PRELIMINARY REPORT: JULY 2026

ACE Alberta Preschool Sustainability Survey

THE IMPACT OF THE CHILD CARE AFFORDABILITY GRANT ON ALBERTA'S LICENSED PRESCHOOL SECTOR

Association of Canadian Early Learning Programs (ACE)
www.acenational.ca





ACE Preschool Sustainability Survey

Preliminary Findings
July 2026

Introduction

Following discussions with the Government of Alberta, the Association of Canadian Early Learning Programs (ACE) surveyed licensed preschool operators across the province to better understand the impact of the current Child Care Affordability Grant on enrolment, sustainability, and parent choice.

These preliminary findings identify consistent trends across Alberta's licensed preschool sector, including declining enrolment, increasing financial pressures, and growing concerns about the future of preschool programming. The results also highlight the impact of funding inequities between licensed preschools and licensed daycares offering comparable part-time care.

This report is intended to support constructive discussions on practical solutions that improve affordability for families, preserve parental choice, and strengthen the long-term sustainability of Alberta's licensed early learning sector.

Purpose of this Report

This report presents preliminary findings from ACE's Alberta Preschool Sustainability Survey.

The survey remains open, and results will continue to be updated as additional licensed preschool operators participate.

Key Findings

The survey findings indicate that the current implementation of the Child Care Affordability Grant is creating unintended consequences for Alberta's licensed preschool sector. Operators report declining enrolment as families choose lower-cost daycare options, increasing financial pressures, and growing concerns about the long-term sustainability of their programs.

If the current funding model remains unchanged, respondents anticipate further reductions in parent choice as more licensed preschools reduce services or close. These findings suggest the current funding approach is influencing family choices based on affordability rather than program preference and highlight the need for practical policy adjustments that support both families and the long-term sustainability of Alberta's licensed early learning sector.



74%
Report declining enrollment

81%
Say families are choosing daycare because of lower fees.

49%
Report their preschool is NOT financially sustainable.

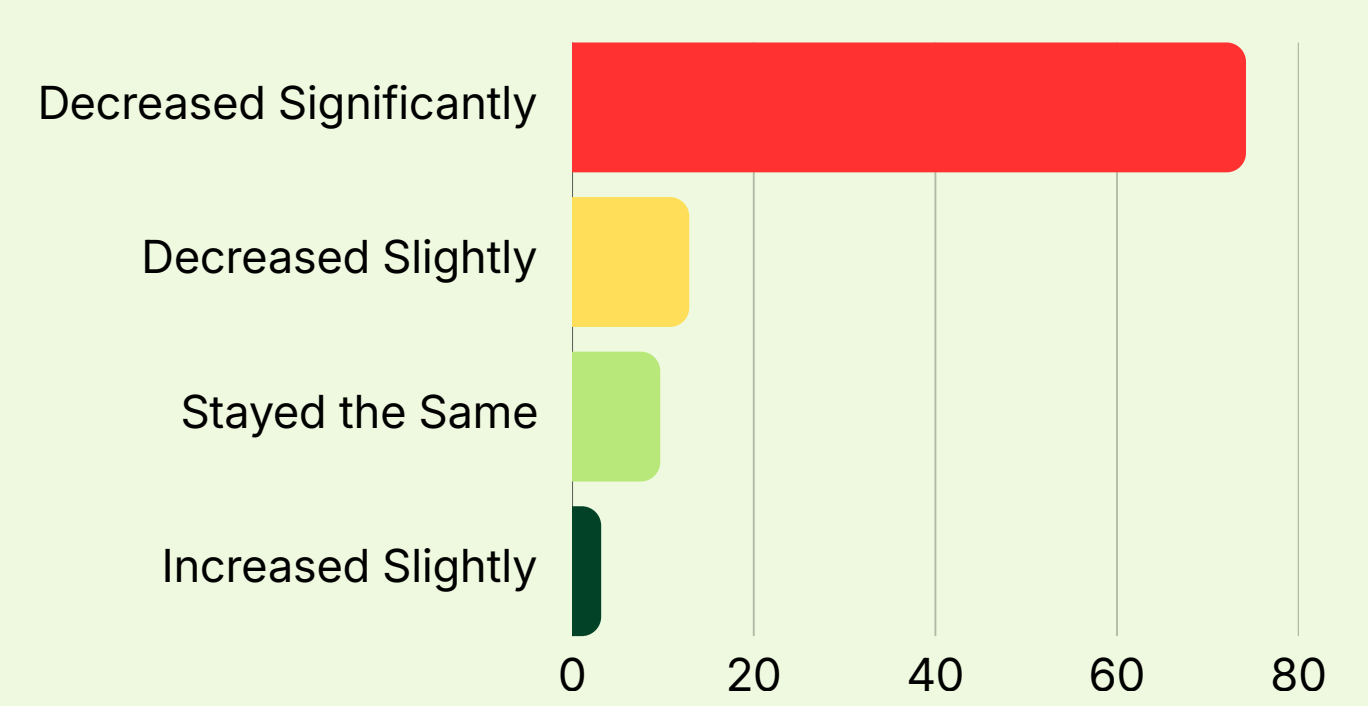
51%
Anticipate closing their preschool before or during the 2026–2027 school year if the funding model remains unchanged.

The Current Impact on Alberta's Licensed Preschools

The survey indicates that Alberta's current affordability funding model is changing how families access licensed early learning. As licensed daycare receives greater affordability support for comparable part-time care, many families are choosing daycare based on cost rather than program preference. This shift is contributing to declining preschool enrolment and increasing financial pressures on licensed preschool operators.

- **0%** Increased Significantly
- **3.2%** Increased Slightly
- **9.7%** Stayed the Same
- **12.9%** Decreased Slightly
- **74.2%** Decreased Significantly

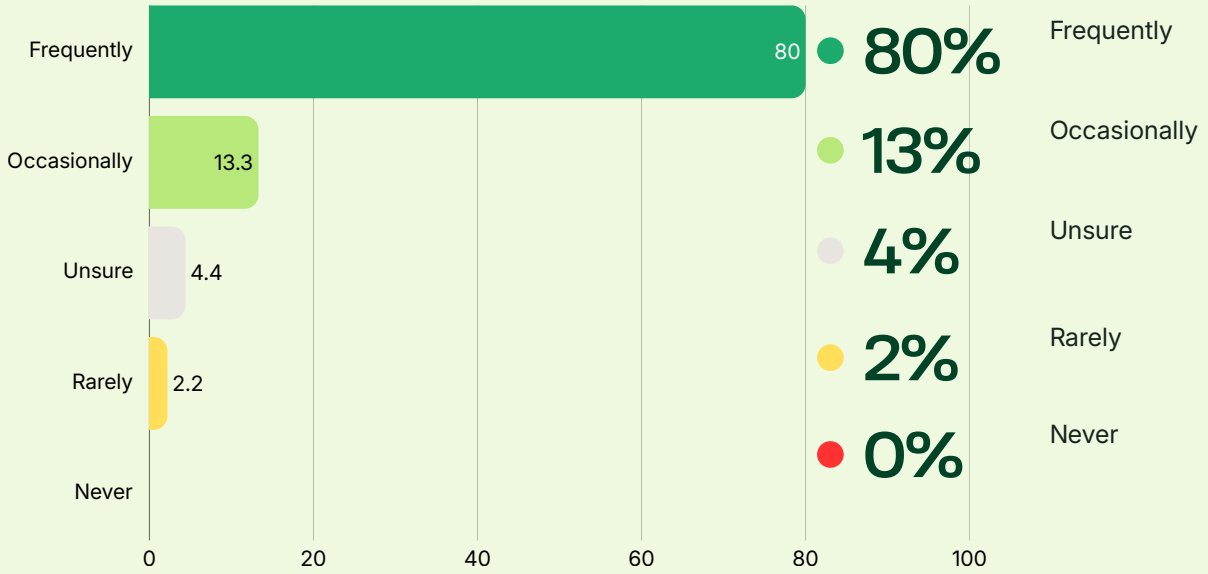
Q5: Compared to before April 2025, how has your preschool enrolment changed?



Why Are Families Leaving Licensed Preschools?

Survey respondents consistently identified affordability as the primary factor influencing family decisions. As licensed daycare receives greater affordability support for comparable part-time care, families are increasingly choosing daycare over preschool, resulting in declining enrolment across Alberta's licensed preschool sector

Q7 – Have you noticed families choosing part-time daycare instead of preschool?



Q8 – What reasons have families shared for leaving or not registering?

81% Lower Daycare Fees

48% Switched to **Full** Time Daycare

35% Switched to **Part** Time Daycare

35% Cost of Preschool

Financial Sustainability of Licensed Preschools

The survey findings indicate that many licensed preschools are already experiencing significant financial challenges under the current Child Care Affordability Grant. Nearly half of respondents reported that their program is not currently financially sustainable, while many others expressed uncertainty about their long-term viability.

The financial pressures identified throughout the survey are already affecting how licensed preschools operate. Respondents reported implementing a range of operational changes to manage declining enrolment and ongoing financial challenges, highlighting the immediate impact of the current funding model on service delivery and program sustainability.

The current funding model is already driving operational changes across Alberta's licensed preschool sector.

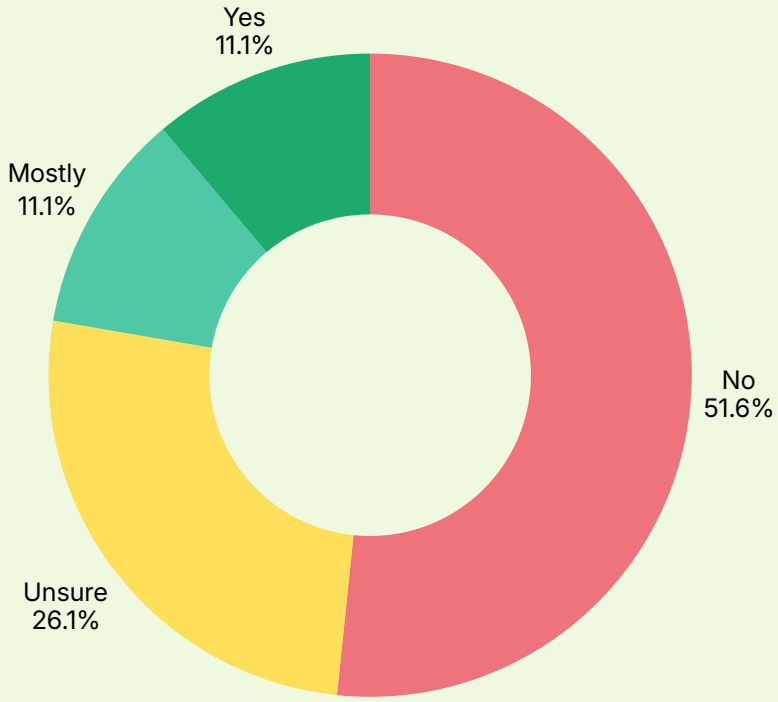
39% Used Personal Savings/ Debt

39% Reduced Enrollment

35% Reduced Programming

48% Reduced Staff Hours

Q9 – Is your preschool currently financially sustainable under the current funding model? (for 2026)



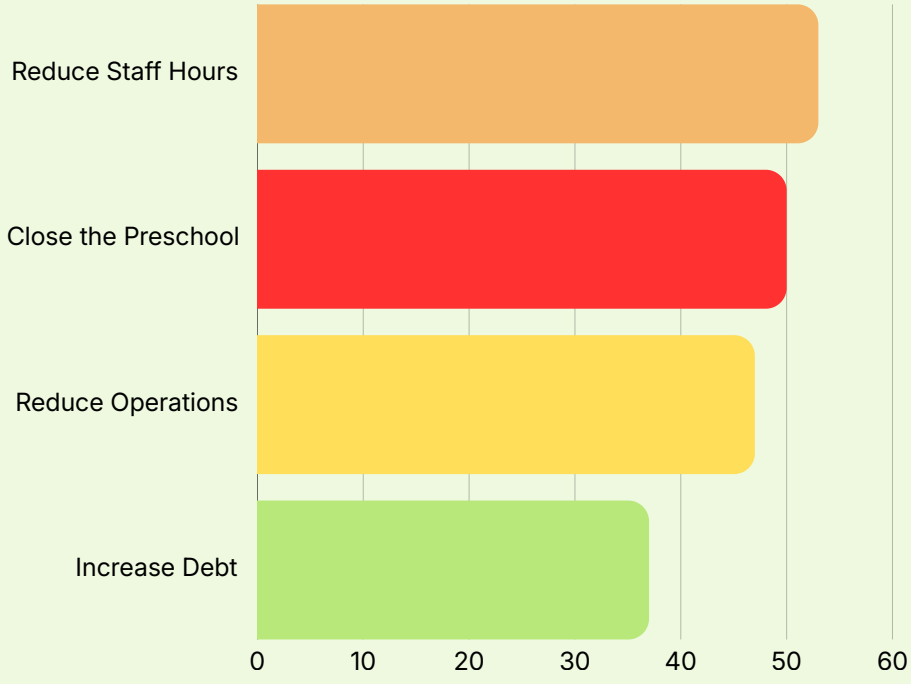
51%

Over half of respondents reported that their preschool is NOT financially sustainable under the curent funding model for 2026.

The Future Impact on Alberta's Licensed Preschool Sector

While many licensed preschools are already experiencing financial challenges, survey respondents anticipate further impacts if the current funding model remains unchanged. Operators identified significant concerns about future closures, program reductions, staffing impacts, and the continued loss of licensed preschool options for Alberta families. These findings highlight the potential long-term effects on parent choice and access to diverse early learning programs.

Q14
Looking ahead to the 2027–2028 school year, if the funding model remains unchanged, what do you believe is the future of your preschool?



50%

anticipate closing their preschool before or during the 2027–2028 school year if the funding model remains unchanged.

What Could Change With a More Equitable Funding Model?

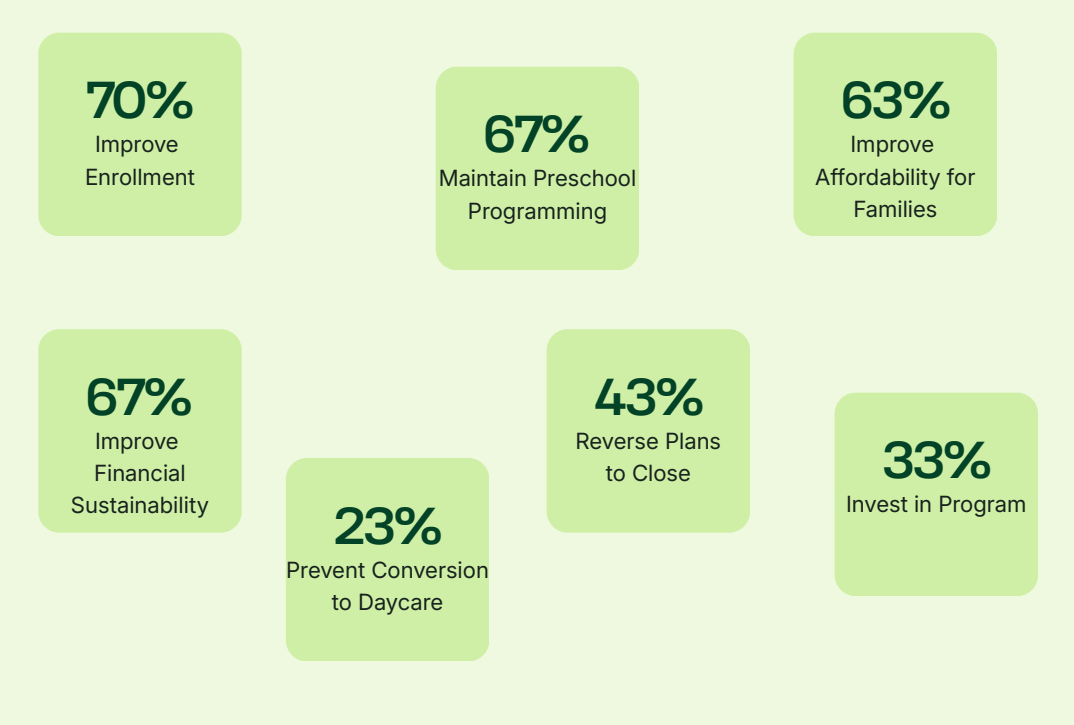
The survey concludes by asking operators whether the current funding model has created an uneven competitive environment between licensed preschools and licensed daycares, and what impact a more equitable funding approach could have.

Operators believe that equitable affordability funding would strengthen enrolment, improve financial sustainability, maintain licensed preschool programming, and enhance affordability for Alberta families, while helping preserve access to licensed preschool options across the province.

98%

Believe the current funding model has created an uneven competitive environment.

Q18
If Alberta adjusted the Child Care Affordability Grant so that licensed preschools received the same prorated affordability funding as licensed daycares offering part-time care, what impact would this have on your program?



Conclusion & Recommendations

The survey findings indicate that Alberta's current Child Care Affordability Grant is creating unintended inequities between licensed preschools and licensed daycares offering comparable part-time care. Operators consistently reported declining enrolment, financial pressures, and concerns about the long-term sustainability of licensed preschool programs.
At the same time, respondents overwhelmingly identified that a more equitable affordability funding model would strengthen enrolment, improve affordability for families, support program sustainability, and help preserve parent choice across Alberta's licensed early learning sector.

> ***"Provinces and territories require stable, predictable funding... This framework must be flexible and allow provinces and territories to design sustainable programs that supports families that need it most."***
>
> ***— Council of the Federation, July 2026***

ACE Recommendations

✓ Adjust the Child Care Affordability Grant so licensed preschools receive the same prorated affordability funding as licensed daycares offering comparable part-time care.

✓ Preserve a diverse licensed early learning system that includes preschool, daycare, family day home, and out-of-school care.

✓ Ensure families have equitable access to affordability funding regardless of the licensed program that best meets their needs.

✓ Continue working with operators to monitor the impact of funding changes and identify practical solutions that improve sustainability without compromising quality or parent choice.

The findings of this survey demonstrate that flexibility also means preserving licensed preschool as a viable, affordable choice for Alberta families.
An equitable funding approach would strengthen parent choice by ensuring families can access the licensed early learning program that best meets their needs.

Disclaimer & Acknowledgements

This report has been prepared by the Association of Canadian Early Learning Programs (ACE) to present the preliminary findings of the Alberta Preschool Sustainability Survey. The purpose of this report is to inform discussions with government, policymakers, sector partners, and stakeholders regarding the sustainability of Alberta's licensed preschool sector and opportunities to strengthen affordability, parent choice, and access to licensed early learning.

The findings presented are based on survey responses voluntarily submitted by participating licensed preschool operators across Alberta during the survey period. The results reflect the experiences, observations, and perspectives of respondents at the time the survey was conducted and should be considered alongside other relevant research, data, and policy information.

While every effort has been made to accurately present and interpret the survey findings, ACE makes no representations or warranties regarding the completeness or applicability of the information to all licensed early learning programs or future policy outcomes. This report is intended for informational and policy discussion purposes only and should not be interpreted as legal, financial, or professional advice.

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ACE appreciates the opportunity to work collaboratively with the Government of Alberta and sector partners to develop practical, evidence-informed solutions that strengthen affordability, preserve parent choice, and support a sustainable, high-quality early learning system for Alberta families.

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