State-Sponsored Work Site
Child Care

Representative Beth Kerttula

Alaska State Legislature, District 3
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MEMORANDUM

TO: Representative John Coghill
Chairman, House Committee on State Affairs

FROM: Representative Beth Kerttula

DATE: April 10, 2002

SUBJECT: Scheduling Request for HB 482—Relating to child care services.

I request that you schedule HB 482 for a hearing in the House Committee on State Affairs at your earliest convenience. I have attached a sponsor statement and background materials.

Thank you for your consideration. Please do not hesitate to contact either me or my staff, Jeannette Lacey, if you have any questions.

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Sponsor Statement

House Bill 482

"An Act relating to child care services"

House Bill 482 would allow childcare centers to be located in office buildings owned or leased by the State. Agencies interested in on-site childcare facilities would work with the Department of Administration to determine need and feasibility. This bill provides important benefits to the State as an employer, employees and their children, and childcare providers. Passage of HB 482 would reaffirm Alaska's commitment to children and families.

Alaska legislators first considered this concept almost 20 years ago. The number of working mothers with infants and toddlers has nearly doubled since 1975, and childcare services in our communities have been unable to keep up with demand.

Research shows that breast-feeding is extremely beneficial to the health of newborns. New mothers typically return to work just three months after giving birth, while they are still nursing. Having their infants in the same building would allow mothers to nurse during their breaks. Also, parents would have the ability to spend more quality time with their young children during the course of the day.

As an employer, the State will greatly benefit from the passage of this bill. Two decades of research shows that addressing work/life concerns can improve recruitment and retention, reduce absenteeism and tardiness, and increase job satisfaction and loyalty. With recruitment and retention of employees being major concerns in today's economy, this bill will help to attract more prospective employees to the State. On-site childcare will not only provide better benefits to employees, resulting in less turnover, it will also provide a higher quality of care for our children.

As of January 2000, 22 states offer on-site childcare facilities in certain locations. Alaska legislators recognized the importance of childcare nearly 20 years ago; certainly the need has greatly increased since that time. The time has come to provide the State, employees, and children with the resources necessary to succeed. I greatly appreciate your support of this bill.

Representative Beth Kerttula

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Fact Sheet
House Bill 482
"An Act relating to child care services"

- Today, more than 60% of mothers with infants and toddlers are employed, compared with just 34% in 1934.

- Research shows the critical importance of the parent-child relationship during the earliest years.

- The use of centers as a source for care of children under age 3 has nearly tripled since 1977.

- Some centers in Juneau have as many as 30 parents on a waiting list.

- Not only is childcare scarce; it is also often below the quality that parents want. Employer-sponsored childcare programs are typically of much higher quality than most centers in the community.

- On-site childcare has been shown to reduce rates of employee absenteeism while improving recruitment and retention.

- Recent studies showed that Citibank on-site childcare users were absent 0.24 days per year while members of the comparison group missed 3.48 days per year. And, after Honeywell opened an on-site childcare center, parents who had missed 259 days of work in the 12 months prior, only missed 30 days in the 12 months after.

- With the labor force growing less than 1% annually, retention is more important now than ever.

- The cost of replacing an employee is estimated to be 150% to 200% of an exempt employee's salary and at least 75% of a nonexempt employee's salary.

Bill History/Action Display

H

BILL: HB 482 SHORT TITLE: STATE EMPLOYEE DEPENDENTS DAYCARE
BILL VERSION:
SPONSOR(S): REPRESENTATIVE(S)
CURRENT STATUS: (H) STA STATUS DATE: 02/19/02
THEN FIN

TITLE: "An Act relating to child care services; and providing for an effective date."

Full Text No Fiscal Notes Available

Committee Action with Bill History

Jrn-Date	Jrn-Page		Action
02/19/02	2317	(H)	READ THE FIRST TIME -
02/19/02	2317	(H)	STA, FIN
02/19/02	2317	(H)	REFERRED TO STATE AFFAIRS

Similar Subject Match or Exact Subject Match
DAY CARE
MINORS
PUBLIC EMPLOYEES

Bill Root: Display Bill Root

BOBBY APPROVED

TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS

Return to Basis Main Menu (22 Legislature)
Return to Legislature Home Page

WORK ORDER REQUEST FORM

W.O. [22] LS-1501

KEYWORDS: DAY CARE

MINORS

ASSIGNED: Lauterbach

REQUEST FOR: New Bill

TAKEN BY: Duffy

SUBJECT: Child-Care Services in State Bldgs.

REQUESTED FOR: REP KERTTULA BY: Rep. Kerttula PHONE: 465-4766

DELIVER TO: Rep. Kerttula, Cap 430

INSTRUCTIONS: Please draft a bill requiring child care services in or near the S.O.B. per the attached.

OBTAIN	SPECIAL DRAFTING INSTRUCTIONS ATTACHED [ ]
	AUTHORIZED TO CONFER WITH Jeannette Lacey; 790-2528
	RETURN ______ TO REQUESTOR
	APPROVED: X DIRECTOR, LEGAL SERVICES

REVIEWED	SPECIAL INSTRUCTIONS to TYPING/PROOFING
IN 02/11/02 DUE	
TYPED: Draft ____ Date ____	
Final ____ Date ____	
PROOFED ____ DELIVERED ____	Request for DRAFT

Sponsor

ALDP1010 [02/11/02]

CSSB247(FIN)
2/29/84
Rules
Fahrenkamp, V.Fischer,
Kerttula, et al
BY THE FINANCE COMMITTEE

SB 247
13TH Session
1983- 1984

IN THE SENATE

CS FOR SENATE BILL NO. 247 (Finance)
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled:

"An Act relating to child care centers in state buildings; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS AND INTENT. (a) The legislature finds that it is in the public interest to foster the productivity of Alaska workers and to encourage and assist Alaska parents to further their own formal education. The achievement of these goals will be served by establishing facilities for quality child care services in or near the workplace and on the campuses of the University of Alaska and the state's community colleges. To that end, this Act provides for the creation of privately run child care centers in state buildings.

(b) It is the intent of the legislature that this action will encourage private employers to provide adequate child care facilities for their employees.

* Sec. 2. AS 35.10 is amended by adding a new section to read:

Sec. 35.10.021. CHILD CARE CENTERS IN STATE BUILDINGS. (a) The person or agency responsible for planning the construction, expansion, or major renovation of a building owned or leased by the state shall obtain from the Department of Labor and the Department of Community and Regional Affairs a determination of the need for a child care center in the building. The determination shall be based on an assessment of

(1) the child care needs of public and private employees who work in the building or in neighboring buildings;

(2) the child care needs of students who attend classes or other school functions in the building or in neighboring buildings;

(3) the availability of licensed child care centers located within a convenient distance from the building; and

(4) the economic feasibility of operating a child care center in the building.

(b) If the Department of Labor and the Department of Community and Regional Affairs determine under (a) of this section that a child care center is needed in a building that is owned or leased by the state, plans for construction, expansion, or major renovation of the building shall include plans for a child care center in the building. The child care center shall be designed to meet all licensing requirements.

(c) The person or agency responsible for assigning or leasing space in a building in which a licensed child care center under this section is required to be located shall consult with the Department of Community and Regional Affairs and shall lease space in the building to a private child care services provider for the operation of the child care center.

(d) Use of a child care center in a building owned or leased by the state is open to the public.

(e) The requirements of (a) and (b) of this section do not apply to a building leased by the state under a pre-built lease providing for renovations for the state if the building cannot meet or be renovated to meet the indoor and outdoor space requirements for a child care center that are established under regulations adopted by the Department of Health and Social Services.

(f) If the Department of Community and Regional Affairs determines that more than one provider that is qualified to operate a child care center under this section is available, the department shall invite providers to submit bids on a competitive basis for a lease of space to operate a child care center under this section. The lease shall provide for the rental of space at a rate equal to the average cost per square foot of space leased by child care providers in the community in which the building is located, as determined by the Department of Community and Regional Affairs.

(g) In this section

(1) "building" means a building in which the space occupied by state employees is used primarily for administrative, clerical, educational, or executive functions;

(2) "leased" means leased under a pre-built lease with provisions for renovations for the state or under a lease for a building to be built according to state specifications, but "leased" does not include the renewal of existing leases.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

The 2001 Florida Statutes

110.151 State officers' and employees' child care services.--

(1) The Department of Management Services shall approve, administer, and coordinate child care services for state officers' and employees' children or dependents. Duties shall include, but not be limited to, reviewing and approving requests from state agencies for child care services; providing technical assistance on child care program startup and operation; and assisting other agencies in conducting needs assessments, designing centers, and selecting service providers. Primary emphasis for child care services shall be given to children who are not subject to compulsory school attendance pursuant to chapter 232, and, to the extent possible, emphasis shall be placed on child care for children aged 2 and under.

(2) Child care programs may be located in state-owned office buildings, educational facilities and institutions, custodial facilities and institutions, and, with the consent of the President of the Senate and the Speaker of the House of Representatives, in buildings or spaces used for legislative activities. In addition, centers may be located in privately owned buildings conveniently located to the place of employment of those officers and employees to be served by the centers. If a child care program is located in a state-owned office building, educational facility or institution, or custodial facility or institution, or in a privately owned building leased by the state, a portion of the service provider's rental fees for child care space may be waived by the sponsoring agency in accordance with the rules of the Department of Management Services. Additionally, the sponsoring state agency may be responsible for the maintenance, utilities, and other operating costs associated with the child care center.

(3) Except as otherwise provided in this section, the cost of child care services shall be offset by fees charged to employees who use the child care services. Requests for proposals may provide for a sliding fee schedule with fees charged on the basis of the employee's household income.

(4) The provider of proposed child care services shall be selected by competitive contract. Requests for proposals shall be developed with the assistance of, and subject to the approval of, the Department of Management Services. Management of the contract with the service provider shall be the responsibility of the sponsoring state agency.

(5) An operator selected to provide services must comply with all state and local standards for the licensure and operation of child care facilities, maintain adequate liability insurance coverage, and assume financial and legal responsibility for the operation of the program. Neither the operator nor any personnel employed by or at a child care facility shall be deemed to be employees of the state. However, the sponsoring state agency may be responsible for the operation of the child care center when:

(a) A second request for proposals fails to procure a qualified service provider; or

(b) The service provider's contract is canceled and attempts to procure another qualified service provider are unsuccessful;

and plans for direct operation are approved by the Department of Management Services.

(6) In the areas where the state has an insufficient number of employees to justify a worksite center, a state agency may join in a consortium arrangement with other public employers to provide child care services.

(7) The State Employee Child Care Revolving Trust Fund is hereby reestablished in the Department of Management Services.

(8) The Department of Management Services may adopt any rules necessary to achieve the purposes of this section.

History.--s. 1, ch. 85-118; s. 1, ch. 88-151; s. 8, ch. 89-277; s. 4, ch. 90-196; s. 1, ch. 91-184; s. 26, ch. 92-279; s. 55, ch. 92-326; s. 4, ch. 99-207; s. 1, ch. 99-304; s. 6, ch. 99-399.

State of Florida Employee Child Care Services Program

About the Program

Changes in the family and the nation's economy have made child care services for working families an important workplace issue. The availability of high quality, affordable child care affects the well-being of families, the bottom line of most businesses, and the productivity and efficiency of the workforce. In 1985, the State of Florida became one of the first states to establish a program allowing work-site centers to be located in state-owned or leased space and permit sponsoring state agencies to cover the space, utilities, maintenance, furnishings and other operating costs. The centers are operated by private sector child care providers who are selected through a competitive bid process.

Purpose

- Assist state employees with more convenient, higher quality and more affordable child care at their workplace;
- Increase government efficiency by reducing tardiness and absenteeism, increasing productivity and morale, and recruiting and retaining a skilled work force;
- Serve as a model for other employers, especially those in the private sector; and
- Invest in early intervention to save the State future costs for remedial education, welfare and prisons.

At the beginning of the program, a three-year pilot study was conducted at the Department of Highway Safety and Motor Vehicles (DHSMV). The pilot center achieved full enrollment and financial self-sufficiency (excluding the facility costs) within the first year. The center has proved to be a successful business venture for more than 13 years. This study pointed to the positive impact of work-site child care on both the employee and the employer.

An evaluation of Florida's work-site program, conducted by the Florida State University in 1991, estimated a benefit ratio of 3.4 dollars returned for every dollar invested.

How the Program Works

The Department of Management Services is responsible for administering the program and coordinating the establishment of child care services. The program allows work-site child care centers to be located in state-owned space or in privately-owned building leased by the State. State-sponsored centers are open to all eligible state employees with the sponsoring agency having first priority for enrollment. The sponsoring agency covers most of the cost of the physical facility (space, utilities, and maintenance) and may cover other operating costs of the center. The contracted service provider covers the cost of the service (staff, food, supplies, insurance, etc.) by charging the parents monthly fees which are deducted from the employee's paycheck. Factors such as population, need, space, funding and community impact are used as criteria in reviewing requests from state agencies to establish centers.

Centers established under the State Employee Child Care Program meet more stringent requirements than the State's child care licensing standards (smaller child-to-staff ratios, more qualified staff, etc.). Since the agency sponsoring the work-site center subsidizes a portion of the cost, the provider is expected to provide higher quality service without charging state employees more for the higher quality child care.

Criteria for Establishing Centers

Criteria and Procedures for Establishing State-Sponsored Child Care Services for State Employees

Agencies interested in providing work-site child care services for their employees should contact the Human Resource Management program in the Department of Management Services for assistance in assessing child care needs and conducting a feasibility study to determine if a state-sponsored center would be a viable option for meeting employee child care needs.

Sponsoring Agency Plan

Agencies requesting the establishment of work-site child care centers must submit a written plan to the Department of Management Services for approval. The plan should contain the results of the feasibility study showing the following:

- **Population & Need**
  - Concentration of state employees in the target area (total number of employees within a 2 - 3 mile radius of proposed center location)
  - Number & ages of preschoolers in the target area (total preschoolers identified by employee needs assessment)
  - Number of employees indicating they would use the center (Chapter 60L-38, F.A.C., requires 25% utilization rate from employees surveyed)
- **Space**
  - Description of proposed space to be used for the center
    - location
    - square footage (a rough drawing of facility)
    - suitability of the space for the purpose of child care
- **Cost**
  - Estimated start-up cost for construction/renovation of space and source of funds
  - Estimated cost to appropriately furnish the center (appliances, permanent fixtures, furnishings and equipment)
  - Estimated annual cost to maintain the center (how much the sponsoring agency will be spending to pay for the space, utilities, building and playground maintenance, to replace state-owned equipment and other state subsidy costs.)
- **Community Impact**(duplication of existing services/competition with private sector)
  - Number of existing child care centers in target area (should include only full-day programs serving the general public -- not the centers that are restricted to a specific population such as college students or a certain company's employees, etc.)
  - Licensed capacity of existing centers in target area (this can be obtained from the local child care licensing entity -- such as county health unit, Children and Families District headquarters, or a local licensing board)
  - Vacancy rate (current enrollment or number of vacant slots) in existing centers (a telephone survey of local child care centers can provide this information)

Criteria for Plan Approval

The Department of Management Services will respond to each agency's request by outlining its findings based on established criteria and, if the plan is approved, recommend a step-by-step procedure for establishing a child care center. The department will also provide technical assistance and consultative services to assist the agency with the following:

- Design of the Center
- Start-up and operation
- Selection of a service provider

The following criteria will be used by the department in reviewing and approving agency requests for the establishment of state-sponsored child care centers:

- **Concentration of state employees**- A population density of at least 4 employees with preschool children for each projected child care slot. The number of child care slots needed for a good business venture is at least 100; therefore, a population density of 400 employees with preschoolers is necessary. A full-time equivalency utilization rate of 60 children is needed for financial "breakeven". Approximately 80 children are needed on a regular basis in order for the provider to earn a profit. State agencies are allowed to enter into consortium arrangements with other public sector employers in areas where the state has an insufficient number of employees to justify a center.
- **Employee utilization of the center** - Of the 400 employees with preschoolers identified in the target population, 100 of them (25%) should indicate they would use the proposed center.
- **Space requirements** - Adequate and appropriate space for child care purposes should be identified. The proposed space will need to conform to state physical facility standards described in the Department of Children and Families' child care standards (Chapter 65C-22, F.A.C.)
- **Community Impact** - Community-provided child care services should be either not available or inadequate to serve the needs of the proposed employee population.
- **Special Situations**- In extremely isolated areas of the state where prisons or hospital are located, the criteria and procedure for establishing a work-site center may be different. Each situations is handled on an individual basis through the sponsoring agency headquarters.

For further information contact:

Florida Department of Management Services
Human Resource Management
4050 Esplanade Way, Building 4040, Suite 380
Tallahassee, Florida 32399-0950

Telephone: (850) 922-5449 or SUNCOM 292-5449

Chapter 60L-38, Florida Administrative Code

RULES OF THE
DEPARTMENT OF MANAGEMENT SERVICES
PERSONNEL MANAGEMENT SYSTEM

CHAPTER 60L-38
STATE CHILD CARE PROGRAM

60L-38.001 Scope and Purpose.

This chapter sets forth the procedures to be followed for establishing and maintaining work-site child care services for state officers and employees.

Specific Authority 110.151(8) FS. Law Implemented 110.151 FS. History--New 1-1-02.

60L-38.002 General Responsibilities.

(1) The sponsoring state agency may provide for the space, maintenance, utilities and other operating costs associated with the center.

(2) The contracted service provider shall have primary responsibility for the day-to-day operation of the center.

(3) The sponsoring state agency may elect to operate the center when a second request for proposals fails to procure a qualified service provider, or when the service provider's contract is canceled and attempts to procure a qualified provider are unsuccessful, provided plans for the direct operation by the sponsoring agency are approved by the Department.

(4) The Department shall approve the sponsoring agency's written plan for direct operation, provided the plan outlines the continuing efforts by the agency to secure a qualified provider, including the following:

(a) Steps to be taken to make improvements to the physical facility if such improvements are necessary to attract a quality provider.

(b) Steps to increase center enrollment.

(c) Steps to broaden the eligible employee population that supports the center, for example entering into consortium arrangements with other public sector employers in close proximity to the center.

(5) State employees who terminate employment with state government shall be afforded a 45-day grace period for securing other child care services.

Specific Authority 110.151(8) FS. Law Implemented 110.151 FS. History--New 1-1-02.

60L-38.003 Procedures for Coordination of Child Care Services Requests.

(1) Agencies requesting the establishment of work-site centers shall submit a written plan to the Department for approval. This plan shall contain the results of a feasibility study showing the following:

(a) Number and ages of preschool children identified in target area.

(b) Number of employees indicating utilization of proposed center.

(c) Description of proposed child care space as to location, square footage, and suitability to purpose.

(d) Number of existing preschool centers in the target area with their licensed capacity and enrollment.

(e) Estimated start-up and operational costs of proposed center.

(2) The Department shall respond to each agency's request by outlining its findings based on established criteria and, if the plan is approved, in accordance with Section 60L-38.004 of this chapter, recommend a step-by-step procedure for establishing a child care center.

Specific Authority 110.151(8) FS. Law Implemented 110.151 FS. History--New 1-1-02.

60L-38.004 Criteria for Establishment of Child Care Centers.

The following criteria shall be used in reviewing agency requests for the establishment of state-sponsored child care centers:

(1) Concentration of state employees in the area equal to a population density of at least 4 employees with preschool children for each projected child care slot.

(2) Number of employees indicating at least a 25% utilization of the center by the preschool children in the target area.

(3) Adequate and appropriate space for child care purposes which conforms to state physical facility standards described in Chapter 65C-22, F.A.C.

(4) Nonavailability or inadequacy of community-provided services in the area.

Specific Authority 110.151(8) FS. Law Implemented 110.151 FS. History--New 1-1-02.

60L-38.005 Responsibilities of Service Providers.

(1) The service provider shall be responsible for providing quality physical care and developmental activities appropriate to the ages of the children enrolled in the center; selecting and managing staff assigned to the center; and managing the budget and daily operations of the center.

(2) The service provider shall be responsible for enrolling children of state employees in

accordance with the enrollment policy of the sponsoring agency, pertaining to eligibility and procedures.

(3) Upon enrollment, the service provider shall furnish state employees with forms for payroll deduction. Payroll deduction shall be made in such a manner that a full month's payment is deducted for employees paid monthly or 26 payments are deducted for employees paid bi-weekly.

(4) The service provider shall ensure that parents, the public, and representatives of the using agencies have reasonable access to the center for purposes of visitation and observation.

(5) The service provider shall be responsible for requirements set forth in the request for proposal for the operation of the center.

Specific Authority 110.151(8) FS. Law Implemented 110.151 FS. History--New 1-1-02.

2001 Chapter 110, Florida Statutes | Personnel Rules and Statutes | Collective Bargaining Agreements | Classification and Pay Plan | HRM News | Manuals and Guidelines | Personnel/HRD Topics | Forms | Reports | HR Hot Links | Training Resources

HRM Homepage

THE FOLLOWING DOCUMENT(S) ARE POOR ORIGINAL COPIES

(Florida)

COST OF THE PILOT PROJECT

The Original Appropriation-Fiscal Year 1985-86

The 1985 Legislature appropriated $100,000 from the general revenue fund to establish a State Employee Child Care Revolving Trust Fund to assist in the start-up of the child care program. The law allowed moneys appropriated from the Administrative Expense Trust Fund for establishing the pilot program to be used by the Department of Administration for coordination of the pilot program.

Of the $100,000 original appropriation, $75,000 was spent for renovation. The remaining $25,000 was used:

(1) to equip the center (appliances, furniture, equipment and supplies $15,623);

(2) to pay consultants to design the space for child care purposes ($2,200); and

(3) to assist the service provider with operational start-up costs ($7,177).

The original appropriation was inadequate to support operation of the center during the start-up phase. Until the center could become financially self-sufficient from parent fees, additional funds were necessary. The Department of Administration agreed to transfer funds to assist Big Bend 4-C with the operating cost deficit resulting from lack of full enrollment in the first few months. An additional $11,286 was authorized to be spent on the center from Department of Administration's regular budget allocation, but only $4,330 was spent.

Additional Appropriation-Fiscal Year 1986 - 87

The Governor agreed to request additional funding from the 1986 Legislature to assist the center with operational costs and to enhance the quality of the pilot program by providing more adequately for the educational and developmental needs of the children. This request also provided for resources to promote and fill the center and to assist in the coordination and evaluation of the pilot project. As requested, $100,000 was appropriated for these purposes, effective July 1, 1986. Of this 1986 - 87 appropriation, an additional $16,000 was spent to enhance the physical environment and to add to necessary toys, educational supplies and furnishings to serve an increased number of children. Several plumbing renovations were required by the Department of Health and Rehabilitative Services in order to comply with state health codes, and $2,202 was used to redesign the space in the toddler room in order to serve more infants. Additional cribs, high chairs, walkers, and other infant supplies were purchased to allow for the increased number of infants. Operational subsidy to the center for the 1986 - 87 fiscal year was $2,991 for salary subsidy and assistance in paying a large insurance payment.

Resources for coordination/evaluation of the pilot project over the two-year period cost $30,135. A child care specialist was hired in August, 1986 to assist in the areas of promotion, program development, monitoring for program quality and operational efficiency, and evaluation of the pilot project.

The center reached financial self-sufficiency during October 1986 and reached full enrollment capacity in January 1987. A waiting list on March 21, 1987 of more than 200 names prompted a request from the service provider to expand the capacity to serve more infants. In April 1987 plans were developed to renovate an adjacent warehouse and connect the two buildings creating space to serve 20 additional infants. Architectural plans were drawn up at a cost of $3,750. The DHSMV contributed $15,000 toward the expansion. On June 30, 1987, funds in the Child Care Revolving Fund were certified forward for the expansion project. Of the $50,057 certified forward, $38,000 was allocated for renovation of the warehouse; $6,082 for furnishing/equipping the new space and $5,975 to pay a consultant to complete portions of the pilot project evaluation.

A total of $14,751 remained in the Child Care Revolving Trust Fund at the time of this report December 1987. Additionally each month, the center pays to the state $444.67 which is deposited into the Child Care Revolving Trust Fund. This payment is made up of $167/month for rent and $277/month to pay back a portion of the start-up funds. (The total amount of the pay-back agreement is $5,000.)

It cost $121,154 to furnish the space and $37,760 to equip the center to serve 95 children. Operational assistance to subsidize the start-up for the center was $15,119 and a total of $30,135 was spent on coordination/evaluation of the pilot project.

The total cost per child for the two year pilot project was $2,149. This amount includes $317 per child for the coordination/evaluation aspects of the project which would not be necessary in replication. Providing the space cost $1,275 per child and to equip the center cost $397 per child. An additional $159 per child was expended for operational start-up assistance, with salary subsidy, liability insurance and utility costs making up the majority of that cost.

Estimated Cost to Replicate the Pilot Project Center

It is estimated that it would cost the state approximately $2,166 per child to replicate the pilot center. Cost to renovate state-owned property to provide child-care services is estimated at $1,500 per child and to adequately equip a center is estimated at $408 per child. Start-up operational assistance to the service provider would cost about $258 per child. The total cost to establish a state center for 80 children is estimated at $183,250 (this includes a $10,000 food subsidy). A minimum of 50 children are needed for a center to operate on a financially self-sufficient basis.

An analysis of the total project cost, the expenditures for each fiscal year and the estimated costs to replicate this program are presented in the following pages.

(Florida)

EMPLOYEE NEEDS ASSESSMENT (AGENCY NAME) CHILD CARE PROJECT

SAMPLE DOCUMENT

The Department of ________________is planning to establish a worksite childcare center to serve the state employees who work within a three-mile radius of ____(location______. If funded, an existing building will be renovated or a new facility will be built to serve ______(number)______children (6 weeks to 5 years of age) on the grounds of the (location). The center would open during fiscal year (year) and would be operated by a private childcare provider who is selected by competitive bid.

The center would provide convenient and high quality childcare services for state employees in the area. The center will be open from approximately 6:00 A.M. until 6:00 P.M., Monday through Friday. The center will provide hot meals, a high-quality, developmentally-appropriate educational program, well-equipped and furnished center, qualified staff, and smaller child-to-teacher ratios. The cost of the child care service would be within the range of average market rates charged by child care centers in __(geographical area)____.

The purpose of this survey is to determine if there are enough children to support a worksite childcare center at ______(location)____________. **Please complete the following questions and return to ____(contact person)** by ____(date)________**Thank you for your cooperation.**

1. How many children do you currently have in the following age groups?

______ Infant (less than one year of age)
______ One Year Old
______ Two Year Old
______ Three Year Old
______ Four or Five Year Old
______ Unborn (or planning to have a child within the next year)

2. If the center opens Fiscal Year ____________ how many children would you consider enrolling? (Please indicate the ages of the child as of ____________)

______ Infant (less than one year of age)
______ One Year Old
______ Two Year Old
______ Three Year Old
______ Four or Five Year Old
______ Unborn (or planning to have a child within the next year)

THANKS FOR YOUR HELP. If you would like to serve on a parent committee to help in the planning of the child care center, please fill in your name so we can contact you when we begin looking at specific parent needs/suggestions.

Name_____________________________ **Office Address**___________________________ **Phone**

From:"Holliday, Cheri" <HollidC@dms.state.fl.us>
To:"'jeannettelacey@yahoo.com'" <jeannettelacey@yahoo.com>
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Subject: State of Florida Child Care Program
Date: Mon, 25 Mar 2002 11:00:40 -0500

Per your request, listed below is the sponsoring agency contact information
for the State of Florida's 2 work-site childcare centers. For information
such as center start-up costs, etc., you would need to contact the Contract
Manager from the two agencies.

Gwen Cherry Child Development Center
Sponsoring State Agency: Florida Department of Education
Contract Manager: Mr. E. Tanner Holliman @ (850)488-7003

Ina Thompson Child Care Center
Sponsoring State Agency: Florida Department of Highway Safety and Motor
Vehicles
State Agency Contact: Ms. Betty Stemm @ (850)488-1079
Contract Manager: Mr. Gary Ferguson @ (850)488-6778

If you will e-mail me your mailing address, I can send you some historical
reports dealing with the State of Florida's Child Care Program "Pilot
Project".

Thanks,
Cheri Holliday
HR Analyst
Department of Management Services
Division of Human Resource Management
(850)414-5788 or hollidc@dms.state.fl.us
Visit the Human Resource Management Website at:
http://fcn.state.fl.us/dms/hrm/index.html

CHILD CARE FACILITIES IN FEDERAL AND OTHER STATES' BUILDINGS

The Office of Child Care Policy in the U.S. General Services Administration (GSA) works with federal agencies to provide and improve child care options for federal employees. Federal law requires that at least 50 percent of the children enrolled be federal employee dependents, and children of federal employees also have priority for the remaining enrollment spaces.[1] Approximately 88 percent of these independently operated centers are accredited by the National Association for the Education of Young Children.

In cooperation with the interagency Federal Child Care Council, the GSA sponsors two websites, *www.childcare.gov*, and *www.afterschool.gov*. According to information accessed through these websites, child care for government employees in federal facilities include the following:

- More than 800 child development centers operate on U.S. military installations worldwide. Approximately 98 percent of these centers are accredited by the National Association for the Fducation of Young Children.
- More than 110 child care centers currently operate in GSA-managed federal space across 32 states and the District of Columbia, serving nearly 8,000 children.
- The Coast Guard offers on-site child care and child development programs in 13 locations around the country.
- The U.S. Department of Agriculture offers on-site or near-site child care centers in nine states.
- Veterans Affairs (VA) operates more than 50 child care centers in 23 states and the District of Columbia.

In addition, recent federal legislation permanently authorized the use of appropriated funds, including revolving funds otherwise available for salaries, by executive agencies to provide child care services for lower income federal civilian employees.[2] According to the GSA, at least eight federal departments and nine agencies currently offer some form of child care subsidy under this program. Recently passed federal legislation also creates a tax credit for employers that provide on-site or near-site child care centers for employees. Under this law, a 25 percent tax credit is available for employer expenses related to child care activities such as start-up costs, operating costs, and costs of training and continuing education for child care workers. A 10 percent tax credit is available for the cost of a company's contract with a child care resource and referral service. The credit is capped at $150,000 per year.[3]

In regard to on-site child care services available to other state's employees, the National Conference of State Legislatures (NCSL) provided information from a state employee benefits survey conducted by Workplace Economics, Inc. The Workplace Economics survey identified 22

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[1] Trible Amendment, 40 U.S.C. 490b.

[2] The child care subsidy program that Congress authorized in 1999 had to be extended every year. Public Law 107-67 makes the program, and the authority to use appropriated funds, permanent.

[3] Press release of U.S. Senator Herb Kohl, June 7, 2001.

states as offering on-site day care facilities in certain locations, as of January 2000.[4] Through information provided by the National Child Care Information Center, we identified at least one other state and several local governments providing on-site child care for public employees.[5]

Although on-site child care is not available for all state employees in any state, lawmakers in many states address the issues of availability and financing early education and care services. According to information from NCSL, lawmakers in at least 18 states have enacted corporate tax credits or deductions to encourage businesses to give employees more child care options. Among those are the following:

- Arkansas lawmakers established several tax incentives for companies that create or operate child care facilities. Companies can receive a corporate tax credit of 3.9 percent on the salaries of employees who work at child care facilities and are exempt from sales and use taxes for building construction and furnishings.

- California has a corporate tax credit for child care start-up costs, information and referral services, child care facility construction costs and contributions to a qualified care plan.

- Connecticut authorizes a tax credit equal to 40 percent of the cost of providing parent education classes to employees, available once the state's employer child care tax credit is exhausted. Classes must provide certain child development information and referrals.

- Florida corporations may deduct 100 percent of the start-up cost of an on-site facility.

- Maryland established a child care tax credit for employers that hire welfare recipients. The tax credit ranges from 10 – 30 percent of wages and from $400 - $600 in child care costs. Maryland also has expanded tax credit legislation to a broader child care market with a law that exempts certain in-home family day care providers from local personal property taxes.

- Oregon created a 50 percent tax credit for corporations that provide funds for child care services. Under the flexible tax credit plan, employees select their provider, and corporations are allowed a credit of up to $2,500 per full-time employee.

- In Rhode Island, businesses with child care centers for employees must accept state-subsidized children in order to be eligible for the child care tax credit.[6]

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[4] States offering at least one on-site child care facility for state employees are Arizona, California, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Oklahoma, Pennsylvania, Rhode Island, Utah, Virginia, West Virginia, and Wyoming.

[5] The State of Minnesota also operates on-site child care facilities for children of state employees. In addition, the State of Colorado operates a statewide child care resource and referral system, and child care providers in various locations throughout the state offer tuition discounts to state employees.

[6] Mary L. Culkin, Scott Groginsky, and Steve Christian, *Building Blocks: A Legislator's Guide to Child Care Policy* (Denver: National Conference of State Legislatures, December 1997), p. 13.

Legislators in Minnesota and Utah enacted tax credits for at-home parents who stay at home with infants; a 1999 Maryland law allows a tax credit for dependent care expenses up to 25 percent of the federal credit claim for families with incomes less than $30,000; and in 2001, legislators in at least five states considered family and personal tax credit initiatives for dependent care.[7] Legislators in another four states considered tax credits or exemptions for facilities, non-profit providers or reallocation of collected funds.[8]

PROVISIONS FOR PARENTS OF NEWBORNS

None of our child care resource contacts could provide comprehensive information on state provisions for parent of newborns, although clearly, care for newborns is more difficult to obtain and more expensive than care for older children. According to "Child Care Arrangements for Children Under Five: Variation Across States," a national survey of America's families conducted for the Urban Institute, infants and toddlers are more likely to be with relatives and in parents' care, while children at three and four years old are more likely to be in center-based care.[9] Even when infants are cared for by relatives or stay at home parents, however, stress for parents can be significant. Child care experts with NCSL, note the following:

> By promoting policies that encourage parents to stay at home with infants, states advance the bond between parent and baby and also ease the high demand and costs for infant child care. Minnesota and Utah legislators have enacted tax credits for parents who stay at home with their infants. In 1997, Minnesota enacted a reimbursement payment for low-income, non-welfare families if a parent stays at home with a child during his or her first year. This payment represents three-fourths of the maximum child care subsidy reimbursement rate.[10]

The U.S. Coast Guard's Separation for Care of Newborns Program allows Coast Guard members a one-time temporary separation of up to two years to care for newborn (or adopted) children with a guaranteed return to active duty. Members are eligible to affiliate with the Coast Guard Reserve during the separation.

For parents who must or wish to work, flexible personnel policies help to alleviate stress and allow employers to retain employees with valuable training and experience that might otherwise be lost. Flexible work hours, compressed work weeks, and job-sharing can increase the amount of time parents have to spend with their children by reducing commuting time and allowing two-parent families to juggle schedules. Liberal emergency leave policies recognize the general lack and high price of care for sick children and infants.

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[7] Lawmakers in Hawaii, Missouri, New York, Pennsylvania, and Oregon in 2001 considered family and personal tax credits for dependent care.

[8] Lawmakers in Alabama, Massachusetts, New York, and North Carolina in 2001 considered tax credits or exemptions for facilities, non-profit providers or reallocation of collected funds.

[9] Jeffrey Capizzano, Gina Adams, and Freya Sonenstein, "Child Care Arrangements for Children Under Five: Variation Across States," National Survey of America's Families (Washington, D.C.: The Urban Institute, Series B, No. B-7, March 2000; available at *http://newfederalism.urban.org/pdf/anf_b7.pdf*.

[10] Scott Groginsky, Julie Poppe, and Jenna Davis, "Financing Child Care," (Denver: National Conference of State Legislatures, June 2000), p. 13.

According to NCSL researchers, New Jersey lawmakers have developed an employer-approach to support parents with young children by providing partial wage replacement for parental leave through the state's temporary disability insurance (TDI) program. The benefit, when combined with accumulated vacation and sick leave, can be an important source of support for working parents who need to be with their infants. Four other states—California, Rhode Island, New York, and Hawaii—also have TDI programs.[11]

State legislators have also formed policies designed to meet the particular needs of parents on welfare who have young children. These laws and policies include exempting welfare recipients with infants from work requirements or applying work requirements only if the parent can find affordable child care.[12]

According to information compiled by the Work and Family Connection, flexible work arrangements (including compressed work schedules), the possibility of telecommuting or working from home, job-sharing, and on-site child care reduce employee stress, absenteeism, and turnover and promote employee satisfaction, commitment, performance and productivity. Researchers with that organization note that many private companies have discovered the profitability of developing provisions for allowing working parents to share jobs, to work flexible schedules, to telecommute, to provide on-site care centers or back-up care, and to bring newborns (and sometimes their care providers) to work. Many private companies also subsidize extended or odd-hour child care for individuals who work on shifts or on compressed schedules. The Work and Family Connection provided the following information on a study conducted in 2000 by the Boston College Center on Work and Family:

> A two-year Boston College study, "Measuring the Impact of Workplace Flexibility," is like an advanced course in what to do – and what not to do – for companies and consultants trying to make flexibility succeed. Six companies opened up to researcher: Amway, Bristol-Myers Squibb Company, Honeywell, Kraft, Lucent Technologies and Motorola. When they began this project, Boston College Center on Work & Family researchers Mindy Fried and Leon Litchfield had no stated hypotheses. Researchers conducted 59 personal interviews with both users and non-users of flexibility. They examined three kinds of arrangements. First, traditional flextime, used by 14%, allowed users to schedule different starting and quitting times around core hours. The second, called "daily flextime" by Fried and Litchfield, was used by 11% who had, to a great extent, autonomy and control over their work hours each day and could vary them as they needed to. Telecommuting (9%) was the third, with most users working from home or a satellite office just one or two days per week. Results showed the use of flex arrangements had a positive impact on productivity, work quality and retention, with daily flextime showing the best results by far of any of the three arrangements. Of employees surveyed, 87% said working one of the three options had improved both their productivity and work quality; 80% said flexibility had a beneficial impact on retention. Most said the arrangement had a positive effect on their relationship with their supervisor, and only 5% said the relationship was negatively affected. Their managers were also enthusiastic; 70% said flexibility improved productivity, 65% said it had a positive impact on the quality of work produced and 76% felt flexibility had a favorable effect on retention. Nearly all the managers believed

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[11] Culkin, et al., *Building Blocks*, p. 12.

[12] Groginsky, et al. "Financing Child Care," p. 13.

their work group's productivity and their own job performance were the same or better. Three-fourths reported no change in their own workload.

The Work and Family Connection also provided information on another study conducted in 2000 on business-supported dependent care. Finding from that study include the following:

> The American Business Collaboration for Quality Dependent Care (ABC) has impacted about 1,500 projects across the U.S. A new study says those efforts have paid off in the area that means most to companies—tthey have improved productivity among those who have used the supported services. The study was conducted by Abt Associates, Cambridge, MA. Researchers found 63% of 1,483 employees who had used ABC-supported services in 10 communities believe their productivity improved due to those programs. More than a third (35%) were better able to concentrate at work, 30% left work early less often to deal with family matters, 27% took fewer days off and 26% were late less often. The vast majority of those surveyed worked for ABC companies and had used various kinds of childcare services (more than 90% of the group's funding has gone to childcare, but eldercare programs also had a positive impact on productivity).[13]

I hope you find this information useful. Please do not hesitate to contact us if you have questions or need additional information.

[13] The Work and Family Connection website address is *http://www.workfamily.com*.

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Title: **The growth of work-site daycare.**
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Abstract: On-site daycare for the children of employees has proven popular with a number of companies, which have discovered that on-site daycare can assist greatly with recruitment and retention; help to reduce absenteeism; and give a big boost to worker morale, job performance, and a company's public image. However, given the lingering uncertainty about the economic benefit that on-site daycare offers, the large up-front costs that are involved, and the particular difficulties that on-site daycare poses for small firms, many companies are reluctant to become involved. The on-site daycare centers of a number of organizations are discussed, and a sidebar presents information on the work of Bright Horizons, the biggest vendor for childcare services in the U.S.

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The growth of work-site daycare.

Author: McIntyre, Lee. **Source:** Federal Reserve Bank of Boston Regional Review v. 10 no3 (2000) p. 8-15 **ISSN:** 1062-1865 **Number:** BBPI00089002

When Stride Rite Corporation opened its on-site daycare center in Roxbury, Massachusetts, in 1971, it was a pioneering achievement. As a leading manufacturer of children's footwear, Stride Rite was already used to thinking about the needs of families, and the concept of on-site daycare seemed a natural fit. In the beginning, Stride Rite did not see its center primarily as an employee benefit, but rather as a philanthropic mission that would serve Greater Boston. The company set aside one-quarter of its daycare slots for low-income families from the surrounding community. Today, at its new Lexington, Massachusetts, location, it employs a sliding scale for daycare tuition that is available to the community and Stride Rite employees alike.

In the intervening years, Stride Rite -- and the companies that followed -- have discovered the potential benefits that on-site daycare can offer: It can assist greatly with recruitment and retention, it helps to cut absenteeism, and it can give a big boost to worker morale, job performance, and a company's public image. In short, on-site daycare creates an environment in which the worker can focus on work, because he or she knows that his or her child is being well cared for by a competent professional, just a few floors away.

why isn't on-site daycare more prevalent? The answer, unfortunately, is that quality daycare is expensive. And, although there are many firms that could potentially benefit from on-site daycare once they offer it, they must first be willing to commit a substantial amount of cash -- and be convinced that they will earn it back -- before they are willing to take the plunge.

THE SILENT REVOLUTIONAlthough it is often considered to be a modern phenomenon, Sandra Burud, of Burud and Associates, a childcare benefits research and consulting firm in Los Angeles, California, has found evidence that employer-supported childcare extends at least as far back as the Civil War, when women who sewed soldiers' clothing were offered work-site childcare. Eighty years later, during World War II, work-site childcare was made available to women who worked in the shipyards of Portland, Oregon, although these centers quickly closed once the war was over.

As women with young children began to join the labor force en masse in the 1970s, the concept of on-site daycare grew and spread to hospitals, government, and private companies. Since then, the face of America's workforce has continued to diversify. In 1975, only 34 percent of married couples with children under six sent both parents into the workforce; today the figure is almost 60 percent. In addition, today nearly 20 percent of employed parents are single and raising their children alone.

Yet, on-site daycare has not grown by nearly as much as one might expect. According to a recent survey of over 1,000 American companies, the Families and Work Institute (FWI) found that only 9 percent of companies with 100 or more employees have on-site daycare. Although this number has increased dramatically from the 200 or so available in 1982 (of which the vast majority were in hospitals, with only 42 in private firms), to the approximately 8,000 that exist today, this still lags far behind the potential demand created by the approximately 9 million families with children under six years old that are in the workforce today.

In families where both -- or the only -- parent works, a range of childcare options is employed (see table). Nearly one-quarter arrange their work schedules so that the children are cared for only by their parents. Another quarter rely on the help of family members or make other informal arrangements. Looking at the choices that parents actually make, however, may not indicate the depth of the childcare problem in this country or the dissatisfaction that many parents feel with their current options. In a recent survey conducted by the University of Massachusetts at Boston, one out of every six parents reported ending a childcare arrangement within the past year, most often because of inadequate quality. In a separate study, conducted by Yale University, 86 percent of U.S. childcare centers were found to provide "poor to mediocre" care. No wonder that 82 percent of on-site daycare centers -- which are usually high in quality -- have waiting lists, averaging 50 percent of capacity.

According to the Families and Work Institute, on-site daycare is more prevalent at those companies that are large (over 1,000 employees), that provide services (such as healthcare and financial services), and that have a high percentage of their top executive positions filled by women (see table). Indeed, 19 percent of those firms with half or more of their top spots filled by women offer daycare. One also finds on-site daycare more often in large metro areas, much less commonly in rural ones. And these days, according to Sandra Burud, it is growing fastest in fields like high-tech, which have employees who are hard to recruit.

Just because a company has on-site daycare, however, doesn't mean that it is available at all its sites or to all its employees. Indeed, the FWI survey found that as the number of a company's work sites increased, the percentage of sites offering daycare declined. Given the tendency for large firms to have multiple work-sites, counting the percentage of firms that offer on-site care may significantly overestimate the number of employees who actually have access to it. On the other hand, since nearly half of all employment in the United States is at companies with more than 500 employees, which are most likely to offer on-site daycare, one might wonder whether employee access has instead been underestimated.

Those companies that offer on-site daycare usually swear by it and are convinced that it has saved them money, mostly from reduced absenteeism and improved recruitment and retention. "There is no doubt in my mind that the childcare center has saved us money," reports Marcia Hebert, the director of John Hancock Financial Services' childcare center in Boston, Massachusetts.

But, there is surprisingly little documentation of such savings and sparse academic research on the topic. One of the more careful studies of the return on investment for on-site daycare was conducted by Sandra Burud in 1987 for Union Bank at its 1,200-employee operations center in Monterey, California. Burud found a 2.2 percent turnover rate for employees who used the center in its first year of operation, compared to a 9.5 percent rate for parents who used other arrangements. With the cost of hiring and training new workers estimated at between three-quarters to one and one-half times an employee's annual salary, this reduction accounted for the most significant cost savings. Absenteeism too was affected, with participants missing 1.7 fewer days of work than parents who did not use the center, also saving the company money. Still another savings was in reduced maternity leave. Since the center accommodated infants, Burud found that maternity leaves were 1.2 weeks shorter for mothers who used the center than for those who did not. And, 61 percent of those who were considering job offers from the bank said that the childcare center would be a factor in their decision. In the current era of tight labor markets, such an advantage could be substantial. All in all, the center saved more than it cost.

While the financial consequence of offering on-site daycare will depend heavily upon the unique situation of a particular company, it is probably safe to conclude that some of those that do not offer on-site daycare could benefit from it. What can we learn from the experience of those companies that already have on-site care?

QUALITY IS JOB ONELike many companies, Lotus Corporation first considered work-site daycare when a number of its employees who were interested in family issues approached management. But if Lotus was going to do this it wouldn't be easy. The first item on the agenda had to be quality. High quality was necessary to attract and satisfy parents; there was no point in such an undertaking if their employees weren't going to be happy with the result. The daycare center would also reflect on their corporate image. As Marcia Lewis, director of the Lotus Childcare Center, put it, "Lotus strives to do things well. If we were going to do this, we were going to do it right.".

At the time they opened, in 1990, few outside vendors were available to run an on-site daycare center and Lotus decided to run their center on their own, as a separate department of the 2,500-employee company. This allowed them to keep quality control in-house. But it also meant that they had to become expert in a new business, far outside their normal expertise of designing software. To help, Lotus hired professional staff who were experts in early childhood education.

In their quest for quality, Lotus focused on small classes, a low student/teacher ratio, and a highly educated staff, with low turnover. Today, in its 7,000-square-foot Childcare Center, 68 children are cared for by 25 staff members. About 90 percent of the teachers are college graduates and many have a master's degree in early childhood education. And the average tenure of the staff is seven years, in an occupation where average annual turnover is close to 40 percent. All this has paid off in one of the most tangible measures of quality within the industry: accreditation by the National Association for the Education of Young Children (NAEYC). While 36 percent of all work-site daycare centers are accredited, the national average for all childcare centers is only 5 percent.

A similar picture is found at John Hancock, which houses one of the largest -- and arguably the most lavish -- on-site daycare centers in New England. Hancock's daycare center is a showplace: palm trees and a rock garden greet the visitor on the ground floor; just beyond, a full-time chef prepares meals for the children in a sunken kitchen with a large open passthrough -- sushi bar style -- so that the children can watch him cook; toilets are available in five different heights; each classroom (here called a "home base") is small enough for the children not to feel intimidated by a 40,000-square-foot center that serves 200 children; and a separate "get well" center is available for mildly ill children, with two nurses and a separate ventilation system. Each home base has no more than nine kids and the student/teacher ratio is about 3 to 1. This low ratio facilitates great flexibility; if a teacher is out sick, he or she need not be replaced for that day and the children do not need to be exposed to an unfamiliar provider. Like Lotus, Hancock's center is accredited by the NAEYC.

Hancock's commitment to high quality has made its on-site daycare center a visible part of the 3,000-employee firm's "family friendly" image. Page Palmer, vice president of human resources at Hancock, has estimated that her company's work-life benefits package as a whole (which includes a host of other "family friendly" programs to reduce the stress on busy families, such as one that offers hot take-home dinners for purchase at the end of the day) saves the company $700,000 a year, approximately one-[illegible]h of 1 percent of their net operating income.

The center also helps with recruitment. According to Kathy Hazzard, manager of work-life programs, a number of Hancock employees have rejected job offers from other companies, citing their own firm's work-life benefits. Lotus, too, has found that on-site care is a valuable tool for recruiting high-tech workers in today's white-hot labor market, and for retaining them against the onslaught of headhunters. "Without our childcare center, we just wouldn't be able to compete in this market," says Paul Labelle, director of communications at Lotus.

COST AND AFFORDABILITYAll this quality comes at a cost. And one of the first is space. A quality daycare center requires approximately 60 to 100 square feet of indoor play space, and 75 to 100 square feet of outdoor play space, per child (in Massachusetts the state minimum is 35 square feet indoors and 75 square feet outdoors). This means that if a center expects to accommodate 75 kids, it will need approximately 4,500 square feet of indoor play space (plus more for a kitchen, staff offices, and other necessities) and 5,600 square feet of outdoor space. If it is to house infants, most state fire regulations require it to be built on the first or second floor. In some instances, a company just doesn't have such space available. In others, it is ferociously expensive, particularly in large urban centers such as Boston, where rental rates for Class A office space are now $50 to $70 per square foot. Second, construction costs can run between $65 and $150 a square foot, depending on the physical layout. Equipment costs average about $2,500 per child. In short, even for a small center, we are talking about a substantial initial investment -- anywhere from 1.5 to 2.5 million dollars, according to Kerry Malczewski, a daycare development consultant for Americare. At more elaborate centers like those at Hancock or Lotus, the costs can be much higher.

Operating costs normally run between $7,500 to $13,000 per child per year. Staff salaries can account for up to 90 percent of operations at work-site centers, where the pay is normally much higher than in the typical stand-alone center. The average national full-time pay for daycare workers is about $12,000 a year. At many high-quality work-site centers, the pay can reach $25,000 to $30,000 a year.

Such high costs raise the issue of what parents can afford to pay, which is the bête noire of corporate childcare and the flip side to high quality. Most companies cover construction and other up-front costs, and don't expect to be paid back. Many also provide an ongoing subsidy to cover operations such as maintenance, utilities, and liability insurance. The remaining costs can still be so high, however, that some employees cannot afford to pay them. Companies have different policies for dealing with this problem. Some simply charge the going rate in the community -- which can approach $325 a week for infants and $260 a week for toddlers in Boston -- and boost their subsidy to cover the increased operating costs (such as higher staff salaries) that are necessary to achieve the higher level of quality that they provide. Lotus, for instance, has adopted this approach.

Other companies offer a sliding scale and subsidize the difference. At Hancock, the tuition at the childcare center is based on an employee's annual salary, with price breaks beginning at incomes under $80,000 a year, and more significant discounts available for those who earn less than $30,000. But, depending on the size of the discounts and the number of low-income employees who use them, sliding scales can vastly increase the annual subsidy paid by a firm. Lotus once offered a sliding scale but was forced to drop it as too costly. Today, they face the poignant fact that many of the administrative assistants, receptionists, and even some of the childcare teachers themselves -- despite their better-than-average salaries -- cannot afford to send their own children to the childcare center. Even so, Lotus has no shortage of demand for its childcare services, with up to a one year waiting list.

While subsidies and sliding scales can solve the problem of affordability, they can raise other difficulties. For one, firms must deal with potential resentment. If a firm offers assistance to workers with lower salaries, it can cause problems both among higher-salaried employees and also among those with similar salaries who do not use the benefit (and wonder why they can't get help with eldercare or special healthcare expenses instead). Potential resentment may also arise from childless employees -- or those who prefer other childcare arrangements -- to the subsidization of a childcare center at all. "It's hard to gauge resentment," says Elinor Burkett, author of the recent book The Baby Boon: How Family-Friendly America Cheats the Childless. But, as childcare in the workplace becomes more common, Burkett argues, concerns about inequity are bound to surface. "If you were working in a workplace that gave a $5,000 fertility benefit to the person sitting next to you, how would you feel?".

There is also the sensitive political issue of what to do if a senior executive or a hot new hire needs a slot that is occupied by a low-salaried worker. And, there is the problem of how an employee of a company that offers onsite care feels when it is not at his or her own work-site or when the waiting list is too long. Caught between the potential resentment of employees who don't receive [illegible]benefit and the high cost of making it available to all workers, some companies may simply retreat.

And some workers may just prefer the cash. Back in 1971, when Stride Rite first opened its daycare center, then CEO and leading force behind the center, Arnold Hiatt, remembers a conversation with a union leader who said, "If you can spend so much money on the daycare center, why can't we get a raise?".

Most companies, however, report few visible signs of resentment. Hancock, for instance, says that while only a small percentage of its employees actually use the center, there have been few if any complaints. Managers appreciate the center's flexibility, which is open 11 hours a day to accommodate employees who use flex time or simply work long hours. And, despite warnings of a growing backlash, this kind of acceptance does not seem to be unusual. A 1996 Gallup poll asked workers how they would respond if their employer asked them to contribute a percentage of their income to on-site childcare. Almost 60 percent said that they would contribute, with one in ten offering a full 10 percent of their pay. Of course, 10 percent of the average employee's pay would hardly cover the costs of full-time daycare, if they had children. Still, perhaps the most surprising result of the survey was that it did not break down according to whether the respondents were parents, with 54 percent of childless employees saying that they would be willing to contribute some portion of their income.

THE SMALL WORKPLACEAlthough larger companies may face problems with waiting lists and fairness, smaller companies or work-sites have to solve the problem of scale. According to Ilene Hoffer, of Bright Horizons, if an employer has fewer than 800 to 1,000 employees at one work-site -- or expects to enroll fewer than 50 or so kids in its center -- special challenges can arise. If a company has relatively few employees, even a slight dip in childbearing rates can cause a significant loss of revenue. Although in general a company can expect between five and eight children to enroll for every 100 employees, experts counsel that employee surveys alone are a poor way to project demand, because some expected enrollments just never materialize.

Some parents may prefer not to use on-site daycare because they are put off by the idea of having to commute with a child, especially if the employer is located downtown and they would have to use public transportation. Unless both parents work at the same place, on-site care also would seem to put all of the pickup and drop-off responsibility on one parent. Some may find it more convenient to use childcare in their own neighborhood. And, if a family has more than two children, it may be more economical to hire a nanny. Ownes Corning closed one of its brand-new corporate daycare centers only a few years ago because of just such a miscalculation of demand.

Distribution of demand is another consideration; if one expects to run a full-service center -- with separate space and teachers for infants, toddlers, and preschoolers -- one is in effect running several different centers at once. Without a steady pipeline, unbalanced demand can cause a center to run at less than full capacity.

Overhead, too, can be a problem at smaller centers. Although some operating costs may vary smoothly with enrollment, other costs like construction and equipment, that must be paid up front, can be prohibitive. As Hoffer points out, however, this all depends on the company and the need it is trying to fill. Some companies have empty space that can easily be converted. Others have such highly valuable employees that they will go to practically any lengths to retain them. Bright Horizons manages some work-site daycare centers with as few as 28 kids.

Hill, Holliday, Connors, Cosmopulos, Inc., an advertising firm with 250 employees at its Boston site, has had on-site daycare since 1985, accommodating 36 kids, infants through kindergarten. Hill, Holliday solved the problem of small size by opening vacant spots to the outside community, who pay full freight. "We never need to advertise a vacancy," recounts Sandy McGauley, the center's director, who juggles the delicate balance between the company's mission and the community's needs. "Children from the community can be bumped with 30 days' notice if someone from Hill, Holliday needs the slot, but we've rarely had to do it.".

Opening a corporate daycare center to the outside community is not uncommon and creates a way to offer childcare at companies that might otherwise be too small to afford it. Without the extra revenue, many smaller on-site daycare centers like Hill, Holliday would struggle to survive. With it they can thrive, offering a high-quality program and even a sliding scale for employee tuition.

Many even smaller companies, however, couldn't begin to afford to do this. Given that 37 percent of all American workers are at firms with fewer than 100 employees (while 55 percent of all employees work at sites this small), on-site daycare seems out of reach for many. And even some sites as large as Hill, Holliday or larger might have problems if they were located in less urban areas where there was not so much demand in the neighboring community. Although companies could share a center, this is rare, according to Hoffer. More common is for a small firm to buy the number of slots that it needs at a local daycare center.

Another strategy -- employed both by small companies and those larger ones that are reluctant to commit to full-time on-site childcare -- is to opt for the safer alternative of backup childcare. With backup care, several companies band together to sponsor a center, each one paying for a fixed number of slots that it can then ration for its employees to use throughout the year. When the nanny calls in sick, or school is unexpectedly cancelled, a parent doesn't have to miss a day of work. ChildrenFirst, one of the leaders in the backup childcare industry, sells its slots to corporations for about $32,000 a year. The companies may thus offer childcare benefits to their employees and be spared the worry and headache of having to build and run a childcare center themselves. And the savings are a dream: ChildrenFirst cites an estimate by WFD Consulting that the typical return averages $3 [illegible] for every $1 that a company invests.

Yet another recent trend has been "sick childcare," where companies contract with freestanding centers, sometimes affiliated with local hospitals, to provide daycare for mildly ill children, so that their parents can go to work. While some parents may not like this benefit, for fear that it may be used to pressure them to come into work when they would choose to do otherwise, others do appreciate it. In companies that are beholden to their "billable hours" -- or in any company where an employee absence might be especially costly -- such a benefit might recover a substantial portion of the savings from reduced absenteeism, without incurring the full expense of offering on-site daycare.

LDING THE FUTUREOn-site daycare is not for every company. Given lingering uncertainty over the economic benefit it offers, the large up-front costs, and the difficulties for small firms, many companies have remained reluctant to take the plunge.

Not surprisingly, most places that offer on-site daycare don't make the initial decision based strictly on dollars and cents. As Lotus's Marcia Lewis put it, "We don't do this to break even." Even after they have instituted on-site care, few companies bother to try to quantify the benefits, convinced that some of the greatest savings are in such things as morale and performance, which are hardest to measure. Thus, opening a corporate daycare center remains something of a "leap of faith." And, most companies cite a moral dimension to their mission. They do it not just for the economics, but because it is "the right thing to do.".

Will on-site daycare someday become as commonplace as health insurance or 401(k) plans in the menu of employee benefits? Even if it does not, the relatively small percentage of companies that offer childcare have already had an outsized effect on the national debate about the standard of quality that can be met in daycare and the importance of providing good care for our children. As one watches the smiling toddlers walk past Lotus's Director Marcia Lewis, each spontaneously giving her a hug on the legs as they go outside to play, one becomes convinced that every child's future deserves to look something like this.

Added material.

Photographs by Kelier and Keller.

CHILDCARE CHOICES.

Primary childcare arrangements for children under five with employed mothers.

(TABLE)Daycare center (workplace and community) 32%Parent care(FN*) 24Other family member 23Family daycare 16Nanny or babysitter 6.

OTNOTE* Mother and father work alternate schedules; father stays home to care for the child; parent cares for the child at work; self-employed parent cares for the child at home.

SOURCE: THE URBAN INSTITUTE, 2000.

PORTRAIT OF A DAYCARE PROVIDER.

(TABLE)EMPLOYER PERCENT THAT PROVIDECHARACTERISTICS ON-SITE CHILDCARE All companies 9BY NUMBER OF EMPLOYEES fewer than 250 7 250-999 5 1,000 or more 18BY INDUSTRY Professional services 15 Finance/Insurance/Real estate 11 Other services 0 Manufacturing/Construction/Agriculture 5 Wholesale/Retail trade 3BY % OF EXECUTIVE POSITIONS FILLED BY WOMEN 0-24% 4 25-49% 10 50% and more 19.

SOURCE: FAMILIES AND WORK INSTITUTE, 1998.

A full-service work-site daycare center usually has separate classes for infants, toddlers, and preschoolers; some even offer full-day kindergarten.

Hancock's open-floor plan takes advantage of intimate spaces at just the right height.

Anloften overlooked necessity in offering work-site daycare is the availability of sufficient outdoor play space.

While their parents work elsewhere, children prove the truth of the maxim that "Play is the work of childhood.".

CHILDCARE IS THEIR BUSINESSDespite the best of intentions, most companies face the barrier that providing on-site daycare utside their primary business expertise. In the past, firms had no choice but to hire experts to advise them as they constructed enter, designed a curriculum, and hired their own staff. In 1986, Bright Horizons arrived on the scene to help. Currently the largest vendor for childcare services in the United States, Bright Horizons manages centers for 75 of the 100 Fortune 500 companies that have them. Along with other providers such as Mulberry and Kindercare, Bright Horizons will do an initial needs assessment and demographic analysis. After this, they will oversee construction, design a curriculum, hire and train staff, and seek accreditation. They can also customize a center to match a company's image or mission. In recent years, Bright Horizons built a center for Carnival Cruise Lines with portholes and a nautical theme, and one for Cisco Systems with toddler-height computers at every turn. For Motorola, they designed a curriculum with special emphasis on science and technology.

Timberland Corporation recently built a new on-site daycare center at its corporate headquarters in Stratham, New Hampshire. As common with most new centers -- these days only one in four choose to self-manage -- Timberland chose a vendor, in this case Bright Horizons. When Timberland's CEO Jeff Swartz appointed an employee task force to look into it, they found a genuine need for daycare, not only for their own employees but also in the surrounding area. In fact, Bright Horizons had already identified Timberland as a likely candidate for on-site daycare -- based on their size and number of employees at one worksite -- and sent them a letter. Attracted by Bright Horizons' reputation for quality and community service (they run a pro bono center for homeless kids in Boston), Timberland signed up. "Running a childcare center is definitely outside our expertise. Bright Horizons made it a lot easier for us to decide to do this," says Jackie Mitchell, senior manager of work/life programs.

When it opens this fall, Timberland's center will accommodate 102 kids from ages six weeks to six years, and it will be open to the outside community. Still, in keeping with another recent trend, they will not be able to afford to offer a sliding scale.

Return

Child Care Openings in Juneau
March 21, 2002

	# Active Programs	Capacity	I/T openings	Preschool	Total
Registered Programs	*70*	*350**	*8*	*28*	*36*
Licensed Family Childcare	17	136	0	5	5
Licensed Group Homes	8	96	0	0	0
Centers (not including school age programs)	7	172	0	2	2
TOTAL	102	754	8	35	43

- Registered program capacity is based on 5 slots each. Actual desired capacity may be less in some relative care programs.
- Currently registered programs may care for up to 8 children; as of May 31, approved programs may care for up to 5.
- Waiting lists at centers vary: one program has ten, one has 18, one has approximately 30. One program has 48 on the waiting list and is expanding their center with 40 additional slots as of May 1. Some of these children may be on more than one waiting list. Some of these children are moving to town, or moving from a different childcare program.

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Employer Supports for Parents with Young Children

Dana E. Friedman

SUMMARY

The competing interests of employers, working parents, and very young children collide in decisions over work schedules, child care arrangements, promotions, children's sicknesses, and overtime hours. With the rising number of women in the labor force, more and more employers are concerned about how their workers balance work and family priorities. This article examines the supports that employers provide to help parents with young children juggle demands on their time and attention. It reviews the availability of traditional benefits, such as vacation and health insurance, and describes family-friendly initiatives. Exciting progress is being made in this arena by leading employers, but coverage remains uneven:

- Employers say they provide family-friendly policies and programs to improve staff recruitment and retention, reduce absenteeism, and increase job satisfaction and company loyalty. Evaluations demonstrate positive impacts on each of these valued outcomes.
- Employee benefits and work/family supports seldom reach all layers of the work force, and low-income workers who need assistance the most are the least likely to receive or take advantage of it.
- Understandably, employer policies seek to maximize productive work time. However, it is often in the best interests of children for a parent to be able to set work aside to address urgent family concerns.

The author concludes that concrete work/family supports like on-site child care, paid leave, and flextime are important innovations. Ultimately, the most valuable aid to employees would be a family-friendly workplace culture, with supportive supervision and management practices.

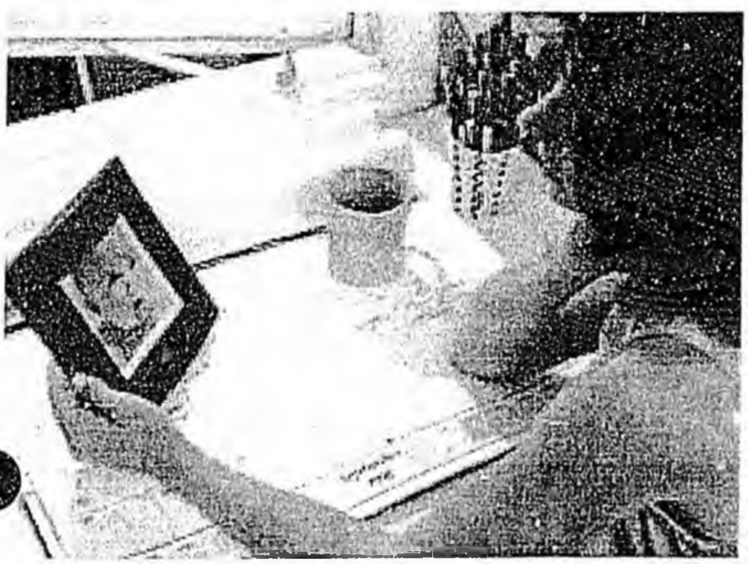
Dana E. Friedman, Ed.D., is senior advisor at Bright Horizons Family Solutions in Watertown, MA.

Employers play a significant role in helping families care for their infants and toddlers through a variety of work-based policies, practices, and programs. Most employers have long provided basic benefits, such as health insurance and maternity benefits. More recent initiatives by a small but growing number of employers address parents' needs for time off and scheduling flexibility, assistance in finding or paying for child care, or access to quality services on site. Employers provide this support through internal human resource policies, philanthropic contributions, and volunteer efforts that expand or improve children's programs in the communities in which they do business.

Despite enthusiasm for these family-friendly policies and programs on the part of employees and family advocates, the extent of employer support is limited, and access by working parents is not at all equal. Support varies by the region of the country, the size of the company, and whether the employee works full time or part time. Lower-income employees who most need employer supports are the least likely to enjoy family-friendly employment.

The Employee's Perspective

The need for employer supports is primarily a function of the increasing labor force participation of mothers. The most rapid growth in employment has occurred among mothers of very young children: 32% of mothers with children under age six worked in 1970; in 1999, some



© PhotoDisc, Inc.

64% of mothers with children under age six and 59% of mothers with children under age two were in the labor force.[1] Some 6% of the workforce is comprised of mothers who do not have the support of the child's father and are raising the children on their own.[2] For companies experiencing labor shortages, it is significant that 60% of labor force growth is expected to come from women.[3]

On the other hand, the portion of households with two employed parents has doubled since 1950, making dual-earner couples the largest group of families in the workplace. According to the U.S. Bureau of Labor Statistics, in 1996, members of dual-earner families made up 45% of the working population.[4] Analyses of the General Social Survey from 1973 through 1994 indicate that work hours have increased at a faster rate for dual-earner couples than for the population of workers as a whole. In 1994, working couples spent seven hours more at work each week than such couples spent in 1973.[5]

Although women are more likely than men to work part time, the majority of men and women have full-time jobs. While 72% of employees work daytime schedules, the remaining 28% work evenings, nights, and on rotating, split, and variable shifts.[6] Such schedules create challenges for those seeking a stable family life. It is not surprising that dual-earner couples have less discretionary time than breadwinner-homemaker couples, and that more and more dual-earner couples report feeling rushed, stressed, and crunched for time.[7]

How parents handle the dual demands of home and work influences the success they experience in each sphere of their lives. Generally, studies show that men and women tend to feel more successful at home than at work—except when a couple has young children. Women with young children feel less successful in their family lives than men.[8] These working mothers are not suffering from role overload, where success at work competes with success at home, but rather they report feeling that they can barely manage in either domain. Researchers suggest that the structure of work and family relationships "makes children in the home a condition in which resources are outstripped by demands, especially in terms of time."[9]

Studies have examined the extent to which work spills over into the employee's personal life and vice versa. "Spillover" from home-to-job is determined by asking

Widespread implementation of employer programs did not occur until the late 1980s, when a shrinking labor pool forced companies to compete for talent.

respondents to indicate how much responsibilities at home reduce their ability to do their work and be available to coworkers, or increase feelings of pressure at work. Likewise, the job-to-home spillover scale asks respondents to indicate how much responsibilities at work reduce their availability to family members and friends, or leave them in a bad mood. Both national studies and individual company studies have consistently found that work is about three times more likely to have a negative effect on one's home life, than home life is to negatively affect work.[10]

In other words, work/life conflict is more likely to originate from work rather than from home. Therefore, employer support focusing on family problems will have limited impact on work/family conflict. Instead, corporations should focus on changes involving the corporate culture and work practices if they hope to reduce much of the stress their employees are facing.

The Employer's Perspective

Historically, employers have supported families and child care during wartime. Employers first became involved in child care during the Civil War so that women could help in the war effort. For the same reason, child care centers proliferated during World War I and World War II (then with government assistance). In World War II, employers realized that the needs of "Rosie the Riveter" went beyond child care, and they allowed women to bring their laundry to the work site for someone else to do, and to take home a hot dinner for the family. Not until a half century later did these supports resurface.[11]

After World War II, employer-provided family supports virtually disappeared until the 1960s, when corporate social responsibility prompted some employers to fund local child care programs. In 1968, the Stride Rite shoe manufacturer opened a child care center in Roxbury, Massachusetts, to ease racial tensions in the community.[12] Such pioneering efforts and campaigns by government and community leaders to educate employers about the need for family support achieved little during the 1970s and 1980s, however. Widespread implementation of employer programs did not occur until the late 1980s, when a shrinking labor pool forced companies to compete for talent.[13] Employers then continued to introduce initiatives to help working families, even during the recession of the early 1990s when family-friendly policies proved to be a helpful antidote to morale problems resulting from massive downsizing. Such policies were also effective in motivating those who kept their jobs but were asked to work harder in a lean and mean environment.[14]

Recruitment and retention remain the primary motivations for employers to address their employees' family and personal needs. The U.S. Department of Labor reports that the U.S. labor force is growing less than 1% annually, and the number of available workers between ages 25 and 44 will shrink between now and 2006.[15] The need for qualified people is forcing companies to rethink their recruitment efforts, productivity incentives, benefit plans, work schedules, and work processes, since these policies were designed for a different generation of workers with different lifestyles and working conditions.

Retention of employees appears to be a more important motivation for family-friendly policies than recruitment. In 2000, Bright Horizons Family Solutions and William M. Mercer, Inc. conducted a survey of companies with more than 500 employees (the BHFS/Mercer study). The survey asked companies why they adopted a work/life focus. As Figure 1 shows, retention topped the list of objectives for 71% of responding companies, while recruitment was the primary goal of only 47%.[16] A 1999 survey by the Society of Human Resources Management found that 41% of human resources professionals believed employees with work/family conflicts posed a threat to their company's retention efforts.[17]

Uneven Availability of Benefits

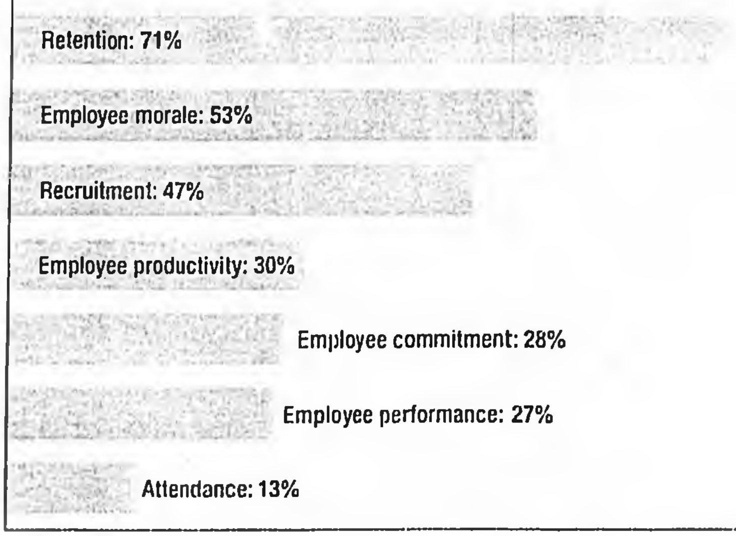
Despite the compelling reasons why companies should support the family needs of their workers, and despite the excitement about what pioneering companies have done, the majority of U.S. employers have not responded to the needs of working parents. Traditional supports

Figure 1

Most Important Objectives for a Work/Life Focus

Stated by managers at large corporations.

Based on a random sample of 450 organizations with at least 500 employees. The respondents were primarily human resources staff.



Source:2000 Survey of Work/Life Initiatives. New York: Bright Horizons Family Solutions and William M. Mercer, Inc.,2001,see p. 9. Based on a survey of companies with more than 500 employees.

like health insurance and leaves are provided by most employers, but newer efforts, such as child care supports for families with young children, are offered by only a small portion of the nation's 60 million employers.

Large companies are the leaders in providing new benefits. They have the human resource departments to investigate options and the financial resources to implement them. Smaller companies less often expand their benefit packages but are more likely than large companies to offer employees flexible work hours.[18] Several studies of large company benefits have found some regional differences. For instance, medical coverage for same-sex partners is offered by 35% to 37% of companies in the West and Northeast, but by only 13% to 18% of companies in the South and Midwest.[19] Industry differences prevail in family-friendliness, as well. Financial service providers, professional firms, and pharmaceutical companies are leaders in most areas of work/life support. Manufacturing firms and firms with many unionized workers tend to offer longer parental leaves but fewer flexible work options, because it is difficult to allow manager discretion in a grievance environment. Companies in the wholesale and retail trades offer the least generous leaves and provide fewer work/life supports to their workers, who are typically at the lower end of the income scale.[20]

Not surprisingly, a survey of companies with more than 100 employees (the 1998 Business Work/Life Study, conducted by the Families and Work Institute) revealed that companies with high proportions of women are more likely to offer a range of family support policies.[18] There are limits to this gender effect, however. The BHFS/Mercer study of companies with more than 500 employees found that companies are most likely to offer a range of family supports when women occupy between 30% and 70% of the workforce. Fewer such supports are offered in companies where more than 70% of employees are female. Many sex-segregated industries that employ women (such as retail trades) offer lower pay and seldom provide generous family supports.[21]

As Table 1 shows, these industry differences are confirmed in reports from employees. A study of 536 employed parents with children younger than age six, interviewed as part of the 1997 National Study of the Changing Workforce, found consistent inequities in the reach of a range of family support policies. For instance, fathers have greater access to family support policies than

Table 1

Access to Corporate Work/Life Policies by Employees with Children Under Age Six

Percentage of Employees with Access to the Policy

Employee Group	Sample Size*	Family Health Insurance	Paid Vacation Days	Paid Holidays	Paid Leave for Sick Children	Traditional Flextime	Daily Flextime
All parents with children under age six	513–536	86%	85%	84%	49%	44%	26%
Gender							
Mothers	228–231	78%	78%	80%	N/A	39%	20%
Fathers	303–306	89%	89%	88%	N/A	48%	31%
Work Status							
Part-time	69–72	57%	57%	63%	34%	N/A	N/A
Full-time	450–462	89%	89%	87%	51%	N/A	N/A
Marital Status							
Single	77–79	73%	58%	71%	37%	N/A	N/A
Married/partnered	443–456	86%	89%	86%	51%	N/A	N/A
Hourly Earnings							
≤ $7.70	115–122	66%	69%	67%	37%	42%	18%
$7.71 to $19.25	247–254	87%	88%	87%	48%	35%	19%
> $19.25	124–126	95%	91%	93%	61%	61%	44%
Family Income							
< $28,000 per year	109–116	69%	78%	74%	36%	31%	13%
$28,000 to $71,500	280–293	86%	86%	85%	48%	41%	22%
≥ $71,600 per year	106–120	93%	88%	93%	66%	62%	47%

*Sample sizes vary due to missing data on specific variables. This sample includes employed mothers and fathers with children under age six, drawn from a randomly selected national sample of 3,552 employed men and women ages 18 and older.

N/A indicates not available.

Source: Galinsky, E., and Bond, J.T. Supporting families as primary caregivers: The role of the workplace. In *Infants and toddlers in out-of-home care*. D. Cryer and T. Harms, eds. Baltimore, MD: Paul Brookes Publishing, 2000, pp. 309–50.

mothers, and in an even larger gap, full-time employees with young children have more access than part-timers. Single parents are less likely than those with partners to receive even the most basic family supports, such as health insurance and paid time off. Most troubling is that parents earning less than $7.70 per hour are significantly less likely than those who earn over $19.25 per hour to receive family health insurance, paid vacation days, paid holidays, paid leave for sick children, and flextime.[22] In other words, the families in greatest need have the least access to work/family support.

Even low-paid employees who are employed by family-friendly employers are less likely than higher-paid workers in the same firms to use available programs. This author's observations, based on 15 years of work/life consulting projects with nearly 50 large companies, suggest that lower-paid workers have not been intentionally excluded from the benefits offered. Instead, utilization is constrained by the structure of certain benefits or by the types of jobs employees hold. Nevertheless, companie should look at these disparities and address them directly. The BHFS/Mercer study found that nearly one-third (31%) of companies feel that low-wage popu-


© Stone/David Oliver

lations should be specially targeted because of their unique needs, but less than one-quarter (22%) have made a special effort to address those needs.[23]

Innovative Solutions

Initially, many employers thought that building an on-site child care center was the best solution for the working parents they employed. It became apparent, however, that this approach does not work for most employers, nor can it serve the majority of employees. Now, family-friendly employers offer a range of initiatives that include on-site programs like child care, time-off policies, flexible work schedules, financial assistance benefits, and information and counseling services. Moreover, companies that have created an array of initiatives have begun to realize that, while policies and programs are necessary, they are not sufficient for helping employees to achieve a work/family balance. Systemic changes in workplace culture and supervision are also needed.

Many employers, however, find themselves unprepared to select and design new solutions. They typically lack data on the demographics of the people they employ and are unfamiliar with the responses that would be appropriate. A new industry has sprung up to help employers with this steep learning curve by providing research into employee needs, community resources, and competitor responses. It is important to remember the level of effort that is required to implement the solutions described below.

Flexible Work Schedules

Any survey of employees' needs will reveal that one of the biggest problems confronting working parents is time, as employees work longer hours and have more responsibilities outside of work. Some parents can afford to work part time, in temporary positions, permanent part-time jobs, or job-sharing arrangements (where two people work part time performing one job). Others may adjust the start and end times for their workday, while working full time through a flextime program. Some prefer compressed workweeks and put in four 10-hour days a week, or work 80 hours in nine days over a two-week period. Finally, a form of flexibility that saves time by eliminating the commute to work is telecommuting (where employees work at home or in a satellite office).

According to the 1998 Business Work/Life Study, two-thirds of companies allow traditional flextime—which lets employees start and end their workday on an individual but consistent schedule. Only one-quarter of these companies allow the start and stop times to vary on a day-to-day basis—this is known as daily flextime. Most employers allow part-time work, but only 38% allow it in the form of job sharing. More than one-half of firms allow employees to telecommute occasionally, while one-third allow it two or three times a week.[24]

It is important to remember that these statistics reflect the number of companies offering each option—not the number of employees using them. In fact, in 1999, unpublished surveys of three large companies found similar patterns of employee use for each policy in all of the companies. About 20% of employees use flextime, and no more than 5% use compressed workweeks, telecommuting, or job-sharing arrangements.[25]

One reason for low utilization is that many companies add these flexible work options to the list of policies in their employee handbooks, but they rarely provide training for managers, or tools to help employees make scheduling choices. More importantly, the corporate culture often sanctifies "face time" by focusing evaluations on the

Any survey of employees' needs will reveal that one of the biggest problems confronting working parents is time, as employees work longer hours and have more responsibilities outside of work.

number of hours an employee is present at work. Working parents often feel judged by their need to leave at 5:00 P.M. to avoid dollar-a-minute late charges at child care, and believe that no one looks at the quality or quantity of work they complete (which may happen, for example, only after dinner is finished, the children are in bed, and the laundry is done). These concerns make parents hesitant to request flexible schedules, fearing that prioritizing family will cause unwanted career repercussions.

Time-off Policies

For many parents, the issue is not working the same number of hours in a different part of the day, but being able to leave work for a few hours, days, or weeks. The Family and Medical Leave Act (FMLA) and other policies allow employees time off to be with their children or attend school functions or doctors' appointments.

The days when women were fired for being pregnant have passed, but the responses of employers still vary when women announce they are pregnant. The law requires employers with more than 50 employees to provide 12 weeks of unpaid leave for the birth or adoption of children. About one-third of employers in the 1998 Business Work/Life Study provided more than the 12 weeks of leave required by the FMLA, and 16% offered more than 12 weeks of paternity leave.[26] Larger employers were more likely than smaller employers to extend the leaves offered under the FMLA. Manufacturing firms and unionized companies were most likely to provide some wage replacement during the period of leave. (See the article by Asher and Lenhoff in this journal issue.)

Many companies allow (and require) that employees use vacation time, personal days, or paid sick leave as part of their 12 weeks of FMLA leave. These policies strand new parents with no vacation time or sick leave when they return to work and place their infant in someone else's care. Parents then have no recourse when the child becomes ill or child care breaks down. However, one heartening finding from the BHFS/Mercer study done in 1998, and repeated in 2000, was a dramatic increase in the number of companies offering paid parental leaves. Paid maternity leave beyond the period of disability jumped from 16% in 1998 to 52% in 2000, the percentage offering paid paternity leave went from 10% to 41%, and those offering leaves for adoptive parents rose from 16% to 46%.[27]

Despite what companies may offer or the law may allow, the average amount of time that mothers take off when they have a new baby is only about 10 weeks. Men typically take far less time and tend to patch together vacation time and personal days rather than request a formal leave.[28] Many do what Prime Minister Tony Blair did as the father of a new baby in 2000—he took a few personal days and worked more at home, but was never more than a phone call away from his job.

An employer's time-off policies can provide employees with an informal form of flexibility. Sick leave policies have a tremendous impact on a parent's ability to be with a child in need. Many companies have "occurrence" policies that allow five days of absence, but warn the employee once three days have been used, and terminate employment after the five days are taken. Occurrence policies are often applied inconsistently. A sympathetic manager may overlook the reasons for the absence, or allow an employee to use personal sick time to care for a child. In low-wage workplaces, like call centers and retail operations, supervisors may use occurrence policies to threaten workers. Parents in such workplaces may leave a sick child at home alone, waiting for one of two daily breaks to call home. One company with multiple manufacturing plants installed more pay phones in the lobby, and notified employees more quickly about incoming calls, so that sick or worried children could be more in touch with their parents.

On-site Services

Child Care

Employer responses to the child care needs of working parents are influenced by the inadequacies of the child care market. Not only is there not enough care, but it is often below the quality parents want and not available during nontraditional work hours. Creating child care on site allows employers to design a program that conforms to work demands, with hours that can accommodate all

Table 2

Employer Work/Life Programs Vary by Company Size

Percentage of Companies Offering the Program

Employer Program	All Companies with 100+ Employees	100 to 250 Employees	250 to 999 Employees	1,000+ Employees	Significance of Difference in Company Size
On-site Services					
Child care center	9%	7%	5%	18%	***
Backup child care	4%	3%	3%	8%	*
Sick child care	5%	4%	5%	9%	
Financial Assistance					
Family health insurance	95%	92%	96%	99%	
DCAP plan,pretax dollars for child care	50%	34%	54%	71%	***
Vouchers or direct child care subsidies	5%	3%	6%	9%	**
Information & Counseling					
Employee assistance program	56%	40%	58%	79%	***
Child care resource and referral	36%	24%	39%	50%	***
Work/life seminars	25%	17%	22%	40%	***
Broad Child Care Supports					
Community contributions	9%	6%	9%	13%	*
Public/private projects	11%	16%	7%	9%	

Sample sizes vary due to missing data on specific variables.
* A difference this size would occur by chance only 5 in 100 times.
** A difference this size would occur by chance only 1 in 100 times.
*** A difference this size would occur by chance only 1 in 1,000 times.

Source: Galinsky, E. and Bond. J.T.,Supporting families as primary caregivers: The role of the workplace. In *Infants and toddlers in out-of-home care*. D. Cryer and T. Harms,eds. Baltimore, MD:Paul Brookes Publishing, 2000,pp. 309–50.

shifts, and adjustable capacity to meet variable demand (for instance, when school is closed and the office is open). Most importantly, employer-sponsored child care programs are typically of much higher quality than most centers in the community. The company subsidizes the difference between what quality costs and what parents can afford to pay. The level of subsidy determines whether employees at all income levels can afford to use the center.

As Table 2 shows, the 1998 Business Work/Life Study found that 9% of all employers with more than 100 employees sponsored on- or near-site child care centers, as did 18% of companies with 1,000 or more employees.[18] A surprising number of companies sponsor more than one work site center: 26% of companies with a center had between two and five centers, and 15% had more than five. Companies sometimes turn to outside firms to create and manage their centers.

Increasingly, employers are not opening full-time child care centers, but backup or emergency centers that are designed to handle breakdowns in child care arrangements. With far less investment than is required by a full-time center, backup care yields a more direct return on investment. Table 2 shows that 4% of companies with more than 100 employees offer backup care, and the BHFS/Mercer study of firms with more than 500 employees found that 13% offer this support.[29] For instance, J.P. Morgan Chase currently sponsors 10 backup centers for their employees around the country, and has six more in development. A novel feature of the Chase centers is that women returning from maternity leave can place their infants in the backup centers for eight weeks at a nominal cost, to ease the transition period to work and child care.

Similarly, some companies address the need for child care by focusing on mildly ill children. Table 2 shows that about 5% of companies with more than 100 employees offer this support, as do 9% of larger companies.[18] Companies may sponsor their own centers, create a network of family child care homes to take in sick children, contract with hospitals offering this service, or offer in-home nursing services sponsored by such agencies as the Visiting Nurse Association. Although these initiatives are intended to support parents (and keep them at work), they raise questions about what is best for parents of young children. Where do most children want to be when they are sick? Probably with a parent. Sick-child programs may not force parents to leave sick children, but they reinforce a corporate culture that says they should.

Other On-site Services

On-site programs, known as concierge or convenience services, help working parents by eliminating chores that would otherwise have to be done after work or on the weekends, for example, car inspections, dry cleaning, photo development, banking, or filling prescriptions. These services are most popular in the Northeast and among large companies with a high percentage of women, according to the BHFS/Mercer study.[30] The most popular concierge service is discount tickets for entertainment, which 46% of companies offer. About 30% offer free or subsidized meals at work, 13% provide take-home dinners, and 1% offer online grocery shopping with groceries delivered to the work site and available for pick up at the end of the workday.

Another on-site service increasingly mandated by local or state governments is lactation support. In the state of Minnesota, firms with more than 50 employees must allocate private space for new mothers to express milk and store it. Other companies have arranged for rentals of breast pumps, as well as counseling to help mothers through the breast-feeding experience.

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Financial Assistance

Employers also help their employees deal with the costs of having and raising children by providing financial assistance for health insurance costs, and subsidies or vouchers to help pay for child care.

A long-standing financial benefit offered by employers is access to comprehensive health insurance. For instance, employees with good health coverage can avail themselves of the latest tests to detect birth defects and other pregnancy or fetal health problems. Policies also include prenatal care and well-baby visits once the baby is born.[31] The majority of employers offer health coverage for the entire family but, as Table 1 showed, employees with young children who are single and low income are less likely than other parents to have such coverage. About one-third of part-time workers receive some health care benefits, and only 19% receive the same coverage as full-timers.[18]

Employer contributions to cover child care costs can also be critical to parents with young children, though it is less common than health insurance. A recent study of

Originally a service to help parents find child care services, R&R has become a multimillion dollar industry offering help for a host of personal life issues, such as elder care, home mortgages, pet care, and financial planning.

child care costs in 10 cities found that the average cost for infant care was more than $5,500 per year.[32] Parents pay about 75% of all U.S. dollars spent on child care, government pays about 24%, and employers cover less than 1%.[33] The dominant financing strategy used by employers is the Dependent Care Assistance Plan (DCAP), which allows parents to use pretax dollars to cover their child care expenses, and reduce the amount of their income that is subject to taxation. As Table 2 shows, one-half of all companies with more than 100 employees offer these plans, including fully 71% of companies with more than 1,000 employees.[18]

Only a handful of companies offer employer subsidies, or direct contributions, toward employees' child care expenses. Table 2 shows that vouchers are offered by about 5% of smaller employers and 9% of larger employers.[18] Clearly, those employers who sponsor on-site child care programs subsidize the care provided there by offsetting some of the costs of the operation that would otherwise raise parent fees. Overall, however, financial supports targeting parents of young children are limited in the extent of the assistance offered and in the number of working parents who can take advantage of them. As with most forms of employer supports, the least support is available to lower-wage-earning families.

Information and Counseling

Simple information can also be an important support to employees as they navigate the stages of child rearing. For example, a financial assessment can suggest whether the timing is right; others may need health-related information regarding conception, prenatal care, birth, or breast-feeding. The need for parent education is ongoing as children move from one stage and age to another. Providing answers to parents' questions can reduce the stress that may interfere with their productivity or attendance. More than one-half of today's parents already believe they are not doing as good a job in rearing their children as their parents did.[34] Employers have been particularly helpful to many young parents by helping them to access the information they want and need.

Employee Assistance Programs (EAPs) are the most prevalent way employers offer information and counseling support to employees. Begun as a treatment program for alcoholics, EAPs now provide counseling on a range of issues including parenting, marital stress, and domestic violence. Employers with at least 1,000 employees are about twice as likely to offer EAPs as those with fewer than 250 employees (79% versus 40%).[35]

Employers also provide information to parents through employee handbooks and newsletters, lunchtime seminars led by experts, parent support groups and online chat rooms, and work site fairs where local service agencies distribute information. The BHFS/Mercer study found that between one-quarter and one-half of large companies offer these options.[36]

Resource and Referral (R&R) programs offer a more comprehensive information approach that may include the above strategies, in addition to online or telephone hotline access. About one-half of the largest companies and one quarter of the smallest companies offer R&R services.[18] Originally a service to help parents find child care services, R&R has become a multimillion dollar industry offering help for a host of personal life issues, such as elder care, home mortgages, pet care, and financial planning. The nonprofit, community-based R&R agencies that provide child care information to the public have, in many cases, been bypassed by these larger R&R businesses, which link the employees of their customers to information through a database and online service.

As both R&Rs and EAPs expand, many companies have begun using one vendor to provide both services. The BHFS/Mercer study found that three-quarters of large companies with both services were using one vendor. This development raises concerns that the "normal" focus of R&R agencies and their preventative approach to problems may give way to the "social work" model of treatment that is used by EAPs. For instance, a parent who seeks advice about a toddler who bites another child at the child care center should be told that this can be a typical stage in normal development, not that it may be a symptom of a larger problem warranting therapy. These differences of focus mean that merging the two services may not be the most advantageous path for working parents.

Workplace Practices

Companies searching for programmatic solutions to the work/life conflicts employees face have sought to reduce or eliminate the work distractions created by family demands, for instance, by offering better child care to reduce absences or providing parenting information to reduce stress. As helpful as these supports can be, however, they cannot address the problems that are rooted in workplace attitudes and practices. Especially in a time of low unemployment, employers must do more than provide perks and services—they must also treat employees well. For instance, a recent study found that 40% of employees with unsupportive supervisors said they were likely to look for a job in the next year, while only 11% of employees who rated their supervisors' performance as excellent said they might be job hunting.[37]

A Canadian study found significant differences in employee responses to their managers. A supportive manager was defined as someone who provides positive feedback, two-way communication, respect, consistency, and a focus on output rather than hours. Employees with such managers reported significantly less stress, more work/life balance, more trust in management, and greater satisfaction with the company's policies.[38] (See Figure 2.) Even so, very few companies address work/life issues as a part of their ongoing management training. Only about one quarter of large companies offer work/life training of any kind.[39]

Work/life training is critical to help managers understand how they should react to the diversity among workers today. How should managers define equity? If they give a flexible schedule to a new parent, should they give it to everyone? How can a decision be made between one parent's request to attend a school play and another parent's need to take a child to the doctor?

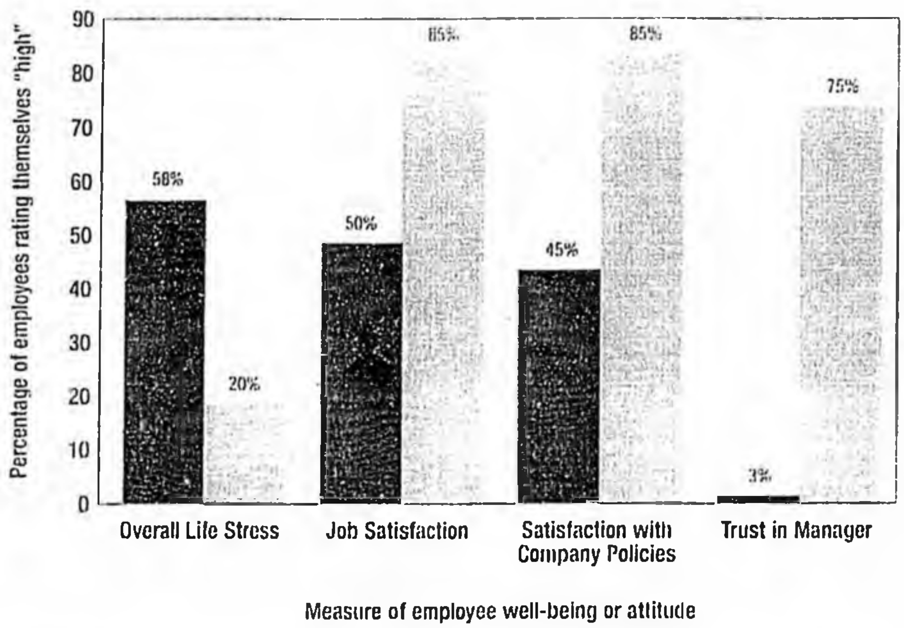
Payoffs greet those managers who take steps to be sensitive and creative. In a study of managers who supervised employees on flexible work arrangements at Chase Manhattan Bank, two-thirds felt the experience made them better managers. It took extra effort to work things out

Figure 2

The Positive Impact of Manager Support

Based on survey responses from 40,000 private-sector employees living in Canada.

■ Non supportive manager
Supportive manager



Source: Adapted from Duxbury, L. and Higgins, C. *Supportive managers: What are they? Why do they matter?* Minneapolis, MN: Minnesota Center for Corporate Responsibility, 1997.

Addressing work/life concerns can improve recruitment and retention efforts, reduce absenteeism and tardiness, and increase job satisfaction and company loyalty.

with employees and their coworkers; ultimately the manager knew more about the employee's job, improved communications, and came to have more realistic expectations for deliverables. The managers at Chase concluded that this is the way they should manage all employees, not just those with flexible schedules.[40]

Impact

Employers need to see the impact of the programs they implement on the company's bottom line. Ironically, while employers who are considering work/life programs want impact data, most companies that have implemented such solutions do not want to spend more to study their programs. Instead, most are content to rely on utilization rates and anecdotal evidence of employee satisfaction with work/life programs. Nonetheless, 20 years of study have yielded a solid foundation of research that suggests that addressing work/life concerns can improve recruitment and retention efforts, reduce absenteeism and tardiness, and increase job satisfaction and company loyalty. The target and scope of impact will vary with a particular strategy and how well it has been implemented and communicated.

Retention

Impact studies indicate that work/life initiatives are effective at reducing turnover. This is good news to employers, since the cost of replacing an employee is estimated to be 150% to 200% of an exempt employee's annual salary, and at least 75% of a nonexempt employee's salary.[41] Obviously, different policies will affect turnover differently.

Individual company studies have consistently shown that flexible work options increase the number of employees who intend to stay with the company, and longer parental leaves with the option to return to part-time hours increase the likelihood that new mothers will return to work. At Aetna Insurance, an increase in the amount of leave, coupled with flexible work options after the return to work, increased the retention of the highest performers from 77% to 91%.[42] A 1993 study found that pregnant women who were allowed flexible work hours worked longer into their pregnancies, took shorter leaves, and were more satisfied with their jobs.[28] A study at Baxter Health Care found that employees who believed that their requests for flexible schedules would be turned down by their supervisors were twice as likely as others to say they expected to leave the company within the year.[43] And a six-company study on flexible work arrangements found that 81% of employees and 76% of managers believe that flexible work arrangements have a very positive effect on retention.[44]

Job Satisfaction

Research increasingly shows that job satisfaction can be improved when employees perceive their work environment to be more supportive, and work/life policies and programs can affect employee perceptions of workplace support. Most business executives can easily translate customer satisfaction into profits, but they may see a happy employee as just happy, not as a factor that generates a gain for the company. However, a seminal study of job satisfaction conducted at Sears in 1997 documented a critical link between employee satisfaction and customer satisfaction. The Sears study showed that if employee satisfaction were to improve by five points, there would be a two-point improvement in customer satisfaction, generating revenue growth of 1.6% the following quarter. One of the five critical management actions that influenced employee satisfaction was flexibility.[45]

Absenteeism

Attendance at work, another outcome that matters to employers, is a function of both the desire and ability to get to work. Employees who are satisfied with their jobs and like their coworkers and bosses are more likely to go to work even when personal situations arise. Those who are dissatisfied are more likely to let problems derail their attempts to be at work. Creating a more supportive work environment can be critical to reducing absenteeism.

Child care supports offer a good example, since reliable child care can eliminate child care breakdowns and the absences that often accompany such crises. After Honeywell opened an on-site child care center, they examined attendance records for those parents who used the

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center. The group of center-using parents had missed 259 days of work in the 12 months before using the center, but they missed only 30 days in the 12 months after they began using the center.[46] Another study compared the users of Citibank's child care center with parents on the waiting list who used child care in the community. The on-site center users were absent 0.24 days per year, while the comparison group missed 3.48 days per year. The company estimated that their child care center saved 18,840 hours of work per year, worth $211,077.[47]

Similarly, backup child care reduces the absences caused by child care breakdowns. The Prudential Insurance Company of America purchased 10 slots in a backup care center that were used by 1,700 employees. Assuming that one-half of those workers would not have found alternative arrangements and would have missed work, Prudential calculated the annual savings from 852 avoided absences at $166,000. With operating costs of $109,000, the return on Prudential's investment in backup child care was $61,000.[48]

Implications

Employers have made great strides in helping parents of young children to succeed at work and provide the care their children need. Even so, support remains limited, particularly for those who need it the most. Intractable workplace practices can also undermine the effectiveness of work/life initiatives that are offered.

Given recent trends, it is likely that more companies will adopt work/family supports in the future, especially large companies in healthy industry sectors located in the Northeast and the West. Flexible work options are likely to expand in companies of all sizes—often spurred by issues of traffic, environment, and technology. National organizations and community activists have made special efforts to devise group strategies to help small and mid-size employers offer work/life programs, and these may be effective with the most profitable organizations. However, unlike large corporations, small and mid-sized companies are seldom motivated by the pressure for political correctness or the desire to be the "employer of choice," so they are less likely to provide child care supports for their working parents.

Low-income families are even less likely to have access to workplace supports. The supportive policies of many large companies do not trickle down to this sector of the workforce, and many employers of low-wage workers are not as committed to work/life supports. Therefore, government tax credits for companies that create child care solutions should target employers of low-wage workers. The public policy goal should not be to increase the

> **Generally, business has adopted a posture of "no mandates" and lobbies against government proposals that would require companies to offer new protections to employees.**

number of employers offering such support as much as to motivate employers to help those in greatest need.

In addition, more employers may offer child care help through community involvement and public-private partnerships. Employer expertise has been tapped by national and state efforts to investigate new financing structures for child care. Several corporate leaders have a long history of investment in children and family services, such as Johnson & Johnson, IBM, AT&T, Target stores, and Hewlett-Packard. Some have developed special funds dedicated to improving services for young children and families. Most notable is the American Business Collaboration for Quality Dependent Care that has invested $125 million from 25 major corporations in efforts to expand the supply and improve the quality of child care and elder care services. More involvement on community task forces may help educate companies about the need for more targeted giving. The 1998 Business Work/Life Study found that only 13% of large companies and 6% of the smallest firms provided community support to family programs.[18]

The political clout of corporations is also an underused resource. Human resources staff rarely communicate with the company's government affairs staff to lobby for government policies that could support family life for employees. Generally, business has adopted a posture of "no mandates" and lobbies against government proposals that would require companies to offer new protections to employees (such as the FMLA). Even government initiatives that do not involve employer mandates, such as the earned income tax credit and funding for child care worker training or salaries, have not benefited from a supportive voice within the business community. Minimal efforts can go a long way, as was found in Florida, where a commitment made by business leaders to engage in one hour of lobbying per month on children's issues has resulted in significant improvements to child care delivery in the community.[49]

As this article makes clear, it is important not to put too much emphasis on one support, like child care. Instead, the contributions that companies can make to working parents should be seen in the context of broader workplace changes. Many larger companies have renamed their efforts from work/family to work/life, as they seek to make their benefits packages equitable to a range of employees. While this trend may help more companies feel comfortable with a work/life agenda, it may diminish a special focus on the needs of families and children.

In an article in The Conference Board's *Across the Board Magazine*, the author suggests that the drive by companies to create a competitive advantage and shareholder value has placed pressures on employees—pressures that have gotten out of hand.[50] ". . . There is no longer any practical limitation to what a business can ask of its employees." Even well-meaning managers who say, "I don't want you here on weekends; I don't want the phone or fax to interfere with your family time," cannot follow through on that commitment because of the pressures at work. The article concludes, "And so we suck more and more from people's lives, and we regret that that's necessary. . . . and in response . . . we build day-care centers and . . . offer flextime and job sharing and telecommuting. . . . Then we sit back, satisfied that we've done what we can do, even though we know in our hearts that this can't be right, that the problem . . . is too deep and too real to be satisfactorily addressed by such superficial steps."[50]

Work/life issues are influenced not only by personal and family factors, but by workplace factors that inhibit employees' sense of personal well-being and thereby, their full contribution to the workplace. Therefore, employers must look at the culture of the organization and the way that people are treated, valued, managed, and promoted—even though these issues are much more difficult for companies to deal with than implementing new benefits and services. The imperative is to find a work/life "fit," or at least a peaceful coexistence, by reconciling the two spheres of life and keeping both spheres accountable. Companies must recognize that supports may be needed because of personal problems or excessive work demands. Either way, companies should anticipate these inevitabilities. Working parents, especially working mothers, are here to stay. It is time now to give them the support they need.

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NAEYC - SEA

March 18, 2002

Representative Kerttula
State Capitol
Juneau, AK 99801-1182

Greetings,

Thank you for your work to increase the availability of early care and education for children of state employees. The employer sponsored child care program located in the Federal Building in Juneau is an example of how successful public and private partnerships can be for employers, workers, and their families.

All branches of the U.S. Military have been leading the nation in offering high quality, accessible, and affordable child care programs. Leaders in the military know what many large businesses are coming to realize: employees who are supported in maintaining high quality care and education for their young children are easier to recruit, maintain a stronger loyalty, and are more productive with lower absentee rates.

Our agency operates a referral program for parents, and maintains a database of all licensed and approved programs in Juneau, in addition to providing training, resources and support for child care programs. The need for additional options for parents is critical, and reaching a crisis stage. In Juneau, there are currently no openings in licensed programs for infants or toddlers, with long waiting lists for children under two and a half years old. We anticipate that the few openings remaining in approved programs for infants and toddlers will be filled by the end of May of this year. The availability of care in Anchorage is also very limited at this time.

Last year we worked with two local groups who were interested in starting much needed child care centers. Neither group was able to locate an appropriate and affordable space. The lack of care in downtown Juneau is especially low, due to the additional concerns of parking and outdoor play space.

We are available to provide any additional information you may need, and we thank you for your work toward solutions on this issue.

Sincerely,

Joy Lyon
Executive Director

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March 26, 2002

Dear Representative Kerttula,

Thank you for HB 482.

For the last few years, the State of Alaska has bemoaned the fact that high-level jobs in certain fields were proving difficult to fill and retain employees. Two fields I recall specifically are Information Technology and payroll. However, I know of several women who held such jobs (including myself) who feel they were practically forced to leave their positions because of the difficulty of juggling of work and family.

On-site daycare facilities would allow parents to be near to their little ones, and to be more inclined to stay in these hard-to-fill jobs -- saving the State money in lost work, training, hiring, and re-hiring for positions. Indeed, I know women **and** men who noted that they would stay with a job that pays less but allows them to check on their children and spend breaks and lunches with them. I know critics may say that having a child in the same building may be a distraction, but I disagree. Parents who are secure in the knowledge that their child is happy, safe, and nearby are much more likely to put in a full day of hard work.

I urge all legislators to explore this option as a way to get and keep educated, hard-working individuals in state employment. As you know, it is difficult to balance work and family; my future votes will go to those legislators who understand and support families in this struggle.

Rebecca Nurse
Analyst/Programmer III

March 29, 2002

Dear Representative Kerttula:

This letter is in support of HB482, providing the Department of Administration to work with state agencies that request a childcare facility to approve, administer, and coordinate the establishment of child care services to state employees.

As a previous state employee, had they offered these services while I was working for the State I would have continued working. However, with the extreme shortage of childcare in Alaska (especially for infants and toddlers) and the lack of qualified, educated childcare providers, I opted to stay home with my children. In addition, I became a licensed provider myself. My aim was to promote an early learning program, which incorporated home-based educational learning with lots of outside experiences. Field trips to the co-op gardening plot, gymnastics, the library and hiking outdoors are just a few of many experiences, which help our children grow and learn. Although I understand that these opportunities would be more difficult to fulfill in a larger center, with the administration and coordination of the establishment, similar experiences can be enjoyed by those attending the center.

I understand that there used to be a similar type of center at the University several years ago and it was shut down due to operating expenses and having to pay staff. However, with the students there utilizing the early childhood development program, couldn't they establish a student-teach program where the students could practice their skills in an actual learning environment? It would be a win-win situation for both students and the children attending the center - and save the State money at the same time.

I am very interested in assisting with the development and implementation of this bill. I have already sent out emails asking for the support of many State employees, university students and child care providers. If there is anything else I can do, please let me know.

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