

ChildCareBC

Increasing provider supports and cutting child care fees for families

Presentation to child care providers



StrongerBC
for everyone

What We Will Cover Today

- Key ChildCareBC actions to date
- **Friday's announcement:**
Enhanced provider funding and new savings for families coming December 1st, 2022
- What this means for providers and families

Key components of ChildCareBC

DISTINCTIONS-BASED

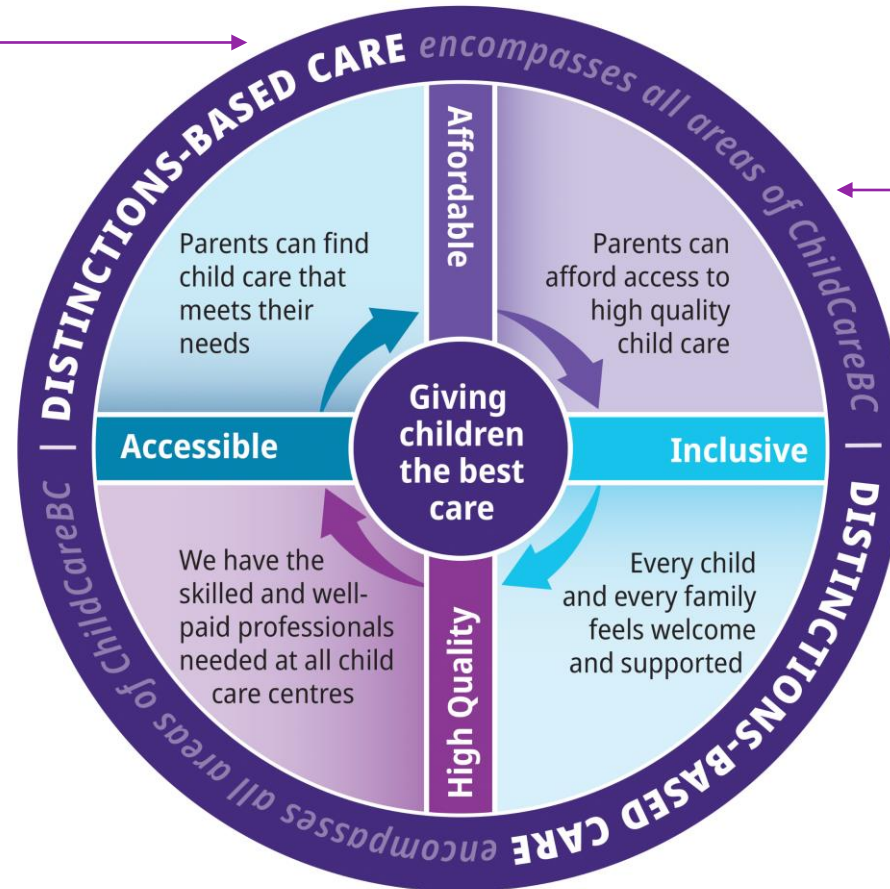
Distinctions-based child care is made available for Indigenous families that want it in keeping with the United Nations Declaration on the Rights of Indigenous Peoples. This commitment is embedded in every part of ChildCareBC.

ACCESSIBLE

Spaces are increased in every part of the province so families can access child care when and where they need it.

HIGH QUALITY

Care is delivered by highly trained child care professionals. Wages and working conditions are competitive to retain current educators and attract people to work in the sector.



AFFORDABLE

Every family that needs or wants it can afford high-quality licensed child care.

INCLUSIVE

Child care is inclusive of children with support needs and culturally safe so that all families feel welcome, safe, and supported to access licensed child care.

Key impacts of ChildCareBC



Affordability

Fees cut by as much as \$900 a month, average fees down to \$21/day from \$53/day before any ChildCareBC supports

- Cutting child care fees with the Child Care Fee Reduction Initiative
- Affordable Child Care Benefit for families making up to \$111,000 a year.
- Doubling the number of \$10 a Day ChildCareBC Centres by end of year
- In December, over 20,000 child care spaces will cost \$10 a day or less for BC families through these expanded fee reductions and the \$10 a Day Centres



Access and Inclusion

10,500+ new licensed spaces opened since 2018 with 20,000+ more new spaces funded and even more on the way

- New Spaces Fund
- Start-Up Grants
- Expanding access to Supported Child Development and Aboriginal Supported Child Development



Quality

Boosted the typical wage for Early Childhood Educators (ECEs) to \$25/hour while making training more accessible and affordable.

- New ECE student spaces
- More than 12,300 bursaries of up to \$5,000 per semester
- \$4/ hour ECE-Wage Enhancement

3 ways families are saving on child care in BC

Fee Reductions

Age range: 0 – kindergarten



In December 2022, child care fees will be cut by up to \$550 per month for each child in child care. This is in addition to child care savings of up to \$350 per month that have been in place since 2018.



Licensed child care centres in BC are eligible for Government funding. 96% of kids in eligible child care receive these reductions.



Child care centres receive funding directly. Parents see savings automatically, and don't need to apply.

\$10 a Day child care program

Age range: 0 – 12 plus



The cost for full-time care at a \$10 a Day ChildCareBC Centre is \$200 a month, with some participating families still eligible for the Affordable Child Care Benefit which can further reduce monthly fees.



Eligibility for \$10 a Day child care is based on the child care centre, not household income.



Child care centres need to apply to become part of the program.

Affordable Child Care Benefit

Age range: 0 – 12 plus



Families can receive up to \$1,250 in monthly support, per child.



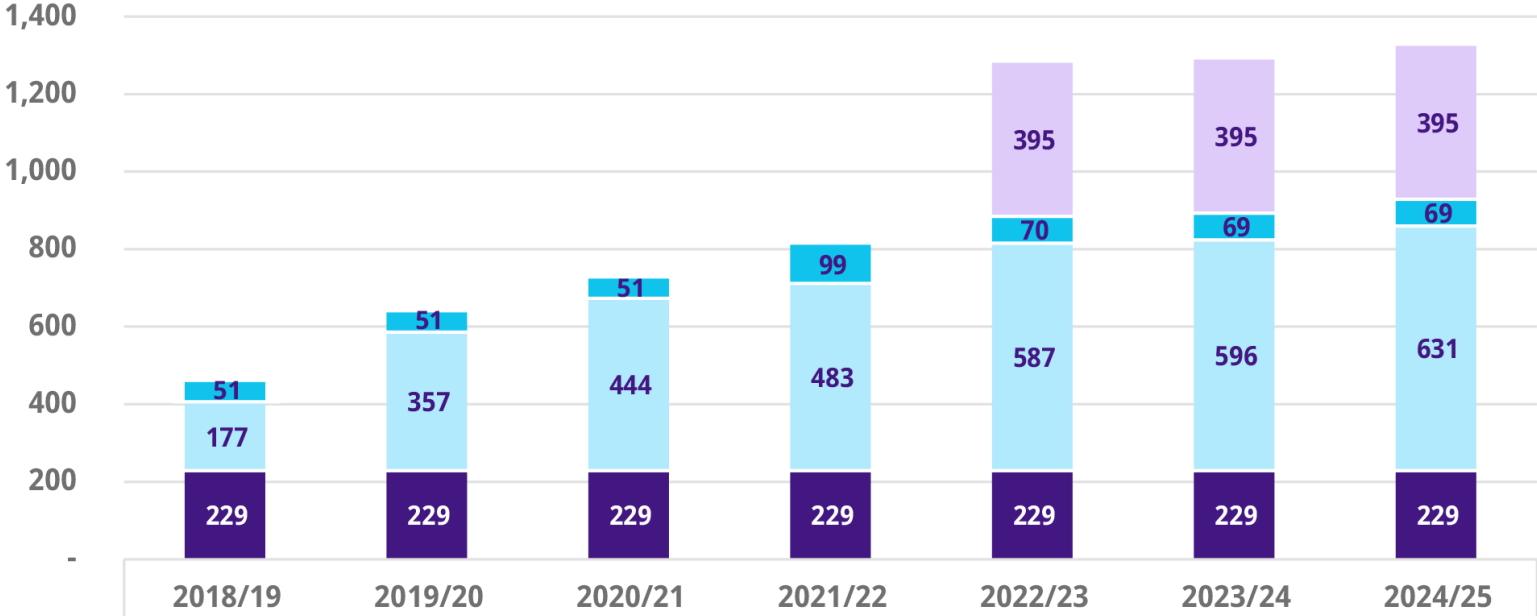
Eligibility is based on household income – families earning up to \$111,000/year can apply.



The amount of support families can receive is dependant on several factors including family size, type of care and the age of the child or children in care.

Making high-quality child care more available and affordable for parents

Budget invested (Millions)



Estimates Budget Per Fiscal Year

■ Provincial Base ■ Provincial ChildCareBC Plan ■ Federal ELCC (incl. OTO) ■ Federal Canada-wide

Friday's announcement: Increasing supports for providers and cutting child care fees

New support for families coming on December 1st:

- Working with providers we're cutting child care fees by up to \$550 more per month
- This is on top of existing fee reductions, meaning families of children five and under in participating child care centres can save as much as \$900 a month for the most expensive types of care.

Who is eligible?

- Providers offering 96% of eligible child care spaces are participating in cutting fees
- Parents of all incomes with children five and under in participating child care centres will see these savings on their bills in December – no need for parents to apply!
- These fee reductions will reach families of about 69,000 children
- Lower- and middle-income families continue to be eligible for income-based support through the Affordable Child Care Benefit

New additional savings on child care

	Infant/toddler under 3	3-5 years old	Kindergarten
Group	\$550 per month	\$445 per month	\$220 per month
Family & In-home	\$400 per month	\$440 per month	\$260 per month

These are additional savings, on top of the up to \$350 families have saved monthly since 2018. Savings start December 1, 2022 and are calculated per month and per child.

Savings: Group Care

**Infant/toddler
Under 3 years old**

Existing Fee Reduction

\$350/month

+

NEW Additional Fee Reduction

\$550/month

=

TOTAL FEE REDUCTION

\$900/month

3-5 years old

Existing Fee Reduction

\$100/month

+

NEW Additional Fee Reduction

\$445/month

=

TOTAL FEE REDUCTION

\$545/month

**Kindergarten
(before/after school care)**

Existing Fee Reduction

\$100/month

+

NEW Additional Fee Reduction

\$220/month

=

TOTAL FEE REDUCTION

\$320/month

Savings: Family and In-home Care

**Infant/toddler
Under 3 years old**

Existing Fee Reduction

\$200/month

+

NEW Additional Fee Reduction

\$400/month

=

TOTAL FEE REDUCTION

\$600/month

3-5 years old

Existing Fee Reduction

\$60/month

+

NEW Additional Fee Reduction

\$440/month

=

TOTAL FEE REDUCTION

\$500/month

**Kindergarten
(before/after school care)**

Existing Fee Reduction

\$60/month

+

NEW Additional Fee Reduction

\$260/month

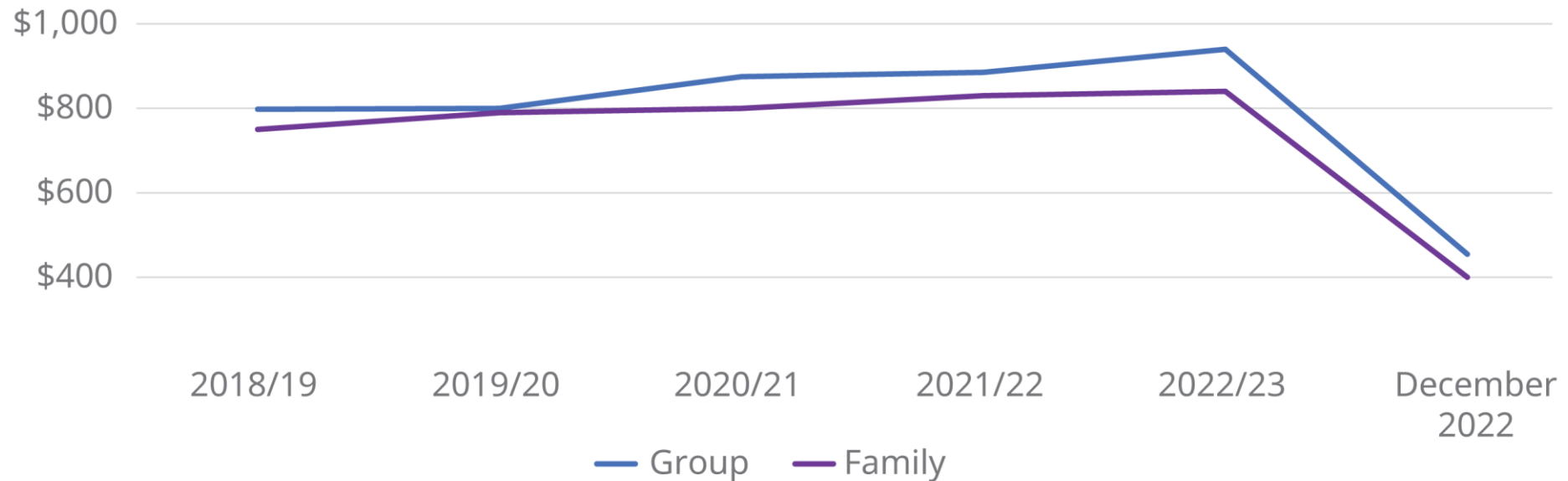
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TOTAL FEE REDUCTION

\$320/month

Lower fees for families in Group and Family Care

Median monthly child care fees after reductions
Kindergarten and Under



ChildCareBC: Examples of monthly family savings

Typical monthly fees	Original child care fees	Total fee reduction after increase	Total fees after reduction
Group provider charging typical fees for children under 3 years	\$1,450	- \$900	\$550/month
Family provider charging typical fees for children under 3 years	\$1,000	- \$600	\$400/month

ChildCareBC: Examples of monthly family savings

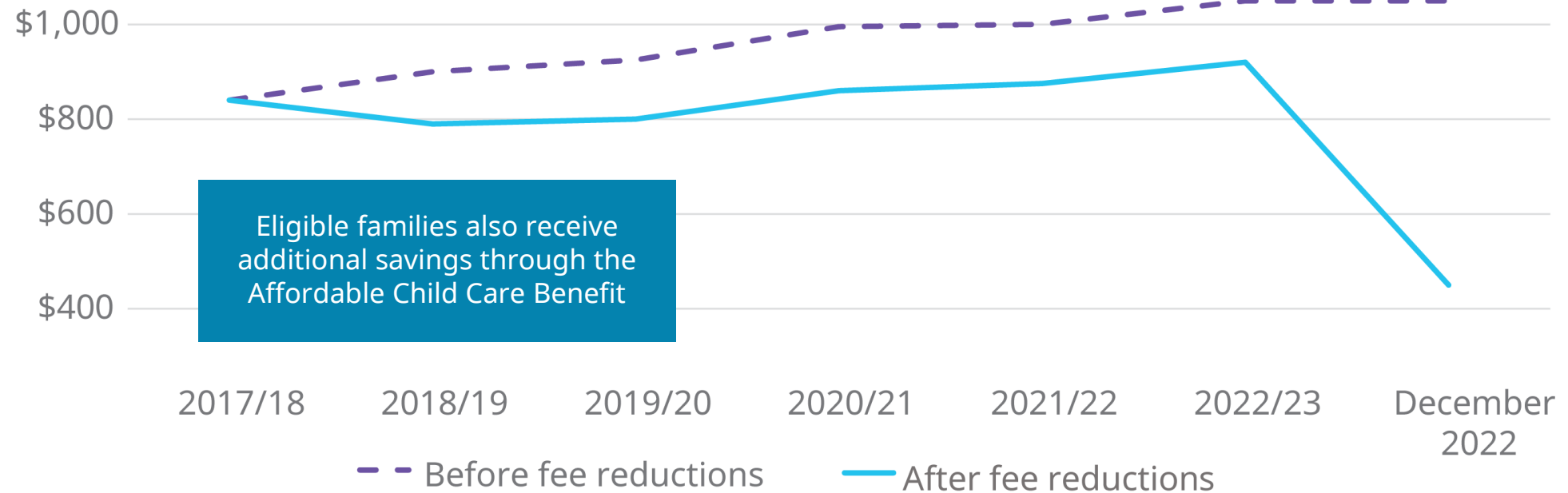
Higher than average monthly fees	Original child care fees	Total fee reduction after increase	Total fees after reduction
Group provider charging higher fees for children under 3 years	\$2,000	- \$900	\$1,100/month
Family provider charging higher fees for children under 3 years	\$1,500	- \$600	\$900/month

ChildCareBC: Examples of monthly family savings

Lower than average monthly fees	Original child care fees	Total fee reduction after increase	Total fees after reduction
Group provider charging lower fees for children under 3 years	\$1,000	- \$800	\$200/month
Family provider charging lower fees for children under 3 years	\$750	- \$550	\$200/month

Lower child care fees for families in BC

Median monthly fees
Kindergarten and under (2017-2023)



Fee increases

- Set fee increases provide stability for families while supporting providers to cover increasing costs.
- Participating providers will be able to raise their fees and the amount that is allowable will be assessed every year, starting at 3% of the median cost of child care in their region each year.
- Families can expect and plan around predictable but limited fee increases.
- To support providers in continuing to provide quality care, significant funding enhancements will help fight rising costs and reduce need to pass these costs onto parents through fee increases.

ChildCareBC: Helping providers cut fees

Provider payments per space, per month

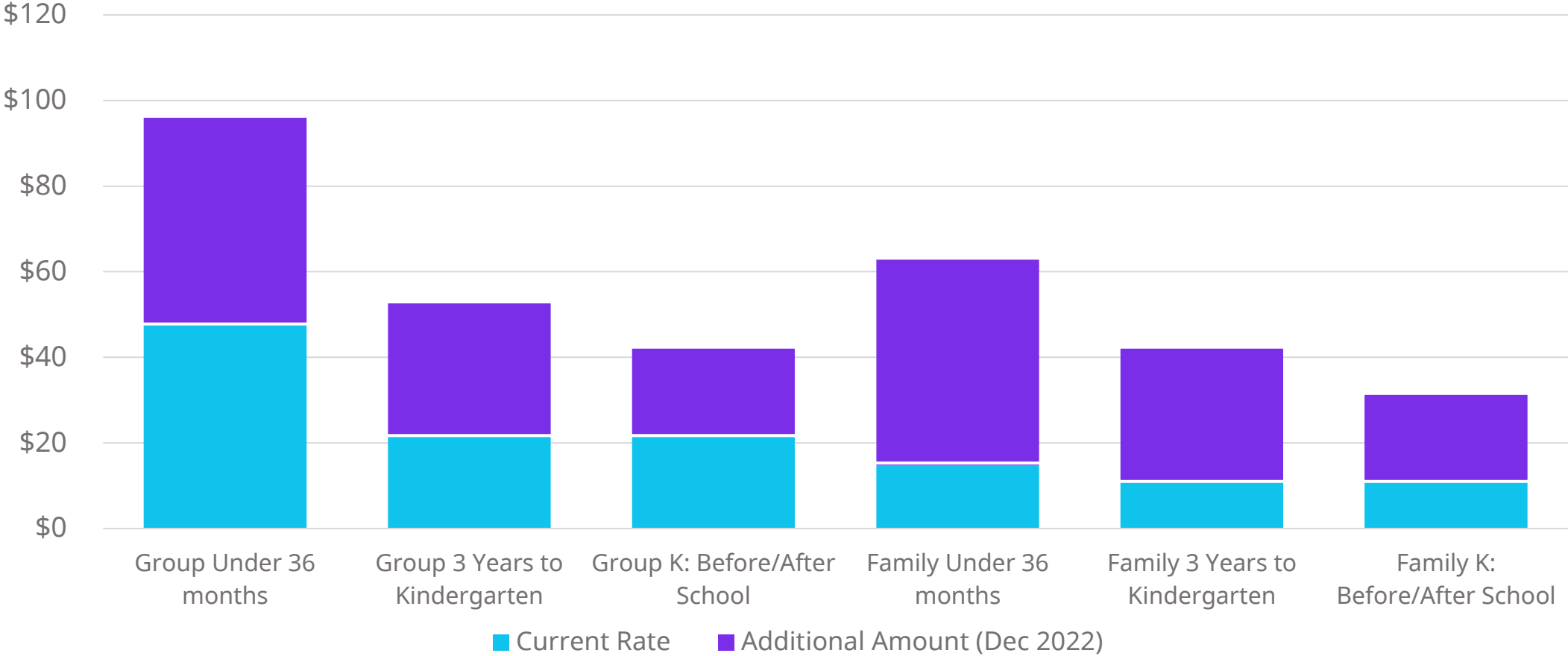
Provider type	Rate category	Current payment	Additional support	New total payment	% Increase in provider payment
Group and multi-age	Under 36 months	\$48.00	\$48.00	\$96.00	2X
	3 years to kindergarten	\$22.00	\$30.80	\$52.60	2.4X
	K: Before & After School	\$22.00	\$20.00	\$42.00	1.9X
Family	Under 36 months	\$14.80	\$48.00	\$62.80	4.2X
	3 years to kindergarten	\$11.20	\$30.80	\$42.00	3.8X
	K: Before & After School	\$11.20	\$20.00	\$31.20	2.8X
In-home multi-age	Under 36 months	\$17.80	\$48.00	\$65.80	3.7X
	3 years to kindergarten	\$13.60	\$30.80	\$44.40	3.3X
	K: Before & After School	\$13.60	\$20.00	\$33.60	2.5X

***Based on a 20-day month**

¹ Multi-age Child Care Licence for more than 8 children, or in a location other than a personal residence
² In-home Multi-Age or Multi-age Child Care Licence for up to 8 children in the licensee's personal residence.

ChildCareBC: Helping providers cut fees

Monthly provider payments per space



Provider Payment Examples

	Group and multi-aged child care	Family child care	In-home multi-age child care
Number of spaces	12 spaces for kids under 3 12 spaces for kids 3 and older	7, Typical enrolment: 3 aged 3 and under, 4 aged 3 – Kindergarten	8, Typical enrolment: 3 aged 3 and under, 5 aged 3 – Kindergarten
Provider payment rates, per day, per child	Under 3: \$4.80 3 – Kindergarten: \$2.63	Under 3: \$3.14 3 – Kindergarten: \$2.10	Under 3: \$3.29 3 – Kindergarten: \$2.22
Monthly provider payment	\$1,783.20	\$356.40	\$419.40
Annual provider payment	\$21,398.40	\$4276.80	\$5,032.80
Previous provider payment before increase	\$840.00/month \$10,080.00/year	\$89.60/month \$1,075.20/year	\$121.40/month \$1,456.80/year
Payment increase	↑ 210%	↑ 400%	↑ 350%

5 things for parents to know

Parents will see licensed child care costs cut by up to \$550 more every month for kids 5 and under.

More parents will benefit from more \$10 a Day child spaces, which will nearly double by December 2022.

96% of kids in eligible licensed child care centres in BC qualify for these savings. Parents do not need to apply.

Families with income up to \$111,000 per year can access the Affordable Child Care Benefit, which (when stacked with other fee cuts) could mean zero child care costs.

Parents with kids five and under will be paying an average of \$21 a day for licensed child care by the end of 2022. That's down from an average of \$53 a day before any ChildCareBC supports.

ChildCareBC: How do the savings work?

Uses the existing Child Care Fee Reduction Initiative

- Providers representing 96% of eligible spaces are already working with government to deliver fee cuts.
- Parents do not need to apply – additional fee cuts will be applied automatically by participating providers, just like with the up to \$350 fee cut in 2018.

Fee increases:

- Participating providers will be able to raise their fees by up to 3% of the median cost of child care in their region each year.
- Provides stability and makes sure providers can cover increasing costs while protecting families from big fee increases.

Funding boost for providers

- All providers cutting fees for families are getting increased funding to cover the cost of participating and to help reduce the need to increase costs.
- This boost to operating funding will help providers deliver quality care and help families save money.

Timelines and Next Steps for Providers

Next Steps:

- **October:** Information session with providers
- **November 15:** First day to submit enrolment reports for CCOF and CCFRI
- **December 1:** Additional fee reductions for parents, increased provider payments and 3% limited fee increases take effect

Questions?



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Appendix: Parents monthly savings 2018 vs. 2022

Monthly Parent Fee Reductions (Full-time care)

Group (Centre-Based) Child Care	2018+	New reductions	2022 new total
Age under 3	\$350	\$550	\$900
Age 3 to 5 (<i>not in school</i>)	\$100	\$445	\$545
Kindergarten (<i>Before & After School</i>)	\$100	\$220	\$320
Family Child Care			
Age 0-36 months	\$200	\$400	\$600
Age 3 to 5 (<i>not in school</i>)	\$60	\$440	\$500
Kindergarten (<i>Before & After School</i>)	\$60	\$260	\$320

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