

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



**QUESTIONS AND ANSWERS ABOUT SUBSIDY INCREASE
AS OF THE 1st OF JANUARY 2023**

What will be the exact subsidy amounts for the temporary subsidy scheme from 1 January 2023?

Maximum amount per child per month, at 5 days childcare per week (USD)

PER CHILD/MONTH	Bonaire	Saba	St. Eustatius
Daycare	441 ¹	261	259
Out -of- school care	396	330	328
Host parent care	334		
Host parent bso	338		

Per child per day-part (USD)

PER CHILD/DAY PART	Bonaire	Saba	St. Eustatius
Daycare*	11,03	6,53	6,48
Out-of-school care**	19,80	16,50	16,40
Host parent daycare*	8,35		
Host parent-bso**	16,90		

*maximum 40 day-parts per month

**maximum 20 day-parts per month, with exception of school vacations

Will the minimum/maximum parental contribution change as of 1 January 2023?

The maximum parental contribution for day care will be \$25 lower per child, at 5 days of care per week. The rate for out-of-school care will also be lower for parents: on Bonaire, the maximum parental contribution will be \$25 lower, on Saba and Sint Eustatius, the parental contribution will be \$10 lower, for 5 days of care per week. The overview shows the (minimum and maximum) parental contribution applicable per island in 2023:

Parental contribution (\$)	Bonaire		Saba		St. Eustatius	
	<i>Daycare</i>	<i>Out-of-school care</i>	<i>Daycare</i>	<i>Out-of-school care</i>	<i>Daycare</i>	<i>Out-of-school care</i>
<i>Per child per month (at 5 days care per week)</i>						
2022	100 – 125 100*	50 – 125*	100	50	100	50
2023	75 – 100 75*	40 – 100*	75	40	75	40

*For host parents on Bonaire, a fixed parent contribution applies for daycare and a minimum and maximum parent contribution for out-of-school care.

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

Yes. The additional subsidy also includes compensation for price increases per island: 12.2% on Bonaire, 9.0% on Sint Eustatius and 9.7% on Saba. This compensation is calculated based on the subsidy amount and the (maximum) parental contribution in 2022.

¹ The subsidies for daycare are based on the average rates that parents previously had to pay. That average is was significantly higher than on Bonaire than on St. Eustatius and Saba.

What amount may I look forward to receiving from UVB as first payment in January 2023?

Once UVB receives your progress report in early January, UVB will immediately initiate payment of the advance for the first quarter of 2023. This advance is a general advance based on the amounts in the third and fourth quarters of 2022, plus a 10 per cent surcharge. This surcharge is calculated on the average amount you received in the third and fourth quarters, including the child placement subsidy and any extra (holiday) days you declared.

So keep in mind that the amount you receive as a general advance in January may be too much or too little. After checking your progress report, the final calculation based on the new subsidy amounts and also the baby allowance will take place. Should it then turn out that you have received too much or too little, this will of course be settled. The following scenarios are possible:

1. If you have received (more than) \$500 less: UVB will make a corrective payment before the 1st of March 2023;
2. If the difference is less than \$500: the shortfall will be paid jointly with the advance in April 2023 (advance quarter 2).
3. If you received too much: the excess will also be set off with the advance for the second quarter in April 2023.

NOTE: Make sure you submit your progress report immediately on 1 or 2 January and 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?

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. The 2023 follow-up cost study will also explicitly consider how much money is still needed for quality improvements.

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 2025.

SUBSIDY AND LABOUR CONDITIONS

Costs rose dramatically last year and parental contribution rates have fallen. So how can childcare organisations improve salaries?

In 2022, the temporary subsidy was increased twice to improve the working conditions of pedagogical staff and absorb cost increases. Also in 2023, an increase will take place in which the following components are conceived:

- Compensation for the reduction in parental contribution for day care and out-of-school care.
- Compensation for price increases per island: 12.2% on Bonaire, 9.0% on Sint Eustatius and 9.7% on Saba. The compensation is calculated based on the subsidy amount and the (maximum) parental contribution in 2022.
- Additional increase of 4.2% of the subsidy amount and the (maximum) parental contribution. This will enable a childcare centre to absorb the extra increase in the legal minimum wage (on top of the inflation correction) and take the next step in improving quality, for example by improving the salaries of all pedagogical staff.

- Extra compensation for host parents on Bonaire of \$42 per child per month, at 5 days of care per week.
- Extra compensation from the Public Entity of Bonaire for out-of-school care organisations of \$25 per child, at five days of care per week. This amount is intended to be spent on a diversified activity range.

Is a childcare organization obliged to increase all salaries per January 2023?

A childcare organisation is obliged to pay employees at least the minimum wage from the 1st of January 2023. The BES(t) 4 kids programme has adjusted the provisional salary structure in the growth package to reflect price increases and the increase in the minimum wage. Therefore, all salary scales were increased to compensate for the rise in prices per island. In addition, the salaries of pedagogical staff in job groups 2, 3, 4 and 5 were additionally increased by 6, 5.4, 4.8 and 4.2 per cent, respectively.

The advice from the programme is to ensure that pedagogical staff earn at least the lowest salary (step 1) appropriate to their level of education within a few years. However, it is up to the employer to decide how and at what point a pedagogical employee's salary can be adjusted. This partly depends on the financial situation of a childcare organisation.

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 with a provisional salary structure that can help organizations to improve the labour conditions.

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 much is the baby allowance?

The baby allowance will be paid for the first time in the first quarter of 2023. It amounts to \$300 per half-year per baby, regardless of the number of days of care. The baby allowance will be paid after the end of each six-month period based on the number of children aged between 0 and 2 on reference dates of October 1 and April 1.

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.