

Gouging the poor [CA-AB] ^[1]

Part one of a four-part series

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See text below.

EXCERPTS

Low-income parents who receive provincial child care subsidies are being gouged by day care centres and critics contend the Alberta government is doing nothing to stop it.

Opposition Liberals and NDP have called for an investigation into the subsidy gouging that was first identified in an internal government report three years ago.

The opposition critics want to know why the government hasn't addressed the problem and why concerns haven't been raised about it by the provincial auditor general.

The reports were authored by Alberta Children's Services in conjunction with Jordan Cleland of KPMG consultants. The first, *Supporting Day Care Professionals: Issues and Options*, included one other recommendation - establishing professional accreditation - and the government has followed through on it. But it noted numerous systemic failures, including gouging of the poor, that were not addressed.

"While not fully knowing the extent of the practice, there are numerous instances of day care centres charging 'two-tiered fee rates'," the report states.

"This involves charging low-income subsidy recipients higher monthly fees than non-subsidized families, presumably because the subsidized families are protected by only having to pay the difference between the monthly fee and the subsidy amount paid on their behalf."

Liberal critic Weslyn Mather said it is "absolutely disgusting" that the Alberta government hasn't addressed gouging and that it waited for federal money to increase subsidies.

"The government has sat on these reports for three years, knowing full well what low-income parents are facing and ignoring its own recommendations," she said.

A search of the government's website and its news release database found no reference to the internal report or the companion report on the day-home industry released shortly after, *Family Day Home and Out Of School Child Care: An Environmental Scan*. That report outlines gouging at day homes.

When accreditation was announced in December 2002 as part of a larger \$5.6-million child care initiative, there was no mention of the report from which it stemmed.

There was also no mention of the report last week during the announcement of a \$480-million, five-year federal child care funding deal with Alberta.

WARNINGS UNHEEDED

The province should set a limit on fees day-care centres can charge to prevent low-income Albertans from being gouged out of their subsidies, says a city day-care manager.

"They should be enforcing an allowable maximum charge," said Jennifer Grant, executive director of the non-profit King Edward Child Care Centre, adding she saw gouging first-hand at a day care where she previously worked.

Grant said she is concerned the Ralph Klein government hasn't taken action against gouging, despite knowing about it for three years.

New Democrat critic Raj Pannu called gouging "simply unconscionable" and laid the responsibility at the feet of Children's Services Minister Heather Forsyth.

A pair of government reports that have gathered dust since their completion in 2002 showed day-care subsidies saved the government about \$130 million over a decade by enabling parents on welfare to get back into the workforce.

Spending on child care in last year's budget was \$7 million lower than in 1994.

Pannu said the Alberta government was warned before cancelling day-care facility grants in 1999 that all of the problems highlighted in the reports could happen.

"There was a big meeting at Grant MacEwan in 1999 when the changes were made and there were 400 day-care industry workers there. And they were warning the government that quality would go down, that parents would be gouged and there would be no monitoring of quality. And that's exactly what has happened."

The government did not return calls for comment.

- reprinted from the Edmonton Sun

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