

# Contract confusion forces B.C. government to push back signing deadline for child-care providers <sup>[1]</sup>

'We haven't received the same answer twice': businesses frustrated over error-filled document

**Author:** Larsen, Karin

**Source:** CBC News

**Format:** Article

**Publication Date:** 25 Mar 2018

## AVAILABILITY

[Read online](#) <sup>[2]</sup>

## EXCERPTS

The B.C. government has pushed back a contract signing deadline after owners of private child-care businesses went public with complaints the document is both error-filled and confusing.

The contract, part of the NDP's Child Care Operating Funding Program, promises to provide licensed providers a subsidy aimed at reducing the fees charged to parents by as much as \$350 per month per child, if signed by March 27.

But according to Andrea Worms of the B.C. Child Care Owners Association, the subsidy listed in the contract is different from what was originally promised by the Ministry of Children and Family Development and from information in a document provided by the ministry last Friday.

"They can't even explain it. Every phone call to the ministry's office comes back with a different answer," said Worms, who operates two child-care facilities in Kelowna.

"Lawyers have said you can't sign a contract that says you're going to get \$300 [from a subsidy] while committing to giving a \$350 discount. That means you're losing money."

Another problem with the contract is that it stipulates daycare operators freeze their fees for three years, except under "extenuating circumstances." However the term "extenuating circumstances" is not defined.

Worms says agreeing to a fee freeze opens operators up to serious financial risks.

"For instance, I had plans to increase fees a little to accommodate the new MSP payroll tax that's coming in next January, which will affect my business to the tune of about \$17,000 a year. That's huge. We operate on really slim margins," she said.

BCCCOA members provide approximately 5,000 child-care spaces in B.C.

## Minister responds

Katrina Chen, the minister of state for child care, says many providers have already signed the contract, but the government heard from others who wanted clarity and assurances of stable payments.

"And I totally understand that," Chen said, adding the government would provide that clarity and payment stability.

As for the definition of "extenuating circumstances," Chen said many situations can arise outside an operator's control. She said situations like a rent increase making a fee hike necessary would be examined on a case-by-case basis.

"We will work with providers to make sure that whatever fee increase they have ... the fee reduction can still be passed down to parents," she said.

"What we will look at is whether the cost is outside of their control and can they manage the cost within the current fee schedule and how much fee they're going to increase."

Chen said a fee cap is not being brought in for daycare in B.C.

The new deadline for signing the contract is April 20, but the fee reduction will be retroactive to April 1.

-reprinted from CBC News

**Related link:** 'The math doesn't make sense': daycares anxious on eve of NDP childcare rollout [3]

**Region:** British Columbia [4]

**Tags:** social policy [5]

child care [6]

policy [7]

subsidy [8]

spaces [9]

fees [10]

---

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/18/03/contract-confusion-forces-bc-government-push-back-signing-deadline>

#### Links

[1] <https://childcarecanada.org/documents/child-care-news/18/03/contract-confusion-forces-bc-government-push-back-signing-deadline> [2]

<https://www.cbc.ca/news/canada/british-columbia/contract-confusion-forces-b-c-government-to-push-back-deadline-on-child-care-subsidies-1.4594414> [3]

<https://childcarecanada.org/documents/child-care-news/18/03/'-math-doesn't-make-sense'-daycares-anxious-eve-ndp-childcare-rollou> [4]

<https://childcarecanada.org/taxonomy/term/7860> [5] <https://childcarecanada.org/category/tags/social-policy> [6]

<https://childcarecanada.org/category/tags/child-care> [7] <https://childcarecanada.org/category/tags/policy> [8]

<https://childcarecanada.org/category/tags/subsidy> [9] <https://childcarecanada.org/category/tags/spaces> [10] <https://childcarecanada.org/category/tags/fees>