

April 12, 2018

Honourable Katrina Chen  
Minister of State for Child Care  
Room 027 Parliament Buildings  
Victoria, BC V8V 1X4

Dear Minister of State Chen:

It was a pleasure to meet with you, MA Niki Sharma and MCFD senior staff last week. We appreciate your interest in our suggestions regarding the rollout of Child Care BC generally, and the expansion of licensed spaces specifically. While this letter focuses on the latter, we preface our comments by stressing the importance of promptly and publicly confirming an ECE wage lift in 2018. This is a critical interim step along the path of establishing and implementing a comprehensive workforce development strategy. A credible space expansion program must also address low ECE wages - the primary reason for the current ECE recruitment and retention crisis in existing licensed spaces.

We understand that you want to begin expanding spaces as soon as possible in order to reach your goal of 24,000 spaces over the next three years. Since our meeting, we have reflected on our conversation about this important initiative and want to share our latest thinking about space creation in the hope that it offers a positive and prompt way forward. In short, as you undertake this work, we:

- 1 **Strongly advise against a reactive Major Capital Grant Program** that, as in the past, relies solely on individual providers to submit proposals for expansion.
- 2 **Offer a concrete alternative proposal, using purpose-designed modular centres located on public properties**, that allows you to begin expanding spaces immediately while undertaking longer-term planning.

The letter below provides our rationale and more information. We begin our discussion of the expansion of licensed spaces with a brief overview of our evidence-based recommended first steps<sup>1</sup>, followed by our specific proposal for immediate action. We highlight key advantages to our recommended approach, relative to the previous government's approach, and end with an invitation to visit programs that model our proposed solution.

As you know, in the fall of 2017 we recommended that government begin the capital expansion program by "working collaboratively with municipalities, boards of education, early years planning tables and the child care community ... to carry out an immediate review of all planned and existing community spaces across BC...".

<sup>1</sup>[https://d3n8a8pro7vhmx.cloudfront.net/10aday/pages/86/attachments/original/1509139378/10aDay\\_policy\\_briefing\\_note\\_FIRST\\_STEPS\\_Oct\\_2017\\_web\\_3.pdf?1509139378](https://d3n8a8pro7vhmx.cloudfront.net/10aday/pages/86/attachments/original/1509139378/10aDay_policy_briefing_note_FIRST_STEPS_Oct_2017_web_3.pdf?1509139378)

There are several reasons for this recommendation, including:

1. Local municipalities, boards of education and planning tables are best-positioned to work with the child care community to assess and prioritize community needs – especially with the funding that government has committed for this purpose.
2. Data suggests there are opportunities to improve utilization of existing spaces – government reports indicate underutilized capacity in existing licensed spaces, primarily for children aged three and older, but does not explain why. Government should assess the extent to which the most likely explanation – unaffordable parent fees and lack of qualified staff - accounts for the underutilization, and how lower parent fees and higher ECE wages are likely to affect uptake. In addition, some modifications to existing spaces may be required in order to better meet community needs. For example, communities may prioritize converting some part-day spaces to full-day spaces.
3. Licensed child care spaces should be added to new public facilities<sup>2</sup> – unless the community needs assessment process clearly indicates this is not required, government policy should establish that child care is incorporated into building plans for new schools, hospitals, libraries, community centres and other public facilities across the province.
4. BC can move quickly to create new spaces by establishing modular centres on existing public properties. With custom child care designs, modular centres provide a flexible, cost-effective, prompt, quality solution to the high cost and long timelines associated with acquiring property and creating new, purpose-built centres essentially on a one-off basis.

Additional advantages and characteristics of modular centres include:

- An opportunity to strengthen relationships with and engage school districts and local governments by asking them to identify high need, available sites for modular child care centres.
- Design options accommodate efficient and effective space use that acknowledges how children and staff flow through the program, venture between inside and out, from bathroom to lunch, from play to nap, etc.
- Design options also allow centres to exceed minimum regulations (e.g. 95 to 100 sq. ft./ child), with contiguous flow to the outdoors.
- A range of fully-costed child care centre floor plans can be developed by experienced child care design experts, along with installation specifications, siting recommendations, and additional options such as meeting and office space.
- With pre-drafted and costed designs these spaces can be quickly and efficiently constructed, with quality materials, and installed. Estimated life span = 25-30 years.

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<sup>2</sup> This discussion focuses on centre-based care. Licensed family child care and in-home multi-age care will continue to be supported to operate in privately-owned family homes, and unlicensed child care will be supported to become licensed.

- Location options include a broad range of publicly owned/managed/leased lands such as schools, parks, hospitals, libraries, community centres, neighbourhood houses, friendship centres, universities, colleges, etc.
- If needs change in one community (e.g. permanent space is made available in a new public building) then the modular centre could be moved to another site.

Publicly-owned, pre-designed modular centres will support maximum expansion in quality child care spaces in the minimum amount of time, at an affordable cost. This solution, and the overall approach outlined above, has multiple advantages over the previous major capital grant program<sup>3</sup>. Our proposed system-building approach:

1. Puts responsibility for assessing and prioritizing child care needs and priorities where it belongs – with local communities. It is unfair, inappropriate and ineffective to ask individual providers to confirm that their capital expansion plans meet local child care needs.
2. Recognizes that it is expensive and time consuming to acquire property and build brand new stand-alone child care centres, which is why we recommend initiating a review of all existing public and community-owned facilities to: assess the potential for, and prioritize, opportunities to increase existing utilization; modify existing spaces to better meet community needs, and; develop and install modular centres on the grounds of public facilities.
3. Puts responsibility for capital funding where it belongs – with the provincial government. In the past, even with a major capital contribution from the Province, not-for-profit providers could not afford to contribute their share of costs, so were less likely to apply for capital grants. In order to contribute their share of costs, for-profit operators often assumed significant debt. Along with that debt came both potential risk and potential reward, neither of which are in the public interest.
4. Ensures that new capital funding creates publicly-owned child care assets (including modular centres). This approach is consistent with funding for new schools, hospitals, libraries, etc. Furthermore, the vast majority of Canadian provinces do not provide capital child care funding to purchase privately-owned assets.
5. Supports the public goal of ensuring new public operating funding prioritizes affordability and quality - many child care providers, particularly for-profit operators, are currently paying market rent or making significant mortgage payments for their centres, whereas many non-profit organizations pay no or minimal rent within public- or community-owned facilities. Higher facility costs are reflected in higher parent fees or lower ECE wages, or both. Our proposal removes the capital cost of new/modified child care spaces from operating budgets, so that new public operating funds can prioritize quality (raising ECE wages) and affordability (lowering parent fees).

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<sup>3</sup> Some of the fundamental problems with the previous government's approach to capital funding are also highlighted in the Backgrounder issued by First Call: BC Child and Youth Advocacy Coalition, available at <https://firstcallbc.org/wordpress/wp-content/uploads/2016/05/ECD-MCFD-Capital-Grant-Backgrounder-FirstCall-2016-05.pdf>

We hope this information is helpful as government develops its child care expansion plans. In addition, two colleagues who operate child care programs in modular centres have indicated they welcome you to visit their programs to learn more.

We look forward to hearing from you shortly to discuss our proposal in more detail.

Warm regards,

Handwritten signatures of Lynell Anderson and Sharon Gregson. The signature on the left is 'Lynell Anderson' and the signature on the right is 'Sharon Gregson'.

Lynell Anderson

Sharon Gregson

CC

Honourable Katrine Conroy, Minister of Children and Families

Honourable Rob Fleming, Minister of Education

Susan Harney, Chairperson, Coalition of Child Care Advocates of BC

Christine Massey, ADM Early Years and Inclusion, MCFD

Jennifer McCrea, ADM Learning Division, Ministry of Education

Niki Sharma, MA, Minister of State for Child Care

Martin Wright, ED, Modelling, Analysis & Information Management Branch, MCFD