

What We Heard

Alberta's Consultation on the Creation of Child Care Spaces



September 2006

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WHAT WE HEARD

Executive Summary

The federal government's budget plan for 2006 included a commitment of \$250 million (as of 2007–2008) to support the creation of child care spaces. The federal government is considering tax credits or grants to help large and small businesses create new child care spaces in their communities.

Consultation

Between August 9 and 28, 2006, the Government of Alberta undertook a public consultation to ensure that the federal child care spaces initiative would meet the needs of Albertans. The purpose of the consultation was to explore the views of the child care and business communities on the need for additional child care spaces in Alberta and on their perceived role in creating new spaces. Consultation participants were also asked about their views on the federal proposal to provide one-time tax credits or grants to support child care space creation.

More than 600 Albertans made their voices heard through an online survey and through focus groups in five communities.

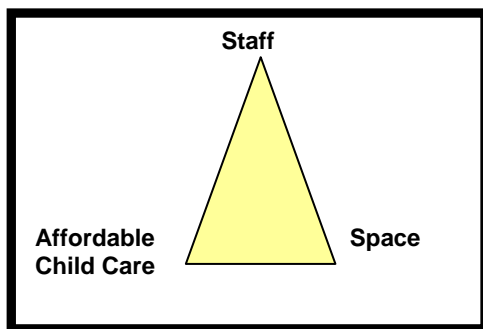
The online survey garnered 578 responses. Nearly 50% or 282 responses came from parents, staff working in child care programs, and representatives of professional associations and public institutions. Child care owners and operators constituted 35% or 198 of all survey respondents. Business community members constituted 15% of all survey respondents (83 responses).

Seventy individuals participated in focus groups to gather in-depth feedback. The focus groups, organized by the local Chamber of Commerce and Child and Family Services Authority, were held in Lethbridge, Calgary, Red Deer, Edmonton and Fort McMurray.

The Results

Albertans indicated strong support for the priorities identified in Alberta's Five-Point Child Care Investment Plan. Employers, child care operators and other stakeholders identified that families need high quality, affordable and accessible child care.

WHAT WE HEARD



Based on what we heard, the issue of child care space can be viewed in terms of three interdependent variables: **staff, affordable child care and space.**

Staff

In both the focus groups and the online survey, the challenges related to child care staffing were cited as a significant barrier to creating child care spaces. The ability to provide spaces is directly tied to the ability to recruit qualified child care staff because of low child care worker salaries. The consultation results show widespread recognition that quality programs are delivered by well-trained staff who deserve to earn a competitive wage for their work. In every focus group, operators indicated that they were running at less than full capacity because they are unable to recruit and retain qualified staff. The problem is particularly acute for infant spaces, which require higher staff-to-child ratios. Finding staff for extended-hours spaces is also difficult.

To create a new child care space, operators need to hire qualified staff and pay them a competitive wage. Rising wage costs are passed on to parents in the form of higher fees. Higher fees make child care unaffordable for many families.

In a tight labour market, operators cannot lower their wages—and reduce parent fees—if they hope to recruit and retain staff. And without staff, they cannot sustain child care spaces.

Affordable Child Care

Respondents noted that creating spaces within a regulated child care system will not meet the needs of many children and families. They felt that governments should be providing parents with the funding they need to access child care programs of their choice. Sixty percent of business respondents and 67% of operators believed they could sustain new child care spaces over the long term primarily by passing on operating costs in the form of higher parent fees.

WHAT WE HEARD

Some participants indicated that the affordability of child care spaces was as much an issue as availability. Many noted that rising costs were making child care unaffordable for many families, particularly in fast-growing cities such as Calgary, Cochrane, Grande Prairie and Fort McMurray.

Child Care Space

Participants recognized that space availability was part of a larger issue. They questioned whether funding for new spaces was the most effective way to meet Alberta's child care needs and whether the business community should be involved in creating child care spaces, and if so, in what capacity. Of those who felt their business had a role, 35% reported that they were already supporting child care through corporate donations to child care programs and through flexible workplace policies that helped employees meet their responsibilities as parents.

Space shortages were identified as an issue in rural and northern communities, Aboriginal and Francophone communities, and rapidly growing urban centres. Respondents also indicated that there is difficulty accessing care for infants and toddlers, children with special needs, extended hours programs and part-time or drop-in child care.

Participants noted that clear, fair rules and streamlined administrative processes were important for the success of any incentive program. They stressed that incentives must be available to established operators as well as prospective ones. They also noted that, for incentives to be of any use, they must be broad-based, flexible and substantial.

Next Steps

Alberta Children's Services will continue to build on the success of our child care system, using tools and techniques that work for Alberta. While tax credits and grants may create child care spaces in the short term, they do not address the fundamental issues faced by the province's child care sector. In Alberta, the availability of child care spaces is a function of the availability of qualified child care staff who can earn a competitive wage in their chosen profession. Building long-term child care spaces means building the staff resources needed to sustain them.

Introduction

About This Report

This report provides an at-a-glance view of the child care priorities identified by Alberta families and reflected in the province's Five-Point Child Care Investment Plan. It also summarizes the results of Alberta's consultation on child care spaces.

Alberta's priorities and the results of the consultation will be shared with the federal government. The consultation findings will be used by the Alberta Children's Services to guide child care capacity-building strategies across the province.

Alberta's Five-Point Child Care Investment Plan

The Government of Alberta sets health, safety and quality standards for child care services. Through its 10 Child and Family Services Authorities, Alberta Children's Services licenses and inspects day care centres, nursery schools, drop-in centres and out-of-school care facilities and approves family day homes.

Municipalities and regional health authorities have a regulatory role in child care services through zoning, building codes and public health regulations.

In May 2005, Alberta Children's Services asked Alberta families what was important to them when choosing child care for their children.¹ Albertans identified five priorities, which became the foundation of the Five-Point Child Care Investment Plan launched by the province in October 2005.

Albertans said their priorities were to:

- help low- and middle-income families access affordable child care;
- provide new supports to stay-at-home parents;
- help families who have children with disabilities access specialized child care;
- improve the quality of child care and increase wages and training opportunities for child care professionals; and
- provide parents with more information, resources and early intervention opportunities.

¹ The consultation included families who use regulated or approved child care, families who do not use regulated or approved child care, and child care operators.

WHAT WE HEARD

The priorities identified by Alberta families in 2005 were echoed by business community representatives who participated in the August 2006 Child Care Spaces Consultation. More than 80% of business respondents ranked quality child care as a priority for Alberta. Child care operators who participated in focus groups for the Consultation were unanimous in reporting that the Five-Point Child Care Investment Plan has made a positive contribution to the child care sector. They told us that the quality of care has improved, and more parents now recognize the importance of quality programs. In addition, accreditation funding has helped operators keep parents' costs down and provided much-needed incentives for child care staff to stay in the field.

What we've accomplished with the Five-Point Plan

- In September 2005, 8,669 low-income families received child care subsidies. By May 2006, under the Five-Point Plan, 12,021 low and middle income families received subsidies—an increase of 39%.
- The Kin Child Care Funding Program now provides a subsidy for 480 children cared for by their relatives. This represents an increase of 80% since September 2005.
- In September 2005, there were 21 accredited child care programs in Alberta. To date, 131 programs (24% of Alberta's programs) are accredited—an increase of 624%.
- Funding for wage enhancements has helped child care operators recruit qualified staff and reduced the staff turnover in accredited child care programs by an average of 5% (from 26% to 21%) since September 2005.
- The Stay-at-Home Subsidy Program was implemented in January 2006. As of August 11, 2006, 809 families received subsidies to help 974 preschoolers participate in nursery school and approved child development programs.
- Since October 2005, 332 additional child care spaces were created, primarily in rural communities by expanding family day home services.
- 641 child care staff received professional development funding between April and June 2006.
- 182 families accessed the new Extended Hours subsidy program between April and June 2006.

WHAT WE HEARD

Albertans said...

"Through the process of accreditation, the Five-Point Plan has had a very positive effect on children, staff and parents in Alberta."

"THE ALBERTA FIVE-POINT PLAN MUST CONTINUE TO ENHANCE WAGES, CHILD CARE QUALITY AND AVAILABILITY."

"The Five-Point Plan funding to support frontline workers is exciting."

"Thanks to the Five-Point Plan, the quality of care is improving. And there is more recognition of the importance of quality among parents, staff and operators."

How We Consulted

The Child Care Spaces Consultation

The federal government's budget plan for 2006 included a commitment of \$250 million (as of 2007–2008) to support the creation of child care spaces. The federal government is considering tax credits or grants to help large and small businesses create new child care spaces in their communities.

In early August 2006, Children's Services Minister Heather Forsyth issued letters to invite business groups, and employers and child care operators to complete the online survey. A news release was also issued to broaden the consultation base and obtain input from the public.

The purpose of the consultation was to explore the views of the child care and business communities on where additional child care spaces were needed in Alberta and on their role in creating new spaces. Consultation participants were also asked about their views on the federal proposal to provide one-time tax credits or grants to support child care space creation.

More than 600 Albertans shared their views through an online survey and through focus groups in five communities. Alberta's consultation on child care spaces was conducted between August 9 and August 28, 2006. The consultation had two parts:

- an online survey; and
- focus groups to gather in-depth feedback from key stakeholders.

WHAT WE HEARD

Online Survey

The online survey provided the opportunity for members of the public, including parents, to voice their opinions about child care spaces. However, it specifically targeted two groups of respondents:

- the child care community (specifically, operators of licensed day care centres and approved family day homes); and
- the business community.

The survey included specific questions for each target group.

Child care operators were asked if they felt that access to child care spaces in their community met the current needs of parents. They were also asked about the barriers they faced in creating new spaces and their plans to increase the size of their child care programs.

Business community respondents were asked if they felt that access to child care spaces met the needs of employees. They were asked about their interest in using one-time federal funding to build child care spaces in their community, and if they would prefer support in the form of a federal tax credit or a grant. They were also asked what they felt was a priority for regulated child care in Alberta.

Who responded

The online survey garnered 578 responses. Nearly 50% (282 responses) came from parents, staff working in child care programs, and representatives of professional associations and public institutions.

Child care owners and operators constituted 35% or 198 of all survey respondents.

Business community members constituted 15% or 83 of all survey respondents. Nearly two-thirds or 61% of the business community respondents represented small businesses with revenues between \$30,000 and \$5 million; 17% represented medium-sized businesses with revenues between \$5 million and \$25 million; 22% represent large businesses. About half of the survey's business community respondents (41) were business owners; half (42) were employees.

WHAT WE HEARD

Focus Groups

Between August 17 and August 28, 2006, Alberta Children's Services held 10 focus group consultations with child care operators and business groups in Lethbridge, Calgary, Red Deer, Edmonton and Fort McMurray. In each community, a focus group for the child care community was arranged by the local Child and Family Services Authority (CFSA); a focus group for the business community was arranged by the local Chamber of Commerce. Over 70 individuals participated in the focus groups.

Focus group participants were asked about their perceptions of the issues related to child care spaces in Alberta, including barriers and solutions for addressing these issues. They were asked to comment on whether or not businesses have a role to play in helping employees meet their child care needs, and, if so, to offer ideas about how businesses could provide support. They also were asked to express their views and preferences with regard to a one-time grant or one-time tax credit to create new child care spaces.

In focus groups with the child care community, participants were asked if they felt Alberta's Five-Point Child Care Investment Plan had made a difference in improving the quality, affordability and availability of child care. In focus groups with the business community, participants were asked about their employees' child care needs.

What Albertans Said

Barriers to the Creation of Child Care Spaces

The online survey asked child care operators about the barriers they faced in creating new spaces:

- 84% cited difficulties in recruiting and retaining qualified staff;
- 60% cited a lack of suitable facility space; and
- 56% cited a lack of start-up capital.

Focus group participants cited the same types of barriers. Other barriers reported by consultation participants in both the survey and the focus groups included:

- prohibitive operating costs, including the cost of utilities, food and staff wages;
- building code requirements;

WHAT WE HEARD

- the lack of financing available to nonprofit centres;
- the lack of time, staff and resources to plan and implement program expansions and enlist the required community support;
- difficulties in securing bank financing for start-ups or expansions; and
- legislative restrictions such as staff-to-child ratios and limits on the numbers of children that can be accommodated in regulated spaces.

Business respondents identified similar challenges.

- Municipal zoning restrictions make it difficult—if not impossible—to establish day cares in industrial areas.
- Cost constraints and the lack of available land would make it difficult for many businesses to meet the legislative requirement to provide playground space.
- Lease costs, insurance costs and liabilities are prohibitively high.
- The responsibilities are too great for small businesses to manage.
- Businesses lack the knowledge and expertise required to create or manage child care facilities.

Albertans said...

"We would love to create more child care spaces to meet the needs of families in our community. I feel that, with parent fees, we would be able to maintain extra spaces. The biggest problem we face in doing this is the lack of qualified staff to provide care for the extra children in the program."

"Provider recruitment and retention is a huge difficulty. If this was not a barrier, we would be interested in increasing the size of our program."

"We have spaces, but not enough staff."

"I am at maximum capacity given group sizes and staff ratios. Even though I do have spaces, I have had to cap based on staff recruitment. We cannot compete in the current wage war and are losing staff to preschools that can pay more."

"If provider recruitment and retention was not a barrier, we would be interested in increasing the size of our program."

"We are doing a feasibility study in partnership with another program. If our expansion doesn't go ahead, it will be due to a lack of operating funds to ensure the sustainability of new spaces."

WHAT WE HEARD

"While I appreciate that financial help will be beneficial in creating new spaces, I am concerned that the problems plaguing centres throughout the province will not be addressed by these types of measures. The ongoing costs of running a centre are causing a number of centres to close their doors at this time. Will it help them to close and then access the creation funds? They might re-open with a better facility and new toys, but I doubt they would be able to sustain their operation any better than they currently can. If space-creation funds were offered as part of a package that also addressed ongoing operating costs, then I believe it could have some positive impact on the child care field."

"I have no idea if we could maintain the spaces. So it would be better to support parents, not businesses."

"We are not set up to help our employees with child care, and it probably won't happen in the near future."

Staff

In both the focus groups and the online survey, the challenges related to child care staffing were cited as the most significant barrier to creating child care spaces. The ability to provide spaces is directly tied to the ability to recruit qualified child care staff: the low average salaries of child care workers make recruitment difficult and serve as a major impediment to the creation and maintenance of child care spaces. In every focus group, operators indicated that they were running at less than full capacity because they are unable to recruit and retain qualified staff. The problem is particularly acute for infant spaces, which require higher staff-to-child ratios. Finding staff for extended-hours spaces is also difficult.

QUALITY PROGRAMS DEPEND ON QUALITY STAFF WHO DESERVE TO EARN A COMPETITIVE WAGE.

"Child care professionals need the financial resources to provide good-quality child care. We need to increase their wages so they can make a sustainable living. So often, caregivers don't have the same financial opportunities as other workers who are even able to negotiate cost-of-living raises. Let's make this fair and equitable."

"I think child care space creation would be a great thing. What is more important is that we have qualified workers in the child care system. The workers in the system now are underpaid, and I see a huge turnover in staff. The system needs workers who are qualified and well paid: they are taking care of our next generation!"

"In the last year, we have seen several of the best-qualified child care workers at our child's day care leave the profession to pursue other career avenues—simply because they aren't paid enough for their needs. Child care is one of the lowest-paid careers, and the pay does not adequately reflect the value that child care workers provide to our children. I would strongly ask the government to focus effort toward subsidizing child care staff wages to help attract and retain good, qualified workers in this very important field."

WHAT WE HEARD

"New spaces should be supported by qualified, well-remunerated staff.... Well-trained staff are as important as well-trained teachers who have highly specialized training.... Staff remuneration is very poor and does not reflect the professional level of service these people are required to provide—through skills and responsibilities that include safety, documentation, care, education, nurturing."

"Parents need access to quality care for their children. It is imperative that the caregivers be trained and receive a salary that encourages them to remain in this important position. Children are our most important natural resource!"

Affordable Child Care

Participants noted that the question of adequate access was more than a matter of spaces being available. They identified a number of related issues, including the need for high-quality, affordable, and flexible child care.

Quality

Quality was a key concern for consultation participants. The consultation results show widespread recognition that quality programs are delivered by well-trained staff who deserve to earn a competitive wage for their work.

Albertans said...

CHILD CARE QUALITY IS JOB #1.

"We do not just require a spot on a chair for our kids. We require high-quality service, well-trained staff, a safe environment, healthy food, engaging activities and structure for our children to spend their day."

"In today's economy, both parents need to work.... Quality child care space needs to be available and affordable for everyone. What we spend on young children, we save on troubled teens and adult offenders."

"Support for quality has to be the guiding principle in the creation of new spaces and ongoing support for existing ones."

"Programs need to be supportive and interactive.... Activities need to be "planned," active as opposed to passive, and provide for a wide range of interests and opportunities."

"I don't think that creating spaces is the answer. There are lots of day cares, but they are not good day cares. I don't want to put my child in there."

"Families really need high-quality day care run according to high government standards with well-trained, qualified staff."

WHAT WE HEARD

Affordability

Some participants indicated that the affordability of child care spaces was as much an issue as availability. Many noted that rising costs were making child care unaffordable for many families, particularly in fast-growing cities such as Calgary, Grande Prairie and Fort McMurray.

Albertans said...

RISING COSTS ARE MAKING CHILD CARE UNAFFORDABLE FOR MANY FAMILIES.

"Make day care more accessible in terms of cost."

"I live in the Cochrane area and unfortunately there is NO day care-based child care for children under 7. My family makes slightly too much to qualify for a subsidy for care, but I have to work in order to pay for food. My husband's job only covers rent, our child care bill and couple of monthly bills like water and electricity. Not all the bills can be paid each month as there is not enough money to pay everything at once. My husband and I are college graduates with decent jobs in the 'richest province' in Canada. But we can't afford to have the second child we desire, as \$1,200 a month in child care would break us."

"I think there is a second issue that needs to be addressed: affordable child care. My wife and I live in Fort McMurray and pay \$1,100 per month for child care for a 4-year-old girl who is only in day care half days. No one offers part-time rates or services. We would love to have a second child, but couldn't afford to pay \$2,200 a month for care....I don't agree with offering any funding to child care providers to line their pockets further. If they can't make money charging these kind of rates, they need to find better management. Any investment in child care facilities should be directly reflected in the cost of child care to families."

"Not only do families need available child care, but they need it at a reasonable cost."

"It's imperative that more spaces be made available for children in quality programs. We put our daughter on a waiting list while I was still pregnant, and were told that the wait would be 18 months....The cost of quality child care is quite high. We pay \$848 per month for a toddler. The \$100 per month the present [federal] government provides to families in place of the day care program proposed by the previous [federal] government is a joke. This money doesn't even begin to supplement child care costs—assuming you can actually get a space for your child. If Canadians are to continue having children, the issues surrounding appropriate child care must be addressed."

Choice and Flexibility

In the focus groups and the online consultation, many participants emphasized that child care is the responsibility of parents, and that different families have different child care needs. Many noted that creating spaces within a regulated child care system will not meet the needs of many children and families. They felt that governments should be providing parents with the funding they need to access child care programs of their choice.

WHAT WE HEARD

Many participants reported a need for flexible child care, including extended hours (before 6:00 a.m. and after 6:00 p.m.) to meet the needs of parents who work shifts. They also noted a need for more part-time and drop-in programs.

Albertans said...

PARENTS NEED CHOICES. REGULATED CHILD CARE SPACES DO NOT ADDRESS THE FULL SPECTRUM OF PARENTS' CHILD CARE PREFERENCES AND NEEDS.

"Parents who stay at home need as much support as possible to ensure that children have what they need for quality of life."

"Every child in the province is already in a child care 'space.' If you want to fund spaces, fund children directly. Those who want day care can use the money for it."

"The federal and provincial governments need to treat child care as a public good, providing stable funding for high-quality child care spaces that are affordable and available to all families. At the same time, caregiver allowances and other supports (such as longer and better-funded maternity and parental leaves) should be made available to parents of children under the age of two. Parents need and want the choice to stay at home with infants without unsustainable financial hardship due to lost income and future (pension) income. But we also want the option of publicly funded high-quality child care, to make it possible to combine paid employment with parenting.... We need real choices, meaningful choices."

PARENTS NEED FLEXIBLE PROGRAMS WITH EXTENDED HOURS AND PART-TIME OR DROP-IN OPTIONS.

"There is virtually no child care available to parents who work 24-hour shifts."

"Even in smaller communities, parents work shift work. They need child care in the evening, at night and on weekends, not just during the traditional hours of 7 a.m. to 6 p.m., Monday to Friday."

"Child care space needs to accurately reflect our working environment. We need facilities that can accommodate parents who work shift work... We need child care spaces that are flexible enough to accommodate the realities of daily living and that can take children on a short-term or temporary basis (for example, while parents are looking for work)."

"More part-time spaces are required—particularly to service the self-employed. More drop-in facilities are needed."

"For parents who wish to have a part-time day care arrangement—because we choose to be a part of our children's lives, but also need a part-time job—there is nothing available. There is such a demand for full-time care that operators care little for children who only require part-time care."

WHAT WE HEARD

Child Care Space

Alberta's *Child Care Regulation* specifies the following space requirements for child care facilities:

- Day care centres must provide 3 square metres of floor space for each child. They must also provide age-appropriate outdoor play space—that is, at least 2 square metres of outdoor space for each child under 19 months and at least 4.5 square metres for each child who is 19 months or older.
- Nursery schools, drop-in centres and out-of-school care centres must provide 2.5 square metres of floor space per child plus age-appropriate outdoor space (2 metres for children under 19 months and 4.5 square metres for older children).

Most operators determine the availability of space by the availability of staff—using the regulated staff-to-child ratio. Different staff-to-child ratios apply to different age groups of children. With one staff person, operators can typically accept six preschool children.

In August 2006, there were 69,267 child care spaces in Alberta. Of these, 59,269 were located in licensed facilities:

- 43% (25,409) were in day care centres;
- 25% (15,093) were in nursery schools;
- 1% (513) were in drop-in centres; and
- 31% (18,254) were in programs for school-aged children.

In addition, 9,998 child care spaces were available in agency-approved family day homes. In August 2006, Alberta had 92 approved family day home agencies and 2,624 day home providers.

- 77% of the Alberta's child care programs operate in the corridor between Edmonton, Red Deer and Calgary.
- 44% of Alberta's child care facilities are privately owned.

WHAT WE HEARD

Child care occupancy rates express the total number of children in care as a percentage of the total number of available spaces. The occupancy rates for Alberta's child care spaces range from 67% for family day homes to 92% for day care centres. Caution is advised in interpreting this data: one licensed space can be filled by two or more part-time children, thereby increasing the occupancy rate.

In the online survey, child care operators were asked if they felt that access to child care spaces in their community met the need of parents. The majority (89%) felt it did not. Business community respondents were asked if they felt access to child care spaces met the needs of employees. Again, the majority (74%) felt it did not. However, 11% of business respondents (compared to 1% of child care operators) indicated that they did not have sufficient information to address the survey question.

Participants were divided in their views about whether Alberta has enough child care spaces. Some believed the province has enough or even too many available spaces. Others reported critical shortages of child care spaces in the following areas:

- rural and northern communities;
- Aboriginal and Francophone communities;
- smaller urban communities; and
- rapidly growing cities such as Fort McMurray, Grande Prairie, Calgary and Cochrane.

Participants also noted a particular shortage of available child care spaces for infants and toddlers, and for children with special needs. Parents and child care providers cited the problem of long waiting lists for quality child care programs.

Some participants proposed that addressing the shortage of child care spaces could help alleviate current labour market shortages in the province. Several noted that employees were leaving their positions or choosing not to re-enter the labour market after maternity or parental leaves because they could not find suitable child care.

WHAT WE HEARD

Albertans said...

SPACE AVAILABILITY IS AN ISSUE IN SOME REGIONS AND FOR SOME AGE GROUPS OF CHILDREN.

"There are very few spaces available. For over a year, my child has been in a day care that I wish to pull him from, but there's nothing better available to us."

"More space is of course required. Just try to get a one-year-old into any spot in Calgary and this problem will become glaringly obvious. I suggest you start calling the accredited centres. The wait list is two years at least. Then...start calling the non-accredited centres. The wait list is almost as long."

"The lack of rural child care is a huge issue in Alberta."

"I live in a small rural community where there is only one day home. Drayton Valley is the largest community near our town. In Drayton Valley, there is no day care. Day homes and babysitters are in such demand that there are wait lists. I know professionals who have had to switch or change their work schedules because they couldn't find child care in any form. The situation is even more critical for families who don't have resources."

"In Grande Prairie, there is a desperate need for more child care spaces. I was on a wait list at all the day cares and day homes in Grande Prairie for 11 months before I was finally able to get my kids in a day care."

NOT EVERYONE AGREES THERE IS A SHORTAGE OF CHILD CARE SPACES, OR THAT A LACK OF SPACES IS THE REAL ISSUE.

"There are too many day cares in my community. Why create new spaces when the old are used 60%?"

"The space question is only half the problem. Recruiting and retaining qualified staff is at least as important. You can't do one without the other!"

"From our perspective, space is not the issue. Right now, the number one issue is finding any staff to work in the day care."

"Lack of spaces has nothing to do with facilities, but with the lack of caregivers!"

"Child care spaces are not the root of our problem. We could create tons of spaces, but if we can't recruit and retain qualified staff, how can we fill these spaces?...When staff are being paid well and feel valued, they will stay. This will create opportunities for day cares to expand and create new spaces. Please stop diagnosing the symptoms and start paying attention to the cause of the crisis."

"Any plan needs to keep the main focus on the quality of child care, and simple space creation does not do this. Affordability is also an important focus, and again, simple space creation does not address this."

WHAT WE HEARD

Plans to Create New Child Care Spaces

In the online survey, child care operators were asked about their plans to increase the size of their child care programs, the number of new spaces they were planning and the barriers they faced in creating new spaces. Nearly one in three respondents (59, or 29%) indicated that they were currently planning to increase the size of their child care program.

Child care operators reported that 3,192 new child care spaces are being planned. More than two thirds (68%) of the planned spaces are designated for children under the age of six; 14% are earmarked for infants.

Incentives to Create Child Care Spaces

Nearly one in three child care operators who responded to the online survey reported plans to increase the number of spaces in their programs. Two in three child care operators (67%) felt they could maintain new spaces created with one-time start-up funds. Increased parent fees, parent fundraising, volunteer support, subsidies, operating grants, corporate donations and partnerships were proposed as means of maintaining the new spaces.

While a number of participants welcomed the prospect of funding to create new child care spaces, support for this idea was far from unanimous. Participants recognized that space availability was part of a larger issue. They questioned whether funding for new spaces was the most effective way to meet Alberta's child care needs. They also questioned whether the business community should be involved in creating child care spaces, and if so, in what capacity.

The online survey asked business community respondents about their interest in using one-time federal funding to build child care spaces in their community. More than half of the overall survey respondents (57%) indicated that they would use a federal grant or tax credit for such a purpose. Medium-sized businesses (with revenues between \$5 million and \$25 million) were more likely than other types of business to express support: 64% of the medium-sized businesses who responded said they would use federal support to create child care spaces, compared to 61% of large businesses and just 53% of small business respondents.

Of the business respondents who said they would use one-time funding to create child care spaces, 60% (compared to 67% of operators) believed they could maintain the spaces in future years. Corporate purchases of child care space, corporate donations to cover child care program operating costs, direct financial support to help employees with child care and user fees paid by employees were proposed as means of maintaining the new spaces.

WHAT WE HEARD

Many respondents from the business community questioned the feasibility of directing funding to businesses that might not see support of child care as part of their core business. They noted that even if businesses were interested in creating child care spaces, most do not understand the rules and regulations around child care, and do not have the staff resources for “research and discovery” about establishing child care programs or accessing government funding.

While participants in both parts of the consultation believed employers might have a role in child care, this sentiment was by no means unanimous. Many business and non-business respondents believed that involvement in child care was *not* the responsibility of businesses, nor was it an appropriate role for business. Some believed that the child care system—like the education system—should be universally accessible and fully supported by government. Some believed that public funds should not be used to support for-profit ventures.

- Alberta has a small number of employer-sponsored child care facilities. These facilities are operated by public institutions (including the federal government and the University of Alberta) and private companies.
- Nearly two in three business community respondents to the online survey (65%) felt their business had a role in helping employees access quality child care in their community. Of those who felt their business had a role, one in three (35%) reported that they were already supporting child care through mechanisms such as corporate donations to support child care programs, on-site child care programs and direct financial support to help employees offset child care costs. Some employers also reported offering flexible work hours, job sharing and work-at-home arrangements to help employees meet their responsibilities as parents.
- Some consultation participants expressed concern that child care funding to the corporate sector might create a two-tier system in which smaller, local child care operators could not compete with the higher wages offered by “big business.” To avoid this situation, many business participants said they would prefer to support community-based child care rather than creating programs of their own.

WHAT WE HEARD

Albertans said...

SOME CONSULTATION PARTICIPANTS HAD GRAVE RESERVATIONS ABOUT THE APPROPRIATENESS OF BUSINESSES PLAYING A ROLE IN CHILD CARE.

"Creating day care spaces should not be the responsibility of businesses."

"What's next? Housing?"

"I expect the Province of Alberta to do much better and much more in supporting child care, on the same basis as education."

"We cannot rely on employers to fund a service as important to citizens as child care; such a service must be universal, and only governments can ensure this...It is economically inefficient for governments to subsidize private providers of child care."

"Child care spaces need money from government sources. This is a service to families, not a source of business which generates a lot of income. Money should be especially available for nonprofit day cares."

"While it is great to promote company day cares, this is not a viable option for smaller companies in smaller centres or in rural areas."

"What do we [businesses] know about running child care? Nothing. It is not an area of expertise. It's best left to someone who knows what they're doing."

BUSINESS COMMUNITY PARTICIPANTS RECOGNIZED THAT GOOD CHILD CARE MUST BE AVAILABLE IF PARENTS ARE TO PARTICIPATE IN THE WORKFORCE.

"We have a role, as much as we don't want to take it on. If providing child care is a way of attracting and retaining employees, it may need to be considered."

"The lack of child care creates barriers for businesses that need employees. Employees are leaving and not re-entering the job market because appropriate child care is not available."

"We live in an economic society where two parents need to work. The concept of mothers staying at home is unrealistic."

Incentives

Focus groups participants had the opportunity to discuss the use of a tax credit or grant. While they welcomed increased federal support for child care, many questioned whether tax credits or grants to create child care spaces would work.

WHAT WE HEARD

In the online survey, the preference for a grant over a tax credit was strong across all business sectors: 73% of small business respondents, 64% of medium and 67% of large business respondents reported that they would prefer a grant. Business community participants in the focus groups also indicated a preference for a grant, perceiving it to be more flexible and less administratively burdensome than a tax credit. Child care operators agreed. They also noted that nonprofit centres were not eligible for tax credits, and that credits would be little help to child care centres operating with slim profit margins.

Even when participants expressed support for the use of incentives to create child care spaces, it was not without reservations. For example, many participants from the business community were quite clear that “having a role in child care” did not necessarily mean “having a role in creating child care spaces.” Many proposed that other sectors of the community—such as existing child care operators or even the school system—might be better positioned to create and manage child care spaces. At the same time, many participants recognized that the issue of child care was a significant concern for many employees. While involvement with child care was not without challenges, it could help a business attract and keep good staff.

Suggestions of some of the consultation participants were that:

- the proposed tax credit or grant should be made available to public institutions, municipalities and real estate developers;
- public institutions such as schools might be better positioned than businesses to address the need for child care spaces;
- in lieu of tax credits and grants to the business sector, there should be increased levels of support to parents—through government income transfers or child care subsidies—to offset increasing child care costs;
- grants should be provided directly to child care providers;
- funding for child care should be tied to staff, not to spaces;
- low-interest loans and continuous long-term funding would serve as more effective incentives than tax credits or grants.

WHAT WE HEARD

Some consultation participants expressed strong views about the responsibility of governments to manage child care programs and facilities. Some suggested that market forces should drive the creation of new day care spaces and some believed that child care dollars should go to the nonprofit sector rather than to businesses or for-profit operators.

Participants noted that clear, fair rules and streamlined administrative processes were important for the success of any incentive program. They stressed that incentives must be available to established operators as well as prospective ones. They also noted that, for incentives to be of any use, they must be broad based, flexible and substantial.

Albertans said...

"The government should be contracting out service providers to manage government-run \$7-a-day child care."

"The provincial government should own and operate day cares and day homes."

"Child care is a shared responsibility, but the greatest share right now falls on parents and employers. It's the government's turn to take on more responsibility. This survey assumes that one-time funding or tax breaks are the only options: neither option is sufficient or sustainable."

"The plan to give one-time tax credits or grants to businesses is completely without merit. I cannot imagine any businesses wanting to get into the business of running a child care facility...Won't these businesses have enough on their plate without getting into an area they are totally unfamiliar with?"

"Allow market forces to dictate the need for additional child care spaces. Don't spend tax dollars to create spaces."

"We have estimated that the cost of a new child care facility with 80 spaces would be approximately \$1.5 million... It's clear that for any grant to be effective it would need to be substantial. As a taxpayer, I would hope to see grants only going to nonprofit agencies that have a strong board of directors and a proven record of fiscal management."

"I do not agree with the federal government's strategy of creating child care spaces by investing our public resources in the private sector. I am not confident the private sector will be prepared to commit resources to address one of the key issues—namely, the need to improve wages and provide training opportunities for child care professionals. If the federal government is indeed committed to giving parents choices, then I would expect them to channel appropriate resources to the not-for-profit day care sector, which is the preferred choice of many parents in this province and across this country."

WHAT WE HEARD

Partnerships

Of the 100 child care operators who responded to the online survey question, 50% indicated that they would be willing to partner with community businesses in order to create new child care spaces. Nearly 70% of the business respondents to the survey said they would be willing to partner with other business or community groups in order to create new child care spaces.

Survey respondents who did not support partnerships offered several reasons for their opinion. Some already had partnerships. Some indicated that, with or without a partnership, one-time funding for child care spaces does not address critical issues—namely, the need to cover ongoing operational costs such as wages and benefits. Some felt that partnerships would not address what most respondents felt to be the key barrier to creating and maintaining child care spaces—that is, the difficulty in finding qualified staff and the ability to pay them a decent wage.

Summing Up

The programs and incentives introduced through Alberta's Five-Point Child Care Investment Plan have helped to build a child care system that is focused on quality, choice and providing low and middle income families with access to child care.

Feedback from the consultations shows strong support for the priorities identified in Alberta's Five-Point Plan. Child care space availability reflects the interrelationship of three variables: available staff, affordable child care and physical space. Both child care operators and businesses face considerable barriers with regard to creating child care spaces. The most significant is the low average salaries in the child care sector and the resulting difficulty in recruiting and retaining qualified child care staff. One-time funding does not address this issue.

Respondents indicated that Alberta's families need high quality, affordable and flexible child care. Access to adequate child care spaces is a complex, multifaceted issue. Space availability is only one aspect. Quality and affordability are concerns for Alberta parents. Quality programs depend on quality staff that deserve to earn a competitive wage. However, rising wage costs are passed on to parents in the form of increased fees, making child care unaffordable for many families.

Parents need choices. Regulated child care spaces do not address the full spectrum of parents' child care preferences and needs.

Nearly one in three child care operators who responded to the online survey are planning increases to their child care program. Fourteen percent of the planned spaces are earmarked for infants; 68% are designated for children under six. Child care operators (60%) who responded to the online survey said they would consider

WHAT WE HEARD

creating new child care spaces if one-time federal tax credits or grants were available to them. Business respondents (57%) said they would consider using tax credits or grants to create child care spaces. Business respondents (60%) and operators (67%) believed they could sustain new child care spaces over the long term.

Not everyone agrees that Alberta has a shortage of child care spaces, or that a lack of spaces is the real issue. However, space shortages are an issue in some regions of the province, particularly in rural and northern communities, Aboriginal and Francophone communities, and rapidly growing urban centres. Alberta also has space shortages for infants and toddlers, children with special needs, extended hours programs and part-time or drop-in child care.

Many consultation participants questioned whether funding new spaces was the most effective way to meet Alberta's child care needs. They also questioned whether the business community should be involved in creating child care spaces, and if so, in what capacity. Not all consultation participants felt that businesses should play a role in child care.

Business community respondents (65%) to the online survey felt their business had a role in helping employees access quality child care in their community. Of those who felt their business had a role, 35% reported that they were already supporting child care through corporate donations to support child care programs and through flexible workplace policies that helped employees meet their responsibilities as parents. Not all business community participants felt that creating child care spaces was an appropriate role.

Child care operators (50%) and business respondents (70%) to the survey would consider partnering with other business or community groups in order to create new child care spaces.

The majority of business and community participants preferred a grant to a tax credit. However, there was no consensus that providing grants to businesses was the way to go, or that businesses would participate in a space-creation program even if incentives were offered. Compared to survey respondents, focus group participants were less supportive of the federal funding incentive proposal.

Participants proposed a number of alternatives to tax credits or grants. These included low-interest loans and long-term operational funding for child care operators and direct funding support to parents.

WHAT WE HEARD

What Happens Next

The results of Alberta's consultation on the federal child care spaces initiative will be shared with the federal government.

Alberta Children's Services will continue its review and analysis of what Albertans said. It will use the consultation results to continue to build a child care system that gives children and families choices in child care and access to high-quality, affordable and flexible spaces and programs. While tax credits and grants may create child care spaces in the short term, they do not address the fundamental issues faced by the province's child care sector.

In Alberta, the availability of child care spaces is a function of the availability of qualified child care staff who can earn a competitive wage in their chosen profession. Building long-term child care spaces means building the staff resources needed to sustain them. Alberta Children's Services will continue its efforts to meet this goal because our children are "all of our future."