

N.L. child-care provider 'frustrated and angry' with new details of \$25-a-day daycare plan ^[1]

Provincial government to reimburse providers — up to a point

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EXCERPTS

The release of how the Newfoundland and Labrador government plans to fund its \$25-a-day daycare program isn't sitting well with at least one child-care provider, who says in order to offer cheaper rates, both the quality of care she provides and her bottom line will have to take a big cut.

Kendra Harrigan, who looks after six children in her home-based, regulated child-care business in Witless Bay, said she was "quite upset" when she learned the plan's details on Friday.

"I was very frustrated and angry," said Harrigan, who added she feels guilty about a difficult choice she has to make.

She charges parents \$45 a day for each child under five. According to the newly released details for the cheaper child-care program, Harrigan would charge parents \$25, with an operating grant from the province to cover the gap — up to a point.

That grant varies depending on the age of the child; for three- to five-year-olds, the province will pay \$13, giving Harrigan a total of \$38 per day. That \$7 gap might not sound like much, but in a business with slim margins she would lose \$175 a week, and to compensate, she says, she'd need to cut back on her operation — whether it's scrutinizing the meals she serves, craft supplies she buys or special days she plans for.

"The government talks about high-quality child care, but this is not going to help the quality. It's going to lessen it," she said.

Harrigan's concerns came up at House of Assembly on Monday afternoon, with Education Minister Tom Osborne asked about the possibility of some providers feeling financial pressure from the regulations.

"It's certainly not the intent to push anybody out of business," Osborne said during question period, adding his department is planning a consultation process about early childhood education for 2021.

"We welcome feedback from anybody, if there are areas where we can make improvements, within reason," he told CBC News.

'It's like going backwards'

The \$25-a-day program is optional, meaning Harrigan must now decide if she is willing to put her own business under stress to alleviate parents' strain.

"I wouldn't be able to offer the program that I do, if I do decide to say that, 'OK, I am going to be OK with this and I will offer this to my families,' but my program is really going to suffer," she said.

At the same time, Harrigan realizes that the \$25 plan is meant to help parents' financial crunch — "every parent deserves to save on child care," she said — and agrees fundamentally with the idea, but says there may not be much uptake on the program.

"By the government offering this and hoping that families can avail of this and get back into the workforce and help the economy, it's not really going to work, because if we can't afford it and families don't get their \$25 a day, then, none of it even makes any sense," she said.

Osborne said the recent concerns echo those of 2014, when the operating grant program first began subsidizing child-care centres. That program now has 70 per cent uptake among centres in the province.

"There are some that have decided, you know, that they don't want to operate under the operating grant program and have the right to liberty or the freedom to, you know, charge a different rate. Same will hold true for the family centres," Osborne said.

Adding to Harrigan's concerns is what she said is an inequality built in to the new details: the province will pay out more in grants to daycare centres — with extra if they demonstrate they cannot balance their books — than to home-based facilities like hers.

That's unfair, she said, adding she isn't alone, and the chatter among her home-based daycare colleagues has been dominated by disappointment and frustration.

"Every situation is unique, but everyone is hurt, really, because ... it's like going backwards, and we've all worked so hard to get where we are," she said.

Osborne said the difference in rates is because child-care centres have more overhead, staffing costs and other requirements than daycares based in homes.

Harrigan said she hasn't made up her mind on her next steps, but with continued high demand for spaces in Witless Bay, said she won't face the same pressure to compete as providers may feel in St. John's.

The \$25-a-day daycare plan goes into effect Jan. 1, with the province promising to fund 8,000 child-care spots through the program.

Region: Newfoundland [3]

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