

**TEMPORARY SUBSIDY SCHEME  
FINANCING CHILDCARE IN THE CARIBBEAN NETHERLANDS**



**QUESTIONS AND ANSWERS ABOUT SUBSIDY INCREASE  
AS OF THE 1st OF JULY 2022**

**What will be the exact subsidy amounts for the temporary subsidy scheme from 1 January 2022?**

**Per child/half-day (USD)**

PER CHILD/HALF-DAY	Bonaire	Saba	St. Eustatius
Daycare*	8,50	4,88	4,88
Out-of-school care**	14,00	13,75	13,75
Host parent care*	5,38		
Host parent out-of-school care **	10,75		

\*up to 40 half-days each month

\*\*up to 20 half-days each month, excluding school holidays

**Maximum amount per child/month, based on 5 days of childcare a week (USD)**

MAX. PER CHILD/MONTH	Bonaire	Saba	St. Eustatius
Daycare	340	195	195
Out-of-school care	280	275	275
Host parent care	215		

**Will the minimum/maximum parental contribution change as of 1 July 2022?**

No, the parental contribution remains the same.

**Does the 10% increase as of the 1<sup>st</sup> of July 2022 also apply to the childcare place subsidy?**

No, since the parental contribution remains the same, the increase does not apply to the childcare place subsidy.

**May the extra subsidy also be used to pay the increased fixed costs (e.g. electricity, children's meals)? May the extra subsidy also be used to improve the quality?**

The extra subsidy could also be used for other costs. The increase of the subsidy is to enable childcare organizations to improve the terms of employment as well as absorb other cost increases. It is up to the employer to determine how and when the salary of a pedagogical employee can be adjusted. This will partly depend on the financial situation of a childcare organization. The advice is to ensure that pedagogical employees receive the minimum salary according to the growth package within a few years. Especially when the difference between the current salary and the intended minimum salary is large, it is recommended to take a first step towards improving the salary as soon as possible. From the point of view of being a good employer and of competition, this is recommended.

**What amount may I look forward to receiving from UVB as first payment in July 2022?**

As soon as UVB receives your progress report in early July 2022, they will initiate the payment of the subsidy for the third quarter (July-September), without checking the progress report in advance. Because they do not know exactly what the subsidy amount should be at the beginning of July, the advance payment will be an estimate. The estimate is determined as follows:  
Half of the subsidy you received for the period January/July, plus 5%.

The reason that the increase is 5% instead of an increase of 10% has to do with the childcare place subsidy. The advance payment from January - July 2022 that is taken as a starting point, also contains childcare place subsidy. If the full increase would be applied to this amount, the advance could be too high. The increase only relates to the cost price subsidy and not to the child placement subsidy. The exact calculation will be done after your progress report has been reviewed.

After checking the progress report, UVB will determine the advance for the first half year on the basis of the new subsidy amounts. If you have received (more than) \$500 less in July 2022, UVB will make a corrective payment before the 1<sup>st</sup> of September 2022. If the difference is less than \$500, it will be set off against the advance payment in October.

Should you have received too much, the excess will also be set off with the advance for the fourth quarter in October.

NOTE: Make sure you answer any questions asked by UVB about your progress report immediately.

### **How will the childcare organisations be able to make the necessary improvements in quality without the necessary funds? What will be done to address this matter?**

It is clear that change and quality improvement cannot be achieved overnight. That is also not expected from childcare organizations. We are taking a number of years for this. During its visits, the Inspectorate will indicate what really needs to be improved, also taking into account the financial possibilities of the childcare organization. The subsidies will also be gradually increased so that there is more room to implement improvements. This point will be included in the follow-up investigation into the cost price in early 2023.

### **Until when will the temporary subsidy scheme for financing childcare in the Caribbean Netherlands remain in force?**

The temporary subsidy scheme will remain in force until the introduction of a permanent financing structure. The permanent financing structure will be laid down in the draft law Childcare in the Caribbean Netherlands and further detailed in an Order in Council. This is now expected to come into force in 2024 at the earliest.

## **SUBSIDY AND GROWTH PACKAGE LABOUR CONDITIONS**

### **Is a childcare organization obliged to increase all salaries by 10 per cent?**

No. The subsidy increase is intended to enable childcare organizations to improve the terms of employment of their own employees and to absorb other cost increases. It is up to the employer to determine how and when the salary of a pedagogical employee can be adjusted. This partly depends on the financial situation of a childcare organization.

The BES(t) 4 kids program gives some guidelines in the growth package for the terms of employment and especially the salary of pedagogical employees.

### **What else will be done to improve the employment conditions for childcare staff?**

It is a widely supported wish to come to a collective labour conditions agreement: the CLA Childcare CN. In this, matters such as minimum salaries, holiday (money) and pension can be arranged collectively.

Therefore, the public entities will support the process of realising a collective labour agreement as much as possible. That will take some time. For example, the wishes and needs of employers and employees on the three islands must be inventoried and then employers and employees must agree on a first CLA. In order to be able to take the first steps in the short term to improve the labour conditions, the BES(t) 4 kids program has drawn up a growth package that can help organizations to improve the labour conditions.

**The costs increased enormously last year while the parental contribution cannot be adjusted accordingly. So how can childcare organizations improve their salaries?**

The costs increased enormously last year while the parental contribution cannot be adjusted accordingly. So how can childcare organizations improve their salaries?

In January 2022, the temporary subsidy was already increased by more than 10 percent in connection with the increase of the legal minimum wage. As of the 1st of July 2022, the subsidy will be increased again by 10 percent to enable childcare organizations to improve working conditions and absorb other cost increases. With these two increases, it should be possible to do something about the salaries of pedagogical employees as well as absorb the cost increase.

It is up to the employer to determine how and when the salary of a pedagogic employee can be adjusted.

**What happens to the subsidy and the salary scales if the legal minimum wage rises again?**

The subsidy and the intended salaries in the provisional salary structure are adjusted when the legal minimum wage increases.

**The idea of salary scales is that employees grow one step each year. Do childcare organisations get sufficient subsidy for this?**

The subsidy is adjusted annually for this.

## **BABY ALLOWANCE**

**Why an allowance for extra costs for babies?**

The childcare organisations reported that they were considering not caring for babies anymore because they are much more expensive and because there is no extra income. To prevent babies from not being taken care of anymore, it was decided to give an extra allowance of \$300 for children up to 2 years old. This is in addition to the regular subsidy per child per month.

**How is a sum of \$300 per six months calculated?**

It is an allowance to compensate a little for the cost of babies. The current subsidy already indirectly takes into account the costs of babies and toddlers. In order to avoid reducing the other subsidy, an allowance based on \$50 per child per month (\$300 per half year) has been chosen.

**Why a reference point and payment once every six months instead of every month or quarter? A baby can come in and out at any time.**

For a good implementation, a simple and little labour-intensive regulation was needed. For this reason, it was decided to offer an allowance based on the actual number of children present on the reference date.

**Why is the allowance for extra costs for babies only paid afterwards? The childcare centre is expected to advance the extra costs.**

For the implementing organisation (UVB) another way of processing was not possible.

There is no question of extra costs that organisations have to make now. It is in fact an extra subsidy that can be used to improve the quality of the care.

## **WAGE LOSS FOR EDUCATION**

### **Why is wage loss for education counted in the subsidy when not all childcare organisations have pedagogical staff in training?**

The Public Entity stops the regulation for wage loss as of July 1st. The Public Entity wanted to continue to use the available funds to support organisations to work on the quality of care. For that reason it has been incorporated in the subsidy amounts.

Assuming that all child care organisations with staff send people for training from time to time, it was decided that the amount which OLB spent on wage loss on an annual basis would be settled in the subsidy amount based on the number of children and dayparts. With this, all childcare organisations should have the possibility to arrange replacement at times when an employee follows a training course during working hours.

### **\$2.40 / \$1.20 per child per month is not enough to pay for a replacement?**

That's right. The increase in subsidy applies to the whole year and replaces the separate application for wage loss when a stand-in worker is needed on the hours when an employee is attending a training course. A childcare organisation now does not have to submit application forms and evidence to the OLB for every replacement in connection with attending a training course. It is up to the childcare organisation to set aside some money each month for the times when a stand-in is needed.