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MEETING THE NEEDS OF TODAY'S WORKFORCE:

CHILD CARE BEST PRACTICES

(DRAFT APRIL 16, 1998)

U.S. Department of Labor

(TITLE PAGE)

Jen's edits

A MESSAGE TO AMERICA'S BUSINESSES

Today, millions of our nation's working parents struggle to balance the demands of work and family. Many of these families share the very real concern of finding child care that they can afford, trust and rely on. Increasingly, employers are beginning to recognize that addressing the child care needs of their employees is important and makes good business sense.

Both small and large employers throughout this country have crafted child care assistance programs to suit the needs of their employees. In addition, unions have had a long tradition of championing family-friendly policies for workers. Such benefits range from on-site child care centers and resource and referral programs to assistance with child care costs and flexible workplace policies. However, many more employers have not offered such child care assistance in part because they lack good information on how effectively to establish such programs as well as how such efforts can be cost-effective.

This report, *The Department of Labor (DOL) Child Care Best Practices Report*, highlights close to forty employers that have instituted child care programs for their employees over the past few years. Their experiences serve as both a resource and a tool for other employers seeking to initiate or expand family-friendly workplace policies.

The U.S. Department of Labor is, in fact, the first employer highlighted in the report. The Department was the first federal agency to have an on-site day care center which, today, enrolls eighty infants, toddlers and children, offers ongoing staff development and training, and depends upon an employee- and parent-led advisory board. In addition, as part of the President's historic Child Care Initiative, the Department of Labor is working to expand its nationally-recognized apprenticeship program to train child care professionals.

Many of the other employers included in the DOL Report are drawn from the ranks of the Women's Bureau's Working Women Count Honor Roll, a 1995-1997 Presidential initiative that called upon close to 800 employers to make concrete changes to improve work for women and their families. As you will see, our call was heeded and many Honor Roll companies responded by developing exemplary child care programs that are truly important models for businesses. While readers may be familiar with the efforts of large establishments initiatives from small and very-small employers are included as well.

The Department of Labor Child Care Best Practices Report concludes with an overview of eight collaborative efforts to spotlight the importance of partnerships in increasing employee access to child care assistance programs. Partnerships between businesses as well as between businesses and unions are highlighted, such as Atlanta's Inn For Children, a collaboration by hospitality employers, and the 1199/Employer Child Care Fund, a union/multi-employer partnership. These recent programs add to the growing list of model programs and represent another strategy for business involvement in child care.

Odd to mention by name.

I am heartened by the promising efforts of businesses around the country to recognize and respond to the needs of employees who are doing their best to be good workers as well as good parents. The Department of Labor is committed to working with business and labor to encourage more such efforts and partnerships. This includes facilitating needed dialogue between businesses that have established child care programs and those that are ready to try.

I hope that this information will be used by those businesses and others committed to family-friendly workplaces. It is only a first step but it is certainly a step in the right direction.

Alexis M. Herman
Secretary of Labor

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families rely on child care for some part of their children's day.

INTRODUCTION

Child care is more important than ever to today's economy and today's workers. With more families relying on two incomes and more single-parent families, an increasing number of ~~young children are cared for by others beside their parents~~. In 1997, 29.1 million U.S. families, or 41 percent, had children under the age of 14. In more than half of these families, either both parents worked (14.6 million) or the family was headed by a single working woman (4.7 million.) More than 60 percent of mothers of children under age six are in the workforce. [Bureau of Labor Statistics]

As First Lady Hillary Rodham Clinton said at the October 1997 White House Conference on Child Care, and as millions of Americans know from personal experience, the difficulties parents experience with child care arrangements can have a direct effect on their performance at work. "Businesses need to recognize that this is among the major concerns on their employees' minds, and that if people are going to be good workers, they shouldn't be distracted, worrying about who's taking care of their kids."

Meeting the Needs of Today's Workforce: Child Care Best Practices highlights innovative child care practices initiated by employers across the country to address working parents' concerns. While much media attention has been given to the efforts of large corporations, this report reflects the diversity of employers providing child care innovations, including small, medium and large businesses, hospitals and training institutions, local governments and unions, non-profit organizations and community colleges. The report also showcases the wide range of programs that have been developed -- from on-site child care to back-up and sick child care; from resource and referrals to allowing babies at work; and from child care discounts, subsidies and reimbursements to parental leave. While some employers have worked alone, others have found it useful to contract with outside organizations or form business, union or community collaborations to provide child care.

~~by~~ from employers

Employers are providing child care because it makes good economic sense to do so. They told us that their child care efforts have helped their business as well as their workers. For example:

- Trout-Blue Chelan, a Central Washington apple picking cooperative, opened an on-site child care center and experienced an increase in recruitment and retention of workers.
- Computer and Business Institute, a Missouri worker re-entry training institute, established flextime and watched its dropout rate fall.
- DuPont Company, the major Delaware-based corporation, surveyed its employees and learned that 80 percent would have missed work if not for its emergency/back-up care program.

Companies highlighted here reported improved recruitment, higher retention, better morale and lower absenteeism rates as some of the benefits of the program.

across the nation

Through this report, the Department of Labor hopes to encourage innovation by highlighting child care best practices nationwide:

DOL is working to expand the

- **PART ONE** describes ~~resources~~ grants the available through the Department of Labor as well as the Department's own child care best practices: first, the Bureau of Apprenticeship and Training's (BAT) successful West Virginia Child Care Apprenticeship Program, a model for improving the quality of child care providers and the accessibility of care ~~that the Department is working to expand across the nation; and~~ second, the Department's on-site Child Development Center. runs an

- **PART TWO** shares the range of child care best practices offered by a diverse group of employers across the country. Individual employers are highlighted as well as innovative business, union and community collaborations.

The Labor Department hopes that our report will serve as a practical tool for employers interested in helping their workers and improving the bottom line. Each featured employer has provided a contact and agreed to share information on the program described.

PART ONE: DEPARTMENT OF LABOR CHILD CARE MODELS

The U.S. Department of Labor (DOL) is a resource on child care and other work/family issues. The Department's Women's Bureau has just established the "Ask Me About Child Care -- I Care!" page on its website (http://www.dol.gov/dol/wb), which provides current information and practical tools for employers and working families. Recent reports include: *Fact Sheet for Child Care Workers; What Works!: The Working Women Count Honor Roll Report; and Care Around the Clock: Developing Child Care Resources Before 9 and After 5* Report.

The Department also has developed its own child care models for communities and employers to consider.

Focusing on Child Care Workers

The Department of Labor is working to develop new and effective ways to improve the quality of child care by improving the skills of providers and increasing access to care. The DOL's Bureau of Apprenticeship and Training's (BAT) West Virginia office has taken a collaborative approach that we believe communities nationwide may be interested in replicating. The program has assembled and drawn upon a core team of educators, health professionals, parents and employers to assess the state of child care programs and to take immediate steps to improve the delivery of services.

The result is **BAT's West Virginia Child Care Development Specialist Registered Apprenticeship Program**, now a nationally-recognized model, which offers child care apprentices 4,000 hours of supervised on-the-job training and 300 hours of ~~theoretical~~ classroom instruction. The system has created a career ladder for child care providers, who ~~earn while they learn~~ and receive incremental wage increases as their skill, ability and knowledge increase. To date, 350 providers have graduated from the program and 550 apprentices are actively pursuing completion. Nearly 150 employers in 33 counties -- well over half of the counties in West Virginia -- are using the system, which continues to grow. Employers report almost no turnover.

continue to

their salary

are in the program

Dr. Norma Gray, one of the developers of the curriculum and also Executive Director of River Valley Child Development Services' said, "We had always provided as much training to staff as possible, but it was always piecemeal. With the apprenticeship, it is week after week of going to class and taking what you learned back to the children. That's where you see real differences in what's happening between adults and children in the classroom."

In October of 1997, Secretary Herman announced the signing of an agreement by BAT, the National Association of State and Territorial Apprenticeship Directors (NASTAD) and the Center for Career Development in Early Care and Education to build on West Virginia's success -- and the success of other programmatic models -- to implement Child Care Apprenticeship Programs on a national basis.

Serving as a Model Employer

Secretary of Labor Alexis M. Herman has made it a priority to make the Department -- and the Department of Labor Child Development Center (DOL CDC) -- a model of how employers can help workers balance their work and family responsibilities.

The Child Development Center, established in 1968, was the first federal on-site day care center. Thirty years after its opening, DOL CDC is fully enrolled with 80 children in 7 classes -- Infant 1 through Pre-Kindergarten. The center is managed by the ~~Colorado Corporation,~~ Child World and is open from 7:30 am until 6:00 pm Monday through Friday. Rates are among the lowest in the federal sector, ranging from $161 per week for infant care to $120 per week for the Pre-K class. To help offset the cost of tuition, the DOL CDC Board of Directors, which includes parents, employees and union members, provides tuition assistance on a sliding scale based on need. In addition, the center offers a summer program for children up to age 10.

obtaining

Center staff receive a range of career development services. For ~~example, those~~ who have been on the job for six months, can be reimbursed for the cost of their Child Development Associate (CDA) credential. The center offers a similar program for staff pursuing a degree in early childhood development for employees who have been at the center for more than one year. In addition, staff receive on-going training.

Not only is it convenient for parents to have their children close by in a safe, well-run center; it is a tremendous morale booster for all DOL employees to have children in the building. The Department also offers a flexible schedule for employees, enabling many parents to coordinate their start and finish times with the before- and after-school needs of their children.

PART TWO: BEST PRACTICES

Many employers recognize that they will need the best workforce possible to compete in today's global economy. They understand that an investment in relieving the stresses of employees is not just a nice thing to do -- it makes good business sense. It is a decision that helps them recruit from a much larger talent pool; retain committed and motivated workers; and be more creative and productive. It is, in fact, critical to their ability to succeed.

There are many excellent child care programs throughout the country, but we can only list a sampling. The following 41 best practices were selected to reflect the diversity of child care options available to employers of different sizes and compositions, regions and types (including businesses, local governments, unions, hospitals, community colleges, etc). Other initiatives not listed here may be equally praiseworthy. Many of the programs below were initiated by participants in the Women's Bureau's Working Women Count Honor Roll, a Labor Department effort to make work better for women and their families.

The organizations are divided into the following areas:

- On-Site Care
- Back-up Care
- School-Age Care
- Sick Child Care
- Non-Standard Hours Care
- Paid Family Leave
- Resource and Referrals
- Child Care Discounts/Reimbursements
- Assistance for Students/Trainees/Low-Wage Workers
- Children in the Workplace

This report concludes with a section showcasing business, union and community collaborations. By working together, pooling resources and ideas, these partnerships -- and others like them across the country -- have been providing employees with child care services that they might never have been able to offer alone.

Once a business takes that first step in the area of child care, it is often motivated to do more. On-site child care leads to school-age care; back-up care leads to summer camps and holiday programs; and so on. Hence, many of the employers highlighted here offer a range of benefits that overlap into several different categories.

ON-SITE CARE

Employees of businesses with on-site child care particularly enjoy having their children nearby. Parents appreciate the ability to commute with their children and are reassured to know they can drop by the centers any time. Many employees, both parents and non-parents, use lunch and break time to spend with the children.

AlliedSignal, Inc.
101 Columbia Road
Morristown, NJ
Susan Hofman
Director, EEO/AA and Human Resource Services
973-455-2261

AlliedSignal, Inc. is a Fortune 100 advanced technology and manufacturing firm with 70,500 employees. In 1995, as its Honor Roll Program, the company opened its first on-site child development center at its Morristown headquarters, which accommodates 90 children and is subsidized on a sliding scale fee. The center provides full-time care for children up to age 6, part-time care for children up to age 12, and back-up care when other arrangements fall through. There is also a summer program, which is in such demand that it keeps expanding due to an increase in its "child care days." These are days where there is emergency back-up care provided for children whose regular provider is unavailable. Staff include 27 full-time and part-time teachers along with a full-time nurse assigned to the child care program.

The center was planned and implemented with the help of a child care company, Corporate Family Solutions, which conducted a feasibility study, focus groups and an employee survey. Once the center opened, AlliedSignal established an advisory Parent Board that continues to meet monthly.

AlliedSignal surveyed participating parents at the beginning of the child care program and again after one year to measure its impact on productivity. The results were dramatic. Lost work time had decreased by 89 percent. Parents said they were more focused at work and more productive. In addition, recent customer satisfaction ratings indicate a 4.8 out of 5.0, the highest internal customer satisfaction in the company. Company morale also has improved, even among workers who do not use the facility, and many new employees have told management that the center was part of their decision to join the company.

With the help of Corporate Family Solutions, AlliedSignal is now studying initiatives and alternatives for child care and dependent care at its facilities worldwide.

American Home Products Corporation
Five Giralda Farms
Madison, NJ 07940
Eileen Lach, Corporate Secretary
973-660-6138, x6073

In August of 1995, American Home Products (AHP) Corporation, a worldwide pharmaceutical and health care products company with 34,000 domestic employees, created a comprehensive, on-site child care center at its Madison, New Jersey corporate headquarters. The Child Development Center, built in conjunction with Corporate Family Solutions, has the capacity for 130 children and provides tuition assistance for those with family incomes under $70,000.

AHP believed providing on-site care would be "good business" in that it would "alleviate stress for working mothers and fathers." The center is open during all working hours, allowing parents to visit their children during lunch or reach them quickly in an emergency. Summer camp programs for school-age children and teens are also offered.

In 1996, American Home Products also began providing employees and their families with an employee assistance program, which includes dependent care resource and referrals.

Arnold and Porter
555-12th Street NW
Washington, DC 20004
Mary Ann Lundy, Director of Children's Center
202-942-5437

In July 1995, Arnold and Porter, a major law firm in Washington, DC, opened an on-site child care for its 900 employees. Children ages 3 months to 5 years can attend on a full- or part-time basis from 8:00 am until 6:30 pm, Monday through Friday. A highly qualified and trained teaching staff conducts the age-appropriate curriculum. The Center also provides on-site back-up care for employees who need to work on evenings or weekends, or whose regular child care arrangements have fallen through. This service is available 7 days a week for children up through age 12.

In the first six months of operation, 87 families used the service. Approximately fifteen of the Center's 55 slots are reserved for back-up care. Arnold and Porter relied on an employee survey and on the recommendations of an employee child care committee to develop its child care programs.

Cold Spring Harbor Laboratory
One Bungtown Road
Cold Spring Harbor, NY 11724
Cheryl Sinclair, Human Resources Director
516-367-8499

In 1995, Cold Spring Harbor Laboratory, a non-profit research organization with approximately 600 employees, began plans for an on-site child care center. The impetus behind the center was to create and maintain a sense of "family centered-ness," which the laboratory continually strives to support. Workers (47 percent of whom are women and many of whom are young) had expressed a preference for on-site child care, citing commuting time, the unpredictability of scheduling work on scientific research experiments, and a sense of security and well-being from having their children nearby.

The center, which opened on July 1, 1997, has the capacity to serve 50 children. In its first year, it already has 44 enrolled, ranging in age from 6 weeks to 5 years. The child care program is structured so that parents can check in on their children and drop by for lunch visits.

Cheryl Sinclair, Human Resources Director, believes the center has created a closer bond among employees, many of whom are scientists from around the world. Workers who use the center -- and those who do not -- have expressed positive feelings about its presence. As one employee stated, "The center has given me a sense of confidence and peace that our children are not only being taken care of, but that they are cared about." The Laboratory recognizes that in order to retain a top quality workforce, they had to meet their employees needs.

Quad/Graphics
Duplainville Road
Pewaukee, WI 53072
Courtnay Brummer, Communications Department
414-691-9200

Quad/Graphics, an 11,000-employee commercial printing company, offers employees on-site child care 24 hours a day, 7 days a week, as well as state-certified kindergarten and after-school, holiday and summer care programs for school-age children. Recognizing that child care can consume a large portion of an employee's paycheck, Quad/Graphics provides scholarships in the form of reduced daily rates. In 1997, 93 such scholarships were awarded, totaling $139,450 -- more than double the number of recipients and the amount awarded in 1996.

Believing that flexibility is key to happy and productive employees, Quad/Graphics also offers many work schedule options. The company leaves it up to employees and their managers to work out a system that is mutually beneficial. Among the choices are telecommuting, job sharing, flextime, part time and compressed work weeks.

Trout-Blue Chelan, Inc.
P.O. Box 669
Chelan, WA 98816
Phyllis Gleasman, Personnel
509-682-2591

Trout-Blue Chelan, Inc. is an apple packing cooperative in a low-income area of Central Washington State. Of its 300 employees, approximately 200 are women and many are either single parents or have spouses who work. The company recognized that, in order to recruit and retain workers, they would have to begin addressing child care needs. In November 1995, it opened an on-site day care center called Apple-A-Day Kare. The center, which has four full-time and two part-time employees, offers all-day care as well as before- and after-school programs for 22 children ranging from infants to 9 year olds.

Once the center opened, Trout-Blue experienced a rise in applications. Employees have tended to stay longer, as well. Instead of working a few months for one season, they ask to stay on for summer jobs as well so they can obtain full-time status and qualify for this benefit. Management recognizes the Center as a "win-win" situation.

BACK-UP CARE

Many companies recognize that child care arrangements are not infallible. When caregivers get sick, or schools close for snow days, their employees may have no choice but to stay home with their children. Some innovative employers are providing safe, reliable last-minute options for workers whose care has fallen through or who need to work late. They find that by providing back-up care centers or in-home back-up care, they can reduce absenteeism and allow employees peace of mind.

Bureau of National Affairs, Inc.
1231-25th Street NW, Room S-100
Washington, DC 20037
Tony Harris
202-452-7562

The Bureau of National Affairs (BNA), a communications company with 1,200 workers, decided to implement a near-site back-up child care program once they realized that employees were missing work because their regular child care systems were falling through. In November 1995, the company contracted with Capital Kids to provide emergency care for 2 month to 10 year olds. BNA pays one half of the cost of the services, which adds up to approximately $8,000 annually. In 1997, this back-up care program served 143 children and was utilized by thirty BNA employees. On average, three children were served per day.

DuPont Company
1007 Market Street
Nemours Building 12507-2
Wilmington, DE 19898
Beverly Bove, Work/Life Coordinator
302-774-1000

In January 1995, DuPont collaborated with the Family and Workplace Connection to launch a pilot back-up/emergency care program known as "Just in Time Care." DuPont decided the service was necessary after a snowy winter in 1994, during which many employees brought their children to work. Management found itself concerned about the safety of the children at work, the safety of children left home alone and the productivity of the stressed parents.

"Just in Time Care," available at specific DuPont sites, allows employees to call a toll-free number for in-home dependent care, drop-in child and elder center care, work-site or near-site school holiday and snow day care and sick care. In 1997, the program saved approximately 1,480 employee days. A survey revealed that approximately 80 percent of the employees would have missed work without this service. In 1997, DuPont expanded its back-up emergency care to include "end of summer camp" for the one week between the end of regular summer camps and the beginning of school.

As a continuing response to work/life surveys, DuPont initiated a dependent care travel reimbursement policy, which reimburses employees on overnight business travel for the incremental cost to care for children under age 18 or physically or mentally impaired family members. There is clearly demand for the program. In 1997, it was used roughly 900 times.

Kaiser Permanente
2500 South Havana Street
Aurora, CO 80014
Tina Sanchez, Second String Director
303-338-3921

In April of 1995, Kaiser Permanente opened a "Second String" emergency back-up child care facility to serve the 7,500 employees in its Aurora, Colorado office when their permanent child care arrangements fail, school is closed, or their children are mildly ill. Hundreds of children have used the facility, enabling parents to come to work who may not otherwise be able to find alternative arrangements on short notice. The back-up care benefits Kaiser by reducing the stress associated with failed child care and the loss of work and productive time it creates. The program has been so successful that Kaiser is considering expanding the program to other locations.

Kaiser Permanente also has enhanced its Employee Assistance Program by contracting with Work

Options to offer child care resource and referral information and elder care services. This valuable tool helps workers explore the child care options available in their community and chose the one that best fits their family's needs.

Morrison and Foerster, LLP
345 California Street
San Francisco, CA 94101
Kathleen Dykstra, Senior Human Resource Manager
415-268-7401

Following the success of its participation in a pilot in-home back-up care consortium (see Bay Area Emergency Care Consortium under COLLABORATIONS), Morrison and Foerster established its own emergency care program administered through Caregivers on Call. The program, which originally served the law firm's San Francisco and Los Angeles employees, has since been expanded to its Orange County office.

In Los Angeles, Morrison and Foerster employees have their choice of back-up care programs. They can use Caregivers on Call's in-home care or bring their children to a Children First back-up care center near the office. The firm's management group thought workers might want to have their child nearby where they could have lunch and commute together. Morrison and Foerster also provides adoption leave as a four-week paid benefit.

SCHOOL-AGE CARE

The summer months, as well as school holidays and snow days, are a particular concern for working families with school-age children. They often bring turmoil as parents struggle to patch together quality care arrangements. Realizing this, many employers are offering summer and holiday arrangements.

Computer Associates International
One Computer Associates Plaza
Islandia, NY 11788-8000
Elissa Livecchi, Public Relations
516-342-2496

In June 1994, Computer Associates International, a 2,000-person computer software business, opened a summer day camp that accommodates 100 employees' children between the ages of 4 and 15. Based at the Corporate Headquarters Fitness Center, the camp offers basketball, racquetball, aerobics, tennis, softball and track, as well as cutting-edge computer training.

The company also operates 4 full-day/full-year child development centers in the U.S. The centers offer infant and toddler care as well as pre-school and kindergarten. They are staffed by qualified, experienced teachers and registered nurses. The educational philosophy followed throughout the centers is based on the Montessori model, which stresses the search for both intellectual skills and preparation for life. In 1997, 210 children were served at the centers. All child development fees are set on a sliding scale based upon the employee's salary. The fees include breakfast, lunch, snacks and dinner if the employee needs to work late. There is no charge for overtime if parents need to work late and the child needs to stay at the center past 5:00 pm. There is a 20 percent discount on the fee for each additional child if employees have more than one child enrolled.

Texas Instruments Incorporated
7839 Churchill Way
M/S 3993
Dallas, TX 75251
Betty K. Purkey, Manager, Work/Life Programs
972-917-7038

Texas Instruments Incorporated (TI) is a global semiconducter company specializing in digital signal processing with 44,000 employees worldwide. Beginning in April 1994, the company launched pilot telecommuting projects; initiated on-site parent education and elder care seminars; and opened a full summer kid's camp at its Dallas site. In addition, TI developed a training program -- designed for a mixed audience of managers and employees -- to foster understanding of why flexibility is important to TI's business success. More than 500 employees have participated.

Since TI joined the Honor Roll, it has expanded the Dallas summer camp to allow for greater participation. Last year it had 50 slots, which were used by 70 or 80 families at different times. Beginning this year, it added a Spring Break Camp, and is considering the possibility of a Christmas Break Camp as well.

TI also has initiated a mildly-ill child care program which subsidizes 75 percent of the cost of care for a sick child. It provides the services of home health care workers contracted through Dallas' Harris Home Health Services.

Yakima Valley Memorial Hospital
2811 Treton Drive
Yakima, WA 98902
Peggy Urlacher, Child Care Director
509-575-8288

In the 1995, Yakima Valley Memorial Hospital, which has 1,200 employees (approximately three-quarters of whom are women), responded to the needs of its employees by opening a summer and holiday camp for 40 school-age children. The Hospital also provides on-site child care for 48 children per day from one month to seven years of age, and cares for six and seven year olds before and after school. Overall, Yakima Valley Memorial Hospital's child care programs serve more than one hundred families. In addition, the Hospital reaches out to the community to help train other providers and explore child care options with other businesses.

SICK CHILD CARE

More employers are recognizing the value of providing workers with options for caring for sick children. Sick child care programs -- whether center- or home-based -- can reduce absenteeism, relieve stress and allow employees to concentrate better on work.

City of Mesa, Arizona
P.O. Box 1466
Mesa, AZ 85201
Jody Topping, Employee Benefits Supervisor
602-644-3009

In July 1995, the City of Mesa, Arizona, which employs 3,276 people, contracted with a private child care service to offer in-home sick child care services to all full-time workers. Caregivers are fingerprinted, bonded and screened, and must complete 42 hours of training, including child development, CPR, first aid, health assessment, arts and crafts and communication skills before they can be referred. The City subsidizes $12.00 per hour up to ten hours per day for up to five days of care per fiscal year. Employees who use the service must pay $2.00 per hour plus a small transportation fee and an extra $5.00 per day per additional ill child receiving care. Employees thus have the choice of using the service or taking sick leave to care for their ill child or children.

The program allows parents of mildly ill children to stay at work and preserve their accrued sick leave. When it was first implemented, some employees feared that they would lose some of their leave if they used the sick child care. Over the years this program has been in place, this fear has been alleviated.

Program utilization has not been high, but the cost has been half of what would have resulted from employees taking time off to care for mildly ill children. When the provider raised its fees by two dollars an hour this year, Jody Topping, the Employment Benefits Supervisor, negotiated with the city to absorb the increase rather than pass it on to employees.

The City of Mesa also offers several other dependent care programs, including discounts of 10 percent or more at local day care centers, a child care resource and referral service and an elder care resource and referral service. Both resource and referral services are fully subsidized by the

City.

City of Seattle, Washington
710 Second Avenue
Dexter Horton Building, 12th floor
Seattle, WA 98060
Michele Thurman, Benefits Supervisor
206-684-7950

In November 1995, as its Honor Roll program, the City of Seattle initiated a Pediatric Home Care (PHC) benefit for its employees and their families. PHC sends a Certified Nursing Assistant to an employee's home to care for a sick child so the parent can report to work. The City covers employees for up to $300 per year for this service, which is available 24-hour-a-day, seven-days-a-week. PHC, which always has a Registered Nurse available by telephone, also cares for newborns. The City has seen reduced use of sick leave and better attendance by parents with young children.

NON-STANDARD HOURS CARE

For parents whose hours are irregular or extend beyond the standard workday, locating and paying for quality child care can be a particularly trying experience. In many communities, there are few child care options for non-standard hour workers. Some employers are developing programs to fill this critical gap in care.

Palcare
International Association of Machinists and Aerospace Workers
945 California Drive
Burlingame, CA 94010
Nirmala Dillman, Director
650-340-1289

Palcare is an innovative non-profit child care program created to fill a critical gap in the child care system of the San Francisco Bay area: the lack of quality, affordable child care for families with non-traditional and changing work schedules. It was created in direct response to the particular needs of airport employees, whose jobs span seven days per week, 24 hours per day. These working parents reported experiencing great stress due to their inability to find child care to match their changing and extended hours. A partnership of Airport labor unions, the San Francisco Airport, United Airlines, County government, a local hospital and the Child Care Coordinating Council formed to work on a solution. They conducted two surveys of airport-related and hospital employees to determine the real needs for child care. As a result of the findings, and after years of collaborative effort, they created Palcare, a national model of flexible, high quality affordable, day-and-night child care. The center is licensed to serve 150 children at any one time from the ages of three months to five years. Families with changing work schedules can submit a new child care schedule every month that fits their work hours, seven days per week. Thanks to the support of the San Francisco Airport Commission, employers and community, Palcare has been able to continue flexibility, maintain lower than market child care rates and offer a small scholarship program for low-income families.

Palcare's pledge for the Honor Roll was to expand its scholarship program by at least ten low-income working families by expanding its scholarship program. In July 1996, through the help of United Way of the Bay Area and the fundraising efforts of the Palcare board and families, its goal was met and exceeded. Sixteen new scholarships were awarded to low-income single mothers with young children.

Recently, Palcare was awarded a contract by the State of California to provide subsidized care for 12 more infants and toddlers of low-income families who need extended hours and flexible care. An expansion is planned into the second floor of the building to offer school-age child care and other family service. The San Francisco International Airport, San Mateo County and Palcare's other founding partners, the Airport Labor Coalition, the San Mateo Labor Council, Mills Peninsula Health Services and the Child Care Coordinating Council of San Mateo County have renewed their commitment to the Center for another five years. Palcare hopes to encourage other employers to join the Palcare partnership and to stimulate labor/management and public/private partnerships in other parts of the country.

PAID FAMILY LEAVE

The Family and Medical Leave Act, the first bill President Clinton signed into law, has helped millions of Americans take time off to care for a newborn or a sick family member without putting their jobs in jeopardy. The President hopes to expand family leave to include such activities as teacher conferences and children's medical appointments. Many employers have established policies that allow leave for a wide range of family needs. Some go a step further -- offering family leave with pay -- and believe they are reaping benefits such as reduced absenteeism and increased productivity and "good will."

City of Kansas City, MO
City Hall
414 East 12th Street
Kansas, City, MO 64106
Gary O'Bannon, Director, Labor & Employee Relations
816-274-1828

In November 1995, as its Honor Roll program, the City of Kansas City, Missouri established the

Educational Leave Initiative, allowing its 4,600 employees four hours of paid leave to participate in such programs as elementary school graduation ceremonies, field trips, guest speakers, "Take Your Daughters to School" Day and parent-teacher conferences. The City employees have been extremely appreciative of the program and the City has noticed an improvement in morale. Since employees request the leave ahead of time, it has not been disruptive to the workplace.

In October 1997, the City increased the leave allowance from four to eight hours. Participation has increased steadily -- in the year beginning in May of 1995, 22 people participated for a total of 67 hours. The next year, 182 employees participated for 472.5 hours. From May 1997 through March 1998, 426 employees participated for 1,343.5 hours.

Immunex Corporation
51 University Street
Seattle, WA 98101
Beth L. Fortmueller, Benefits Administrator
206-587-0430

Immunex Corporation is a biopharmaceutical firm with nearly 1,000 workers. The company has fostered an environment where employees are valued and allowed to contribute as professionals, which includes considerable flexibility in work hours. In 1995, Immunex began offering employees a wider array of programs to help them balance work and family needs including: five days paid paternity leave; six weeks paid adoption leave to the primary caregiver of a newly adopted child; five days paid adoption leave to non-primary caregiver of a newly adopted child; and on-site nursing rooms at three company locations.

The company has adopted flexible scheduling/alternative schedules, such as 4/40 (compressing 40 hours of work into four work days) and 9/80 (compressing 80 hours of work into nine work days) schedules, for employees where business needs could support such alternatives. In addition to standard health and welfare plans, the company allows employees to fund individual flexible spending accounts on a pre-tax basis up to $5,000 per year for child care and medical costs.

"According to Benefits Administrator Beth Fortmueller, "We don't want anything to stand in the way of us finding and keeping the best employees in the world."

Teubner & Associates
PO Box 1994
Stillwater, OK 74076
Stefanie Gutermann, Administrative Assistant
405-624-8000 x 231

Teubner & Associates, a software development company with approximately 70 workers, allows employees time off with pay if a family member needs care at home, to go to a medical appointment or to be hospitalized. The company estimates that 90 percent of employees make use of the benefit. Many mothers and fathers benefited last winter, when a large number of children were sick with the flu or strep throat. The company also allows employees to take time off to attend their children's school programs and teacher conferences. Paid leave for family illnesses or school activities is not charged against sick leave or vacation time. It is simply additional paid time off.

Teubner, which already has a paid maternity leave policy, also has begun allowing new fathers three to five paid days off for the birth of a child. Should medical complications arise, fathers are given extra time off with pay.

RESOURCE AND REFERRALS

Resource and referral services provide valuable information to families at a cost many companies can afford. Employers contract with private agencies that help workers navigate the range of child care options and determine what is best for them.

Virginia Mason Medical Center
P.O. Box 900, X9-CC
Seattle, WA 98111
Melinda Wells, Manager, Work/Life Programs
206-583-6452

In January of 1996, Virginia Mason Medical Center (VMMC) enhanced its employee benefits package by offering child/family and adult/elder resource and referral services. This 24-hour-a-day, 7-day-a-week service, provided by Working Solutions, Inc., is accessible by phone to the 4,000+ employees at all VMMC's sites as well as to their family members.

For the past 24 years, Virginia Mason Children's Service has offered its employees on-site child care, which currently serves 70 children (from infants through pre-kindergarten-age children) per day. It also provides Tender Loving Care (TLC) sick child care for children whose parents work at Virginia Mason and hundreds of Seattle-area businesses. Virginia Mason subsidizes the service for its own employees.

Virginia Mason offers "short stop" hourly drop-in child care as a free service for patients and their families while visiting the Medical Center. It provides emergency/back-up/intermittent child care for employees. In 1996, the Medical Center piloted a School-Age Holiday Camp for employees' children age four through ten, which it made permanent in 1997.

CHILD CARE DISCOUNTS/REIMBURSEMENT

Many families believe that quality child care is out of their reach. Employers are responding to this concern with assistance ranging from discounts at centers to reimbursement for child care during travel.

All Metro Health Care/Caregivers on Call
50 Broadway
Lynbrook, NY 11563
Marsha Cooper, Managing Director, Caregivers on Call
919-824-1845 in NC
516-887-1200 in NY

All Metro Health Care, a growing national health care agency, offers an array of child care services to its 150 in-house staff, as well as for its 1,400 female and male aides and nurses in the field. All employees can receive a subsidy of 30 hours of free in-home back-up care. Employees can bring their children to work in the company's Maryland, New York, Suffolk County and New Jersey offices. In addition, the in-house staff is given four hours of leave a year to attend special child-related activities.

About 20 percent of All Metro's in-house staff have taken advantage of the free in-home care and use is increasing among the company's aides and nurses in the field. The company believes that providers who work day-in and day-out to help other families in crisis deserve the same relief when their own children need care.

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
Chris Kjeldsen
Vice President for Community and Workplace Programs
908-524-3030

As its Honor Roll program, Johnson & Johnson, a comprehensive health care company, contracted with three national child care companies to give its 34,000 domestic employees a 10 percent discount at affiliated centers nationwide. The company also started a pilot program at its New Brunswick, New Jersey location by establishing a network of two licensed family day care providers. Johnson & Johnson subsidizes these providers' fees on a sliding scale based on family income.

Johnson & Johnson already operates very successful on-site child care programs for employees at its world-wide headquarters and three other sites in New Jersey and Pennsylvania, which serve children six weeks of age to 6 years old, and are subsidized through sliding-scale fees. Johnson and Johnson plans to open two more on-site facilities in New Jersey this spring. This will raise its capacity to serve 950 children. Its first on-site facilities were established as the result of a needs survey the company undertook in 1988.

Lake Associates, Inc.
18 Thatcher Street
Albany, NY 12207
Diane Lustenader, President
518-732-0526

Lake Associates, Inc. is a very small Chicago firm, employing six part-time workers, five of whom are women. The employees all work from home, except when they are meeting with clients or participating in training. In May 1994, the company began paying its employees a $2.50 per hour "bonus" premium to help defray the costs of child care for these business-related purposes.

The benefit was established after Lake Associates, Inc.'s first employee raised the issue of child care with President Diane Lustenader. Together, they developed the bonus premium, which now applies to all employees. Ms. Lustenader, who spends less than $1,000 per year total on the bonus premium, believes it is an excellent way to motivate her employees. She has retained her Chicago workforce even after she moved to Albany, New York for family reasons.

Mirage Resorts, Inc.
3400 Las Vegas Boulevard South
Las Vegas, NV 98109
Jennifer Wynn, Employee Services Manager
702-791-7507

Mirage Resorts, Inc., a gaming and entertainment corporation based in Nevada, has implemented several programs to help its over 25,500 employees deal with important family/work life issues including child care. Among the family-friendly programs offered are the addition of pre-tax child care savings plan to their company benefits package, employee discounts ranging from free registration up to 15 percent off weekly tuition at local day care centers; and useful information on how to choose a day care provider.

Their employees have responded positively.. "I was so pleased to find the child care information offered by the Mirage (a Mirage Resorts, Inc. Resort property). Using the child care discount program, my husband and I we were able to save over $1,000 in day care expenses in 1997," reported Jennifer Johnson, a secretary in their Engineering Department and the mother of 2 preschool aged children. Jennifer Wynn, Mirage Employee Services and Communications Manager says, "Sooner or later everyone deals with work-family related issues. We recognize the importance of helping our employees to balance their work lives with their home lives. Helping to provide them with solutions to child care and education issues is just a small part of what we do."

Resource Bancshares Mortgage Group
7909 Parklane Road, Suite 150
Columbia, SC 29223
John Hedden, Employee Relations Manager
803-741-3556

Resource Bancshares Mortgage Group, Inc., which employs 1,500 people across the U.S., has opened a nursing mothers' room at its Headquarters office, initiated a child care resource and referral program and began offering paid adoption and paternity leave (in addition to the paid maternity leave it already provides). Paid maternity leave falls under the company's short term disability policy, and varies from 100 percent to 60 percent of base pay, depending on length of service. Maternity leaves requiring longer than 12 weeks fall under the long term disability, and are 60 percent of base pay.

The company also has a child care "matching program" available to all employees nationwide. This matching program reimburses employees up to $40 per week for child care costs. Currently 180 employees are participating in this service. A pre-tax reimbursement program also allows employees to pay their child care expenses with pre-tax dollars.

Resort Condominiums International LLC (RCI)
3502 Woodview Trace
Indianapolis, IN 46201
Katie Marlowe
Company Relations Specialist
317-334-8159

In June 1997, Resort Condominiums International LLC opened a near-site child care center for its more than 1,400 employees in the Indianapolis area. Operated by La Petite Academy, the Center is located within minutes of company headquarters and is open from 6:30 am to 6:00 pm, Monday through Friday. It serves more than 125 children ages six weeks to six years. RCI contributed the land for the center, financed its construction, and charges its employees 25-40 percent below market rate for care. The company also provides before- and after-school care, summer care and, in some cases, transportation to and from school. RCI offers employees in its U.S. operations a dependent care spending account.

Salt River Project

P.O. Box 52025
Phoenix, AZ 85072-2025
Kathy Haake, Manager, Human Resources
602-236-3570

Salt River Project (SRP) is a public electric and water utility based in Tempe, Arizona with 4,300 employees. Beginning in April 1995, SRP contracted with Summa Associates, Inc., a local consulting firm specializing in work and family issues, to design and facilitate workshops that addressed questions about child self-care including latch-key arrangements. A lecture series on parenting issues is also available to employees. The utility also implemented an adoption assistance program "because employees who choose parenthood through adoption should receive benefits comparable to individuals who have children biologically." The program provides eligible employees with financial assistance for adoption-related expenses and includes additional benefits for the adoption of a "special needs" child. Employees are eligible for a maximum of $2,000 for a standard adoption and $4,000 for the adoption of a "special needs" child.

Since the launch of this program, changes in federal tax law making the adoption assistance benefit non-taxable has enabled SRP employees to meet more of the costs involved in adoption. Kathy Haake, Human Resources Manager, said, "while utilization may not be high, the fact that it was offered was well received. We practice the philosophy that when we identify a space to fill in, we fill it." This philosophy also has also led to the continual expansion of work-family programs at SRP, including an increase in the use of telecommuting, back-up child care, close-to-home child care, sick child care, school-age programs on conflict resolution and diversity, long-term care insurance and additional resource and referrals for elder care.

ASSISTANCE FOR STUDENTS/TRAINEES/LOW-INCOME WORKERS

Low-income workers and students/trainees are among the most likely parents to miss work or classes because of child care problems. Community colleges, hospitals, training programs and local governments are among those developing creative ways to help these parents keep their jobs -- or stay in school -- so they can support their families.

Blackfeet Community College

PO. Box 819
Browning, MT 59417
George Kipp, Vocational Education Director
406-338-5111

In November 1994, the Blackfeet reservation opened the Blackfeet Community College Child Care Center. The center, which serves the community college's 50 employees and 400 students, is licensed to accommodate 40 children. It provides care for infants and toddlers, runs a pre-school and offers after-school care for children through 12 years of age.

City and County of Honolulu
Dept. of Community and Social Resources
City and County of Honolulu
715 South King Street, Suite 311
Honolulu, HI 96813
Sandra Pak, Child Care Coordinator
Office of Special Projects
808-527-6939

Within the last two years, the City and County of Honolulu has established ten neighborhood child care programs on county park facilities and surrounding park space. Through the innovative use of existing county personnel and facilities, and by partnering with Head Start and various community organizations, the County has been able to offer these new child care services at affordable or free rates.

This Child Care in the Parks program is designed to provide the early education children need for optimal brain development as well as the child care and family support services parents need to become economically self sufficient. The program gives parents the opportunity to volunteer in the classroom and participate on policy councils. Parents are also given preference for Head Start jobs. At full capacity, the Child Care in the Parks program will serve 359 children and families. At six of the programs, at least half of all the children are from economically disadvantaged families.

Computer and Business Institute
2122 Tenbrook Road
Arnold, MO 63010
Jerry Finley, Director
314-282-6060

The Computer and Business Institute is a computer training center for people entering or re-entering the workforce. It has 3 full-time workers, 6 to 7 part-timer workers and approximately 50 students. In January 1995, as its Honor Roll program, the Institute began offering flextime for staff and students to meet their family and personal needs. The results have been "tremendous," particularly for students. Under the old system, many students with family responsibilities were missing too many classes and ultimately dropping out. Now, they can complete their classwork in any six hours between 8 am and 4 pm. If a student needs to leave early to care for a sick child, she just makes up that time over the course of the next calendar month.

Jerry Finley, the Institute's director, said the flextime was very easy to implement. He and his wife (and co-owner of the business) believe establishing this type of program would be "ideal for similar small business owners."

Lutheran Medical Center
150-55th Street
Brooklyn, NY 11220
Mary Teresa McKenna
(718) 630-7155

The Lutheran Medical Center has opened the Magical Years Early Childhood Center, an off-site program targeted at low-income workers and community members. Magic Years, located five blocks from the Medical Center in a poor community with a significant need for day care, can accommodate 40 children from infancy to age three. The child to teacher ratio is 3 to 1 for infants (to six months) and 4 to 1 for children between the ages of one and three. All enrolled families must meet eligibility requirements, as set by New York City's Agency for Child Development, and pay weekly fees on a sliding scale according to family income guidelines as well as priority reasons for care.

The young children at Magical Years participate in developmentally-appropriate activities designed to foster physical, social, emotional and cognitive growth. Many are children with special needs who receive services from the Medical Center's Early Intervention Program immediately adjacent to Magic Years. Parents who are identified during the intake process as needing literacy classes are enrolled immediately in an appropriate ESOL (English for Speakers of Other Languages) or Basic Education program also sponsored by the Medical Center.

CHILDREN IN THE WORKPLACE

Smaller companies are exploring manageable options for meeting the needs of their employees. One that several have found particularly effective is allowing children at work. They have found it builds loyalty and trust and helps them retain valued workers.

Legacy Personnel Group, Inc.
One East Broward Boulevard, Suite 609
Fort Lauderdale, FL 33301
Valerie Talcott, President
(954) 523-9338

Legacy Personnel Group, Inc. is a personnel agency with 10 people on its permanent payroll and more than 150 temporary workers. As its Honor Roll program, the company not only instituted a flextime policy, but also began permitting new mothers to bring their babies to work for up to six months and set up facilities for the babies at the workplace. They have since expanded their services to include sick child care and "flexiplace."

Legacy president Valerie Talcott has found these programs to be very popular, with about a third of employees taking advantage in some way. She also believes they have built trust and loyalty and improved employee retention without any major cost.

T3 (The Think Tank)
1806 Rio Grande
Austin, TX 78701
Gay Warren Gaddis, President
512-499-8811

In April 1995, this 41-person, woman-owned advertising, marketing and public relations firm launched "T3 and Under," a program allowing parents to bring their children to work. The office is arranged so that a parent can work effectively while the child remains close by. While the program initially was intended for working mothers, it has come to include fathers as well. Since T3 joined the Honor Roll, the number of mothers who have participated has increased from four to seven, and two fathers now occasionally bring their infants to work.

T3's President, Gay Warren Gaddis, decided to initiate the program after realizing that four of her employees were preparing for maternity leave around the same time. Concerned that she was going to lose these valuable workers and understanding the needs of the new mothers, Ms. Gaddis wanted to provide a more gentle transition back to work.

One mother, Vicki Buck, commented that she would not have returned from maternity leave without "T3 and Under." "I wanted to come back to work, but I wanted to be with my child. The fact that Gay promised me the opportunity to do both answered my needs. I was also glad that the employees at T3 were excited and receptive to the program. This has been a blessing to me and my family." Ms. Gaddis has shared "T3 and Under" program information with working parents and businesses around the world.

COLLABORATIONS

This report concludes with a section on collaborations, through which some of the most promising child care innovations have taken place. Employers have found they can offer workers better services at a lower cost by pooling ideas and resources than they ever could alone. This is not just an option for major corporations. As is clear from the diverse descriptions below, large businesses, small businesses, unions, community groups, non-profit organizations and governments -- and their workers -- can all benefit from such arrangements.

1199/Employer Child Care Fund
330 West 42nd Street, 32nd Floor
New York, NY 10036

Carol Joyner, Executive Director
212-564-2220

The 1199/Employer Child Care Fund is an innovative multi-employer/union partnership to improve the quality and availability of child care for thousands of Health and Human Services employees. In 1992, the 1199 National Health and Human Services Employees Union, AFL-CIO and 17 health care employers in New York State joined forces to address worker child care concerns. Labor-management committees at each participating health care facility assess the child care needs of the facility, recommend programs and policies to the Child Care Fund and select child care programs from a menu of offerings for use by 1199 parents, their children and the broader community. The Child Care Fund is financed by employer contributions and is used to pay for the full or partial cost of each program offered. There are currently 184 employers contributing to the fund.

The Child Care Fund serves children from birth to 17 years of age and has grown from an initial participation of 250 children to more than 6500 children currently. The range of programs offered by the Child Care Fund include: child care resource and referral; a full-day child care center for children 2 to 5 years of age; a full-day Saturday cultural arts program for children 5 to 17 years of age; holiday and summer camp programs; and a college- and career-preparatory program for children 14 to 17 years of age. The Fund reimburses 1199 members for the full or partial cost of their child care through its voucher system.

American Business Collaboration for Quality Dependent Care (ABC)

Wanger Associates
10 Burdean Road
Newton, MA 02159
Barry Wanger, President
617-965-6469

In October of 1995, a collaboration of major corporations launched a $100 million initiative to develop and strengthen school-age child care and elder care projects in communities across the country where their employees live and work. The twenty-two lead or "Champion" companies expect to fund more than 1,000 projects over six years, ranging from training for day care providers to science/technology camps for school-age children to a money management program for senior citizens.

At an October 31, 1995 event celebrating ABC's launch -- and its participation in the Honor Roll -- James J. Schiro, CEO, Price Waterhouse spoke of the clear payoff from investments in dependent care to businesses and society. "These results make me wonder .... why isn't every company in this country supporting programs like this?"

Two and one-half years later, ABC has expanded to include some 200 businesses, government agencies and non-profit organizations. Since 1992, ABC has invested nearly $100 million in 68 communities in 25 states and the District of Columbia. It has supported 355 dependent care projects used by more than 277,000 people.

Atlanta's Inn for Children
120 Renaissance Parkway
Atlanta, GA 30308
Laurie Farmer, LLF, Inc./Public Relations
770-475-4949
Nancy Boxill or Stacey French-Lee/Atlanta's Inn for Children
404-874-9535

Atlanta's Inn for Children shows how an industry can come together, citywide, to address child care needs. In July of 1997, a collaboration of downtown hospitality employers opened Atlanta's Inn for Children to meet the special needs of 1,000 hourly-wage employees of Atlanta's service industry. This 24-hour-a-day, seven-day-a-week child care center accommodates 250 children, and is a joint venture of Central Atlanta Hospitality Child Care Inc., a nonprofit organization created by the Marriott Marquis and Marriott Suites Midtown, the Omni, the Hyatt Regency Atlanta and the Atlanta Hilton.

Atlanta's Inn for Children provides infant and toddler care and before- and after-school programs with sliding scale fees, based on family income and size. The center also offers immunizations, well-baby checks and a child development certification program for child care providers.

In addition, Atlanta's Inn for Children is open to the general public.

Bay Area Emergency Care Consortium
c/o Farella, Braun & Martel LLP
235 Montgomery Street
San Francisco, CA 94104
Kathryn Oliver, Esq.
415-954-4400

In February 1995, the Bay Area Emergency Care Consortium -- a group of seven companies consisting mainly of law and accounting firms whose employees work billable hours -- launched a program providing emergency in-home child care and elder care to approximately 2,000 of their employees. The service, which was either fully or partially subsidized by the employers, was available 24-hours-a-day, year-round, when employees' usual child or elder care arrangements fell through or were not available when they had to fulfill a work assignment. Employees simply called an "800" number, explained their needs, and within 4 hours, qualified, pre-screened caregivers were dispatched to their homes. The program served healthy or mildly-ill infants, school-age children and elders in six Bay Area counties, and was administered by Caregivers on Call. At least four of the original participating companies -- Farella, Braun and Martel; Scitor Corporation; KPMG Peat Marwick; and Morrison and Foerster -- continue receiving back-up emergency care through Caregivers on Call.

First Texas Council of Camp Fire
2700 Meacham Boulevard
Fort Worth, TX 76137
Sue Matkin, Assistant Executive Director
817-831-2111

First Texas Council of Camp Fire brought together three key community leaders who, in turn, hosted a meeting of several of the larger companies in Fort Worth and Tarrant County to inform them of the need for quality, affordable child care for employees. The employers responded by forming a coalition of CEOs, "Corporate Champions for Children," which provides funding to address the child care needs of employees. Benefits to the corporate employees include resource and referral services, mildly-ill back-up care, and on-site holiday and inter-session school-age care. The coalition helps centers and family child care homes -- through training and occasional financial assistance -- in upgrading their facilities and services to meet the standards for accreditation.

While the focus of the "Corporate Champions" coalition is on providing child care for its own employees, everyone in the community benefits from these improved child care programs. Since the launch of the initiative, the number of CEOs participating has increased from 10 to 17. Through a grant from the Texas Work & Family Clearinghouse, this model is being replicated in other Texas cities.

Local 2/Hospitality Industry Child Care and Elder Care Fund
204 Golden Gate Avenue
San Francisco, Ca 94102
Lisa Jaicks, Child and Elder Care Coordinator
415-864-8770 x720

The Hotel Employees and Restaurant Employees (HERE) Local 2 is a labor union which represents hotel and restaurant employees in unionized San Francisco hotels. The workers are room cleaners, cooks, bartenders, waiters, bell people and food service workers who work a variety of daytime, evening or nighttime shifts, 7 days a week. As a result, child and elder care services are often not available at needed times.

In August 1994, HERE Local 2 negotiated a child and elder care fund with the San Francisco Hotels Multi-Employer Group as well as the rest of the San Francisco Class A union hotels. The hotels contribute $0.15 for every hour worked by eligible members. Close to 7,000 workers are eligible for the fund, which provides a range of benefits including child and elder care resource and referral services and partial reimbursement for newborn, child, youth and elder care services. In October 1997, there are over 550 members enrolled in the subsidy program.

Project Parent, Lexington/Fayette Urban County Government, Office of the Mayor
200 East Main Street
Lexington, KY 40507
Earlene Huckleberry, Project Parent Director
606-258-3808

Mayor Pam Miller launched Project Parent in January 1995 to promote a safer community, stronger families and more successful children. To date, more than 350 businesses, churches and other religious institutions, social service agencies and schools have joined the effort by pledging to adopt and uphold policies and practices to support and encourage effective parenting. As their pledges, area businesses have made changes in wages, benefits, hours of work and ways of working and have added counseling and other family support services. Business representatives also have joined community councils establishing academic standards. According to Project Parent Director Earlene Huckleberry, the program continues to thrive and grow. Ms. Huckleberry reported that the Lexington Herald Leader is one of ten downtown businesses who sponsor child care slots for their employees at a cooperative day care center in Lexington. In addition, they provide a massage therapist, dry cleaning services and parenting workshops to help relieve stress among working parents and other employees.

UAW-GM Center for Human Resources
301 W. Fourth Street
Suite 150
Royal Oak, MI 48067
Elaine Glasser, Childcare Specialist
248-548-7700

The UAW-GM Child Development Center in Flint, Michigan, is a joint labor/management initiative, which serves 14 plants and is licensed for 240 children. The Center, established in 1992, accommodates 190 children at any one time and offers a wide range of programs. Twenty-four hours a day, six days a week, it provides full-day care for children from infancy through age 13. On school days after classes end, children from 26 local elementary schools are transported to the child development center and/or sports activities, clubs, the library and field trips.

The center has much lower staff to child ratios than the state requires and center staff receive benefits such as tuition reimbursement for their own education and a 401K plan. Turnover is extremely low. A parent advisory committee has been reviewing policies and issues since the center opened and parent satisfaction surveys are conducted every year. One parent who uses the

Center said, "I was leery at first about putting my three children into the center, but once I did it, all my worries are gone--I can actually go to work with peace of mind--what a big weight off my shoulders."

In June 1994, UAW-GM began a Child Development Summer Camp Program. The target population is the school-age children of the approximately 30,000 UAW-represented GM workers at 14 plant facilities in the Flint, Michigan area. UAW-GM also has parenting consultants in 40 plants nationwide, available 24 hours per day to provide child care resource and referral, parenting consultations, and on-site workshops on parenting issues.

Background documents prepared by the White House (i.e. stats that we feel comfortable using).

CHILD CARE: A CHALLENGE FOR AMERICA'S WORKING FAMILIES
January 7, 1998

Millions of Americans, struggling to be both good parents and good workers, rely on child care and after-school programs for part of each day. As the White House Conference on Child Care showed, America's working families, more than ever, are pressed to find safe, affordable care for their children.

Millions of America's children are in child care. In 1995, of the approximately 21 million infants, toddlers, and preschool children under the age of six in the U.S., more than 12.9 million children were in child care. Forty-five percent of children under age one were in child care on a regular basis. [National Center for Education Statistics, U.S. Department of Education]

Children are in care for many hours each working day. In 1990, more than half of children under five with mothers in the workforce were in child care 35 hours or more each week. [*National Child Care Survey,* 1990]

Families struggle to afford child care. Working parents who rely on child care often have a hard time paying for it. In 1993, the average family with an employed mother and a child under five spent about $74 per week for child care for all preschoolers in the family. [U.S. Department of Commerce, Bureau of the Census, 1997] Infant care is generally more expensive: in 1995, center-based care for infants averaged $112 per week. [*Cost, Quality and Child Outcomes in Child Care Centers,* University of Colorado at Denver, 1995] For families with children between three and five, child care is the second or third greatest household expense. [U.S. Department of Commerce, Bureau of the Census, 1997]

In 1993, families with annual incomes under $14,400 paying for child care for children under five years old spent 25 percent of their income on child care, compared with six percent for families with incomes of $54,000 or more.[*What Does it Cost to Mind Our Preschoolers?,* U.S. Bureau of the Census, Current Pop. Reports, 1995]

Many children are in settings that are not healthy or safe and do not promote early learning and development. Recent studies have raised concerns about the quality of care:

- A four-state study of quality in child care centers found that only one in seven centers (14 percent) were rated good quality. [*Cost, Quality and Child Outcomes in Child Care Centers,* University of Colorado at Denver, 1995]
- According to another study, 13 percent of regulated and 50 percent of unregulated family child care providers offer care that is inadequate. [*The Study of Children in Family Child Care and Relative Care,* Families and Work Institute, 1994]
- In the words of one well-respected report, "Many children living in poverty receive child care that, at best, does not support their optimal development and, at worst, may compromise their health and safety." [*New Findings on Children, Families, and Economic Self-Sufficiency,* National Research Council, 1995]

The quality of child care matters. Research shows that when children are in better quality child care programs, they have have stronger language, pre-mathematics, and social skills; better relationships with their teachers; and stronger self-esteem. In some instances, quality has even greater impact on children who are typically at-risk. [*Cost, Quality, and Child Outcomes in Child Care Centers,* University of Colorado, 1995]

After-school programs are in short supply. The Bureau of the Census estimates that in 1997 38.8 million children between the ages of five and 14 lived in the U.S., of whom 24 million had parents in the workforce or school. [1994 SIPP data from the Bureau of the Census] Experts estimate that nearly five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. [National Institute for Out-of-School Time at Wellesley College]

Good after-school programs matter. Constructive activities for children and youth are critical to enhancing their development and keeping them out of trouble. Studies show that school-age children who are left alone after school are at greater risk of truancy, risk-taking behavior, substance abuse, poor grades, and stress. ["Characteristics of Eighth-Grade Students Who Initiate Self-Care in Elementary and Junior High School, *Pediatrics,* 1990] Youth between the ages of 12 and 17 are most likely to commit violent acts or be victims themselves between 2:00 pm and 6:00 pm. [OJJDP 1997]

Studies also indicate that children under adult supervision in a formal program during after-school hours show improved academic achievement and better attitudes toward school than their peers in self- or sibling-care. [Miller and Marx, 1990, in Supplement to the National Assessment of Chapter 1]

A Profile of the Child Care Work Force

Approximately three million child care teachers, assistants, and family child care providers in the U.S. care for 10 million children each day.

Who are the child care teaching staff?

97% are female
41% have children
10% are single parents

● Child care teaching staff earn an average of $6.89 per hour or $12,058 per year (based on 35 hours per week and 50 weeks per year) (data from *Cost, Quality and Child Outcomes in Child Care Centers*, Technical Report 1995, salary data are in 1993 dollars).

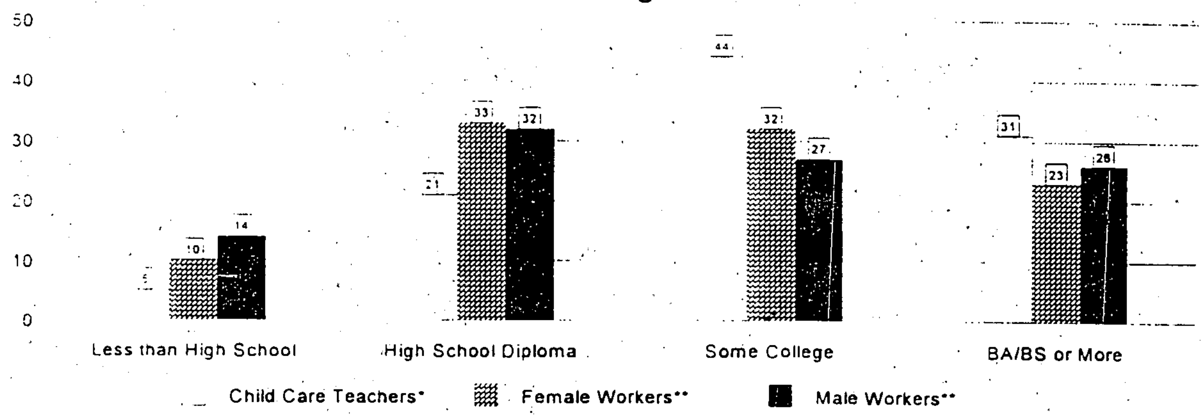
● Only 18 percent of child care centers offer fully paid health coverage to teaching staff.

● Although they earn lower wages, child care teachers are better educated than the general population.

● One-third of all child care teachers leave their centers each year.

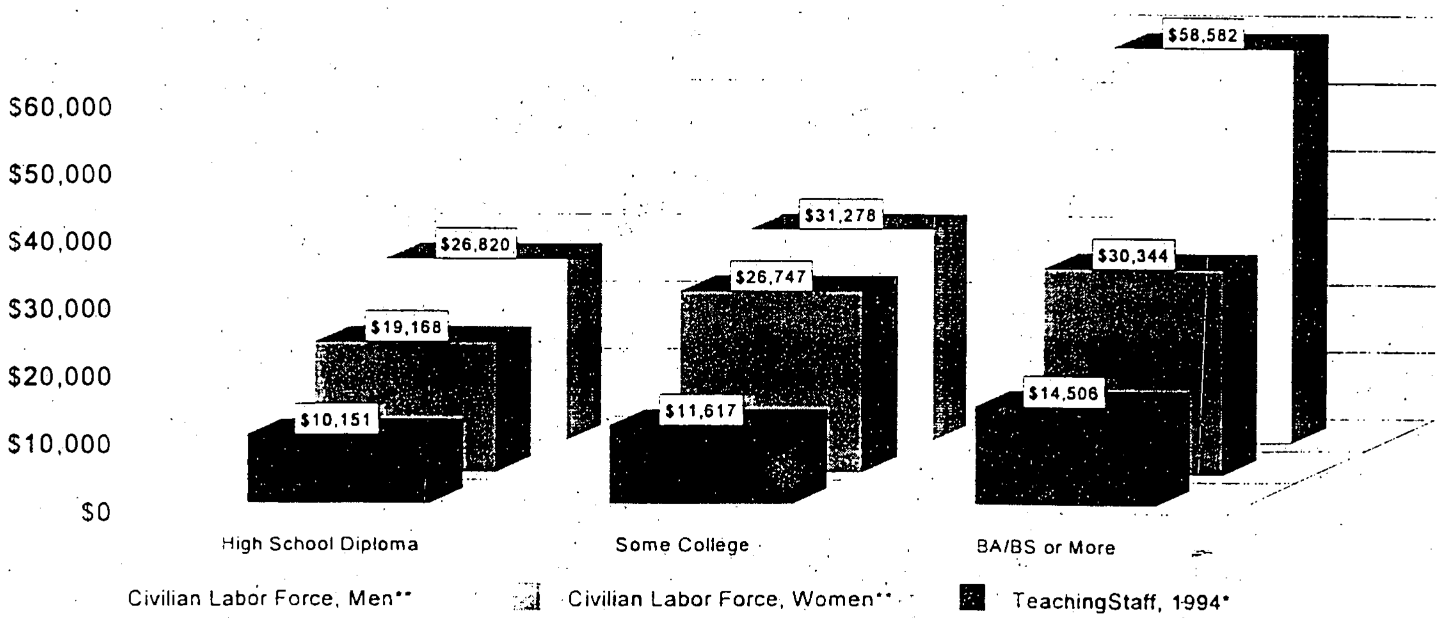
● Family child care providers who care for and educate young children in their homes also have very low earnings. Providers earn $9,528 annually after expenses (data from *The Economics of Family Child Care Study*, a forthcoming publication from Wheelock College, earnings in 1996 dollars). Unregulated providers, who care for fewer children and are offered fewer supports; earned just $5,132 after expenses.

Education of Child Care Teaching Staff Versus All Workers***



*National Child Care Staffing Study **Current Population Surveys, 1995. Bureau of Labor Statistics, U.S. Department of Labor

Annual Wages of Child Care Teaching Staff Versus All Workers***



*National Child Care Staffing Study, wages in 1996 dollars **Current Population Surveys, 1996. Bureau of Labor Statistics, U.S. Department of Labor

****These charts only provide information on center-based teaching staff.*

This fact sheet is primarily excerpted from materials developed by the National Center for the Early Childhood Work Force (NCECW). (phone: 202-737-7700; E-mail: **ncecw@ncecw.org**).

Child Care for Young Children: Demographics

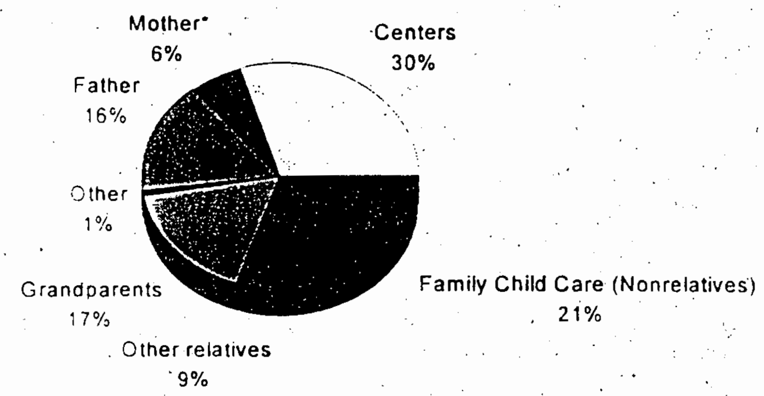
● According to the National Center for Education Statistics, in 1995 there were approximately 21 million infants, toddlers, and preschool children under the age of six in the U.S., more than 12.9 million of these children were in child care.†

● Forty-five percent of children under age one were in child care on a regular basis.†

● While use of center-based care increased from 1988 to 1993, most young children are still in a home-based setting including family child care.**

Primary Child Care Arrangements Used by Families with Employed Mothers for Preschoolers: 1993

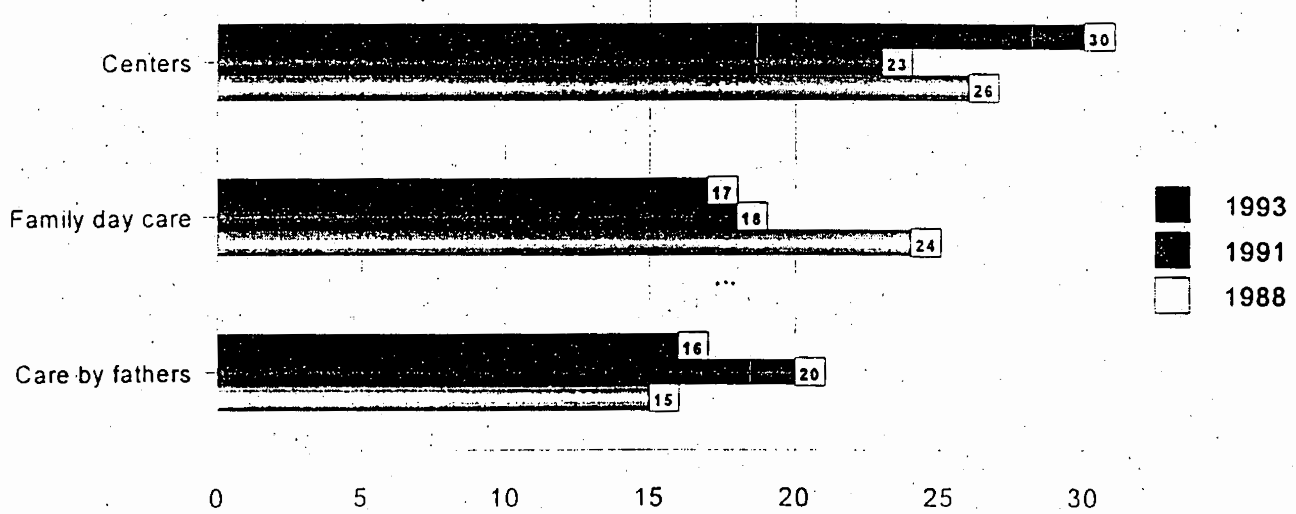
(Percent of preschoolers of working mothers in selected arrangements)



* Includes mothers working at home or away from home. Source: Casper, L.M. *Who's Minding Our Preschoolers?* U.S. Bureau of the Census, Current Population Reports, P-70, no. 53, Washington, DC 1996

Changes in Selected Child Care Arrangements: 1988 to 1993

(Percent of preschoolers of working mothers in selected arrangements)



Source: Casper, L.M. *Who's Minding Our Preschoolers?* U.S. Bureau of the Census, Current Population Reports, P-70, no. 53, Washington, DC 1996

This profile of child care demographics has been excerpted from information provided by the † National Center for Education Statistics, U.S. Department of Education and the **U.S. Bureau of the Census.

For additional information, contact the National Child Care Information Center at (800) 616-2242 or visit the Web ***http://ericps.crc.uiuc.edu/nccic/nccichome.html***

Child Care for Young Children: Quality

"Recent brain research suggests that warm, responsive child care is not only comforting for an infant; it is critical to healthy development."

- *Rethinking the Brain: New Insights into Early Developmen.* Families and Work Institute (1997)

● **Higher quality child care for very young children (0 to 3) was consistently related to high levels of cognitive and language development.** "Mother-Child Interaction and Cognitive Outcomes Associated with Early Child Care", NICHD Early Child Care Researcr Network (1997)

● **Studies have raised concerns about the quality of care:**

- A four-state study of quality in child care centers found **only one in seven (14%) were rated as good quality.** *Cost, Quality and Child Outcomes in Child Care Centers, (Executive Summary)* University of Colorado at Denver (1995)
- **Thirteen percent of regulated and 50 percent of nonregulated family child care providers offer care that is inadequate.** *The Study of Children in Family Child Care and Relative Care*, Families and Work Institute (1994)
- **"The quality of services provided by most centers was rated as barely adequate."** *The National Child Care Staffing Study* (Executive Summary), National Center for the Early Childhood Workforce (1989)

● **"[M]any children living in poverty receive child care that, at best, does not support their optimal development and, at worst, may compromise their health and safety."** *New Findings on Children, Families, and Economic Self-Sufficiency*, National Research Council, Institute of Medicine (1995)

What Works to Improve the Quality of Child Care

● **Children who receive warm and sensitive caregiving are more likely to trust caregivers, to enter school ready and eager to learn, and to get along well with other children**. . . To ensure that child care settings nurture children, protect their health and safety, and prepare them for later school success, better qualified staff are essential." *Starting Points: Meeting the Needs of Our Youngest Children*, Carnegie Task Force on Meeting the Needs of Young Children (1994)

● **"[S]maller group sizes, higher teacher/child ratios and higher staff wages result in quality child care.** Outcomes for children are also better when they attend programs that include a curriculum geared to young children, well prepared staff and where parents are involved in programming." *Early Childhood Care and Education: An Investment That Works*, National Conference of State Legislatures (1997)

● **Any child care setting will benefit from a health consultant**. . . to advise on potential infectious diseases, explain symptoms and treatments to families, plan health alert procedures when infectious disease occurs, and assist with public health reporting requirements. *Caring for Infants and Toddlers in Groups*, Zero to Three: National Center for Infants, Toddlers and Families (1995)

● **States with stronger licensing requirements had a greater number of good-quality centers** according to recent research. *Cost, Quality and Child Outcomes in Child Care Centers*, University of Colorado at Denver (1995)

● **Voluntary conformity to higher standards through professional center accreditation or through meeting another set of quality standards also increased the likelihood of higher classroom quality.** *Cost, Quality and Child Outcomes in Child Care Centers*, University of Colorado at Denver (1995)

For additional information, contact the National Child Care Information Center at (800) 616-2242 or visit the Web site at ***http://ericps.crc.uiuc.edu/nccic/nccichome.html***

Out-of-School Time

School-Age Care

According to the Bureau of the Census, in 1997 there were 38.8 million children between the ages of 5 and 14 years living in the U.S. There are approximately 24 million school-age children with parents in the workforce or pursuing education (based on 1993 SIPP data from the Bureau of the Census).

Care Arrangements of School-Age Children

- Experts estimate that **nearly 5 million school-age children spend time as latchkey kids without adult supervision during a typical week.**

- **Approximately 1.7 million children in kindergarten through grade 8 were enrolled in 49,500 formal before- and/or after-school programs in 1991,** according to the National Study of Before and After School Programs.

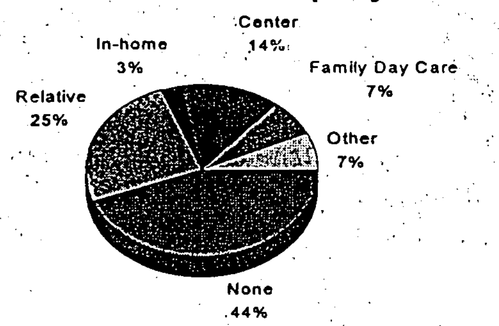
- In 1993-94, according to the National Center for Education Statistics, there were 18,111 before- or after-school programs in public schools–70% of public schools did not offer extended learning programs.

- School-age children are likely to spend time in many different care arrangements. According to the National Child Care Survey (1990), **76 percent of school-age children with an employed mother spend time in at least two child care arrangements during a typical week, in addition to their time in school.**

- According to the National Child Care Survey, children aged 5 to 12 with employed mothers use the following types of supplemental care: 7% are in family day care; 14% are in centers, 3% are cared for by in-home providers, 25% are cared for by relatives and 44% do not use supplemental care.

Use of Supplemental Care,

Children 5 to 12 with Employed Mothers



The Effects of Out-of-School Time on Children

- Children under adult supervision in a formal program during after-school hours have demonstrated improved academic achievement and better attitudes toward school than their peers in self- or sibling care. Miller and Marx, 1990 in *Supplement o the National Assessment of Chapter 1*

- Youth are at greatest risk of violence after the regular school day. Youth between the ages of 12 and 17 are most at-risk of committing violent acts or being victims between 2:00 pm and 6:00 pm–a time when they are not in school. *Fight Crime: Invest in Kids*, 1997

The most frequently mentioned barrier to participation is the parents' inability to pay the tuition and fees charged by programs. Other barriers include availability, quality of activities, inadequate facilities, transportation, high staff turnover, hours of the program and lack of resources.

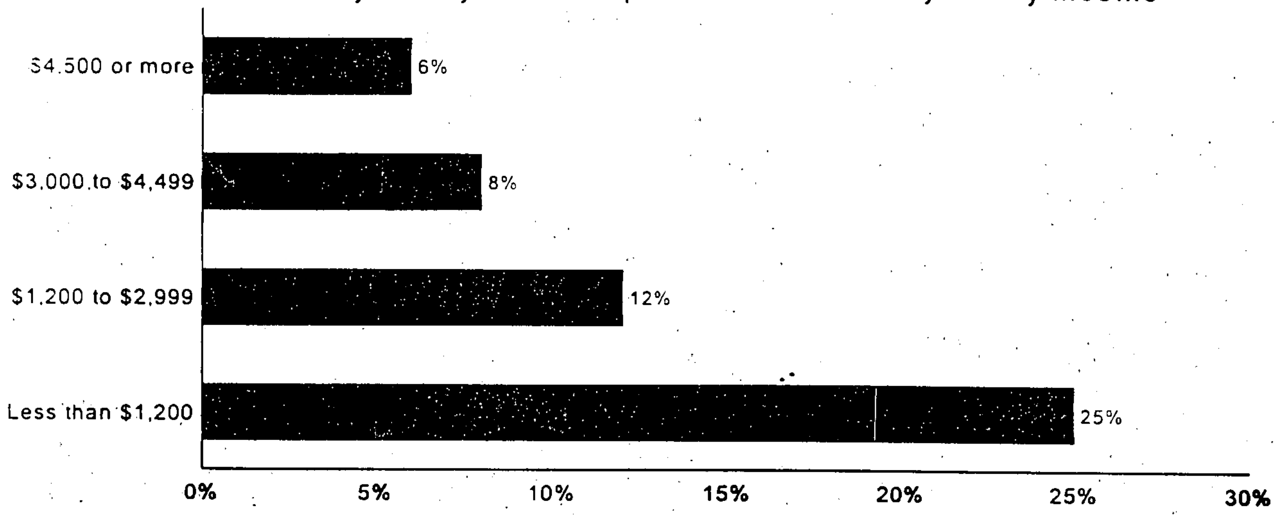
Components of Successful Before- and After-School Programs include: linkages between after-school and regular school programs, children's participation in age appropriate learning activities, hiring of qualified staff, low student-staff ratio, involvement of parents, program evaluation and coordination with the schools and other community organizations.

For information on what states and communities are doing to meet the need for school-age care, contact the National Institute on Out of School Time (formerly the School-Age Child Care Project), Center for Research on Women, Wellesley College at (617) 283-2547 or visit the World Wide Web site at: http://www.wellesley.edu/WCW/CRW/SAC/. For additional information on extended learning in after-school programs in schools, contact the U.S. Department of Education, please call (800) USA-LEARN or visit the World Wide Web site at: http://www.ed.gov/PFIE.

Economics of Child Care

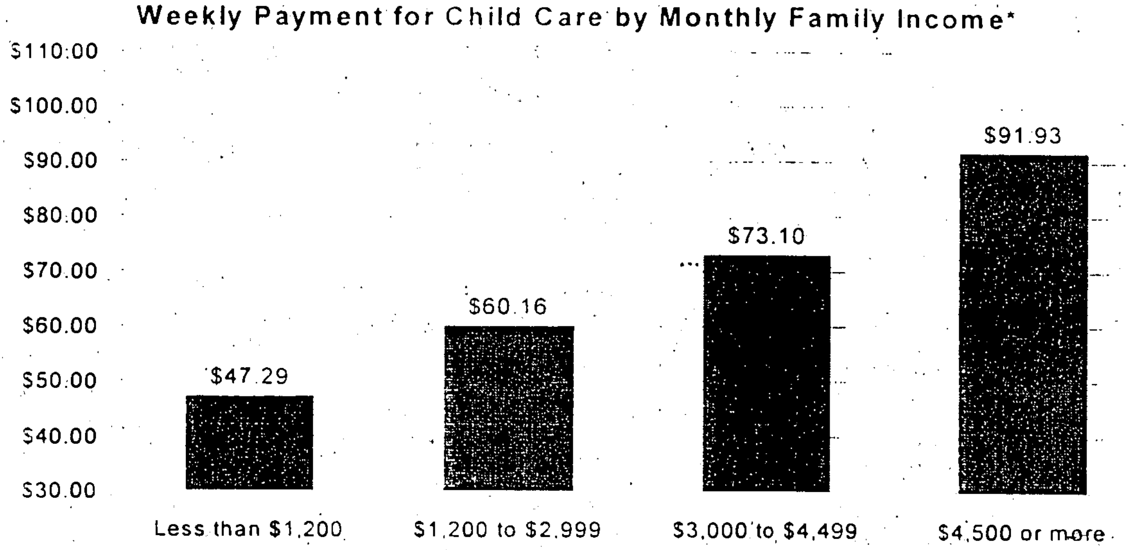
- In 1994, 62% of married mothers with a child under age six were in the workforce, compared with 30% in 1970.*
- The increased employment of mothers outside the home has led to a sharp increase in the use of child care over the past several decades. Eight of 10 employed mothers with children under six are likely to use some form of nonparental child care arrangement.†
- In 1990, 7.2 million mothers with 11.7 million children under age 15 worked full or part time during nonstandard hours.**
- In 1993, the average family with an employed mother and a child under age five spent about $74 per week for child care for all preschoolers in the family.*
- Families with annual incomes under $14,400 that paid for care for children under five spent 25% of their income on child care, compared with 6% for families with incomes of $54,000 or more.*

Percent of Monthly Family Income Spent on Child Care by Family Income *



* Limited to families with a preschooler, 1993 data. Source: Casper, L.M. *What Does It Cost to Mind Our Preschoolers?* U.S. Bureau of the Census, Current Population Reports, P-70, no. 52. Washington, D.C., 1995

Weekly Payment for Child Care by Monthly Family Income*



*Limited to families paying for child care for preschoolers, 1993 data. Source: Casper, L.M. *What Does It Cost to Mind Our Preschoolers?* U.S. Bureau of the Census, Current Population Reports, P-70, no. 52. Washington, D.C., 1995

Information in this fact sheet is excerpted from † Sandra L. Hofferth, "Child Care in the United States," *The Future of Children*, vol. 6, no. 2 Summer/Fall 1996, with additional information from: National Center for Education Statistics, U.S. Department of Education; *U.S. Bureau of Census; **Women's Bureau, U.S. Department of Labor.

For additional information, contact the National Child Care Information Center at (800) 616-2242 or visit the Web site at ***http://ericps.crc.uiuc.edu/nccic/nccichome.html***

LOCKED DOORS

States Struggling to Meet the Child Care Needs of Low-Income Working Families

Children's Defense Fund
March 1998

Gina Adams, Karen Schulman, and Nancy Ebb

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EXECUTIVE SUMMARY

Every day, American parents go to work and trust their children to the care of others: an estimated 13 million children younger than age six are regularly in child care. Millions of their older siblings depend on after-school activities to keep them safe and help them succeed in school. Every working parent wants to be sure that their children are nurtured and safe. Yet child care costs can be a staggering burden, consuming over a quarter of low-income parents' income. Child care can easily cost between $4,000 and $10,000 for one preschooler. But about half of all young children live in families with incomes below $35,000, and two parents working full-time at the minimum wage earn only about $21,400. These parents constantly must choose between paying the rent or mortgage, buying food, and being able to afford the quality care their child needs.

Our existing child care investments fall far short of meeting the needs of these parents or their children, despite increases in the Child Care and Development Block Grant (CCDBG) included in the 1996 welfare act.[1] A 1998 Children's Defense Fund survey of state child care administrators from all 50 states (and the District of Columbia[2]) confirms that inadequate federal and state funding prevents nine out of 10 children from low-income working families from being able to get the help they need.[3] These families face

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[1] The Child Care and Development Block Grant is the federal program that provides funds to states for child care assistance for low-income working families. This program, as reconfigured in the 1996 welfare act, includes what previously were four different federal funding streams (the old CCDBG, At-Risk child care, Transitional child care, and AFDC child care). The funds from the CCDBG are given to states, which contribute some level of state funds (though the amount varies considerably from state to state), set major subsidy policies (with some federal guidance) and administer the program. These federal-state funds are then distributed to low-income families—primarily through vouchers—to help them pay some or all of the costs of the child care of their choice. Parents can choose a range of providers, including child care centers, family child care homes, neighbors, or relatives.

[2] For the purposes of this report, the District of Columbia is counted as a state.

[3] This report presents the findings from a 50-state survey of state child care administrators, conducted by the Children's Defense Fund by phone interview during December 1997 and January of 1998. The data collected from these interviews were verified with each administrator after they were collected (see the back of this report for a list of administrators who were interviewed). Please note that these data reflect the state child care policies as of January 1998. They differ from similar data collected from state child care plans submitted for the Child Care and Development Block Grant (CCDBG, also known as the Child Care and Development Fund CCDF) for several reasons, including: 1) state plans were prepared in the summer

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a series of locked doors—many hard working low-income families are not even *eligible* for help due to low state eligibility cutoffs for child care assistance. Many who *are* eligible cannot get it—either because they are put on waiting lists or are turned away due to inadequate funds or because no effort has been made to let them know they are eligible for help. This leaves millions of American working families "locked out" and unable to get the help they need to succeed. Those fortunate enough to actually qualify for child care assistance face additional locked doors: in some cases, the amount the state will pay for care is so low that parents cannot find quality providers who can afford to serve their children, and in other cases parents have to pay so much in parent fees or copayments that child care expenses still are a staggering financial burden.

New federal child care funds have enabled most states, at least temporarily, to meet the increased child care needs of families on welfare generated by the initial stages of the implementation of the new welfare law. They have also allowed a number of states to help more nonwelfare, low-income working parents with their child care expenses. In addition, they have given some states the opportunity to raise the amount they reimburse providers so that more providers are willing to accept children receiving CCDBG subsidies.

Yet, as this report clearly indicates, enormous gaps still remain in our efforts to help low-income parents work and take care of their children. Much more needs to be done to ensure that families on welfare have the child care assistance they need to get and keep jobs, *without* sacrificing low-income working families who are struggling to keep their jobs and stay off welfare.

If our country is serious about promoting work, than it must address the real needs of low-income working families who are often one unreliable child care arrangement away from welfare. A study of **Minnesota** low-income working families on the waiting list for child care assistance clearly painted the difficulty that these families face without the child care help they need—it found that one-fourth of the families waiting for child care help had had to go on welfare to survive. Of those families who were working and

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of 1997, and some states changed their income cutoff levels since that time, and 2) the data were collected in different ways. This survey is one of a series of ongoing surveys conducted by the Children's Defense Fund of state child care and early education policies and investments.

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paying for care, most experienced sizable debt or bankruptcy. Some found it difficult to stay employed because of unstable child care. One-third felt their children's child care arrangements threatened their safety and development, and many parents experienced severe stress as a result of financial worries and concern about their children's well-being.[4] As shown in this report, millions of families across the country already live their lives facing these kinds of difficulties—a problem that could become even more serious in coming years.

Key Findings

CDF's survey of child care administrators underscores the urgent need for additional investments in child care if the country is to promote both work and family—not only by helping welfare parents leave welfare but also by ensuring that low-income, nonwelfare workers have the child care assistance they need to stay employed and to help their children thrive:

- **State child care subsidy programs are so underfunded that they cut off eligibility at family income levels far below what is allowed by federal law and what is needed by families—with the result that families earning as little as $20,000 a year for a family of three are not eligible for help in many states.** The CCDBG allows states to help families with incomes up to 85 percent of state median income ("state median income"—or SMI—is the income level in each state below which half of all families fall). However, across the country all but four states disqualify families for help before they reach this federally authorized level. In some states, the income eligibility cutoffs are so low that only the poorest of the working poor can qualify: **West Virginia**, for example, cuts off income eligibility at $15,000 per year for a family of three (barely above the 1997 federal poverty level of $13,330), whereas **Iowa** and **South Carolina** cut off eligibility at $16,700. As of January 1998, three out of five states would not have provided any help to a family of three earning $25,000 (slightly over 185 percent of federal poverty) who applied for child care assistance.

[4] Greater Minneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance* (Minneapolis, MN: 1995).

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- **Even those low-income working families who *do* meet state income guidelines frequently cannot get help they need.** Low state income cutoffs keep demand for state child care subsidy help artificially low. Yet even with low income cutoffs, many states face demand they simply cannot meet. As of January 1998, about half the states had to turn away eligible low-income working families or put them on waiting lists for help. Waiting lists stretch out across the country. In **California,** over 200,000 families—mostly nonwelfare, low-income workers—are on the child care subsidy waiting list.[5] In **Florida,** 25,000 children were on the waiting list as of September 1997, and **Texas** had 30,000 families waiting for child care assistance as of January 1998. These waiting list numbers often underrepresent the real need: administrators told us that many families do not put themselves on the list because they feel, in many cases correctly, that it is futile.

- **The waiting list numbers are only one measure of the inability of the current system to serve eligible families. Forty-three states told us that they were not confident that they could serve even those eligible families who met their current low income eligibility guidelines if these families knew they were eligible.** One administrator, when asked if his/her state could serve all eligible families if they knew they were eligible, replied bluntly, "God, no." Only eight states reported that they *would* be able to serve all eligible families if they knew they were eligible, and most of these eight states had severely restricted the number of eligible families by setting very low income cutoffs. Many potentially eligible families never apply for help because states do not publicize the availability of child care assistance as they know they cannot meet even the existing demand. Two out of three state administrators were not confident that all eligible families in their state knew they were eligible for help. States such as **Texas** and **Virginia**, with long waiting lists, explained that they could not possibly conduct an outreach campaign to tell more families about the program when they cannot even serve all the eligible families already asking for help.

[5] General Accounting Office, *Welfare Reform: States' Efforts to Expand Child Care Programs,* GAO/HEHS-98-27 (Washington, DC: General Accounting Office, January 1998).

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- **State child care funds are stretched so thin that even families fortunate enough to receive subsidy help often do not get the relief they need.** Many states pay for child care subsidies at such a low rate that either parents are limited in the providers who will serve their children due to low state rates, or parents must pay providers additional fees on top of their existing copayments so the amount providers receive will cover their charges. Some parents are steered to the lowest-cost, lowest quality care, since that is what they can afford given low state subsidy rates. **Delaware,** for example, pays a maximum child care subsidy for a four-year-old in a child care center that is $200 per month less than the amount needed to allow parents to access care from three-quarters of Delaware providers. Many other states require parents to make "copayments"—share the cost of child care—at such a high rate that even with the state child care subsidy the parent continues to shoulder a huge child care burden. This problem is particularly severe for low-income working families with incomes slightly above the poverty line. In **South Dakota,** for example, a parent earning $1,670 per month must contribute $500 per month (30 percent of the family's income) in order to get a child care subsidy. At that rate, the promise that a child care subsidy can help make ends meet must seem hollow indeed.

The inadequacy of efforts to support low-income working families is particularly disturbing given that the 1996 welfare law provided states with new child care funds, a number of states are facing budget surpluses and have strong economies, welfare caseloads are down, and the welfare work requirements have not yet risen significantly.[6]

Yet despite this seemingly positive situation, the bottom line is that we are failing to help the overwhelming majority of nonwelfare, low-income workers who need child care. Unfortunately, with more funds going in future years to help families move from welfare to work, states are likely to further reduce the already limited assistance they provide low-income working families who are not on welfare. **A significant majority of the administrators anticipated being unable to serve eligible families in coming years as welfare (TANF) work requirements rise unless there are new investments in child**

[6] The number of welfare families required to work rises from 25 percent of the caseload needing to work at least 20 hours a week in FY1997, to 50 percent required to work at least 30 hours a week by FY2002—this will significantly increase the need for child care assistance for these parents, who desperately need child care to keep their children safe while they try to become established in the work force.

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care assistance. And many noted specifically that they would have to reduce their assistance to low-income working families in order to help families on welfare.

Recommendations: We Need Strong Federal Action Now

The message from the states is clear: if we are serious about putting parents to work and protecting children, we need to invest more in child care help for families. At this point, states can provide too little help to too few families. The addition of new child care dollars in 1996 has helped, but more is needed to fix the problem. Congress should pass comprehensive legislation that *guarantees* at least $20 billion over five years in new funding for the Child Care and Development Block Grant (CCDBG), using funds from comprehensive legislation that includes an increase in the tobacco tax. These funds should be available to help states serve all low-income parents that need child care help to work and support their families; to improve the quality of child care and after-school experiences for all children; and to provide safe, constructive after-school activities for the nearly 5 million children left home alone after school.

Tax credits for families who need child care because they work outside the home, as well as for those families where one parent stays at home to care for the children, can *complement* increased investments in direct child care assistance through the CCDBG, but are not a substitute for investments in the CCDBG. Tax credits will not address the needs of the millions of low-income working families who have limited income tax liability and who cannot afford to have one parent stay home. For example, 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,[7] and a significant number of mothers in the labor force are a primary financial support for their children—in 1996, 29 percent of all mothers in the labor force who had children younger than age six were single parents.[8]

In addition, it is essential that states expand their investments in child care to increase the number of families able to receive child care assistance, improve the assistance they receive, and strengthen the quality of care available to all families. Local governments,

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[7] Calculations of data for 1996 from the 1997 Current Population Survey by the Children's Defense Fund.
[8] CDF calculations of data from Bureau of Labor Statistics, *Marital and Family Characteristics of the Labor Force, March 1997* (Washington, DC: U.S. Department of Commerce, 1997).

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community groups, the private sector, and non-profit organizations also must step up their efforts to support parents as they try to balance work and family, and to make quality child care more affordable for families.

There is widespread support for expanded investments to improve the affordability and quality of child care:

- A recent survey of about 550 police chiefs found that nine out of 10 of the police chiefs surveyed agreed that "America could sharply reduce crime if government invested more in programs to help children and youth get a good start" such as Head Start and child care.[9]

- Mayors across the country identified child care, more than any other issue, as one of the most pressing issues facing children and families in their communities in a 1996 survey.[10]

- A recent poll found that a bipartisan majority of those polled support increased investments in helping families pay for child care—specifically, 74 percent of those polled favor a bill to help low-income and middle-class families pay for child care, including 79 percent of Democrats, 69 percent of Republicans, and 76 percent of Independents.[11]

- A majority of those surveyed—including 75 percent of Democrats, 70 percent of Independents, and 65 percent of Republicans—strongly agree that money from tobacco legislation should be invested in child care and other child development programs which promote school success.[12]

- A *Wall Street Journal*/NBC News Poll found that a majority of those surveyed see child care investments as an appropriate federal effort, with six out of 10 people

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[9] These chiefs ranked "increasing investment in programs that help all children and youth get a good start" as "most effective" nearly three times as often as either "trying more juveniles as adults" or even "hiring additional police officers." McDevitt, *Fight Crime: Invest in Kids* (Northeastern University: Center for Criminal Justice Policy Research, 1996).

[10] Meyers and Kyle, *Critical Needs, Critical Choices: A Survey on Children and Families in America's Cities* (Washington, DC: National League of Cities, March 1996).

[11] Lake Sosin Snell Perry survey, January 13-15, 1998.

[12] Lake Sosin Snell Perry survey, January 13-15, 1998.

surveyed feeling that it was an appropriate level of responsibility for the federal government to implement new initiatives such as the President's proposal to expand child care coverage.[13]

[13] Specifically, they stated that the federal government would *not* be taking on too much responsibility in undertaking these initiatives. *Wall Street Journal*/NBC News Poll, January 17-19, 1998.

INTRODUCTION

Gilbert Ayala lives with his three-year-old son in a single rented room in San Jose, California. His wife is hospitalized with schizophrenia. With his wife away, it was difficult for Gilbert to work and care for his son. He lost his job and studio apartment. He is on welfare and three waiting lists for child care help. He and his son visit his wife at the hospital. Children are not allowed on the ward, so the three-year-old waves to his mother through the glass door. Gilbert is hoping for child care help so he can get a job and a home to reunite his family.[14]

With passage of the federal welfare bill in 1996, Congress made a commitment to helping low-income parents in this country work. Welfare is intended to be, at best, a temporary source of help. At the same time, Congress recognized that many of these low-income families cannot afford to go to work and keep their children safe without child care aid. In an effort to help states meet the increased child care demands generated by welfare reform, Congress added roughly $600 million a year in federal child care funding to the Child Care and Development Block Grant (CCDBG)—however, these funds were not enough to meet the child care needs even for those families on welfare, much less to address the existing holes in child care assistance for low-income working families who are not on welfare.

Nonetheless, the added funding was an important source of help to states, allowing them to take some steps forward during 1997. Even after these improvements, however, the need for child care aid remains acute for low income working families. A survey of state administrators in January 1998 by the CDF underscores the lack of adequate investments in child care to meet this need.[15] In many states, funds are still so limited that low-income working families face a procession of locked child care doors.

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[14] *San Francisco Chronicle*, December 10, 1997, p. A21.

[15] This report presents the findings from a 50-state survey of state child care administrators, conducted by the Children's Defense Fund by phone interview during December 1997 and January of 1998. The data collected from these interviews were verified with each administrator after they were collected (see the back of this report for a list of administrators who were interviewed). Please note that these data reflect the state child care policies as of January 1998. They differ from similar data collected from state child care plans submitted for the Child Care and Development Block Grant (CCDBG, also known as the Child Care and Development Fund CCDF) for several reasons, including: 1) state plans were prepared in the summer

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- The family may never make it to the front door to apply because they are never told there is a child care assistance program that can help them. In states with limited funds, there is little outreach or publicity about the program because, at best, it seems heartless to generate demand the state cannot meet.

- In many states, even if the family makes it to the front door to apply they may find the door locked because the state's income eligibility cutoff is so low that many very low-income families earn too much to qualify—despite the fact that they cannot afford to pay for child care and meet other basic needs without help.

- The family may make it through the front eligibility door but be turned away at the door where child care assistance is given. Even though the family theoretically qualifies based on its low income, state funds often are so limited that even eligible families are denied assistance or are placed on a waiting list with tens of thousands of other families.

- Even families lucky enough to find the assistance door unlocked may find that it does not open to what they expected. They may qualify for child care help but find that the rate paid by the state is so low that their child care choices are severely limited or that they are expected to contribute so much toward the cost of care (the family "copayment") that the cost of child care is still a crushing financial burden.

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of 1997, and some states changed their income cutoff levels since that time, and 2) the data were collected in different ways. This survey is one of a series of ongoing surveys conducted by the Children's Defense Fund of state child care and early education policies and investments.

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The State of America's Children

DEAR LORD
BE GOOD TO ME
THE SEA IS SO
WIDE AND
MY BOAT IS
SO SMALL

Children's Defense Fund

25 36
Years

LEAVE NO CHILD BEHIND®

Yearbook 1998

CHAPTER

3

CHILD CARE

Good-quality child care and early education programs are essential for millions of American families. Thirteen million preschool children—including 6 million infants and toddlers—spend all or part of their day being cared for by someone other than their parents. In addition, millions of school-age children need supervision during the hours when their parents are at work and their schools are closed. Many parents, however, are hard pressed to find affordable, reliable child care that gives them peace of mind about their children while they work.

The number of parents for whom adequate child care is a constant concern has grown dramatically over the past 25 years. In 1973 approximately 30 percent of mothers with children under age 6 were in the work force, as were more than 50 percent of mothers of school-age children. By 1997 these percentages had grown to 65 percent and 77 percent, respectively (see table 3.1). As recent changes in the welfare laws compel recipients of government assistance to work, the numbers will keep climbing. In addition, because income is declining for young families (see chapter 1), many simply cannot make ends meet unless both parents work. About half of America's families with young children earn less than $35,000 per year, and the Families and Work Institute reports that the majority of working women provide half or more of their household income. More than ever, American families desperately need child care that is affordable and of high quality.

Child Care: 1973 to 1998

Families in 1973 found little help from either the government or the private sector as they searched for child care that would enable them to work and ensure their children's safety and well-being. President Nixon had just vetoed the 1971 Comprehensive Child Development Act, which would have provided $2 billion to help states and local communities expand and improve families' access to quality child care. Head Start, now a widely acclaimed early childhood development program, was a relatively new initiative serving 379,000 low-income children—many in summer programs only. The federal government provided only limited funds for child care services, primarily for families receiving welfare.

Table 3.1 **Labor Force Participation of Women with Children Under Age 6, Selected Years**

Year	All women in the labor force		Married women in the labor force	
	Number	Percent	Number	Percent
1950	—	—	1,399,000	11.9%
1955	—	—	2,012,000	16.2
1960	—	—	2,474,000	18.6
1965	—	—	3,117,000	23.2
1970	—	—	3,914,000	30.3
1975	—	—	4,518,000	36.7
1980	6,538,000	46.8%	5,227,000	45.1
1985	8,215,000	53.5	6,406,000	53.4
1990	9,397,000	58.2	7,247,000	58.9
1997	10,610,000	65.0	7,582,000	63.6

— Data not available.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Past problems. In 1972 *Windows on Day Care*, a study by the National Council of Jewish Women (NCJW), exposed the glaring inadequacies of the nation's child care system. The study, based on observations of programs and interviews with families across the country, revealed problems that are strikingly familiar today: substandard care, insufficient supply (particularly for infants, toddlers, and school-age children), and a lack of funds to help families pay for care.

NCJW members visited 431 child care centers enrolling nearly 24,000 children. They found that only 1 percent of the for-profit centers and 9 percent of the nonprofit centers provided what NCJW members regarded as truly developmental care, including educational, health, nutritional, and, where needed, social services. A significant proportion of programs were of poor quality and should have been closed.

A 1971 *Washington Post* article likewise described poor conditions at a center in Washington, D.C.:

> In one corner of the large, neat, and very bare room, 21 children, ages 3 to 6 years old, and two adults sit, watching "Captain Kangaroo" on a small-screen black-and-white television perched far above their heads on a room divider. About half the children seem attentive, a handful are squinting or glassy-eyed, and five have their heads down on the table either resting or sleeping. . . . There is no talk, either during commercials or after the program ends.

According to the reporter, there were few books in the center, no educational toys, and little if anything to stimulate creative play.

Windows on Day Care also documented a serious shortage of child care for two large groups—children under age 3 (infants and toddlers) and those of school age. One of the most distressing findings of the report "was the almost total absence of quality care for infants and toddlers outside the home." Similarly, interviewees in almost every community spoke of "a large need for before- and after-school care . . . about which very little, if anything, was being done." Mother after mother reported that there was no care of any kind available for after-school hours.

Low wages for child care providers were another problem in the 1970s. In 1977 almost two out of three caregivers had annual earnings below the poverty line for a family of four.

Current issues. Although more resources are now available to families, many of the problems highlighted in *Windows on Day Care* in 1972 remain just as challenging today. National studies continue to reveal alarming deficiencies in the quality of care in many communities. According to *Cost, Quality, and Child Outcomes in Child Care Centers*, a 1995 study conducted by researchers at the University of Colorado at Denver, the University of California at Los Angeles, the University of North Carolina at Chapel Hill, and Yale University, six out of seven child care centers provide care that is mediocre to poor. One in eight might actually be jeopardizing children's safety and development. Equally disturbing problems in home-based care were documented by Ellen Galinsky and others in a 1994 report for the Families and Work Institute. According to their *Study of Children in Family Child Care and Relative Care: Highlights of Findings*, one in three settings provided care that could conceivably hinder a child's development.

Low wages continue to be the norm for child care providers, just as they were 25 years ago. Child care teachers and providers today earn less per year than the average bus driver ($20,150) or garbage collector ($18,100). Staff employed in child care centers typically earn about $12,000 per year (only slightly above minimum wage) and receive no benefits or paid leave. As a result, turnover among child care providers is high, shattering the stable relationship that infants and children need to feel safe and secure.

In addition, many states have woefully inadequate health and safety standards for child care. Staff education and training are among the most critical elements in improving children's experiences in child care. Yet 39 states and the District of Columbia do not require prior training for providers who look after children in their homes, and 32 states do not demand prior training for teachers in child care centers (see figures 3.1 and 3.2). In contrast, becoming a licensed haircutter or manicurist typically requires about 1,500 hours of training at an accredited school.

Even the standards that are in place are often poorly enforced because of a growing number of child care facilities coupled with insufficient inspection staff. A 1994 Inspector General's report on licensed child care centers in five states found

Facts & Figures

- Every day, 13 million children—including 6 million infants and toddlers—are in child care.
- Two-thirds of mothers of young children work outside the home—many out of economic necessity. Fifty-five percent of working women provide half or more of their family's income.
- Half of American parents with young children earn less than $35,000 per year, and two parents working full-time at minimum wage earn only $21,400 per year. Yet child care can easily cost $4,000 to $10,000 for a single child.
- Forty percent of infant and toddler rooms in centers provide care that could jeopardize children's safety and development.
- Thirty-two states require no prior training for child care teachers. They are among the lowest-paid workers in America, earning only $12,058 per year, on average, and receiving no benefits or paid leave.
- Juvenile crime peaks between 3 and 7 p.m., when nearly 5 million children are left home alone after school.

unsafe and unsanitary conditions in a significant number. Moreover, relatively few child care centers meet the higher standards required for accreditation. In 1997, for example, only 6 percent of all child care centers were accredited by the National Association for the Education of Young Children.

A 1996 report by the Carnegie Corporation, *Years of Promise: A Comprehensive Strategy for America's Children,* states that child care and early education services "have so long been neglected that they now constitute some of the worst services for children in Western society." The report observes that the care most children receive not only can "threaten their immediate health and safety, but also can compromise their long-term development." Kindergarten teachers estimate that one in three children enters the classroom unprepared to meet the challenges of school.

Families with children under 3 continue to face especially daunting obstacles to finding safe and supportive child care. Both the supply and the quality have been found wanting. A 1995 Urban Institute study of child care needs found shortages of infant care in the majority of the cities examined. The *Cost, Quality, and Child Outcomes* study revealed that 40 percent of the rooms serving infants and toddlers in child care centers provided such poor care as to jeopardize children's heath, safety, and development.

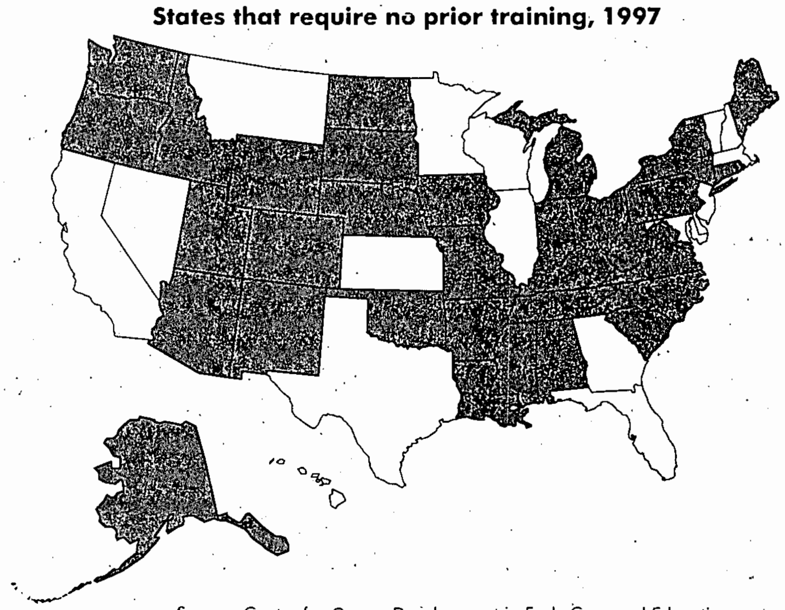
The need for before- and after-school care has barely been addressed. The U.S. Census Bureau estimates that nearly 5 million children are left unsupervised by an adult after school each week. The consequences are grim; according to the U.S. Department of Justice, juvenile crime peaks between 3 and 7 p.m. A study by Kathleen Dwyer and others, published in the September 1989 issue of *Pediatrics*, found that eighth-graders who were left home alone after school reported greater use of cigarettes, alcohol, and marijuana than those in adult-supervised settings. The lack of good after-school options is especially acute in low-income neighborhoods. In 1993 only one-third of schools in such neighborhoods offered before- and after-school programs.

Finally, many low-income working families have little hope of receiving help to pay for child care. In 1997 New Jersey, for example, reported that as many as 15,000 children were on waiting lists for child care subsidies, and Texas had a waiting list of 37,000 families (see table 3.2). New York

Figure 3.1 **Training Requirements for Teachers in Child Care Centers**

Thirty-two states do not require teachers in child care centers to have completed any training prior to serving children.

States that require no prior training, 1997



Source: Center for Career Development in Early Care and Education.

state can provide child care subsidies to only one in 10 eligible children. According to the Census Bureau, poor families earning less than $14,400 in 1993 spent 25 percent of their income on child care. The annual cost of center-based care for one child in an urban area can range from $5,000 to $12,000 for infants and $4,000 to $8,000 for preschoolers (see table 3.3). Moreover, the average American family has two children.

About one-quarter of employed mothers with children under 6 care for their children while they work, or rely on their spouses to do so (see figure 3.3). Another quarter leave their children with other relatives. But these are not always options, and low-income families who need outside child care face extraordinary pressures. Many are forced to make choices between placing their children in potentially harmful care settings or leaving their jobs and turning to welfare. The 1996 welfare law, which imposes work requirements on recipients and limits the amount of time they can get public assistance, intensifies the need to make child care affordable for parents in low-wage jobs. These families must have reliable child care whether they are moving off welfare or struggling to avoid dependence on it.

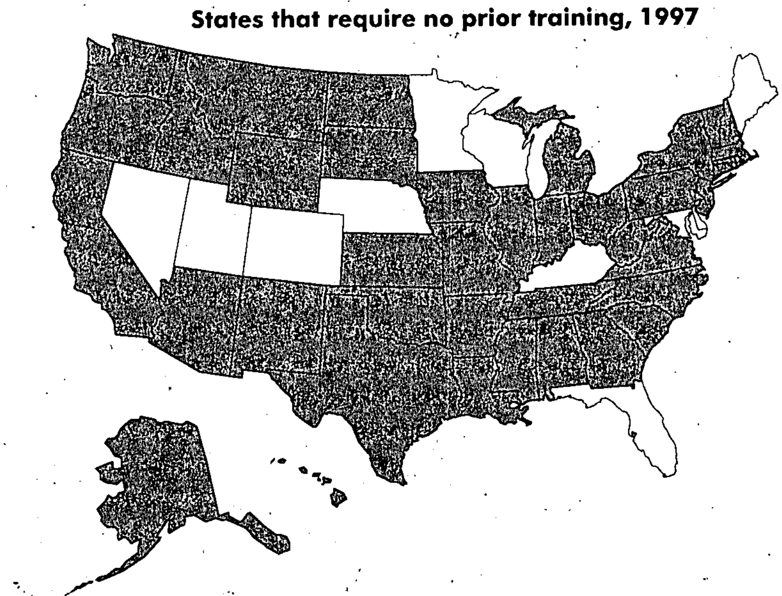
More resources. Over the past 25 years some additional help for families has been provided. In the late 1980s a major initiative, the Act for Better Child Care, moved through Congress with bipartisan support. That legislation, which established what is today the Child Care and Development Block Grant (CCDBG), now provides a significant portion of the federal resources for child care. Largely through the CCDBG program, the federal government currently invests $3 billion a year on child care needs, and the states supply additional funds. The money goes to help low-income families pay for child care, to support resource and referral programs that help families find care, to train providers, to monitor child care programs, and to expand the supply of care.

In addition, families recoup some of their outlays for child care through the Dependent Care Tax Credit, which costs the federal treasury $2.8 billion a year. Approximately half the states likewise offer state tax credits or deductions for families with child care expenses. Close to 800,000 children now participate in Head Start—more than twice as many as in 1973. Almost $300 million is invested in the Early Head Start Program, providing comprehensive child care and family support services to fami-

Figure 3.2 **Training Requirements for Family Child Care Providers**

Thirty-nine states and the District of Columbia do not require family child care providers to have completed any training prior to serving children.

States that require no prior training, 1997



Source: Center for Career Development in Early Care and Education.

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lies with infants and toddlers. States spend about $1 billion on prekindergarten initiatives for 3- and 4-year-olds. Finally, more than 2.5 million children in child care centers, Head Start, and neighborhood family child care homes receive nutritious meals and snacks through the Child and Adult Care Food Program (see chapter 4).

Although greater resources are devoted to child care today, the number of children needing care is also much greater. As a result, the gap between the supply of adequate, affordable care and the demand for it remains as wide today as it was 25 years ago.

Federal Action in 1997

In 1997 several events brought home the importance of good child care and the serious shortcomings in America's present approach. The "I Am Your Child" campaign, a far-reaching public education initiative, emphasized the need for better care for babies and toddlers by focusing attention on the critical brain development that takes place during the first three years of life. *Kids These Days*, a report on a survey by the Public Agenda Foundation, revealed deep and widespread concern about today's children. A majority of respondents, however, believed that after-school programs would be a very effective way to help children. Finally, in October the White House Conference on Child Care cast a national spotlight on the myriad challenges of child care.

Members of Congress responded to the growing concern about child care by introducing an array of bills that would increase federal funds to help families with the costs of child care, strengthen the quality of child care, create better options for families with infants and young children, expand before- and after-school programs, and create incentives for businesses to become involved in child care. Although no action was taken on any of these proposals in 1997, Congress seems likely to devote much more attention to child care this year.

The Administration is also making child care a priority for 1998. In his State of the Union address in January, President Clinton proposed a variety of new federal subsidies and tax breaks to ease the burdens of child care for working families. The President's new proposal amounts to almost a $22 billion investment in child care and Head Start and provides a solid and significant foundation for congressional action.

Table 3.2 **Waiting Lists for Child Care Subsidies, Selected States, 1997**

State	Number
Alabama	8,000 children
Florida	21,000 children
Georgia	12,000 children
Kentucky	6,000 children
Massachusetts	12,500 families
New Jersey	15,000 children
North Carolina	11,500 children
Pennsylvania	6,000 families
Texas	37,000 families
Virginia	10,000 families

Source: Helen Blank and Gina Adams, *State Developments in Child Care and Early Education 1997* (Children's Defense Fund, December 1997); CDF survey.

Uneven Progress by States

Changes in the welfare system that require millions of women on welfare to work are causing an enormous surge in the demand for child care. How are states responding?

In 1997 every state should have been able to improve its policies and increase its investment in child care. State economies were strong, and welfare caseloads were shrinking. Furthermore, states received approximately $600 million in new federal child care money (if they provided matching funds), and they were allowed to use a portion of their new federal welfare grants under the Temporary Assistance for Needy Families (TANF) program for child care.

Setbacks. Given these favorable conditions, it is disheartening that a number of states took steps

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backward. For example, half the states no longer guarantee child care assistance to welfare families. Fourteen states reduced eligibility for child care assistance, and one in five states increased or plans to increase copayments for low-income parents. Four states froze or reduced reimbursement rates to providers. Minnesota took a giant step in the wrong direction by passing legislation that undermines efforts to ensure the health and safety of children enrolled in family child care homes. Providers may now care for a total of five children without being licensed, and those wishing to seek a license will actually be prohibited from doing so. Michigan lowered the minimum age at which relatives and at-home providers can receive public funds, allowing adolescents as young as 16 to take on the significant responsibility of child care for up to 10 hours each day.

Table 3.3 **Average Annual Child Care Cost at Centers, Selected Cities, 1997**

City	Infant (12-month-old)	Preschooler (4-year-old)
Boston	$12,300	$7,900
Minneapolis	$ 9,400	$6,700
Seattle	$ 8,800	$6,100
Hartford, Conn.	$ 7,200	$5,700
Wake County, N.C. (including Raleigh)	$ 5,800	$5,000
Denver	$ 5,100	$4,600
Tucson, Ariz.	$ 5,100	$4,100

Source: Joint survey of local resource and referral agencies by the Children's Defense Fund and the National Association of Child Care Resources and Referral Agencies.

Financial help for needy parents. Several states, however, recognized the importance of providing child care assistance to low-income families, regardless of whether they are receiving TANF. Although these states have not made such assistance a legal entitlement for all families below a certain income level, state officials believe they have appropriated or otherwise secured enough funds to help every family currently eligible for child care subsidies.

For example, Illinois increased state funding by $100 million, making it possible to provide child care assistance to all families earning less than 50 percent of the state median income (roughly $22,000 for a family of three in 1997). The state of Washington transferred $152 million from TANF to the CCDBG to help families earning up to 175 percent of the federal poverty level. Wisconsin is using $80.1 million transferred from TANF to provide child care assistance to working families with income below 165 percent of the poverty level.

Although these are important steps to address child care needs, some aspects of the initiatives raise serious policy concerns. For example, Wisconsin families are given a financial incentive to opt for less expensive child care with providers who have no training, making it more difficult for financially strapped families to choose higher quality care. The state also has a "light touch" policy directing welfare caseworkers to inform welfare recipients only of services they ask for or need. Washington state has lowered the rates it pays providers who serve children receiving public child care funds. Consequently, many providers may limit the spaces open to poor children, charge parents additional fees, or even leave the child care business, all of which reduce parents' options. Illinois has raised families' fees in order to help finance child care assistance. High fees make it possible for state governments to provide aid to more families, but they can severely strain a low-income family's budget.

Over the next several years, as work requirements for TANF families increase, all states will face greater demand for child care and growing needs for funding. As a result, even larger investments in child care will be necessary to enable parents to find and keep jobs and to protect children's safety and development.

Prekindergarten programs. Responding to heightened interest in ensuring that children enter school ready to learn, states continue to support prekindergarten programs, either by investing in state initiatives or by supplementing the federal Head Start program with state dollars. In 1997 three states–Connecticut, New Jersey, and New York–took strides forward by developing new plans for prekindergarteners. Connecticut will support full-day, full-year programs for children whose parents work outside the home. In New Jersey, by the 2001-02 school year, 125 school districts serving large numbers of low-income children will be required to offer full-day kindergarten for all 5-year-olds and prekindergarten for 4-year-olds. New York approved a universal program that is expected to grow to $500 million by 2001-02. Meanwhile, Ohio estimates that by using state and federal funds, it will be able to provide Head Start to 84 percent of the state's eligible children in 1998.

Recent Research Findings

Reports issued in 1997 highlight the paucity of child care options available to families. The General Accounting Office released *Implications of Increased Work Participation for Child Care*, a study of four sites (Baltimore, Chicago, and two largely rural counties–Benton and Linn–in Oregon). In all four areas, the current supply of child care is inadequate to serve children in certain age groups, particularly children from low-income families. For example, Chicago was expected to meet just 14 percent of the demand for infant care at the end of 1997. By 2002 the demand for infant care could exceed the existing supply by almost 24,000 spaces. The study identified other problems, too, that could affect low-income families' access to care, including its steep cost, the limited availability of both high-quality care and nonstandard-hour care, and limited or unaffordable transportation.

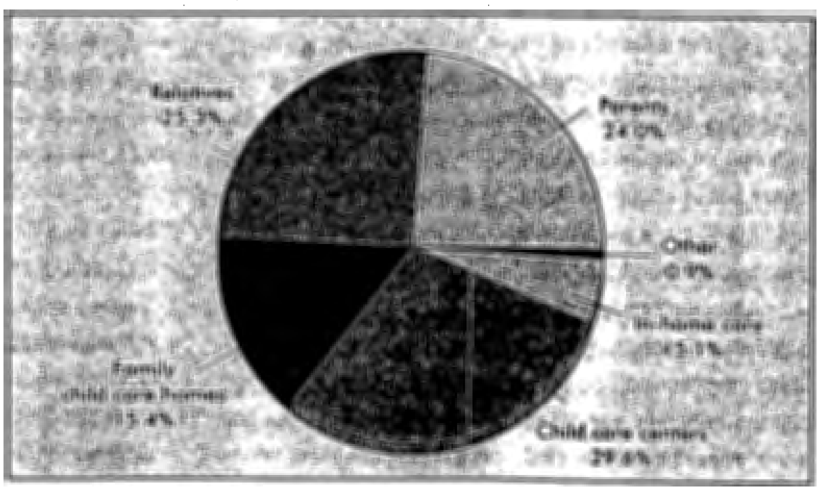
Another study, *"Back to School" Is Not for Everybody* by the National Law Center on Homelessness and Poverty, reported that homeless children in particular are underserved by preschool programs. Staff in almost 50 percent of the family shelters surveyed said that few, if any, eligible homeless children attend preschool. Staff in 70 percent of the shelters indicated that current federal, state, and local funding is inadequate to meet the preschool needs of these children.

Other research suggests that preschool is far less accessible to low-income families than to those with higher income. A 1997 study by the National Education Goals Panel found that about 55 percent of all 3- to 5-year-olds participated in preschool programs in 1996. However, families earn-

Figure 3.3 **Who's Watching the Children?**

Of the children younger than 5 with employed mothers in 1994, nearly half were cared for in child care centers or family child care homes.

Child care arrangements used for preschoolers whose mothers were employed, 1994



Source: U.S. Department of Commerce, Bureau of the Census. Calculations by Children's Defense Fund.

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ing more than $75,000 enrolled their children at nearly twice the rate of families with income of $10,000 a year or less.

Similar findings are presented in *An Unfair Head Start: California Families Face Gaps in Preschool and Child Care Availability*, a 1997 report by the PACE Center at the University of California at Berkeley, the California Child Care Resource and Referral Network, and the University of Chicago. According to the report, children's opportunity to attend preschool or child care programs in California depends largely on family income and where they live. In some counties, notably Los Angeles, parents in affluent areas are twice as likely to find a child care or preschool slot as parents in poor areas.

Effective State and Local Initiatives

Several states are taking innovative steps to meet the growing need for child care. As mentioned, a number are helping more families pay for child care by guaranteeing child care assistance to all working families below a certain income level. States are also pursuing creative approaches to improving the quality of care.

Investing in caregivers in North Carolina. North Carolina's Teacher Education and Compensation Helps (T.E.A.C.H.) Early Childhood Project recognizes that adequate training and compensation for teachers are essential ingredients for raising the quality of care. The program offers scholarships to help defray tuition and other costs for child care teachers, center directors, and family child care providers pursuing child care credentials or degrees in child development. Some scholarships also include paid leave time. What is most unusual about T.E.A.C.H. is that participants receive wage increases or bonuses when they complete an agreed number of course hours.

More than 5,000 providers in the state have gone through the program. On average, participants working toward associate degrees in 1997 completed 18 credit hours and received a 10 percent increase in wages. Fewer than 10 percent left their jobs during the year, compared with 42 percent of child care staff statewide. Such low turnover is remarkable and enormously beneficial to children.

Funding for T.E.A.C.H. comes from foundations, corporate contributions, the Child Care and Development Block Grant, and state funds. Program participants and their sponsoring child care centers also pay a portion of the cost. T.E.A.C.H. has already spread to Colorado, Florida, Georgia, Illinois, and New York.

Targeting young children in Oklahoma. Oklahoma has recognized the importance of providing comprehensive services to infants and toddlers. With $1 million transferred from its TANF block grant, the state plans to support an Early Head Start program that follows the federal Early Head Start standards. Other TANF funds will be used to make more families eligible for child care assistance, reduce families' copayments, hire additional staff to inspect child care programs, and provide higher reimbursement rates to programs that offer better care.

After-school care in Georgia. Georgia is investing in after-school child care through the 3:00 Project. A component of the Georgia School-Age Care Initiative, the program began with a $125,000 public investment in 1994 to support programs for middle-school children at 17 sites. Program evaluations showing improvement in students' grades, attendance, and behavior convinced the legislature to authorize and appropriate an additional $1 million in 1997 for a statewide after-school program for middle-school students. State funds have also leveraged $172,000 from private and corporate foundations and more than $800,000 in direct, in-kind support to expand and improve after-school opportunities. The importance of safe and supportive settings for children has been highlighted by the governor's proposal to increase funds for after-school and summer reading programs to $10 million in 1998.

A community venture in New York. In the state of New York the Rochester-Monroe County Early

Childhood Development (ECD) Initiative aims to broaden the commitment to and responsibility for early childhood education. Participants, who work as volunteers, include representatives from the United Way, the city and county governments, the Chamber of Commerce, the Catholic diocese of Rochester, and local foundations. Every year they review local needs, gaps in service, and available resources and then collaborate on solutions. Public and private dollars go toward three broad efforts: (1) making child care more affordable and available by supporting more child care subsidies and higher reimbursement rates for providers; (2) expanding supply by creating new child care facilities, family learning and resource centers, and a home instruction program for preschool students; and (3) improving quality through the accreditation of more child care centers and family child care homes, educational scholarships for staff, a public awareness campaign about the importance of good early childhood education, and new associations to bring the arts into child development programs and science and technology into the preschool curriculum.

Recently, the ECD initiative took on a new task to help Rochester effectively use its share of state funds for New York's prekindergarten program. The participants in the initiative convened a committee to develop an initial prekindergarten plan for the school district. Because the district faces a shortage of classroom space but wants to reduce class size, the committee recommended using space that the ECD initiative previously helped develop in community child care and Head Start facilities. The committee also proposed a partnership with the school district that would give the initiative a pivotal role in launching and running the prekindergarten program.

Corporate involvement in Texas. In Fort Worth, Texas, 10 companies have made a three-year commitment to the Corporate Champions program. Companies have not only donated funds totaling $360,000 but have also pledged the involvement of a high-level executive. The money supports equipment grants for child care centers, scholarships for family child care providers working toward accreditation, resource and referral services for member companies' employees, training for child care workers, work-family seminars, and the development and distribution of materials promoting high-quality child care and family-friendly work policies.

Moving Forward: A 1998 Agenda for Action

Three ongoing developments provide a powerful impetus for action on child care issues: escalating work requirements for families on welfare, increasing awareness of the importance of the first three years of life, and growing concern about school-age children left home alone. In 1998 we must move forward with new strategies and investments ensuring that parents have reliable child care, that infants and toddlers get the nurturing and stimulation they need for future learning, that older children have after-school activities that keep them out of trouble and help them succeed in school, and that parents who wish to stay home during their children's early years have the opportunity and support to do so.

We can meet these goals only through partnerships that draw together resources from the public and private sectors. In 1998 a broad-based coalition will be working at all levels—federal, state, and local—to expand the child care options of American families.

At the federal level, advocates should:

- Lobby for a guaranteed $20 billion to the states over five years to strengthen the quality of child care for all families and make child care more affordable. Improving the quality and availability of care for children under 3 and children of school age should be a special priority, given the alarming gaps in the quality and supply of care for these groups.
- Campaign to reauthorize Head Start with more funds targeted to infants and toddlers and additional funds to move Head Start toward serving all eligible children who need it.
- Support an extension of the Family and Medical Leave Act to cover all employers with 25 or

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more workers. The act guarantees up to 12 weeks of unpaid leave to employees with a new child or a serious illness in the family, but it currently applies only to private employers with 50 or more workers and to all public employers.

- Support paid parental leave through family leave insurance or other means to help parents stay home with their children during the critical early months of life.
- Support changes in the Child and Adult Care Food Program that would make it easier for schools to participate and allow more school-age children (up to age 18) to be served. Provide funds for meals and snacks at for-profit child care centers serving low-income children, and increase funding for family child care providers.

At the state level, advocates should:

- Encourage states to expand their investments in child care assistance to help more families afford care. In addition, states should guarantee child care assistance to all low-income working families.
- Call for child care policies that ensure a true choice of good providers for families receiving child care assistance. Such policies might stipulate reimbursement rates for providers that are based on current market-rate costs, higher reimbursement rates for accredited programs, and reasonable fees for families.
- Work to strengthen state licensing standards and enforcement so that parents can be confident their children are in safe and supportive child care settings.
- Ensure that resource and referral programs are available in communities to help families find child care that meets their needs.
- Urge lawmakers to provide resources to local communities for initiatives to improve the quality and expand the supply of child care.
- Expand training and career opportunities in child care and link increased education and training to increased compensation. Support or replicate programs (like North Carolina's T.E.A.C.H., described earlier) that motivate and reward caregivers who seek professional development.
- Support initiatives to expand and improve child care for infants and toddlers, such as family child care networks, better training for caregivers, and higher reimbursement rates for infant care.
- Press for the funding of high-quality prekindergarten programs that offer comprehensive services and operate on a full-day, full-year basis.
- Support creative before-school, after-school, and summer programs for both elementary and middle-school students.

At the community level, advocates should:

- Build the local supply of high-quality child care to give families more and better options. Encourage religious institutions, schools, and other community organizations to make child care and after-school programs a top priority, mobilizing funds, volunteers, space, and other resources.
- Encourage local government leaders to play a greater role in improving the quality, affordability, and supply of child care and school-age programs.
- Encourage employers to contribute to community child care funds that help families pay for child care and bolster the quality of care in the community.
- Urge businesses to establish family-friendly policies (such as flex-time and compressed work weeks), help employees find and pay for quality child care, and operate child care centers on-site or nearby. Not only do such efforts benefit families, but with unemployment at its lowest point since the mid-1970s, they make good business sense as a means of attracting and retaining workers.

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Congress of the United States
Washington, DC 20515

March 31, 1998

The Honorable Newt Gingrich
Speaker of the House
H232 Capitol Building
Washington, D.C. 20515

Dear Newt:

As members of the Congressional Caucus for Women's Issues, we are writing in support of congressional action during this session on legislation to promote quality child care choices for all American families. **Child care must remain a priority for this Congress.**

We have developed bipartisan consensus on a list of principles that should govern new child care spending this session. These concepts, as well as viable funding proposals, are contained in many of the over 50 bills that have been introduced to date. We believe these principles contain a bipartisan set of goals that will dramatically help the millions of families who struggle every day in America with difficult child care decisions. These decisions are extremely personal. Many parents feel handcuffed by economic concerns, others worry about the safety of child care, and others have children with needs that require special settings. We must respect and enable parents' ability to make the child care choice that is best for their situation. While all families face different circumstances that make their decision-making process unique, they all are confronted with issues related to availability, affordability and quality of care.

Congress can and should take actions that will improve parents' prospects for finding child care that meets these concerns. If we expect our work on welfare reform to be successful, we have to face the hard facts that child care is a necessity for helping parents find independence from public assistance. The Bureau of Labor Statistics reported that in 1996, 96 percent of fathers and 63 percent of mothers with children under age 6 worked. Some of these parents worked part-time and others worked full-time, but they all faced decisions about what to do with their children when they were at work. For most families in America today, child care is not an option, but a necessity. For most working parents, child care is not a luxury, but a fact of everyday life.

welfare reform depends on CC

These are the key principles on which the Women's Caucus has found bipartisan support. Each principle complements the others and all should be included in any legislation that comes before the House.

Increase Certificate Funding for Low-Income Families — We have put tremendous pressure on the states to comply with our work targets as part of welfare reform. This pressure is causing states to invest the majority of their Child Care and Development Block Grant (CCDBG) funding in finding child care for families who are leaving welfare. This help is crucial for families gaining independence. But if that independence is to be permanent and if the thousands of low-income families who are struggling to maintain jobs are to stay off welfare, we have to invest additional funds in CCDBG to give states the resources they need to meet the increasing demand for vouchers. When you visit day care centers, you hear of the pressure to drop very low-income working families who have not been on welfare to make room for women coming off welfare. This is unfair and intolerable. It also will not accomplish our goal of fostering work.

Lower Taxes for Working Families and Stay-at-Home Spouses — We must modernize the Dependent Care Tax Credit to provide more realistic assistance for low- and middle-incomes families who pay taxes. This would allow families to lower their taxes, keep more of their income and help meet child care expenses. In addition, we should seriously consider changing the DCTC to make it available to families in which one spouse stays at home to care for children. If the income guidelines are met, the DCTC should flow to the family regardless of whether a parent or provider cares for the child.

Promote Quality Child Care — Since quality in child care services varies throughout states and localities, we must give communities the flexibility to design programs that best fit their needs. While there is no one-size-fits-all solution for quality child care, there are things we can do at the federal, state and local levels to improve and enhance the quality of care our children receive. These initiatives could include assisting states in enforcing health and safety standards and state-determined staff/child ratios for center-based care, improving provider and parent training and education in early childhood development, and encouraging competitive wages for child care workers.

The Women's Caucus supports action on these critical issues and encourages the Leadership to move forward with legislation before the 105th Congress adjourns. **We urge you to join us in finding room for increased funding for child care within our commitment to a balanced budget.** We must listen to the concerns of America's working families and help them meet their child care needs.

Sincerely,

Nancy L. Johnson — Eleanor H Norton

Sue Kelly — Carolyn B. Maloney

Connie Morella — Ellen Tauscher

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Congress of the United States
Washington, DC 20515

April 1, 1998

The Honorable Bill Archer
Chairman
U.S. House of Representatives
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

We are writing to urge you to bring comprehensive child care legislation before the Ways and Means Committee as soon as possible. As you know, President Clinton proposed an initiative to improve the quality, safety and affordability of child care nearly three months ago and many Members also have legislative proposals pending before the Committee. However, the Committee has yet to hold even a single hearing on this issue which every day impacts the safety and development of our children and the economic security of millions of working Americans.

The facts on child care speak for themselves. In the nearly 18 million American families with children under the age of six, 65% of their mothers work. Furthermore, even in families where the mother is *not* in the workforce, 32% of preschool children participate in some type of child care or early education program. These statistics clearly illustrate the growing need for quality child care, but they do not depict the daily struggle millions of American families have in paying for day care. For middle-income families with children under the age of two, child care now represents their third largest expense, surpassed only by housing and transportation. The picture for low-income families is even bleaker: those that paid for care for children under the age of five lost 25% of their income to child care expenses. And finally, let us not forget the scientific evidence illustrating that the *quality* of day care will have a direct impact on a child's intellectual growth and future ability.

For all of these reasons, we believe the Ways and Means Committee should consider comprehensive child care legislation before the end of this legislative session. We look forward to your reply to this letter and to working with you to develop a proposal that will help American families meet the dual challenges of working and raising a family.

Sincerely,

Barbara B. Kennelly
BARBARA B. KENNELLY
Member of Congress

Sander Levin
SANDER LEVIN
Member of Congress

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The Honorable Bill Archer
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Charles B. Rangel
CHARLES RANGEL
Member of Congress

Robert T. Matsui
ROBERT MATSUI
Member of Congress

Jim McDermott
JIM McDERMOTT
Member of Congress

Ben Cardin
BENJAMIN CARDIN
Member of Congress

Karen L. Thurman
KAREN THURMAN
Member of Congress

William J. Coyne
WILLIAM COYNE
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Michael R. McNulty
MICHAEL McNULTY
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Richard E. Neal
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Member of Congress

John Lewis
JOHN LEWIS
Member of Congress

Pete Stark
PETE STARK
Member of Congress

XAVIER BECERRA
Member of Congress

JOHN TANNER
Member of Congress

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **February 5, 1998**

STATEMENT BY THE PRESIDENT ON CHILD CARE

Earlier this week, I submitted my budget proposal to Congress. I am proud that this budget -- the first balanced budget in a generation -- includes an ambitious initiative to make child care better, safer, and more affordable. Yesterday, we moved closer to achieving meaningful child care legislation because of an important step taken by Senator Chris Dodd and many of his Democratic colleagues in the Senate. Senator Dodd has introduced a comprehensive child care package that, like mine, significantly increases child care subsidies for poor children, provides greater tax relief to help low- and middle-income families pay for child care, creates a tax credit for businesses that provide child care for their employees, increases after-school opportunities for children, promotes early learning, and improves child care quality.

In putting forward this proposal, Senator Dodd and his co-sponsors have built on their longstanding commitment to improving child care for our nation's children. I was also pleased that, last week, a group of Republicans introduced a promising child care proposal. I look forward to working with the Congress on a bipartisan basis to enact child care legislation this year that will help Americans fulfill their responsibilities as workers, and, even more importantly, as parents.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release **January 28, 1998**

Statement by the President on the Senate Republican Child Care Proposal

Earlier this month, I unveiled an ambitious initiative to make child care better, safer, and more affordable. Last night, in my State of the Union Address, I asked Congress to reach across party lines to work on this important issue. I am very pleased that today, Senators Chafee, Hatch, Snowe, Roberts, Specter and Collins proposed a child care package that, like mine, significantly increases child care subsidies for poor children, provides additional tax relief to help low- and middle-income families pay for child care, creates a tax credit for businesses that provide child care to their employees, and improves state enforcement of health and safety standards. I look forward to working with Members of Congress in both parties to enact comprehensive child care legislation to meet the needs of children and families.

I believe that by continuing to work together on a bipartisan basis and by taking the best proposals from both sides of the aisle, we will achieve legislation that helps Americans fulfill their responsibilities as workers, and even more importantly, as parents. With this important contribution from Senator Chafee and his Senate colleagues, we move significantly closer to enacting child care legislation that is right for America's children.

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