



A GREAT PLACE TO GROW PUBLIC CHILD CARE

Alberta profile

Public child care and early childhood education

Historically, Alberta had a significant municipally-operated child care sector. In the 1980s, cities and towns—including Edmonton, Calgary, Medicine Hat and Red Deer—had a number of municipal child care centres, but these were all closed in the 1990s. Today, Alberta is one of a few provinces to have publicly-delivered child care. Three municipalities—Jasper, Beaumont and Drayton Valley—now offer public child care. (Drayton Valley’s centre opened in 2008.)

However, with the exception of these three, regulated child care in Alberta is private for-profit and non-profit.

Another form of early childhood education offered in Alberta may be publicly delivered. Part-day kindergarten in Alberta is defined as the year before Grade 1. Early Childhood Services (ECS), for children from 2.5 years through kindergarten may be delivered publicly by public schools, or privately, by private schools and non-profit child care centres that receive public funding. Eligibility for ECS programs is determined by age and special need. There are numerous four-year-olds in ECS services (eligibility is available from age 2.5 years if the child has a mild or moderate disability).

Why public early childhood education and child care?

Most people don’t think of non-profit community-based child care centres as “private”, but they are. That’s because parent or voluntary groups—not public entities such as municipalities or school boards—bear the responsibility for creating and maintaining centres. Almost all of Canada’s patchwork delivery of regulated child care services is private, relying on for-profit or non-profit services. And today, Canada is experiencing an alarming trend—a surge in for-profit child care. In some provinces, almost all new spaces are for-profit.

Children and families would be far better served by a public system that blends early childhood education and child care—in other words, publicly funded and delivered early childhood education and care programs managed and mostly operated by local governments or education authorities.

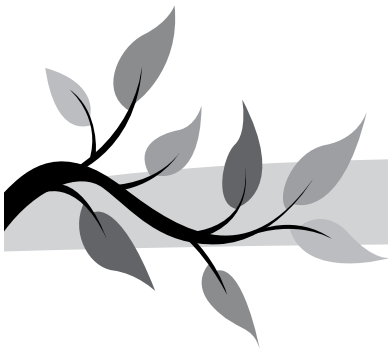
Here’s what well-designed public systems can deliver:

- Integrated early childhood education and kindergarten programs.
- Better access and inclusion of families—no matter where they live or their language, origins or abilities.
- More consistent quality.
- With small or no fees, all parents who want child care can afford it.
- Services that are planned and accountable to communities.

What we want

Our vision is a public system where every child can attend a program that blends early childhood education and care. The research and experience shows that systems based on privately funded and delivered child care are not a foundation for building blended, high quality ECEC programs.

Support public child care—it’s the way to go for a great place to grow.



Who provides child care?

For-profit child care now forms a slim majority of child care provision in Alberta, with 51.3% of centre-based spaces in 2008 and 41 of the 84 family child care agencies. The for-profit sector has long been substantial in Alberta: in 1992, 64.6% of child care centre-based spaces were delivered by this sector.

During the 1990s, the number of for-profit spaces was stagnant and even began to decline, while non-profit programs expanded. However, this trend may be changing; between 2006 and 2008, the for-profit sector grew by 3,212 spaces compared to only 209 in the non-profit sector (that is, 94% of growth was for-profit).

Figures from 2006 by program type show that for-profit operators are more likely to provide more lucrative full-day centre-based child care (65% of full-day centre spaces are for-profit), while providing 27% of nursery school and 44% of school-age spaces.

Public funding

Alberta's public funding for regulated child care not only virtually stood still for many years but declined several times during the province's "boom years", dropping significantly in 1997/1998 and again in 2003/2004. The province's child care budget in 2008 was less than double the 1992 budget. Alberta's per capita funding (per child 0-12 years) is the lowest in Canada at \$195 (the Canada-wide average was \$663 in 2008). Spending

per regulated space is at the lower end at \$1,429 (the Canada-wide average was \$3,560 in 2008).

The bulk of public funding for child care comes through fee subsidies which are available in both non-profit and for-profit child care centres. Recurring funding is available to both sectors and capital funding is also available to both sectors. Alberta is one of four provinces to provide capital funds to for-profit centres. (The others are New Brunswick, Nova Scotia and British Columbia.)

TABLE 1
Sponsorship of centre-based child care spaces, Alberta – 2008

Non-profit	30,354
For-profit	31,960
% For-profit	51.3

FIGURE 1
Spaces in for-profit and non-profit child care centres, Alberta – 2008

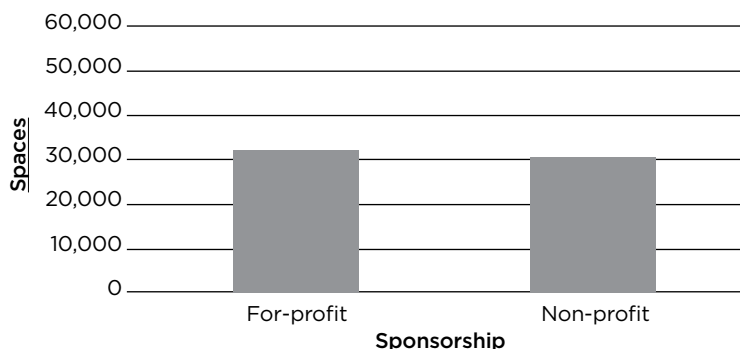




TABLE 2
Sponsorship of regulated centre-based spaces by type, Alberta - 2006

	For-profit	Non-profit
Day care centre spaces	16,318	8,691
Nursery school spaces	4,327	11,051
Out-of-school care spaces	8,103	10,403

FIGURE 2
Sponsorship of regulated centre-based spaces by type, Alberta - 2006

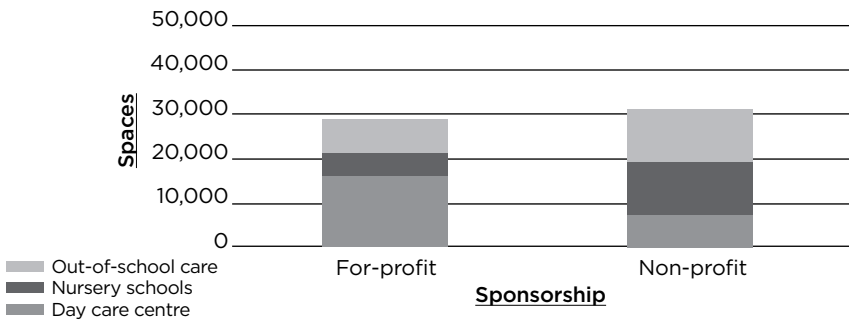


TABLE 3
Sponsorship of regulated centre-based spaces and percent for-profit

Year	1992	1995	1998	2001	2004	2006	2008
Non-profit	15,462	16,261	16,793	18,080	18,843	30,145	30,354
For-profit	28,198	27,001	23,735	22,931	22,562	28,748	31,960
% For-profit	64.6	62.4	58.6	55.9	54.5	48.8	51.3

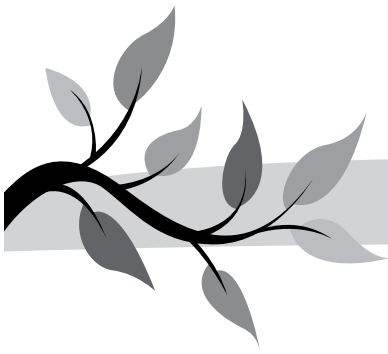
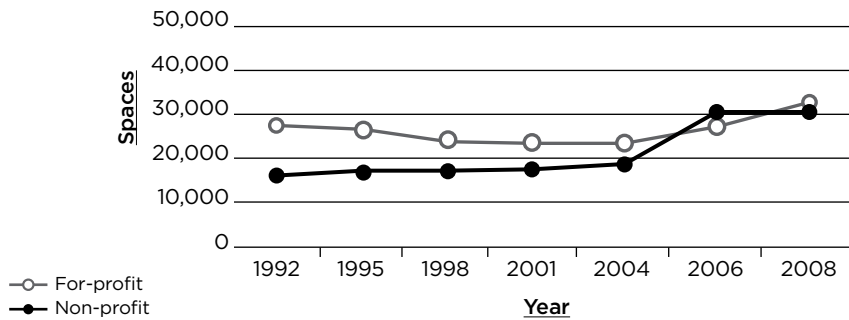


FIGURE 3
Sponsorship of regulated centre-based spaces, Alberta - 1992-2008



Provincial policy

- Total provincial budget allocation for regulated child care (2007/2008): \$105,732,973.
- Fee subsidies are paid directly to service providers on behalf of eligible parents. Subsidized children may be enrolled in either non-profit or for-profit regulated child care centres or family day homes.
- Both non-profit and for-profit centres are eligible for all recurring and one-time funding, including: the Pre-Accreditation Funding Program, Quality Recognition/Improvement Funding Grants, special needs funding, Staff Attraction Incentive Allowance, Staff Support Funding Grants, and professional development funding.

Of historical note

1966

The *Preventive Social Services Act* was first introduced; decision-making authority was delegated to municipalities. Only public and non-profit centres could receive funding for enrolling low-income families.

1978

The *Social Care Facilities Licensing Act* provided the first legislated child care regulation in the province. Fee subsidies became available, to be used in for-profit and non-profit centres.

1980

The provincial government took over the municipal share of funding subsidies and administration of care services for children up to six years. Substantial operating grants to non-profit and for-profit child care centres were introduced. The for-profit sector grew substantially during the 1980s.

There was still a significant municipal role in child care in Alberta in the 1980s, with publicly-operated centres in at least four of the large municipalities. By 1990, however, these had been closed.

1990

Alberta's first requirements for early childhood education training were introduced, to be phased in, with the for-profit sector opposing the change.

The provincial government announced that operating grants would be phased out within the year. However, this did not happen.

1994

A provincial budget plan announced that provincial child care funding would be reduced by 20% over three years.

1995

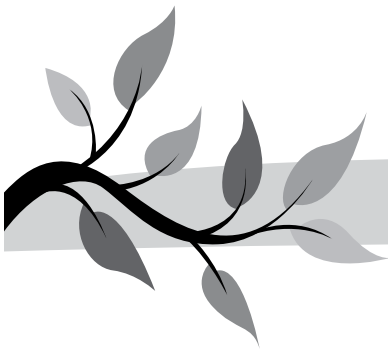
A review of subsidy eligibility led to 20% of parents losing subsidies. The commercial sector was particularly hard hit by this move, with a 13% reduction in commercial spaces.

1998

Operating grants were reduced in 1998 and eliminated entirely in 1999.

2003/04

The Accreditation Funding program was introduced and made available to both non-profits and for-profits.



2004

Medicine Hat became the first municipality to offer full-day kindergarten (recommended by the Alberta Commission on Learning in 2003).

2005

Alberta opposed the establishment of a national child care plan. After significant public pressure, the province agreed to sign an agreement with the federal government that would nearly double the provincial budget for child care.

2007/08

Alberta introduced the Space Creation Innovation fund, providing \$1,500 (\$2,000 in Fort McMurray) to for-profit and non-profit child care programs, school boards, municipalities, and industry or community groups for each space created.

2008

Drayton Valley's municipal child care centre opened, joining Jasper and Beaumont, both of which had operated public child care centres for some years.

Relevant quality research

A study of Calgary child care centres (Friesen, 1995) found that:

- For-profit centres were more likely to offer poor quality child care (53.1%) than non-profit centres (15.4%).
- Non-profit centres were more likely to offer good quality care (61.5%) than for-profit centres (15.6%).

An analysis of the *You Bet I Care!* data set (Doherty, Friendly and Forer, 2002) found:

- Statistically significant lower scores in Alberta's for-profit sector in the Caregiver Interaction Scale's sensitivity ratings;
- The for-profit sector had lower scores in the Early Childhood Environment Rating Scale, Revised Edition (ECERS-R). The ECERS-R score was 5.57 in the non-profit sample; 4.61 in the for-profit sample.

(In the ECERS-R, a score of 3= minimum, 5=good, and 7=excellent.)

Who's who in the for-profit sector

Alberta's for-profit sector is made up of individual owner-operated centres, small local chains (such as Kidsland), family child care (day home) agencies, larger provincial and national chains (Little Einsteins, Kids & Company), as well as one internationally-linked chain, 123 Busy Beavers, based in Alberta. The latter was initially connected to Australia's ABC Learning Centres. Following ABC's collapse, 123 continues to operate in Alberta under a management team that includes ex-ABC executives.

Larger chains (six or more locations)¹

123 Busy Beavers Learning Centres

CEO: Graeme Wilkie
Eleven locations (eight in Calgary, one in Edmonton, one in Leduc, and one in Sherwood Park)
Website: <http://www.123busybeavers.com>

Note: 123 Busy Beavers was part of the Brisbane, Australia-based ABC Learning Centres conglomerate's plans for expansion into Canada. However, the collapse of the ABC empire coincided with this expansion and the 11 Alberta centres are the sole ABC-linked Canadian operations. CEO Graeme Wilkie was one of the initial director/shareholders of Busy Beavers Investments Pty Ltd. (with Paul Graham and Don Jones). 123's website says that they are actively seeking future site developments.

Kids & Company Ltd.

Owners: Victoria Sopik and Jennifer Nashmi (Ranked 30 in the Top Canadian Women Entrepreneurs of 2008)

Five Alberta locations (Calgary) and a planned centre in Edmonton; 24 locations nationally
Age range: 3 months – 12 years
2008 revenue: \$13,748,614 (as reported in Canadian Business Magazine's 2008 W100 list)
Website: www.kidsandcompany.ca

Note: Kids & Company specializes in employer-supported child care. The company uses its child care centres as a base for its membership contracts with employers. Through these employers, Kids & Co. offers emergency drop-in child care (with regular parent fee) in its centres and a guaranteed space (regular parent fees) for employees through contracts with the more than 250 employers who pay a membership fee. In some cities, elder care is also offered through a partnership with First Health Care. In some locales at least, Kids & Company child care centres do not include subsidized children.

¹ The content of this section was compiled using the best information that is publicly available. Using these sources, every effort has been made to ensure that the information is accurate and comprehensive. Ownership of two centres was not included as a "chain".



In 2006, Kids & Company hired the services of Ottawa-based lobby firm Hill and Knowlton to “communicate with the PMO (Prime Minister’s Office), PCO (Privy Council Office), Finance Canada, HRSDC (Human Resources and Skills Development Canada), and federal MPs.” Founder Victoria Sopik was also appointed to a federal ministerial child care advisory committee.

The company was named by *Profit* magazine as “second on the 2005 PROFIT HOT 50” which also quoted Ms. Sopik as saying that her goal is to “operate 50 centres generating annual revenue of \$50 million by 2011” (April 2006).

Little Einsteins Daycares

Ten child care centres in Edmonton under different names (Diamond Daycare, Friendly Frog, St. Dominic, Tender Heart, Mount Royal OSC, Sunshine Factory, Sherwood OSC, Millcreek Daycare, Kids Korner, Little Einsteins)
Website: <http://www.edmontondaycares.ca>

Montessori Children’s Centres

Seven locations (Calgary), plus a head office
Website: <http://www.montessoricentres.ca/>

Smaller chains (five or fewer locations)

Building Blocks Playschool Centers

Director: Andrea Coulombe
Three locations (Medicine Hat)

Kidsland Daycare Centres

Four locations (Calgary), plus a head office
Website: <http://www.kidsland-daycares.com>

Learning Through Play

Three locations (Edmonton)

Rainbow Daycare Ltd.

Owner: Connie Hippe
Three locations (Edmonton)

Tiny Treasures Daycare Centre Ltd.

Three locations (Red Deer)

Other organizations of interest

Educare Development LLC/Canadian Child Care Education Property Fund (CCCEPF) or Canadian Educational Property Group (CEPG)

Educare/CCCEPF is a property development company, based in Texas, which has expressed interest in developing child care properties and sale/lease back of child care centres in Alberta. Educare/CCCEPF is represented by Leslie Wulf, who was instrumental in 123 Busy Beavers’ move into Canada through his company Adroit Investments Inc. The group was incorporated in Alberta in May 2008. A 2009 Freedom of Information Request by Public Interest Alberta revealed that Educare/CCCEPF had approached the Alberta government with a proposal to develop 80 child care centres with 160 spaces each as part of Alberta’s proposed space expansion.
Website: <http://www.cepg.ca/home.html>.

References

Friesen, B. (1995). *A sociological examination of the child care auspice debate. Occasional Paper #6*. Toronto, Ontario: Childcare Resource and Research Unit.

Doherty, G., Friendly, M. and Forer, B. (2002). *Child care by default or design? An exploration of differences between non-profit and for-profit Canadian child care centres using the You Bet I Care! data sets*. Toronto, Ontario: Childcare Resource and Research Unit.