

## CHILDCARE

### Opening Statement

While the BC Government has made tremendous investments in childcare and has made efforts to reduce barriers for families to access childcare, there are critical issues to address for the sector including the need for Early Childhood Educators (ECEs) as well as a focus on specific needs for the private sector of childcare providers.

This policy outlines the case for a balanced approach to childcare to achieve affordable and quality care in the interests of children, all families and the taxpayers of BC. In order to successfully establish affordable childcare in BC, it is essential that parents and families are left with choices and flexibility for all childcare providers to meet the current and growing demand to ensure accessible services are for BC's workforce.

Childcare operators within the spectrum of providers require additional support. While many supports are available now for Indigenous, not for profit, and public providers, the private sector has been left out. Private daycare operators have historically delivered childcare in support of women, families, and the provincial economy and must be part of the solution while given the autonomy to manage business operations without overly burdensome red tape and intervention. Further dialogue and transparency with private childcare providers and the public is essential to a successful path forward, fairness, and to achieve shared and sustainable objectives with all stakeholders. Moreover, the labour shortage in childcare is very real. We need a greater supply of Early Childhood Educators (ECEs), who also need more support, and more specialized ECE training.

### BACKGROUND

In 2022, the BC Government continued to enhance childcare access. From 2018-2021, the BC government invested \$2.2 billion in Childcare BC – denoting the most significant childcare investment in BC's history.<sup>1</sup> These changes included:

- Creating more before- and after-school spaces, including nearly doubling the Seamless Day program from 24 to 44 school districts, and expanding the Just B4 program to 14 more school districts.
- Through the new shared agreement with the federal government, delivering 30,000 new spaces for children under the age of six within five years, and 40,000 within seven years, however, private facilities are excluded from this funding.
- Through a new agreement with the federal government, fees for full-day infant and toddler care will be reduced by 50% to an average of approximately \$20 a day by the end of 2022.
- Expanding the wage enhancement program to early childhood educators (ECEs) who spend less than 50% of their time in direct childcare functions but are still working within childcare services.
- Adding new licensing officers to accelerate the process of certifying childcare facilities.
- Expanding the dual credit program to 150 more students and creating 130 more ECE training seats annually in post-secondary institutions.

These are all positive developments particularly given the demand for quality childcare as parents are at work. Quality childcare has significant benefits to children including peer socialization, school readiness, and numeracy and language skills. In BC and Canada, options for childcare are varied, ranging from

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<sup>1</sup> [Support for B.C. families, early childhood educators | BC Gov News](#)

nannies, home daycares, daycare centres, preschool programs, and before and after school services. Finding the most appropriate childcare arrangement can, at times, be challenging. Parents must often balance the need between the overall quality, convenience, availability and cost of childcare.<sup>2</sup>

The research done by Dr. Paul Kershaw of UBC found that work-life conflicts of parents raising young children is costly for employers with resulting higher absenteeism rates, greater turnover, and increased use of employer funded extended health benefits.<sup>1</sup> Further, the cost to the BC business community, according to Kershaw, is over \$600 million annually and over \$4 billion for Canadian businesses. These costs are exasperated by the costs to the Canadian health care system of over \$2.5 billion and child welfare of over \$1.2 billion. Inadequate childcare is too costly to ignore. Therefore, it is essential that childcare policy and development in BC are approached with a holistic viewpoint and are outcomes based.

In urban regions, prime employment areas for a diverse and skilled workforce, homeownership requires two reasonable incomes to cover mortgage payments. Childcare for one or more children can be the equivalent of another mortgage payment or higher than rent for family sized homes (2-to-3-bedroom units). Establishing a targeted \$10 a day Childcare model available for families who need it most would support affordability. This would free up financing opportunities for young adults and others to enter the housing market, becoming stabilized, and contributing to the community's economy while preserving options in the sector and in an efficient approach for taxpayers in the interest of all British Columbians.

## KEY CONSIDERATIONS TO IMPROVE CHILDCARE POLICY IN BC

### *Fees and pricing*

Currently, childcare facilities can opt into the BC Child Care Fee Reduction Initiative (CCFRI). When they opt in, there is a layer of regulations that the facilities are required to adhere to. For example, any fee increases (whether it is nominal, regionally aligned and minor or a great amount) must be approved by the Ministry and greater amounts of information may be required of the provider.<sup>3</sup> There is no policy on turn-around for a decision, which alarms many providers. The process has not been well communicated with private facilities as many are still unaware of how to enroll in the program.

Pricing restrictions associated with opting into the new \$10 a day childcare model in BC make it challenging and at times unfeasible to run daycares in different markets with varying operational cost environments including ability to adequately pay staff. If fees are dictated by the government without consideration of each different centre, little funds will be left to raise the livable wages of staff. Owners will be limited with how much they can reinvest in their businesses to improve and expand on services.

If private daycare operators do not opt in to the \$10 a day model geared to Not for profits and public spaces, they face unequal market conditions due to government subsidizing other care centers and institutionalization of the industry. There is a real risk that many private operators will shut down and thus the availability of childcare spaces will suffer tremendously.

### *Early Childhood Educators (ECE)s in BC*

The shortage of ECEs in BC cannot be understated as their importance which is foundational to the childcare sector. In BC, there is a widespread shortage of qualified, well-trained ECE workers. Because

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<sup>2</sup> <https://www150.statcan.gc.ca/n1/pub/89-652-x/89-652-x2014005-eng.htm>

<sup>3</sup> [https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/child-care-operating-funding/ccfri\\_funding\\_guidelines\\_21\\_22.pdf](https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/child-care-operating-funding/ccfri_funding_guidelines_21_22.pdf)

of this shortage, operators are less stringent in hiring and vetting practices. One reason for the shortage is because of the lack of training availability and there are options to expand this.

As an example, Surrey released their Surrey Child Care Report for 2020-2021<sup>4</sup> detailing a comprehensive analysis of Surrey's ability to provide childcare access for workers, and a lack of coordinated childcare planning and service delivery. The key findings of the report illustrated the lack of childcare resources and support services for families in the advent of Surrey's booming population. Early Childhood Educators (ECE) cannot receive training in adult education facilities in Surrey.<sup>5</sup> These issues are not specific to Surrey. They are applicable to many cities in BC.

Current ECE restrictions are also excluding young adults out of high school. To work in a licensed facility, you must be 19 years of age unless an exemption is received, which is difficult to secure. There is also a lack of ECEs that are infant-toddler and special needs certified, which neglects many parents from seeking childcare because there may not be any professionals that can provide the services that their children require.

There is a lack in ECEs with infant-toddler and special needs certification. Facilities that can offer a broad array of ECEs are in demand and can help children with their development. Ensuring that we have the workforce to cater to these needs is essential in building up a childcare program in British Columbia.

Additionally, important to note is that the government's new childcare model includes the Ministry of Education targeting Early Childhood Educators and having them fill roles as Education Assistants in the public school system. This further undermines labour market availability in daycare settings where the need is the most and where the ECE staff ratio to children exists.

#### *Childcare space creation*

The BC government indicated they will be building 40,000 new spaces for childcare in the next seven years. This investment is available to not-for-profit, public spaces, and Indigenous providers. Excluded from this investment is the private providers that were the backbone of support for parents during the COVID-19 crisis. The government needs to ensure that these businesses that provide an essential service can expand. All organizations are key to solving the childcare crisis.

Currently, facility investments come out of operating costs at \$40,000 for local governments and school districts to develop a single childcare space. This has been deemed inadequate throughout the province such as Squamish and Vancouver Island. The investments that are made for childcare spaces show in operating expenses of the provincial budget. These investments should be shown in the capital expenses section. Private facilities should also receive a capital tax incentive or credit when they create new space, which is a program that was ended by the NDP government.

Any public investment into constructions including schools, hospitals, libraries, and others, must include a childcare component.

Affordability and accessibility to quality childcare spaces are necessary for employees to be able to perform at peak productivity, confident in the knowledge that their children are cared for in a safe, learning environment. Continuing to build a universal, affordable, quality childcare system in BC is a smart use of public resources that will have positive ripple effects across the provincial economy by:

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<sup>4</sup> <https://www.surrey.ca/sites/default/files/media/documents/SurreyCommunityChildCareActionPlan.pdf>

<sup>5</sup> [Recognized Early Childhood Education Training Institutions](#)

- Removing some pressure from young working families by freeing resources to pay off student loan, mortgage debt or rent.
- Providing a good start for all BC children.
- Allowing more parents (particularly mothers) to participate in the workforce, increasing tax revenues almost immediately.
- Creating new jobs.<sup>6</sup>

#### *A Structured Eco-System of Childcare and Educational Infrastructure in BC*

We need to reflect current socio-economic needs to create a structured eco-system of childcare in the province. Currently, access to high-quality, affordable early childhood education is varied. Early childhood education is the foundation of lifelong learning which can influence individual and community quality of life and contribution to society. The early education sector has a central focus on a child's learning, development and wellbeing,

We need to ensure that social infrastructure assets like childcare (including disability care), hospitals and universities can also act as economic anchors, providing a source of stable employment and supporting local economies.

Education infrastructure supports the delivery of high-quality educational outcomes. On an individual scale, a high-quality early education environment can improve the chances of children achieving better learning outcomes while at school, which in turn can enhance broader learning, health, employment and wealth outcomes later in their adult life. On a national scale, childcare & education infrastructure directly impacts our workforce participation, global competitiveness, increased social cohesion, wellbeing and productivity as a nation.

We need a comprehensive education eco-system infrastructure consisting of the buildings, facilities and campuses which support learning for both children and adults, including:

- Early childhood education: Childcare centres and preschools provided to children aged up to five years. Centres and preschools can be provided by schools, local governments or private entities.
- Primary and secondary education: Primary and secondary schools, combined schools and special needs schools provided for children aged between five and 18 years. Schools can be provided by governments, religious or independent organizations.
- Tertiary education: Universities and vocational education facilities provided for adults to add to early childhood educators.

#### THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Provide a roadmap of the BC Childcare model including the role and place of private daycare operators
2. Improve communication policies with private childcare providers that will be evaluated annually;
3. Expand the incentives and financial supports indicated in Budget 2022 for non-profit, public, and Indigenous childcare providers to include private childcare facilities.

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<sup>6</sup> [https://www.policynote.ca/bc-budget-2019-maintain-momentum-building-a-universal-affordable-quality-child-care-system/?utm\\_source=enewsletter&utm\\_medium=email&utm\\_campaign=focused&utm\\_content=secondary](https://www.policynote.ca/bc-budget-2019-maintain-momentum-building-a-universal-affordable-quality-child-care-system/?utm_source=enewsletter&utm_medium=email&utm_campaign=focused&utm_content=secondary)

4. Ensure that childcare space investments are available to the entire spectrum of childcare providers and are part of capital costs of the annual budget and three-year plan;
5. Ensure that any public investment into the construction of buildings, such as schools, hospitals, libraries, etc., must include a childcare area;
6. Provide funding, establish partnerships and initiatives to support the increased supply of ECEs and for more ECEs to become infant-toddler and special needs certified; and,
7. Create an education eco-system of childcare infrastructure.

**Submitted by the Surrey Board of Trade, Abbotsford Chamber of Commerce and South Surrey & White Rock Chamber of Commerce**