

# B.C. government to probe daycares that hiked fees just as rate relief program launched <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

The B.C. government says it will investigate licensed child care providers that hiked fees just before the launch of a provincial program aimed at saving parents money.

The move follows complaints from parents, upset that they won't receive those savings after some daycare providers raised their tuition before the April 1 launch.

Under the child care fee-reduction program, part of the province's billion-dollar child care plan promised in the 2018 budget, parents were told they could get up to \$350 knocked off their monthly bill if their daycare opted in.

The government said earlier this week that it will investigate providers that hiked fees in the months before the program and, if any of the increases are unreasonable, the daycare may lose its eligibility for the fee-reduction program.

Some parents, frustrated after the CEFA Early Learning chain of daycares raised rates in February, started a petition at Change.org to pressure the owner to give all the extra money to its staff.

CEFA told parents their fees would jump by 10 to 15 per cent, which for some meant an extra \$200 or more a month, beginning in March. CEFA said it was giving all the money to its teachers but a CTV investigation found that owner Natacha Beim would continue to take six per cent in royalties from the pay increase.

In another letter to families, which was posted on the petition site, Beim pledged to put all the royalties back into education. She says the increase is intended to provide a living wage for her teachers.

CEFA is not the only daycare provider to hike fees after the fee-reduction program was announced.

Several parents wrote to Postmedia to voice disappointment over the timing of a five-per-cent rate surge at Kids & Company, a daycare franchise with operations throughout Metro Vancouver.

Port Moody parent Bruno Jury said he was disappointed that the government announced savings for families, but said they won't see much of a difference on their bill, adding it seemed "shady" to bring in rate hikes just as parents were expecting a break.

The company's director of sales and marketing, Linda Starr, said the company is trying to stay competitive in a province with an extreme

shortage of child care workers, and suggested that five per cent is fair given other increases by similar private operators.

“We have heard there have been other increases, as high as 20 per cent, by some other child care centres in the province facing similar challenges,” she said in an email.

She added that 100 per cent of the increase will go to staff wages.

An official at the B.C. Ministry of Children and Families said the primary goal of the government program is to reduce costs for parents.

To ensure the funding is passed on the parents, the ministry said it will review each provider’s application. If a provider has increased fees in the seven months before enrolment in the fee reduction plan by higher-than-expected amounts, the ministry will investigate.

“If it is deemed to be an unreasonable increase, the provider may be ineligible to participate, as the enhanced funding will not be passed on to parents as intended,” the official said in an email.

Sharon Gregson, a child care advocate, said providers that hiked fees may decide to reduce them after speaking with government, as in one case of an operator in Terrace who raised fees by \$350 but agreed to reduce them to opt in to the program.

Others have decided not to opt in to the program and have raised their fees. That has left some parents, like Jenny Zhang, trying to find another daycare that offers the savings.

Zhang, whose 15-month old son goes to Bluebird daycare in North Vancouver, received a letter on April 3 saying the company would not opt in, over concerns the government will be unable to meet timelines in issuing the subsidized funds. In addition, Zhang’s daycare fees will go up \$55 a month.

The mother of two, who works as an executive assistant in Vancouver, said she is “extremely frustrated” and has contacted 10 daycares in her area with no luck finding a space that works for their schedule.

“When we heard the news (about the fee reduction program), we were relieved to think that we would save \$350 a month — you know that’s around \$4,000 a year — but now we will have to pay more. With the price of housing and gas, and the cost of daycare being so high here, it makes everything really difficult,” she said. “It’s unbelievable.”

In the letter, Bluebird owner Puran Bagheri says the rate change is a scheduled annual increase, and that they make every effort to keep increases to a minimum.

“Keeping our fees low means that we have lower margins, and as such we cannot risk receiving funds late from the government. This would hinder our obligations to our staff and creditors and impact our ability to provide a high standard of care to our families,” said Bagheri, in the letter.

Gregson said there are three areas of child care that need simultaneous investment: affordability for families, a substantial increase in the number licensed spaces, and investment in the early childhood education workforce including wage enhancements.

Gregson said all three were in the 2018 budget, including wages for educators, which she said needs to be implemented soon.

She said if the government had provided money for staff wage increases at the same time as offering parents the fee reduction plan, then daycares might not have hiked fees significantly, leaving parents with little or no relief.

She added that she doubts it would have completely eliminated fee increases because there are other cost pressures besides wages.

A Vancouver mother of two, Sara Langlois, said her daughter is in the YMCA daycare toddler program so she will save \$100 a month. Her son will be in the infant program soon so she will save \$450 with the fee reduction program. She said it's not much because of the already high fees but with two children, any savings help. She has not received a letter of fee increases and says she feels bad for those parents who will see little help.

"This is supposed to be savings for the parents," she said. "I think the program is a step in the right direction but it is not enough to change the system. I don't think it will make a difference in whether women can go back to work."

The deadline for providers to opt in to the fee reduction program was extended to April 20 after some operators complained the program was rushed and the details were unclear.

-reprinted from Vancouver Sun

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