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ABSTRACT

In December 1989, the governor of Colorado established the Colorado Business and Child Care Council to determine the existing level of employer participation in childcare, attitudes about child care, the magnitude of demand for childcare assistance by employers, and barriers to greater employer involvement. The council was also charged to establish a process by which employers can receive information on childcare issues and options. Finally, the council was asked to submit recommendations to the governor and legislature for increasing the current level of employer involvement in childcare by 600% in 2 years. After conducting a statewide survey of Colorado businesses, the council developed a five-point agenda: (1) implement an information campaign aimed at educating employers on childcare-related benefit options; (2) build partnerships between public policy makers and corporate decision makers to support employer childcare initiatives; (3) increase assistance to businesses in developing and licensing childcare facilities; (4) increase initiatives that encourage developers and businesses to provide childcare programs when both demand and economic feasibility can be demonstrated; and (5) explore issues related to elder care and the aging workforce. This report describes the activities of the council and a resource group of childcare experts to support and stimulate private sector participation in childcare issues. It includes an overview of the issue, nationally and in Colorado; findings of the statewide childcare survey; recommendations; and an action plan. The survey instrument is appended. (AC)



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The Governor's Business and Child Care Council

A Report on Colorado Employer's Involvement in Child Care: Findings, Recommendations and Action Plan



"The key to quality child care is parents, businesses, government and providers working together." -Roy Romer Governor

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November 5, 1990

The Honorable Governor
Roy Romer
Colorado General Assembly
State Capitol
Denver, CO 80203

Dear Governor Romer and Members of the General Assembly:

On behalf of the members of the Business and Child Care Council, please accept this final report detailing the work that has been done on the issue of employer involvement in child care. This report focuses on strategies to support employers who are providing work/family programs for their employees and to stimulate participation from employers who are not currently involved.

The State of Colorado's economic health has come to depend on the workforce involvement of working parents. This participation is contingent to a great degree upon the availability and access parents have to affordable, quality child care. Government cannot make, build and maintain this system alone. It will take strong partnerships between government, businesses, parents and educators to successfully meet this challenge.

The Business and Child Care Council hopes that you will use the information and recommendations compiled in this report to support changes in current policy that would encourage more employer-assisted child care, and improve child care services. In support of these changes, it is recommended that a core group of council members continue to work with First Impressions during the next six months to follow-up on the actions plans outlined in the report. The Business and Child Care Council would like to schedule a final meeting in March of 1991 to review the actions taken to-date in Colorado.

Thank you for your continued support of children and families.

Sincerely,

Mary Ann Looby

Chair, Business and Child Care Council

Vice President, Human Resources

American Express

Information Services Corporation

MAL/cs



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"This issue is much more than child care – it's parents, schools, businesses and government working together to create an atmosphere for families that allows Colorado's children to be the best they can be."

- Roy Romer, Governor of Colorado



EXECUTIVE SUMMARY

The State of Colorado's economic health has come to depend on the workforce involvement of parents with young children. This participation is contingent upon the availability and access parents have to affordable, quality child care. Moreover, at a time when the need for more highly educated and technically skilled workers is escalating it has become apparent that quality child care programs can get children off to a good start, ready to learn and succeed. Government cannot make, build and maintain a system of high quality child care alone. In December 1989, Governor Roy Romer issued an executive order establishing the Colorado Business and Child Care Council. The creation of the council was based on the belief that it will take strong partnerships between government, businesses, parents and educators to successfully meet this challenge. This report is the summation of the work conducted by the council during its eight month charge.

While most workers -- both women and men -- experience periodic work and family difficulties throughout their careers, child care demands may be the most difficult to resolve. In Colorado, quality child care can be difficult to find and is often too expensive to purchase. In addition, traditional work schedules and inflexible personnel policies limit parents ability to respond to family-related demands. For employers, the implication is clear -- when child care is not available, parents cannot work. If it is not dependable, parents are tardy or even absent from work. When it is of poor quality, parents are distracted and less productive on the job. Further, when workplace policies prohibit parents from being both a good worker and a good parent, morale is low and turnover is high.

The Business and Child Care Council was comprised of 16 business leaders -- CEO's and vice-presidents representing large and small businesses from across the state. First Impressions, the Governor's initiative on early childhood was directed to staff and facilitate the process and to coordinate efforts with the Department of Social Services and the Office of Business Development. The results of their efforts are in response to their charge from the Governor to: determine the existing level of private sector involvement in child care statewide; establish a process by which employers can receive information about the impact of child care issues on doing business; and to submit recommendations for increasing the current level of employer involvement in child care by 600 percent in two years. The following five-point agenda is forwarded by the Colorado Business and Child Care Council to Governor Romer and Members of the General Assembly for their consideration:

RECOMMENDATION I: Implement an information campaign aimed at educating

employers on child care-related benefit options.

RECOMMENDATIONII: Build partnerships between public policy makers and corporate

decision-makers to support employer child care initiatives.

RECOMMENDATION III: Increase assistance to businesses in developing and licensing

child care facilities.

RECOMMENDATION IV: Increase incentives that encourage developers and businesses to

provide child care programs when both demand and economic

feasibility can be reasonably demonstrated.

RECOMMENDATION V: Explore issues related to eldercare and the aging workforce.



The Business and Child Care Council Wishes to Extend Special Acknowledgement and Thanks to:

American Express Information Services Corporation for supporting the council in its efforts to increase private sector involvement in child care.

Public Service Company of Colorado for their financial support of the statewide survey.

Susan Krcmarik, principal researcher on the statewide survey.

Colorado State University for their technical assistance and support with the statewide survey.



THE GOVERNOR'S BUSINESS AND CHILD CARE COUNCIL **MEMBERS**

Mary Ann Looby, Chair American Express Information Services Corporation Englewood, CO

Cene Bacus

Downtown Shipper and Publisher, Inc.

Denver, CO

Richard Balantine

Durango Herald

Durango, CO

Lua Blankenship, Jr.

The Children's Hospital

Denver, Co

George Dibble

Colorado Association of Commerce and Industry

Littleton, CO

Marilyn Ferrari

Coalition of Labor Union Women

Denver, CO

Leslie S. Franklin

Governor's Job Training Office

Denver, CO

Frank Hemrick

YMCA Central Branch

Denver, CO

Janette Kochis

Matheson, CO

Donna Chitwood, staff

Governor's Office, First Impressions

Karen Mathis

Mathis and Porter, P.C.

Denver, CO

Jane Prancan

U S WEST Foundation

Englewood, CO

Maureen Regan

Denver Business Journal

Denver, CO

Sam Robinson

Mervyn's

Littleton, CO

David Sheridan

Bannock Center Corp.

Denver, CO

JoAnn Soker

Colorado Department of Personnel

Denver, CO

Dr. Raymond K. Yang

Colorado State University

Fort Collins, CO



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GOVERNOR'S BUSINESS AND CHILD CARE RESOURCE GROUP MEMBERS

Carolyn Abbot Child Motivation Centers, Inc Lakewood, CO

Glenn Barta Barta Child Care Lakewood, CO

Pat Coyle
Office of Business Development
Denver, CO

Grace Hardy Colorado Department of Social Services Denver, CO

Anna Jo Haynes Mile High Child Care Denver, CO

Judy Kaufman
U S WEST Communications
Englewood, CO

Sally Vogler, staff Governor's Office, First Impressions Susan Krcmarik Colorado State University Fort Collins, CO

Liza Lidke
National Employee
Benefit Consultants
Denver, CO

Alan Nansel Mile High Child Care Denver, CO

C.J. Perez Manville Corporation Denver, CO

Julie Wassom
The Julian Group
Denver, CO

Kaye Weihe Gensler and Associates Denver, CO



"Child care is a bottom line issue at American Express which impacts our employees today and affects the future labor force. We have implemented child care benefits to help our employees be more productive and feel good about their jobs. Child care subsidies, resource and referral services, dependent care spending accounts and personnel policies which are sensitive to employees' family needs make this company a great place to work."

 Charles T. Fote, CEO, Integrated Payment Systems, American Express Information Services Corporation



INTRODUCTION

In December 1989, Governor Roy Romer issued an executive order establishing the Colorado Business and Child Care Council. This marked the first time that the State of Colorado addressed the issues of private sector involvement in child care in a comprehensive manner.

Governor Romer's decision was based on the understanding that increased workforce involvement of single and dual-earner families has created an unprecedented demand for affordable, high quality child care. Faced with a shrinking labor pool and a thriving service sector economy, employers have begun to develop effective business strategies to assist parents in balancing the demands of home and work.

Sixteen business leaders -- CEO's and vice-presidents representing large and small businesses from across the state were appointed to the council. A resource group of twelve child care experts was also established. First Impressions, the Governor's initiative on early childhood was directed to staff and facilitate the process and to coordinate efforts with the Department of Social Services and the Office of Business Development. The council was asked to meet the following charges:

- Determine the existing level of participation by employers in providing child care options, the attitudes relative to child care, the magnitude of demand for child care assistance by employers and the barriers to greater employer involvement in child care.
- Establish a process by which employers can receive information about the impact of child care issues on doing business and on the diverse options they can implement to assist working parent employees with child care needs.
- Submit recommendations to the Governor and the General Assembly for increasing the current level of employer involvement in child care by 600% in two years.

The following report represents the work done by the council and resource group to support and stimulate private sector participation in child care issues. It includes an overview of the issue of employer involvement in child care, nationally and in the state, findings of a statewide child care survey conducted by the conneil, recommendations and action plan.



"Dependent care issues have traditionally been held as private, family concerns. Stepping back from tradition and into reality, the handwriting is on the wall. It is time for America to respond to the needs and demands of its families by addressing dependent care issues before we reach a point of crisis. Family issues are also corporate issues. With people being the life blood of our company, it simply makes good business sense to support these critical employee concerns."

- Tom Stephens, CEO, Manville Corporation



SECTION I -EMPLOYER INVOLVEMENT IN CHILD CARE

NATIONAL PERSPECTIVE

For the first time in this nation's history, the workforce is comprised almost equally of male (55%) and female (45%) workers.¹ Moreover, the U.S. Department of Labor predicts that female workforce involvement will continue to increase. An estimated 65 percent of all new entrants to the workforce in the next ten years will be women -- the large majority in their child-bearing years.² These trends coupled with a projected tight labor market have caused employers to develop "family-friendly" policies and benefits which support employees in balancing work and family responsibilities. These policies have "bottom line" implications for employers -- positively impacting productivity, absenteeism, labor management relations, employee morale and the recruitment and retention of skilled workers.³

While most workers -- both women and men-- experience periodic work and ramily difficulties throughout their careers, child care demands may be the most difficult to resolve. In Colorado, quality child care can be difficult to find and is often too expensive to purchase. In addition, traditional work schedules and inflexible personnel policies limit parents ability to respond to family-related demands. For employers, the implication is clear -- when child care is not available parents cannot work. If it is not dependable, parents are tardy or even absent from work. When it is of poor quality, parents are distracted and less productive on the job. Further, when workplace policies prohibit parents from being both a good worker and a good parent, morale is low and turnover is high.⁴

Approximately 5,400 employers, nationally, provide some type of specific work/family related policy. This number has increased from 2,500 in 1986.⁵ These companies tend to be large employers, representing the service sector. They are generally non-unionized and have a predominantly female workforce. Firms who are active in addressing the needs for today's workforce generally select child care-related options that:

- Help employees gather information related to child care and child-rearing (i.e., resource and referral programs, newsletters, on-site parent counselors);
- Support efforts to build an adequate supply of child care (i.e., on-site, near-site or emergency drop-in care or donation to local recruitment and development efforts);
- Provide financial support to parents in paying for services, (i.e., flexible spending accounts, voucher payments, vendor programs);
- Institute flexible work policies (i.e., flextime, flexplace, parental leave, job-sharing, part-time employment).

Program choices have been most successful when they are responsive to employee needs, and community and corporate culture.6

Progressive employers across the country and in Colorado are continuing to look at how they can support their working parent employees on child care issues. However, it appears that they are addressing not only the needs of the workforce already in place but the workforce of tomorrow. At a time when the need for more highly educated and technically skilled workers is escalating, it has become apparent to many employers that high quality child care programs can get children off to a good start, ready to learn and succeed. In response, several companies including American Express, IBM, AT&T, Mervyn's and U S WEST have launched multi-million dollar initiatives to support efforts that improve the quality of child care through provider training, recruitment and parent awareness.



STATE PERSPECTIVE

Colorado has experienced a surge of interest in employer-sponsored child care initiatives over the past five years. Several efforts have developed as a result of changes in workforce demographics and in response to employee demand. As a case in point, a Denver-based resource and referral agency grew from serving two employers to over 70 companies in a period of two years. The overall profile of the companies as characterized by this agency, contradicts the national stereotype of a large, female intensive, non-unionized company. Colorado firms offering some type of child care assistance were both medium-sized and large employers. A small number were unionized.

The large majority of companies offering formal work/family programs provide child care resource and referral services, and/or flexible work policies and flexible spending accounts. A small number of employers, generally hospitals and ski resorts nave established on-site and near-site child care centers.

Following are several indications of increased employer interest in child care initiatives:

- An Employer's Roundtable was established in 1988 by a group of employer representatives in metro Denver. This group meets on a bi-monthly basis to address mutual work and family issues.
- There is strong support from the funding community in addressing issues of
 retention, recruitment of employees and quality of parenting and child care.
 Several companies and foundations including Mervyn's, US WEST, IBM, The
 Denver Foundation, American Express and the Piton Foundation have spearheaded locally based initiatives.
- There has been a growing interest among employers in providing on-site child care for employees. The U.S. Postal Service recently built Colorado's first 24-hour on-site facility. The ski areas are continuing to expand and develop their on-site child care services for both employees and clients.
- SB161, signed into law in May 1990, is designed to encourage businesses to offer on-site, employer-sponsored child care services by adopting certain standards that may be different from current state regulations. This bill also includes tax credits for private enterprises who donate funds and in-kind resources to specified child care efforts located in Enterprise Zones in Colorado. In addition, it requires the State of Colorado's Department of Personnel to investigate and study programs to make the state a "model" employer and requires the Colorado Department of Social Services, Office of Child Care Services, to assist businesses through the licensing process.



UNDERSTANDING CHILD CARE: AN EMPLOYER'S PERSPECTIVE

Child care is a necessity for the growing number of single and double income families. The percentage of working Colorado women with children under the age of six has grown steadily from 46.4 percent in 19807 to 56 percent today, an increase of 22 percent. Clearly, as the need for services continues to grow, Colorado's child care delivery system must have the capacity to accommodate the number of children requiring services, to ensure that programs are of high quality and affordable to parents and to collect data needed to plan and evaluate child care needs.

High quality early childhood care and education programs are vital to the well-being and healthy development of the children of working parents and parents enrolled in training and self-sufficiency efforts. It also is critical that care be available, affordable and accessible to parents. The following is a review of these components as they relate to employers.

The Child Care Delivery System

Colorado's system of child care delivery can be characterized as a fragmented system lacking a centralized infrastructure. Although some programs are provided through formal child care systems (i.e., the public schools and the federally funded Head Start program), most other services are purchased by parents or for parents by the government. While this system offers a wide range of options and parental choice, it lacks coordination. For example, it has limited career potential and training options for providers. At the same time that providers are closing their doors because of low enrollment, parents remain unable to find care. Certain types of care are in short supply. The child care system lacks strategic planning capabilities to reflect and take action on the recruitment of new providers, assistance to providers or improvement of quality of care.

Licensing of child care facilities is the responsibility of the Office of Child Care Services in the State Department of Social Services. Created in January 1990, the Office of Child Care Services represents a new departmental philosophy revolving around customer services and consumer orientation. The establishment of a centralized office was based on the belief that families would be more effectively served if child care functions were coordinated within one division. State licensing specialists inspect and monitor child care centers; inspection of family child care homes are handled by county departments of social services.

Availability

Statewide, child care is generally available for children older than two. While it varies from county to county, licensed child care spaces cover 85 percent of the estimated need for care. Infant care is in much shorter supply statewide with licensed spaces for only 41 percent of those infants needing care. In addition, licensed care for children with special needs is limited; "odd-hours" care (i.e., nighttime, overnight and weekend) is virtually non-existent. Care for mildly ill children also is largely unavailable. In

Availability of care is of direct concern to employers. As we face impending labor shortages, available child care translates to increased ability for parents to seek employment outside the home. Studies show that 26 percent of mothers not presently in the workforce would work if child care were available and affordable.¹² Several company studies show that many mothers do not return from maternity leave because of inability to obtain satisfactory care. Employee turnover contributes to lowered productivity rates and losses associated with return on training investment and replacement programs.

A national survey conducted by Fortune magazine revealed that 52 percent of absences were family-related.¹³ While absence at work is inevitable, some absense can be avoided if resources are available in the community (i.e., programs for mildly ill children, infant/toddler care). A 1987 needs assessment conducted by Coors Brewing Company on an employee population of 8,000 (47 percent had children needing child care) found that between 7,060 and 10,600 days per year were missed because of childhood illnesses and other emergency situations relating to children. Resulting



company losses were estimated to be around \$1 million per year. In a 1987 survey conducted by McKee Medical Center, parents of infants and toddlers reported that they had missed from two to seven days of work during the year to care for a sick child.

As a result, several companies are in the process of developing programs to help employees find care for their mildly ill children in the attempt to contain absenteeism losses. The Unipac Services Corporation has recently adopted a policy which provides a portion of the cost for sick/emergency child care provided by an in-home service.

Finally, a significant problem comes from the inability of low-income parents who receive child care reimbursement from the Department of Social Services to afford child care. Because the average state child care reimbursement rates for low-income families is more than 20 percent below current market rates, many child care providers cannot afford to care for children from low-income families. As states begin to enact the job-training component of the Family Support Act of 1988 (federally legislated Welfare Reform), it is critical that child care is available to ensure success of the program.

FACTS:

- Today, fewer than 10 percent of American families can be classified as the "typical American family," where the mother stays home to care for the children and the husband is the sole breadwinner.
- Sixty percent of care for older children is provided in child care centers; 83
 percent of infant care is provided in family child care homes.

Affordability

Affordability is a major problem for Colorado parents. Few families can afford the full cost of high quality child care — estimated to range from \$4,800¹⁷ - \$6,075¹⁸ per child per year on a full-time basis. Child care expenses are the third or fourth largest household expense for families after housing, taxes and food.¹⁹ In a dependent care survey conducted by U S WEST, 20 percent of respondents wanted pre-tax salary redirection plans to address costs of care. A survey done by the UNIPAC Service Corp. revealed that 44 percent of respondents were "somewhat" to "not satisfied" with the costs of care. A survey conducted in 1990 by Amoco Productions Company showed that 31 percent of the women with child care arrangements have considered leaving the company because of care costs. As a result of the expense, many families are forced to base their decisions on cost rather than the quality of care. Financial assistance to low-income families through state and federal subsidies or sliding income scale fees is inadequate to meet demand — presenting a major obstacle to the participation of low-income women in the labor force.

Child care is expensive because it is a highly labor intensive service. Many child care providers are needed to care for only a small number of children. For example, a full-time staff member must be hired to care for each group of five infants that a program enrolls. As a result, staffing costs typically account for 60-90 percent of an operator's expenses. According to a recent study conducted by a research team in the University of Colorado at Denver's Department of Economics, the largest subsidy to parents in purchasing care is the low wages accepted by child care workers.



FACTS:

- Seven out of ten women report that they need their salaries to make ends meet.²⁰ In Colorado, even a parent working full time at minimum wage will not succeed in bringing the family's income above the poverty line. In 1987, minimum wage employment brought incomes to only 77 percent of the poverty line for a family of three and 60 percent for a family of four.²¹
- Two-thirds of women with jobs are either the sole support of their families or have husbands that make less than \$15,000 per year.
- Estimated average annual cost for purchasing child care in Colorado, per child, is between \$3,000 - \$5,000. While a family with one child and an annual income of \$28,500 spends 11 percent of their income on child care,23 a single parent with one child, working full-tune at minimum wage at an annual income of \$7,716, could spend 43 percent of her income on child care.24

Accessibility

Many parents experience difficulty finding child care -- this is often because of lack of access to information on resources, advice about where to find care and vacancy information. Where available, child care resource and referral agencies can provide the entry point for parents searching for care. However, while some areas of the state provide services, many other areas remain unserved. Studies show that working parents need help in finding care. In a needs assessment conducted by the Coors Brewing Company, 47 percent of respondents said that a referral service was important to them. Forty-seven percent of female employees with child care arrangements responding to an Amoco Productions Company needs assessment reported that they have considered leaving the company because of difficulty in making child care arrangements. A survey done for the law firm of Sherman and Howard showed that out of 91 employees with young children, 411 employee days were shortened or there were significant interruptions due to difficulties with child care arrangements.

In a McKee Medical Center survey, 58 percent of parents of infants indicated that they spent from one to three months locating their current child care arrangements. Further, those parents had changed providers an average of 2.8 times. National studies show that workers who experience child care breakdown are more likely to spend unproductive time at work. Child care breakdown also has been associated with high levels of stress and stress-related symptoms.

FACTS:

- First Impressions, the Governor's initiative on early childhood, in cooperation with the Colorado Child Care Resource and Referral Network have completed a statewide plan for child care resource and referral. A major goal of this effort is to ensure that parents, employers, public policy-makers and child care providers have access to referral and information on child care.
- A national survey conducted by Fortune magazine found that the most significant predictor of absenteeism was the degree of difficulty parents had finding child care.



Quality

As Colorado employers address the needs of today's workforce, they also are looking at the needs of the workforce of tomorrow. Substantial research has demonstrated that high quality early education can help "at-risk" children achieve greater success in school and into adulthood. There is strong evidence that "model" early childhood programs improve children's IQs for the short-term and decrease placement in special education classes. There is also evidence that children who attend quality early childhood programs are more likely to achieve higher education levels and better employment. In addition, some studies have shown that children enrolled in quality early childhood programs are less likely to drop out of school, to become involved in criminal activity or to need public assistance.²⁶

At a time when Colorado needs highly skilled, well-educated workers -- a growing number of young people are not completing high school. Further, many high school graduates leave school functionally illiterate and mathematically incapable, lacking the skills necessary to perform demanding jobs. For employers, the message is clear -- early investment in children is in the best interest of business.

Yet quality child care remains a difficult commodity to purchase. Parents may not demand quality care for their children because they do not know what to look for or cannot afford it. Quality is an elusive concept -- what one parent perceives as high quality care, another might not. However, years of study have shown that there are indicators of care that provide insight into program quality. These indicators include: the child development-related training of the caregiver, group size, teacher-child interaction, caregiver to child ratio, parent involvement and developmentally based curriculum.

FACTS:

- Several foundations and corporations have supported child care-related organizations in their quest to improve the quality of child care. Among others, American Express has provided funds to child care resource and referral agencies to provide outreach and technical assistance to providers. Mervyn's three-year "Family to Family" initiative provided funds to improve the quality and availability of family child care. Robert Waxman Inc. has made charitable contributions to support community improvement efforts. The Piton Foundation has provided support for child care efforts in Colorado.
- Twenty-one child care centers in Colorado have been awarded accreditation through the National Association for the Education of Young Children (NAEYC). This accreditation program, developed by and offered through the NAEYC is sought independently by centers wishing to achieve a high level of quality programming. Eighteen family child care providers have received the home-based accreditation through the National Association of Family Day Care. The Child Development Associate Credential (C.D.A.), another national quality standard option for providers has had widespread participation.
- The Colorado Preschool Project, the first state-funded early intervention program, now serves 2,750 four year old children in need of language development. It is projected that in the up coming year, Head Start will serve 5,600 children in Colorado.



Child Care As A Profession

A major stumbling block to providing quality programs is the low wages of child care providers. Despite their high levels of education, child care providers make less than leaf-rakers and parking lot attendants, making child care the second lowest paid occupation in the United States.²⁷ Because of low wages and poor status, it is increasingly difficult to attract qualified people to the field. The turn-over rate for providers in Colorado is estimated to be over 40 percent.

FACTS:

- A survey conducted in 1988 by the Colorado Association for the Education
 of Young Children revealed that child care teachers make an average of
 \$6,808 for starting salaries to a high of \$10,342. The 1988 poverty threshold
 for a family of three was \$9,431.28
- Only 15 percent of child care teachers have full health coverage; only 12 percent have full dental coverage.

Licensing

Public regulation of child care settings is essential to quality. Numerous studies have shown that licensing provides a safety net for children and families using child care -- decreasing the possibility of child abuse and increasing the chances for quality environments for young children. 30 Efforts to enforce Colorado Department of Social Services rules and regulations have been hampered in recent years because of the tremendous growth in the number of child care facilities and the concurrent lack of funds to increase staff. While Colorado's rules and regulations are among the most comprehensive in the nation, inspectors handle greater licensing caseloads than any other state.

FACTS:

- Senate Bill 1075, passed by the Colorado Legislature in 1989 created a cash fund to increase the number of staff assigned to child care licensing.
- The creation of the Office of Child Care Services, along with legislation to increase the number of child care licensing specialists, will allow the department to license and monitor child care facilities in a more effective way.
- Senate Bill 205, passed by the Colorado legislature in 1989, requires the state to review its rules and regulations every three years.



"The single most important issue facing working parents is child care. I am proud that the American Postal Workers Union and the U.S. Postal Service are aggressively addressing this issue. Everyone stands to gain — the employer and the employee."

- Paul Mendrick, President, Denver Local, American Postal Workers Union



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"United Banks' 1989 Child/Dependent Care Survey confirmed both the importance and legitimacy of employer involvement in work and family issues. Eighty percent of our parent employees said that they experience conflict between family responsibilities and job requirements that negatively impacts their concentration on the job.

Additionally, 75 percent of all employees surveyed feel dependent care issues of their co-workers impact their own work performance or that of their department.

By adding family supportive policies and benefit options, we have the opportunity to positively impact productivity, absenteeism, morale, recruitment and employee retention at a time when we are becoming increasingly reliant on women, the majority in their child-bearing years, for our workforce."

- Katie Johnson, Human Resources Administrator, United Banks of Colorado



Section II - RESULTS OF THE CHILD CARE SURVEY

OVERVIEW OF SURVEY

The Business and Child Care Council sponsored a statewide survey of Colorado businesses, in conjunction with Colorado State University. The intent of the survey was to assess private sector involvement in child care. The survey was designed to gather information about 1) the company; 2) employer interest in child care-related issues; 3) perceived obstacles to involvement; 4) employer activity in this area; and, 5) the need for technical assistance. Adapted from a survey tool designed by the American Society of Personnel Administration, the Colorado assessment added questions on employer's beliefs about child care problems and how they interfere with employee's work behaviors.

Sample Design

The survey distribution was based on third quarter, 1989 data from the Department of Labor Statistics. The stratified random survey process was based on employer size class and the Standard Industrial Code (SIC) classification. Of the 87,038 employers representing 100,195 worksites, only the 34,628 employers with five or more employees were eligible for the sampling process. Because large employers were perceived as being those most likely to be involved in child care support and service, all 327 employers with 500 or more employees were mailed a questionnaire.

Sample Description

A total of 458 usable surveys were returned representing a 25 percent response rate. Of the businesses responding, 39 percent had between 5-49 employees; 27 percent had between 50 and 249 employees; 21 percent had 250-999 employees; and 13 percent had 1000 or more employees. Data was weighted to represent the total number of employers in the respondent's class size. This process allowed the data to be projected as statewide estimates of child care involvement by Colorado employers. The industrial classification identified by respondents provided a representative sample of the actual industrial class distribution of Colorado employers at the time of the survey. (see figures 1, 2)

Responses were received from throughout the state. Forty-two percent of the sample were metro-area employers, 24 percent were from non-metro Front Range locations, 8 percent had multiple sites, 13 percent were from the Western Slope and 9 percent from southern Colorado. The balance (4 percent) was from other areas in the state. The majority of respondents were either in charge of the business (29 percent) or from the personnel/human resources division (37 percent).



Figure 1

Title of Respondent
Office Manager

Secretary

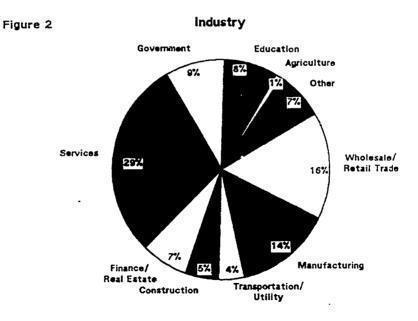
Other

5%
Director/CEO

13%
Personnel/
Human Resources

Owner

Administration



RESULTS

As might be expected, larger employers were generally more interested, informed and involved in child care issues affecting their workforce. In several areas, differences between large and small employers are striking. Highlights of state estimates for employer involvement follow.

Employer Interest

- The large majority (82 percent) of all respondents indicated that they were not involved in any child care issues. However, the difference between businesses with under 50 employees and those with 1,000+ was significant. Thirty percent of employers with 1000+ employees are currently providing child care support and service. This compares to only 4 percent of the employers with under 50 employees.
- Of four specific topics relating to child care involvement, large employers were
 most informed on tax advantages (88 percent) when using a Section 125 flexible
 spending account. This compared with 25 percent of the smallest employers.
 Small employers were most informed (34 percent) about their employee's child
 care needs. This compared to 25 percent of the larger employers.
- Employers were not generally informed about the effects of child care assistance on productivity, absenteeism and other employee behaviors. Again, companies with the greatest number of employees were most informed (88 percent) and those with the fewest were least knowledgeable (25 percent).
- Employers reported that child care problems interfered most with employee absenteeism (62 percent) and productivity (48 percent). To a lesser extent, they related that recruitment (23 percent), turnover (27 percent) and the employee/supervisor relationship (23 percent) were also affected. Forty-six percent of the small companies felt that productivity was related to child care problems while 92 percent of the largest companies believed there was a relationship.
- Small employers tended to see more infrequent (52 percent) to moderate (42 percent) effects of child care problems on work. Large employers observed moderate (55 percent) to frequent (29 percent) effects.

Potential Obstacles

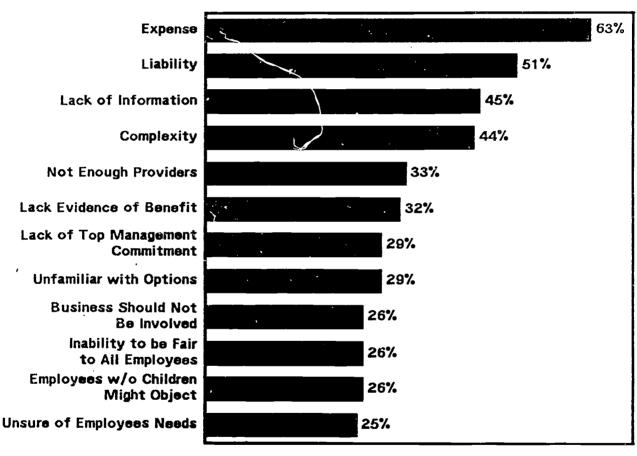
Employers most often marked the following as "major obstacles" to greater involvement in the child care arena: the expense of child care assistance (63 percent); liability insurance (51 percent); lack of information (45 percent) and the complexity of the child care system (44 percent). Figure three illustrates the "major obstacles" identified by employers in descending order.



Figure 3

Obstacles

Major Obstacles





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Employer Activity

Employers were asked whether or not they had considered or implemented child care assistance programs. Options were broken down into five major categories: 1) financial assistance, 2) information services, 3) child care services, 4) alternative work schedules, and 5) family leave options. Responses are summarized below according to the overall percent of employers who have implemented the activity; the percent of employers with 0-49 employees; and the percent of employers with 1000+ employees. These percentages were projected from weighted data and represent statewide estimates of all Colorado employer activity.

I. FINANCIAL ASSISTANCE

Flexible caleteria benefit plans and the IRS Section 125 savings plan were the type of financial assistance most often offered by employers. Employers also showed interest in sick child care reimbursement.

Type of Benefit	Overall response	0-49	1000±
Flexible cafeteria benefit with child care option	10%	9%	20%
Section 125 savings plan which may be used for child care	8%	5%	60%
Reimbursement or assistance for sick child care expense	7%	7%	25%
Employee reimbursement for child care	3%	3%	9%
Corporate contributions to community child care services	3%	3%	13%
Employee discounts at certain child care centers	4.90		15%

Comment: This data is in accord with national trends showing that 89 percent of the major U.S. employers providing child care assistance offer dependent care spending accounts. It is also noteworthy that the financial options most often used by employers were directed toward dependent care rather than specifically to child care. Company motivation may be tied to tax advantages associated with the section 125 savings plan. It may also indicate employer commitment to providing benefits that most directly meet the needs of a broad range of employees.

II. INFORMATION SERVICES:

Counseling services responding to a broad range of employee concerns was the option of choice for employers in this section.

Type of Benefit	Overall response	0-49	1000+
Counseling service	7%	5%	65%
Company sponsored parent education workshops	4%	4%	38%
Employer sponsored child care resource and referral program	2%	2%	23%
Other information services i.e., newsletter, resource library)	5%	50%	43%
			35 /g

ERIC "

Comment: National statistics show resource and referral services are one of the two most prevalent employer-sponsored programs -- 41 percent of major U.S employers who provide child care assistance offer this benefit to their employees. Over 50 companies based in Colorado offer child care resource and referral either through a national or locally-based contractor. Forty percent of the companies with 250-999 employees and 53 percent of those with 1000+ employees are currently considering implementing a child care resource and referral program or already have one in place. While it appears that the overall number of companies using this service is low, these companies generally employ 250+ workers. Consequently, the number of employees that have access to resource and referral services is greater than the percentage of employer involvement suggests.

III. CHILD CARE SERVICES:

This option represents direct involvement of employers with child care programs. Employers show as much interest in services for sick or emergency child care as they do for on-going child care. This may be related to their concerns about employee productivity, absenteeism and the effects that child care breakdowns have on the companies bottom line.

Type of Benefit	Overall response	0-49	1000±
Employer sponsors service for sick child care	3%	3%	1070
Employer sponsors emergency drop-in child care	2%	3%	9%
Employer owns center at or near work	3%	3%	12%
Employer contracts for a child care center at or near work	1%	1%	5%
Employer contributes to after-school programs in the community	1%	1%	14%
Employer has a child care consortium arrangement	1%	-	6%

Comment: These responses correlate with national trends showing that only 9 percent of major companies offering child care assistance actually provide employer-sponsored child care services. Although direct service provision is the most highly visible option, and the best researched, many employers encourage the use of community programs when resources are available.

It is also important to keep in mind that respondents may have defined options differently. There are only two or three sick child care programs in the state, all hospital-based, and no known livensed drop-in centers. Respondents may have indicated company support of sick child care and drop-in programs if their policies formally or informally allow employees to bring children to the workplace under these circumstances or allow employees to work at home.

IV. ALTERNATIVE WORK SCHEDULES

Next to family leave options, alternative work schedules were the most common child care support service used. The present study did not ask employers why they have chosen to implement varied work schedules. While most families benefit from alternative work schedules, family needs may not be the driving force behind an employer implementing this policy. Other reasons include lower employee costs associated with reduced benefits, production demands and the value of a particular employee or employee function.



T. C. C. C. C.	Quantil scan once	0-49	1000+
Type of Benefit	Overall response	<u>V*42</u>	AVVVT
Part time work options	37%	35%	87%
Flextime	34%	33%	62%
Special summer or holiday hours	14%	13%	16%
Job sharing	12%	11%	56%
Work at home programs	10%	10%	18%

Comment: Of all work and family programs and policies, flexible scheduling appears to be the most desired by employees. Flexible scheduling arrangements are offered by 54 percent of major U.S. employers. The most common arrangements offered are part-time and flextime employment. Companies report that alternative work scheduling provides pay-off in improved recruitment and retention of employees and increased productivity.

V. FAMILY LEAVE OPTIONS

Three types of family leave options were presented in this category: pregnancy disability leave, maternity leave and paternity leave. Federal law requires that if a company offers a disability benefit, they must include pregnancy as a disability. Other than disability leave, a company may choose to offer certain benefits to specific groups of employees (i.e. upper management only). Consequently, the percentages below suggest the presence of the option but not its level of availability.

Type of Leave (Overall response		
Pregnancy Disability Leave Paid disability leave Partially paid disability leave Unpaid disability leave	21% 6% 30%		
Paid leave	Maternity Leave 10%	Paternity Leave	
Leave charged to vacation, sick, or other leave	20%	12%	
Unpaid leave	26%	12%	
Temporary part time	9%	5%	
Flexible time off at the employer's discretion	7%	8%	
Other	3%	3%	
Job Guarantee			
Guaranteed previous job	29%	13%	
Guaranteed an equivalent job and p	ау 12%	6%	
Guaranteed same/equivalent positi	on 8%	4%	
Not guaranteed a job	12%	11%	
Response missing	39%	65%	
		3 0	



Comment: Nationally, 44 percent of major U.S. employers offer unpaid parental leave, generally ranging from 4 weeks to 3 years. Paid parental leave programs are relatively rare. Twenty-three percent of these major employers provide paid leave to employees to care for sick family members, typically using their own sick leave; twenty-one percent provide unpaid leave to employees to care for family members who are ill.

Discussion

The greatest employer involvement in child care comes through programs that are "multi-purpose", accommodating more than one type of employee need. Programs such as cafeteria benefit plans, the Section 125 savings plan, alternative work schedules and employee counseling are beneficial to families with young children but are often initiated with other goals in mind.

The scenario supports the pattern of evolution characteristic of employers just beginning to explore or implement child care-related benefits or policy changes: the employer tends to look for one broad-based initiative that meets the needs of many employees. Companies who are further along tend to look more systematically at how they can implement comprehensive policies and programs. Finally, employers move toward a commitment at the senior level to changing overall corporate culture in support of a family responsive work environment.

Although employer's involvement in providing direct child care service is very limited, the data suggests that employers are most willing to address short-term care needs such as care for sick children and drop-in child care assistance.

Family leave options appear to be the most "contingent" child care support services. The availability of such options often depends upon the benefits attached to a specific level of position, the ability of the company to compensate for the employee's leave and the importance of the individual employee.

Expense and liability issues were expected to be identified as potential obstacles to employer interest and involvement in child care. The number of employers who cite lack of information and the complexity of the child care system as obstacles is surprising. This supports a real need to provide information to employers on this topic. The data summarized in this report provide a sound basis for the Business and Child Care Council to build an information and technical assistance campaign.

In summary, most Colorado employers are still in an education phase -- understanding neither the child care system or the need for work/family programs. Although we are seeing indications of interest and commitment to the issue primarily by human resource managers, Colorado employers are at the beginning stages of understanding and embracing the issue.



"Balancing the demands of both work and family can be difficult and stressful. U.S. WEST's dependent care offerings are designed to help employees achieve that belance. This, in turn, helps to boost productivity, improve employee morale and attract and maintain a qualified, diverse workforce."

- Dick McCormick, President, U.S.WEST



SECTION III RECOMMENDATIONS AND ACTION PLAN

The Colorado Business and Child Care Council submits the following recommendations:

Education and Outreach to Employers

Colorado firms are beginning to consider flexible work/family programs. As they begin to design more responsive workplace policies and benefit packages, they will need information to understand and evaluate their options. Employer's reluctance to take an active role in child care efforts has been attributed, in part, to a lack of knowledge regarding the relationship between employee's child care needs and the "bottom line" and lack of information regarding child care benefit options.

Recommendation I: Implement An Information Campaign Aimed At Educating Employers On Child Care-Related Benefit Options.

Action Step

- Develop and distribute informational packets which identify child care relatedoptions and incentives. Distribution points will include: The Office of Business Development, The Department of Social Services, Small Business Administration, and Chambers of Commerce. Focus efforts on small businesses in the state.
- Design a standard 20-30 minute presentation on the subject of employer involvement in child care to use around the state. This presentation will be used by members of a "speaker's bureau" comprised of council members, staff and resource group members.
- Refer employers to the statewide system of child care resource and referral for information on employer initiatives.
- Host a seminar or regional breakfast meetings for top-level management on child care as a workforce issue.
- Include child care information in Office of Business Development's Business Link computer network.
- Publish articles on employer involvement in business-oriented publications.
- Document inquiries from employers, track increased business involvement and publish annual report for the next two years.
- Coordinate mass mailing of informational flyers on options for Colorado's businesses.

<u>Lead Agency</u>: First Impressions with the Department of Social Services and the Office of Business Development



Building Partnerships

Partnerships to address child care issues must be established between elected officials and the business community. To do this, public officials and business executives/owners must be educated on how child care affects them. Strong linkages will help both contingencies recognize the need for commitments at the public and private level to improve the quality of services for Colorado's youngest citizens.

Recommendation II: Build Partnerships Between Public Policy Makers And Corporate Decision Makers To Support Employer Child Care Initiatives.

Action Steps

- Have corporate pioneer(s) co-sponsor a conference for CEO's, Professional Trade Associations, Colorado Association of Commerce and Industry, County Commissioners, the Colorado Legislature, etc., to promote collaboration between the public and private sectors in identifying actions and gaining support for strategies to increase employer involvement in child care.
- Build support for employer child care initiatives with Chambers of Commerce, Mountain States Employers Council, the Employer's Roundtable, Colorado Society of Personnel Administration and other employer resource groups.
- Institute an employer recognition program through the General Assembly to recognize the success and initiatives taken by Colorado's employers.
- Introduce legislation to fund a statewide system of child care resource and referral to be matched by the private sector.

Lead Agency: Governor's Office and the Colorado General Assembly



Role of Department of Social Services

Created in January 1990, the Office of Child Care Services represents a new departmental philosophy revolving around customer service and consumer orientation. For the first time in the Colorado Department of Social Service's history, child care functions will be coordinated within this one division. The office is responsible for licensing and monitoring child care facilities and increasing the supply and quality of services. It is mandated to provide technical assistance to business groups and employers in establishing child care programs.

Recommendation III: Increase Assistance To Businesses In Developing And Licensing Child Care Facilities.

Action Steps

- Hold monthly employer meetings on licensing of child care programs.
- Streamline state licensing process, eliminate unnecessary rules and references to construction of physical facilities and simplify regulation language.
- Distribute a "how-to" booklet for employers on how to complete the licensing process.
- Continue to emphasize "customer service" aspect of regulation and "effective enforcement".

Lead Agency: Colorado Department of Social Services, Office Of Child Care Services



Employer Incentives

Many states have implemented ways in which employers and developers will be motivated to assist in the development of child care programs within the community. These incentives can take many forms. In some areas the prevailing approach has been to offer some type of incentive to entice employers and developers to include child care facilities or other benefits. In other areas requirements have been established that primarily force developers into assuming responsibility for establishing new facilities.

These have included: Business Tax levied against the employer, Density Bonuses which grant developers additional square footage in return for them including an on-site facility in their building, Expedited Permitting in which developers are given expedited processing of necessary permits in exchange for including a child care amenity, and Tax Credits in which a percentage of the expenditure used to establish a child care facility or related program may be deducted from the employer's tax liability.

Recommendation IV: Increase Incentives That Encourage Developers And Businesses To Provide Chi¹: Care Programs When Both Demand And Economic Feasibility Can Be Reasonably Demonstrated.

Action Steps

- Amend zoning regulations to allow child care facilities as a use-by-right in all business, industrial and residential zones.
- Amend zoning regulations to exclude child care programs from the maximum allowable F.A.R. (floor area ratio) within business and industrial zones.
- Revise property tax statues to allow a partial or full exemption for use as a child care facility, similar to status given to government properties.
- Standardize building and fire codes throughout the State of Colorado, to ensure equal standards irrespective of geographic jurisdiction.
- Provide "one stop" building permits for child care facilities.
- Introduce legislation to motivate employers to invest in child care facilities.
- Over the next two years evaluate the impact of the newly established enterprise zone tax credits for child care and broaden the scope of employer and developer incentives accordingly.

Lead Agency: Local Government, The Colorado General Assembly and Local Affairs



Dependent Care

Caregiving for the dependent elderly has the potential to be the major labor force concern of the 21st century. By 1996, 7.5 million Americans will be over 80. Many elderly are outliving younger family members and are without a support system of caregivers. Eldercare is often linked with child care when describing dependent care options. To a greater and greater degree companies focus on dependent care issues rather than child care issues. This is both a way to address broader employee need and address equity issues.

Recommendation V: Explore Issues Related To Eldercare And The Aging Workforce.

Action Steps

• Convene a meeting of business and eldercare experts to determine how and if information on eldercare and child care can be integrated and presented to employers in a comprehensive dependent care package.

Lead Agency: Governor's Office



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"It's not just the employees with young children. Work and family conflicts impact a much wider spectrum. The entire workforce and our ability to fulfill our mission of providing quality health care is affected. A comprehensive Work and Family Program sends out an important message — we care about the families of our employees and the community. What is good for families is good for business."

- Wayne Farrar, Director of Human Resources, McKee Medical Center



Section IV - APPENDICES

Child Care Options

Companies that provide assistance with child care generally get involved in one or more of the following ways: providing financial assistance to employees to purchase child care; offering resource information and/or guidance on child care and parenting issues; providing child care services where community supply is not adequate to meet the current demand; and creatively arranging schedules and establishing policies that assist employees in balancing the responsibilities of work and family.

A combination of policies and benefits is the most effective means of meeting company goals. Program selection and implementation should ideally be based on data from employee needs assessment, a thorough understanding of existing community resources and a clear understanding of organizational needs and goals. Following are brief descriptions of child care-related options:

- 1. <u>FINANCIAL ASSISTANCE</u>: Employers aid employees with child care expenses via use of direct dollars, subsidies and tax exemptions.
 - Voucher/reimbursement System -- Employer provides a fixed rate of reimbursement either to the employee or to the provider to cover a portion of child care cost at a child care facility of the employee's choosing. Employers often set income criteria so that only moderate or low-income employees are eligible for assistance. The most tax- advantageous way to implement this option is through a Dependent Care Assistance Plan.
 - Vendor Program -- Employer reserves or purchases spaces in existing child care programs for employee's use. Employees usually cover the cost of space when it is in use. Often arrangements are made between the employer and a child care center for employees to purchase care at discounted rates. Employers may choose to make up the difference in cost. Tax advantages can be gained if this option is implemented through a Dependent Care Assistance Plan.
 - Dependent Care Assistance Programs (DCAP) -- As a tax exempt employee benefit, employers provide a child care "allowance." The company must prepare a written plan to ensure that DCAP allowances are nondiscriminatory -- both in eligibility and provision of benefits. As described in Section 129 of the Internal Revenue Code, a DCAP recognizes dependent care services as a fringe benefit not considered as taxable income, allowing an employer to assist in child care services. Since the DCAP is not considered part of the employee's salary, the employee does not owe Federal income or social security taxes on the amount of assistance.
 - Flexible Spending Account/Salary Redirection Plan -- The employer and employee agree to set aside part of the employee's salary for child care. The funds are placed in a flexible spending account which is set up under a Dependent Care Assistance Program (DCAP). The salary redirection plan is administered under a cafeteria plan. The Federal Government allows employers to provide up to \$5,000 a year in assistance on a tax deductible basis for both the employer and the employee. Designated expenses include medical, dependent child care and personal legal. Money can come from three sources: employer contributions, trade-off with other benefits in a flexible benefits plan, or from the employee through salary reduction. Employers must counsel their employees



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to plan well. Only eligible expenses are reimbursed and whatever amount remains in the account at the end of the year is forfeited.

- Contributions To Community Resources -- Employer helps working parents by supporting community organizations that work to improve child care. Support can come in the form of direct financial contribution, equipment, loaned personnel, use of facilities, printing, mailing, staff participation on an agency's board or advisory committee and providing marketing and public relations expertise. This support may be directed toward programs of special interest to company employees.
- Public-Private Partnerships: Child care programs are developed though partnerships between private enterprise and public agencies. These efforts can improve the supply and quality of child care in local communities and promote employee benefits.

2. <u>INFORMATION SERVICES</u>: Employees are offered assistance with identifying, locating and selecting child care services and/or information on child-rearing.

- Resource And Referral (R&R) Services -- Parents are given assistance in locating child care providers and educates parents in selecting quality child care. Resource and referral agencies also provide technical assistance and support to child care providers and recruit for care when it is unavailable. In addition they frequently consult with employers on child care-related issues, and collect up-to-date data on child care to support community planning efforts. Employers may establish an in-house service or contract with an national or local resource and referral agency to provide services to employees.
- Parent Education Seminars -- An employer can sponsor a variety of seminars such as "How to Choose Child Care", "Discipline", "Time Management for Working Parents," and other work/family issues. Groups can be held at the worksite during lunch hours or at other appropriate times. This can be done in connection with a resource and referral agency or organized in-house by interested employees.
- Educational Services -- In addition to seminars, there are other options for employers responding to their employee's need for information. These may include access to an on-site parent counselor, support groups, newsletters, in-house resource libraries, hotlines and parenting/caregiver fairs.

3. <u>DIRECT SERVICES</u>: Employers provide or sponsor direct child care services when resources in the community are not widely available.

- On-Site or Near-Site Center -- A child care facility established at employee's workplace or at a site located nearby the workplace. Employers can opt to operate the facility itself or contract with an outside agency, nonprofit or for-profit, to operate it.
- Consortium Center -- A child care center set up by a collaborating group of employers who share the costs and benefits of establishing it.
- Sick Child Care Pregrams -- This option offers support to employees whose children are mildly ill or who are recovering from a health problem. Programs



can be provided in several ways including: a "sick bay" in a child care center (in some states); a hospital-based program; a center specializing in drop-in care for mildly ill children; in-home services such as visiting nurses; or family child care homes recruited by the company to care for ill children of employees. Because cost of these programs can also be prohibitive for employees, a growing number of companies subsidize some portion of fees related to the purchase of this care.

- Emergency "Drop-In" Care -- This option involves "back-up" care for children when regular child care arrangements fall through or during emergencies such as holidays, snow days, or weekend workdays. Options include a room at the worksite or arrangements with licensed child care centers or homes to accept employees' children on a short-term basis.
- Family Child Care Network -- Employer/s establish and/or heip to support a network of family child care homes to provide child care for employees. Support may include recruitment and training of providers, centralized purchasing of supplies, liability insurance, access to company benefits and financial and in-kind support.
- School-age Child Care -- These programs serve children 5-14 years old before-and-after school hours and during holidays and/or summers in public schools, child care centers, homes, or community agencies. Employers can subsidize employee cost, contract for services or directly operate a program.
- Warmlines -- Children can telephone a comforting support person when alone at home, before and after school.
- Summer/Week-end Camp -- Employer subsidizes, contracts with outside provider, or implements a summer camp for children of employees during weekends or summer vacation.
- 4. <u>FLEXIBLE PERSONNEL POLICIES</u>: Alternative work schedules such as flextime, job-sharing, permanent part-time, and compressed work weeks can reduce or eliminate the need for out-of-home child care. Flexible leave policies allow employees to take non-vacation time off for personal or family commitments.
 - Shift Work -- Employees work rotating shifts or split shifts, allowing employers to match production with demand and employees to accommodate child care and other work/family responsibilities.
 - Flextime -- Employees may vary the time they begin and end their workday as long as they fulfill a required number of hours a day. For example, an employee may begin an 8-hour workday at 6 a.m. and end at 2 p.m., versus the traditional 9-5 day.
 - Compressed Work Week -- Employees complete the required number of hours for a pay period in less than the full pay period. For example, employees work a 40 hour week in four 10-hour days, rather than the traditional five 8-hour days a week.
 - **Job-Sharing** -- Two (or more) people share the responsibilities and wages of one full-time job.



- Part-Time -- Employees voluntarily or out of necessity, work fewer than full-time hours on a regular basis. Part-time jobs may be temporary or permanent. Benefits can be pro-rated or offered to the employee to purchase.
- Flexplace/Telecommuting -- Employees work in places outside their employer's establishment, such as at home or at a satellite worksite, often with computer linkages.
- Special Summer or Holiday Hours -- Employers allow workers to take unpaid leave for days or blocks of time during the summer months or during holidays.
- Voluntary Reduced Time -- Employees elect to work fewer hours for a set period of time while retaining pro-rated benefits.
- Telephone Access -- Parents can stay in touch with their children, or others associated with their children's care, during work hours. They can call children at home, child care providers, teachers, or other support or service providers. Children can call working parents before and after school.
- Family Sick Leave -- Personal time can be used to care for family members
- Maternity Leave -- This option offers coverage of pregnancy-related physical disability, including childbirth, as a medical benefit. Federal law requires employers to provide the same benefits for pregnancy as they do for any other temporary disability.
- Parental Leave or Family Leave-- An extended period of time off for mothers or fathers to care for newborn or very young children.
- Adoption Leave -- Adoptive parents can take time off following the adoption of a child.

* Adapted from the following sources:

An Employer's Guide to Initiatives for Working Parents. The Work and Family Consortium, Denver, CO., 1987.

<u>Choices.</u> U.S. Department of Labor, Women's Bureau, Washington, DC, 1989. <u>Employer Options</u>. City of Boulder Children's Services, 1990.



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If you would like additional information on employer involvement in child care you may contact:

Sally Vogler, Assistant Director Governor's Office, First Impressions 136 State Capitol Denver, CO 80203 (303) 866-2974 Grace Hardy, Director Office of Child Care Services Colorado Department of Social Services Denver, CO 80203 (303)866-5958







Tax Credit for Contributions to Promote Child Care in Enterprise Zones

Effective May 24, 1990, monetary or in-kind contributions to promote child care in enterprise zones can qualify for an income tax credit. The credit for such contributions is 50 percent of the amount of the qualifying contribution, up to \$100,000 per tax year.

Donations for the following types of activities may qualify:

• Establishing a child care facility, including employer-sponsored on-site child care centers.

To qualify for the credit, the contribution must be used for a facility which is located within the boundaries of a designated state enterprise zone. The facility must be a either a "child care center" or a "family care home" as defined in Department of Social Services regulations.

- Establishing a grant or loan program for parents requiring financial assistance for child care.
- Training child care providers.
- Establishing information and referral services to assist parents in obtaining child care.

To qualify for the credit, contributions used for grant/loan programs, training providers, or establishing information/referral services must be used for programs which assist families (a) whose employer is located within an enterprise zone; (b) who receive child care from a facility which is located within an enterprise zone; or (c) who reside within an enterprise zone.

Contributions must be made to the designated administrator of an enterprise zone. Contributions may include money, services, equipment, real estate, or other property. However, the credit for in-kind contribution is limited to one half of the otherwise allowable credit. Credit claims must be accompanied by a certification from the enterprise zone administrator of the value and purpose of the contribution.

Child care facilities and other programs benefiting from enterprise zone contributions must be in compliance with applicable state regulations. For more information about state child care programs and regulations, contact either:

Grace Hardy, Director
Office of Child Care Services
Colorado Department of Social Services
1575 Sherman Street
Denver, CO 80203
(303) 866-5958

Sally Vogler, Assistant Director First Impressions Office of the Governor Room 115, State Capitol Denver, CO 80203 (303) 866-2974.

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For more information on Colorado's Enterprise Zone program, contact Evan Metcalf, Enterprise Zone Coordinator. Colorado Department of Local Affairs/1313 Sherman Street, Rm. 518/Denver, Colorado 80203/(303) 866-2205



EXECUTIVE CHAMBERS

136 State Capitol Denver, Colorado 80203-1792 Phone (303) 866-2471



Roy Romer Covernor

EXECUTIVE ORDER

BUSINESS AND CHILD CARE COUNCIL

WHEREAS, the State of Colorado has adopted an aggressive campaign to attract and retain a wide range of businesses to this area.

WHEREAS, effective business strategies require employers to respond to the changing trends in the workforce,

WHEREAS, the rapid growth of two-parent or single-parent working families has created a tremendous strain on the family structure.

WHEREAS, national business data indicate that employers lose thousands of hours in employee productivity annually because of problems related to their families,

WHEREAS, quality, affordable child care has been identified as a significant problem for millions of families nationwide,

WHEREAS, the State of Colorado is committed to working with employers to determine how to improve employee productivity by reducing the burdens placed on families needing child care,

NOW, THEREFORE, I, Roy Romer, Governor of Colorado, by virtue of the authority vested in me under the laws of Colorado, DO HEREBY ORDER THAT:

- 1. The Business and Child Care Council is created, which will consist of no more than 15 members representing large and small employers. All members shall be appointed by the Governor to serve at his pleasure. Members shall serve without compensation.
- The Council shall have the following duties:
 - a. Develop and maintain policy and procedures for the Council's operation.

Executive Order
Business and Child Care Council
Page 2

- b. Determine how employers can be encouraged to assist their employees in finding affordable, quality child care.
- c. Identify the options available to employers to assist their employees in finding affordable, quality care for their children.
- d. Establish a process by which employers can receive information about the options available to them with respect to child care assistance for their employees.
- Work with employee representatives to examine the magnitude of demand for child care assistance by employers.
- f. By September 1, 1990, submit recommendations so the Governor and the General Assembly can determine how changes in current policy would encourage more employer-assisted child care without affecting the quality of care or jeopardizing the safety of the children.
- The Council shall meet at times and places designated by the chairman. The Council and the effect of this Executive Order will terminate on September 1, 1990 unless otherwise extended by this Executive Order.

<u>.</u>=

GIVEN under my hand and the Executive Seal of the State of Colorado this 18th day of December 1989.

. Roy Romer Governor

Colorado Business and Child Care Council Survey

SECTION A - Company Profile							
Please provide the following information to assist the Business and Child Care Council in survey analysis: (All survey responses will be kept confidential).							
1.	Number of employees in the Co 5-9 10-19 20-49	lorado facility or facilities for which 50-99 100-249 250-499	you are responding. 500-999 Over 1000				
2.	□ Retail/Wholesale Trade□ Manufacturing□ Transportation/Utilities	gories best describes your business. ☐ Finance/Insurance/Real Estate ☐ Business Services ☐ Health Care Services ☐ Services	Government Education Agriculture Other (describe)				
3.	Which category best describes y ☐ private for profit	our business? ☐ private not for profit	□ public				
4.	What is the geographic location ☐ Metro Denver ☐ Western slope	of your facility/facilities? ☐ Front Range other than metrop ☐ Southern Colorado	olitan Other (describe)				
5.	. What is the percentage of male and female employees on the payroll of your facility/facilities? percent male percent female						
б.	What age group are the majority ☐ under 20 ☐ 20-30	of cmployees in? ☐ 30-40 ☐ 40-50					
7.	What is your title?						
		SECTION B - In	terest				
1.	 What is your company's current level of involvement in child care issues? (check all which apply) Preliminarily exploring child care issues Researching employee's child care needs Currently choosing a form of child care support or service Currently providing child care support and services Expanding or revising current child care support or services Not currently involved in any child care issues. Other 						
2.	Is your organization informed on each of the following topics related to child care provision?						
	A. Tax advantages for employers and employees who utilize a Section 125 flexible spending account for child care expenses up yes unsure						
	B. Employer costs of providing upon no	_					
	C. Research on the effects of c		absenteeism, and other employee behaviors				
	D. Up-to-date assessment of your personal personal product of the personal	our employees' child care needs unsure					

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3. Do you think that employee child care problems interfere with:							
recruitment							
productivity on unsure							
absenteeism ves no unsure supervisor/employee relations ves no unsure							
turnover Q yes no unsure							
turiover unsure							
4. If your answer was yes to any of the above, how frequently do child care problem ☐ infrequently ☐ moderately ☐ frequently	ns affec	t emplo	yces?				
SECTION C - Potential Obstac	eles						
Please circle the appropriate number on the scale which best indicates the extent yo	u belie	ve vour	comp	any finds the following			
to be obstacles to employer involvement in child care issues:		•	-				
Not an obstacle	1	2 3	4	5 Major obstacle			
Lack of information	1	2 3	4	5			
Expense of child care assistance or services		$\overline{2}$ $\overline{3}$		5			
Liability insurance for child care assistance or services	1	2 3 2 3		5			
Concern that employees without children will object to				-			
child care benefits	1	2 3	4	5			
Inability to be fair to all employees with child care needs	1	2 3	4	5			
Uncertainty as to employees' child care needs	i	2 3	4	5			
Unfamiliarity with child care option	1	2 3		5			
Belief that business should not be involved in family matters	1	2 3	4	5			
Complexity of a child care system		2 3	4	5			
Not enough child care providers	1	2 3		5			
Lack of evidence that child care services provide long term			•	-			
benefits to the company	1	2 3	4	5			
Lack of commitment from top management		$\frac{1}{2}$ $\frac{3}{3}$	4	5			
Other (describe)		$\frac{1}{2}$ $\frac{3}{3}$		5			
			•				
SECTION D - Activity		_					
Employers choose to assist their employees with child care in a variety of ways. M into the following: 1) Financial Assistance, 2) Information Services, 3) Child Care 5) Family Leave Options.	ost of t Servic	these in es, 4) A	itiative Itemat	es may be categorized give Work Schedules, an			
Section D - Part I. Financial Assistance							
These activities may include corporate contributions to community child care service			41	-11-1-1-1			
employees with the financial burden of child care expenses.	ces, as	well as	me em	iployer neiping its			
1. Please specify whether your company has considered and/or implemented any obelow:	f the fi	nancial	assista	ance initiatives listed			
Have not		rently		sidered Implemented			
(Check one for each initiative) Considered	Consi	aering	ana	Rejected			
A. Corporate contributions (financial or non-financial							
resources) to community child care services	\Box		Ŀ				
B. Flexible cafeteria benefit plan with child care option			_				
C. Section 125 savings plan which may be used for							
child care expenses			IJ	J			
D. Employee reimbursement program for child care expenses	Ü		ű	ū			
(i.e. voucher system)							
E. Employee discounts offered at certain child care centers	a		IJ	J			
(i.e. vendor system)							
F. Reimbursement or assistance with sick care expenses	ü		L	u			
G. Other (describe)	u		L	J			



2.a .		Lemployees Lyes	eligible for the abo	ove financial service properties of not applicable	rovide	ed?			
2.b	If no, w	hat restrictio	ns apply?						
Thes	se servic	ces include b	Information se asic information an ducational/counsel	d referrals (ie. detailed	d info	mation on c	hild care servic	es in the comm	unity) or com-
	lease spelow:	ecify whethe	r your company ha	s considered and/or im	pleme	ented any of	the information	n/referral initial	ives listed
		•	e for each initiativ		Co	ave not nsidered	Currently Considering	Considered I and Rejected	-
	B. Con C. Cou	pany sponsonseling serv	ored parent education ices which help par	ource and referral servi on workshops or seminents cope with the stre	ars sses		٥	a a	<u> </u>
						ä	ä	ä	ä
	C	☐ yes	□ no	oove information service not applicable					
2.b	If no, w	vhat restriction	ons apply?						
Section D - Part III. Child Care Services These child care services are either company-owned or company sponsored, located at or near the worksite. The centers may be provided through outside contractors and/or consortium arranged.									
1. 1	Please s	pecify wheth	er your company h	as considered and/or in	mplen	nented any o	of the child care	services listed	below:
		·	one for each initia		C	lave not onsidered	_ ~	and Rejected	1
	B. Em	ployer contr	acts for a child care	t or near work site center at or near			<u> </u>		ه
	C. Em	ployer has c	onsortium arrangen	nent/cooperation	••••••				0
	D. Em	ployer contr	ibutes to after-scho				<u> </u>	ے ا	٥
	E. Em	ployer spons	sors emergency dro	p-in child carek child care	••••••		<u> </u>	ם ם	ື ບ
	G. Su	mmer camp	for school age child	ren	••••••	. 🗀	a	ü	u
	H. Otl	ner							U
		□ yes	□ no	bove child care service not applicable	es pro	vided?			
	·	what restrict		<u> </u>					
Section D - Part IV. Alternative Work Schedules In an effort to assist employees with child care needs, some employers have provided alternative work schedules in place of the traditional full five day work week.									
1. Please specify whether your company has considered and/or implemented any of the alternative work schedules listed below:									
			one for each initia		C	Have not onsidered	Currently Considering	Considered and Rejected	
				•••••••			U D	٥	
							ü	ü	ü
	D. Wo	ork at home	programs	***************************************		u	Ü	Ü	u
							Ü	<u>u</u>	ä
	F. Oth	ner					u	u	u



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La Are	yes no no	not applicable				
2.b If n	o, what restrictions apply?					
Section This sec	n D - Part V Family Leave Options tion seeks to learn what leave opportunitie	s your company c	urrently prov	vides to parent	s.	
Pregnai return to	ncy Disability Leave - leave granted for pre work. (If no disability leave is available s	gnancy which end kip to question 3	is when the Maternity l	woman gives t eave)	oirth and the do	ctor allows her t
1. Time PT =	off from work while a woman is on pregn part time FT = full time Exempt = exe	ancy disability lea	ave consists ne pay requi	of: rements		
		Up to:	Who is eli	gible? (check	all which apply	<i>y</i>)
000	Paid disability leave for:	weeks	O PT O PT O PT	OFT OFT OFT	□ Exempt	□ Non-Exempt□ Non-Exempt□ Non-Exempt
Materi (If no n	nity Leave - leave given the mother to be w naternity leave is available skip to question	vith her child, eve 5 - Paternity Lea	n though she ve)	is healthy and	able to work.	
2. Mot	hers who wish to remain at home after thei	r disability leave	ends may tak	æ:		
		Up to:	Who is eli	gible? (check	all which appl	y)
	Unpaid maternity leave for	weeks weeks	□ PT □ PT	o fi o fi	☐ Exempt ☐ Exempt	☐ Non-Exempt☐ Non-Exempt☐
		weeks weeks	O PT	O FT O FT		☐ Non-Exemp! ☐ Non-Exer.ipt
٥			PT C PT	O FT O FT		☐ Non-Exempt☐ Non-Exempt☐
	en returning from maternity leave, a mothe Guaranteed her previous job Guaranteed an equivalent job and pay Guaranteed the same or equivalent position Not guaranteed a job					
4. Wh	at is the approximate number of mothers w 99?(number participating)	ho took advantag	e of your cor	npany's existi	ng maternity le	ave program in
Pateri	nity Leave - leave given the father to be wi	th with his child.				
	ich of the following options are available f	or male employee	s who are no	ew fathers? (If	no paternity le	ave is available ski
this section)		Up to: Who is eligible? (check all which apply)				ly)
0	☐ Unpaid paternity leave for	weeks weeks	□ PT □ PT	O FT O FT	☐ Exempt ☐ Exempt	□ Non-Exempt □ Non-Exempt
0 0			□ PT □ PT	U FT O FT	☐ Exempt ☐ Exempt	☐ Non-Exempt ☐ Non-Exempt
ם ם		wccks weeks	U PT U PT	U FT U FT	☐ Exempt ☐ Exempt	☐ Non-Exempt ☐ Non-Exempt



 6. When returning from paternity leave a father is: ☐ Guaranteed his previous job ☐ Guaranteed an equivalent job and pay ☐ Guaranteed the same or equivalent position ☐ Not guaranteed a job 							
What is the approximate number of fathers who took advantage of your company's existing paternity leave program in 1989? (number participating)							
8. Do family leave options apply to adoption? \[\subseteq \text{Yes} \text{No} \]							
9. Do family leave options apply when an employee has a child Yes No	with serious illness?						
10. If you have implemented any of the activities in Section D., ☐ Yes ☐ No ☐ Unsure	do you feel that it has benefited you	ır company?					
SECTION E - Tec	hnical Assistance						
In what form would information on employer assisted child care (Check all that apply.)	programs be most helpful?						
☐ Brochures/Booklets ☐ Seminars ☐ Computer Information through Business Link ☐ Individual Technical Assistance ☐ Other							
COMMENTS- please write in comments you may have on emp	loyer involvement in child care:						
This survey was adapted by the Governor's Business and Child American Society for Personnel Administration. The form belo sisted child care and/or a summary of the survey. Your particip	w has been included for requesting:	information on employer as-					
	NBY JUNE 22nd TO:						
Business and C c/o Human Development and Family Studies Fort Collins	hild Care Council , Gifford Room 102, Colorado State s, CO 80523	·					
COLORADO BUSINESS AND CI Request f you would like a summary of the results of this survey, please of	HILD CARE COUNCIL SURVEY	Y					
send it along with the survey in the enclosed envelope or send it s	eparately if you wish the survey to i	remain anonymous.					
Name							
Mailing Audress							
Would you like more information on child care benefits?	☐ Yes, please send rvey Request Form to:	No, not at this time					
Colora la Discharge	rejacquest roim to:						

ERIC Full Text Provided by ERIC

Colorado Business and Child Care Council c/o Human Development and Family Studies Gifford Room 102, Colorado State University
Fort Collins, CO 80523

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