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Edmonton Council for Early Learning and Care

Questions About Alberta's Cost-Control Framework and For-Profit Expansion Plan

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The Cost Control Framework and For-Profit Expansion Plan*, released in January 2023, is intended to be an important step in implementing Alberta's version of a Canada-wide system of early learning and child care. The document provides insights into the intentions of the Alberta government, but the absence of critical details makes it difficult to anticipate what lies ahead. The immediate task for those who care about high-quality and affordable ELCC is to attend to how six key issues are resolved.*

On January 31, 2023, Alberta's Ministry of Children's Services released *Cost Control Framework and For-Profit Expansion Plan*,[1] a bilateral agreement with the federal government. This agreement was anticipated in the *Canada-Alberta Canada-Wide Early Learning and Child Care Agreement* in 2021[2] and in a subsequent amendment.[3] These agreements are intended to support the development of a system that will provide delivery of early learning and care (ELCC) services at an average out-of-pocket cost to parents of $10 per day by the end of the 2025-2026 fiscal year. They follow previous commitments to incorporate five principles in building a system of ELCC: accessibility, affordability, quality, inclusion, and flexibility. These principles were articulated in an earlier framework created by federal, provincial, and territorial ministers.[4]

The federal plan for a Canada-wide system of early learning and care was designed to expand support primarily to not-for-profit ELCC operators. The *Cost Control Framework and For-Profit Expansion Plan* is an agreement for extending federal and provincial funding to for-profit operators that comply with the plan. It applies to both for-profit and not-for-profit operators. The cost-control framework is intended to ensure "accountability and directed use of funds while still supporting parent choice for additional child care services," to maintain "rigor around licensing requirements and financial practices," and to reduce "potential exposure to fee and cost escalation for parents and governments" (p. 1). The expansion plan is a commitment to increase delivery of early learning and child care (ELCC) by up to 22,500 private, for-profit spaces, which is in addition to 42,500 not-for-profit spaces and another 3,700 for-profit spaces promised earlier.

The Edmonton Council for Early Learning and Care wants to see a system of early learning and care in Alberta that can contribute to eliminating poverty and that is high in quality, affordable, accessible, inclusive, and flexible. The federal government's commitment, which includes substantial funding, affords an extraordinary opportunity to build such a system.[5] Progress

[1] Government of Alberta (2023)
[2] Government of Canada (2021b)
[3] Government of Canada (2021a)
[4] Government of Canada. (2017)
[5] Government of Canada (2021d)

toward this goal depends, of course, on how well the system is designed and implemented. The *Cost-Control Framework and For-Profit Expansion Plan* is an important component in the design and implementation process in Alberta, but its publication has given rise to numerous questions that need to be addressed before the framework is implemented. Some of these questions are described below. Depending on the extent to which these questions can be addressed successfully, a fundamental decision may be required about whether to press ahead with the present plan or to engage in a significant course correction.

Clarifications

Before addressing questions raised by the *Cost-Control Framework and For-Profit Expansion Plan*, it is useful to clarify two points. First, throughout the document the terms *private* and *not-for-profit* are used as if they are mutually exclusive. In fact, most not-for-profit operators in Alberta are private as well in that they are not publicly owned or operated. In this document we refer to *private, for-profit* and *private, not-for-profit* operators. Most not-for-profit service providers are membership organizations and many are also registered charities. *Public* operators, a third category, are few in Alberta. This category is not addressed explicitly in the cost-control framework and expansion plan unless we assume that whatever applies to private, not-for-profit operators also applies to public operators.

Second, according to the document, “Alberta has a unique system in which not-for-profit, public and private/for-profit operators play an important role in the delivery of high-quality regulated child care programs and services” (p. 4). The basis for this claim about uniqueness is not clear. What is clear is that the level of private, for-profit child care has been significant in many provinces and territories. Based on pre-COVID data from 2019,[6] private, for-profit operators provided more that 40% of regulated spaces in ELCC centres in at least six provinces and territories.[7] On this measure Alberta (65%) trailed Newfoundland and Labrador (78%) and Prince Edward Island (69%).

Cost-Control Framework

At the centre of the cost-control framework is a cost-control funding formula that incorporates revenues, costs, and profit or surplus.

- *Revenue* consists in two parts: parent fees, which will average $15/day in 2023-2024 and $10/day by 2025-2026; and total government funding, which includes subsidies to parents, wage top-ups, and “affordability grants.” The latter are direct grants to operators.

[6] Data compiled from Friendly, M., Feltham, l.E., Mohamed, S., Nguyen, N. T., Vickerson, R., & Forer, B. (2020).

[7] Yukon and New Brunswick almost certainly exceed the 40% mark, but data from these jurisdictions in the report by Friendly et al. (2020) were limited to all spaces (including preschools and out-of-school care for older children) rather than spaces only for ELCC.

- *Costs* incurred by operators consist in two types: costs for *core* services and costs for *enhanced* services.
- When costs for core services are subtracted from revenue, the result is *profit* or *surplus*.

In this scheme, costs are controlled in that the Alberta government will determine the level of parent fees and the funding that supports core services. Profit or surplus can be generated in two ways: "through efficiency while maintaining quality and the provision of enhanced child care services" (p. 5). Enhanced services are not covered by government funding and, for the purposes of cost control, fees for these services are not considered as revenue.

What Are "Operator Core Child Care Costs"?

For this scheme to be workable, core services must be clearly defined and their costs must be carefully identified. According to the *Cost Control Framework and For-Profit Expansion Plan*, the core costs will be defined by the Alberta government "as a typical cost per space and include appropriate variations (e.g. regional factors)" (p. 5). These costs will be estimated "to ensure high quality child care as defined under the *Early Learning and Child Care Act,* associated regulations, and standards" and will "include regulated parameters around staff qualifications, staffing ratios, space ratios, program plans and other regulatory requirements" (p. 6).

The cost control framework does not include a list of core services, and at present the Ministry of Children's Services has not indicated how such a list of services will be constructed. Determining the elements of a high-quality ELCC environment is no simple task, and a strong case can be made that Alberta's *Early Learning and Child Care Act* and regulations provide minimal, not high-quality, standards for ELCC. (See "What is Quality?" below.).

Estimating the costs of these core services may be even more difficult. The *Cost Control Framework and For-Profit Expansion Plan* refers to core costs "within determined regional and market variations" (p. 6) but provides no sense for which variations will be considered and how differences will be assessed. How will "regions" be defined to reflect difference in core costs? What about differences in costs within regions depending on, for example, rental agreements that range widely?

Variations in the cost of core services, whatever they are, will depend on more than geography. Will the additional costs necessary for providing a culturally safe and sensitive environment for Indigenous and newcomer families be included? Will the additional costs necessary for children with disabilities be included? If core services do not include accommodations for the range of Alberta families who want or need early learning and care, Alberta will necessarily default on its commitments to accessibility and inclusion.

For the cost-control framework to be successful, core services must be clearly defined, and their costs must be carefully estimated. An incomplete list and poor estimates of costs could easily result in financial barriers for families and for operators, confusion for everyone, and low-quality services.

As details become available, watch for clear answers to the following questions.

- What is on the list of core services, how are items on the list justified, does this list meet the standards of early childhood educators (ECEs) who work in high-quality ELCC facilities, and does it accord with current research and practice in respect to what constitutes high-quality ELCC?
- How were the costs of core services estimated and justified? Do these estimates actually match the costs of delivering high-quality core services?
- What variations are identified and how are differences in cost estimated? That is, how will the province avoid a one-size-fits-all solution?

Answers to these questions will require transparency in terms of precise numbers and detailed, compelling justifications.

What Are "Enhanced Services"?

According to the *Cost Control Framework and For-Profit Expansion Plan*, enhanced services are not covered by government funding, are not core services, may require additional fees from parents, and "could include transportation, field trips, special programming or other additional costs that support innovation and creativity within the child care program" (p. 6). Moreover, enhanced services are "optional and cannot limit a child's access to affordable child care at any time nor create preferential access to a child whose parent may pay for enhanced services" (p. 6).

The ambiguity around definition of core services necessarily affects any consideration of enhanced services. The list of possibilities above is not particularly helpful. Consider some examples.

- Transportation may be essential for some centres to operate and for some children to attend, depending on location and the mobility or income of parents. Failure to provide free or subsidized transportation options could easily constitute a barrier for low-income and/or rural families, thus compromising the commitments to affordability and accessibility.
- Nutrition is important for young children's behaviour and learning, and meals are a significant cost for providers of early learning and care in centres and family day homes. Will the provision of nutritious meals become an enhanced service and therefore the subject of additional fees? If meals are not provided to all children as a core service, will some get more nutritious lunches as an enhanced service?
- For a centre located next to a forest and with a nature-based focus, daily walks in the forest might be an essential aspect of its learning program. Would this activity constitute "special programming" and therefore require additional fees from parents?
- If ECEs develop innovative and creative activities to enhance children's learning but these activities require some resources, would parents be required to pay extra fees? If so, it is hard to imagine a better way to constrain innovation and creativity.

- If such innovative and creative activities enhance children's learning and therefore the quality of the ELCC program, do they remain as enhanced services or do they become core services? Presumably these activities would become core services, in accord with the commitment to high quality.

Aside from problems in distinguishing core from enhanced services, the distinction itself is likely to create a dynamic that inevitably will create issues. Consider an ELCC centre in which some parents pay for enhanced services and others do not. Suppose a field trip is scheduled that is considered to be an enhanced service. Two problems are created. First, some children would be allowed to go on the field trip and some would not. This situation would put some children at a disadvantage compared to their peers and would create a two-tier situation, which runs contrary to the values held by most ECEs concerning equitable opportunities for learning. Second, given requirements for maintaining certain child-to-ECE ratios in all situations, supervising some children on the field trip and others left behind would often require hiring an additional ECE for the centre to stay in ratio. Managing such a situation will often be impractical because of the severe shortage of ECEs and the cost of hiring.

These problems can be minimized if the centre in question were to require that all its families pay for enhanced services. This solution would, however, create multiple tiers of ELCC centres that differ in parents' willingness or ability to pay extra fees. It would be, therefore, completely contrary to the commitment by both the federal and provincial governments to ensure that enhanced services must not create (a) barriers to affordable care or (b) preferential access for the children of parents who can afford to pay additional fees (p. 9).

As details become available, watch for clear answers to the following questions.

- What constitutes enhanced services and what is the justification?
- If enhanced services are to be delivered without affecting quality adversely, how can the use of non-quality activities be justified?
- How can enhanced services be implemented without creating different tiers of service delivery, either within or between facilities, for children and families based on willingness or ability to pay?
- As practices evolve and ECEs create new activities, how will decisions be made about which activities are enhanced services and which are not? How will fees for enhanced services will be monitored?
- Will subsidies still be paid to providers based on parental income? If so, will the conditions on payments change in ways that affect affordability?

What Is "Reasonable Profit or Surplus"?

Part of the rationale for having enhanced services is to provide a way for ELCC facilities to generate "reasonable profit or surplus." *Profit* and *surplus* are not explicitly defined, unfortunately, and the terms are used in confusing ways. In the child care sector the difference between revenues and costs is often referred to as *profit* for for-profit operators and as *surplus* for not-for-profit operators. But this distinction does not seem to apply for the *Cost Control*

Framework and For-Profit Expansion Plan. In much of the document profit and surplus are described without any distinction (pp. 4-5, 7). Elsewhere they are described as if they differ. Perhaps the key distinction is not between profit and surplus but rather between profits/surpluses that are “reasonable” and profits/surpluses that are “beyond reasonable.”

> Providers may generate a profit, but the surplus earnings, or other resources, are to be directed towards improving child care services rather than for the personal benefit of owners, members, investors, or to enhance asset growth. (p. 4)
>
> A cost control framework [will] ensure the sound and reasonable use of public funds, ensuring that costs and earnings of child care businesses are reasonable and that surplus earnings beyond reasonable earnings are directed towards improving child care services. (p. 4)

Given this understanding, two questions must be addressed. First, *how will “reasonable” profit/surplus be distinguished from unreasonable profit/surplus*? According to the document, the fact that parent fees, government funding, and the cost of core services are all controlled will ensure that any profit or surplus will be limited to some (unspecified) reasonable amount. Whether this goal can be accomplished will depend on details that are not provided. Note that the costs of enhanced services are “outside the scope of the Agreement” (p. 6); therefore the cost of enhanced services is uncontrolled. Consequently, there is no means for limiting profits or surpluses that are generated by providing enhanced services, which are, to this point, undefined.

Second, *how will profit and surplus be generated*? The answer, as noted above, is that “reasonable profit and surplus can be achieved by operators through efficiency while maintaining quality and the provision of enhanced child care services” (p. 5). Whether core services can be delivered with greater efficiency without compromising quality will depend entirely on what the core services are, what the government determines to be a fair cost for these services, and how quality is defined. These parameters are not specified in the document, nor is it clear how they will be specified or even whether it is possible to do so in a practical way.

A clear commitment in the cost-control agreement is that “guidelines will be established to ensure that at no time will parent fees or total government funds be utilized with the sole intention to generate private asset growth” (p. 7). This commitment is admirable because it is consistent with the view that public funds for ELCC should not be used to increase privately held assets. Application is likely to be difficult, however, in policies that rely on the concept of enhanced services.

- Recall that core services are to be entirely funded by parental fees and government funding, both of which are limited. Consequently, only fees for enhanced services can be used with the “sole intention” of growing private assets. The ambiguity inherent in assessing “sole intention” is, of course, problematic. For private operators, investing profits in their assets—such as mortgage payments, improvements to the building or the land, or equipment—is a major means of growing and/or securing their assets. So operators who own their facilities will only be able to improve those facilities by using fees for enhanced services, which likely will create considerable pressure to charge heavily for those enhanced services.

- Parental fees and government funds presumably could be used to pay rent but not to make mortgage payments because mortgage payments, but not rent, contribute to "private asset growth." This distinction would create significant pressures for those who own their buildings as compared to those who do not.
- It is not clear how guidelines could prevent parent fees or government funds from being used to grow private assets without exceptionally close and regular audits to ensure that only fees for enhanced services are used to grow those assets.

The concept of enhanced services and fees creates a mechanism for generating profits/surpluses, but it also creates complications that are likely to be difficult or impossible to resolve.

As details become available, watch for clear answers to the following questions.

- How will it be possible to increase efficiency in the delivery of core services without compromising quality? Clearly "core services" and "quality" must first be carefully defined.
- How, in clear and quantitative terms, will "reasonable" profit and surplus be defined and limited so as to ensure the "sound and reasonable" use of public funds?
- Is the funding formula for costs sufficiently accurate so that the sum of parent fees and government funding matches the actual and reasonable costs of delivering core services?
- How will guidelines make it possible and feasible to ensure that parental fees and government funding are not used to enhance private assets?

What Is Quality?

The concept of quality runs through all the topics above and all the documents on the Canada-wide early learning and child care plan. In the *Cost Control Framework and For-Profit Expansion Plan*, high-quality ELCC is described as a principle and a goal, and any efficiencies made to generate profit or surplus are not to compromise quality. Unfortunately, quality is defined only by reference to the "*Early Learning and Child Care Act,* associated regulations, and standards" (p. 6).

A review of these provincial documents reveals little about what constitutes quality. *The Early Learning and Child Care Act* does not include quality of ELCC as a principle and mentions only a role for parents and guardians in "accountability of child care program providers, monitoring of child care programs and maintenance of good quality child care programs."[8] Alberta's *Early Learning and Child Care Regulation* sets standards for minimal safety, physical space,

[8] Government of Alberta (2022), p. 5

staff-to-child ratios, group sizes, and ECE qualifications.[9] No attempt is made in these documents or elsewhere to justify the claim that these standards are sufficient for high-quality ELCC. Moreover, these standards are limited to some of the *structural* or *regulable* components of quality, which are important but not sufficient for supporting high-quality ELCC. They address neither the *process* components, which are critical for enhancing interactions in child care settings, nor extra-program components that make for a high-quality *system* of early learning and child care.[10]

Defining quality in ELCC is no simple task because ideas about what constitutes quality are influenced by cultural backgrounds and expectations, by evolving educational insights and practices, and by ever-expanding research on children's development and on the effectiveness of program and system characteristics. Fortunately, a thorough analysis of Alberta's regulations exists and can be used to guide the development of forward-looking guidelines for supporting high-quality ELCC in Alberta.[11] Without such guidelines, it is impossible to meaningfully define core services or to identify changes or innovations that might compromise quality.

As details become available, watch for clear answers to the following questions.

- How is quality in ELCC defined and justified? To what extent are the definitions and justifications consistent with current research and professional standards?
- How is quality in ELCC to be measured and monitored to ensure that it is not compromised in favour of profit and surplus?

What Does "Average" Mean in "Average Parent Fees"?

All the Canada-Alberta documents on ELCC to date refer to targeting "average" fees, as in average fees of $15/day in 2023-2024 and $10/day by 2025-2026. Unfortunately, failure to define "average" creates two points of confusion.

First, "average" could refer to parent fees for core services or for all services, including enhanced services. According to the *Cost Control Framework and For-Profit Expansion Plan*, "enhanced child care costs are outside the scope of the Agreement" (p. 6), which could be interpreted to mean that these costs do not count in computing an average. Such an interpretation appears to violate the *Canada-Alberta Canada-Wide Early Learning and Child Care Agreement – 2021 to 2026* and the *Agreement to Amend the Canada-Alberta Canada-Wide Early Learning and Child Care Agreement – 2021 to 2026*, as well as the original *Multilateral Early Learning and Child Care Framework.* None of these documents imply that "average" refers to some ongoing costs but not others. This fundamental ambiguity and apparent contradiction need to be addressed.

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[9] Government of Alberta (2021)

[10] See Friendly and Beach (2005) and Connors (2016) for system-level considerations.

[11] See Beach (2020) for details and Lesoway (2020*)* for a summary.

Second, “average” could refer to average ELCC fees per facility or to the average of fees across all facilities in the province. If the intent is per facility, the result could be that the parents of some children will pay higher fees than the parents of others, which in turn would mean that some children within a facility will receive more or better services than others. Creating different tiers of services for children would be difficult to manage and would likely be objectionable to parents and ECEs. If the intent is that “average” applies across facilities, then the average can be higher at some facilities than others. A higher fee can become a barrier to accessibility, of course, which is contrary to all the agreements. Again, this fundamental ambiguity needs to be clarified.

As details become available, watch for clear answers to the following questions.

- When targets refer to “average parental fees,” does “average” refer to all services or just the so-called (and as yet undefined) core services? If the latter, how can this practice be justified under the plan for Canada-wide ELCC?
- When targets refer to “average parental fees,” will parental fees be allowed to vary across ELCC facilities?

For-Profit Expansion Plan

In one sense, the expansion plan consists only in the target of up to 22,500 new, private, for-profit ELCC spaces. Whether we consider emissions reductions, high school literacy rates, public immunization campaigns, crime, government budgets, or early learning and care, a target hardly constitutes a plan. In another sense, the cost-control framework is a part of the expansion plan in that the framework provides a funding mechanism, however ambiguous at this point, that in principle could support expansion. Arguably, a target and a funding mechanism do not constitute a plan for a service such as ELCC.

What Is the Plan for Expansion?

At least three critical components of planning for expansion have yet to be addressed in the Canada-Alberta agreements. First*, how will new child care spaces be distributed around the province in an equitable manner?* If spaces are distributed based on the potential for profit or surplus, low-income areas and rural areas are likely to be left out, which would violate all commitments to accessibility. How will expansion take place such that groups will be accommodated that are often disadvantaged in respect to child care services, including children with disabilities, Indigenous children, and immigrant and refugee children?

Second*, how will tens of thousands of additional spaces be staffed?* The dearth of early childhood educators (ECEs) across the country is well known, and in Alberta many child care centres are operating below licensed capacity. Retention and recruitment of ECEs over the past several years have become major issues, given the relatively low rates of compensation and the high levels of skill and education required for proficiency.[12] Given the proposed targets for additional 68,200 non-profit and for-profit spaces by 2025-2026, and a rule of thumb that one ECE is required for every six spaces, Alberta should have a plan for increasing the total ECE workforce by some 11,000 people by 2026. Recruiting ECEs from other provinces cannot be a satisfactory solution, given that the shortage is nation wide. Lowering educational standards or increasing child-to-ECE ratios would be unthinkable and entirely unacceptable compromises to the commitments to quality made by both the federal and provincial governments. What is the plan?[13]

An expansion plan for a service such as ELCC requires far more than a numerical target and a means of funding. Mechanisms for public planning and management are also needed to ensure equitable distribution spaces and operation of high-quality ELCC, as is a blueprint for educating, recruiting, and retaining a supply of competent and fairly compensated ECEs. These needs have been obvious since major expansion was first proposed, but they have yet to be addressed.

Third*, what counts as new spaces*? The *Canada-Alberta Canada-Wide Early Learning and Child Care Agreement* calls for an increase of "up to 10,000" in the number of regulated, not-for-profit spaces in each of three fiscal years beginning in 2022-2023. This target includes not-for-profit centres and family day homes. Although the numbers for 2022-2023 are not publicly available, Alberta's Minister of Children's Services reported that the ministry had "supported the creation" of fewer that 8,000 not-for-profit spaces "between December 2021 and 2022," and that 40% of these spaces were in family day homes .[14] It has been widely observed that many previously unregulated family day homes have become regulated so that providers and parents could take advantage of the new funding opportunities. Consequently, progress toward 10,000 spaces per year has, so far, been fueled in part by family day homes that have shifted their status from unregulated to regulated.

This shift is good to the extent that more spaces fall under provincial regulation and become more affordable to parents. Less clear, however, is whether these newly regulated spaces contribute to a higher level of accessibility; these spaces probably are not considered to be "new" by parents. Moreover, we must wonder whether the shift of family day homes from unregulated to regulated status has peaked and, if it has peaked, whether progress toward 10,000 "new" spaces per year can continue without new and effective policies and supports for new spaces.

As details become available, watch for clear answers to the following questions.

- How will new child care spaces be distributed around the province in a way that will not compromise fundamental commitments to accessibility and inclusion?

[12] Smith, M.-F., Brown, M., & Saha, A. (2023)

[13] For recommendations on what can be done to build a workforce strategy in Alberta, see Muttart Foundation (2023).

[14] Legislative Assembly of Alberta (2023), p. FC-969

- How will thousands of new early childhood educators be prepared and recruited, and how will existing early childhood educators be retained, to accommodate the expansion of spaces without violating commitments to high quality and accessibility?
- What new policies or supports will become available to ensure that Alberta will meet the yearly targets for increasing the number new spaces?

Looking Ahead

The *Cost Control Framework and For-Profit Expansion Plan* is intended to be an important step in implementing Alberta's version of a Canada-wide system of early learning and child care. The document provides insights into the intentions of the Alberta government, but the absence of critical details makes it difficult to anticipate what lies ahead.

For cost control, it is difficult to imagine how the framework can be implemented when fundamental elements—what constitutes quality, how core services are to be distinguished from enhanced services, how profit and surplus are to be defined, how "average" fees will be determined—are described with so little precision that more questions are raised than resolved for parents and operators.

For expansion, there simply is no credible plan until it includes (a) provisions for distributing spaces in an equitable and effective manner, (b) a comprehensive strategy for increasing the workforce dramatically, and (c) policies and supports to ensure that targets are met without compromising quality.

These requirements are not merely details; these are major issues. For example, the introduction of enhanced services, a separate revenue stream that is not to be included in funding agreements, appears to be a major departure from previous federal commitments to the goal of providing all families equitable access to affordable, high-quality early learning and care. The plan for a Canada-wide ELCC system has been presented to the public as a means of limiting family costs to a certain amount of money per child per day; there has been no mention, prior to the *Cost Control Framework and For-Profit Expansion Plan*, about extra costs somewhere in the fine print. Similarly, how quality is defined has enormous implications for everything from distinguishing core from enhanced services to preparation of a competent workforce. The credibility and effectiveness of ELCC in Alberta depends largely on how high-quality ELCC is conceived and implemented.

The immediate task for those who care about high-quality and affordable ELCC is to attend to how these issues are resolved. One option is for the federal and provincial governments to continue on the current path by trying to fine tune the *Cost Control Framework and For-Profit Expansion Plan*. In this case the questions raised above can serve as guidelines for evaluating the adequacy of fine-tuning efforts. Whether this approach can address these questions successfully remains to be seen.

An alternative is for the governments to consider a course correction in which the focus is not on extending past practices with new money but rather on transforming what currently exists into a system that best serves the needs of Alberta's children and families. In Alberta's case, the current approach seems to have been to start with (a) a target for affordability (average dollars per day, without defining what would be covered or what *average* means), (b) a target for accessibility (spaces, without management or planning), and (c) existing policies (that leave any serious consideration of quality out of the mix).

Instead, Alberta could start with a clear vision of what high-quality ELCC would look like in the province and then develop a plan for using new federal and provincial funding that addresses affordability, accessibility, inclusion, and flexibility from that base. Prince Edward Island, for example, has taken this approach.[15] Options worth consideration exist in other jurisdictions[16] and within Alberta,[17] and necessary steps from the current state toward a coherent system of ELCC have been proposed in detail.[18]

As the federal-provincial team charged with implementing ELCC in Alberta prepares action plans to implement improvements in ELCC over the remaining years of the agreement, it may be wise to consider options to the *Cost Control Framework and For-Profit Expansion Plan*. At minimum, the Ministry of Children's Services and its federal counterparts should consult broadly within the ELCC sector in Alberta to better define and develop the terms and concepts that are problematic. Reviewing models and approaches used elsewhere would be valuable for ensuring the sound and reasonable use of public funds.

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[15] Government of Canada (2021c)

[16] Childcare Research and Resource Unit (2022)

[17] In Alberta, practices within public education provide an alternative model for funding ELCC. Rather than having to deal with parent fees and parent subsidies that are confusing to parents and providers alike, and rather than inventing and funding a means of distinguishing and monitoring core versus enhanced services, the Ministry of Education simply provides (a) a base grant to all school authorities that depends primarily on enrolments and (b) special grants to address particular needs that vary across authorities (e.g., characteristics of the children or areas being served). See Alberta Education (2022).

[18] Canadian Child Care Federation, Child Care Now, YMCA of Northern Alberta and the Muttart Foundation (2021)

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This paper is part of a series of documents created by the Edmonton Council for Early Learning and Care to address current topics in early learning and care that impact Edmonton and Alberta. A summary of this paper can be found at https://www.ecelc.ca/publications. Jeffrey Bisanz is a professor emeritus at the University of Alberta and a member of the Council. Correspondence can be sent to info@ecelc.ca.