



FAIRVIEW PRIVATE DAY CARE

BUSINESS PLAN

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NYKAL ENTERPRISES LTD.

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1.0 EXECUTIVE SUMMARY

The Heart of the Peace Economic Development Committee requested the development of a comprehensive and executable Business Plan for a Private Day Care facility located within the town of Fairview, Alberta, in an effort to improve services within the community and to further their **“Community of Choice in the Peace Country”** branding.

From the research gathered, there is a significant lack of child care spaces in Fairview. Based on population demographics alone, Fairview, AB can be characterized as approaching a “child care desert”; where 2.4 children are vying for 1 child care space. This is further substantiated by the “14 page” Wait List on file at the Child’s World Day Care in Fairview and the “Child Care Needs in Fairview” Survey. Comments from the Survey suggest that 30 to 50 childcare spaces are needed to meet the demands in Fairview. Survey respondents expressed that the lack of child care in Fairview was having an impact on WHERE they worked and IF they worked. Survey respondents also expressed frustration with having to find child care out of town, in places like Grimshaw and having to travel 45 minutes one way, even in bad weather.

The demand for child care services is not only an issue in Fairview. It is a nation-wide problem. As a result, private day care centres are stepping up to meet the demand. In 2016, 30% of all day care centres in Canada were for-profit organizations.

To meet the demand of child care spaces, in Fairview, a second day care centre is needed; not only to increase the number of available day care spaces, but to be able to attract young families to the town of Fairview. Adequate child care services are quickly becoming a deciding factor for families thinking about relocating.

However, there are several challenges around opening a second day care in Fairview.

Firstly, there is no existing stand-alone facility that meets the indoor and outdoor space/child ratio requirements as set out by the government of Alberta.

- Option 1 - open a private day care centre in the Child's World Day Care space in the provincial building, once they move to their new location. This is the quickest and most cost-effective option.
- Option 2 - open a private day care centre in the Alliance Church building and add 1 or 2 portable classrooms. Although a more costly option, the Alliance Church location, which is made up of 4 lots, provides the most opportunity for future growth. Furthermore, there is a trend towards the development of experiential playgrounds where children can focus on re-connecting with nature. The Alliance Church property has the space to create a stimulating landscape to encourage healthy early childhood development.

Secondly, finding/recruiting qualified staff (Child Development Assistant, Child Development Worker and Child Development Supervisor) is a challenge all child care organizations face. Not having adequate staff to meet government of Alberta staff/child ratio, has the potential to limit the number of child care spaces of the Private Day Care Centre; especially at initial opening.

The financials projections are based on a Private Day Care Centre with 44 full time child care spaces and 26 out of school care spaces, for a total of 70 spaces. Assuming a full slate of staff, the Alliance Church location with 2 portable classrooms and child care fees of \$1,175.00 per month in Year 1, the business can operate profitably.

For more information, please do not hesitate to contact me at: 780.901.6483.

Deb A. Kalyn, B. Ed.

DK Consulting, division of Nykal Enterprises Ltd.

2.0 BUSINESS DESCRIPTION

The majority of day care centres in Alberta operate as Not- For-Profit organizations. Not-For-Profit organizations are administered by a Chairman and Board of Directors, which most often includes parent members; allowing the parents an opportunity to guide the direction of the organization. Not-For-Profit day care centres are eligible for provincial or federal or private grants which enables them to purchase more educational materials, train their staff, attract qualified personnel and maintain and upgrade their facilities. Furthermore, grant funding support allows not-for-profit day care centres to attract lower income families with lower child care fees and provide them with child care they would otherwise not be able to afford.

On the flip side, Private Day Care Centres in Alberta operate like any other business. Not relying on government subsidies, private day care centres develop creative ways to generate revenue in addition to child care fees; such as hosting children’s camps, parent or children’s workshops and/or product sales. While private day care centres are not able to access grant funding for operations or building maintenance, an accredited private day care centre in Alberta is eligible for staff wages “top up”; as are not-for-profit day cares. Low income parents utilizing an accredited private day care centre can qualify to receive child care subsidy from the government of Alberta. Fees at a private day care are characteristically slightly higher than at a Not-For-Profit day care organization, however, with the extreme shortage of day care spaces Canada-wide, private day cares popping up throughout the country are “ensuring that parents have a good set of choices for child-care options.”¹

¹ Why the Negativity Around For-Profit Child-Care? - Regnard Raquedan, 2017

A business in Canada can be registered as a Sole Proprietorship or a Corporation. Registering a Private Day Care business as a Sole Proprietorship is quick, inexpensive and can be accomplished by an individual, without the help of a lawyer. The cost of registering a sole proprietorship is approximately \$79.00.²

Registering a Private Day Care business as a Corporation is a more involved process and requires the help of a lawyer but is the preferred business type for a Day Care business. The cost of registering a corporation ranges between \$1,200.00 and \$1,500.00³, however, the advantages of limited personal liability, lower tax rate and the opportunity for expansion far outweigh the initial outlay of legal fees.

2.3 Insurance Considerations:

In Alberta, insurance for day care centres is not regulated by the government or by a governing organization. However, as a condition of obtaining a day care license, the applicant must provide “evidence of general liability insurance coverage for staff and children.”⁴ No set liability amount is stipulated in the Child Care Licensing Act; therefore it is up to the business to determine the level of liability insurance they prefer to carry.

² www.ownr.com

³ KMSC Law LLP - Fairview

⁴ Province of Alberta Child Care Licensing Act, Child Care Licensing Regulation – February 2019

2.4 Business Location:

As a condition of obtaining a day care license, day care centres are required to meet the Alberta government's stringent requirements regarding the amount of indoor and outdoor space/per child.⁵

- **Indoor Play Space**

- Day care centres require 3 square metres of indoor play space/child.
- For pre-school and out of school programs, each child requires 2.5 square meters of indoor play space.

- **Outdoor Play Space**

- Each child under 19 months old requires 2 square meters of outdoor play space/child.
- Children 19 months and older require 4.5 square meters of outdoor play space.

Given the indoor and outdoor space/child requirements, it is often difficult to find an existing location to meet a day care's needs.

When contemplating the location of a Private Day Care in Fairview, consideration should also be given to the opportunity for future growth and expansion. As the population of Fairview grows, so will the need for more Day Care spaces.

As of August 1, 2019, there is no existing building suitable for lease as a Private Day Care in Fairview. There is one building for sale that could be transformed into a Private Day Care centre. It is located on the north east corner of Fairview's town limits. It is an existing church, comes with 4 vacant lots and is listed for \$124,900.00. This location, with the addition of 2 portable classrooms has the potential to create 70 day care spaces. This location is further detailed in Section 6 - Business Operations.

⁵ Alberta Child Care Licensing Handbook

3.0 DAY CARE SERVICES

3.1 Day Care Services:

Day care is defined as the “care of a child during the day by a person other than the child’s legal guardians. Day care is typically an ongoing service during specific periods of time; such as the parents’ time at work.”⁶

Licensed day care centres in Alberta, whether private or not-for-profit, can provide child care services for children as young as Infants to 4.5-year-old children. Licensed day care centres often run Out of School programs as well, for Kindergarten children and children up to 12 years of age.

The Alberta government requires that children in a day care centre be grouped by age. Each age group is assigned a Staff to Child Ratio and Maximum Group size.

See Table below⁷:

Age	Staff: Child Ratio	Maximum Group Size
Full day centre-based care		
Infants to 12 months	1:3	6
12-19 months	1:4	8
19 months to less than 3 years	1:6	12
3-4.5 years	1:8	16
4.5 years and older	1:10	20
Adjusted ratios are permitted for mixed age groupings		
Out-of-school care: part-day programs		
Kindergarten-aged children	1:10	20
6-12 years (school-aged)	1:15	30

*****Providing optimum day care services requires a delicate balance between indoor/outdoor space, age and number of children and the number of staff.**

⁶ Wikipedia

⁷ Early Childhood Education Report - 2017

3.2 More Than Just “Care of a Child”:

A day care centre does more than just take care of children. Staff in a licensed day care centre are expected to understand and use the Early Learning and Child Care Curriculum Framework for Alberta in the development of child care programs in their day care centres.

- An early learning and child care curriculum framework is different than a traditional curriculum. In early childhood, curriculum is focused on the following four holistic, play-based goals rather than specific outcomes for each subject area.
 - Well Being
 - Play and Playfulness
 - Communication and Literacies
 - Diversity and Social Responsibility
- “Children’s play is central to this curriculum framework as an active, exploratory, creative, expressive process; deeply embedded in children’s everyday experiences and through which children participate in, learn about, and actively make sense of the world.”⁸

3.3 Starting a Licensed Day Care Centre

To operate a child care program in Alberta that cares for more than 7 children, a license is required. The Child Care Licensing Regulation sets out the minimum standards that a licensed child care program must meet to ensure the health, safety and developmental needs of the children.⁹ Child Care Licensing Regulations are adhered to by both Private and Not-For-Profit day care centres.

Alberta Children’s Services licenses, monitors and issues enforcement actions when licensed operators are not in compliance with Child Care Licensing Regulations.

⁸ Play, Participation, and Possibilities: An Early Learning and Child Care Curriculum Framework for Alberta by Makovichuk, L., Hewes, J., Lirette, P., & Thomas, N., - 2014

⁹ Starting a Child Care Program - 2019

3.3.1 The Application Process (step by step):

1. License Holder Information Session

- a. All first-time applicants must complete a self-study information session that provides an outline of the Child Care Licensing Act and the Child Care Licensing Regulation. Proof of session completion must accompany the Application.

2. Application for Child Care License (see *Application Form in Appendix 1*)

- a. The applicant must indicate the child care programs to be provided, the age groups of the children and proposed number of children in each age group
- b. The applicant must also provide:
 - i. A criminal record check
 - ii. License application fee of \$200.00
 - iii. Detailed Program plan (*see Templates in Appendix 1*)
 - iv. Detailed Staffing Plan
 - v. Administrative policies and procedures
 - vi. Corporation certificate (if applicant is a corporation, not a sole proprietor)
 - vii. Proof of general liability insurance
 - viii. Details of the program premises and municipal approvals

3. Processing Time

Once a completed application is received by the local Child and Family Services (“CFS”) office, it can take up to 90 days to process the application and decide to issue a license.

4. Inspection of the Premises

The final step before a day care license is issued is inspection of the premises. A CFS staff conducts an on-site inspection of the program premises to ensure it meets child indoor and outdoor space requirements.

3.3.2 During the License Term:

Alberta child care program license holders are required to display their license in a clearly visible place on their premises. Initially, a license is granted for a one-year term. When the license holder applies for a renewal, the license holder may be granted either a one-year term or three-year term, depending on the compliance history of the applicant.

- **License Conditions:**

- Occasionally a license may be granted with a condition when the applicant temporarily is unable to meet certain regulations due to circumstances beyond the license holder's control.

- **License Variance:**

- From time to time, license holders may need to change the program category offered under the license, the maximum capacity, the location of the premises or the term of the license.
- In order to do so, the license holder must complete the "License Holder Request for Variation of License Form (*see Form in Appendix 1*) and submit it to the licensing officer for approval.

- **Exemptions:**

- License holders may request to be exempt from specific requirements of the Regulations. Exemptions are allowed under certain circumstances for the transportation of children, cribs, outdoor play spaces, mixed age groups and staff qualifications.
- When requesting an exemption, the license holder must demonstrate the need for the exemption, length of time of the exemption and how the license holder will achieve compliance to the Regulation.
- There are two types of Exemption forms. One is "Transportation, Crib, Outdoor Play Space and Mixed Group Exemption Request" form and the other form is for "Staff Qualification Exemption Request" form.
- The completed forms must be submitted to the local CFS for approval.

- **Inspections:**
 - Licensed child care programs will generally receive a minimum of two licensing inspections during a 12-month period to assess the program's compliance to legislation. However, if non-compliances are identified or reported, additional inspections will be required.
 - If a complaint is reported, the license holder may receive an unscheduled inspection to gather information and determine the cause of the complaint. The licensing officer will complete a follow up inspection to confirm the non-compliance has been remedied.

- **Incidents:**
 - Licensed child care programs are required to immediately report any incident that occurs while a child is attending the program or any other incident that occurs while a child is attending the program that may affect the health and safety of the child.
 - An initial report may be made by phone to the local CFS office. Within 2 days of the incident's occurrence, an Incident Report form must be completed and submitted to the local CFS office.

3.3.4 The Accreditation Process (step by step):

Alberta Human Services promotes excellence in child care to help families get the best care for their children. Grants available through the Alberta Child Care Accreditation Funding Program support licensed day care programs to recruit and retain qualified staff.

Accreditation is a voluntary process that objectively assesses whether child care programs meet the child care standards of excellence.¹⁰ Private Day Care centres can apply for accreditation and benefit from the funding supports. Following are the steps to accreditation:

1. Self Study Package

- a. Apply for the accreditation self-study package through the Accreditation of Early Learning and Care Services.

2. Accreditation Funding Grant Application Form

- a. Complete and submit the Accreditation Funding Grant Application form along with Supplementary Form A for each certified staff member to the Alberta Child Care Accreditation Funding Program. ***(See Application and Form A in Appendix 1)***

3. Monthly Reporting

- a. Being an accredited day care is a highly sought-after designation; not only for the staff support and benefits funding, but equally as important is the stamp of approval of the day care's programs. Parents seeking day care services prefer to have their children in accredited programs, as there is assurance from a third party that the day care centre is providing quality care. Along with being an accredited day care centre comes monthly reporting to the agencies involved in the funding supports.

¹⁰ Alberta Child Care Accreditation Program Guide for Licensed Day Care Programs

Available Funding Supports:

Once a day care program is accredited, four types of accreditation funding are available:

- **Staff Support Funding**

- Provides a wage “Top Up” for paid certified day care staff, over and above wages paid by the employer. Licensed day care programs that are not accredited, but have applied for and are working towards accreditation are eligible for funding as per the table below:

Child Care Certification Level	Pre- Accreditation Top Up/Hr.	Accreditation Top Up/Hr.
Child Development Assistant	\$1.44	\$2.14
Child Development Worker	\$2.70	\$4.05
Child Development Supervisor	\$4.42	\$6.62

- Pre-accreditation funding will continue for maximum of 15 months by which time an accreditation visit must have been requested or the pre-accreditation funding will be discontinued.
- Staff must be paid at least minimum wage before the wage Top Up is added to their pay.

- **Benefit Contribution Grant**

- Offsets the cost of mandatory employer payroll contributions such as CPP, EI and WCB, general holiday pay and vacation pay.
- “This funding is calculated and paid monthly at a rate of 16% of the total Staff Support Funding and the Staff Attraction Incentive Allowance issued on that month’s payment.”¹¹

- **Professional Development Grant**

- The Professional Development Grant is available to paid day care staff to help them obtain higher levels certification and/or attend approved conferences or workshops.

¹¹ Alberta Child Care Accreditation Program Guide for Licensed Day Care Programs

- To be eligible for the grant, staff must have worked at least 28 hours per month for two consecutive months. Staff can be eligible for grants from up to \$250.00 to \$1000.00 per year.
- **Child Care Staff Attraction Incentive Allowance**
 - This grant is intended to support the recruitment of staff certified or eligible for certification as a Child Development Worker and Child Development Supervisor or high school students that have accessed the Child Care Career Scholarship.
 - Eligible day care programs can receive \$2,500.00 at the end of 12 months of continuous employment for a NEW staff member.
 - Eligible day care programs can receive \$2,500.00 at the end of 12 months of continuous employment for a RETURNING staff member to a maximum of \$5,000.00 over two years.
 - The Incentive Allowance is paid to the day care program on the day care staff member’s behalf. The day care program is responsible for transferring this amount to the staff member on their next pay cheque.

3.4 EQUIPMENT:

Once a location for a Private Day Care is secured that meets the child/space requirements, the facility will need to be outfitted with age appropriate furniture and equipment. Assuming that all equipment is purchased new to accommodate 70 children, the approximate costs are summarized below¹²: **(See detailed Equipment Lists in Appendix 1)**

Age Group	Equipment Costs
12 - 18 months	\$28,440.28
18 months to 36 months	\$28,882.27
3 years old to 6 years old	\$66,818.24
Total:	\$124,140.79

¹² Town of Pincher Creek Day Care Proposal – Motivation, 2017

4.0 MARKET TREND ANALYSIS

4.1 GENERAL INDUSTRY TRENDS:

The Day Care industry in Canada provides care for infants and children under the age of 5. Industry operators often offer pre-kindergarten programs and out of school care for older children (up to age 12) as well.

Over the past five years, rising per capita income, increased government support of day care centres and the rising number of women in the workforce has driven up demand for day care industry services. As more and more women enter the work force, fewer parents are home to take care of their preschool-age children and day care services are no longer a luxury, they are a necessity. Provincial and federal governments recognize the importance of day care services and their subsidies play a critical role in helping families afford the rising cost of day care.¹³

The economy also plays an important role in the demand for day care services. A prosperous economy and low unemployment rates drive up the demand for day care services. An increase in disposable income makes day care more affordable and with a greater number of parents at work during the day, demand for industry services rises.¹⁴

Over the last 5 years, Canada's unemployment rate ranged from a high of 7.35% in 2016 to 5.7% as of August 1, 2019¹⁵ and thus has created a high demand for day care services. Generally, day care centres operate as not-for-profit organizations, but an increased demand for day care services has increased the growth of for-profit day care centres by 10% between 2006 and 2016. As of 2016, 30% of all regulated day care spaces in Canada were located in for-profit centres.¹⁶

¹³ IBIS World Data - 2019

¹⁴ IBIS World Data - 2019

¹⁵ CEIC Data – Aug. 2019

¹⁶ All For Child Care - 2019

4.1.2 The Day Care Industry in Canada:

A Growth Industry:

In 2018, there were 41,823 licensed day care operations in Canada and the industry as a whole (not-for-profit and for-profit) generated \$9 Billion in revenue. The day care industry is characterized as a growth industry; growing by 3.5% between 2013 and 2018,¹⁷ and growth is forecasted to continue at this pace.

“Child Care Deserts”:

A study conducted by the Canadian Centre for Policy Alternatives mapped the number of licensed child care spaces against the number of children living in a given postal code. The report concluded that an estimated 776,000 of non-school-aged children (44%) live in child care “deserts” in Canada.¹⁸ A child care “desert” is defined as a postal code area where there are 3 or more children are in competition for 1 licensed child care space.

Amongst the study’s findings¹⁹:

- Saskatoon, Brampton, Surrey and Kitchener have the highest percentage of child care deserts; ranging from 100% to 87%. (*Every postal code in Saskatoon was identified as a child care desert*).
- In Calgary and Vancouver, more than 50% of children live in child care deserts.
- 40% or more of children in Toronto and Winnipeg live in child care deserts
- In Edmonton, Halifax and St. John’s 36% to 30% of children live in child care deserts(respectively).
- Only 9% of children in Quebec cities live in child care deserts
- Parents living in child care deserts sometimes have no choice but to put their jobs on hold to stay home and care for their children; which can have economic repercussions in the long term.

¹⁷ IBIS World Data

¹⁸ Child Care Deserts in Canada – 2018, Canadian Centre for Policy Alternatives, David Macdonald

¹⁹ Ibid

Assistance from the government of Canada:

The government of Canada announced investments of \$7.5 Billion over 11 years, beginning in 2017 to support and create more high quality child care across the country.²⁰

Approximately 9,700 new day care spaces will be created over the next three years with the help of federal funding. “Of the spaces being created, some will target under-served communities, while others will target marginalized populations like those living in low-income and recent immigrants. Other spending will create daycare spaces for parents working irregular hours like shift work.”²¹

The Rise of “Big Box” Child Care Centres:

Historically, Canada has had very little corporately owned or corporate type child care, compared to other countries; such as Australia, the UK, the US and the Netherlands.²²

Today, however, chains are on the rise in Canada and several large corporate child care operators have opened - Busy Bees, BrightPath and Kids & Company. In July 2017, publicly traded BrightPath Early Learning Inc., with 84 centres Canada-wide(with 33 in Alberta), was bought out by UK private corporation, Busy Bees Holding Inc. to increase their global market share.²³ Kids & Company(a privately held Canadian firm) has 95 centres presently operating in Canada and plans to add 5 more centres in Canada and 9 in United States in 2019.

²⁰ Government of Canada – Investing in our future: National Progress Report on Early Learning & Childcare - 2017

²¹ Canada is full of ‘day care deserts’ where there are more children than spots – June 2018, Jordan Press

²² All For Child Care - 2019

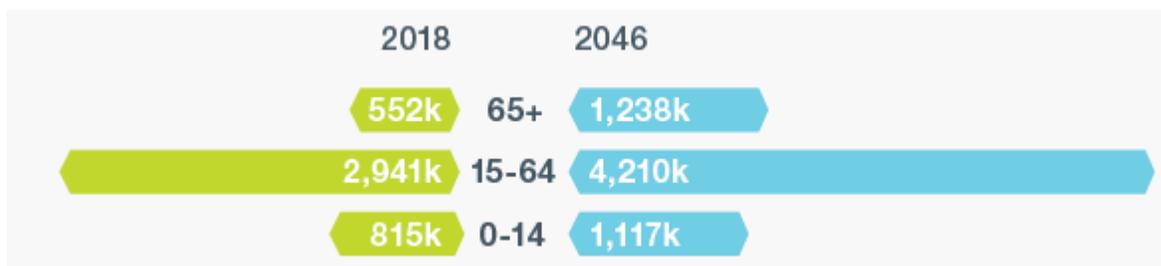
²³ The Star – Sale of Canadian child-care chain to UK corp has advocates worried – Laurie Monsebratten – July 2017

4.1.3 ALBERTA

Population Growth in Alberta:

Alberta's population is forecasted to grow by 1.5% per year over the next 28 years. By 2046, Alberta's population is forecasted to grow from 4.3 million people to 6.6 million people.

The number of children between the ages of 0 -14 is forecasted to be 1.1 million, up from 815,000 in 2018. (see *Alberta Population 2019 – 2046 Infographic in Appendix 2*)



Child Care Coverage Rate in Alberta:

The average child care coverage rate (number of day care spaces per child)²⁴ in Alberta is 36% but varies with the size of the community. Calgary and Edmonton have a combined coverage rate of 43% (approximately 2.3 children competing for 1 day care space) and they house over half of all the young children in the province.

Alberta's smaller cities with populations under 100,000 (e.g., Red Deer, Fort McMurray and Lethbridge) have coverage rates of only 31%, much lower than the larger cities. Rural Alberta fares even worse with a coverage rate of 24%, which roughly translates into 4 children competing for 1-day care space. **It is clear that there is a severe lack of day care spaces in rural Alberta communities.**

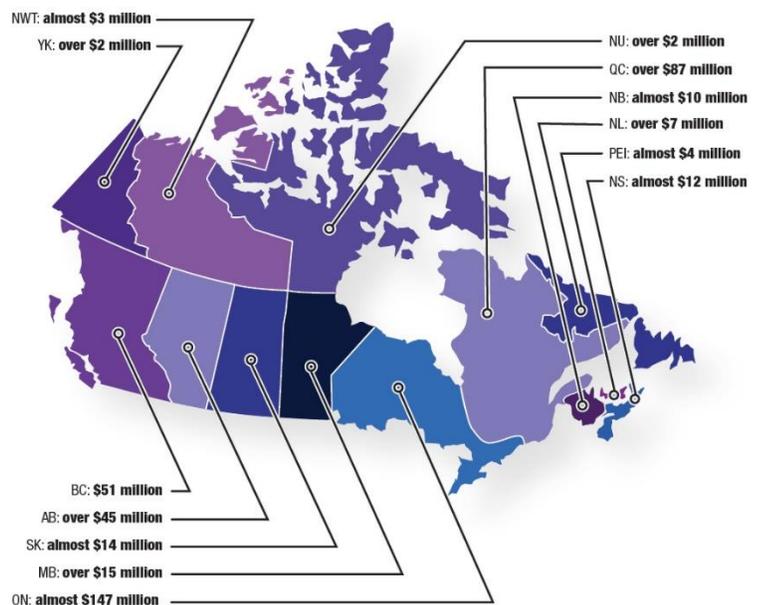
²⁴ Child Care Deserts in Canada – David Macdonald, 2017

Canada-Alberta Early Learning and Child Care Agreement:

Funding under a bilateral Agreement between Alberta and the government of Canada will translate into approximately \$136.4 million of day care assistance over 3 years.²⁵ (***This assistance was targeted at existing licensed Not-For-Profit day care centres and Not-For-Profit day care centres in progress of being licensed or formed. For Profit Day Cares were excluded from any government of Canada assistance under this Agreement.***)

Agreement Details:

- In 2017, the Government of Alberta launched the Early Learning and Child Care Centres pilot program at 22 day care locations, with parent fees capped at \$25 per day. The pilot is designed to test concepts in the areas of access, affordability, and quality. The participating centres were to provide care to children from birth to
- kindergarten and help to increase access to quality child care through the creation of new spaces or increased enrolment.
- Funding of \$45 million in 2017 to 2018²⁶, through the Canada-Alberta Early Learning and Child Care Agreement, expanded this pilot to 100 additional centres, of which 82-day care centres received grant funds in the 2017 to 2018 fiscal year.²⁷



²⁵ Government of Canada – National Report on Early Learning and Child Care (2017-2018)

²⁶ Government of Canada – National Report on Early Learning and Child Care (2017-2018)

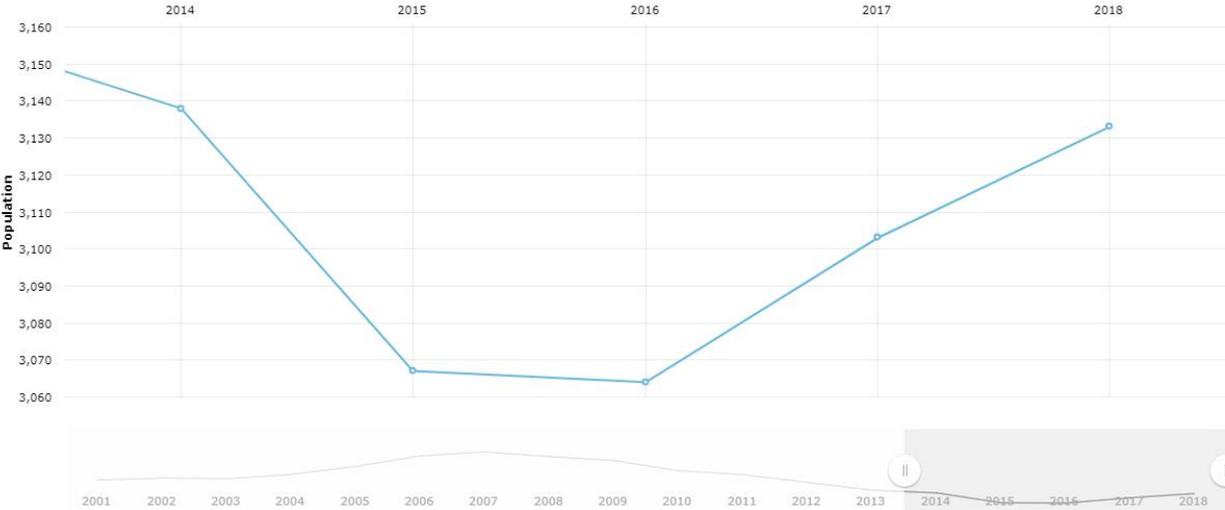
²⁷ ELCC Centres by the Numbers Infographic – Government of Alberta, April 2018

- The following are the key program components expected to be implemented through the expansion of the pilot:
 - **Increased Access to Day Care Services**
Centres have increased access by creating new child care spaces or by hiring enough additional staff so that vacant spaces can be filled, and enrolment increased.
 - **Affordability of Day Care Services**
The 92 Early Learning and Child Care Centres that received grant funding in 2017 to 2018 offered child care with maximum fees of \$25 per day. Additionally, low and middle-income families who cannot afford \$25/day for child care fees may be eligible for a child care subsidy (depending on their income, the age of their child and type of child care).
 - **Quality of Day Care Services**
Centres participating in the pilot program are required to implement **Flight**, a curriculum framework intended to guide early learning and child care educators in their work with young children.
 - **Inclusivity**
Centres must follow inclusive practices for children with diverse needs to ensure they are included in programming. Centres are also required to develop one or more improvements, such as serving vulnerable populations and must work with Getting Ready for Inclusion Today (GRIT), an organization that helps child care educators build their skills and knowledge to support inclusion of all children.
 - **Research and Development**
Funds were provided to MacEwan University and Mount Royal University for the development of early learning and child care curriculum resources and training.

4.1.4 FAIRVIEW:

Fairview’s Population Trend – 2014 - 2018

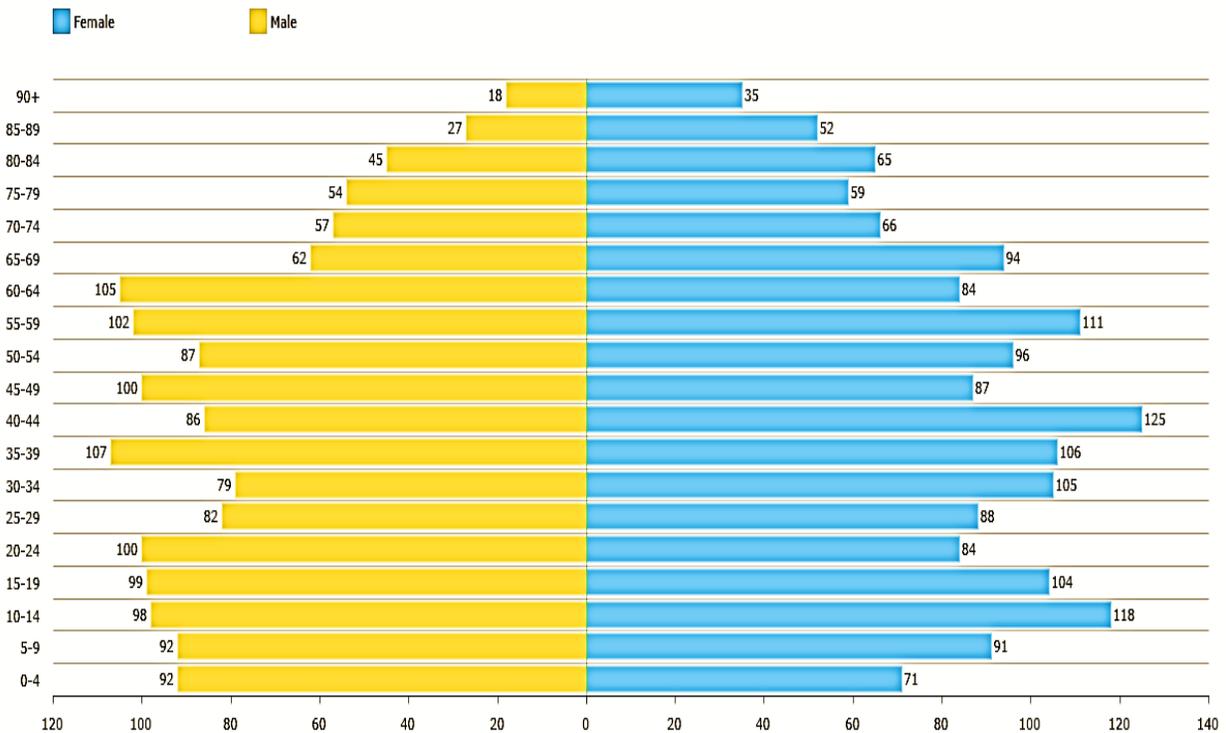
In 2014, Fairview’s population was recorded as 3,138 people. Despite hitting a low point in 2016 of 3064 people, Fairview’s population recovered to 3,133 people in 2018 and is trending upwards; recording an increase of 0.97% between 2017 and 2018.²⁸



²⁸ Alberta.ca – Regional Dashboard, Fairview Population

Fairview’s Population Age Pyramid - 2018²⁹

In 2018, there were 1492 males and 1641 females living in Fairview. Broken down further, there were **92 males and 71 females**, for a total of **163** children between the ages of 0 and 4 years old, living in the town of Fairview.



Day Care Spaces in Fairview:

There is one licensed day care centre in Fairview – Child’s World Day Care Centre. It is a not-for-profit organization that operates out of a space in the Town of Fairview’s Administration building and has presently has space for 61 children.

²⁹ Alberta.ca – Regional Dashboard, Fairview Population – Dataset on Alberta Open Government website

Five more spaces will be added once the Child's World Day Care moves to its permanent new location near E.E. Oliver School, for a total of 66 spaces available to serve a population of 163 children, based on solely on the assumption that all children will be enrolled in a day care centre. (This figure does not take into account day homes, family child care givers, or parents that choose to stay home with their children.)

This data indicates that, in Fairview, potentially 2.5 children are competing for 1 licensed day care spot; hence the "14 pages"³⁰ of names on the Child's World Day Care "Wait List."

Cost of Licensed Child Care:

In Canada:

According to data collected by godaycare.com, the average cost of licensed child care across all pre-school age groups in Canada is: **\$869.50/month/child³¹**, with costs as high as \$1,685.00 month/child in Toronto to as low as \$175.00/month/child³².

Child care costs are all over the map due to the amount of subsidy programs each Canadian province is able to offer its day care providers.

**"Child Care is often the
second biggest expense for
parents after rent or
mortgage"**

David Macdonald, senior economist,

³⁰ Nicole – Director at Child's World Day Care

³¹ Godaycare.com - 2018

³² Developmental Milestones Child care fees in Canada's big cities – David MacDonald, 2018

In Alberta:

- the average cost of licensed child care is: **\$868.00/month/child (regular rate)**
- ***this data does not include family day home rates***

In and Around Fairview:

- The average Child Care cost in and around Fairview is: **\$948.30/month/child.**
- The table below compares the fees of 3 licensed child care centres in and around Fairview.

	Infant to 12 mos.	13 mos. to 19 mos.	20 mos. to 3 years	3 yrs. to 4.5 yrs.
National Average	984.00	841.00	841.00	812.00
Alberta Average	922.00	850.00	850.00	850.00
Sugar Plum Day Care - Peace River	1,100.00	1,000.00	950.00	950.00
Child's World Day Care - Fairview	925.00	875.00	825.00	775.00
Enlightened Beginnings - Grimshaw	995.00	995.00	995.00	995.00

- The fees for the Sugar Plum Day Care and Child’s World Day Care are reflected at their full licensed day care rate. With the ELCC subsidy in place, parents with children enrolled full time pay the full fee less \$550.00(\$25.00/day subsidy). The subsidy is available to all parents regardless of income level. Further, a low-income parent can still apply for a low-income subsidy, resulting in paying \$0.00 for monthly day care.
- At this time, both the Sugar Plum Day Care and Child’s World Day Care are involved in the Phase 1 \$25.00/day/child(\$550.00/month/child) Early Learning Child Care Pilot Project until March 2020.³³ Beginning April 1, 2020, parents in Peace River and Fairview will resume paying the full day care fees amount, as noted above(less any subsidies they qualify for); unless the Phase 1 pilot project is extended.

³³ ELCC Program

- Enlightened Beginnings in Grimshaw operates as a private child care centre and was not able to offer its clients the \$25.00/day/child subsidy, as the ELCC program excludes private day centres from participation. However, as a licensed and accredited day care centre, Enlightened Beginnings can accept government subsidies for low income parents to offset their day care fees.

Licensed Day Care Spaces in and Around Fairview (not including Out of School Care or Day Homes):

- The Sugar Plum Day Care Centre has the largest capacity in the area. Due to a fire, the Sugar Plum was recently re-built, and the number of day care spaces was increased to 96.
- Since the Sugar Plum Tree Day Care Centre serves the greater Peace River area, which includes, St. Isidore, Nampa and Grimshaw, there is a wait list of approximately 234 children. ***As a side note, there is no licensed Day Care Centre in the Falher area either; creating a large “child care desert” area in the Peace River region!***
- Fairview has approximately 50 children or “14 pages” on a Day Care Wait List. The Child’s World Day Care will be moving to a new facility and will increase their number of day care spaces by 5, for a total number of 66 available spaces.
- Enlightened Beginnings is a private day care centre. There are no other private day care centres in Fairview or Peace River to compare spaces and wait lists. The owner of Enlightened Beginnings works very hard to accommodate all children whose parents choose her day care centre; hence a low to zero wait list.

Name of Center	# of Child Care Spaces	# of Children on Wait List
Sugar Plum Day Care Centre	96	234
Child’s World Day Care Centre	61	50
Enlightened Beginnings	70	0

4.3 PUBLIC SURVEY:

Goals of the Survey:

- To determine if there is enough demand in Fairview for child care services to warrant opening a private day care facility.
- To learn how parents are managing their day care needs.

Completing the Survey:

Residents of Fairview and MD of Fairview residents were invited to participate in a Survey – Child Care Needs in Fairview, AB that ran from July 25, 2019 to August 13, 2019. Posters with were hung in Fairview and Blue Sky. The Survey was also advertised for 3 weeks in the Fairview Post. ***(See Appendix 2 for copy of Survey Poster and Fairview Post advertisement.)***

Participants were able to complete the Survey by:

- Filling out the Survey online by clicking on a link posted on the Town of Fairview's Face Book page
- Filling out paper copies located at the Town of Fairview office and MD of Fairview office.
- Filling out a shortened 3 question online version of the Survey through Instagram and Facebook

Survey Results:

(See Appendix 2 for full copies of the Online and Paper Survey responses and the Instagram Survey responses.)

- 64 Online Surveys were completed
- 8 Paper Surveys were collected
- 107 Instagram Surveys were completed

Four “Loud and Clear” Messages:

1. There are not enough day care spaces in Fairview to meet the current need. It was suggested that 30 to 50 day care spaces might be needed.
2. Parents are needing to be creative to meet their child care needs; even if that means putting their families at risk by traveling to other communities such as Grimshaw or Spirit River that are 45 minutes away, one-way.
3. Parents want to have adequate day care in Fairview to make the town an attractive place to move to and to keep dollars in the community.
4. Losing the ELCC subsidy, should it expire in March 2020, will have a negative impact on some families.

Data Summary of Surveys:

- **Instagram Survey:**

- Of the 107 respondents:
 - 6% said there were enough day care spaces in Fairview
 - 94% said there were not enough day care spaces in Fairview
 - Below are some of their comments:
 - “the day care is bursting at the seams and can’t accommodate those on the many page wait list. There are no licensed day homes in Fairview to offer another quality care option.”
 - “expecting our first child this year and had to put my name on the wait list because it’s over 2 year waiting period.”
 - “it is difficult to get qualified day care workers in our town.”
 - “we need more registered day homes.”

- **Survey Monkey Survey Summary:**

- Of the 72(online and paper) respondents:
 - 50.7% live in the town of Fairview, 39.6% live in the MD of Fairview
 - 71.4% have a family income of \$76,000.00+/year
 - 50.7% working FT, 22.2% working PT, 17% business owners
 - 88.8% have 2 or more kids under the age of 15
 - Only 28.5% of the respondents use childcare in Fairview
 - 55.5% of respondents prefer a licensed Not-For-Profit Day Care, while 44.4% prefer licensed Day Homes.
 - 49% said they would use Private Day Care Services if available.

- **77.7% of respondents said there is NOT an adequate supply of child care services in Fairview. When asked to comment on how many more spaces are required in Fairview, below are some of their comments:**
 - “At least 50 more.”
 - “Our current daycare is far too small for what our town needs. So many moms want to go back to work to help provide in our households but cannot find childcare or are placed on a wait list for the daycare.”
 - “I have been on the waiting list for my first child (3 year old) and have never received a call saying she is in at Fairview. I was then hired for a well paying government position in Fairview and could not acquire childcare for both girls. I was told I’m on a waiting list 15 pages long. I am not interviewing for another job in hopes that I can drive my kids to Grimshaw. When I inquired about childcare in Grimshaw I was immediately given spots for my kids and was treated very well. In no way is Fairview adequately providing childcare for our municipality. It’s a shame to the town and MD that I am now buying groceries and conducting other business in Grimshaw when I pick up my kids. I am incredibly frustrated with how Fairview childcare has been run and feel there is a lot of favoritism with who’s kids get in.”
 - “30 or more spaces at minimum. I am on the daycare wait list and they told me there are 5 pages of people ahead of me. I’ve also been told that the \$25 per day daycare has caused people to save spaces but don’t always have their kids there so the space is basically unused. The daycare is also struggling to find staff and needs financial support to get more qualified help. My friends are going to Grimshaw and Spirit River for other options. We should be growing our own local economy, supporting local jobs and supporting accessible, local childcare so parents are not spending hours on the road in all road conditions and spending their money elsewhere. Mothers are having to choose between more expensive, time consuming options with less flexibility and going back to their good paying jobs which also support this community. Something needs to be done about this immediately. Young families who can’t get childcare are being forced to find farther, more expensive options which does not make Fairview an attractive place to raise kids. I would be willing to pay more than \$25 per day to have local, flexible, accessible childcare.”

- **31% of the respondents using day care services are meeting their needs. 12% said that their day care services are not meeting their needs. Below are some of their comments:**
 - “I’m able to pick which days I want and I have been using Grimshaw daycare for 4 months. It is very well managed and have only good things to say about the care I’ve received. Fairview needs to take a step back and perhaps look at what their doing wrong and how poorly they’ve treated parents in need of childcare.”
 - “I will be driving to Bluesky for child care. I would prefer to have child care in Fairview and not need to drive.”
 - “I am using at least 2 unlicensed private homes and a babysitter to cover my needs.”
 - “We go out of town to where my wife works. It is okay as we have childcare, however it means an unnecessary and dangerous commute for our children and puts a stop to her being able to work in our own community.”

- **46% said that cost of child care has an impact on their family life. Below are some of their comments:**
 - “We would like to have 3 children however cost and availability of childcare is a serious consideration in our decision.”
 - “I am concerned about my ability to remain in Fairview if I don’t find reliable licensed care soon.”
 - “Without the ELCC GRANT and \$25 a day care it wouldn’t make financial sense to continue with my full time employment after having my second child. Day care is expensive when paying the full price.”
 - “My earning power is not adequate enough to afford full, time childcare for 2. Therefore I stay home and manage the family needs while my spouse works in the patch.”

- **33% said losing the ELCC grant will have an effect on their families:**
 - “If it is discontinued, I will not be able to afford child care which will leave me unable to work and will subsequently drive my family further into poverty.”
 - “Our recreation with our children would be affected. We would also have 2 children in daycare and need to evaluate the affordability of childcare with both parents working full time.”
 - “I won’t be able to afford daycare.”
 - “We will potentially be in the Fairview daycare by this time, and the regular rate is higher than what we are paying now at an unlicensed day home.”
 - “I still haven’t gotten a placement for child care. This is the ONLY licensed facility in our community. This will not only impact me, if he cannot get a spot, but will also impact the other families who utilize this program.”

4.4 SWOT ANALYSIS OF A PRIVATE DAY CARE IN FAIRVIEW:

STRENGTHS

- There is a demand for at least 50 child care spaces in Fairview.
- Day Care Director has full control over all operations of the day care centre and has the authority to make decisions without having to obtain clearance from a Board of Directors or Board Chairman.

OPPORTUNITIES

- Expansion to other communities.
- Sell products – soothers, diapers, wet wipes.
- Sell pre-packaged frozen foods, especially ones for special dietary needs (dairy free, egg free).
- Host informative workshops for parents.
- Development of Summer Camps.

WEAKNESSES

- High monthly fees compared to \$25.00/day subsidized day care.
- Director unknown to the community and will have to build trust of parents.
- Streamlining operations in a facility made up of an old church and two modular classrooms.

THREATS

- Inability to find enough quality staff to meet Alberta Government requirements.
- Child's World Day Care \$25.00 per day contract gets extended past March 2020.
- Delays in renovation of church and construction of modular classrooms.

4.5 COMPETITIVE ADVANTAGE:

WHO IS THE COMPETITION:

The Private Day Care in Fairview's main competitor is the Child's World Child Care Centre. It is a Not-For-Profit organization, has operated for many years out of the Town of Fairview Administration building and has a strong following. Child's World is anticipating moving to a new facility near the E.E.Oliver school in the fall of 2019.

Other competitors would include licensed and unlicensed family day homes. At this time there are very few day homes in operation in Fairview.

FEES:

One of the major challenges facing the Private Day Care Centre is the cost of monthly child care fees. The average full-time monthly fees are projected to be \$1,175.00 per month in the first two years of operations. That is \$250.00/month more than Child's World Day Care based on their 2019 rates.

To mitigate this challenge and to attract parents to the Private Day Care Centre, it is anticipated that the Director would hire quality staff and together provide the children with exciting and unique learning experiences within the scope of the Alberta Child Care Curriculum Framework. To help attract quality staff, the financial projections reflect paying staff wages 1% above average in Year 1 and 2% above average in Year 2. There is ample allocation for Professional Development in Year 2 and 3 and with the Alberta government's benefit subsidy, the staff at the Private Day Care Centre would have opportunities to increase their certification levels and/or advance their skills by attending relevant workshops.

FACILITIES:

- **Buildings**

It is anticipated that the Fairview Private Day Care would be made up of a renovated church and 2 custom built **SAGE** (Smart, Academic, Green, Environment) portable classrooms, designed with additional lighting, increased fresh air ventilation and healthier building product selection. Though both the Child's World and Private Day Care will have new buildings, SAGE building qualities will appeal to the demographic of parents who care about where their children play and nap and likely would be willing to pay for that peace of mind.

- **Out Door Playground Space**

(See Nature Play Infographics in Appendix 2)

Richard Louv's research into the relationship between children and nature has influenced progressive cities and towns into creating stimulating landscapes that provide children with opportunities to build their self-esteem, confidence, resilience and creativity.³⁴ The Alliance Church location has ample space(4 lots) to develop an experiential playground designed to use physical and natural features to encourage healthy early child development.³⁵

³⁴ Lost Child in the Woods; Saving our Children from the Nature Deficit Disorder – Richard Louv, 2013

³⁵ Landscape and Child Development – Heidi Campbell, 2013

Though not in the projections, the business operates profitably and could use net profits and parent volunteers to create an experiential playground. This would differentiate the Private Day Care Centre from the Child's World Day Care and parents who care about nature would likely be willing to pay slightly higher monthly fees for this added learning experience.



PARENT/DAY CARE RELATIONSHIP:

- The Director of Fairview's Private Day Care can make decisions on their own without having to answer later to a Board of Directors. This can be critical when dealing with parent's changing schedules, children's health matters, managing a staff-child conflict or even buying new equipment or supplies. The Director has the authority to resolve issues quickly and efficiently; with the result being a strong and trusting parent/ day care relationship.



PRODUCTS:

- Parents are often in a rush dropping their children off or picking them up. The Fairview Private Day Care will have a small area of products parents can buy on the spot to take home or buy for the day if they forgot the item at home.; such as soothers, teething rings, diapers, etc.



- Furthermore, many children/families have special dietary needs. The Fairview Private Day Care Centre could work with Gracie's Pantry in Falher and/or Mary's Keto Kitchen in Peace River to supply frozen foods or snacks for parents to take home for their families who need gluten free, egg free, dairy free or vegan foods. This would differentiate the Fairview Private Day Care from the competition and attract busy parents who appreciate having the ability to one-stop shop, especially for special dietary foods.



5.0 MARKETING STRATEGY

Because child care services are desperately needed in Fairview, attracting parents to the Fairview Private Day Care centre will be easy. However, marketing will play an important role in communicating the Fairview Private Day Care's philosophy/approach to child care and to build awareness in the community.

Child Care Marketing Best Practices³⁶:

- **Host Events:**
 - **Open House**

Host an annual Open House to provide parents with an opportunity to tour the facility and learn more about the Fairview Private Day Care Centre.
 - **Educational Workshops**

Host monthly workshops with special guest speakers on important aspects of early childhood education, such as healthy eating habits, dealing with tantrums, cooking classes and others.
- **Use of Social Media:**
 - Social media is a powerful marketing and communication tool. A Face Book page and/or Instagram account are key social media outlets to keep parents informed on important dates, events or for posting photos of activities children have been involved in. (*Enlightened Beginnings in Grimshaw has a very active Facebook page.*)
 - Social media will also help the Fairview Day Care Center create its brand and voice. This will be developed by “sharing” or “liking” interesting articles or interacting with photos or comments on the Face Book page.

³⁶ 6 Affordable Marketing Ideas for Child Care Services - Geoffrey Nixon, December 20, 2017

- **Google Reviews:**

When people search for a business using Google, a Google Business Profile appears on the right-hand side of the computer monitor or tablet. Under the name of the business is listed the number of Google Reviews and the average score; based on a scale of 1 to 5. Google reviews are a quick and easy way for prospective parents to see what other people are saying about the Fairview Private Day Care. Encouraging parents to submit Google Reviews is a very effective marketing strategy, as 88% of people are influenced by online customer reviews.

- **Referrals:**

- Word of mouth is one of the most powerful marketing tools in the child care industry; especially in a small community. To that end, the Fairview Private Day Care Centre will build its reputation and create a strong and loyal following by offering an innovative program of early childhood learning, streamlined business operations and quality staff.

- **Always Be Educating:**

- Through monthly newsletters, blogs, magazine articles or information sessions, the Fairview Private Day Care Centre will share educational information with the community to stay top of mind. For example; an information session on experiential playgrounds would help parents understand the need for children to connect with nature more.

6.0 BUSINESS OPERATIONS

6.1 LOCATION OF THE BUSINESS:

- There is no existing stand-alone building in Fairview that meets the government of Alberta indoor and outdoor space requirements for 50 to 70 day care spaces.
- **Option 1** – Opening a Private Day Care Centre in the Child’s World Day Care space located in the Town Administration building; once Child’s World moves to their new location. This is the most cost-effective location and the quickest location to get up and running. It would require very few leasehold improvements and because it has a history of being annually inspected and approved as a child care facility, this location could likely become operational within months.
- **Option 2** - Building a new facility is possible, if at least three vacant adjoining lots become available for sale. Timeline from the blue print stage to project completion could be up to 2 years and at a cost of anywhere from \$200.00 to \$250.00 per square foot (\$820,000.00 to \$1,025,500.00 for 4,020 sq. ft.)
- **Option 3** – Renovate and add on to an existing building. The Alliance Church, located in the far north east corner of Fairview, is listed for sale with Royal LePage Realty at: \$124,900.00. The address is: 9720 – 105 Avenue. The building is 1620 sq. ft. in size and sits on 4 lots (1 large lot where the building is located and 3 adjoining vacant residential lots). There is ample parking in the area also. (**See Real Estate listing in Appendix 3**)



- The Alliance Church building coupled with **2** custom built SAGE modular classrooms³⁷ could accommodate 44 full time child care spaces and 26 Out of School Care spaces.
 - The Alliance Church would house the Day Care office, janitorial room, staff room and the 26 Out of School care program.
 - Each SAGE Modular unit would include 2 classrooms, its own kitchen and washroom facilities, for a total of four child care rooms and accommodate 44 children:
 - Room 1 – 12 months to 18 months
 - Room 2 - 19 months to 36 months
 - Room 3 - 3 years to 4.5 years
 - Room 4 – 4.5 years to Kindergarten

³⁷ Spaces for Learning – ATCO Sustainable Communities Inc.

- ATCO Canada working in conjunction with sustainable design leaders at Portland State University has developed the SAGE (Smart, Academic, Green, Environment) classroom. “SAGE classrooms bring the best in design and efficiency to educators and teachers.”³⁸ Scientific literature provides overwhelming evidence of the benefits of healthy school buildings. SAGE classroom designs focus on air quality, daylighting, thermal health, and noise reduction. These four critical features help to provide the best learning environment in a simple and cost-effective manner.

SAGE Modular Classrooms³⁹:

SCALABILITY. SUSTAINABILITY.

As the only certified SAGE provider in Canada, ATCO ensures the highest quality of every project is met through our proven process of design-build and per-construction services.



³⁸ Spaces for Learning – ATCO Sustainable Communities Inc.

³⁹ Spaces for Learning – ATCO Sustainable Communities Inc.

**Cost of SAGE Modular Classrooms:
(See ATCO Proposal and Classroom Renderings in Appendix 3)**

24 x 50 (1200 sq. ft.) Modular Classroom – **\$229,604.00/classroom**

Includes:

- Custom Design/Construction
- Transportation – Calgary to Fairview
- Placing Classroom on Pilings

Estimated Time to Build Each Classroom: – 4 to 6 months

*** SAGE show model on display at ATCO yard in Calgary

Estimated Cost of Entire Project:

Alliance Church -	124,900.00
2 SAGE Classrooms-	459,208.00
Screw Piles for 2 SAGE Classrooms -	20,000.00
Plumbing of 2 SAGE Classrooms -	10,000.00
Fencing around property -	10,000.00
Renovation of Alliance Church -	36,000.00
<u>Purchase of Equipment/Materials -</u>	<u>114,000.00</u>
Total Cost of Project:	\$774,108.00

The Financial Projections assume that the Fairview Day Care operator would be responsible for purchasing the Equipment/Materials and Renovation of the Alliance Church for a total of \$150,000.00.

The Financial Projections further assume that the Fairview Day Care operator would lease the Church property and 2 SAGE Classrooms with payments of approximately **\$4,000.00** per month, with the option to buy the entire property after three years.

6.2 BUSINESS WORK FLOW:

A day care centre is a very busy place. In addition to day to day operations, the Day Care director needs to balance staff, space and number of children to satisfactorily meet Alberta government requirements. There are numerous day care software programs on the market to help day cares streamline operations.

The six most popular day care specific software programs are listed below:

- **Hi Mama | Toronto, ON**
<https://www.himama.com/>

Hi Mama is a very popular software program! It has recently been upgraded to include child care management tools. Hi Mama subscriptions now include billing, staff management, attendance and child record management for owners, directors and administrators to keep on top of center operations at all times.

Hi Mama daycare software is available for desktop, phone and tablet, and charges a monthly fee per class. All training, support and access for families is 100% free, and the product is updated regularly with new features.

- **'bob' the Child Care Manager | Burlington, ON**
<http://www.bobchildcare.com/>

According to their website, 'bob', a product developed by Focus Technology Solutions Inc., automates billing and subsidy calculations, automates classroom scheduling, helps manage children's records, and has accounting integration.

The price is \$1,299 per year for a license and training sessions are offered as half day and full day seminars for \$100 per hour plus travel expenses,

- **Childcare Pro | Winnipeg, MB**
<http://childcarepro.ca/>

Childcare Pro helps Canadian child care centres manage their information, including children's accounts, subsidy, billing, and receipts. The complete list of features includes children and family records, employee records, subsidy, billing and receipting, accounting and financials, and waitlist management.

The software is a product of Vari Tech System Inc. Unlike 'bob' the Child Care Manager, Childcare Pro is a web-based solution. Childcare pro offers services in both official languages, English and French.

- **MyDaycare Plus | Toronto, ON / Montreal, QC**
<http://www.mydaycareplus.com/>

MyDaycare Plus has a range of features for administering a child care program; including children records, attendance records, billing, employee records, timesheets, payroll, expenditure management, accounting, finances, automatic emails.

There is a both a cloud-based and desktop version of the software with a range of prices depending on the version. Plans range from \$40 per user per month to a one-time fee \$1,495 per user plus an annual fee of \$150 per year.

- **MYKIDS | Mississauga, ON**
<http://www.mykids.ca/>

The developers of MYKIDS, CompuBase Information Technologies Ltd., states that their software package is designed to meet the administrative requirements of Canadian childcare centres, home childcare agencies, as well as private home childcare businesses. MYKIDS stands for 'Managing Your Kids Information Database System'.

The functionalities of the software include wait list management, billing, payment processing, and receivables.

- **Sandbox | Grimsby, ON**
<https://www.runsandbox.com/>

Ladder Software, the developers of Sandbox Software, has focused on the development of a user-friendly interface.

The software is web-based and is priced from \$29 per month for home daycares to \$99 per month for centres with more than 50 children.

6.3 HOURS OF OPERATION:

- The Fairview Private Day Care Centre will be open from 6:00 AM to 6:00 PM, Monday to Friday.
- The Fairview Private Day Care Centre may change their hours during the summer months of July and August, based on parents' needs.
- The Fairview Private Day Care Centre will also offer Summer Camps during July and August.

7.0 MANAGEMENT AND PERSONNEL

Employees working in a licensed day care, pre-school or out-of-school care program, must hold provincial child care staff certificates issued by the Alberta government. The training standards for certification are legislated under Part 3 of the Alberta Child Care Licensing Regulation. Employees can begin working in a licensed day care centre without being certified, however, must become certified within 6 months. During that time, the uncertified employee cannot be left alone to supervise children.

Day Care centers are typically made up of a Director, Child Development Supervisors, Child Development Workers and Child Development Assistants. Staff to Child ratios in a day care are also regulated by the Alberta government. See Table below:

Age	Staff:Child Ratio	Maximum Group Size
Full day centre-based care		
Infants to 12 months	1:3	6
12-19 months	1:4	8
19 months to less than 3 years	1:6	12
3-4.5 years	1:8	16
4.5 years and older	1:10	20
Adjusted ratios are permitted for mixed age groupings		
Out-of-school care: part-day programs		
Kindergarten-aged children	1:10	20
6-12 years (school-aged)	1:15	30

To care for 70 children and to meet the Staff/Child ratios, the Fairview Private Day Care will require a staff of **15** people: **(See Organizational Chart in Appendix 4)**

- Director – 1
- Bookkeeper – .5
- Cook - .5
- Child Development Supervisors – 2
- Child Development Workers – 6
- Child Development Assistants – 5

EMPLOYER INCENTIVE TO HIRE CHILD CARE STAFF:

Day care operators are responsible for setting the base hourly wage of their employees. If the day care centre is pre-accredited or fully accredited, the Alberta government will “Top Up” the Hourly Wage. See Table below⁴⁰:

Child Care Certification Level	Ave. Wage without Top Up	Ave. Wage with Pre-Accredited Top Up	Ave. Wage with Accredited Top Up
Child Development Assistant	15.86	17.30	18.00
Child Development Worker	16.87	19.57	20.92
Child Development Supervisor	18.42	22.84	25.04

⁴⁰ www.alberta.ca/incentives-to-work-in-child-care.aspx

7.1 EMPLOYEE JOB DESCRIPTIONS AND SALARIES:

DAY CARE DIRECTOR:

A Private Day Care Director is typically the owner/operator of the business. The Private Day Director is not overseen by a volunteer Board of Directors as is the case in a Not-For-Profit Society. Thus, the Private Day Care Director is fully responsible for all aspects of the Day Care operations; from program development and operations to marketing and financial cash flow.

Duties and Responsibilities:

- **Development of Day Care Program**

Daycare directors guide the development of the educational programs offered by the day care centre. Working closely with the day care center's staff, the Director will create programs and learning plans that meet government of Alberta requirements, as well as the expectations of the parents.

- **Supervise Staff**

One of the most important tasks of a day care director is the development of a positive workplace culture. This includes interviewing and hiring the staff members that meet the workplace standards of the day care. The Director is also responsible for staff scheduling, observing staff with children and filing all reports necessary by the Alberta government to maintain accreditation. The Director can assist/encourage staff to further their Early Childhood education. Besides hiring day care staff, the Director is responsible for hiring janitors, kitchen staff, and any other personal as needed.

- **Manage Daycare Facilities**

Maintaining safe and well-stocked day care centre is the responsibility of the daycare director. This means ensuring that required safety equipment is available and in working order, no hazards are present, the facility is kept clean and orderly, and any supplies and equipment needed are ordered regularly. The director must also adhere to Alberta regulations and be prepared for inspections at any time.

- **Set and Maintain an Operational Budget**

A Private Day Care centre director is responsible for managing all aspects of the Day Care Centre's finances. This includes creating and maintaining a budget, setting up a system for bookkeeping and accounting, overseeing accounts payable and receivable.

- **Attract Prospective Clients**

Despite the growing demand for childcare services, a Private Day Care centre will be competing for children with a Not-For-Profit day centre. It is the Director's responsibility to map out a detailed marketing plan, so parents are aware of the services provided by the Private Day Care centre. This may include setting up a website, maintaining social media accounts, buying local ads and offering guided tours of the centre to prospective families.

Education:

Ideally, the Director would have education equivalent to that of a Child Development Supervisor – L3, however, considerable Day Care experience and significant business experience, would suffice.

CHILD DEVELOPMENT ASSISTANT - L1:41

A child development assistant works at a child care centre and supports the Child Development Worker with managing the children under their care.

Education:

To obtain a Child Development Assistant Certificate, the employee is required to complete a 45 hour (3 credit), post-secondary course related to child development. Upon completion of the course a copy of the transcript must be sent to the Alberta Child Care Staff Certification Office in Edmonton for assessment and certification.

Employees without any formal training in child care can take the Alberta Child Care Orientation online course and submit a Child Care Orientation Course completion letter to obtain a certificate as a Child Development Assistant L1. Another popular option is taking the CCS 3110-3150 offered through Career and Technology Studies in Alberta High Schools.

Salary:

The average starting wage is: \$15.86 per hour. When a child care centre becomes accredited, the Alberta government provides a wage ‘Top Up’ to \$18.00 per hour by Year 3.

⁴¹ Child Care Staff Certification Guide – April 2018

CHILD DEVELOPMENT WORKER - L2:

Child Development Workers provide care for kids in child care centers, preschools or in-home. They typically provide a mix of basic care and academic development, depending on the employment setting and their level of expertise.

Education:

To obtain a Child Development Worker Certificate, the employee is required to complete a 1-year early learning and child care certificate program offered by an Alberta College or University, or an approved educational equivalency; such as Social Work: 2-year diploma, Educational Assistant: 2-year diploma.

Salary:

The average starting wage is: \$16.87 per hour. When a child care centre becomes accredited, the Alberta government provides a wage “Top Up” to \$20.92 per hour by Year 3.

CHILD DEVELOPMENT SUPERVISOR - L3:

Child Development Supervisors are responsible for ensuring that the care and attention the children are receiving is consistent with the philosophy of the center. They are also responsible for program planning, working effectively with staff, working with families and children and connecting with the community.

Responsibilities Include:

- Developing and implementing child-care programs that support and promote the physical, cognitive, emotional and social development of children.
- Leading activities by telling or reading stories, teaching songs and taking children to local points of interest
- Observing children for signs of potential learning or behavioural problems and preparing reports for parents, guardians or the day care Director.
- Planning and maintaining an environment that protects the health, security and well-being of children.
- Assessing the abilities, interests and needs of children and discussing progress or problems with parents and other staff members
- Establishing and maintaining collaborative relationships with co-workers and community service providers working with children.

Education:

To obtain a Child Development Supervisor- L3 certificate, the employee is required to complete either a 2-year early learning and child care diploma program offered by an Alberta College or University or an approved educational equivalency such as: Alberta Teaching Certificate, Bachelor of Education: 4-year degree, Bachelor of Social Work: 4-year degree.

Salary:

The average starting wage is: \$18.42 per hour. When a child care centre becomes accredited, the Alberta government provides a wage top up to \$25.04 per hour by Year 3.

7.2 INCENTIVES TO WORK IN CHLD CARE IN ALBERTA:

The Alberta government values child care as a career choice and has various incentive programs available for child care staff:

- **Early Learning and Child Care (ELCC) Career Scholarship for High School students:**
 - **\$2,500.00** ELCC Career Scholarship to attend post-secondary programs in early learning and child care.

- **Professional Development Funding:**
 - Funding is available to assist with tuition fees and/or textbooks for Child Development Assistants or Workers wishing to obtain a higher level of certification or to enhance their existing training by attending approved conferences and workshops.
 - Child Development Supervisors can apply for professional development funding through the Association of Early Childhood Educators of Alberta.

- **Staff Attraction Incentive:**
 - A Child Development Worker or Supervisor new to the field or has not worked in the child care sector for a least 6 months and finds full-time employment with a pre-accredited or accredited child care program is eligible for a Staff Attraction Incentive of up to \$5,000.00.

7.3 CHILD CARE PROGRAMS STAFF QUALIFICATIONS EXEMPTION REQUEST:

An accredited child care centre may request an exemption to staff qualification requirements. The director is required to complete a “Child Care Programs Staff Qualifications Exemption Request” form and submit it to their licensing offices along with a plan that includes:

- the reason why the exemption is being requested
- how the exemption will be required
- a plan to hire or train staff to fill the position.

If approved, the staff exemption must be posted in a visible place on the licensed premises and maintained in the staff records. (***See “Child Care Programs Staff Qualifications Exemption Request” form in Appendix 4.***)

8.0 FINANCIAL PROJECTIONS

See Attached Financial 3 Years Financial Projections

- Cash Flow Projections
- Income Statement
- Balance Sheet

7.1 GENERAL NOTES:

Statistics Canada - Financial Performance Data – 2017⁴²

The Government of Canada annually collects Financial Performance Data from businesses Canada-wide and across all industries. Further broken down by province, the data is used to benchmark small or medium sized business financial statements against relevant industry averages.

Benchmarking using Financial Performance Data is powerful tool to help identify areas a business sharply deviates from the relevant industry average and provides an opportunity to spot areas that need change.

Industries in Canada are classified by NAICS codes (Canada North American Industry Classification System). The NAICS code for Child Care Services is: 624410.

- In 2017, financial performance data of **766** Alberta incorporated Day Care businesses were gathered.
- Net Profit of these businesses ranged from **-3.80% to 9.90% for an average of 4.7% of Gross Revenue.**
- The Financial Projections are forecasting an average Net Profit of **4.5%** over a 3-year period.

⁴² Source: Statistics Canada - Small business profiles, 2017

Assumptions:

- **70 full-time Child Care spaces**
 - Does not include Infant Care (0 – 12 months)
 - Includes Out of School Care(“OSC”) for Kindergarten children and Full-Time School children up to age 12

Based on 70 Children	Max Group Size/Worker	# of Children	CC Worker	CC Assistant
12 - 18 months	4	8	1	1
19 months to 35 months	6	12	1	1
3 years to 4.5 years	8	12	1	1
4.5 years and older + Kindergarten	10	12	1	1
OSC - Kindergarten	10	13	1	1
OSC - 6 - 12 years	15	13	1	
		70	6	5

- **Physical Space**
 - **Modular Classrooms:**
 - 2 Modular Classroom buildings with 2 Day Care Rooms per Classroom
 - Each Day Care room has 37.1 sq. meters of open space
 - Each child requires 3.0 sq. meters of space
 - Maximum number of children per Day Care room is **8 to 12**
 - **The “Church” Space**
 - The forecasted open space in the Church is 65 meters
 - This space would be earmarked for Out of School Care
 - Each child requires 2.5 meters of space
 - Maximum number of children in the Church space is **26**.
- **The Estimated Number of Staff – 14 Full Time and 2 Part Time**
 - 5 Child Care Assistants – L1
 - 6 Child Care workers – L2
 - 2 Child Care Supervisors – L3
 - 1 Director
 - 1 P/T Cook
 - 1 P/T Bookkeeper

- **Staff Wages**

- Year 1 – starting wage 1% above average and no Top Up Subsidy
- Year 2 – 2% wage increase, plus partial Top Up Subsidy (while accreditation in progress)
- Year 3 – 0% wage increase, plus full Top Up Subsidy (Day Care fully accredited)

Based on the wages forecasted for the business, by Year 3, Child Care workers at the Fairview Private Day Care will be earning slightly more than the Alberta “Average Wage with Top Up”.

Child Care Certification Level	Ave. Wage without Top Up	Fin. Proj. Year 1 Wages	Ave. Wage with Pre-Accredited Top Up	Fin. Proj. Year 2 Wages	Ave. Wage with Top Up	Fin. Proj. Year 3 Wages
Child Development Assistant	15.86	16.34	17.30	18.10	18.00	18.80
Child Development Worker	16.87	17.38	19.57	20.42	20.92	21.77
Child Development Supervisor	18.42	18.97	22.84	23.77	25.04	25.97

- **Business Loan:**

- The Financial Projections assume the business owner will invest 40,000.00 of their own money and borrow **\$150,000.00** in Business Start-Up capital over a 5-year term for equipment, leasehold improvements and inventory.

Based on the projected Revenue and Expense Forecasts, the business can debt service its business loan.

Debt Servicing	Year 1	Year 2	Year 3
Debt Service Ratio	1.2	1.4	1.6
Income Available to Pay Debt	36,210.00	53,810.80	59,590.00
Amount of Debt	31,136.30	37,356.00	37,356.00

- **Revenue and Expense Notes:**
 - **Revenue Generating Limitations:**
 - The maximum number of children the Fairview Day Care spaces is finite at **70 spaces** and is calculated based on the physical space requirements set out by the government of Alberta.
 - The financial forecast assumes **44 F/T children and 26 P/T or OSC** care children.
 - The number of Day Care spaces (increase in revenue) cannot increase without the significant expense of building out of more physical space.
 - The business plan allows for the generation of revenue by hosting special events or classes and selling products such as diapers, baby wipes and take home specialty foods (egg free, gluten free, dairy free, vegan).
 - **Year 1 Revenue/Expenses Notes:**
 - Revenue:
 - \$1,175.00 per F/T child
 - \$450.00 per P/T and Out of School Care child
 - Expenses:
 - Starting wages for Day Care workers – 1% above average
 - No wage Top Up Subsidy
 - \$5.00 per child for food per day

- **Year 2 Revenue/Expenses Notes:**
 - Revenue:
 - \$1,175.00 per F/T child
 - \$575.00 per P/T and Out of School Care child
 - Expenses:
 - 2% increase in Day Care Worker wages
 - Partial Top Up Wage Subsidy for Day Care workers
 - \$6.00 per child for food per day

- **Year 3 Revenue/Expenses Notes:**
 - Revenue:
 - \$1,275.00 per F/T child
 - \$575.00 per P/T and Out of School Care child
 - Expenses:
 - Full Top Up Subsidy for Day Care workers
 - \$6.50 per child for food per day

- The financial forecast assumes that the pilot \$25.00/day subsidy program will end in March 2020 for Phase 1 ELCC centres; which would include Fairview Child's World Day Care Centre.

- If the \$25.00-day subsidy program should continue beyond 2020, this financial forecast assumes that the government of Alberta will continue to deny the participation of Private Day Cares in the \$25.00/day subsidy program.

APPENDIX