

Briefing Note



Prepared for: Ministry of Education and Child Care,
Government of British Columbia

Issue: Risk of losing existing rural childcare providers

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Purpose: To provide the Ministry with a greater understanding of the challenges that existing rural childcare providers face in providing accessible and affordable childcare services, within the current system and the risk of losing existing childcare spaces in rural communities.

Background

- Policy changes have launched a transition of British Columbia's childcare system aimed at enhancing the available workforce and increasing the number of spaces available. However, this period of transition has created a period of change and instability, and interventions may be required to prevent negative unintended consequences.
- Beyond workforce and the creation of new spaces, a recent study identified that the largest challenge providers face is insufficient funds to cover expenses, as while costs constantly rise, funding doesn't always rise at the same rate. This is exemplified by the perception of 30% of the surveyed childcare providers that they will not be financially stable into the future.
- As a result, there is a risk that current policy change may reduce the number of overall spaces if providers cannot survive financially.

Discussion

- Childcare providers are subject to ongoing regulatory change, without the accompanying clarity on the Ministry's future intentions. This creates an atmosphere of uncertainty, which exacerbates the risk and precarity that these providers already face.
- Childcare providers are unable to raise revenue to cover rising costs, due to the inability to:
 - Accept more clients to increase revenue, due to lack of 1) space, 2) staff
 - Raise the price of service provision due to existing regulations within the funding model
- Some childcare providers may face difficulties navigating the existing system of funding, due to underdeveloped business skills and lack of time availability. There needs to be concerted attention, communication, and action to help existing providers understand and navigate the changing environment.

Conclusion/Next steps:

Existing childcare providers are at serious risk of being forced to close. To mitigate this potential risk, the Ministry should investigate a stop-gap program aimed at preventing closures of existing childcare providers. This includes:

- Increase proactive plain language communication of changes directly to childcare providers,
- Enhance short term stability and predictability by providing timelines,
- Communicate long term timeline of the changes which will enable childcare provision to be stable and secure in the future, and
- Support providers 1:1 to navigate these short- and long-term changes – including where flexibility exists for place specific needs.

This will result in better service provision for clients, as well as a more financially viable future for the service providers.