

MAKING THE CONNECTIONS

Using Public Reporting to Track the Progress on Child Care Services in Canada

Lynell Anderson, B. Comm., CGA
Project Director

Tammy Findlay, M.A.
Senior Researcher

October 2007

EXECUTIVE SUMMARY

Starting in 2001/02, agreements between the federal government and provincial and territorial governments other than Quebec have resulted in new federal transfers to improve and expand access to quality, affordable child care and other Early Childhood Development (ECD) services across Canada. In November 2004, the Child Care Advocacy Association of Canada undertook this *Making the Connections* project to support communities and governments in their analysis and discussions of child care policy and funding under these agreements.

To facilitate this dialogue, we began by developing tools and resources to explain the federal transfers and to highlight the importance of key child care system indicators and comprehensive child care planning.

While the child care community and others promote an accountability framework for federal transfers that includes legislated standards, audited information and reporting to Parliaments/Legislatures, the recent Federal/Provincial/Territorial (FPT) agreements propose that accountability can be addressed solely through commitments by governments to provide clear annual public reporting that allows the public to track progress on child care and other ECD services.

In this report, we analyze the extent to which the public reports released to date by governments demonstrate that the FPT Agreement commitments have been met. We base our analysis on the requirements set out in the agreements, as well as on the public performance reporting recommendations of the Public Sector Accounting Board (PSAB).

Our project findings show that few governments have clear public reporting that allows the public to easily track progress throughout the required reporting period (2000/01 through 2005/06). None meet all of the performance and reporting requirements outlined in the FPT Agreements. This central finding is highlighted by the fact that of the 13 jurisdictions reviewed, 8 are missing reports for one or more of the required years so the public cannot track all of the federal transfers and total investments in child care services.

One of this project's goals is to help communities to understand public reporting, but our experience indicates that not all reports are understandable. Project staff spent over 30 hours analyzing some governments' reporting, trying to extract both financial and non-financial information that was not clearly and consistently presented and/or comparable from year to year. These problems were also reflected in feedback from a range of stakeholders – including parents, child care workers and academics – who view the reports as too long, confusing and difficult to understand.

Some governments do not provide complete baseline expenditure information, or do so inconsistently. Without a baseline, overall progress and use of federal transfers cannot be tracked and confirmed.

Some reports are outright confusing. For example, the words and/or investment levels described in the text of the report do not match the words and/or investments shown in the financial section of the same report, or related information from previous years.

Because the FPT Agreements permit governments to report only on their chosen “priorities”, some reporting appears to be skewed in favour of good news, providing no explanation of apparent funding and/or service reductions. This approach is at odds with community expectations and PSAB guidelines for unbiased reporting. And when key information is missing, or when expenditure reductions are not explained, the credibility of public reporting is diminished.

Nonetheless, from our detailed analysis of child care services and brief review of other ECD programs we note evidence of improvement trends in:

- **Accessibility and affordability indicators for ECD programs other than child care services**, including increased income supports for families and relatively substantial increases in both targeted programs (for lower income families, Aboriginal communities, and children with disabilities) and universal programs (emphasis on early literacy and supporting families in their parenting roles). Improvements to these other ECD programs appear to be largely publicly funded, with minimal or no parent fees.
- **Quality and availability indicators for child care services**, such as a modest increase in the numbers of trained staff and regulated spaces. (Child care services remain largely funded by parent fees, and the public reports did not provide evidence of improved affordability for families overall.)

These improvement trends affirm the importance of federal leadership in policy and funding to advance ECD programs, particularly child care services, and to protect Canada's commitment to comparable services across jurisdictions. Evidence from the public reports also highlights the reality of what is required to significantly improve child care services. For example, between 2001/02 and 2003/04, child care staff compensation in one of Canada's smaller provinces rose from \$7.04 to \$8.44/hour as a result of federal transfers under the FPT Agreements.

Although we've been able to identify some improvement trends across the country, these FPT agreements specifically note that governments are reporting to their own publics, and not to each other. Our experience suggests that it is not practical for citizens to track the public reporting on their own, and raises questions about the heavy reliance on this approach as the sole accountability mechanism when parents and community groups are already time-strapped and over-burdened.

However, given this reliance on public reporting, the introduction of generally agreed-upon public reporting recommended practices becomes a critical component of accountability. This is particularly true given that more recent federal transfers for child care services are no longer part of a specific FPT Agreement.

Therefore, in order to promote clear public reporting that supports the public in tracking the ongoing progress in child care services, **we have one overarching recommendation: FPT governments should expedite the implementation of key public performance reporting guidelines** outlined in the PSAB Statement of Recommended Practice (SORP-2).

Specifically, FPT governments should:

- 1. Implement immediate public reporting improvements to improve** ease of access to, as well as clarity, comprehensiveness and comparability of public reporting. Governments could learn much from reviewing each other's reports.
- 2. Involve stakeholders** by establishing and resourcing meaningful citizen engagement in the development of goals and plans and monitoring of results. In particular, develop and implement a defined role for legislators as the primary users of public reports.
- 3. Focus on the few critical aspects of performance** to ensure that the most relevant and significant performance indicators for child care services are monitored and reported. These key indicators include parent fees, caregiver compensation and training, and percentage of children with access to regulated child care spaces.
- 4. Develop plans, with targets and benchmarks** for quality, affordability and accessibility of child care services, and then publicly report actual results compared to the plan.
- 5. Audit the public reports** to add credibility and increase public confidence.

To conclude, we suggest that this is a critical moment in the evolution of accountability for federal transfers to provinces and territories. The findings of this project demonstrate that the existing FPT public reporting does not currently meet community needs, nor does it fulfil either the accountability expectations outlined under the FPT Agreements or those recommended by the PSAB.

Whether or not public reporting on its own can ever provide sufficient accountability, as some propose, remains an open question. But one thing is crystal clear – in order for public reporting to make a meaningful contribution to accountability, FPT governments must expedite the implementation of key public reporting recommended practices.

Effective public reporting *Makes the Connections* between public policy, public funding and public accountability – all of which are essential to improving access to quality, affordable child care services in Canada.

The full report *Making the Connections: Using Public Reporting to Track the Progress on Child Care Services in Canada* can be downloaded from www.ccaac.ca.

This project is funded by the Government of Canada's Social Development Partnerships Program. The opinions and interpretations are those of the authors and do not necessarily reflect those of the Government of Canada.