

Child Care Task Force Recommendation

The Child Care Task Force, formed by Associate Vice Chancellor Charlene Hayes, was charged to review the options outlined in the attached report and put forth a recommendation to the University for establishing a child care program. The Task Force, NC State employees from various departments with a wide range of expertise, selected from the following five options:

1. *Help Families with existing options.*
2. *Enhance information options.*
3. *Provide child care financial assistance funds either directly or through contract.*
4. *Contract with local child care programs to reserve spaces or give priority to NC State employees.*
5. *On-site child care center.*

After careful evaluation and research the Task Force put the options to vote. **The majority voted to recommend to NC State Administration the support of the creation of an on-site child care center.**

This option may seem unaffordable in the midst of budget reductions, but diminishing budgets have and will continue to be a reality for most universities. Study after study reveals employer-sponsored child care boosts productivity and reduces absenteeism. In 1992, Jane Ann Thomas, past president of the National Coalition for Campus Children's Centers (NCCCC), wrote an article entitled "Surviving Budget Cuts on Campus." She notes a statement made by Chabotar and Honan (Change 1990), "Institutions will have to rethink their goals and priorities relative to their missions and measure expenditures against their stated purposes." That principle can still be applied today as we develop innovative strategies that support the University's recruitment and retention efforts. Employer-sponsored child care programs are steadily becoming a critical factor in recruiting and retaining highly skilled employees in the field of higher education. According to a study conducted in 1997 by Simmons College, Graduate School of Management, and Bright Horizons:

- *26% of management level employees say they turned down or declined to pursue a job opportunity because they value their existing work-site child care.*
- *93% of parents cite work-site child care as an important factor in job change.*
- *42% say that the availability of on-site child care was an important factor to their decision to join the organization they work for.*

There is a strong economic and work-force argument to re-evaluate benefit options to make sure they still meet, as well as satisfy employee needs; and therefore justify their cost. The U. S. Census Bureau released data in 2001 on the changing profile of the American family. There is a decline in dual-parent households and a rise in single mother households. Working age adults (i.e., ages 18-64) represent 62% of the overall population with well over half falling in the typical child-bearing years of 18 to 40. NC State currently has approximately 38% of employees falling in this category.

A recent survey (see Attachment G) shows thirteen out of our fifteen peer institutions offer child care benefits, which may include an on-site center, priority access to a community based center, or an enhanced referral service. UC Davis, one of our established peers, was recently featured in

the May 2002 *HR Magazine* as one of the top employers helping people blend work and their personal lives. UC Davis is described as “a pioneer for trying new programs and introducing initiatives that are staff and faculty-driven.” Additionally, several other state agencies such as UNC-Chapel Hill, UNC-Greensboro, and Dorothea Dix have already stepped into the arena to assist employees with meeting the demands of balancing work and family by opening on-site child care centers.

Clearly, the time has come for NC State to make work/life programs such as employer-sponsored child care a priority.

With our recommendation, building a new center or retrofitting a center in an existing building are both viable possibilities. The University could undertake this project on its own, with a community partner or contract with a management company. This option is a valuable benefit to staff and faculty members, students, and NC State. The most significant advantages to NC State are an on-site child care center functions as an effective recruiting and retention tool for employees, and employees have their children nearby. An on-site child care center also would benefit undergraduate students in various majors, such as social work, teacher education options and psychology. It would allow students to complete internship requirements and gain practical experience with children.

Task Force members agreed that coupling the on-site facility recommendation with providing child care financial assistance funds, either directly or through contract to employees (option 3), would be a good match. This recommendation would seek to access community funds and tax based approaches to making child-care affordable. The benefit to adding this option to our recommendation increases access to affordable child care, while providing some degree of equity to NC State employees.

On the other hand, the group also recognizes that not all of the University's employees with eligible children would have access to the center due to availability and affordability restrictions. One of the key elements is to align the University's goals with a program that not only enhances the quality of life for employees but is also valued as a benefit by both employees and NC State Administration. The benefits to the University and employees are substantial: an investment in employees and their children, increased morale, the encouragement of loyalty, and possibly increased productivity. It appears that such benefits eclipse deficits associated with this recommendation.

The Task Force further agrees the other areas of review are also important to enhancing the child care benefits to the employees, including: helping families with existing child care options, enhancing information options, and contracting with local child care programs to save spaces or give priority to NC State employees.

The University can no longer ignore the enormous challenges many employees face daily in accessing quality child care at an affordable rate. The Task Force recommends that child care be acknowledged as a strategic priority directly related to recruitment, retention, and productivity so that necessary resources are made available to ensure success in meeting faculty, staff and student needs. NC State, like its peers, can address this work-life issue by providing a valued child care program, preferably an on-site center as suggested by this committee.

While NC State has as enormous burden of being one of the nation's leading Land Grant institutions, the university has an even bigger responsibility to the present and future employees to be an employer of choice.

<i>Options for Child Care Benefits</i>	<i>Option Assessments</i>					
	Issues for Employees			Issues for Employers		
	Accessibility	Affordability	Quality	Cost	Benefits	Equity
1. Helping families with existing options. Making employees aware of the tax credits available, child care referral services and NC Flex options	Medium	Yes	Medium	Low	Sometimes difficult to measure quantitatively	Yes
2. Enhancing information options. Child Care Resource and Referral of Wake County offers specialized referral services to employers for an additional rate. Three typical options are: confirmed vacancies, on-site child care referral services, and on-site workshops.	Medium	Yes	Medium	Medium	Sometimes difficult to measure quantitatively	Yes
3. Provide child care financial assistance funds either directly or through contract. A means of accessing community funds, if eligible, and the University's funds.	High	Yes	High	High	Sometimes difficult to measure quantitatively	Medium
4. Contract with local child care programs to reserve spaces or give priority to NC State employees. Partner with local child care programs to give priority enrollment to NC State employees.	Medium	Depends on Structure	High	Medium-High	Sometimes difficult to measure quantitatively	Medium
5. On-site child care center. NC State can build a center on/off campus; retrofit the center in an old building, build a new building, incorporate into a current building project. The University can do this alone, with a community partner, or contract with a management company.	University controls this variable	No	University controls this variable	High	Sometimes difficult to measure quantitatively	University controls this variable

Issues for Employees

Accessibility refers to the numbers of spaces available for each age of child, each kind of need and the ability of families to access those spaces, including logistics and transportation. Accessibility is also related to a family's ability to easily obtain information about the child care available and understand how to select that care.

Affordability refers to the price of obtaining child care as it relates to that family's income and that family's ability to access financial assistance. Government studies have indicated that families can typically afford to pay about 10% of their gross income toward child care expenses. Child care programs often have many expenses associated with them. Tuition is obviously the largest one, but many programs also charge application or enrollment fees, late fees and/or activity fees. In some child care programs, lunch is included in tuition and in others, parents must pack lunches for their children.

Quality refers to elements of child care that have been demonstrated through research to improve the cognitive, emotional, intellectual or physical development of children in child care settings. The ability of parents to access high quality child care is tied to both its availability, affordability and their ability to access it through proximity or transportation. The ability of parents to access high quality child care is also tied to their ability to identify it.

Issues for Employers

Costs to the employer take on many shapes depending on the activities chosen, including short-term and long-term cash expenditures, staff time and space. Depending on the endeavor each of these may be high, moderate or low. Some options may not require any cash expenditures but virtually all will require some staff time and some kind of space. Even if all the employer is providing is information, a minimal amount of staff time and space will be needed to refer employees and distribute the information. Space may be physical such as land, building or brochure stand but it also may be part of the virtual, web-based system.

Benefits to the employer also have many shapes but these are sometimes difficult to quantitatively measure. Baseline data can be particularly useful here. For all options, the employer can count how many employees are accessing the service. These numbers, however, are not the whole story. The question is, "What difference has this really made?" Is employee morale up? Is employee absenteeism down? Are we able to attract and retain staff? Most importantly, are the answers to any of these questions related to the child care supports that the employer has provided?

Equity refers to the ability of employees to equitably access the benefit provided. In many places of employment, employees have varying levels of pay. In some places, they also work in shifts. If an employer offers a benefit option that is only available to families in a particular income level, is differentially available according to particular family characteristics or is only available during a particular shift when multiple shifts of work exist, the employer makes itself vulnerable to violating employment laws or an appearance of discrimination.