



For the Committee of the Whole Meeting February 15 2018

**Date:** Friday February 2

**From:** Mayor Helps and Councillor Alto

**Subject:** City Role in Childcare Solutions

## Background

In the spring of 2017 I was contacted by non-profit childcare providers worried about the current shortage of childcare spaces and the potential loss of spaces as schools needed to make more room for students in response to the court ruling about classroom sizes.

Victoria is experiencing a significant shortage of childcare spaces as evidenced in Figure 1. This shortage is critical in Infant and Toddler Care and out of School care where, based on rough estimates, there is a shortage of 1033 and 1633 spaces, respectively.

Figure 1

Type of Care	2017 licensed spaces	2016 population in COV	shortfall of spaces	coverage	notes:
1-3 years	143	1,176	1,033	12.2%	Population from 2016 Census (estimated # of 12-36 month olds)
3-5 years	702	1,176	474	59.7%	Population from 2016 Census (estimated # of 37-60 month olds)
OSC (5-9 only)	997	2,630	1,633	37.9%	Population from 2016 Census (using 5 to 9 year olds only)
Child care space data from the Child Care Resource and Referral Centre from March 2017					
Does not include following care types: Group Multi Age Child Care, Preschool, Family, In Home Multi-Age Registered, License Not Required					

In response, I convened an informal “Childcare Solutions Working Group” which has been meeting regularly for the past ten months. The Working Group is comprised of non-profit childcare providers, a representative from the Province, representatives from Island Health, including the Chief Medical Officer, representatives from the school district, including the Superintendent of School District 61, and the business Community including the CEO of the Chamber of Commerce.

Working collaboratively, the group has identified a number of short medium and long-term solutions that various parties can take responsibility for. Some of what’s been accomplished to date includes:

- A template and funding model for modular buildings on school sites
- Creation of preapproved design standards for new modular childcare facilities so that licensing is happy in advance
- Advocacy to the Provincial government to have childcare spaces on all school sites
- Talk about childcare as an economic issue (see Appendix A, from the Chamber’s *Business Matters*)
- Reinforced to Provincial government that \$10 daycare is a key issue for families in this city
- Collaborating with Ministry and Island Health to make Licencing more flexible if it’s not affecting quality of care eg if there’s one less sink, one less bathroom (Providers have given Island Health an A for effort in this regard since Working Group started meeting!)
- Advocating for more trained staff and better paid staff (have made both Minister Chen and Fleming aware of the issue)

In addition to all the work that's already been done through collaboration, the Working Group has identified some steps that the City can take to facilitate the creation of more childcare spaces. These include:

- Considering childcare as a community amenity when revising the Community Amenity Contribution policy currently under review.
- Expediting rezoning processes for childcare spaces and/or amending the Zoning Bylaw to include childcare for up to a certain number of spaces in all zones unless specifically noted otherwise.
- Designating special childcare drop off and pick up zones on public streets in front of childcare providers from 7-10am and 3-6pm to alleviate need for parking variances.

Based on these proposed solutions, we make the following recommendations.

## **Recommendations**

That Council:

1. Direct staff to consider Childcare as a potential Community Amenity when reviewing the Community Amenity Policy and report back to Council.
2. Direct staff to report back at the next quarterly update on what work would be required to expedite the rezoning process for childcare spaces and/or to amend the Zoning Bylaw to include childcare for up to a certain number of spaces in all zones unless specifically noted otherwise.
3. Encourage the Director of Engineering and Public Works to work with the Sustainable Planning and Community Development department and to use his discretion under the Streets and Traffic Bylaw to be creative and flexible when it comes to allocating public rights of way to provide for temporary pick up and drop off zones adjacent to childcare facilities to avoid need for parking variances where practical.

**Respectfully Submitted,**



Mayor Helps



Councillor Alto

## Appendix A

### **Empty Desk Syndrome**

*Catherine Holt, CEO Greater Victoria Chamber of Commerce*

Employers around Greater Victoria are increasingly facing the spectre of empty desks and work undone. Employees are making hard decisions around their jobs and what's best for their child. The result is a drain on productivity and performance.

The lack of affordable, government-regulated child care spaces in Greater Victoria is having a direct impact on employers, workers and our economy. Some of The Chamber's members were able to put a face to the problem.

"As an employer in the Victoria Area, McElhanney is actively looking for experienced staff to help with our growth as a company," says Brian White, Division Manager, Environmental Services and a Senior Environmental Engineer for McElhanney Consulting Services Ltd. "We often interview candidates, and have current team members, with young families that are struggling with child care costs and availability of supply. In several instances, staff members and/or their partners are balancing work shifts and careers (reduced work time, evening and weekend work, etc.), simply not working or deferring going back to work after parental leave. Many of these individuals are professionals and experienced contributors to the economy. As the economy continues to grow and the labour market tightens we anticipate child care concerns to be an ongoing topic of discussion with new and existing staff."

"We are in the midst of one of the worst labour shortages that many business owners have experienced," Jennifer Hawes, VP, Human Resources and Community Development, ColdStar Solutions Inc. says. "And if safe, affordable and quality-based childcare was easily available we strongly believe this would help alleviate this labour crisis. A win for all involved!" (See more from Jennifer in a related side-bar)

Child care is a fundamental workforce requirement. But right now there is inadequate space and staff and it is too expensive for a working family.

"In an expensive city like Victoria you need a two income family, which means you need child care. So demand is growing, especially from families moving here from Vancouver," indicated Kristina Wilcox, Co-Executive Director of the Fairfield Gonzales Community Association, which runs non-profit child care, "We don't have enough staff to fill the child care demand. We need space and the staff to work there if we get it."

And with regard to the cost, Kristina added, "We have staff in our own office that have had to quit because they can't afford to pay for child care, especially if they have more than one child."

She says the problem is really for working families, "The current child care subsidy is so low it really only applies to people with almost no income, like students."

The City of Victoria is sufficiently concerned about the problem to have an ongoing working group that includes The Chamber, trying to come up with solutions.

"We're convening all interested parties, along with non-profit daycare operators, at one table to address child care both for the economy and for the children of the city," stated Mayor Lisa Helps. "Coverage is terrible and the city and the number of families in it are growing. We need to make it better if we want to keep the city liveable."

Some of the key issues that need to be addressed are:

Affordability: For a working family, child care and housing are typically the two highest expenses. According to Victoria Child Care Resource and Referral (CCRR), the average monthly cost of full-

time child care for kids under 5, as of February 2017, was between \$812 and \$1,128 per month. That adds up to more than \$10,000 a year per child and at least \$40,000 from birth to kindergarten. The problem is exacerbated for a family with more than one child and continues with the need for after-school care and care during school vacations.

Availability: The 2016 Canada Census data reveals the gap between our regional population of children and the number of child care spaces. The most acute gap is for infants and toddlers where we have roughly one licenced child care space for every eight children. And the gap is likely to expand. Between 2011 and 2016 our population of adults likely to have children (25 to 39 year olds) and our population of children under 11 both grew 9 percent.

Quality: For child care to be safe and beneficial for kids, it must meet government regulations, which means using qualified staff. Our current lack of early childhood educators limits child care spots as licenced child care operators can only offer as many spaces as they can staff. According to CCRR, average wages, as of June 2016, are under \$20.00 per hour which is not competitive in a city with the second lowest unemployment rate and one of the highest costs of living in the country. Unfortunately, an increase in child care workers' wages means the care costs more for parents already struggling to foot the bill. Poor child care affects more than the labour pool today, it also affects the labour pool of tomorrow.

"The research is compelling. The quality of children's early experiences has lifelong effects. Good quality helps all children thrive. But, poor quality environments can do harm," says Richard Stanwick, Chief Medical Health Officer, Island Health and a member of the city's working group. "More than 30 percent of BC children enter kindergarten vulnerable in one or more areas."

To overcome this drag on our economy and to ensure children have a safe and stimulating start in life, child care needs the same level of government attention and investment as the other fundamental underpinnings of our economy such as education, transportation and health care. And, as with these other fundamentals, the defining factor is universality: all British Columbians have access to health care, a public education and roads. To benefit working parents and their children, child care needs to expand from a subsidy program for low income families to a program available for everyone who needs it.

There are some important steps the Province can take.

First, ensure quality: The province should fund additional space in the post-secondary system for early childhood education training and increase operating subsidies for child care centres adequate to pay a wage that reflects the education and responsibility of these workers.

Second, ensure access: There has been talk for years about using public school land and facilities for child care. Fourteen schools in our local school districts are used for Strong Start, early childhood development classes for children from birth to school age. Child care seems an equally compatible use. Employers can also accommodate child care centres as an amenity for employees. See side bar on Andrew Sheret Limited's experience.

Third, ensure affordability: BC needs a universal program similar to the one Quebec started in 1995. It has increased the percentage of parents in the workforce, their after tax income, their contribution to tax revenue and the number of children in regulated child care. Some assessments say it has returned more to the government in tax revenue than it has cost.<sup>1</sup>  
[https://www.oise.utoronto.ca/atkinson/UserFiles/File/News/Fortin-Godbout-St\\_Cerny\\_eng.pdf](https://www.oise.utoronto.ca/atkinson/UserFiles/File/News/Fortin-Godbout-St_Cerny_eng.pdf)).

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<sup>1</sup> Impact of Quebec's Universal Low-Fee Childcare Program by Professor of Economics Pierre Fortin and Professor of Taxation Luc Godbout.

Ontario plans \$1.6 billion for 45,000 new spaces in public schools, public buildings and in workplaces by 2022. Its objective is “a universally accessible child-care system for Ontario families.”<sup>2</sup> In BC, the NDP election platform promised affordable, accessible, quality child care: “Together with the federal government, municipalities, businesses, First Nations and others, the BC NDP will create a \$10 a day child care plan....Over time, the plan will pay for itself by empowering parent with the choice to continue their careers and boost our economy.” <https://www.bcndp.ca/affordability>)

Finally, Canada finishes a shameful dead last in federal funding for child care among 20 developed countries in the Organization for Economic Cooperation and Development (OECD). We spend \$82 a year per child, the US spends about \$150 and the median is almost \$300. The International Monetary Fund (IMF) suggests Canada reduce average child care costs by 40 percent by spending \$8 billion a year – which would pay for itself through increased economic activity and taxes from more women working.<sup>3</sup>

The new federal plan is for under \$700 million a year and only for low-income families.

Child care has lingered on the fringes of government programming and funding because, rather than an economic issue, it has been characterized as a women’s and children’s issue with archaic undertones about whether or not women should be in the workforce or at home. A fully functioning modern economy ensures safe, regulated child care is available so a working life is possible for every mother and father and the future generation is given a leg up on life.

## **Sidebar to Article**

### **The Face of Child Care in Business**

Many of The Chamber’s businesses face challenges related to child care. We’ve included two case studies from members on the issues and solutions that they’ve used to address the problem. Andrew Sheret Ltd. has been in business for over 120 years and specializes in plumbing, kitchen and bath and a wide variety of methods for heating and cooling including solar. Andrew Sheret has a history of innovating, being one of the first in the industry to implement a pension plan. Eric Findlay, President continued that innovative approach when they designed their new Splashes Bath and Kitchen Centre in Victoria.

“When we were designing our new building we knew we would only need half the space. We recognized there is difficulty finding child care downtown and selfishly thought it would be a good amenity for the building and fill a need for our own employees,” indicated Eric. Research was done to find an excellent child care operator and they were provided with a sub-market rate rent and the space was designed to meet the stringent requirements for daycare licensing.

When asked about the experience, Eric replied, “It’s been fantastic. The daycare expanded when they opened and they filled up fast but they allocate a few spaces to meet the needs of our staff and the other tenants in the building,... I would certainly encourage other landlords and businesses to consider it as an amenity for staff.” The biggest challenge to date has been finding sufficient qualified staff.

Coldstar Solutions Inc. specializes in transporting food products throughout southern BC with a workforce of 185 employees. Jennifer Hawes, VP Human Resources and Community Development has seen a disturbing trend with both staff and family failing to find – and afford – child care.

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<sup>2</sup> Toronto Star June 6, 2017

<sup>3</sup> IMF Working Paper. Women Are Key for Future Growth: Evidence from Canada, WP/17/166, July 2017

“The staff member wants to come back. ColdStar wants them back. And yet, what do I hear more often than not? That the staff member can’t find the care they are seeking. If they can, it’s often at a price that is outrageous,” indicated Jennifer. For those who find a way to come back, employers and employees are still facing hurdles. Employees may require time shifts so each partner takes a shift doing childcare, becoming “ships passing in the night”. Or for those who find affordable childcare options, there can be significant employee downtime due to sudden staffing changes with their provider.

Universally funded daycare addresses many of these issues, but Jennifer is concerned that low pay scales for child care providers will continue to be an obstacle in providing reliable, well-staffed care. “If child care providers make a living wage they tend to stay in their job longer. Less turnover is good for the employer of the child care provider, great consistency for the child, perfect for the parent to make relationships,” states Jennifer. “Providing accessible, affordable, quality based childcare is a complex issue. It will take all sectors to make it happen, including the business sector. Like the saying goes, ‘it takes a community to raise a child’.”