

# Employer Options *for* Child Care

An Effective Strategy  
for Recruitment and Retention

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# Preface

## The Problem

Employee difficulties with child care can intrude into workplace effectiveness and undermine the competitive edge of any business. Child care problems increase tardiness, absenteeism, turnover rates, and recruiting and training costs. These, in turn, can adversely affect productivity, work quality and ultimately the profitability of businesses.

## How this handbook can help

Child care and other workplace-friendly policies have a significant fiscal impact on the bottom line of businesses of all sizes. Support of employees who are parents, through family-oriented work policies, significantly increases productivity, morale, and commitment, while reducing absenteeism, turnover, and tardiness. A commitment to supporting the child care needs of employees can improve their workplace effectiveness and serve as a recruitment tool to attract skilled workers.

*Employer Options for Child Care* will help you make an informed choice of a child care strategy that fits your business and is responsive to the needs of your employees. This handbook provides step-by-step information on the process of conducting employee needs assessments, choosing options that will be supportive of the needs of your workforce, and effectively implementing programs that will impact the overall productivity and profitability of your company.

## The handbook contains the following information

**Introduction** General information on the impact of workplace-friendly work policies, the changing workforce, and business challenges.

**Strategic Planning** Overview of the process of planning strategically for the implementation of workplace-friendly policies.

**Child Care Options** Twelve child care options are described with detailed, step-by-step information on the implementation of each step.

**Appendices** Copies of needs assessments, cost/benefit analyses, and local and state resources available to support your business in the implementation of family-friendly policies in your workplace.

This handbook is designed to help you make the choice of options that will best meet the needs of your employees, your business, and the long-term goals of the organization. You are encouraged to contact your local child care Resource and Referral Agency (see Appendix A) for more information and technical assistance as you work to support the needs of working parents in your organization. Local Kansas State University Research and Extension offices (see Appendix B) can also provide a variety of educational resources on children and parents.

# Introduction

## Making a Business Case

***Support of workplace-friendly policies is an investment that clearly affects the bottom line of all businesses.***

As an employer, one of your greatest challenges is to see your business benefit from the best your employees have to offer! Workers with more supportive workplaces and reasonable job demands experience less negative spillover from home, less job burnout, less stress, and more effective coping, which in turn promote better performance on the job (Families and Work Institute, 1998a). Employers are increasingly developing programs and policies to reduce the stresses of balancing work and family commitments. This effort is not a frill or a substitute for social services. It makes good business sense.

Support of workplace-friendly policies is an investment that clearly affects the bottom line of all businesses. Employee absenteeism, low morale, indifference and turnover carry significant costs to employers. In contrast, employee commitment, high morale, enthusiasm, and a personal investment in their work translate into significant benefits for employers and their customers. Workers who perceive that the organizational culture is supportive of their personal needs are less stressed, feel more successful in balancing work and family life, are more loyal to the company, are more committed to their employers, are more satisfied with their jobs, and are more likely to want to remain with their employers (Families and Work Institute, 1998b). *See sidebar, “The Effect of Child Care Problems on the Workplace.”*

Employee effectiveness can be strengthened through a business plan that is responsive to the child care needs of employees. Incorporating support for child care in your strategic plan can strengthen your business and make it more competitive and profitable.

### The Effect of Child Care Problems on the Workplace

In a survey of 5,000 employees in five companies, 57 percent of women and 33 percent of men with children under 6 years old reported that they spend unproductive time at work because of child care concerns. Seventy-seven percent of women and 73 percent of men with children under 18 dealt with family issues during work hours (Women’s Bureau).

In a survey conducted by the National Conference of State Legislators, 80 percent of employers reported that child care problems force employees to lose work time (Bond, Galinsky, & Swanbert, 1998).

Employed mothers of children under 6 miss an average of 8.5 days per year due to family related issues; employed fathers of children under 6 miss an average of 5 days (Families and Work Institute, 1998a).

Employed mothers are nearly four times as likely to take time off work to take care of child or family issues than their employed spouses (Bond, Galinsky, & Swanbert, 1998).

One-third of parents with children under the age of 6 have child care arrangements that fall apart within three months (Galinsky & Johnson, 1998).

Employed mothers with children under 13 miss an average of 6.43 days a year because of family-related issues, such as sick children; employed fathers with children under 13 miss an average of 3.85 days (Bond, Galinsky, & Swanbert, 1998).

Employed parents who experience fewer disruptions in their child care arrangements are more satisfied with their jobs in general, are less stressed and are better at coping (Galinsky & Johnson, 1998).

Child care costs often are so high that they create an impediment to work. Child care costs consume an average of 7.5 percent of the total family income; for low-income families, however, this costs rises to more than 25 percent of total income (U.S. Department of the Treasury, 1998).

Diverse research studies clearly indicate that reducing child care costs reduces the labor market barriers for parents who want or need to work; a 10 percent reduction in child care costs increases the probability that a married woman will work by 2 to 8 percent (U.S. Department of the Treasury, 1998).

## Support for Child Care as an Investment

Business support of child care programs is a clear bottom-line investment. *See sidebar, "Child Care as an Investment," page 7.* Immediate benefits are derived through significant increases in employee productivity, motivation and dedication and decreases in turnover and absenteeism. In addition to experiencing lower labor turnover rates and higher levels of labor productivity, firms that have instituted assistance with child care for their employees benefit from an enhanced ability to recruit employees and have a marketing tool for improved community relations (U.S. Department of the Treasury, 1998).

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## Parents in the Workforce

Sixty-seven percent of married males with children have employed partners, compared with 49 percent 20 years ago (Bond, Galinsky, & Swanbert, 1998).

In 1947, just over one-quarter of all mothers with children between the ages of 6 and 17 years of age were in the workforce; by 1996 their labor force participation had tripled (U.S. Department of the Treasury, 1998).

In 1990, 7.2 million mothers with 11.7 million children under 15 worked full- or part-time during nonstandard hours (Women's Bureau, 1995).

The majority (55 percent) of working women in the United States bring home half or more of their family's earnings (CDF, 1998b).

One out of three children of working mothers are poor, even though their mother works, or would be poor if their mother didn't work (CDF, 1998b).

Sixty-five percent of mothers of children under the age of 5 in Kansas are employed outside the home (CDF, 1998a).

Fifty-five percent of mothers return to work within their child's first 12 months of life (Annie E. Casey Foundation, 1998).

Women are expected to comprise more than 60 percent of new labor force entrants between 1994 and 2005. Labor force participation of women will grow at double the rate for men over that period, and six in ten women are expected to be in the labor force by 2005. Women of childbearing age (15-44) are an increasing share of the labor force; they now account for 3 in 10 workers, up from 2 in 10 in 1961 (U.S. Department of the Treasury, 1998).

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## **Family Stress Goes to Work**

Employees are experiencing additional stresses as a result of family changes that affect performance in the workplace. Dramatic increases in the divorce rate have increased the number of single parents with young children. Nearly 25 percent of employed parents are single, up from less than 10 percent in 1960 (U.S. Department of the Treasury, 1998).

The number of working mothers with young children has steadily increased. Their participation in the workforce is now a critical element in driving economic development. In general, though, this expanding role has added a new stress to families and the workplace. *See sidebar above, "Parents in the Workforce."*

Families today are also more mobile, as parents relocate to pursue educational and employment opportunities. This trend has placed an additional burden on parents who no longer live near extended family members, the traditional providers of informal support and assistance. Many families, especially those with single parents, experience financial stress that can affect workplace performance. One of the greatest worries parents in the workplace experience involves school-age children, who are often left to care for themselves before and after school. Each week, nearly five million children are home alone after school during the afternoon hours when juvenile crime peaks (CDF, 1998b). A survey of 8,121 workers in Oregon, conducted by Portland State University, found that mothers and fathers whose children cared for themselves were the workers most affected on the job by missed days, lateness, interruptions, and early departures. In fact, the highest absentee rate for all employees was for men whose children were in self-care (Emland & Koren, 1984).

Employees are under continued and increasing pressure to succeed in the workplace. Pressures at work have the potential to "spill over" into the home. The reciprocal may be true as well.

## **Conclusions**

Employees with supportive workplaces report higher levels of job satisfaction, more commitment to their company's success, greater loyalty, and a stronger intention to remain with their company (Bond, Galinsky, & Swanbert, 1998).

Providing support for the child care needs of employees makes good business sense. The type of support you provide depends on the size of your business and the nature of your workforce. There is no one-size-fits-all solution. Every business can make a careful assessment of its needs, as well as the availability and type of local resources that can be integrated into a plan.

## Child Care as an Investment

Of employers offering one or more flexible work arrangements, 46 percent perceived a positive return on their investment, while 36 percent perceived the programs as cost-neutral. Forty-two percent of employers who allow employees to take some paid time off to care for mildly ill children perceive these programs as a positive return on the investment, while an additional 42 percent perceive them as cost-neutral (Families and Work Institute, 1998b).

Through an analysis of the cost of parental leave following childbirth, AT&T found that the average cost of leave was 32 percent (39 percent for management and 28 percent for nonmanagement) of the annual salary. By comparison, the cost of turnover was 150 percent the annual salary for management and 75 percent for nonmanagement. Extending parental leave after childbirth was significantly more cost-effective than replacing the employee permanently (Galinsky & Johnson, 1998).

Aetna calculated the savings derived from parental leave policies to be approximately \$1 million per year. The company cut post-childbirth turnover by 50 percent by extending parental leave to six months, allowing a part-time return, and training supervisors to manage leaves (Galinsky & Johnson, 1998).

Lexis-Nexis reduced operating expenses by more than 45 percent through a telecommuting program and a flexible work environment. Savings came from higher productivity, fewer facilities, greater geographical hiring pools, and better use of technology (U.S. Department of the Treasury, 1998).

First Tennessee Bank reports reduced turnover costs of more than \$1 million annually from work/family programs, including flexible scheduling (U.S. Department of the Treasury, 1998).

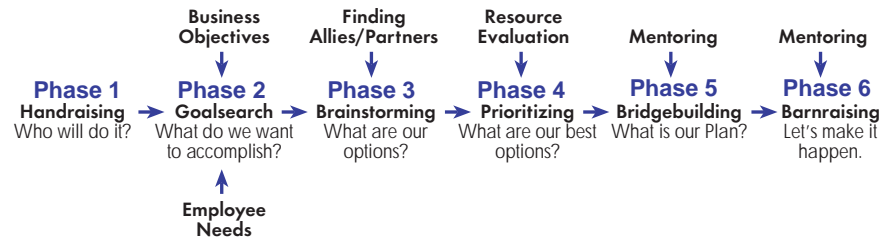
Johnson & Johnson reported savings of more than \$4 for every \$1 invested in its work/family programs, including child care resource and referral information (U.S. Department of the Treasury, 1998).

Lancaster laboratories has a turnover rate one-half the industry average, in part due to an on-site child care center (U.S. Department of the Treasury, 1998).



# Strategic Planning

The first step in implementing family-friendly business options is to initiate a phased strategic planning process:



These phases should not be confused with the “steps” listed later for each option. Phases are part of the overall, broad planning process. Steps are more narrow and specific, since they provide direction for achieving success with a specific option. Phases are strategic, while steps are methodological.

## Phase One: Handraising

Someone in the business has to assume responsibility for beginning the process and following through with the plan. Depending on the size of the business, this could be the business owner, personnel staff, a committee, or a task force. The larger the business, the more important it may be to include representatives from both management and labor. A committee approach in a larger business offers the opportunity to gain the input of individuals from different levels of the organization. The investment of key individuals throughout the business may be critical for ultimate success. In addition, a committee or task force distributes the workload more equitably.

The key is to find the talent necessary to propel the project forward into and through the next phase. New talent may emerge as the needs of the group change from phase to phase. Regardless of the structure, however, there has to be a clear commitment by upper management to support child care needs of employees.

## Phase Two: Goalsearch

Goals need to be clearly established. This involves a blend of two complimentary sources of goals: business objectives and parent/employee needs.

### Determining Business Objectives

Analyzing the nature of a business and its corporate goals should reveal how essential human capital and workforce issues are to the company’s bottom line (Oregon Child Care Resource and Referral Network, 1997).

First, what is the nature of the corporate culture and management style?

- Is employee participation a corporate priority?
- Do work teams focus on quality or other workplace issues?
- What is the overall labor/management climate?
- What work-life policies or benefits are currently offered?

Second, what are the characteristics of the company?

- How large is the company?
- Does it have more than one location and/or operate for more than one shift?

Third, what are the fiscal concerns?

- What is the company's overall financial condition?
- Can resources be invested in work-life programs?
- How do the company's recruitment and turnover costs compare to others in the industry?

After a careful review of these key aspects of a company, any one or more of the following business goals might be selected:

- Reduce tardiness and absenteeism
- Increase productivity and job performance
- Decrease turnover
- Attract and retain employees in a tight labor market
- Enhance corporate image

### **Determining Parent/Employee Needs**

An associated step involves obtaining information about employees. A survey could be created to obtain accurate information from employees about their child care needs. Appendix E in this handbook, "Employee Child Care Needs Survey," might be suitable. All employees could be surveyed, or a random sample could be taken. Surveys could be conducted by an outside consultant or in collaboration with a union or community agency. Data from surveys could be used as benchmarks to evaluate the effectiveness of a program at some point in the future.

In addition to surveys, employees could participate in discussion groups. These employees could be asked questions such as: What is the proper role of the company in responding to the work/family needs of employees? What are the most important needs? What solutions would you suggest? What are the pros and cons of these suggestions?

Employee needs can also be anticipated by reviewing data provided at the state and national levels. Government sources such as the Bureau of the Census, the Bureau of Labor Statistics, the Women's Bureau/Department of Labor, and the Department of Health and Human Services are a rich source of data on working parents. The Introduction in this handbook provides an up-to-date summary of the reciprocal impact of employment and parenting.

Goalsearching is an important step, because effective and cost-efficient plans depend on having accurate information about those who might participate and reasonable goals based on an accurate profile of parents in a business. The more information you obtain about employees, the greater the opportunity to be successful. The final goals of the program should reflect both management and employee input, formulated after a thorough review of the organizational culture, policies, and employee needs.

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## Phase Three: Brainstorming

Brainstorming provides a list of the potential options to achieve the goals identified by the Goalsearch. This publication describes twelve options, in some detail, for you to consider. You can select from these options a list that would work for your business. You may want to add other options that would help reach your goals.

In Phase Two: Goalsearch, the focus was primarily internal. Information was collected through surveys or other means to assess employee needs. In Brainstorming, the planning process expands considerably. Instead of focusing on one option prematurely, the emphasis in this phase is on identifying all the potential options that might be effective to support employees.

***Brainstorming provides a list of the potential options to achieve the goals identified by the Goalsearch. This publication describes twelve options, in some detail, for you to consider.***

As options are considered and as new potential partners from within and outside the business are identified, the planning group could recommend one of three general models for proceeding (Women's Bureau, 1995):

**The Single Employer Model.** A single business crafts a program that meets its needs. This approach provides maximum control over the program but could carry high resource costs and decrease the number of available options.

**An Employer Consortium Model.** This approach is based on two or more employers pooling resources and crafting joint projects that meet common needs. Resources are maximized at the expense of control. Collaboration is a crucial component of successful consortiums. Personnel who can work together also have to be in place.

**A Community Partnership Model.** This approach involves bringing together the total resources in a community, including state and federal resources, local government and social services working in collaboration with businesses that elect to participate. Assembling key players in this effort may involve considerable time commitments and will require strong, visionary local leadership.

More than one-half of companies surveyed by the Families and Work Institute are involved in child care partnerships with state or local governments, and 16 percent offer financial support for child care in their communities through a fund or corporate contributions (Families and Work Institute 1998b).

## Phase Four: Prioritizing

Once potential partners and the pool of alternative options have been identified, the difficult task of prioritizing can take place. Criteria based on the goals identified in the Goalsearch should be identified. "How effective will this option be to communicate a family-friendly corporate image to the public, while helping us retain employees and reduce turnover" is an example of a criterion statement for use in evaluating options.

Criteria that are "pass-fail" are considered critical. Any option that does not meet a critical criteria is set aside. For example, some options would be set aside from the list if the resources required to implement

them are not currently available. Other options may have to be set aside if the expertise is not available to implement them properly. Options that are set aside can be held in readiness in the event necessary resources emerge during later phases. For example, a near-site or on-site center may be the best option for a number of reasons but be eliminated because up-front capital investments are not available. An employer might learn in the bridge-building phase that a vendor could help with those capital costs, but might never know it if they had eliminated the option too soon.

Some criteria can be scaled to provide a rating system used for each remaining option. These criteria are noncritical. Noncritical criteria can be scored. Instead of “pass-fail” the issue is “how much.” Each option, for example, could be rated for the degree of enthusiasm employees might have for participating in the option. Data regarding employee attitudes toward various potential options could be obtained by means of a survey similar to the one included in the appendix to this handbook.

When this review of options is completed, the planning group can decide on the number of options to be implemented. Then this list can be sequenced. What should be done first? What should be done next? Some options may be introduced in parallel to others. Sequence is important, because a successful implementation of one option could provide the necessary foundations for one that follows.

## Phase Five: Bridgebuilding

Bridgebuilding involves converting the final list of options into a specific business plan based on the steps for each option to be implemented. This step list converts the option into a manageable series of tasks and accomplishments similar to what would be included in a PERT (Program Effectiveness and Review Technique) chart for a project. Each option could actually be viewed as a component project.

Financial support for a child care program may come from the employer, the union, grants/tax incentives, or a combination of the three. Community resources can also be identified and integrated into the business plan. For example, a vacant elementary school building might be rented cheaply from the school district, or the local extension office may be able to provide low-cost parent education services.

Successful work-life programs have eight common elements (Oregon Child Care Resource and Referral Network, 1997):

- Clear statements by top executives of the organization’s commitment to the change. Share with the employees the information and analysis that led the company to establish the initiative, along with the message that the company stands firmly behind the change.
- Continued dialogue among managers. Discussion among managers is essential to ensure uniform application of policies to develop consensus on issues such as the circumstances under which flexible work hours will be allowed.
- Continued dialogue with a cross-section of the workforce. Formulating and implementing any policy depends on engaging all those who will direct or be affected by the program. A free and open exchange of opinions, observations, and experiences will contribute to effective decision management.

*Once potential partners and the pool of alternative options have been identified, the difficult task of prioritizing can take place.*

***Bridgebuilding involves converting the final list of options into a specific business plan based on the steps for each option to be implemented.***

- Establishment of written policies. New policies and program initiatives should be put into writing to ensure equity across the complete range of the business. This reduces ambiguity and misunderstanding.
- Communication of new policies. Management should explain new policies and benefits to all employees, including their rationale and guidelines for participation.
- Management training in the use of new policies. Training programs should include information about the importance of work-life policies and the analysis that led the business to adopt them. Some companies also include responsiveness to work and family issues as part of their manager's performance review.
- A plan to evaluate the implementation of the new policies or programs. A feedback system should be developed to monitor the plan's implementation and quickly correct any problems that might develop. Manager input will be critical to this process.
- Management participation. In the most successful work-life programs, management demonstrates its commitment to a balanced work-life culture by setting an example. How they resolve their own work-life challenges will be watched closely by employees at all levels. Regardless of what the written policy might be, the actions of top management speak with greater influence than the content of a brochure.

## **Phase Six: Barnraising**

The purpose of a plan established in Bridgebuilding is to prepare adequately for the business to engage in an effective implementation of the child care option. Time benchmarks should be established for each step in the plan and specific responsibilities assigned to planning group members. A framework for management and review of progress should be put in place. *See the Models identified on page 10.* A consultant may be hired to compliment the work of the planning group. In addition, recognition should be clearly provided for all those who contributed to the effort.

# Options for Supporting Employee Child Care Needs

The needs of your employees and your company's resources will determine the option(s) that are most appropriate for your company. The *Employee Child Care Needs Assessment* (Appendix E) and the *Cost/Benefit Analysis* (Appendix D) are tools to assist you in determining the option that best suits both of these considerations.

Twelve options are outlined in detail in this section. Each option contains a Definition, Objectives, Benefits/Considerations, Examples, and Steps for Implementation. The options are arranged from least to most directly supportive of employee child care needs. Studies have shown that the more directly supportive a program is of the child care needs of employees, the greater the impact it has on the morale, productivity, and commitment of the workforce.

# Option 1: Parent Seminars

## Definition

**Programs designed to provide information and resources to parents or to assess the family support and child care needs of working parents in the company.**

Parent seminars typically take the following forms:

- *Single-topic workshops* on a wide variety of topics related to parenting, child development, or balancing work/family issues.
- *Information fairs* with representatives and/or information from local organizations to inform working parents about resources in the community.
- *Regularly scheduled workshop sessions* that explore a topic or a series of topics in depth.
- *Informal group meetings* in which parents can voice concerns, share information, or provide support.

The seminar format, and type and amount of information offered through this option, will vary with the needs of parents.

## Objectives

- To provide basic information about parenting, child care, or community resources designed to support parents and young children.
- To assess the needs of working parents in the company, in preparation for the development of another child care service.
- To supplement another kind of child care service, such as reimbursement or information and referral, by offering the information parents need in a more structured way.

## Benefits/Considerations

### Benefits

- Relatively inexpensive, requiring only a small amount of staff time, a group leader, space (conference room), and time off for employees.
- Can be adapted to reflect parent and company concerns.
- Can supplement other company programs, such as employee assistance or employee relations efforts.
- Can provide a visible indication that the company is sensitive to employee needs.
- Can foster collective problem-solving and generate a variety of responses and solutions to stressful situations.
- Can be used as an interim step for companies considering other child care services.
- Can reduce employee stress and improve performance and morale.

### Considerations

- Not a direct child care service.
- Participation may not be widespread.

*Virtually all parents can benefit from information that helps them understand their children's physical, intellectual, and emotional growth, particularly in the early years when development proceeds at such a dizzying pace. (Families and Work Institute, 1998a)*

## Examples

- A bank offers a series of “Learn at Lunch” parent seminars for its employees on such topics as: How to Work and Parent Successfully, How to Select Child Care, How to Monitor Your Child’s Care, and Time-Management for Working Parents.
- An aircraft manufacturer gives parent/employees 90 minutes off once a month to attend optional seminars held in the cafeteria on balancing work/family commitments.
- A group of employers in a downtown area sponsors an employee information fair on local resources and programs for children and families.

## Steps in developing a parent seminar

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This survey can be copied and distributed among employees as it is written, or can be changed to reflect the needs and interests of a business.

### 2. Consider establishing a management-employee committee to plan the program or service.

A joint management-employee committee may be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Design the program.

Initial considerations that go into designing educational programs/seminars are:

- Type of format (seminar, fair, workshop).
- Kind of presentation (lecture, written, discussion).
- Scheduling the sessions (consider work schedules and desires of employees).
- Size of the group (depends on format).
- Whether to provide handouts and how they will be prepared (reprints of articles, lists of resources, outlines).
- The breadth of topics (may evolve from parent input).
- How to conduct follow-up (individual contact or a form for participants to complete).

### 4. Decide who will present the program.

Employers may wish to contact their local Resource and Referral Agency (see Appendix A), Kansas State Research and Extension office (see Appendix B), local colleges, advocate groups for children and teens, or other employers for recommendations. Employers should interview potential program presenters, check their credentials, discuss the company’s goals (particularly as they relate to this program option), and collaborate to ensure the presentations work toward the company’s goals.



### **5. Review a written outline of the sessions with the presenter.**

An introductory overview session open to everyone is a good way to begin the educational programs. Organization of subsequent workshops should be in accord with outlined goals.

### **6. Review the printed material.**

The employer and presenter should jointly review all handouts to ensure they reinforce the company's goals and do not raise expectations for a service the company does not plan to offer.

### **7. Publicize the seminar/workshop well in advance.**

Publicity should begin at least one month in advance, using regular in-house methods, such as e-mail, bulletin boards, newsletters, and interoffice memos. Consider changing publicity methods if employees do not learn about the seminar/workshops, or at least not in sufficient time to arrange to be away from the work station. A few days before the event, phone calls can be made or memos sent as reminders.

### **8. Conduct an evaluation.**

Immediately following the session, participants should be asked to complete evaluation forms that survey their reactions to the seminar, ask for ideas for future sessions, and solicit general comments. Management may request a report on the results of the survey and on the broad issues discussed.

### **9. Make long-term plans.**

Issues raised during discussions at seminars and workshops can supplement information gained through a written survey. A long-term plan can be developed to address the needs parents raise in both forums; the schedule, format, and regularity of the seminars would be dependent on employee desires and organizational resources. Your local Resource and Referral Agency can assist in developing a long-term schedule of parent seminars.

### **10. Consider the financial costs involved.**

Parent seminars are a relatively inexpensive option for employers. They can be planned as a package to cover a broad range of topics, or each session can be based on discussions from a prior session. The needs assessment also will provide information on the topics employees would like to have addressed.

Presenter fees will vary depending on the number of programs to be presented and the format for each. The level and type of expertise required for the topic will also influence cost. Other expenses include preparation of handout materials – whether provided by the presenter, the guest expert, or the company. Time off for employees to attend the sessions will also contribute to the overall cost.

## **Technical assistance needed**

Programs are sometimes managed using in-house staff from personnel, human resources, or employee assistance departments. The programs also can be developed or managed under contract with outside experts or a consultant, Resource and Referral Agency, child care agency, human services agency, or college or other educational institution.

# Option 2: Resource and Referral Services

## Description:

Resource and Referral Agencies assist parents in locating and selecting child care during all work shifts and work to improve the quality and supply of child care through a number of different strategies. *See organizational overview of KACCRRA, page 19.* Employers can contract with the agencies to provide specific services for employees to assist in locating child care.

The Kansas Association of Child Care Resource and Referral Agencies (KACCRRA) is a statewide network that provide services in all 105 counties in the state. *See Appendix A.* The agencies provide referrals to all programs licensed by the Kansas Department of Health and Environment. These programs include: family child care (home-based) providers, child care centers, part-day preschools, Head Start programs, church-based child care programs, and after-school programs.

## Objectives

- To assist employees with the process of finding child care.
- To provide parents with information on high quality care.
- To enhance the quality and availability of child care in the area by collaborating with the local Resource and Referral Agency.

## Benefits/Considerations

### Benefits

- Personalized parent counseling and child care referral is provided.
- Costs to the company can be relatively low or, in the case of simply providing employees with information about Resource and Referral Agencies in their area, negligible.
- The company does not have to be directly involved in the selection or provision of child care.
- Support services are offered to child care providers.
- Resource and Referral Agencies provide referrals to a wide range of child care settings, thus ensuring greater parental choice.
- Increased access to child care reduces stress and enhances morale among workers who are parents.
- Companies could use a Resource and Referral Agency as an interim step while they decide what other coverage to provide for their employees.

### Considerations

- Resource and referral services do not make child care more affordable and are not a guarantee of quality.
- Problems may remain in areas where there is a shortage of child care facilities.

*WFD (formerly  
Work-Family  
Directions)  
calculates that  
Child Care  
Resource and  
Referral saves 15  
to 17 hours of  
time for employ-  
ees using the  
service.  
(Galinsky, E. &  
Johnson A.A.,  
1998)*

## Examples

- A business contracts with the local Resource and Referral Agency to have a representative available at the work site one day a month to provide referrals to employees.
- An employer distributes information on the local Resource and Referral Agency to employees.
- A business purchases Resource and Referral services for employees as a part of an employee benefits package; all employees receive enhanced referrals free of charge.
- A business donates money/awards grants to the local Resource and Referral Agency as a way of improving the quality and availability of the child care offered in their area.

## Steps in using a resource and referral service

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or can be changed to reflect the needs and interests of a business.

### 2. Decide the level of involvement with the Resource and Referral Agency.

The company needs to decide the degree of Resource and Referral services they would like to use. Employers can contract with a Resource and Referral Agency to provide information to employees, allowing the employees make the contacts and pay any fees, or provide services directly to employees. The degree of these services can vary, based on the needs of the employees.

### 3. Negotiate services and fees.

If the company decides to limit its involvement to providing information, the next step is to contact the local Resource and Referral Agency and ask them to provide materials on the services they offer. A map of the statewide agency network appears in Appendix A.

If the company decides to contract with a Resource and Referral Agency, contact the local agency to learn about the services offered and negotiate a contract.

## Technical assistance needed

Your local Resource and Referral Agency can provide a range of services that will be individually tailored to meet the needs of your organization.

## KACCRRRA Organizational Overview Organizational Policies

### Core Services

- Facilitate the growth and supply of child care programs as needed.
- Work with the community to develop awareness about the need for expanded service development.
- Collaborate with the child care service community (i.e. local health department, Social and Rehabilitation Services office, Head Start, Extension, Inter-Agency Coordinating Council, United Way, etc.)
- Participate in or initiate local planning and coordination to bring these community agencies closer together.
- Maintain a calendar of local training, technical assistance, and resources.
- Conduct an annual assessment of training needs.
- Commitment to parent choice.
- Address the needs of all families, regardless of income, ethnic background, or special needs of parents or children.
- Work cooperatively and without bias with providers from all sectors of the field.

### Parent Services

- Assist parents in the process of locating child care through telephone counselors. Referrals are provided to available child care programs suited to the family's individual needs and preferences.
- Promote consumer education and parental choice in child care.
- Evaluate the effectiveness of referrals through follow-up calls.
- Document trends in child care, specifically any gaps between supply and demand.
- Offer parent seminars.

### Technical Assistance

- Aid prospective programs with start-up and assist established programs with ongoing issues, to include regulations, zoning, training, and resources.

### Training to Child Care Providers

- Offer training and technical assistance to child care providers on variety of topics; training available upon request.
- Sponsor local conferences.

### Employer Services

- Work with employers to help respond to work/family issues.
- Assist employers in conducting child care needs assessments.
- Recruit providers for care during nontraditional work hours.
- Provide technical assistance on child care options for employers.
- Contract to provide enhanced referrals for employees.

*Johnson and Johnson reports savings of \$4 for every \$1 invested in its work/family programs, including child care resource and referral information. (U.S. Department of the Treasury, 1998)*

# Option 3: Alternative Work Schedules

## Definition

*Only 18 percent of the companies*

Employees adjust their arrival and departure times to meet their individual needs instead of working a traditional 8 a.m. to 5 p.m. day or a five-day week.

*offering one or*

*more flexible*

*work arrange-*

*ments perceive*

*the costs of those*

*investments as*

*outweighing*

*benefits, 36*

*percent perceive*

*the programs as*

*cost-neutral and*

*46 percent*

*perceive a posi-*

*tive return on*

*the investment.*

*(Families and*

*Work Institute,*

*1998b)*

## Objectives

- Provide working parents with the flexibility to balance work and family commitments.
- Allow parents to adjust their work schedules to meet the individual needs of their families.
- Flexible arrival/departure times help parents correspond their work schedule with their child care services or local school schedule.

## Benefits/Considerations

### Benefits

- Morale is improved and the stress on parents is reduced.
- Productivity is heightened.
- Absenteeism is lowered.
- Tardiness is lowered.
- Commuting time can be reduced.
- Overtime costs are reduced.
- Recruitment is enhanced, particularly for those employees who might not be available for a traditional work schedule.
- Business hours can be extended through the flex-time and compressed workweek options.
- Flexible schedules allow for more economical use of office space and equipment.
- With job sharing, both employees can be scheduled during peak business hours to increase efficiency.

### Considerations

- Supervisors and employees may not work the same hours, requiring greater planning and control of work flow.
- Administrative problems may arise with timekeeping or with the way benefits are assigned, prorated, or split.
- Administrative costs may be high when an option is first implemented, depending on existing systems and how quickly they can be adjusted.
- Workplace coverage may be a problem with some options.

## Examples

- *Flex-time*: The employee is required to be at the workplace during specified hours or the “core” hours; all other hours are flexibly scheduled to work a prescribed number of hours per pay period.
- *Compressed Work Week*: Employees work longer hours each day but fewer days a week; the equivalent of a full week is worked in less than 5 days or, for employees on biweekly pay schedules, the equivalent of two weeks is worked in less than 10 full work days.
- *Telecommuting*: Employees work out of their homes or at a satellite work site instead of in the office; they are usually connected to the office by computer and/or telephone.
- *Flexible Leave Policies*: Accrued sick and annual leave are combined for employees to use as they choose. Policies may also include paid or unpaid “personal leave” time.
- *Parental Leave*: Sometimes called “family leave,” is a flexible policy that provides time off for mothers or fathers after the birth of a baby, an adoption or a foster care placement.
- *Job Sharing*: Two (or more) workers share the duties of one full-time job, each working part-time; or, two or more workers who have unrelated part-time assignments share the same budget line.
- *Part-time employment*: Can refer to portions of days, weeks, months, or years worked by temporary or permanent workers.
- *Voluntary reduced work time*: Employees reduce their work time and salary by a specified amount (usually 5-50 percent) for a specific period (6-12 months) or permanently, while retaining benefits and seniority on a prorated basis.
- *Phased retirement*: Employees gradually make a transition from full-time work to retirement with an interim period of part-time work, during which the employee may train the replacement worker.

Flex-time is the most commonly known of the alternative work schedule options. The federal government began flex-time on an experimental basis in 1979; Congress permanently authorized the program in 1985. The private sector also has increasingly adopted the use of flex-time, not just to help employees balance their work and family lives, but for sound business reasons as well – such as better use of equipment and buildings; decreased traffic congestion; and improved attendance, punctuality, and productivity among employees.

Part-time employment has been used for a number of years by both the public and private sectors. Some of the other options for alternative work schedules discussed above are much newer but, where reports have been prepared, they have proven to be successful.

## Steps in developing alternative work schedules

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or it can be changed to reflect the needs and interests of a business.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint management-employee committee might be useful in developing the program to be offered. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Decide which alternative work schedule option will be implemented.

A decision should be based on results of the needs assessment and input of the management employee committee. Company goals should also be reflected in the decision. Small companies may find that offering part-time employment is more cost-efficient and beneficial to them, as well as more responsive to their employees' needs. Larger companies may find flex-time, telecommuting or a combination of options to be better suited to both company and workforce needs.

### 4. Advertise the selected alternative work schedule.

Employees should be made aware of the alternative work schedule option being considered and how it will address their specific needs. Managers and supervisors should also be made aware of the option and how it will affect personnel decisions in their respective units. Publicity can be achieved through e-mail messages, seminars, meetings, flyers, bulletin board notices, and articles in the company's newsletter. Follow-up should ensure that all employees have been advised of the option available and understand how to make use of it. This can be achieved through supervisor/staff meetings, calls directly to employees or follow-up surveys.

### 5. Implement necessary policy and administrative changes.

Employers should ensure that appropriate policy changes are made and disseminated throughout the organization. Changes to administrative systems should be carefully monitored to ensure both a smooth transition and that employees are not penalized by the impending change. For example, when an employer is switching from traditional sick and annual leave systems to a flexible leave approach, careful monitoring is necessary to ensure that employees' accrual rates are accurately recorded and equivalent to what they were earning prior to the implementation of the option. Training should be provided to those employees who manage the administrative systems to ensure that they are comfortable with implementing and explaining the changes to other employees.

Part-time employment may force workers to sacrifice benefits and advancement opportunities in exchange for the reduced hours, thus making it a less attractive option for many parents who wish to continue their careers. This can be avoided by establishing part-time positions with prorated benefits and an adjusted ladder for advancement.

#### **6. Design and establish a reporting mechanism.**

A reporting mechanism should be designed to allow for accurate tracking of hours worked, benefits due, and other administrative provisions that may have been altered by the institution of an alternative work schedule. Costs can be tracked to determine cost effectiveness to the employer.

### **Technical assistance needed**

A company's benefits manager should be involved in setting up any alternative work schedule option. Companies considering options that affect a worker's benefits should consult legal counsel to ensure that there is no negative effect on the employee.

To gain insight into the pros and cons of a specific option, an employer may wish to talk with other employers, either in the same area or in the same industry, who have already implemented alternative work schedules.



# Option 4: Parental Leave Policies

## Definition

*The high cost of employee recruitment and training has a significant impact on a company's bottom line. The costs of replacing an employee on parental leave are estimated to be three to four times the costs of holding the job open for the employee's return. (Friedman, Galinsky, & Plowden, 1993).*

**Policies for parents that allow them to take time off work for family concerns without jeopardizing their jobs.**

In 1993, Congress passed the Family and Medical Leave Act (FMLA), which extended the right to unpaid leave to all workers and expanded the reasons for which such leave might be taken. It entitles eligible employees of either sex to take up to 12 weeks unpaid job-protected leave each year for specified family and medical reasons, including birth of a child, placement of an adopted or foster child in the home, or the serious illness of a family member. The law applies to all public agencies and to private sector employers who employ 50 or more people for at least 20 work weeks during the year.

Under the Pregnancy Discrimination Act (1978), the same procedures used in determining the ability of their employees to work should be used to determine the ability of an employee temporarily disabled by pregnancy to work (for example, a doctor's statement). In general, mothers need from six to eight weeks to recover from childbirth.

**Parental leave policies fall into two basic categories:**

- **Extended leave for either sex parent for predetermined family reasons**, such as the birth of a child, an adoption, or the placement of a foster child in the home. The leave can be paid, unpaid, or a combination of both.
- **Short-term leave that enables parents to periodically take time off to attend to the needs of their children.** For example, parents may need to take a child to a medical appointment, stay home with a sick child, attend parent-teacher conferences, or attend a child's school performance.

## Objectives

- Parental leave policies allow workers to balance the needs of work and family without having to choose between the two.
- Maternity leave time enables the mother to recuperate from childbirth.
- Post-childbirth leave provides parents with the time to adjust to caring for the newborn child and to make suitable child care arrangements for the infant before returning to work.
- Allowing parents to take short periods of time off work to attend to family needs greatly reduces parental stress, increases commitment to the company, and increases productivity.

## Benefits/Considerations

### Benefits

- Employees have time to adjust to their role as parents, the stress of becoming new parents is reduced, and time is available to find child care.
- Parental leave can be an effective recruitment tool, particularly for employers with large female work forces.
- Turnover is reduced, and the employer's training investment is preserved.
- Employees can take time to attend to family emergencies without fear of losing their jobs.

### Considerations

- Smaller companies may find it costly to hold the job open for a period of time; other employees may be burdened with handling the leave taker's work.
- Providing paid benefits to employees on parental leave may raise an employer's costs.

## Examples

### Maternity/Paternity Leave Policies

- Leave with pay for the entire 12-week period.
- Leave without pay for the 12-week period.
- Leave for the 12-week period with a partial salary reimbursement.
- A combination of leave with pay, leave without pay, or a partial salary reimbursement for the 12-week period.
- Part-time scheduling to facilitate a mother's or father's return to work after the leave period.
- Disability leave with full or partial salary reimbursement.
- For those companies not bound by the Family and Medical Leave Act, a shorter period of parental leave (with or without pay).

### Flexible Leave Policies

- For short periods of time away from work to attend to family needs, employers let employees work overtime, usually within the same pay period, to compensate for the lost work hours.
- Leave policies are arranged so employees can take leave by the hour rather than by the day.
- Employee sick leave can be used to care for sick children or other family members.
- Rather than separating sick and personal leave time, flexible leave policies are developed that allow parents to take accrued leave for whatever reason the employee chooses.

## Steps in developing parental leave policies

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment

*Only 17 percent*

*of companies*

*think that the*

*costs of leave*

*programs exceed*

*the benefits,*

*while 42 percent*

*think leave*

*programs are cost*

*neutral and*

*another 42*

*percent perceive*

*a positive return*

*on investments*

*in these programs.*

*(Families and*

*Work Institute,*

*1998b)*

with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or it can be changed to reflect the needs and interests of a business.

## **2. Consider establishing a management-employee committee to help plan the program or service.**

A joint management-employee committee can be useful in developing the program/service. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

## **3. Explore the best maternity and paternity leave alternatives.**

a. Explore maternity leave options in relation to requirements of the 1978 Pregnancy Discrimination Act and the Family and Medical Leave Act. A decision to institute this option should be based on results of the needs assessment and the input of the management-employee committee, if established. Company goals should be a factor in determining the most appropriate maternity leave benefit.

b. Explore the best parental leave alternatives for new fathers, new adoptive or foster parents, and parents with seriously ill children, as stipulated in the Family and Medical Leave Act of 1993.

Using the results of the needs assessment and the input of the management-employee committee, decide whether and how to institute this option. Company goals should be a factor in determining the most appropriate parental leave benefit.

## **4. Establish guidelines for participation in the parental leave program. Some examples of participation requirements instituted by employers are:**

- Length of service as a determinant of the amount of time available for such leave.
- A physician's opinion as an additional determinant of the length of time for the maternity leave.
- Paid leave for the hours accrued by the employee under the company's sick and personal leave policies and unpaid leave for any additional time.

## **5. Publicize the new policy.**

Parental leave policies should be widely shared with all employees through e-mail, flyers, bulletin board notices, articles in the company newsletter, amendments to administrative handbooks, staff meetings, or any other communication method the company uses.

## **Technical assistance needed**

The company's human resources specialist or department can help conduct a needs assessment and determine the most appropriate parental leave benefit. A legal advisor can help set up and interpret leave policies. The Kansas State Department of Labor should be consulted about any state requirements that must be met by your individual business.

# Option 5: Dependent Care Assistance Plan

## Definition

**Dependent Care Assistance Plans (DCAPs) for child care take three primary forms:**

- A voluntary salary reduction plan in which the employer and employee agree to reduce the employee's income by a certain amount, up to \$5,000 per year of pre-tax earnings, which is placed in a flexible spending account to pay for eligible child care expenses.
- Employers place money into individual accounts for employees to offset the costs of child care. This is in addition to an employee's current salary and benefits.
- A combination of both.

The child care services allowed under a dependent care assistance program include care at the parent's home, at another person's home, or at a child care center for children under 15 years of age. If the child care program is in another person's home or in a child care center, it must be either licensed by the Kansas Department of Health and Environment or exempt from license.

## Objectives

- Set money aside in an account to assist in covering the costs of child care expenses.
- Reduce the tax liability for both the employer and employee.

Employers are not required to pay Social Security or unemployment taxes on the monies placed in the account, and the employee is not required to pay federal or Social Security taxes on the salary put in the account. DCAPs are viewed by the Internal Revenue Service as a benefit and therefore are not included in the employee's taxable income, as long as the employer qualifies as a Dependant Care Assistance Program as described in Section 129 of the Internal Revenue Code.

## Benefits/Considerations

### Benefits:

- Allows employer to budget expenses.
- Ensures that funds are available to meet employees' child care expenses.
- Is a good public relations tool and improves employee relations.
- Provides a potential tax advantage for employer and employee.

### Considerations

- The "use it or lose it" policy could adversely affect employee morale.

*According to the 1997 National Study of the Changing Workforce, 12 percent of working parents with young children receive direct financial assistance with child care fees from employers: vouchers, cash, or scholarships. Thirty percent have access to Dependent Care Assistance Plans: employees deposit part of their pretax wages into an account that can be used to reimburse child care costs. (Families and Work Institute, 1998a)*

## Examples

- Both an employer and an employee make monthly deposits of pre-tax earnings into a DCAP established to offset the employee's cost of child care. The employee chooses child care at a local family child care provider or a child care center and uses the money in the DCAP to pay the child care costs.
- An employer offers a Dependent Care Assistance Program from employees' pre-tax earnings and subsidizes the cost of care for employees below a specific income level through vouchers. *Also see Option 6.*

## Steps in Developing Dependent Care Assistance Plan

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or changed to reflect the needs and interests of a business.

Employee benefits from the implementation of DCAP accounts depend on individuals' child care costs and specific tax situations. Implementation of DCAP should take place only after ensuring employees will derive more benefits from it than the child care tax credit. An evaluation of the gross income of interested employees should take place; families with relatively low dependent care expenses and incomes under \$22,000 usually do not benefit from this program. If part of the work population are minimum-wage or low-income employees who would not benefit from a salary reduction agreement, the employer might provide a subsidy to assist these parents with their child care expenses, as well as provide a DCAP, through a salary reduction agreement, for higher income employees.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint employee-management committee may be useful in developing the program/service. It can foster a sense of ownership of the program among employees and provide a forum for employees to give input into the design features of the program/service.

### 3. Ensure the salary reduction plan meets legal requirements.

Before a Salary Reduction Plan/DCAP is established, certain legal requirements must be met in order for the plan to conform to IRS guidelines. The employer must meet the IRS requirements for a Dependent Care Assistance Program and a Flexible Benefits Program as described in Section 129 of the Internal Revenue Code. Employers should confer with their legal counsel or tax consultant to ensure these requirements are met.

At the beginning of the plan year, the employee and employer must agree on the specified amount to be placed in the DCAP account each month to be used for eligible child care expenses. Employees can not

change or revoke election unless there is a change in the family status. Conservative estimates of child care costs should be used; unused portions of the money set aside in the DCAP account will be forfeited. Child care costs that are not covered by the DCAP account can be reported for the child care tax credit.

Although nondiscrimination guidelines require that the plan cannot discriminate in favor of highly paid employees, the plan can favor low-income employees and provide extra subsidies for those parents who have the hardest time covering their child care costs. The employer also can provide funds to cover any eligible services the parent might choose.

Employers can exclude employees covered by a collective bargaining agreement as long as child care benefits were negotiated in good faith by the employer with the union.

Employer programs that do not involve actual care for the child, such as parent seminars or information and referral services, would not qualify as dependent care assistance programs.

#### **4. Decide how the company will finance the benefit.**

The following are examples of options employers have for financing the DCAP allowance:

- By underwriting the cost of the program as an add-on above and beyond an employee's present salary and benefits.
- Through the salary deduction plan discussed above.
- Through a combination of both.

A corporation's legal, tax, and benefits personnel are invaluable resources to utilize in deciding what alternative is best for the company.

#### **5. Decide how the company will reimburse benefits.**

Under the DCAP, the company has three options to choose from in establishing a reimbursement system. They are:

- To provide the child care.
- To contract with a third party or parties for child care service for employees.
- To reimburse employees for child care expenses based on the submission of receipts or canceled checks. The expertise of legal, tax, and benefits consultants will prove useful in determining the most appropriate option of reimbursement.

#### **6. Communication to employees.**

A thorough education program on the benefit is often necessary; low enrollment in the benefit can result from the complicated nature of tax savings, but this can be offset if the program is explained clearly and comprehensively.

The law requires that an employer provide employees with reasonable notice of the program's terms and eligibility. The notice must include a description of the child care tax credit available to them and a statement of circumstances under which the tax credit is more advantageous to the employee than exclusion from taxes under the DCAP.

The DCAP must also, by law, meet one of two nondiscrimination tests, effective January 1, 1989.

- The average benefit provided to employees who are not highly compensated is at least 55 percent of the average benefits provided highly compensated employees. If the DCAP is a salary reduction agreement, employees whose wages are below \$25,000 will be disregarded for this test.

OR

- The percentage required is 75 percent, rather than 55 percent, but three additional eligibility requirements are added.

The expertise and advise of the company's legal counsel, tax consultant, and benefits personnel should be sought to ensure that any DCAP meets the nondiscrimination requirements.

Employers should ensure that all employees are informed of this program, using various public information sharing tactics including seminars and meetings, flyers, notices on bulletin boards, articles in the company's newsletters, etc. Human resources and/or personnel staff should be trained so that they will be fully capable of explaining the program to employees and can answer any questions that may arise.

### **7. Design and establish a reporting mechanism.**

Employers are required by law to report to both the employee and the Internal Revenue Service on the financial aspects of a DCAP. Therefore, a reporting mechanism should be designed that allows an employer to do so quickly and accurately. Reporting requirements may be obtained through the IRS.

### **8. Develop an evaluation mechanism.**

Once the program is in place, a mechanism should be developed so that the employer can evaluate the adequacy and usefulness of the program. The evaluation should include a monthly review of the budget versus costs reports, usage figures, quality control standards and measures, and an annual program review.

## **Technical assistance needed**

Legal, tax, and benefits consultants should be involved in the establishment of your company's DCAP.

# Option 6: Voucher or Reimbursement System

## Definition

**Voucher:** Employers contract with family child care providers or child care centers in the community for services for their employees. Parents are given vouchers for all or a part of the cost of child care; the child programs redeem the vouchers for payment through the employer.

**Reimbursement:** Employees choose the child care arrangement best suited to their needs (child care center, family child care home, after-school program) and then receive a reimbursement from the company for some portion of the costs.

## Objectives

- Vouchers or reimbursements give employees considerable latitude in providing a good fit between their child care needs and the available child care services.
- Employees have individualized choice in selecting a child care agency that meets personal criteria for location, hours of operation, and quality of child care.
- The voucher or reimbursement option offers less direct involvement in the business of child care.

In this system, the care of children is placed in the hands of child care professionals and is essentially a bookkeeping function for the employer.

## Benefits/Considerations

### Benefits

- Low start-up cost.
- Can serve a wide age group of children.
- Offers a wide range of choices and allows parents to make their own arrangements.
- Almost all of the money spent goes directly into providing child care services.
- Uses existing resources in the community.
- Employer does not get involved in the child care business.
- Involves relatively little exposure to liability.
- Is useful to the employer with many business locations or with a very small or very large workforce.

### Considerations

- Child care may not be available at hours that match employees' work schedules.

*Nearly all studies on the topic find that reducing child care costs reduces labor market barriers for parents who want or need to work. These studies find that a 10 percent reduction in the cost of care increases the probability that a married mother will work by 2 to 8 percent. (U.S. Department of the Treasury, 1998)*



- Low visibility for the company; not as effective a recruitment tool as a direct service.
- The company may end up supporting a child care program that is not of high quality, which may create exposure to liability.
- Directly affects only the cost of care. Not a far-reaching solution in a community that has additional child care problems, such as low supply, low visibility, or poor quality.

## Examples

### Eligibility for employees

- The employer offers a voucher/reimbursement plan that is available to all employees up to a certain income level. *This is the most common form of voucher/reimbursement program.*
- A company has a voucher program designed specifically for new parents to reduce the amount of maternity leave taken by female employees. This policy helps new parents afford the high costs of infant care and provides an incentive to return from maternity leave.
- The reimbursement/voucher system is directed to specific employee groups, such as those who are difficult to recruit or are at a specific work site.

### Amount of reimbursement

- The employer provides reimbursement for a percentage of the total cost of child care.
- The employer provides a flat amount for all participating employees.
- The employer reimburses employees for child care costs on a sliding scale (usually according to the family's annual income).
- The employer provides tiered reimbursement amounts based on the quality of care offered. A basic reimbursement level is provided for a registered family child care provider, a second level of reimbursement is provided for registered family child care homes and centers, a third level is provided for accredited family child care homes and centers, and the fourth and highest level is provided for programs seeking reaccreditation. Research shows that the higher quality the care, the more stable the child care arrangement, reducing the likelihood that child care problems will affect work attendance and productivity.

### Method of reimbursement

- Vouchers or reimbursements are added to an employee's paycheck.
- Costs are reimbursed as other "expense account" costs are reimbursed.
- Costs are paid directly to the provider via a check or paper voucher redeemable by the provider upon presentation.

## Steps in developing a voucher/reimbursement system

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment

with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or changed to reflect the needs and interests of a business.

## **2. Consider establishing a management-employee committee to help plan the program or service.**

A joint management-employee committee can be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

## **3. Determine the group to be served and eligibility criteria.**

Eligibility criteria should be established with the advice of a tax specialist who understands the provisions of Section 129 of the Internal Revenue Code, which applies if the reimbursement is to be a nontaxable benefit.

Decisions must be made about whether part-time employees are eligible and whether to provide an adjusted voucher /reimbursement program for them. Additional eligibility concerns, such as how many hours a week employees must work in order to be eligible, also need to be determined.

In determining the income cutoff for eligible employees, note that the cost of child care presents problems for moderate-income employees as well as low-income workers.

## **4. Decide on the amount of subsidy and method of payment.**

The employer may pay a flat amount to all eligible employees, a consistent percentage of the cost of the care, or an individual rate determined on a sliding scale. Decisions must be made on whether to pay directly to the parents, directly to the center, or on an annual basis to the program or the center.

## **5. Determine eligible child care programs.**

Companies have a number of choices to make about the type of care to be eligible for reimbursement. Section 129 of the Internal Revenue Code specifies and defines a “qualified care plan”; check with your local tax advisor on the applicability of this definition for your company. Some employers allow use of care that is not required to be licensed (relatives, neighbors). Others allow the use of only licensed or registered child care providers or only providers that meet certain employer requirements for location, quality, or service. The employer must determine the number of choices to be offered in relation to what working parents identify as their needs and what is useful to them. Your local Resource and Referral Agency (see Appendix A) can assist in making these determinations.

## **6. Decide on program management.**

The company needs to decide whether to administer the program in-house or hire an outside firm to do so.

## **7. Planning a marketing strategy.**

An employer should make certain that employees understand how the voucher/reimbursement system works. Management in-house could be by a child care coordinator or by personnel, employment benefits, public relations, community affairs, strategic planning, or recruitment staff. Information on the program can be disseminated via e-mail, seminars or

meetings, informational flyers, bulletin board notices, or articles in the company's newsletter.

### **8. Design a record-keeping system.**

Regular monthly recording of child care expenses should be maintained, depending on the type of program set up. Paperwork is generally minimal. In some programs, coordination between the child care center or family child care provider and the company may be required to keep track of the number of hours used each month.

### **9. Make financial decisions.**

Employers with voucher/reimbursement programs typically set a maximum on the amount they will contribute to child care costs – an amount based either on family income or the cost of care. Companies may limit eligibility to certain income groups or ages of children.

The simplest approach to vouchers is a flat-rate reimbursement to all employees (or those within a specified income range), regardless of the cost of care or family income. However, many companies base their vouchers on a fixed percentage of total costs, establishing a maximum ceiling on the cost of care for which reimbursement may be received. Any maximum ceiling should be high enough not to discourage the use of quality programs.

Administrative costs are relatively low because existing staff can usually manage the program along with other responsibilities. Other than the subsidy payments, there is no real cost to the employer because the child care program start-up fee is usually minimal. The voucher is also a deductible business expense for the company if earmarked for the employee.

The costs will vary depending on the type of programs chosen for purchase and the administration of payment. The income restrictions on eligibility may help keep the overall costs low but also may prevent higher paid staff from participating in the program.

A cost-benefit analysis should be conducted to compare short-term costs and long-term operating costs with the productivity, absenteeism, and turnover advantages the voucher or reimbursement assistance provides. Work sheets at the end of this document can assist with the completion of a cost/benefit analysis. (See page 66.) Technical assistance is also available through your local Resource and Referral Agency.

### **10. Develop an evaluation mechanism.**

Once the program is in place, a mechanism should be developed so the employer can evaluate the adequacy and usefulness of the program. The evaluation should include a monthly review of the budget versus costs reports, usage figures, quality control standards and measures, and an annual program review.

## **Technical assistance needed**

A lawyer may be required to help the employer clarify the nature of the option to the employee, so that the employer does not bear responsibility for any injuries that occur while child care services are being rendered. A management service might be hired to handle the paperwork.

# Option 7: Purchase of Space/ Discount Program

## Definition

**Purchase of Space:** The employer arranges to “own” a specified number of spaces in a local child care program. Parent fees may cover most or all of the cost of any spaces used, but the company typically picks up all or a portion of the cost of the unused spaces so the program can afford to keep the spaces open for the company.

**Discount Program:** The employer arranges for employees to have a fee lower than that typically charged. An employer can make this arrangement with a single child care program or several programs. The difference in fees is usually absorbed by the company through a financial contribution to the program. Some programs that would otherwise not be full may offer a discount that is greater than the employer’s contribution. *Discretion should be used in these cases; the program may not be completely full because of its poor quality.*

## Objectives

- To provide employees with consistent, reliable access to child care services.
- To provide a discount on child care services to employees.

## Benefits/considerations

### Benefits

- No capital investment or start-up costs.
- Can provide child care at an affordable price for employees’ children.
- Can serve a wide age group of children.
- Requires minimal management and administrative responsibility.
- Ideal for small companies with relatively few employees or large companies with small units.
- Additional spaces can be purchased as more employees apply for the discount.
- Attracts positive public relations because of the company’s support of existing programs in the community.

### Considerations

- Employees’ choices may be limited to certain programs.
- May be viewed as an endorsement of some child care providers (a potential exposure regarding liability).
- Child care programs may not be available, accessible, or in ample supply to make the arrangement effective.
- The company could find itself supporting a child care program that is not of high quality if quality standards are not used to guide program selection. Your local Resource and Referral Agency (see Appendix A) can assist in providing information on indicators of quality child care.

*In 1993, for families that paid for care for their preschoolers, weekly child care costs averaged \$79 per family, or about \$4,000 annually, and represented 7.5 percent of the total family income. Costs are higher for young children (particularly infants), for in-home care providers, child care centers, and in metropolitan areas.*

*(U.S. Department of the Treasury, 1998)*

## Examples

- The employer maintains spaces in local family child care providers' programs and makes them available to eligible employees.
- The employer maintains spaces in a local child care center and makes them available to eligible employees.
- The employer maintains spaces in both family child care homes and a child care center and makes them available to eligible employees.
- The employer does not hold the space open indefinitely, but has first right of refusal to all or a percentage of spaces as they become available. *This method is less expensive but usually involves some financial or in-kind service exchange between the employer and the program.*
- The employer negotiates reduced rates for the employees of the company at a family child care provider's business in exchange for a contribution to the program.
- The employer negotiates reduced rates for the employees of the company at a child care center in exchange for a contribution to the program.

## Steps in developing a purchase of space/discount program

### 1. Conduct a needs assessment/determine the best child care approach.

A needs assessment should be conducted among employees to determine the need for and interest in this kind of assistance. A sample needs assessment with suggested questions begins on page 73. Assessing needs allows employers to determine the types of slots to purchase.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint management-employee committee can be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Determine existing programs in the locality.

There may be a number of programs near a company's location that are suited to the child care needs of employees. Your local child care Resource and Referral Agency (see Appendix A) can assist an employer in locating existing child care programs in the area to meet the needs of the business.

### 4. Negotiate a contract with the child care programs.

By buying a number of spaces, the company has leverage to negotiate for a discount. An employer can decide to negotiate with a number of programs or with only one. The more programs involved, the more choices employees have for child care suitable to their needs. The company may want to establish quality or other criteria for the selection of programs to protect itself from exposure to liability. Your local Resource and Referral Agency (see Appendix A) can provide information on quality indicators of both family child care homes and child care centers.

## **5. Decide how to manage the program.**

A company may decide to subsidize part of the child care costs by offering a discount to employees. A sliding fee scale, based on the employee's income and/or family size, could also be developed, or an employer may choose to pay a flat fee per child.

A Dependent Care Assistance Plan (DCAP) (see Option 5) should be set up for any ongoing employer contributions to make them nontaxable to the employee. Since DCAPs are regulated through the Internal Revenue Service, a tax consultant or local IRS agent could assist the employer in its establishment.

A company may also decide to pay the child care programs a bulk sum to reserve the spaces for its employees beforehand; employees would then be responsible for paying the weekly or monthly balance directly to the child care program.

## **6. Publicize the program.**

Employees should be informed about all of the child care programs that participate in a purchase of space/discount program, as well as the fee structure and payment system. They should be encouraged to visit the programs to make the best child care choice for their family. An employer could publicize the program through e-mail, informational flyers, notices on bulletin boards, seminars and meetings, and articles in the company's newsletter.

## **7. Develop record keeping procedures and a payment system.**

In order to determine costs, use of the service, and other operating matters, employers should establish financial management and record-keeping systems. They should also develop a system of payment to the service provider that is best suited to the company's needs.

## **8. Make financial projections.**

The costs will vary, based on the type of programs chosen for purchase, cost of each slot, number of slots negotiated, administration of payment, and average costs of services in the area. The percentages of the discount to the company and employee may also vary according to the factors mentioned above.

## **Technical assistance needed**

Legal assistance may be required in negotiating contracts with child care programs to ensure limited liability for the company. A tax consultant or local IRS agent can assist in establishing a DCAP for any ongoing contributions.

# Option 8: School-Age Care

## Definition

*In 1995 there were 23.5 million school-age children with parents in the workforce, but the majority (more than 20 million) did not go to a supervised environment after the school day was over. (U.S. Department of the Treasury, 1998)*

Supervised care for children between the ages of 5 and 14 during times when school is not in session. School-age care programs can be implemented before school, after school, and during school holidays and vacations, including summer vacations. Before- and after-school care programs can be extended to operate full-day during the summer months.

Employers also can implement phone-support programs for school-age children of employees who are home alone before or after school. *Phonefriend* is a program of volunteers who provide, via the telephone, comfort and support to children who are at home without adult supervision in many cities across the country. *Phonefriend*, or a similar program, is particularly helpful to parents whose work environment is not conducive to their receiving phone calls from children who are at home alone.

## Objectives

- Provide quality before- and/or after-school care for employees who have school-age children.
- Reduce stress and anxiety by reducing the risk factors for employee-parents of unsupervised children.

## Benefits/considerations

### Benefits

- Addresses one of the most critical child care shortages.
- Provides comfort to children and reduces their anxiety.
- Improves morale and reduces stress on parents; contributes to lower absenteeism and higher productivity.

### Considerations

- Requires transportation if the programs are not housed at schools.
- Programs for older children should be developed by professionals who understand the needs of school-age children to ensure the development of an appropriate, engaging program.

## Examples

- A number of businesses pool their resources and obtain community support to start an after-school program in an elementary school within three blocks of their buildings. The local 4-H agent writes a grant and is funded to hire sufficient personnel to plan and implement the program. Additional funds to support the program are provided by participating parents. Their contributions are matched by their employers.
- A company leases space just for the summer months to run an extended-hours summer camp program for employees' children. Public parks and pools for sports and recreation activities are also used to create a well-rounded program.
- An employer contracts with a local community agency (4-H, YMCA, or YWCA) to provide a program to address the needs of the employer's workforce. This arrangement could include convenient hours for employees and require only a modest investment by the employer.

## Steps in developing a school-age care program

Many of the steps discussed below are relevant only to the establishment of on-site school-age care programs. Employers may find that coordination with existing resources, such as the public school district, make this a relatively easy and inexpensive option.

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or changed to reflect the needs and interests of a business.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint management-employee committee can be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Determine existing services.

Analyze community programs to determine what school-age programs are available and how the employer can best interface with the existing services. Your child care Resource and Referral Agency (see Appendix A) can help with determining whether existing services can be accessed or if a new program will have to be started. Many K-State Research and Extension county offices collaborate with other agencies to offer after-school programs.

*An analysis of  
Federal Bureau  
of Investigation  
data by the group  
Fight Crime:  
Invest in Kids,  
found that youth  
between ages 12  
and 17 are most  
at risk of com-  
mitting violent  
acts and being  
the victims of  
violent crime  
between the  
hours of 3 p.m.  
and 8 p.m. – the  
hours they are  
not in school.  
(U.S. Department  
of the Treasury,  
1998)*



#### **4. Make financial projections.**

Budgets must be drawn up that include figures for start-up costs, monthly operating budgets, and annual expenditures. A system of ongoing financial management that ensures quality control and accurate reporting must be developed.

A cost/benefit analysis should be conducted that compares short-term start-up costs and long-term operating costs with the productivity, absenteeism, and turnover of employees. This information should be analyzed in terms of the advantages or disadvantages of different school-age programs.

Start-up costs may include renovation of facilities, purchase of equipment and supplies, staff training, and transportation. Operating costs include costs for staff, food, space, and insurance. Your local Resource and Referral Agency (see Appendix A) can assist with completing a cost/benefit analysis and developing a program budget.

#### **5. Select the type of program/service and who will provide it.**

After conducting a cost/benefit analysis, decisions need to be made about what type of service will be provided, who will provide it (schools, community agencies, other), and the number of sites at which the service will be offered.

These programs can be housed in school buildings, recreation facilities, religious institutions, social or community service facilities, and existing child care centers. A facility near the parent's workplace is ideal. Options for enrollment may be limited to school-age children only or may include a combination of school-age and younger children.

If the employer plans to provide the school-age child care service, decisions must be made concerning how many staff members will be hired, in what capacities they will serve, and how staff supervision, accountability, and training will be handled.

#### **6. Determine program design.**

The following elements of the program must be determined:

- number and ages of children to be served
- days and hours of operation
- whether meals/snacks will be offered and if so, what types
- whether transportation will be provided
- program curriculum

Well-organized activities, planned with the developmental needs of the children in mind, are essential. The program should be organized so children view this experience as distinctly different from the regular school day.

Activities should include different forms of physical exercise (since the children have been sitting in school much of the day) as well as time for homework and other quiet activities. The range of activities available can include science experiments, art projects, games, playground time, and other activities that interest children in the program. Nutritious snacks for after school are important; some before-school programs offer breakfast.

Older children may not respond well to an adult-organized activity labeled as “child care” but may show more enthusiasm for experiences that are more appealing for their age. Special creative arts and drama experiences, sports activities, and adventure learning may work well for this age group. Adults provide supervision and necessary guidance but provide plenty of opportunities for children to take initiative in the activity and engage their friends.

### **7. Identify legal issues.**

These issues include approval from local authorities, licensing of the program, insurance and liability questions, tax benefits, and agreements between the employer and the service provider, if appropriate. A lawyer or legal consultant would be able to provide an employer with the necessary advice.

### **8. Plan the marketing strategy.**

Publicity for the program can be accomplished through lunchtime seminars or meetings, information flyers, notices on bulletin boards, and articles in employee newsletters. The employer should also ensure that company benefits personnel are knowledgeable enough about the program to answer questions.

### **9. Develop an evaluation strategy.**

Once the program is in place, a strategy should be developed for the employer to evaluate the adequacy and usefulness of the program. Such evaluation may include a monthly review of the budget, enrollment figures, quality control standards and measures, and/or an annual program review.

## **Technical assistance needed**

A lawyer or legal consultant can provide advice on a variety of legal issues, including insurance and liability, and tax matters. Your local health department can provide information on licensing.

# Option 9: Sick-Child Care

## Definition

**Child care for children who are mildly ill or recovering from a health problem that would require them to be excluded from traditional child care.**

- **Center-based sick-child care:** Center-based programs are similar to those of regular child care centers. An entire center may be developed solely as a sick-care program, or a sick-care program may be a part of a regular center. The latter is called a sick bay and consists of rooms in a regular center set up to care for ill children. Children who are excluded from the center because of illness may be moved into the sick bay.
- **Hospital-based programs:** Hospital-based programs usually operate independently from the pediatric ward of the hospital. Hospital-based programs for ill children should not be confused with hospital-based on-site programs for hospital employees.
- **Family Child Care Home:** Family child care programs are similar to regular family child care programs, but are designed to meet the needs of mildly ill children.
- **In-home care or visiting nurse service:** Visiting nurse or in-home programs send caregivers into the child's home on an as-needed basis when the child is ill. The qualifications of the caregiver vary from program to program, but most do not require a nursing license. The program administrator maintains a list of caregivers who have been screened and trained, and are supervised by the administrator. Parents usually must preregister their child. When the child becomes ill, the parents call the program to request a caregiver. Further arrangements sometimes are then made between the caregiver and parent. Because of the high cost involved, many companies subsidize sick-child care provided in the employee's home.

## Objectives

- Reduce the cost of a replacement or lost work time of employees who can not use their regular child care program due to a child's illness.
- Reduce the stress on parents balancing work/family obligations by providing an alternative for parents of sick children.

## Benefits/Considerations

### Benefits

- Improves recruitment, employee morale, and work flow.
- Reduces absenteeism.
- Relieves stress on parents.
- Enhances company image.

*According to the National Study of the Changing Workforce (NSCW), employed mothers with children under 13 miss an average of 6.43 days per year because of family-related issues, such as sick children. Employed fathers with children miss an average of 3.85 days. (Galinsky, E. & Johnson A.A., 1998)*

## Considerations

- Monitoring quality control can be difficult in a visiting nurse program.
- Caregiver/surroundings could be unfamiliar to the child.
- Recruiting/retaining qualified staff may be difficult.
- Initial usage might be low due to unfamiliarity with the concept.

## Examples

Programs vary on what childhood illness or symptoms of illnesses they will admit or exclude from a program:

- An employer contracts with a hospital that offers child care to mildly ill children. Parents call in and make reservations in the program as necessary; the employer and parent share the cost of the care.
- A group of employers contract with a number of local family child care providers to provide care for mildly ill children on an as-needed basis. The employers provide training for all of the providers, and subsidize their programs to maintain the open spaces.
- An employer contracts with a local child care center to provide care to mildly ill children in a separate room at the center. The employer covers the cost of equipping the room and any staff costs incurred through employee use of the program.

## Steps in developing a sick-child care program

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or changed to reflect the needs and interests of a business.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint management-employee committee may be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Determine what sick-child care programs exist.

The concept of sick-child care is relatively new. A small percentage of parents typically use the program in the beginning. Repeat usage is high, and additional parents use the service because of user recommendation. Your local Resource and Referral Agency can be helpful in determining the existence of programs in your community.

### 4. Determine licensing requirements.

Your local health department can provide information on licensing standards for sick-child care.

The company should establish stringent standards before developing the program. The following factors distinguish various types of programs for mildly ill children from regular child care programs:

- Sanitation policies and procedures are more stringent.
- The caregiver/child ratios should be higher than in nonsick care.
- Providers must be trained in caring for ill children, who may have an increased need to rest and may have activity restrictions.
- Record-keeping procedures are more complex. When the child arrives, the provider must conduct a health check with the parent; the health check serves as a screening for exclusion purposes and gives information to be used in providing appropriate care to the child.

Although programs for sick children may not serve parents for all the days a child is sick, they can provide an alternative for days when a child is mildly ill.

### **5. Decide whether sick-child care services should be provided in-house or contracted out.**

There are advantages and disadvantages to contracting out. If there are no local services interested in providing such a program, the employer may consider providing the seed money to establish a nonprofit agency with the primary function of operating such a program for the company. The employer could also explore the possibility of joining with other companies in the area to form a consortium (see Option 10) to provide the service to employees.

### **6. Determine program features.**

While the model of sick-child care selected will determine some of these elements, the following areas will need to be addressed in designing a sick-child care program:

- Exclusion policies on what childhood illnesses will be admitted or excluded.
- Infection control procedures.
- Curriculum of activities for ill children.
- Staff training on childhood illnesses and in caring for ill children, including sanitation practices, giving medications, and taking temperatures.
- Determining if the program will serve the community as well as employees.
- Purchasing materials and equipment.
- Determining staffing arrangements, including who will be the program manager and other caregivers or assistants.
- Hiring an administrator to operate the program.
- Screening and training caregivers.

### **7. Make financial projections.**

The cost of a sick-child care program will vary depending on the type and size of the program, the facility, type of staff hired, insurance coverage, and geographic location. Basic budget items to consider include:

### **Personnel**

- Director
- Teachers and caregivers

### **Other Costs:**

- Insurance
- Marketing
- Equipment/supplies
- Telephone
- Space

The least expensive programs to develop are the hospital-based and visiting nurse programs because facility development is minimal.

Most employer-supported sick-child care programs require some level of operating support from the company in order to maintain reasonable fees. In the case of sick care, this subsidy is especially important because parents pay a double child care fee when their child is ill: to the regular center (even though the child is absent) and also to the sick care program. Additionally, sick-care fees are higher because the service is labor-intensive.

Conduct a cost/benefit analysis to compare short-term start-up costs and long-term operating costs with the productivity, absenteeism, and turnover advantages that sick-child care assistance will provide. Your local Resource and Referral Agency can assist in completing this analysis.

## **8. Plan the marketing strategy.**

Publicity and marketing of the program can be accomplished through e-mail, lunchtime seminars or meetings, information flyers, notices on bulletin boards, or articles in employee newsletters. The employer should also ensure that company benefits personnel fully understand the programs to answer employee questions.

## **9. Develop an evaluation mechanism.**

Once the program is in place, develop a mechanism to evaluate the adequacy and usefulness of the program. An evaluation could include monthly review of the budget versus cost reports, usage figures, quality control standards and measures, and an annual program review.

## **Technical assistance needed**

A health consultant should assist in developing the policies and procedures. A health consultant can be a health care professional who works for the local health department, a physician, or a nurse (either registered nurse or nurse practitioner).

# Option 10: Consortium Model

## Definition

**A number of employers come together on an industry or geographic basis and pool resources to conduct joint child care projects. Consortium members generally share start-up costs and in return receive priority enrollment for their employees' children.**

The amount of control that a corporate consortium member wishes to exert over the child care program may have implications for corporate liability. A new, nonprofit corporation may be established to provide the child care, and contributing corporations may provide board members to the child care corporation if they wish.

Sometimes specific numbers of slots are set aside for each company; in other instances, arrangements for consortium members are more informal. Operating costs, however, are usually funded through a combination of parent fees and contributions from the employers. Member corporations may choose to subsidize their employees fees through a voucher or reimbursement program.

## Objectives

- Consortium members benefit from the expanded resources and expertise that is provided by collaboration with other businesses.

## Benefits/considerations

### Benefits

- Resources, liability, and costs are shared.
- Small employers can participate.
- Large size of the combined labor force protects the center from long-term under enrollment.
- Recruitment/public relations value may be reduced.

### Considerations

- May involve complicated negotiations among firms.
- Program may be able to serve only a limited number of employees from each participating firm, thus diluting the management value.

## Examples

*Also see Option 11 for information on a Consortium Center.*

- Employers join together to train child care providers to accommodate nonstandard schedules.
- Employers join together and identify a group of family child care providers who will provide services during the hours needed and purchase space in their programs for employee use. *Also see Option 7.*
- Employers join together to oversee the daily operations of a child-care site at the local hospital that offers care for mildly ill children. *Also see Option 9.*
- Employers join together to offer a school-age summer day camp to employees' children.

## Steps in developing a consortium center

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or changed to reflect the needs and interests of a business.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint management-employee committee can be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Identify potential consortium members.

Employers may wish to contact other employers in the area to determine their interest in forming a consortium. These may be companies in a specific industry or diverse companies with similar goals.

### 4. Establish planning committees.

Employer members of the consortium may want to establish committees to represent users of the facility in the planning and program design phase, to implement the program once it is finalized, and (if applicable) to work with the architect and the child care specialist to design the facility.

### 5. Determine program features.

The program characteristics selected should be based on the needs assessment data and recommendations of the committee or company personnel on program design, including:

- type of program to develop
- community partners for collaboration (family child care providers, local child care experts for training, etc.)



## **6. Determine the legal structure.**

The legal structure of the consortium may need to be determined, because the participating companies will have access to ongoing services. Participating companies may establish a nonprofit entity in which each company has representation to manage the program(s), or companies may permit a board of directors comprising of parents and community representatives. Additionally, the program(s) may operate as a for-profit program. The legal structure affects the tax deductibility of ongoing contributions to the program.

## **7. Make financial projections.**

**Start-up costs:** Consortium members should develop a budget that includes all start-up costs in order to allow participating employers to determine their share and how it will be collected.

**Operating costs:** Preparation of the month-by-month and annual operating budgets should be accomplished with the assistance of someone who understands the child care industry; these costs will vary considerably, based on the type of consortium.

Most corporate child care consortiums that contract with local family child care providers require some level of operating support from the company in order to maintain reasonable fees for parents and still maintain quality. A cost/benefit analysis should be conducted to compare short-term start-up costs and long-term operating costs with the productivity, absenteeism, and turnover advantages the consortium center will provide. Appendix C has a copy of a cost/benefit analysis tool; your local Resource and Referral Agency can also assist in completing this analysis.

## **8. Determine and implement program administration.**

The size and the comprehensiveness of the consortium will determine the depth of program administration. Your local Resource and Referral Agency can assist with this determination.

The decision about how the program will be managed is determined in part by its legal structure. If a nonprofit entity is to run the program, the board must select a child care program director and establish program policies and procedures. If, alternatively, an outside management firm is to operate the program, then the firm must be selected and a contract drawn up. Another option would incorporate the parents as a nonprofit association to oversee program administration. All of the above arrangements require thought and planning to ensure successful operation.

## **9. Plan the marketing strategy.**

A campaign could include: notices to employees, e-mail, information at staff and organizational meetings, brochures, and other internal communication strategies within the business.

## **10. Develop procedures for enrollment (if applicable).**

Pre-enrollment and regular enrollment procedures must be developed, taking into account agreements by participating employers of how the slots will be allocated among the companies.

## 11. Develop an evaluation mechanism.

Consortium members may wish to develop a system to evaluate the child care program. Evaluation assesses the degree to which the program fulfills goals and objectives and determines whether the goals are being met in the most cost-effective way. Periodic evaluation can pinpoint trouble areas and allow administrators to improve program quality and make it more cost-effective. For example, employers could examine:

- How many employees are being reached by the service, how well the employees' needs for child care are being served, and how well the children's developmental needs are served.
- Program curriculum and support services to evaluate how well they fulfill the goals derived from the program philosophy.
- Cost of program components to uncover inefficient methods and to initiate efficient methods for delivering services.
- Changes in amount of participation in program services that can lead to cost-saving changes in the program.
- Program effectiveness in controlling absenteeism and turnover, enhancing recruitment and public relations and achieving management goals.

## Technical assistance needed

Legal counsel can advise on legal structure and profit/nonprofit status, prepare articles and bylaws for a new child care corporation (if needed), advise on profit status, file application for 501c3 (if needed) and advise on liability issues.

A certified public accountant should advise on tax issues and conduct an annual audit.

# Option 11: Consortium Center

## Definition

*A number of firms offering on-site care had fewer than 500 employees; these firms typically worked with other small firms to jointly operate centers. Overall, 16 percent of the on-site centers had more than one corporate sponsor. (U.S. Department of the Treasury, 1998)*

A number of employers come together on an industry or geographic basis and pool resources to build and/or operate a child care center. Consortium members generally share start-up costs and in return receive priority enrollment for their employees' children.

The amount of control that a corporate consortium member wishes to exert over the child care program may have implications for corporate liability. A new nonprofit corporation may be established to provide the child care, and contributing corporations may provide board members to the child care corporation if they wish.

Sometimes specific numbers of slots are set aside for each company; in other instances, arrangements for consortium members are more informal. Operating costs, however, are usually funded through a combination of parent fees and contributions from the employers. Member corporations may also choose to subsidize their employees fees through a voucher or reimbursement program.

## Objectives

- To provide center-based care for employees, while sharing the building and operating costs of the facility with other employers.
- Consortium members benefit from the expanded resources and expertise provided by collaboration with other businesses.

## Benefits/Considerations

### Benefits

- Resources, liability, and costs are shared.
- Small employers can participate.
- Large size of the combined labor force protects the center from long-term under enrollment.

### Considerations

- May involve complicated negotiations among firms.
- Center may be able to serve only a limited number of employees from each participating firm, thus diluting the management value.
- Recruitment/public relations value may be reduced.

## Examples

- Employers operating small businesses in the downtown area pool their resources and expertise to renovate and operate a child care center for infants-kindergartners.
- Employers located in a large office building housing several organizations join together to build and oversee the daily operations of a child care center designed to serve the needs of their employees.
- Employers in an industrial complex build and operate a centrally located child care center for employees.
- A center is coordinated by a real estate developer, companies in the developer's business park, and a child care organization.

## Steps in developing a consortium center

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or changed to reflect the needs and interests of a business.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint management-employee committee can be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Identify potential consortium members.

Employers may wish to contact other employers to determine their interest in forming a consortium. These may be companies in a specific industry or diverse companies with similar goals.

### 4. Establish planning committees.

Employer members of the consortium may want to establish committees to represent users of the facility in the planning and program design phase, to implement the program once it's finalized, and to work with the architect and the child care specialist on facility design.

### 5. Determine program features.

Program characteristics selected should be based on the needs assessment data and recommendations of the committee or company personnel on program design, including:

- number of children
- age groups
- sizes of groups (your local health department can provide information on licensing requirements)
- child/staff ratios (your local health department can provide information on licensing requirements)
- staffing patterns
- types of food service
- level of quality

## 6. Determine the type of facility.

Consortium members should decide whether the facility to be provided will be new construction or renovation of an existing facility. A child care licensing consultant from the local health department can help in site selection and analysis, space requirements, applicable design, and state and local code requirements. Your local Resource and Referral Agency (see Appendix A) or Kansas State University county extension agent can be of significant assistance. An architect then could be engaged to develop working blueprints, in conjunction with a child care specialist, and oversee construction/renovation. Both advisors will be necessary to design a successful facility.

## 7. Determine the legal structure.

The legal structure of the center must be determined. Participating companies may establish a nonprofit entity in which each company has representation to manage the center, or companies might choose to have a board of directors comprising parents and community representatives. The center also could operate as a for-profit program. The legal structure affects the tax deductibility of ongoing contributions to the program.

## 8. Make financial projections.

**Start-up costs:** Consortium members should develop a budget that includes all start-up costs in order to allow participating employers to determine their share and how it will be collected. Start-up costs may include build-out costs if the center is to be in an existing facility or construction costs if a new center is planned. Start-up costs usually include:

- Facility build-outs or new construction costs per square foot.
- Indoor space requirements per child, as well as outdoor playground space, parking space, and landscaping.
- Equipment costs.
- Salaries and benefits to personnel who are involved in setting up the center or who may require training.
- Insurance coverage.
- Licensing fees and other permits required.
- Fees for technical experts, such as legal consultants, accountants, or child care experts.
- Marketing costs, such as promotional materials, meetings, and newsletters.

Employers should also consider that operating losses may result at the beginning of the program due to under-enrollment. These losses can be considered part of start-up costs.

**Operating costs:** Preparation of the month-by-month and annual operating budgets should be accomplished with the assistance of someone who understands the child care industry. Your local Resource and Referral Agency can assist in locating a person in your community who has this expertise. The budget should take into consideration enrollment assumptions and bad debt assumptions and must cover true and accurate costs.

*Payroll:* The largest budget expenditure is usually payroll. A high quality center spends 70 to 80 percent of its income on payroll. This percentage is an indicator of quality that can be used if the employer is considering contracting with an established child care provider. Employers

can survey local centers to determine the range of salaries or your local Resource and Referral Agency can provide information on average salaries for the locality. Salaries in corporate centers are typically well above market rates in order to avoid the high turnover common in the child care industry.

*Meals:* Food can be catered or prepared in-house; therefore, an employer may wish to consider catering costs in developing an operating budget. Many locales require a full commercial kitchen for the preparation of meals, and building codes must then be checked for conformity to local regulations.

*Other:* Other operating costs include facilities (rent and maintenance), equipment and supplies, insurance coverage, transportation, advertising, and miscellaneous expenses.

Most corporate child care centers require some level of operating support from the company in order to maintain reasonable fees and still maintain quality. A cost/benefit analysis should be conducted to compare short-term start-up costs and long-term operating costs with the productivity, absenteeism, and turnover advantages that a consortium center will provide. The cost/benefit analysis tool in Appendix D and/or your local Resource and Referral Agency can assist.

## **9. Determine and implement center administration.**

The decision about how the center will be managed is determined in part by program structure.

- *Nonprofit entity administers program:* The board must be composed of representatives from appropriate agencies/areas of expertise. It must select a child care program director and establish program policies and procedures.
- *Outside firm operates the center:* The firm must be selected and a contract drawn up. That firm will then be responsible for the remaining administrative tasks, including licensing, equipping, and staffing the center and developing curriculum, policies, and procedures.
- *Parents incorporated as a nonprofit association to oversee the administration of the center:* The board must select a program director and establish policies and procedures.

All of the above arrangements require thought and planning to ensure successful operation. Be sure to check with your local Resource and Referral Agency (see Appendix A) for examples of requests for proposals, policies, and curricular guidelines

## **10. Plan the marketing strategy.**

A publicity campaign is advisable to attract employees to use the program quickly so that the program can operate cost efficiently as soon as possible. A campaign could include: notices to employees, open house tours, brochures, e-mail announcements, and announcement of a center opening date.

## **11. Develop procedures for enrollment.**

Pre-enrollment and regular enrollment procedures must be developed, taking into account agreements by participating employers of how the slots will be allocated among the companies.

## 12. Develop an evaluation mechanism.

Consortium members may wish to develop a system for the evaluation of their child care program. Evaluation assesses the degree to which the child care program fulfills the program's goals and objectives and determines whether the goals are being met in the most cost-effective way. Periodic program evaluation can pinpoint trouble areas and allow administrators to improve program quality and make it more cost effective. For example, employers could examine:

- How many employees are being reached by the service, how well the employees' needs for child care are being served, and how well the children's developmental needs are served.
- Program curriculum and support services to evaluate how well they fulfill the goals derived from the program philosophy.
- Cost of program components to uncover inefficient methods and to initiate efficient methods for delivering services.
- Changes in amount of participation in program services that can lead to cost saving changes in the program.
- Effectiveness of the center in controlling absenteeism and turnover, enhancing recruitment and public relations and achieving other management goals.

## Technical assistance needed

Legal counsel can advise on legal structure and profit/nonprofit status, prepare articles and bylaws for new child care corporation (if needed), advise on profit status, file application for 501c3 (if needed) and advise on liability issues.

A certified public accountant should advise on tax issues and conduct an annual audit.

## Kansas Grants and Tax Incentives for Consortium Centers

*See Appendix C for information on Kansas specific tax credits and grants.*

- There are tax advantages that may apply to employers who form a consortium and may lower the costs of an employer's investment.
- There are start-up grants available annually for employers establishing consortium centers.
- Low interest loans from USDA/Rural Development are available for some communities.
- The Kansas Department of Education also can give information about the Child and Adult Care Food Program through which the United States Department of Agriculture provides partial funding for food
- If an employer has employees who are below a certain income level, subsidies are available to offset the cost of child care. Information is available through local Kansas Department of Social and Rehabilitation Services offices.

Information on additional tax incentives can be obtained from the Internal Revenue Service or a tax advisor.

# Option 12: On-Site/Off-Site Child Care Center

## Description

An on-site or off-site center sponsored by an employer or union at the work site or at another location. The center can be operated by the employer or by a nonprofit or for-profit child care provider. Employers usually pay all start-up costs, operating losses occurring in the early stages of the center before it is fully enrolled, and some portion of ongoing operational expenses. Parent fees cover the balance of the center's operating expenses.

These centers can serve infants (as young as 6 weeks old) to 5-year-old (pre-kindergarten) children for full-day care. Some centers also care for school-age children before and after school (if transportation is available and the schools are nearby), on school holidays, and during the summer. These centers also can include emergency or drop-in care for employees who normally use other child care arrangements but whose arrangements have fallen through for the day.

## Objectives

- Provide on-site center-based child care that accommodates employees' work hours.
- Usually centers operate within the hours of 6:30 a.m. and 6:30 p.m., although those sponsored by employers are sometimes open during evenings, weekends, and legal holidays to meet employee needs.
- Parents can spend time with their children during the day, such as during meals or breaks, which reduces the stress of having a child in child care.

## Benefits/considerations

### Benefits

- Attracts and retains employees.
- Cuts absenteeism and tardiness caused by unreliable child care arrangements.
- Improves the quality of employees' work and productivity by lessening distractions about their children while they are working.
- Improves morale by demonstrating that the employer cares about employees.

### Considerations

- Start-up funding must be provided, which may require a larger investment than some other options.
- There may be some exposure to liability, although it can be substantially lowered through the legal structure and operation arrangement of the program.
- There is generally a need to subsidize the operating costs of the center.

*On-site centers play an important role in attracting quality employees and increasing retention. Working parents can visit their child during lunch time and breaks; this additional time can reassure parents about the quality of care their child receives. (U.S. Department of the Treasury, 1998).*



## Examples

- An employer with 35 employees opens a center that serves 20 children ages 6 weeks to 5 years. The center is open 6 a.m. to 7 p.m.
- An employer with 230 employees opens a 24-hour center that is licensed for 230 children, ages 6 weeks to 13 years.
- An employer with 20 employees opens a center that serves up to 15 children 3 to 5 years of age, between 5 a.m. and 5 p.m.

*Lancaster Laboratories has a turnover rate of one-half the industry average, in part because of its on-site child care center. (U.S. Department of the Treasury, 1998)*

## Steps in developing an on-site/off-site child care center

### 1. Conduct a needs assessment.

A needs assessment should be conducted among employees to determine the interest in this type of assistance. A sample needs assessment with suggested questions begins on page 73. This questionnaire can be copied and distributed among employees as it is written, or changed to reflect the needs and interests of a business.

### 2. Consider establishing a management-employee committee to help plan the program or service.

A joint management-employee committee can be useful in developing the program. It can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

### 3. Determine program features.

The program features selected should be based on data from the needs assessment, including:

- number of children
- level of quality
- level of subsidy
- hours of operation
- staffing patterns
- food service
- age groups
- sizes of groups (your local health department can provide information on licensing requirements)
- child/staff ratios (your local health department can provide information on licensing requirements)

### 4. Develop the educational program.

The program should be articulated before planning and design can begin, as both will affect the facility design. At a minimum, decisions about the program should include:

- the philosophy
- level of quality
- educational goals for the staff, to include initial qualifications and ongoing training
- curriculum activities for the different ages of children

Your local Resource and Referral Agency can provide information on these and other aspects of establishing a child care program.

## 5. Determine the type of facility.

Management will decide whether the facility to be provided will be new construction or renovation of an existing facility. A child care licensing consultant from the local health department should be contacted for help in site selection and analysis, space requirements, applicable design, and state and local code requirements. Local Resource and Referral Agencies also can be of tremendous assistance in helping to design a successful facility. An architect can be engaged to develop working blueprints, in concert with the child care specialist, and oversee construction or renovation. Both advisors will be necessary to design a successful facility.

## 6. Select the site.

Employer-sponsored centers are often located near the parents' workplace, or they may be geographically separate from the sponsoring company but adjacent to the work site. The following criteria should be considered in site selection and design:

- Indoor space: Approximately 60 to 100 square feet per child indoors is needed, generally, on the ground floor.
- Playground: Approximately 75 to 100 square feet of outdoor space per child for children who are playing outside at the same time, generally, is needed.

## 7. Determine the legal structure.

The center can be a department of the corporation (or unit within a department), a wholly owned subsidiary, or a separate corporation (either for-profit or nonprofit). The corporation can also subcontract the operation of an in-house center to an outside child care operator. The control or liability continuum influences the legal structure the employer selects. An employer may want a structure in which he/she has control over quality and other aspects of the program; however, the more control the employer exercises, the greater is his/her liability. When an employer subcontracts program operation to a child care operator, the first level of liability is carried by the operator. A separate legal structure created for the program also gives the employer some distance from the program and thereby lessens the exposure to liability.

Another option to consider is incorporating the parents as a nonprofit parents' association to oversee the administration of the child care center. This association would be responsible for contracting with a provider and monitoring the safety and quality of care.

If a child care center is organized as nonprofit, it may qualify for tax-exempt status under section 501c3 of the Internal Revenue Service code. It is then eligible to receive tax deductible donations and certain grants.

If an employer has employees with low total family incomes, he/she should contact the local Kansas Department of Social and Rehabilitation Services office to inquire about the availability of Federal Child Care Development Fund monies (for children from low-income families). The Kansas Department of Education (see Appendix C) can also give information about the Child and Adult Care Food Program through which the United States Department of Agriculture provides partial funding for food.

A final decision concerning legal structure should take place after consultation with the corporate attorney and the child care benefits specialist.

*A study conducted at Johnson and Johnson found that on-site child care affects worker satisfaction. Users of the company's child care center were more satisfied with the quality of their child care and worried less about child care than a comparable group of non-users. (Galinsky, E. & Johnson A.A. 1998)*

*A 1998 study estimates that there are currently more than 8,000 on-site centers in the U.S., sponsored by firms of all sizes. The Families and Work Institute Survey found that one-fifth of firms offer on-site or near-site child care. (U.S. Department of the Treasury, 1998).*

## **8. Make financial projections.**

### **Start-up costs include:**

- Facility build-outs or new construction costs per square foot.
- Space requirements per child, as well as parking space, playground space, and green space.
- Equipment costs.
- Salaries and benefits to personnel involved in setting up the center or who may require training.
- Insurance coverage.
- Licensing fees and other permits required.
- Marketing costs, such as promotional materials, meetings, and newsletters.
- Consultation and design fees.

Employers should also consider that operating losses may result at the beginning of the program, due to under-enrollment. These losses can be considered part of start-up costs.

### **Operating costs:**

Preparation of the month-by-month and annual operating budgets should be accomplished with the assistance of someone who understands the child care industry. Your local Resource and Referral Agency can assist in finding a professional within your community to assist with the budget. The budget should take into consideration enrollment assumptions and bad debt assumptions and must cover true and accurate costs.

Among the items the operating budget should include are: teaching and administrative salaries, benefits, staff training, facility and grounds management and maintenance, equipment and supplies, insurance, transportation, food, advertising, replacement reserves, and miscellaneous expenses. The largest budget expenditure is usually payroll. A center that offers high quality service spends 70 to 80 percent of its income on payroll.

Most corporate centers require some level of operating support from the company in order to maintain reasonable fees and program quality. A cost/benefit analysis should be conducted that compares short-term start-up costs and long-term operating costs with the productivity, absenteeism, recruitment, and turnover advantages that an on-site or off-site center will provide. A child care benefits specialist can assist in this analysis.

## **9. Plan the marketing strategy.**

A publicity campaign is advisable to attract employees quickly so that the center can operate cost efficiently as soon as possible. The campaign may include: notices to employees, open house tours, brochures, and announcement of a center opening date in the fall, when parents may be changing child care arrangements.

## 10. Prepare for center administration.

### **Administrative responsibilities for a child care center include:**

- Determining program philosophy.
- Planning curriculum and activities.
- Setting operating, admission, and personnel policies and procedures.
- Managing finances.
- Keeping records on finances, children, and management decisions.
- Mobilizing resources (funding resources and volunteer services).
- Supervising operations.
- Developing staff (recruiting, hiring, and training).
- Promoting parent involvement (developing newsletter, information forms).
- Handling employer-center relations, community relations, and publicity.

### **Additional administrative activities include:**

- Planning for the physical plant: A procurement list for all equipment and supplies must be prepared. Arrangements for janitorial and trash collection services must be made.
- Planning for proper nutrition: An appropriate food-service system must be developed. Food can be catered or prepared in-house. It is less costly to prepare meals and snacks in-house, but a cook must be hired and a kitchen constructed to meet building codes. In many locales, a full commercial kitchen is required for meal preparation.
- Assuring quality: An employer cannot afford to support the development of an inferior quality program. Such a program would reflect poorly on the employer, would not be as effective at solving problems of productivity or recruitment, and could potentially present a liability risk. Some methods to assure quality are:
- Staff the center according to standards set by the National Academy of Early Childhood Programs. Your local Resource and Referral Agency can provide information, or the Academy can be contacted directly at: 1509 Sixteenth Street, NW, Washington D.C. 20036; (202) 232-8777).
- Develop and implement quality control standards and measures.
- Conduct annual program evaluations.
- Conduct personnel evaluations regularly.
- Apply for national center-based program accreditation from the National Academy of Early Childhood Programs (a division of the National Association for the Education of Young Children), after the first year of operation. Your local Resource and Referral Agency can provide information on national program accreditation.

### **Preparing the curriculum**

The preparation of a developmentally appropriate educational curriculum, which tailors the daily activities to meet the needs of individual children, is essential. Your local Resource and Referral Agency and the National Association for the Education of Young Children have information on an appropriate curriculum.

#### **11. Procure a license.**

All licenses and permits required by the health department to open and maintain the center must be procured.

#### **12. Develop an evaluation mechanism.**

Evaluation assesses the degree to which the child care program fulfills the program's goals and objectives and determines whether the goals are being met cost effectively. Periodic program evaluation can pinpoint trouble areas and allow administrators to improve program quality and make it more cost-effective. For example, employers should examine:

- How many employees are being reached by the service, how well the employees' needs for child care are being served, and how well the children's developmental needs are served.
- Program curriculum and support services to evaluate how well they fulfill the goals of the program philosophy.
- Cost of program components to uncover inefficient methods and to initiate efficient ones for delivering services.
- Changes in amount of participation in program services, which can lead to cost saving changes in the program.
- Effectiveness of the center in controlling absenteeism and turnover, enhancing recruitment and public relations, and achieving other management goals.
- Depending on the structure of the child care program, the evaluation can be carried out by one or a combination of the following: the board of directors, program director, department head supervising the program, child care specialist, or an evaluation task force.

### **Technical assistance needed**

Legal counsel can advise on legal structure and profit/nonprofit status; prepare articles and bylaws for new child care corporation, if needed; advise on profit status; file application for 501c3, if needed; and advise on liability issues.

A certified public accountant can advise on tax issues and conduct an annual audit.

## Kansas Grants and Tax Incentives for Employer-Sponsored Child Care Centers

*See Appendix C for information on Kansas-specific tax credits and grants.*

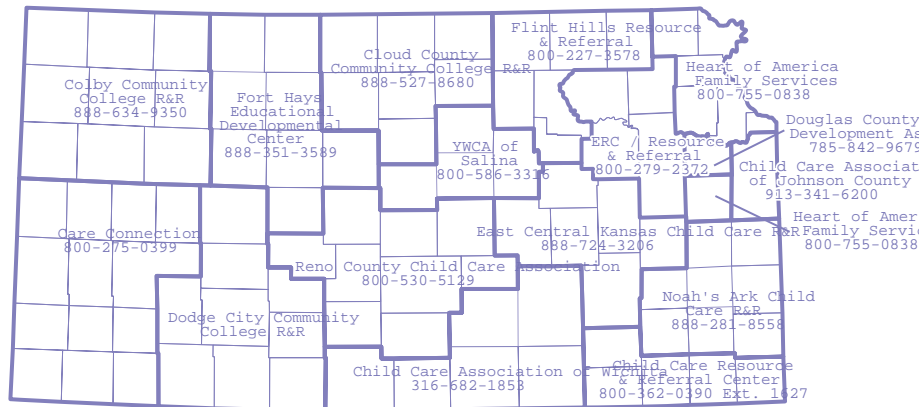
- Tax advantages may apply to employers who form a consortium and may lower the costs of an employer's investment.
- Start-up grants are available annually for employers establishing consortium centers.
- Low-interest loans from USDA/Rural Development are available for some communities.
- The Kansas Department of Education can also give information about the Child and Adult Care Food Program through which the United States Department of Agriculture provides partial funding for food.
- If an employer has employees who are below a certain income level, subsidies are available to offset the cost of child care. Information is available through local Kansas Department of Social and Rehabilitation Services offices.
- Information on additional tax incentives can also be obtained from the Internal Revenue Service or a tax advisor.

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# Appendix A

## KACCRRRA Kansas Association of Child Care Resource and Referral Agencies



### Kansas Association of Child Care Resource and Referral Agencies (KACCRRRA)

#### The local resource and referral agencies and the counties they serve:

##### **CARE CONNECTION**

1 (800) 275-0399 or (316) 275-0399  
Finney, Grant, Greeley, Hamilton, Haskell, Kearny, Lane, Morton, Scott, Seward, Stanton, Stevens, and Wichita Counties

##### **CHILD CARE ASSOCIATION OF JOHNSON COUNTY**

1 (800) 963-0009 or (913) 341-6200  
Johnson and Miami Counties

##### **CHILD CARE ASSOCIATION OF WICHITA/ SEDGWICK COUNTY**

1 (800) 684-3962 or (316) 682-1853  
Barber, Butler, Cowley, Harper, Sedgwick, and Sumner Counties

##### **CHILD CARE RESOURCE AND REFERRAL CENTER**

1 (800) 362-0390 ext. 1627 or (316) 421-6550 ext. 1627  
Chautauqua, Cherokee, Elk, Labette, and Montgomery Counties

##### **CLOUD COUNTY COMMUNITY COLLEGE R&R**

1 (888) 527-8680 or (785) 243-9345  
Cloud, Jewell, Lincoln, Mitchell, Osborne, Republic, and Smith Counties

##### **COLBY COMMUNITY COLLEGE R&R**

1 (888) 634-9350 or (785) 462-3984 ext. 251  
Cheyenne, Decatur, Gove, Logan, Rawlins, Sheridan, Sherman, Thomas, and Wallace Counties

##### **DODGE CITY COMMUNITY COLLEGE R&R**

1 (800) 951-3837 or (316) 227-8344  
Clark, Comanche, Edwards, Ford, Gray, Hodgeman, Kiowa, Meade, and Ness Counties

##### **DOUGLAS COUNTY CHILD DEVELOPMENT ASSOCIATION**

(785) 842-9679  
Douglas County

##### **ERC/RESOURCE AND REFERRAL**

1 (800) 279-2372 or (785) 357-5171  
Jackson, Osage, Pottawatomie, Shawnee, and Wabaunsee Counties

##### **EAST CENTRAL KANSAS CHILD CARE R&R**

1 (888) 724-3206 or (316) 3415357  
Chase, Coffey, Greenwood, Lyon, Marion, and Morris Counties

##### **FLINT HILLS RESOURCE AND REFERRAL**

1 (800) 227-3578 or (785) 532-7197  
Clay, Geary, Marshall, Nemaha, Riley, and Washington Counties

##### **FT. HAYS EDUCATIONAL DEVELOPMENT CENTER**

1 (888) 351-3589 or (785) 628-4382  
Ellis, Graham, Norton, Phillips, Rooks, Rush, Russell, and Trego Counties

##### **HEART OF AMERICA FAMILY SERVICES**

1 (800) 755-0838 or (913) 342-1110  
Atchison, Brown, Doniphan, Franklin, Jefferson, Leavenworth and Wyandotte Counties

##### **NOAH'S ARK CHILD CARE RESOURCE AND REFERRAL**

1 (888) 281-8558 or (316) 431-3831  
Allen, Anderson, Bourbon, Crawford, Linn, Neosho, Wilson, and Woodson Counties

##### **RENO COUNTY CHILD CARE ASSOCIATION**

1 (800) 530-5129 or (316) 669-0291  
Barton, Harvey, Kingman, McPherson, Pawnee, Pratt, Reno, Rice, and Stafford Counties

##### **YWCA OF SALINA**

1 (800) 586-3316 or (785) 825-4861  
Dickinson, Ellsworth, Ottawa and Saline Counties

**KACCRRRA OFFICE** 1 (877) 678-2548 or (785) 823-3343



# Appendix B

## County Kansas State Research and Extension Offices

Allen Co Ext. Office	(316) 365-2242	Lyon Co Ext. Office	(316) 342-3220
Anderson Co Ext. Office	(785) 448-6826	Marion Co Ext. Office	(316) 382-2325
Atchison Co. Ext. Office	(785) 833-5450	Marshall Co. Ext. Office	(785) 562-3531
Barber Co. Ext. Office	(316) 886-3971	McPherson Co Ext. Office	(316) 241-1523
Barton Co Ext. Office	(316) 793-1910	Meade Co Ext. Office	(316) 873-8790
Bourbon Co Ext. Office	(316) 223-3720	Miami Co. Ext. Office	(785) 294-4306
Brown Co. Ext. Office	(785) 742-7871	Mitchell Co. Ext. Office	(785) 738-3597
Butler Co Ext. Office	(316) 321-9660	Montgomery Co Ext. Office	(316) 331-2690
Chase County Ext. Office	(316) 273-6491	Morris Co. Ext. Office	(316) 767-5136
Chautauqua Co Ext. Office	(316) 725-5890	Morton County Ext. Office	(316) 697-2558
Cherokee Co Ext. Office	(316) 429-3849	NE Area FACS Ext. Specialist	(785) 532-5833
Cheyenne Co Ext. Office	(785) 332-3171	Nemaha Co. Ext. Office	(785) 336-2184
Clark County Ext. Office	(316) 635-2811	Neosho Co Ext. Office	(316) 244-3826
Clay Co. Ext. Office	(785) 632-5335	Ness Co Ext. Office	(785) 798-3921
Cloud Co. Ext. Office	(785) 243-8185	Norton Co Ext. Office	(785) 877-5755
Coffey Co Ext. Office	(316) 364-5313	NW Area FACS Ext. Specialist	(785) 462-6281
Comanche Co Ext. Office	(316) 582-2411	Osage Co Ext. Office	(785) 828-4438
Cowley Co Ext. Office	(316) 221-5450	Osborne Co Ext. Office	(785) 346-2521
Crawford Co Ext. Office	(316) 724-8233	Ottawa Co. Ext. Office	(785) 392-2147
Decatur Co Ext. Office	(785) 475-8121	Pawnee Co Ext. Office	(316) 285-6901
Dickinson Co Ext. Office	(785) 263-2001	Phillips Co Ext. Office	(785) 543-6845
Doniphan Co. Ext. Office	(785) 985-3623	Pittsburg Office - EFNEP	(316) 232-1930
Douglas Co Ext. Office	(785) 843-7058	Pottawatomie Co. Ext. Office	(785) 457-3319
Edwards Co Ext. Office	(316) 659-2149	Pratt Co Ext. Office	(316) 672-6121
Elk Co Ext. Office	(316) 374-2174	Rawlins Co Ext. Office	(785) 626-3192
Ellis Co Ext. Office	(785) 628-9430	Reno Co Ext. Office	(316) 662-2371
Ellsworth Co Ext. Office	(785) 472-4442	Republic Co. Ext. Office	(785) 527-5084
Finney Co Ext. Office	(316) 272-3670	Rice Co Ext. Office	(316) 257-5131
Ford Co Ext. Office	(316) 227-4542	Riley Co Ext. Office	(785) 537-6350
Franklin Co Ext. Office	(785) 299-3520	Rooks Co Ext. Office	(785) 425-6851
Geary Co. Ext. Office	(785) 238-4161	Rush Co Ext. Office	(785) 222-2710
Gove Co Ext. Office	(785) 938-4480	Russell Co Ext. Office	(785) 483-3157
Graham Co Ext. Office	(785) 674-3411	Saline Co Ext. Office	(785) 826-6645
Grant Co Ext. Office	(316) 356-1721	SC Area FACS Ext. Specialist	(316) 663-5491
Gray Co Ext. Office	(316) 855-3821	Scott Co Ext. Office	(316) 872-2930
Greeley County Ext. Office	(316) 376-4284	SE Area FACS Ext. Specialist	(316) 431-1530
Greenwood Co Ext. Office	(316) 583-7455	Sedgwick Co Ext. Office	(316) 722-7721
Hamilton Co Ext. Office	(316) 384-5225	Seward Co Ext. Office	(316) 624-5604
Harper County Ext. Office	(316) 842-5445	Shawnee Co Ext. Office	(785) 232-0062
Harvey Co Ext. Office	(785) 284-6930	Sheridan Co Ext. Office	(785) 675-3268
Haskell Co Ext. Office	(316) 675-2261	Sherman Co Ext. Office	(785) 899-4880
Hodgeman Co Ext. Office	(316) 357-8321	Smith Co Ext. Office	(785) 282-6823
Jackson Co. Ext. Office	(785) 364-4125	Stafford Co Ext. Office	(316) 549-3502
Jefferson Co. Ext. Office	(785) 863-2212	Stanton Co Ext. Office	(316) 492-2240
Jewell Co. Ext. Office	(785) 378-3174	Stevens Co Ext. Office	(316) 544-4359
Johnson Co Ext. Office	(913) 764-6300	Sumner Co Ext. Office	(316) 326-7477
Kearny Co Ext. Office	(316) 355-6551	SW Area FACS Ext. Specialist	(316) 275-9164
Kingman Co Ext. Office	(316) 532-5131	Thomas Co Ext. Office	(785) 462-4582
Kiowa Co Ext. Office	(316) 723-2156	Trego Co Ext. Office	(785) 743-6361
Labette Co Ext. Office	(316) 784-5337	Wabaunsee Co. Ext. Office	(785) 765-3821
Lane Co Ext. Office	(316) 397-2806	Wallace Co Ext. Office	(785) 852-4285
Leavenworth Co Ext. Office	(785) 684-0475	Washington Co. Ext. Office	(785) 325-2121
Lincoln Co Ext. Office	(785) 524-4432	Wichita Co Ext. Office	(316) 375-2724
Linn Co Ext. Office	(785) 795-2829	Wilson Co Ext. Office	(316) 378-2167
Logan Co Ext. Office	(785) 672-3245	Woodson Co Ext. Office	(316) 625-3113
		Wyandotte Co Ext. Office	(785) 299-9300

# Appendix C

## Kansas Grants and Tax Incentives for Employer-Sponsored Child Care

### Tax credits

Tax credits are offered against Kansas income tax liability for businesses providing child care services to employees. These credits apply to taxpayers who pay for employee child care services, provide child care for employees' children, or who provide facilities and necessary equipment for child care services (K.S.A. 79-32, 190 et seq.).

Fifty percent of the costs of establishing and operating a child care facility, either independently or in consortium with other businesses can be claimed the first year; this credit can not exceed \$45,000 for the taxable year. Additional tax credits may be available for subsequent years. For more information, contact the Kansas Department of Revenue at (785) 296-0222.

Information on additional tax incentives can also be obtained from the Internal Revenue Service or a tax advisor.

### Grants

Start-up grants of up to \$50,000 are available annually through the Department of Social and Rehabilitation Services. These one-time grants are designed to offset the cost of equipment and supplies and require a 50 percent cash match. For more information, contact the Child Care Grants section of Income Maintenance/Employment Preparation Services, SRS: (785) 296-3374.

### Loans

Low interest loans from USDA/Rural Development are available for some communities for the construction/renovation of child care facilities. Contact your local USDA/Rural Development office for more information.

### Subsidies

The Child and Adult Care Food Program provides reimbursements at a set rate for meals served in family child care and center-based child care programs. For more information contact the Kansas Department of Education at (785) 296-2276.

Local Department of Social and Rehabilitation Services offices can provide individual applications and information on the availability of subsidies to offset the cost of child care for children from low-income families.

# Appendix D

## Analyzing Costs and Benefits

### Cost Effectiveness Analysis<sup>1</sup>

Before embarking on a new work/life policy, you may wish to do a cost/benefit analysis on each option you are considering. In most cases such an analysis is not an exact science: It often involves estimates. However, by comparing estimated costs with expected benefits, you can begin to get an idea of which options would be more cost-effective for your company or organization. You may wish to work with your accountant or a work/life consultant in this process.

The two methods of comparing costs and benefits described below are the cost/benefit analysis and the cost-effectiveness analysis. In both types of analyses, only real benefits (those that involve real resources) should be included. Most planners include both direct and indirect benefits in their calculations, although the latter are more difficult to identify and measure. An example of a real and direct benefit is the reduction in training costs that result from lower turnover. A real but indirect benefit might be the value of unsolicited publicity about the program that enhances the image of the employer in the community.

### Cost/Benefit Analysis

In this method, all costs and benefits should have values assigned to them. After the value is figured or estimated for each benefit and cost, the values of all the benefits are added together and the total of all the costs is subtracted. The result is either the net cost of the program (if costs outweigh benefits) or the net benefit (if benefits outweigh costs).

Benefits and costs that extend beyond one year should be subjected to a discounting procedure, because in an inflationary economy, costs and benefits received tomorrow are worth less than those received today. Determining the appropriate discount rate can be difficult, but employers may decide to use the same rate they use for similar investments.

The effect of work/life benefits on elements such as employee morale, recruitment, and public image is more difficult to measure than the effect of turnover, absenteeism and productivity on the bottom line. This fact sheet concentrates on methods for assessing reduction in turnover, absenteeism and productivity, since these are the factors most easily quantifiable.

<sup>1</sup>Provided by The Oregon Child Care Resource and Referral Network, copyright © 1997, by the State of Oregon. Used with permission.

## Calculating Turnover Costs

### Step 1: Calculate the Current Rate of Turnover

(# of employees leaving per year)  
(average number of employees) X 100 = % of turnover

### Step 2: Calculate Cost of Turnover to the Company Per Year

There are several standard costs incurred in turnover:

- **Employment Advertising:** Include all recruitment advertising and related costs.
- **Employment Agency and Search Fees:** Include all fees to employment agencies, search firms and recruitment consultants.
- **Internal Referrals:** Include all costs for bonuses, fees, gifts, etc., awarded to employees who participate in a company-sponsored applicant referral program.
- **Applicant Expenses:** Include the travel and subsistence costs entailed in bringing an applicant to the interview location. Also include cost of the spouse's travel, if applicable.
- **Relocation Expenses:** Include moving expenses and all other costs associated with relocation.
- **Employment Staff Compensation:** Include all salaries, benefits and bonuses of the employment staff involved in recruiting, interviewing, hiring, and training of new employees.
- **Other Employment Expenses:** Include all other expenses that can be attributed to the recruiting and hiring functions, such as the cost of facilities, telephones, equipment depreciation, office supplies, printing, physical examinations, consultants, etc.
- **Orientation and Training:** Include management time, trainer fees, materials, facility fees, and all other costs associated with training a new employee.

These costs should be estimated in total and then divided by the number of new employees.

### Step 3: Calculate Estimated Reduction in Turnover

Using data collected from needs assessment surveys, focus groups, exit interviews, etc., determine how many of your separating employees typically leave because of dependent care or other work/life issues, then deduce how many of these probably would not have left had your proposed program been in place.

Remember, employees often are reluctant to name dependent care problems as a reason for leaving and, therefore, your needs assessment might be understating the problem.

### Step 4: Calculate Expected Savings in Turnover Costs

Multiply the expected reduction in the turnover rate (calculated in Step 3) by the total turnover cost per new employee (calculated in Step 2) to determine the expected savings in turnover costs.

## Calculating the Cost of Absenteeism

Determining costs due to absenteeism can be more difficult. Personal telephone calls, arriving late or leaving early, and the stress employees feel when family members are in unreliable or inadequate care can take their toll on job performance.

The method for quantifying absenteeism is the same as the procedure described above for turnover, except:

- Absenteeism resulting from work/life issues is one of the most obscure personnel problems because employees are often reluctant to admit that their absences are family related.
- A small percentage of the employees sometimes accounts for a large percentage of a company's absences. Designing a program that targets the problems of this small group can go a long way in reducing overall absenteeism.

### Step 1: Calculate the Annual Cost of Absenteeism Per Year

(# work days lost per year) X (cost per work day) = annual cost of absenteeism

In this calculation, you must take into account not only the wage and benefit costs of affected employees, but such costs as supervisor hours lost due to redirecting work and hiring of temporary personnel.

### Step 2: Calculate Expected Reduction in Absenteeism

Determine what percentage of current absences could be attributed to dependent care problems your proposed program addresses. (An estimate could be obtained through a blind survey.)

### Step 3: Calculate Expected Savings in Absenteeism Costs

Annual cost of absenteeism (calculated in Step 1) X reduction rate (calculated in Step 2) = expected savings

## Calculating the Cost of Lost Productivity

The value of productivity lost due to dependent care or other work/life issues is somewhat more difficult to determine than loss due to turnover or absenteeism. Still, it is possible to calculate an estimate using the table on the following page as an example.

This model assumes a new employee's effectiveness increases based on their learning curve. Using research, it estimates how many weeks it takes for a new employee at each job classification to reach 90 percent effectiveness. It also estimates what percentage of effectiveness (productivity) an employee in a given classification will attain during each third of that training period.

### Step 1: Construct a table based on the table below, using job classifications and pay rates that apply to your business or organization.

### Step 2: For each job classification, multiply the Average Weekly Pay Rate times the number of Weeks Learning to 90 percent Productivity.

This figure would be your productivity loss if the employee produced nothing during the training period.

**Step 3: Divide the figure calculated in Step 2 by 3.**

This figure represents lost productivity during each third of the training period if the employee produced nothing during the training period.

**Step 4: Multiply the figure calculated in Step 3 by Percent Effective During Learning Curve for each third of the training period.**

**Step 5: Add the three figures calculated in Step 4.**

The result represents the total value of productivity for an employee in that classification during the estimated training period.

**Step 6: Subtract the figure calculated in Step 5 (productivity realized) from the figure calculated in Step 2 (total paid to employee during training period).**

The result will be your estimated “learning curve loss” for an employee in that classification.

**Example** (using figures from the table below): For an employee in a Sales classification:  $\$605 \times 15 = \$9075$

$$\begin{aligned}
 &\$9075 \\
 &3 = \$3025 \\
 &\$3025 \times .25 = \$756.25 \\
 &\$3025 \times .50 = \$1512.50 \\
 &\$3025 \times .80 = \$2420.00 \\
 &\$756.25 + \$1512.50 + \$2420.00 = \$4688.75 \\
 &\$9075 - \$4688.75 = \$4386.25
 \end{aligned}$$

**Estimation Model for Learning Curve Productivity Losses**

Job Classification	Average weekly pay rate	Week learning to 90% productivity	% Effective during learning curve			Learning curve losses per employee
			First <sup>1</sup> / <sub>3</sub>	Second <sup>1</sup> / <sub>3</sub>	Third <sup>1</sup> / <sub>3</sub>	
<b>Exempt:</b>						
1. Management	\$780	17	20%	32%	86%	\$7,160
2. Professionals	\$637	14	27%	60%	86%	\$3,775
3. Sales	\$605	15	25%	50%	80%	\$4,386
<b>Weighted average exempt job classification .....</b>						<b>\$5,887</b>
<b>Non-Exempt:</b>						
1. Technicians	\$445	12	15%	55%	90%	\$2,492
2. Office and Clerical	\$312	7	42%	60%	85%	\$ 823
3. Skilled Crafts	\$452	6	30%	61%	75%	\$1,211
4. Operating-semi-skilled (assembly)	\$238	4	22%	60%	90%	\$ 406
5. Service (janitors, etc.)	\$247	3	48%	60%	83%	\$ 269
<b>Weighted average nonexempt job classification .....</b>						<b>\$2,997</b>

## Cost-Effectiveness Analysis

In order to predict how an investment in a work/life program might compare with savings resulting from implementation of the program, all costs and benefits should have values placed on them. Many companies will be unable to conduct an ideal cost/benefit analysis because of difficulties in quantifying some of the expected benefits. If very few of the benefits can be quantified, you may want to consider using an alternative technique, such as cost-effectiveness analysis.

Cost-effectiveness analysis is a method of comparing programs that attempt to achieve the same result. It shows:

- How a given level of effectiveness can be achieved at a minimum cost; or
- How maximum effectiveness can be achieved at some given cost level.

This type of analysis differs from cost/benefit analysis in that it tries to separate the costs of a program from its benefits (effectiveness); while costs are measured in numbers and units, benefits are not.

For example, a company may want to determine which work/life option would have the greatest impact on turnover for an annual expenditure of \$5,000. Cost-effectiveness analysis would not require determining whether the reductions in turnover would recover the total \$5,000 expenditure, but instead would determine which of the proposed programs would have the greatest effect on turnover.

A number of additional factors should be taken into consideration when the value of savings in an individual area such as turnover are being determined:

- The effect that one area (such as turnover) has on another should be considered. This is called the *interdependence of benefits*. For example, if turnover is reduced, the company also may save money on unemployment insurance.
- The time preference of benefits also should be considered; the time that the benefit is introduced may determine the extent of its effect.
- The certainty of the projected costs and benefits should be considered, as well as whether there is a small or large amount of variability in the possible costs and benefits.

## Additional Considerations

- After each of the individual values for the separate costs and benefits has been determined and a total net cost or total net benefit has been figured, there are several additional factors to consider that affect the overall value of various work/life options.
- The state of the economy will have an effect on how the total net cost or total net savings is viewed. (Benefits accrued in difficult economic times are sometimes more valuable than the same benefits in less difficult times, depending on the industry, region and other factors.)
- The certainty with which any risks associated with the program can be avoided should be examined.
- The degree to which positive outcomes can be controlled or enhanced by the company should be assessed.

## Program Evaluation

The best way to determine how effective your workplace-friendly policy has been is to keep track of indicators (e.g., turnover, absenteeism, productivity) before and after implementation of the program, and then compare numbers. Getting an objective reading on how employees feel about the program is also important, and can be achieved through an anonymous survey of employees. All of this feedback will be important in evaluating the success of your program and deciding on how to expand or change your program to better suit your workplace.

## Other Benefits Worth Considering

Each year American taxpayers pay, directly and indirectly, the costs of policies based on remediation rather than prevention.

Though slower to realize and virtually impossible to calculate in monetary terms, the benefit of a safer, stronger community is the long-term payoff for providing families with the supports they need to give their children a healthy start in life. Research shows a clear relationship between quality child care, parenting, education and other family supports and the reduction of teen pregnancy, substance abuse, high school dropout rate, and crime. As an employer, the workplace-friendly policies you implement today will help to ensure the availability of a high quality workforce tomorrow.



## Appendix E: Employee Child Care Needs Assessment

**Appendix E contains an example of an Employee Child Care Needs Assessment. It is designed for direct reproduction to be distributed for your workforce. If you determine that not all of the questions apply to your company, please feel free to modify the needs assessment to suit your situation.**

**Appendix F provides information on analyzing the needs assessment to determine employee child care needs. If you would like assistance, you can contract with your local resource and referral agency (Appendix A) to assist in analyzing the results of the needs assessment.**

**Copies of the needs assessment are also available in Spanish from your local child care resource and referral agency (Appendix A) free of charge.**

# Employee Child Care Need Survey

In order to develop more effective family-friendly policies in our workplace, we need to survey our employees to determine their child care concerns. This information will be used to develop a business strategy that meets the needs of our employees.

We would like the information you provide here to be anonymous, so please do not sign your name on the survey. Developing an effective strategy depends on obtaining a true snapshot of your child care concerns. Please be honest in your answers.

If you have any questions about this survey and/or would like to receive a summary of survey results, please let us know.

## 1. First, we would like to know the ages of the children living in your household.

Write in the number of children in each age category.

- | # of children | ages                         |
|---------------|------------------------------|
| _____ a.      | birth - 18 months            |
| _____ b.      | 18 months - 3 years          |
| _____ c.      | 3 years through kindergarten |
| _____ d.      | 1st grade through 3rd grade  |
| _____ e.      | 4th grade through 6th grade  |
| _____ f.      | 7th grade through 12th grade |

If you have no children living at home or none in the above age categories, go to question\_\_\_\_\_.

## 2. Do any of your children in care have special needs?

- a. Yes (please explain) \_\_\_\_\_  
 b. No

**3. In the section below please list the age for each child that you currently have in child care.** Please *circle* (a) the type or types of care that each child is in (if you have more than five children please provide this information for your youngest five) and (b) the times when child care is needed.

	Child	Child	Child	Child	Child
	1	2	3	4	5

Age of Child > \_\_\_\_\_

### A. Type of child care used

Child Care Center (please provide the center name): _____	1	2	3	4	5
Family home care provider; i.e. Paid person in provider's home	1	2	3	4	5
Paid person in my home; i.e. Nanny	1	2	3	4	5
Structured before/after school program	1	2	3	4	5
Unpaid person in provider's home; i.e. Relative	1	2	3	4	5
Unpaid person in my home; i.e. Spouse, relative	1	2	3	4	5
Other (please specify): _____	1	2	3	4	5

Child  
 1    2    3    4    5  
 Child  
 Child  
 Child  
 Child

Age of Child >    \_\_\_    \_\_\_    \_\_\_    \_\_\_    \_\_\_

**B. Hours child care used**

Full-day care	1	2	3	4	5
Half-day care	1	2	3	4	5
Before school care	1	2	3	4	5
After school care	1	2	3	4	5
Night or weekend care					
Full-day (summer only)	1	2	3	4	5
Half-day (summer only)	1	2	3	4	5
Other (please specify): _____	1	2	3	4	5

**4. Did you get all the child care you needed during the last 12 months?** *Check the best response.*

- \_\_\_ a. Yes, I got all the care I needed. (Skip to question 6.)
- \_\_\_ b. I got some of the care I needed.
- \_\_\_ c. No, I did not get any of the care I needed.

**5. If you couldn't get all the child care you needed, please indicate the reason.** *Check all the reasons that fit your situation.*

- \_\_\_ a. Cost of care was too expensive.
- \_\_\_ b. Couldn't find anyone to care for my children.  
 (Comment) \_\_\_\_\_
- \_\_\_ c. Care was too far away.
- \_\_\_ d. Care wasn't available when I needed it.  
 (Comment) \_\_\_\_\_
- \_\_\_ e. My child has special needs that couldn't be accommodated.  
 (Comment) \_\_\_\_\_
- \_\_\_ f. Other: \_\_\_\_\_

*If you have only school-age children who stay home alone before and after school, please skip to question 16.*

**6. Please indicate the age of your children, the average number of hours of child care received and weekly costs.**

Age	Hours per Week	Weekly Cost	Age	Hours per Week	Weekly Cost
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

**7. Do the total costs of child care create a hardship for your family? Check the best response.**

- a. Extreme
- b. Moderate
- c. Mild
- d. None

**8. Do you have backup child care when your regular care is unavailable? Check the best response.**

- a. Always (go to question 10)
- b. Usually
- c. Sometimes
- d. Never

**9. In the last 12 months, what are the reasons your regular child care has been unavailable? Check all that apply.**

- a. Child sick
- b. Family provider unable to provide care
- c. Relative unable to provide care
- d. School closure
- e. Bad weather; unable to take child to provider
- f. Other (comment) \_\_\_\_\_

**10. Who cares for your child(ren) when your regular child care arrangements are unavailable? Check all that apply.**

- a. Spouse who doesn't work outside the home.
- b. Spouse stays home from work with child.
- c. I stay home from work to be with child.

**To do this I have to make the following arrangements. Check all that apply.**

- sick leave
- vacation day
- personal leave
- unpaid leave
- other: \_\_\_\_\_
- d. Alternative child care arrangements.
- e. Child cares for self.
- f. Other (comment) \_\_\_\_\_

**11. Do you participate in making child care arrangements in your family?**

- a. Yes
- b. No

**12. Who takes or drives your child(ren) to and from child care? Check all that apply.**

- a. Care is in our home. Skip to question 15.
- b. I do
- c. Partner
- d. Other: \_\_\_\_\_

**13. How many miles do the individuals identified in question 12 drive (one way) from your house to the child care home or center?** *Total for all children attending different child-care programs.*

Total number of miles (one-way) from home to child care = \_\_\_\_\_

**14. How many miles do the individuals mentioned in question 12 drive (average one way) from the child care home or center to their jobs?**

Total number of miles (one way) from child care to work = \_\_\_\_\_

**15. What impact has problems with child care had on your household?** *Check all that apply.*

One or more of us have had to:

- \_\_\_\_\_ a. Limit work hours
- \_\_\_\_\_ b. Take time off from work
- \_\_\_\_\_ c. Quit a job

**16. How much do you worry about your child(ren) in child care while at work?** *Check the best answer.*

- \_\_\_\_\_ a. I don't worry at all. I have great confidence in the care they receive.
- \_\_\_\_\_ b. I am fairly confident in their care. Every once in a while I have some concern.
- \_\_\_\_\_ c. I occasionally worry.
- \_\_\_\_\_ d. I worry often and have some doubts about their care.
- \_\_\_\_\_ e. I am extremely worried and am apprehensive about their care.

**17. How much do you worry about your child(ren) who are at home alone before or after school?** *Check the most appropriate answer.*

- \_\_\_\_\_ a. Question does not apply to me.
- \_\_\_\_\_ b. I don't worry at all. I know they are safe and happy.
- \_\_\_\_\_ c. I am fairly confident that they are safe and happy.
- \_\_\_\_\_ d. I occasionally worry about them.
- \_\_\_\_\_ e. I worry often about them and have doubts about their safety.
- \_\_\_\_\_ f. I am extremely worried and am apprehensive about their safety and well-being.

**18. When you need to be away from work for a short time for a child's appointment or a child care emergency, how does your supervisor manage your absence?** *Check all that apply.*

- \_\_\_\_\_ a. Allows personal leave time.
- \_\_\_\_\_ b. Allows me to make up lost time.
- \_\_\_\_\_ c. Reduces wages for missing time.
- \_\_\_\_\_ d. Demerit or mark against work record.
- \_\_\_\_\_ e. Other (comment) \_\_\_\_\_

**19. Do your child care responsibilities in any way restrict your personal job performance goals?**

- 1. Yes
- 2. No

**20. Have child care difficulties ever caused you to seriously consider leaving your present job?**

- 1. Yes
- 2. No

**21. Sometimes, child care arrangements affect parents at work. During the past six months, have you had difficulties related to child care in any of the following areas?** Please circle the appropriate answer or (N/A). *Remember your responses will be held strictly confidential.*

	No Problem	Minor Problem	Major Problem	
a. Ability to concentrate on work	1	2	3	N/A
b. Disruption of your work	1	2	3	N/A
c. Arriving at work on time	1	2	3	N/A
d. Staying as late as desired/needed	1	2	3	N/A
e. Taking training (after work hours)	1	2	3	N/A
f. Traveling for the job	1	2	3	N/A
g. Leaving work early or staying home to care for sick child	1	2	3	N/A
h. Other (please describe): _____				

**22. During the past six months, how many days have you left early or arrived late because of child care difficulties?** (Please provide your *best estimate*) \_\_\_\_\_ Days

**23. During the past six months, how many days have you been absent from work because of child care difficulties?** (Please provide your *best estimate*) \_\_\_\_\_ Days

**24. What is your impression of your workplace's response to your family responsibilities that may affect you during work time?** *Check all that apply.*

- \_\_\_\_\_ a. Highly supportive
- \_\_\_\_\_ b. Supportive
- \_\_\_\_\_ c. Reluctant but allows necessary absence
- \_\_\_\_\_ d. Disapproving
- \_\_\_\_\_ e. Threatening
- \_\_\_\_\_ f. Other (comment) \_\_\_\_\_

**25. Listed below are a number of ways that businesses can help employees with child care.** *Check all options that you think this business should consider.*

- \_\_\_\_\_ a. Free workshops on parenting and child care.
- \_\_\_\_\_ b. Employee is provided information on local child care homes and centers.
- \_\_\_\_\_ c. Adjusted work arrival and departure times to meet family's schedule.
- \_\_\_\_\_ d. Allow employees time off from work following childbirth.
- \_\_\_\_\_ e. Allow employees to bring their children to work for limited amounts of time in unusual situations or emergencies.
- \_\_\_\_\_ f. Allow employees to use paid sick leave to care for sick children.
- \_\_\_\_\_ g. Make available a plan to pay for child care with employee pre-tax dollars. (IRS approved.)
- \_\_\_\_\_ h. Financial support for child care as part of the benefit package.
- \_\_\_\_\_ i. Spaces reserved in a child care center or family child care home for employees' children.
- \_\_\_\_\_ j. Employees receive a discount on the regular fee charged for child care at a center or home.
- \_\_\_\_\_ k. Child care program before and after school hours and on school holidays and vacations.
- \_\_\_\_\_ l. Child care program for children who are mildly ill or recovering from an illness.
- \_\_\_\_\_ m. Child care center for children of employees at or near your work site.

**26. Which three child care options listed above would be most important to you? Insert the letters of your choices from question 25.**

- 1<sup>st</sup> Choice \_\_\_\_\_
- 2<sup>nd</sup> Choice \_\_\_\_\_
- 3<sup>rd</sup> Choice \_\_\_\_\_

**27. Do you anticipate that your child care needs are going to change over the next two years? Check the most appropriate answer.**

- \_\_\_\_\_ a. Yes
- \_\_\_\_\_ b. No
- \_\_\_\_\_ c. Not sure

**28. Please tell us what kind of child care you think you will need over the next two years. Check all that apply.**

- \_\_\_\_\_ a. Full-day care
- \_\_\_\_\_ b. Half-day care
- \_\_\_\_\_ c. Before- or after-school care
- \_\_\_\_\_ d. Summer care only, full-time
- \_\_\_\_\_ e. Summer care only, half-time
- \_\_\_\_\_ f. Night/weekend care
- \_\_\_\_\_ g. Not sure
- \_\_\_\_\_ h. Other: \_\_\_\_\_

**29. How many years have you worked with this company? If a new employee insert "0."**  
\_\_\_\_\_ Years \_\_\_\_\_ Months (approximate)

**30. What is your work schedule?**

	Working hours	Total hours per week	Days of the week
Full-time	_____	_____	_____
Part-time	_____	_____	_____
Other	_____	_____	_____

**31. Please share any additional concerns or comments about child care:**

# Appendix F

## Interpreting the Employee Child Care Needs Assessment

This scoring section will assist your business in determining the option(s) that are best for your business based on employee feedback. Each of the questions has answers that are related to letters (a, b, c, d, etc.); this section relates the letters under each question back to specific options.

The results of the Employee Child Care Needs Survey can be either be compiled by hand or by using a computerized spreadsheet such as Lotus, Microsoft, Excel, or Filemaker Pro. Every question on the survey provides important, useful information that relates specifically to choosing and prioritizing options in this handbook.

### **Question 1:**

Total the number of children in each of the six age groups. Children in each of these groups will have different child care needs and staff ratio requirements. (Your local health department can provide more information of child care ratios.)

- *Birth-18 months:* Infants require the most specialized care. Care for infants is typically the most expensive and among the most challenging to find.
- *18 months-3 years; 3 years-kindergarten:* Toddlers and preschoolers usually need full-day care, depending on work hours. Many schools run half-day kindergarten sessions, which often means kindergartners need the equivalent of full-day care before and after school.
- *1st grade-3rd grade:* School-age children may need care before or after school or both.
- *4th grade-6th grade:* Older school-age children may need care before or after school or both.
- *7th grade-12th grade:* Youth this age typically do not need child care services, but their parents often benefit from flexible work policies that enable to respond effectively to the needs of their older children.

### **Question 2:**

Children with special needs will require special forms of child care. In addition, parents of these children are often under a great deal of stress and would benefit significantly from employer support for child care. Knowing the percentage of special needs children of the total number of children that could be served would be an important part of the planning process.

### **Question 3:**

The total numbers and ages of children indicate the age groups with the most need in terms of both the type and timeliness of child care. If your business chooses to directly provide child care for your employees (options 11 and 12), these numbers can help guide planning for the size of the facility, the age groups it would serve, and the staffing needs.

### **Question 4:**

Total the number of responses indicating a, b, and c. High levels of employees with responses of b and c indicate that many employees are having a difficult time locating the care they need for their children and would benefit from additional assistance. Question 9 indicates the action employees take when their regular child care arrangements are not available.



**Question 5:**

High levels of responses on any of these numbers provide information on potential options to explore:

- a: Option 5: Dependent Care Assistance Plan  
Option 6: Voucher/Reimbursement System  
Option 7: Purchase of Space/Discount Program
- b: Option 2: Resource and Referral Services
- c: Option 2: Resource and Referral Services  
Option 11: Consortium Center  
Option 12: On-site/off-site Child Care Center
- d: Option 2: Resource and Referral Services  
Option 3: Alternative Work Schedules  
Option 11: Consortium Center  
Option 12: On-site/off-site Child care Center
- e: Option 2: Resource and Referral Services

**Questions 6 and 7:**

Determine the average weekly cost of employees' child care by children's age group. (Total child care expenditures by age divided by number of respondents for each age; use age groups from question 1.) These numbers provide information on the parents' total child care expenditures and the need for financial subsidies for child care. See: Option 5: Dependent Care Assistance Plans, Option 6: Voucher/Reimbursement System, and Option 7: Purchase of Space/Discount Program.

The average number of hours employees require child care by age group (determined by totaling the number of hours used by age group divided by number of respondents for each age; use age groups from question 1) will assist in determining the total number of hours employees require care. This information relates to: Option 7: Purchase of Space/Discount Program, Option 11: Consortium Center, and Option 12: On-site/Off-site Child care Center.

**Questions 8, 9 and 10:**

Tally the total number of responses under each letter. These questions assist in determining the impact unreliable child care has on your employees. In addition to the overall information this provides, a number of answers relate to specific options:

- Question 9, a: Option 9: Sick-Child Care
- Question 10, c: Option 4: Parental Leave Policies

**Question 11:**

Tally total number of responses. High levels of involvement in child care arrangements relate to: Option 2: Resource and Referral Services and Option 1: Parent Seminars.

**Questions 12, 13, and 14:**

Tally the total number of responses under each letter for question 12; average the numbers of miles under questions 13 and 14. This information provides a picture of the amount of daily travel employees do to access child care. Responses may indicate need for Option 2: Resource and Referral Services (to check availability of child care services closer to the employment site) or Option 11: Consortium Center or Option 12: On-site/Off-site Child care Center.

**Questions 15, 16, and 17:**

Tally the total number of responses for each choice. These questions relate to the overall impact problems with child care have on your employees. High levels of worry and/or problems with child care indicate that child care is having a significant impact on your workforce.

**Question 18:**

Tally totals for each answer. See Option 3: Alternative Work Schedule and Option 4: Parental Leave Policies.

**Question 19 - 23:**

Responses to questions will reveal hidden costs to your business related to child care.

**Question 24:**

Tally totals for each answer. As stated in the introduction, employees with highly supportive workplaces exhibit higher levels of productivity, commitment and longevity with a company than those who perceive their workplaces to be less supportive. Each of the options has a proven impact on increasing these crucial aspects of employee performance. Responses to this question provide a benchmark you can refer to later if a follow-up survey is conducted.

**Question 25:**

Tally totals for each answer. High scores on any of the answers indicate a need for this service. All options lend themselves to be developed and implemented as a component of a business consortium (Option 10).

- a: Option 1: Parent Seminars
- b: Option 2: Resource and Referral Services
- c: Option 3: Alternative Work Schedules
- d: Option 4: Parental Leave Policies
- e: Option 4: Parental Leave Policies
- f: Option 4: Parental Leave Policies
- g: Option 5: Dependent Care Assistance Plan
- h: Option 6: Voucher/Reimbursement Program
- i. Option 7: Purchase of Space/Discount Program
- j: Option 7: Purchase of Space/Discount Program
- k: Option 8: School-Age Child Care; Option 11: Consortium Center; Option 12: On-site/Off-site Child care Center
- l: Option 9: Sick-Child Care
- m: Option 11: Consortium Center; Option 12: On-site/Off-site Child Care Center

**Question 26:**

Tally letters of employees' top three choices for an employer-sponsored program. The letters correspond to the choice listed above.

**Question 27 and 28:**

Tally totals for each answer. The number of respondents to letters b and c on question 27 and the results of question 28 will enable you to project the needs of your employees up to 24 months from now.

**Question 29 - 31**

Provide additional information for review.

This chart indicates the relationship between questions and specific options. When organizing the results of your survey, you can use this chart to interpret the significance of responses to various questions.

<b>Issue</b>		<b>Questions</b>
General		1, 2, 4, 8, 15, 16, 17, 24, 26, 27, 28, 29, 30
Business Impact		10, 19, 20, 21,22, 23, 24, 33, 23
<b>Option</b>		
1	Parent Seminars	11, 25
2	Resource and Referral Services	5, 11, 12, 13, 14, 25
3	Alternative Work Schedules	5, 18, 25
4	Parental Leave Policies	10, 18, 25
5	Dependent Care Assistance	5, 6, 7, 25
6	Voucher-Reimbursement Programs	5, 6, 7, 25
7	Purchase of Space Discount	5, 6, 7, 25
8	School-Age Child Care	3, 9, 25
9	Sick Child Care	2, 9, 25
10	Consortium Model*	
11	Consortium Center	3, 5, 6, 7, 12, 13, 14, 25
12	On-site/Off-site Child Care	3, 5, 6, 7, 12, 13, 14, 25

\*Decisions about forming a consortium should be made based on your organization's resources and potential partnerships with other community businesses with similar needs.