

A Review Into The Feasibility Of  
Establishing A Childcare Centre  
On The University Of Lethbridge Campus

## **Overview**

At the outset of the project, we were requested to determine the nature and magnitude of the demand for child care services on campus. Our initial review was centered upon student needs and preferences. We have subsequently expanded our scope to look at staff and faculty needs as well.

The Campus Women's Centre had conducted at least one survey and spoken with some of the local daycare operators, as well as the University Executive, and indicated there was a perceived need for an on-campus daycare facility.

We set out to confirm what services were in demand, what was currently available within the Lethbridge community, and what configuration of service would best meet current and future needs.

## **History of On-Campus Child Care**

Historically, the largest group of daycare clients (up to 50%) was faculty and staff. Students and community users represent the other major groups (about 25% each).

The University Daycare operation was established soon after the opening of University Hall, first located in E section, then relocated to a unit similar to our current service buildings (Physical Plant, Materials Management, Printing Services) on the site now occupied by Hepler Hall.

While under Ancillary Services management, the operation was almost breakeven, relying on commissions from day home referrals to make ends meet. The daycare, in itself, never achieved full cost recovery.

In 1992 the daycare operation was discontinued due to a deteriorating building, limited funds, and changing institutional priorities.

The close of the daycare left a \$90,000 deficit that was absorbed in 1995 by the Housing Services reserves.

## **Key Questions Regarding Daycare**

1. Determine demand for childcare services – whom, what ages, what services?
2. What is current childcare capacity (and options) in Lethbridge and surrounding area?
3. Childcare Operator information – are they at capacity? Effect of a new daycare? Key issues? Percentage of current clientele from University population?
4. Student needs and requests – services required, services requested, most important issues.

## **Methodology**

1. Interviews with local daycare and dayhome operators – A series of questions regarding issues such as current demand, capacity (official and actual), and major concerns from a private operator's perspective, as part of our community.
2. Meetings with students and Campus Women's Centre (CWC) – personal insights, perceived needs, values and priorities, and results from the CWC's daycare questionnaire.
3. Conduct an on-line survey of faculty, staff and students to acquire basic demographic data and determine current child care expenses and requirements.
4. Receive input from WomanSpace Resource Centre – a broader insight into both student and employee family needs in our community, perceptions and values.
5. Receive demographic data from Institutional Analysis to extrapolate and confirm findings.

## **Results**

### **Summary of results from interviews with local child care operators**

Feedback from local child care facility operators, including daycares, nursery schools, day homes, pre-kindergartens and drop-in centres may be summarized as follows:

- West-side daycares ( 2 ) believe another daycare would have a moderate to significant impact on their business ( Students and staff represent 20% to 50% of their client base).
- Daycares in other areas of the City believe there would be little or no impact ( Only a few have university clientele ).
- West-side dayhome operators believe there would be a significant impact on their business ( They estimate up to 35% of their clients are students ).
- Most daycare operators indicated finding qualified staff is their most difficult problem, and that another operation may create even greater difficulty.
- Most daycare operators indicated they are not at licensed capacity, several by choice, some due to lack of qualified staff.
- Most daycare operators believe quality daycare and dayhome operations could handle additional 'competition' at this time.

- All daycare operators agree that the highest demand is for infant care but providing this is not profitable – most operators do not offer this service.
- After school care (ages 5 to 12), another high demand service, is only available through day homes and after-school B.L.A.S.T. programs.
- Evening and weekend care is only offered by day homes.
- Two or three current daycare operators and one nursery school operator have expressed interest in responding to an on-campus opportunity
- Several experienced operators indicated the University (as sponsor) should expect to subsidize the operation from time to time to ensure continued viability and maintain quality and standards

**Feedback from students and student representatives (Campus Womens Centre):**

- 78 responses to questionnaire to July 1, 2001.
- Key areas of interest / concern:
  1. Convenience – easy drop-off & pick-up
  2. Desire for enhanced facilities (access to pool, gym).
  3. Higher quality child care
  4. Student-focused service orientation

Other Issues:

- Infant care
- After school care
- Nutrition
- French Immersion program
- Playschool / Kindergarten
- Access to playground and Recreation facilities (like pool)
- Price important, but not a key issue – value (quality) and convenience are higher priorities

This summary includes feedback from CWC staff after talking with many students.

## University Child Care Survey Results

Summary of survey results:

- Of the 224 respondents
  - 75 % students
  - 16 % staff
  - 9 % faculty
- Of the 224 respondents, 109 had children
- Of 109 with children
  - 87 % have 1 or 2 children
  - 8 % have 3 or 4 children
  - 5 % have more than 4 children
- Age Demographics:
  - 18 % less than 18 months old (infant)
  - 45 % ages 2 to 5 years old (toddler)
  - 37 % ages 6 years or older (school age)

### Child Care Options Used

- Students
  - 20 % use a daycare,
  - 20 % use a dayhome.
  - 60 % make other arrangements or do not use a childcare service
- Faculty & Staff
  - 50% use daycare or dayhome services
  - 50 % make other arrangements or do not use a childcare service

### Child Care Needs – Hours Per Week

- Students
  - 40 % need less than 10 hours
- Faculty
  - 40 % need up to 24 hours (3 days)
  - 40% need 25 to 44 hours (5 days)
- Staff
  - 35 % need less than 10 hours (1 day)
  - 50 % need 25 to 44 hours (5 days)

### Monthly Child Care Expenditures

- Students
  - 28 % spend less than \$99
  - 20 % spend more than \$500
  
- Staff
  - 42 % spend more than \$500
- Faculty
  - 28 % spend more than \$500

### **Which Childcare Format? Daycare or Walk-in Centre?**

Based on our research of the local daycare industry and with the limited results from our survey in April 2002, there appears to be five major groups that may utilize an on-campus child care service.

**Students:** A significant number of students indicate they need child care less than 10 hours per week, an extended hours drop-in format is desirable, and that the service must be both conveniently located and low cost.

**Staff:** There are two major groups: Part-time employees, using less than 10 hours per week, and full-time staff, requiring full day support all year long. This splits the demand between both a drop-in centre concept and a full-time daycare.

**Faculty:** Approximately 40% require less than 24 hours per week, while another 40% require full day support. Both students and faculty demand are more seasonal, with demand waning in the summer months. A full daycare would likely address most faculty requirements but would fail to break even in the summer months.

### **How Much of a Priority?**

Today students and employees are making arrangements for the care of their children, and while perhaps not always convenient, there is no evidence at this time of significant hardship or a pressing requirement for alternatives. This does not mean we believe there is no demand, just that the magnitude is not clearly discernable at the present time.

We cite both the limited demand on our day camp service during the Alberta Teachers strike, ranging from 3 to no more than 20 children on any given day. In addition, our child care survey received only 224 responses, of which only 109 responders actually had children. We also note the Campus Women's Centre indicated they had, after almost a year of conducting their survey, something in the order of 100 responses.

## **Liability & Risk**

In consultation with Risk Management, there is no indication that there would be any change to insurance premiums or coverage. The current policy encompasses operations such as on-campus childcare.

## **Higher Value – Higher Rates?**

Student preferences indicate services such as infant care, walk-in service, french immersion, after school care, and generally higher quality of care are most valued. Would clients pay substantially more for these services than what is available now? Most experienced operators in this field believe clients would not pay more for an on-campus service due to limited student resources, capped subsidies, existing competition and viable alternatives being used today. Limited interviews indicate few would use an on-campus childcare service if it was more costly than local alternatives. Convenience, it seems, holds little real value.

## **Should the University Directly Operate a Childcare Facility?**

**Recommendation:** No.

Wages, food, supplies and space rental are the largest expense captions for any childcare operator.

**Wages:** A significant barrier to the University operating its own childcare facility is the current employee wage structure. The starting wage at the University is now approximately \$11.00 per hour. The average wage in the daycare industry is currently \$6.00 to \$9.00 per hour. This represents a difference of 25% to 65% and will make the difference between a viable operation and a money-losing venture.

**Space:** While the costs of food and supplies would be comparable, the University would be required to develop adequate space to accommodate a childcare facility that meets licensing standards. While land may not be as significant an issue, finding funds to build or renovate such a space may be problematic. As a benchmark, an industry estimate suggests an optimum of 60 square feet per child.

Compounded by a chronic difficulty in finding qualified staff, we believe the University would be hard-pressed to directly operate a childcare facility on a full cost recovery basis.

We believe there are many potential solutions to respond to student, faculty and staff needs for childcare. What is more difficult to determine is how much demand is actually out there. With less than 350 responses to at least two on-campus surveys, in a population of more than 5500, the evidence of support for the establishment of a daycare on campus has not been overwhelming.

In speaking to students, including those who work the Campus Women's Centre, it seems apparent that single students would not support another fee to support or subsidize child care, and that those students with children would not support such a fee if on-campus capacity precluded them from using the service as required.

A childcare facility will be a substantial financial investment as well as a social contract with our community and, as such, we must be confident that the University (or designate) can deliver and maintain the types of services and the quality sought by our students and employees.

### **Contracted Child Care?**

A reasonable option may be to consider contracting with a private operator to deliver on-campus child care services. Several local private operators indicated an interest in responding should an opportunity arise and if low-cost or no-cost space was available.

### **An Alternative Solution: Child Care Registry**

A viable alternative would be the establishment of a more comprehensive daycare registry, similar to our off-campus housing registry with listings on the University web site or Students Union web site. Information could be included in mail-outs to new or returning students and to new faculty and employees coming from outside our region.

In discussions with both the Students Union and the Campus Women's Centre, there appears to be both the desire and the capability to establish and maintain such a webpage. Further, the Registrar has agreed to include an information leaflet in the mail-outs to potential students, allowing them to make childcare arrangements prior to actually arriving in Lethbridge.

Most operators indicated they would welcome and participate in University Daycare Registry or Child Care Placement Assistance Program

**Recommendation:** We recommend that the University support and facilitate the childcare registry in conjunction with the Students Union, the Campus Women's Centre, and any other interested groups.



## **Future: A Joint Venture Possibility?**

We cite this only for future consideration.

Lethbridge Community College Early Childhood Development Coordinator (Anita Cooper) indicates there may be interest in cooperating in a joint venture and believes, if the programming is right, there may be funding available to establish and support an on-campus daycare. This could also be in conjunction with a third party operation.

While this idea may have potential, we understand such a venture could take considerable time to coordinate and develop before becoming a reality.

## **Conclusion and Recommendation**

There is no obvious, substantial or conclusive evidence at this time that a childcare facility is required on the University campus. More research is required to complete a comprehensive evaluation.

Facts:

- There are two daycare operations within 5 minutes drive of the University; neither is at capacity and that only 20% to 50% of their clients are University students or employees.
- All West-side daycare and Day home operations indicate they can accommodate increased demand.
- There is a nursery school (ages 3 & 4) operating on the West side.
- There are numerous day homes with openings on the West side. Many of these dayhomes offer infant care, after school care, evenings and weekend options. It is estimated that at least 35% of the dayhome clients are students. This may suggest a dayhome format, rather than a daycare better meets current needs.
- No child care facility beyond the West-side operators indicated a significant proportion of their clients to be university students or employees.
- Both daycare and dayhome operators have indicated a willingness to participate in a daycare registry, similar to our off-campus housing initiative

Without compelling evidence to suggest that the lack of child care facilities on our campus represents a true and insurmountable hardship, we must recommend at this time that the University not proceed with on-campus child care.

Respectfully submitted,

Alternatively, engaging a third party to operate such a facility may be worth consideration. Our greatest challenges would be finding a qualified, financially stable operator who could accommodate University priorities and deliver superior service and developing appropriate on-campus facilities.

### **Space**

As previously noted, one of the largest questions remaining is that of space.

If the University provides the space, an independent operator would very likely be successful, able to cover nominal lease expenses. If required to build, this may prove too risky for many potential providers given that after the contract period expires they will hold no residual equity in land or buildings.

Depending upon the net requirements of an on-campus operator, the University may need to consider providing the building and services (security, snow removal, maintenance) in lieu of preset priorities and restrictions to ensure that the private operator maintains adequate accommodation for children of students and employees.

### **Requirement or Convenience?**

To date, students, faculty and staff have found child care alternatives within current private sector capacity

At least two daycares are within 5 minutes driving distance from the campus and also accessible by public transit, or offer a child pick-up/drop-off service

Majority of daycares and dayhomes indicated they were not at capacity

