

September 11, 2007

**Provincial & Regional Partners:**

ACT Autism Community Training Society  
Adoptive Families Association of BC  
Affiliation of Multicultural Societies & Service Agencies  
Alternate Shelter Society  
Association for Community Education BC  
ACT – Autism Community Training Society  
BC Aboriginal Childcare Society  
BC Assoc. for Child Development & Rehabilitation  
BC Association for Community Living  
BC Association for Play Therapy  
BC Association of Child Care Employers  
BC Association of Family Resource Programs  
BC Association of Pregnancy Outreach Programs  
BC Association of Social Workers  
BC Council for Families • BC Crime Prevention Association  
BC Early Years Alliance • BC Farm Women's Network  
BC Federation of Foster Parents Association  
BC Government & Service Employees' Union  
BC Institute Against Family Violence  
BC Pediatric Society • BC Recreation and Parks Association  
BC School Trustees Association • BC Teachers' Federation  
BC/Yukon Society of Transition Houses  
Boys & Girls Clubs of BC  
Canadian Association for Young Children  
Canadian Mental Health Association BC Division  
Canadian Red Cross • Capilano Student Union  
Cerebral Palsy Association of BC  
Child & Family Counseling Association  
Child & Youth Care Association of BC  
Child Care Advocacy Forum  
Children's & Women's Health Centre of BC  
Coalition of Child Care Advocates of BC  
Council of Parent Participation Preschools BC  
Deaf Children's Society of BC  
Dietitians of Canada, BC Region  
Early Childhood Educators of BC  
East Kootenay Childhood Coalition  
Family Services of Greater Vancouver  
Federated Anti-Poverty Groups  
Federation of BC Youth In Care Networks  
Federation of Child & Family Services of BC  
Fulcrum Project • Infant Development Program of BC  
Institute for Safe Schools of BC  
International Dyslexia Association, BC Branch  
Justice Institute of BC  
Labour Environmental Alliance Society  
Learning Disabilities Association of BC  
Literacy BC • McCreary Centre Society  
MOSAIC • Nisika Community Services  
National Council of Jewish Women  
Pacific Association of First Nations Women  
Pacific Community Resources Society  
Pacific Legal Education Association /PARCA  
Parent Support Services Society of BC  
Penticton & District Community Resources Society  
Public Health Association of BC  
Self Help Resource Association of BC  
Social Planning & Research Council BC  
Society for Children & Youth of BC  
Society for Public Education of BC  
Society of Special Needs Adoptive Parents  
Sunshine Coast Community Services Society  
United Way of the Lower Mainland  
Westcoast Child Care Resource Centre  
Westcoast Family Resources Centre  
Working Group on Poverty  
YWCA of Greater Vancouver

**Community Coalition Partners:** 100 Mile House, Abbotsford, Armstrong, Burnaby, Chilliwack, Delta, Duncan, Fraser North, Golden, Grand Forks, Houston, Kamloops, Kelowna, Langley, Maple Ridge/ Pitt Meadows, Port Alberni, Prince George, Salmon Arm, Smithers, Squamish, Surrey, Terrace, Vancouver, Vancouver Aboriginal Council, Vernon, Victoria, Williams Lake

Ms. Wenezenki-Yolland  
Comptroller General  
PO Box 9413 Stn Prov Govt  
Victoria BC V8W 9V1

Dear Ms. Wenezenki-Yolland,

Thank you for your letter of July 31 2007. While we appreciate your inclusion of the link to the listing of individuals and organizations who received government transfers of \$25,000 or more in 2006/07, this listing does not specifically identify which one-time-only payments the BC government made using federal transfers for child care of \$95.7 million. So, as you've suggested, we are following up with MCFD Executive Financial Officer Mr. Sarf Ahmed for that information. We will keep you apprised of our progress.

We have a further question that pertains to the application of government-wide financial policies and procedures, and the above-noted federal transfers.

We stated in previous correspondence that other provinces have 'spread' these same federal transfers out over future years, to support existing services and to assist in the transition out of the now-cancelled 2005 ELCC Agreement. Other provinces have not reduced funding to child care programs this year.

When asked why BC wasn't following the process used by other provinces, your May 1 2007 explained the technical requirements:

1. For the federal transfers to be recorded as revenue in the year received. You noted that under the Province's current legislative framework, MCFD "does not have the ability to carry forward funding into future years".
2. For the related expenditures to be built into future budgets, if the Province so chose. You noted that future budgets would need to meet balanced budget legislation requirements.

We are wondering how these requirements were applied in the 2005/06 fiscal year. In the document entitled "Budget February 2006 Key Budget Highlights from Year to Year", MCFD stated that "the Province is accounting for the 2005 Early Learning Child Care (ELCC) Federal Funding as under":

Fiscal Year	New Federal Funding for ELCC (\$ million)	Province of BC Budget Plan (\$ million)	Difference* (\$ million)
2005-2006	\$92.0	\$30.2	\$61.8

*\*column added for clarification*

The note to this table indicated that “the Province deferred \$61.8 million of Federal ELCC funding from 2005/06 to 2006/07 to meet the Province’s spending plan for 2006/07”.

We are therefore seeking clarification as follows:

1. Was the full amount of the 2005/06 transfers (\$92 million) recognized as revenue in 2005/06, or was a portion of this revenue (\$61.8 million) actually deferred until 2006/07?
2. If the latter, please provide the specific details (i.e. changes in restrictions on use of federal transfers, changes in legislative framework) that explain why the federal transfers were treated differently in 2005/06 and 2006/07.
3. If the full amount of \$92 million was recognized as revenue in 2005/06, please explain the process used to ‘spread’ the related expenditures into 2006/07 and why the same process was not used to ‘spread’ the 2006/07 transfers into 2007/08.

Thank you for your prompt attention to this request.

Michael Goldberg  
Chairperson

Copies: Hon. Carole Taylor, Minister of Finance  
Mary Ellen Turpel-Lafond, Representative for Children and Youth  
Ms. Kim Carter, Ombudsman  
Sarf Ahmed