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**Submission to Select Standing Committee on Finance and Government Services
BC Budget 2012 Consultation, October 2011
By First Call: BC Child and Youth Advocacy Coalition**

First Call is a non-partisan, cross-sectoral, provincial coalition of 90 partner organizations and numerous individual British Columbians who share a commitment to ensuring children and youth receive “first call” on the resources of government and society. We want to see the rights and well-being of our children and youth given the highest priority in government’s budget deliberations. We promote the importance of prevention, and supporting healthy child development from pre-conception to safe passage into adulthood.

You have asked us to give you our best thoughts on what’s important, our recommended priorities for next year’s budget, and what government can do to help families. In answering we start from the assumption that we all want what is best for BC’s children and youth, while recognizing that there will be disagreements, sometimes within our coalition, and sometimes with the government of the day about which public policies, including budget priorities, will best serve families with children.

As a coalition, First Call is united in an understanding, based on research evidence and the expertise of our coalition partners, of the many factors that contribute to healthy child development. We call it our 4 Keys to Success agenda for children and youth:

- A strong commitment to early childhood development
- Support in transitions from childhood to youth and adulthood
- Increased economic equality
- Safe and caring communities

These are the conditions and social determinants of health that we know must be attended to for all children. This knowledge rests on empirical research, both Canadian and international, about the physical and social-emotional development of children, the causes and consequences of health inequities, the life-long harmful effects of growing up in poverty, the importance of public education in a democracy, the value of the social services sector to a healthy, productive society and the cost effectiveness of prevention.

We also speak from a commitment to promoting and protecting the rights children as promised under the UN Convention on the Rights of the Child, such as the right to education, to child care, to protection, to health, to family support, among others.

Part of our job as a child rights coalition, is to monitor how well we are doing on implementing the Convention’s (and BC’s) promises and how well we are doing in BC on delivering on those 4 Keys to Success.

Many British Columbian children are well-supported and thriving. Too many are not. Too many families with young children or teens are struggling to find supports. Too many children are growing up in poverty, more than 1 in 8 (12%) by the most recent statistics using the After-Tax Low Income Cutoff.¹ Thousands of children with special needs are waiting for help and equitable access to care and education.² Indicators of our failures in these areas are the high numbers of children in care, preventable health inequities, unacceptable school drop out rates among certain youth populations, and youth with disabilities and mental health problems ending up in the criminal justice system.

A theme underscoring all of these observations is that too little effort and public investment is directed to preventing avoidable problems and preventing problems from getting worse. Children, youth and families are paying for this underinvestment with their health and happiness, and we are all paying for it in escalating social costs.

Growing up in poverty is known to be one of the most significant risk factors to children's long-term success and well-being. BC has had an unconscionably high rate of child poverty for several decades, through good economic times and bad, and under the leadership of various governments. We have yet to bring it down to what it was three decades ago.³

We also know that the heightened vulnerability created by living in poverty is disproportionately affecting Aboriginal families, lone mother families, immigrant and refugee families and families with children with disabilities. This should shame us all.

A recent study by the Canadian Centre for Policy Alternatives, estimates the annual cost of maintaining the status quo of poverty in this province at \$8 to 9 billion dollars, twice as much as it would cost to implement a comprehensive poverty reduction plan.⁴

When we look at the trend of growing income inequality over the last 20 years, and the increasing rates of vulnerability among children upon school entry (now at 31%),⁵ we have the evidence we need to call for something other than letting the market work and trying to make the economy grow. We cannot continue to ignore the consequences of allowing so many BC children to be left behind.

We call on the members of the Select Standing Committee on Finance and Government Services to recommend that BC adopt a comprehensive poverty reduction plan, with legislated timelines and targets for the reduction of poverty and homelessness.

¹ First Call: BC Child and Youth Advocacy Coalition, June 15, 2011, *BC Poverty Rates the Worst Once Again, Time for Liberals and NDP to Work Together*, <http://www.firstcallbc.org/pdfs/CurrentIssues/news%20release%20Jun%202011.pdf>.

² BC Association of Child Development Submission to the Select Standing Committee on Finance and Government Services, October 2010, p. 3.

³ First Call: BC Child and Youth Advocacy Coalition, SPARC BC, and Campaign 2000. 2010. *BC Campaign 2000: 2010 Child Poverty Report Card*, p. 5.

⁴ Canadian Centre for Policy Alternatives. 2011. *Summary, The Cost of Poverty in BC*.

⁵ Human Early Learning Partnership. 2011. *EDI Mapping Package, Wave 4 Data (2009/10-2010/11)*.

http://earlylearning.ubc.ca/media/uploads/mapsets/wave4/bc/wave_4_edi_by_sd_-_provincial_map_package_-_13sep11.pdf

Some of our detailed recommendations for the areas of public policy that need government's attention and have budget implications that will help families and bring down the rate of child and family poverty are listed below. They cover four areas – work, education, income supports and social supports.

Regarding work, we need to enhance the quality of parents' jobs. Our specific recommendations:

- Continue to raise and index the minimum wage to bring it closer to a living wage.
- Make sure living wages are paid to all government employees and employees working for government-funded contractors.
- Enforce and enhance employment standards to ensure safe and decent working conditions, fairness and reduce workers' exposure to material hazards, work-related stress and other health risks.

Regarding education, we need to improve children's access to and the quality of education. This is clearly the best investment we can make for BC's future health and prosperity. Our specific recommendations:

- Start early. Invest in a publicly-funded system of high quality, affordable, accessible, not-for-profit child care. Besides providing the quality care and learning environments young children have a right to, this will address the crisis for parents who cannot work because they can't find or afford child care, and those who are working and paying more than they can afford.

First Call partners have endorsed the comprehensive policy proposal developed by the Coalition of Child Care Advocates of BC and the Early Childhood Educators of BC, which presents government with a detailed and costed plan for creating an affordable and stably-funded child care system.⁶

- Restore funding for public schools to enable all students, including those with extra challenges, to get the support they need. On a number of indicators BC is under-investing in public K-12 education in comparison to other provinces, while resources for the growing numbers of students with special needs and English as an additional language are being stretched thinner and thinner.⁷
- Remove barriers to post-secondary access for lower income people through tuition fee reductions, grants instead of loans and interest free loans. It is unacceptable that families in

⁶Early Childhood Educators of BC and Coalition of Child Care Advocates of BC, *Community Plan for a Public System of Integrated Early Care and Learning*, April 2011, http://www.ecebc.ca/news/integrated_project.html

⁷ BC Teachers' Federation, *Education Funding, A Brief to the Select Standing Committee on Finance and Government Services*, September 2011, <http://www.bctf.ca/uploadedFiles/Public/Publications/Briefs/2011EdFundingBrief.pdf>

BC are paying 280% more today than a generation ago, as documented in the excellent submission by our partner the Canadian Federation of Students-BC.⁸

Regarding income supports, direct government income transfers through programs and the tax system are a critical part of the social safety net we all want to be there for us if we find ourselves in need. We need to ensure that our income support programs and policies are provide sufficient income to live a healthy life, respect the dignity of recipients, and don't contribute to trapping people in poverty. Our specific recommendations for families include:

- Reform BC's income assistance policies to allow parents to have enough money to support their children's healthy development. Raise inadequate shelter and support rates, index them to inflation, and restore earnings and child support exemptions. Revise the rates for parents/grandparents with children with disabilities to better reflect their extra needs.
- Change claw-back policies and tax rates for families with children in the \$35,000-\$50,000 income range to bring fairness to the marginal effective tax rate they pay. Many important government subsidies and benefits have income thresholds that are much too low, and are clawed-back so quickly that modest income families face some of the highest marginal effective tax rates in the province. For example, many modest-income families (despite struggling with a bare-bones budget), do not qualify for the low-income carbon tax credit, the sales tax credit, the Rental Assistance Program, MSP premium assistance, or provincial child care subsidies.

Regarding social supports, prevention is the key principle we would like you to consider in your budget recommendations to government. Over the past decade, explicit and de-facto cuts to child and family services and relevant ministries (when allotments don't match actual program costs, e.g. in education and social services) have been short-sighted. Failing to meet children's and families' needs for help costs us all more later when problems get worse or developmental windows are missed. Specifically we recommend:

- Ensure the Ministry of Children and Family Development has sufficient funding to carry out its child protection mandate with integrity, based on high standards of practice. The budget should be enhanced to allow them to eliminate wait lists, reduce social workers' caseloads, and properly support the community-based agencies contracted to do the crucial prevention and intervention work with children and families – things like therapies for children with developmental challenges, parenting support, and specialized services for 'at-risk' youth.
- Make sure a provincial mental health plan includes improved supports for children and youth with mental illnesses and investments in preventative supports.
- Provide public coverage for dental care and prescription drugs to all British Columbians. These are essential parts of health care, and the inequities in access based on income are unconscionable.

⁸ Canadian Federation of Students-British Columbia, *Submission to the Select Standing Committee on Finance and Government Services*, October 2011. http://www.cfs.bc.ca/index.php?section_id=34

- Increase government's efforts to end homelessness and increase the availability of safe and affordable housing for low-income families. We need significant new investments in the stock of affordable housing for families with children.

You have also asked about **how to increase revenues**. We are confident many of our policy recommendations, if adopted, will result in real savings to the public purse over time. "A pound of prevention is worth an ounce of cure," as the adage goes. Giving our children first call on the province's budget is the best investment we can make, a point frequently made by esteemed economists and business organizations – not just people in human services.⁹

Income tax cuts have contributed significantly to the loss of government revenue and the growth of inequality. They have been of little benefit to low income families and served to reduce their access to necessary social services. At the same time the gap between the highest income earners and the middle and lower income earners has continued to widen. This is simply an unsustainable model.¹⁰ We strongly recommend that government take seriously the social and economic costs of growing income inequality and implement a fairer regime of income taxes and government transfers for low and modest income families.

In conclusion, BC's fiscal policy must take into account the mounting evidence about the importance of early years investments, investments in prevention services, and reducing inequities resulting from growing income inequality, *if* we are serious about improving outcomes for children and building a healthier, more prosperous society for all.

British Columbia's premier has promised to put families first. We look forward to a 2012 provincial budget that is accountable to that promise and demonstrates a strong commitment to protecting and supporting all of BC's children, youth and families.

⁹ James Heckman, *Why Early Investment Matters*, <http://www.heckmanequation.org/content/resource/why-early-investment-matters>

¹⁰ Canadian Centre for Policy Alternatives, *BC's Growing Gap, Family Income Inequality, 1976-2006*, March 2009. http://www.policyalternatives.ca/sites/default/files/uploads/publications/BC_Office_Pubs/bc_2009/CCPA_growing_gap_summary.pdf