

Parents question timing of 'outrageous' daycare fee hike ^[1]

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EXCERPTS

When Scholastica Lee walked into her Richmond daycare one morning in early February, she was handed a coffee, a muffin and a letter from the company's CEO.

"I was like 'What? What's going on?' We're paying a lot already," Lee recalls.

The letter from Natacha Beim, the CEO and Founder of Core Education and Fine Arts, a for-profit daycare with 18 franchise locations across B.C., informed Lee that her monthly bill for her 15-month-old son, John Junior, would be increasing from \$1,590 to \$1,840 as of March 1.

"That is my mortgage! That is half my salary," Lee said, remembering the shock of learning she'd have to shell out an extra \$250 a month, more than a 15 per cent increase, starting in three weeks' time.

Carolyn Siu, whose four-year-old daughter attends a CEFA location in Burnaby, got an identical letter, raising her monthly bill from \$1,470 to \$1,620, just over a 10-per-cent increase.

"It's outrageous," Siu said. "What can I do? I'm stuck. I feel trapped."

Siu and Lee are just two of thousands of B.C. parents that will be directly impacted by CEFA's rate hike.

"We are...facing a crisis when it comes to finding teachers," CEFA's CEO wrote, explaining the company is committing to becoming what's called a "Living Wage Employer" over the next three years.

"There must be some miscalculation somewhere," Siu said. "You can't take it all out on parents."

"How can you leave with only a month's notice," Lee said in frustration. "The wait lists for other daycares can be what, a year, a year-and-a-half?"

Siu and Lee also raised questions about the timing of the rate hike, coming within days of the province announcing it would invest \$1 billion in child care over three years.

The new funding introduces a fee reduction initiative for licensed daycare providers who opt in as of April 1, which could reduce monthly

rates by as much as \$350 per child, provided those savings are passed along to parents.

According to Katrina Chen, the Minister of State for Child Care, providers who participate will be required to sign a contract agreeing to do just that, and not to increase their rates beyond what she termed was “reasonable.”

“This incident shows why the current system does not work,” Chen told CTV News.

“[When CEFA renews] their operating fund contract with us, we’re going to have a conversation with them,” she added.

But Chen wouldn’t say whether CEFA’s sudden rate increase would impact its ability to opt in to the new program, explaining that “we’re going to look at historical fees, and see what type of increases they’re passing to parents.”

Longtime child care advocate Sharon Gregson called the rate hike the “strongest signal” we could possibly have that the current system doesn’t work for families, and questioned the size and timing of CEFA’s increase.

“Other childcare organizations are not having a \$200 fee increase with a month’s notice,” Gregson said.

When CTV News took those concerns to CEFA’S CEO, Natacha Beim acknowledged the fee hike was “drastic,” but called the pay increase for their 500+ early childhood educators “critical.”

“We have to do it now. We want to do it now, and our teachers deserve it,” Beim said.

It is widely understood that ECEs across B.C. are underpaid. And while the new budget provides \$136 million over 3 years aimed at ECEs and increasing quality of care, child care advocates like Gregson and operators like Beim agree more needs to be done to boost their wages too.

When asked where the money from the fee increase is going, Beim said all of it is “going to the teachers.”

“If we increase the fees 10 per cent, the teachers are getting a 10-per-cent increase overall.”

CTV News also asked Beim about the timing: “How is that fair or reasonable, 3 weeks?”

“It’s not really fair or reasonable,” she said, “but our teachers are leaving. [Parents] are giving a little for our teachers, who are getting a lot.”

CTV News spoke to two CEFA educators from two different branches who said they received wage increases, but called them “disappointing.”

And as CTV’s report went to air, we learned at least one teacher who had already received a raise in the last couple weeks, had been given a second increase.

Both teachers asked to remain anonymous and not have their wages, raises or work locations published out of concern for their jobs.

Carolyn Siu and Scholastica Lee say they understand why CEFA’s educators should get a wage bump, but both wonder why parents like them are bearing the brunt.

"I have no other options [for childcare]," said Lee.

Beim says she's releasing parents from their notice periods and they are free to leave.

"But where are they going to?" CTV asked her. "Well, you can always hire a nanny," she replied. "That's your solution?" we asked. "Why not?" Beim says.

CEFA's CEO pledged not to raise fees during the 2018-19 academic year, and told CTV she would agree to put in a contract if parents asked for it, but stopped short of giving parents more time before implementing the hikes.

"How can parents be sure that the money is going where you say it's going?" CTV asked.

"Well, I think they're welcome to speak to their owners," Beim said.

When we reached out to CEFA franchise owner Mark Leslie, who with his wife, runs the location where Scholastica Lee sends her toddler in Richmond, and another in Surrey, he was critical of the timing of the hike.

"It sucked," Leslie said, explaining that had it been communicated differently, "it could have been very positive for parents."

"We're not trying to penalize parents, we're trying to provide a great place for staff," Leslie said.

According to Leslie, "well over half" the fee increase at his locations will go to staff wages, but a portion will go toward the small business payroll tax, and toward rent.

And it turns out Beim and the head office will also get a cut.

"If head office wanted to reduce royalty fees, great!" said Leslie.

When we asked Beim if she had any plans to reduce her 6 per cent royalty fee so that a larger portion of the increase would go toward CEFA educators' salaries, she wouldn't give a direct answer.

"I don't know why we're focusing on that, when the big problem is we don't have enough child care spaces," Beim said.

"So your office [receives] no benefit?" we asked again, referring to the fee hike.

"We do the same way we've always done," she answered.

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