the temporary approvals is impacting providers in the following ways:

- Providers are unable to confirm employee contracts without confirmation of ongoing eligibility for the ECE wage enhancement;
- Confirm future spaces for families on their waitlist as they can't provide firm fees; and
- Requirement to repay any Childcare BC Maintenance Funding received if they are ultimately not approved for CCFRI.

However, the wage enhancement is a discretionary payment made on behalf of government. This means that the outcome of a facility's CCFRI application should have no bearing on the regular wage agreed upon by an employer and paid to an employee.

With regard to the concern around the repayment of Childcare BC Maintenance Funding, providers are required to apply for the CCFRI in order to be eligible for maintenance funding. However, whether a provider is ultimately required to repay this funding if they are not approved for CCFRI is at the Ministry's discretion, and will be handled on a case by case basis, taking into account the financial impact on the provider.

In addition, the provision of temporary approvals should not impact a provider's ability to confirm a future space for a family currently on their waitlist, although providers may choose to indicate to these families that their proposed fee structure is subject to approval from the Ministry.

The letter also highlighted a few other concerns, including:

- The need for higher rates of funding to keep child care spaces operational and maintain current fee levels;
- Staffing shortages leading to facility closures and compromising children's health and safety;
- The lack of a technical advisory council to allow child care providers to collaborate with the Ministry; and
- A lack of support for private child care providers.

Media Interest: There has been no media interest to date. However, the letter has been posted to Facebook and shared by some child care providers. The opposition critic was also copied when the letter was sent, so this issue may come up in the House.

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Communications:	Brendan Wright	250 356-2028
Program:	Christine Massey	778 698-7121

ADVICE TO MINISTER – CONFIDENTIAL ISSUE NOTE

CCFRI policy for new & existing child care providers

<p>Confidential ISSUES NOTE</p> <p>Ministry of Children and Family Development</p> <p>Date: April 26, 2019</p> <p>Minister Responsible: Katrina Chen and Katrine Conroy</p>	<p>CCFRI policy for new & existing child care providers</p>
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Advice and Recommended response:

- All facilities, whether new or existing, are required to report their recent, current, and proposed monthly parent fees to the Ministry when they apply to participate in the Child Care Fee Reduction Initiative (CCFRI).
- The goal of the fee reduction is to make child care more affordable for B.C. families.
- That's why the Ministry reviews providers' fees before accepting them in to the program to ensure that the greatest possible benefit is passed along to parents in the form of monthly savings, and not unnecessarily diluted through non-standard fee increases.

If asked about facilities that are new/have no history of increases:

- New facilities just starting operations are free to set their initial parent fees at the level they deem appropriate for their business model, program type, and community.
- They will be automatically approved for the program if they are not proposing fee increases for 2019/20.
- However, any recent/proposed fee increase will be reviewed by the Ministry.
- This is similar to the approach taken in April 2018 when the program was first introduced, where eligible facilities – both existing and newly

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opened – were accepted into the program if they reported no recent or proposed fee increases.

If asked about facilities that are proposing a fee increase:

- New and existing facilities requesting a fee increase will be approved to enroll in the CCFRI if their fees and proposed increase are in line with the facility's historical fee increase pattern.
- If there is no historical pattern, or if the fee increase doesn't align with the facility's historical pattern, the Ministry then assesses whether the fees are in line with the range of fees set by providers of the same care type in their area.
- If the facility's fees don't align with its historical fee increase pattern, and are above fees set by similar providers in their area, the Ministry then works with the provider to determine if the fee increase(s) is due to:
 - an exceptional/unforeseen circumstance outside the provider's control, such as a rent increase;
 - the need to address significant recruitment/retention issues that are having an immediate and demonstrated impact on health and safety at the facility;
 - an expansion in hours/days of available service to families; and/or
 - the need to support the ongoing viability of facilities that have traditionally offered care at below market rates for vulnerable populations.
- If at least one of these criteria is not met, the application will not be approved for the proposed fee increase.
- The facility will then be offered an opportunity to revise their proposed fee increase before the Ministry formally denies their application.
- Any facility – whether new or existing –with a recent/proposed fee increase is subject to the same assessment.

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KEY FACTS:

On April 15, the opposition critic wrote a letter to Minister of State Katrina Chen highlighting issues faced by the owner of s.22 , who is one of his constituents.

The letter states that the provider is being asked to justify a \$50 increase in monthly fees before she can be approved for the Child Care Fee Reduction Initiative. The provider claims this delay will potentially cause her to miss payroll at the end of April. If she is not approved for CCFRI, she will have to raise her monthly fees by \$350 which would mean that her fees are no longer competitive with other centres in the area.

The letter goes on to outline an inequity in how existing child care providers are treated under CCFRI, versus new providers coming to the area. It states that new providers can charge what they want for fees and offer more money for ECEs, taking staff away from existing providers in the area.

Media Interest: There has been no media interest in this issue to date.

Communications:	Brendan Wright	250 356-2028
Program:	Christine Massey	778 698-7121