ARKANSAS CORPORATE CHAMPIONS FOR CHILDREN INITIATIVE

REPORT TO
GOVERNOR MIKE HUCKABEE
AUGUST 2000

Staff Support
Department of Human Services
Division of Child Care and Early Childhood Education

ARKANSAS CORPORATE CHAMPIONS FOR CHILDREN INITIATIVE
REPORT TO THE GOVERNOR
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A Charge to Action-Letter from the Governor

ARKANSAS CORPORATE CHAMPIONS FOR CHILDREN INITIATIVE

In February of 2000, Governor Mike Huckabee established the Arkansas Corporate Champions for Children Initiative. The group was commissioned with the charge to examine the current processes that serve as guidelines for child care in the state; to study, plan and rework procedures so burdensome regulations might be lifted; recommend tax credits for parents and employers and make recommendations to ensure parents confidence of their child's safety and development during their early years.

"We must enlist parents, businesses, public servants and faith-based community members in our efforts to sustain quality early care and education programs for the children of Arkansas."
Governor Mike Huckabee

Improving early care and education is essential to the future of Arkansas's economy and to the future of our children, yet the Arkansas child care market is currently characterized by the interplay of three complex and often competing forces: cost, quality and accessibility.

Access includes the availability of quality child care and the cost of child care, in some cases the availability of certain types of care is a problem. For instance, it is difficult to enhance the quality of child care and raise compensation for child care providers without increasing the cost of child care for parents, which decreases the accessibility of child care.

Meeting the child care needs of Arkansas workers is critical to business growth and job retention. It is important to recognize, however, that in a society of two-parent or single-parent working households a capable workforce for tomorrow can be achieved by offering quality child care today.

This report makes specific recommendations to address the Governor's "*call to action*" for Arkansas Children! Business and government must take the lead to establish a child care foundation upon which our children can build rewarding and successful lives. Arkansas Corporate Champions for Children stands ready to follow the leadership of Governor Huckabee in implementing these recommendations.

Arkansas Corporate Champions for Children Initiative

Governor-appointed members

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Acxiom Corporation

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Arkansas Advocates for Children and Families

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Gary Bebow
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ARKANSAS CORPORATE CHAMPIONS FOR CHILDREN WORKGROUP

The following persons met over the five-month period to formulate the recommendations document. All workgroup members and all Governor-appointed members have reached agreement on this report.

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I. The Initiative Perspective

Members of Arkansas Corporate Champions for Children include executives from the banking industry, the communications fields, small business, economic development, health fields, higher education, a university president, the faith-based community, manufacturing, service organizations, publishing, major food suppliers, education specialists, advocate groups, Head Start agencies, the Transitional Employment Board and the Department of Human Services. The Initiative was chaired by Ron Sears, Walmart of Bentonville; and staffed by the Division of Child Care and Early Childhood Education.

"For Arkansas children to excel in school and therefore in later life, they must have access to quality early childhood educational programs."
Wayne Clark, Arkansas Early Childhood Commission

II. The Big Picture

The Corporate Champions for Children Initiative met over a five-month period. During that time, members reviewed research studies, reports, issue briefs and demographic data. They discussed child care issues and heard from nationally respected child care researchers, Doug Price, Educare of Colorado, Dr. Craig Ramey of Civitians International in Alabama and Eva Carter of the National Child Care Information Center.

From their diverse business perspectives, Initiative members raised hard questions about child care supply and demand, child care costs for families, federal and state funding streams, linkages with welfare reform issues, salaries and turn over rates for child care workers, subsidized child care for low-income families, employer related care and especially issues related to improving the quality of early care and education for all of the children in Arkansas. They examined the need for expansion of child care capacity and the need to balance the expansion with improved quality. Numerous discussions occurred regarding the link between welfare reform efforts and child care assistance for low-income working families to maintain self-sufficiency for Arkansas families.

III. ARKANSAS CORPORATE CHAMPIONS FOR CHILDREN INITIATIVE Accomplishments

Over the past five months, the Initiative Working Groups made requests to the Division for changes in processes/procedures that could be easily accomplished. The following have been completed or are in process:

- Establishment of guidelines to allow for-profit child care programs to participate in the Special Nutrition Program beginning October 1, 2000
- Development of "Employer Related" Child Care Benefit booklet and a "how to" kit for employer related child care services
- Completion of survey to all employer related child care programs to assess current employee benefits

- Completion of survey to top five employers in each county regarding their work-life initiative status

- Pending recommendation by the Transitional Employment Board Finance Committee to transfer $4 million from TANF funding to child care assistance programs

- Series of sixteen public meetings throughout the state to gather information from parents, employers, child care providers, school officials and local/state officials regarding their concerns in the area of child care issues

- Effective July 1, 2000 the income eligibility guidelines for the child day care voucher programs were increased from 133% of the federal poverty level to 156% of the federal poverty level in order to meet the guidelines specified in the State plan and allow greater accessibility for parents

IV. Changing Workforce

According to the Bureau of Labor Statistics, in 1965, 25 percent of women with children under six were in the work force. Today, that number is 58 percent. In Arkansas, 65 percent of women with children under five are in the workforce.

In Arkansas almost 25 percent of all births are to mothers with less than a 12th grade education. Some 22 percent of children have no father in the home. Large percentages (28%) of Arkansas families with children are headed by single parents.

Nationally, since 1950, the percentage of children living in one-parent families has nearly tripled, as reported in The Carnegie Corporation's Starting Points: meeting the Needs of Our Youngest Children. Some 90 percent of single-parent families are headed by women, who on average continue to earn significantly less than men. A large number of single parent families result from teen pregnancies.

Today, many Arkansas children are living in poverty. Families in all income groups have become fragmented, isolated, overloaded and exhausted as they struggle day by day to balance family and work.

These statistics suggest other crises related to the family—changing values, shifting priorities and increased economic pressures. We must focus on responding to the reality of the changes in the family, the shifts in the economy, and changes in the labor force that have impacted the care and education of young children outside their home.

V. Supply and Demand

The Department of Human Services- Division of Child Care and Early Childhood Education reports that in 1999, there were 107,304 spaces for children ages birth to five in regulated child care settings. This provides for 61 percent of the state population of children of this age range. The total capacity in regulated care for children birth to age 12 years is 134,208.

The demand for subsidized early care has continued to increase. The number of children receiving subsidized care through the child day care voucher program has increased 250 percent from 6,464 in SFY 1996 to 22,484 in SFY 1999.

"I would like to take vouchers but until the provider reimbursements catch up with the real cost of care I cannot."
Walter Quinn, KidCo, Inc.

This does not reflect the unmet needs; one measure of the unmet need for subsidized care is the waiting list. This waiting list for subsidized care has grown from 1751 families in March 1999 to 4,000 families by April 2000. This represents an increase of over 225 percent in families on the waiting list in a little over one year. These numbers are staggering, but this is not a complete measure of unmet need for subsidized child care for low-income families. Many families, who need subsidized care either don't know about the availability, don't think they are eligible or are discouraged by the lengthy waiting list.

This workgroup focused on quality child care for all children, not just those receiving a subsidy. The state has the capacity to serve 61% of the birth to five population in licensed care. Only 14% of the capacity of licensed care meets the State Quality Approval Standards. Workgroup members voiced concerns that many of their employees could not access high quality child care in their local communities.

VI. What is Quality Early Care and Education?

For most parents obtaining some type of child care is not enough. They want quality child care that will help their children develop and learn in a secure and safe environment. Such care is hard to find. According to the *"Cost, Quality and Child Outcomes in Child Care Centers"* only 14 to 20 percent of children nationally are in developmentally positive child care situations. In Arkansas 14 percent of children in child care attend centers which are "Quality Approved/State Accredited". The members of the Corporate Champions for Children Initiative recommend that efforts be developed to increase the number of child care settings meeting the "Quality Approval" status. Discussions regarding quality versus quantity overwhelmingly supported the concept that care must be of a high quality, not just places for children to be cared for but rather settings that encourage and improve their developmental needs and ensure school readiness.

Consideration was given to the question “What is quality child care?” Numerous studies confirm that specific conditions are predictors of quality child care that encourage children’s social, emotional and educational development. Conditions directly linked to quality care include:

- curriculum and activities that are appropriate to the age, developmental status and culture of each child;

- consistent, caring and responsive relationships among children and staff;

- a healthy, safe environment for children;

- a sufficient number of adults per child in group sizes appropriate for the children’s ages;

- strong communication between parents and staff;

- fairly compensated, qualified staff who have a commitment to their ongoing professional development; and

- programs that meet the state accreditation/quality approval standards.

“No longer will quality and availability compete - they are one in the same.”
Amy Rossi

High quality care provides long-term economic and social benefits for children, families, businesses and community. The Initiative members concluded that access to quality, affordable care is necessary for families and the economic well being of our state.

VII. BARRIERS TO REACHING QUALITY CARE/AN INDUSTRY IN CRISIS

According to the “Cost, Quality and Child Outcomes in Child Care Centers”, the average annual turnover rate for all staff in both profit and nonprofit child care facilities is 51 percent. In for-profit centers the national annual staff turnover rate is nearly 67 percent. The Arkansas average of turnover of staff in child care programs is 38.3 percent, a bit lower than the national average. Arkansas Better Chance programs have 50% staff employed more than 5 years with 23 percent new teachers each year. Head Start programs have a low of 7 percent turnover in staff.

The rate of turnover is an obvious result of low wages and lack of benefits. A large percentage of child care workers have no employer-provided health coverage, no disability coverage, no sick leave for themselves or their children, no overtime pay and no paid vacations or holidays. In Arkansas only 12 percent of child care programs offer vacation or holiday pay to their employees and less than 10 percent offer any medical coverage.

How does this relate to reaching quality? Studies have shown that increased wages and training as well as education relate directly to a higher quality of care. High turnover rates are disruptive and disturbing to families and their children. The low pay and low status of child care providers make it difficult to attract and retain trained and educated providers.

Even with the low rate of pay to caregivers, full time teachers have a pay range of $7.00 to 8.37 hourly in Arkansas. Aides average $5.71 tp $6.72 per hour as full time employees. Across the United States wages consume an average of 50 percent of a child care facility's expenses. Nationally profit margins of child care facilities fall within a range of 2-4 percent. There is no margin for error, and no margin for increasing pay for employees without raising the cost of care to a level parents can't afford.

"We do not inherit the earth from our ancestors but we borrow it from our children."
David Brower, Founder, Sierra Club)

The obstacles are not insurmountable, but they are complex. The issues again place us with having to balance quality and cost of care.

VIII. Economic Impact

In Arkansas a family pays an average of about $3,735 a year per child for child care. Most families pay between 15 and 27 percent of their family income on child care. However, two-parent families with one child, earning less than $25,000 a year pay an average of 15% while single parent families with two children earning $25,000 pay an average of almost 28% of their income. Many families simply cannot afford to pay for child care.

Child care has become a critical economic and labor force issue. It will greatly impact the next generation's work force, the productivity of business and industry and our state's economic vitality. There exists an undeniable linkage between productivity in the work place and quality child care. Nationwide businesses lose an estimated $3 billion annually due to lost productivity by workers having child care problems.

"I decided not to accept a promotion at work because my raise would have prevented my family from receiving needed subsidies for child care. My raise would not have covered the increased cost of child care that I would have to pay without a subsidy from the state."
Julie, a working mother of two

The lack of quality child care and the lack of adequate financing to make quality care widely available has proven exhausting to children and their families, to businesses, schools and to our nation.

IX. A CALL TO ACTION

These final recommendations are not prioritized, as each are vital to creating a system of quality care in Arkansas. They have been reached after lengthy discussions and considerations of models in other states and communities as well as ideas generated through problem solving sessions. All recommendations are aimed at improving the supply of high-quality affordable care for Arkansas children. Some of the proposed actions will directly benefit parents and children as consumers of child care services, others will provide financial relief and assistance to providers in expanding and improving their services. Some recommendations will ensure a long term collaborative effort between the public and private sectors.

The recommendations are realistic, achievable and cost-efficient. We focused on high-impact efforts that would require minimal funding increases. In some cases we call for redirecting current resources. Some will require legislation to enact.

Although the challenges are great, we are optimistic that change can occur. We remain committed to improving the quality of care for children. Our State continues to make progress and has committed funding for children's issues for many years. The excellent efforts of Smart Start for children K-3 and ARKids First are two excellent program initiatives that address the needs of families and children. Arkansas has developed a premier Professional Development system for early care and education and leads the nation in the licensing area and state accreditation for early care programs. Existing programs provide a sound foundation to support these new initiatives which we hope will be a catalyst for future efforts to ensure that Arkansas remains a leader in the field of early care and education.

This report is a call to action. Business, faith communities and government must take the lead to establish a collaborative effort to develop a child care foundation upon which our children can build successful lives. We stand ready to advocate on the behalf of children with the following recommendations.

RECOMMENDATION 1

SECURE STABLE FUNDING FOR EARLY CARE AND EDUCATION WITH EMPHASIS ON AFFORDABILITY, AVAILABILITY AND QUALITY.

- Streamline the day care voucher application process; consider use of single application criteria for several programs which interface for client ease. Examples: Special Nutrition, School Lunch, WIC.
- Conduct an annual reassesment (October) of actual market rates of all licensed and registered programs to ensure that reimbursement rates reflect the market.
- Increase reimbursement rates for providers in child care subsidy programs by 15%. ($4.2 million annual cost)
- Develop incentives, such as a tiered reimbursement schedule, allowing higher payments (15% increase)to child care providers in the subsidy programs who meet the state accreditation/quality approval standards.($1.9 million annual cost)
- Design programs that encourage child care providers to meet the higher levels of quality of state accreditation, such as grant programs. ($450,000 projection for annual costs)
- Continue to access TANF transfer dollars to establish secure adequate funding for child care services and eliminate the waiting list. (Current transfer of $1 million for FY00, recommend transfer annually up to the 30% federal allowance)

RECOMMENDATION 2

EXPAND CURRENT STATUTES ON TAX CREDITS/INCENTIVES FOR EMPLOYERS TO INCLUDE PARENTS AND PROVIDERS OF CHILD CARE SERVICES FOR SUPPORT, EXPANSION AND DEVELOPMENT OF QUALITY EARLY CARE SETTINGS.

- Amend Arkansas Code to allow a refund of the gross receipts tax and compensating use tax paid on the purchase of construction materials and furnishings used in the initial construction and equipping of a quality approved child care facility for both employer and non-employer child care facilities.
  (Gross receipts tax and use tax - $187,590 annual projection of revenue decrease)
- Amend Arkansas Code to allow the refundable child care credit to increase in 10% increments per tax year to a maximum of 50% of the allowable federal credit for taxpayers with a dependent child enrolled in a quality approved child care facility. The parental credit would increase to 30% for tax year beginning January 1, 2001; 40% for January 1, 2002 and 50% effective January 1, 2003. (At 50% level, $473,100 annual revenue decrease)
- Amend Arkansas Code to allow a quality approved child care facility the following income tax credits:

  - ♦ $5,000 first tax year income tax credit for a quality approved child care facility approved on or after January 1, 2001;($630,000 - 670,000 annual cost)
  - ♦ allow a 3.9% income tax credit for the second tax year, and each tax year thereafter for quality approved programs. The 3.9%income tax credit shall be based on the prior calendar year annual salary of the employees employed exclusively in providing child care services in the approved child care facility. ($637,728 first year projection of revenue decrease)

RECOMMENDATION 3

ESTABLISH THE "CAMPAIGN FOR QUALITY EARLY CARE AND EDUCATION FOUNDATION" AS A UNIQUE PUBLIC-PRIVATE PARTNERSHIP TO INCREASE QUALITY CARE.

- Develop legislation to create a public foundation under the Arkansas non-profit corporation law.
- The foundation would support early care and education activities in the state. A portion of the fund (1/3) would be used to support low-income families in the child day care voucher system statewide. A portion (2/3) would be dedicated to the county from which the donation was made for subsidized child care and local community-based quality initiatives to support best practice programs. This allocation of funds would support activities both statewide and allow a portion of corporate donations to be returned to the local community.
- Initial establishment of the fund should include a state appropriation and/or TANF funding as one-time seed money.

- The fund should be established to allow donations and grant funds to be matched by state general revenues up to a maximum cap annually.
- Contributions by corporate donors, individuals, including grandparents, trusts, foundations, etc., would be fully tax deductible.

RECOMMENDATION 4

DEVELOP A PUBLIC AWARENESS CAMPAIGN TO ENCOURAGE EMPLOYER PARTICIPATION IN EARLY CARE AND WORK-LIFE INITIATIVES.

- Establish a Governor's Work-Life Initiative Award to be presented by the Governor in April of each year to recognize and honor employers who support families.
- Distribute business-oriented child care resource guides to encourage employer support of family programs.
- Develop information on model programs for replication as best practice models to be funded through the Campaign for Quality Early Care and Education Fund.

X. CONCLUSION

Children come into this world ready to learn. During the first five years of life they grow enormously in the areas of social-emotional, language, and cognitive skills. A healthy child is an active participant in that growth, learning to communicate, exploring the world, and beginning to build ideas about how things work. There is no question about the impact supportive environments have in the child's development. These could include the home, church, extended family and child care setting. Research has shown that disadvantaged children make the most gains when placed in a quality setting.

"Arkansas families are balancing low wages and their desire for self sufficiency. Quality early care and education programs provide opportunities for families to succeed and for their children to be successful."
Governor, Mike Huckabee

We must continue to obtain additional funds to serve those children that wait for services in this state. Current capped Federal funding allows the state to serve approximately 10,000 – 11,000 children each month. Our need in this state far exceeds that number. Through collaborative partnerships with the DHS Division of County Operations, we have served 3,655 additional children from the waiting list, on a temporary basis, using re-allocated local TEA Coalition funds.

The employers participating in the work group meetings support helping these low-income families but were adamant about providing access to quality child care for all their employees. In many areas of this State, quality care is just not available.

This group has reached consensus, as we head into the next Legislative session, that all of us must focus on the same story in order to complete the necessary first steps of building a foundation toward adequate funding for quality child care. We strongly advocate the following:

1. Quality child care is a workforce issue.

2. Quality child care is a "quality of life" issue.

3. Quality child care is a school success issue.

We know we cannot make these changes over night, but rather we take the position that we must start now and build on our continued knowledge, successes and financial means to reach our goals.

With your leadership we stand ready to proceed into the communities across this State. We know by partnering with the community leaders we can find solutions to the child care challenges that will strengthen and support existing community services.

"A child is a person who is going to carry on what you have started. He is going to sit where you are sitting, and when you are gone, attend to those things which you think are important. You may adopt all the policies you please, but how they are carried on depends on him. He will assume control of your cities, states, and nations. He is going to move in and take over your churches, schools, universities and corporations. The fate of humanity is in his hands."
Abraham Lincoln

XI. Appendix

THE ARKANSAS DEPARTMENT
OF HUMAN SERVICES
DIVISION OF CHILD CARE &
EARLY CHILDHOOD EDUCATION

March 2000
Issue Brief

A FRAMEWORK OF QUESTIONS FOR DEVELOPMENT OF AN ENHANCED AND EXPANDED CHILD CARE SYSTEM IN ARKANSAS

Basic questions asked by parents:

- Can I find it?
- Can I afford it?
- Can I trust it?

System questions:

1. The availability of child care in Arkansas
- How many children and families in Arkansas need child care?
- What types of child care services do families need?
- How many families are able to meet their child care needs?
- Are all families able to access services when and where they need it?
- What is happening in Arkansas to ensure families are able to access the child care services they need?
- How can child care be offered which still provides parents the choice that best matches their desires for their children?

2. The affordability of child care in Arkansas
- How much does child care cost?
- How affordable is child care to families?
- What is happening in Arkansas to ensure all families are able to afford the child care services they need?

3. The quality of child care
- What is quality child care and why is it so important?
- What is the quality of child care in Arkansas?
- What are the major challenges to providing quality child care?
- What is happening in Arkansas to ensure all families are able to access quality child care services?

4. Other
- How can government help corporate leaders in establishing a plan for child care which will help both those coming from welfare to work and other employees who might need help with child care assistance?

- What is the biggest challenge facing the future of early care and education in Arkansas?

THE ARKANSAS DEPARTMENT OF HUMAN SERVICES DIVISION OF CHILD CARE & EARLY CHILDHOOD EDUCATION

March 2000
Issue Brief

WHAT IS QUALITY CHILD CARE

What is quality child care?

Research suggests that quality child care is important for all children, regardless of a family's income level. Quality of child care is defined in a number or ways. Some people focus on structural or environmental features (e.g., space, materials), and others focus on the quality of the child's actual experiences and relationships among children, caregivers and families.

Researchers, child development experts and professional organizations have identified several indicators of quality care:

- curriculum and activities that are appropriate to the age, developmental status and culture of each child;
- consistent, caring and responsive relationships among children and staff;
- a healthy, safe environment for children;
- a sufficient number of adults per child in group sizes appropriate for the children's ages;
- strong communication between parents and staff; and
- fairly compensated, qualified staff who have a commitment to their ongoing professional development.

Why is quality child care important?

Recent research from the COST, QUALITY AND CHILD OUTCOMES STUDY demonstrates a significant correlation between program quality and outcomes for children. These correlation's excerpted from the research emphasize the following:

- High quality child care is an important element in achieving the national goal of having all children ready for school;
- High quality child care continues to positively predict children's performance well into their school careers;
- Children who have traditionally been at risk of not doing well in school are affected more by the quality of child care experiences than other children; and
- The quality of child care classroom practices is related to children's development, while the closeness of the child care teacher-child relationship influences social development through the early school years.

THE ARKANSAS DEPARTMENT OF HUMAN SERVICES DIVISION OF CHILD CARE & EARLY CHILDHOOD EDUCATION

March 2000
Issue Brief

TIERED REIMBURSEMENT/VARIABLE RATE STRUCTURES FOR HIGHER QUALITY CHILD CARE

What does tiered reimbursement/variable rate structures really mean?

A major reason for the low quality in child care is the fact that the field is under-resourced, and therefore some providers have difficulty in improving their programs to meet high standards. Thus incentives such as tiered or variable rate structures can be implemented to cover the cost of the desired quality.

What is the goal in establishing variable rate structure?

- promote quality child care
- provide incentives for those who achieve higher quality
- improve the competency level of child care providers
- increase the number of providers that are accredited and
- reimburse providers at levels that adequately compensate them for their extra investments

What types of programs are eligible for this incentive?

All licensed child care centers and family child care homes that serve children who are subsidized by state and/or federal child care funds.

What increased levels of standards are we planning to implement in the new systems?

- Level one: Meets state licensing requirements
- Level two: Meets state and/or national accreditation standards which include:

  √ An annual assessment of program quality utilizing the Early Childhood Environmental Rating Scale (ECERS)
  √ Verification of parent involvement
  √ A curriculum plan
  √ The director's credentials exceed the state licensing requirements
  √ Systematic training for staff and;
  √ A complete review of the facility's licensing history for compliance

How we will monitor the new system?

We will use a combination of contracts, the Division's accreditation specialist as well as the team of licensing staff who have received specialized training to monitor the new program.

How much is the rate increased in some states for this increased quality incentive?

In some states, a flat rate of from 5-20% above the market rate is awarded for meeting the higher standards. States implementing variable rates report that a minimum of 15% variable is required to make positive change.

What percentage of providers do we anticipate will participate in the variable rate structure/tiered reimbursement system?

In Arkansas, approximately 17% of all licensed child care slots or 10% of licensed providers of care meet the higher level of care (Level two). A growth rate of approximately 15-20% is anticipated.

What type of infrastructure will be needed to support this new incentive program?

Policies will need to be developed that detail withdrawal of status, appeals, etc. and outreach programs will need to be established to inform providers of this new process. Many of our existing provider resources such as enhancement grants, scholarships, technical assistance are already in place to meet this need.

THE ARKANSAS DEPARTMENT OF HUMAN SERVICES DIVISION OF CHILD CARE & EARLY CHILDHOOD EDUCATION

March 2000
Issue Brief

NATIONAL TRENDS IN FINANCING CHILD CARE

What are other states doing to increase revenues for child care?

DELAWARE**

Delaware increased funding for child care by $2 million to expand eligibility for child care assistance to families earning up to 200 percent of the federal poverty level; raise provider reimbursement rates high enough to cover the cost charged by 75 percent of the child care providers in a parent's community and increase the number of days for which providers can be reimbursed if children are absent; and allow all four-year-old children in poverty to participate in either federally funded Head Start programs or the state-funded prekindergarten initiative, which requires programs to meet Head Start's comprehensive standards.

FLORIDA

Florida enacted School Readiness legislation emphasizing local collaboration and greater coordination of resources at the state and local level. Local coalitions will assess their communities' needs. They will then develop plans for using various sources of funding - including Prekindergarten Early Intervention, Head Start, public and private child care programs, school initiatives serving disabled and special needs children, programs for migrant children, Title I, child care subsidies, and teen parent programs - to ensure that children enter school ready to learn. The plan must be approved by the Florida Partnership on School Readiness, which is overseeing the initiative, and include choices for parents, a uniform sliding fee scale for all programs, performance outcome standards, and an effort to provide full-day/full-year care to the greatest extent possible. However, the state did not provide additional funds to help fill any gaps which may be identified through the local needs assessments.

Florida established a state executive partnership to encourage local, employer and foundation support for child care for working families. The state's 1996 welfare reform law established a public-private partnership to fund child care subsidies to low-income working families. The Legislature appropriated $2 million to be matched by $2 million from businesses. Employers met the match and the Legislature doubled the state's share to $4 million in 1997.

ILLINOIS

Illinois built on its previous efforts by increasing state funding for child care by $84 million, earmarking $148.2 million of TANF funds for child care assistance and increasing funding for its prekindergarten program by 12 percent.

NORTH CAROLINA

The Child Care WAGE$(TM) Project supplements the salaries of child care center providers, directors, and family child care providers by rewarding those who have completed appropriate coursework in early childhood education. The size of the supplement depends on the amount of education received, and ranges from $200 to $3,000 per year.

The T.E.A.C.H. Early Childhood® Health Insurance Program helps fund the cost of health benefits for individuals working in child care programs that are committed to supporting the education and compensation of their staff. Any child care program that has a sufficient number of staff members participating in the T.E.A.C.H. Early Childhood Associate, Bachelor or Model/Mentor Teacher Scholarship Program is eligible to participate.

North Carolina also expanded funds for its Smart Start program (preschool services) by $58 million.

MAINE

Maine enacted comprehensive child care legislation more than doubling the state investment with funds for the second year coming from the tobacco settlement. The funds will be used to support:
— One-time-only quality and facility grants, an ongoing revolving loan fund, and a tuition assistance program for child care providers;

— Child care subsidies, some of which will be used to extend the hours of Head Start programs, and to raise child care reimbursement levels above the market rate to stimulate the development of child care in underserved areas;

— A pilot program to provide after-school care for children ages 13 to 15 at 11 regional sites, support ongoing quality assurance activities, expand funding for its regional resource and referral network, and increase the number of licensing staff for inspecting programs; and

— A plan to take its Healthy Families project statewide. This project supports visits to families with newborns, at the family's request, giving an opportunity to assess and address the needs of new parents.

Additional legislation enacted to expand and improve child care tax credits encourages parents and the private sector to support quality child care. The state's current child care tax credit is doubled for parents whose children are enrolled in an accredited program. The employer tax credit is doubled for employers who create an accredited program or finance institutions that invest in "quality" child care projects. In order to qualify for other state tax credits, businesses are required to demonstrate that they are addressing the child care needs of their workers. The businesses are allowed to use the savings from tax breaks for child care facilities and other child care costs.

NEW YORK

New York approved an 82 percent increase in Child Care Development Block Grant funding - the largest increase in the state's history. Steps taken by the state included:

— Transferring $120 million from the Temporary Assistance for Needy Families (TANF) block grant to the CCDBG to provide child care assistance for at least 13,000 more children and increase reimbursement rates for providers;

— Increasing state funding for child care and early education by another $60 million to support $15 million for child care capital projects, a $33 million increase for the state's prekindergarten program, $2.4 million for campus-based child care, and a $9.5 million increase for after-school programs;

— Earmarking an additional $42 million in TANF funds to expand child care assistance, develop odd-hour care to expand resource and referral services, support professional development for child care staff and family child care networks, and create an intergenerational child care demonstration project; and

— Establishing a child care reserve fund, using $200 million in TANF funds to be spent over three years ($175 million for child care assistance, if needed, and $25 million for activities to improve the quality of child care).

SOUTH CAROLINA

South Carolina approved a $20 million First Steps to School Readiness program which charges local communities with the responsibility for conducting a comprehensive assessment of their needs and resources. They are then expected to develop a collaborative plan to promote school readiness, which focuses on high quality child care, health and preventive care, family support services, parent education and training, and early education.

WISCONSIN

Wisconsin passed a biennial budget that more than doubled outlays for child care quality efforts, reduced parent co-payments, and broadened family eligibility for subsidies. New initiatives include:

— a $15 million Early Childhood Excellence Initiative, which establishes state-of-the art early learning centers in low-income neighborhoods;

— a $10 million expansion of Head Start;

— child care grants totaling $4 million;

— a 25 percent increase in funding for child care resource and referral; and

— a $1.2 million Safe Child Care program for child care providers exempt from licensing who serve children receiving assistance.

Co-payments were reduced, with no family required to pay more than 12 percent of income. Co-payments for part-time care were cut in half. Wisconsin working families are now eligible for child care subsidies and for full family health coverage if their income is below 185 percent of poverty, with continuing coverage up to 200 percent. The state will also disregard child support as income. The state also eliminated an asset test for child care assistance and broadened eligibility for parents in education and training.

CALIFORNIA

About Half of California's federal and state child care funds are reserved for direct contracts with providers located in low-income communities. These centers must meet the same basic health and safety standards required of all licensed centers. In addition, state contract providers must achieve higher standards than basic licensing. These include:
*Better child to staff ratios;
*Stricter child development education and training requirements;
*Stronger curriculum requirements;
*Provision of support services for children and families; and
*More extensive state monitoring and review than regular health and safety inspections.

The state reimburses contract centers at about $23 per day for full-time care for children over age 2. Supporting programs in low-income communities helps promote access for poor children. Further, providers, prefer a contract system because it helps stabilize costs and is easier to administer than numerous parent vouchers. Also, these centers become stable neighborhood institutions.

GEORGIA

Georgia earmarks approximately $200 million of state lottery funds to offer free preschool to all 4-yerar-olds. Unlike any other state program, any 4-year-old is eligible, regardless of family income. A recent evaluation found higher academic skills, better school attendance and parent satisfaction among participants.

MASSACHUSETTS

Lawmakers established the “Invest in Your Child” license plate program, which raised more than $125,000 in the first year for early childhood training programs.

COLORADO

A legislatively established state income tax checkoff produced $188,538 to improve child care quality in 1998, a 32% increase over 1997. In the first five months of 1999 the state raised more than $234,000 through the tax checkoff. Colorado established a Business Commission on Child Care Financing. Chaired by a bank president, the commission examined ways the state could expand and finance good child care. The commission recommended resource guides for businesses and consumers, a multi-bank community development corporation to provide loans, and other financial assistance to child care providers and a governor’s statewide summit on business and child care.

ALABAMA

Lawmakers directed a percentage of expected receipts from tobacco litigation toward funding child care programs meeting high quality indicators.

NEW JERSEY

New Jersey developed an employer approach to support parents with young children by providing partial wage replacement for parental leave through its temporary disability insurance program. When combined with accumulated vacation and sick leave, this benefit can be an important source of support for working mothers because they can remain at home with their children during early infancy.

THE ARKANSAS DEPARTMENT
OF HUMAN SERVICES
DIVISION OF CHILD CARE &
EARLY CHILDHOOD EDUCATION

April 2000
Issue Brief

TAX INCENTIVES/CREDITS FOR CORPORATE RELATED CHILD CARE OPTIONS

What is available in Arkansas?

Employer Tax Credit - Act 820 of 1993, designated and exempted from state tax, corporations which build and equip an approved child care center. Construction materials and furnishings purchased for use in the initial construction and equipping of a child care center for the exclusive purpose of providing child care to the employees will be subject to the exemption. A business which qualifies for the exemption from the Gross Receipts Tax shall be allowed an income tax credit of 3.9% of the annual salary of employees employed exclusively in providing child care services. Act 850 of 1995 allowed companies to operate or contract the operation and further allowed two or more companies to participate in a single child care program.

(This employer tax credit has not been successful. Broader employer tax credits for child care could be reconstructed as tax initiatives to be used by any business, rather than narrowly targeting only employers who offer a direct child care service to their own employees.)

What are reasons for underuse of employer tax credits?

Credits do not benefit the many businesses that have no state tax liability.
Tax credit programs have not been widely publicized.
Employers may not trust the governments commitment to tax relief.
Tax incentives may not be relevant to the motivation of businesss' Human Resource decision makers.
High administrative costs of using tax credits.
Tax credits are often available only for child care center start-up costs, not for operating costs.

Although tax credits involve some revenue loss, underuse has limited such losses in most states. In Arizona fewer than 10 corporations have taken advantage of the credit in one year. Revenue loss in other states is approximately:

Illinois, under $1 million in 1993
Oregon, $1 million in 1996
Montana, under $100,000 in 1993
California, approximately $14 million in 1994

What are initiatives in other states regarding employer/corporate child care?

Expanded "Enterprise Zone" for child care contributions. Monetary or in-kind contributions to promote child care in these zones would qualify for an income tax credit. Contributions would be considered a part of economic development. Contributions could include money donated for the purpose of establishing a child care facililty.

A voluntary child care checkoff on state income tax returns to fund quality enhancement in child care facilities through a dedicated funding source. The tax check-off category would give committed and concerned citizens the opportunity of financial impact for improving quality of care. Funds generated through this mechanism could be a component of a Corporate Champions Fund.

Tax credits for builders and developers who agree to construct child care centers in new developments and/or office buildings. The center would be leased to a child care operator at little or no cost for a specified number of years. This ensures expansion of care in developing areas and reduces the cost of care to parents.

Florida corporations may deduct 100% of the start-up costs of an on-site facility.

Maryland established a child care tax credit for employers that hire welfare recipients.

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

**THE ARKANSAS DEPARTMENT
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EARLY CHILDHOOD EDUCATION**

April 2000
Issue Brief

TAX CREDITS/INCENTIVES FOR CHILD CARE PROVIDERS/WORKERS

What is available in Arkansas?

The Division currently provides indirect subsidy to all licensed/registered child care facilities through several grant programs. These grants provide funds for purchase of equipment, materials and supplies; scholarships for the Child Development Associate classes and assessment, classes in CPR/Red Cross and extensive training sessions for caregivers.

There is no tax credit or legislatively mandated incentive for child care providers.

What initiatives have been successful in other states?

Colorado created sales and use tax exemption for certain supplies and equipment to be used by licensed child care centers and family child care homes.

Colorado created a refundable state income tax credit for employees of child care centers and family child care homes based upon their level of education. A person can claim the tax credit if they have been employed at the same facility for at least 6 months of the taxable year. It created a 3-tiered tax credit based upon the claimant's level of education. The credit is restricted to individuals with federal adjusted gross income of $25,000 or less. Documentation is required.

Maryland expanded tax credit legislation to a broader child care market with a law that exempts certain in-home family care providers from local personal property taxes.

Property tax assessment rates for child care facilities to be taxed at the residential rate rather than the commercial rate. Child care facility associated costs rank as the second highest expense for child care providers. A reduction in the facility associated costs could translate into higher wages for the industry.

Policy to utilize existing public education buildings for child care programs. Vacant and partially used education facilities through the state could be a source of needed space for both profit and nonprofit child care providers. This would allow for facility expansion and reduce facility costs for child care providers and in turn for parents.

THE ARKANSAS DEPARTMENT OF HUMAN SERVICES DIVISION OF CHILD CARE & EARLY CHILDHOOD EDUCATION

April 2000
Issue Brief

PARENTAL TAX CREDITS FOR QUALITY CHILD CARE SERVICES

What parental tax credits are available to Arkansas families?

Act 1286 of 1993 provided an enhanced income tax credit in the amount of 20% of the Federal Credit (under IRS Code) for qualified tax payers who incur child care expenditures at approved child care facilities. The 20% tax credit is refundable.

Legislation in 1997 provided the 20% credit for all taxpayers using child care and eliminated the enhanced credit for use of an approved/accredited facility. The use of accredited facilities does continue allowance for the 20% to be refundable.

A bill was considered in the 1999 General Assembly to increase the parental tax credit for parents using accredited child care programs with a phase in allowing increases to 30, 40 and 50% refundable tax credit over a three year time frame. The bill received support from the House but was not reviewed by the Senate Taxation and Revenue Committee prior to close of the session.

Why is this tied to ensuring quality of care?

This tax credit provides an incentive to parents in selecting facilities which meet the higher standards of care and are found to be quality approved or state accredited. Many times these programs have rates that are slightly above the community. This tax credit provides an opportunity for parents to select high quality child care settings and receive some tax credit/incentive for this selection.

What percentage of families are eligible to participate?

Currently 14% of all licensed child care capacity meets the state accreditation standard. This would allow up to 18,000 children to be in care in approved facilities. Of the currently accredited programs, 15,000 children receive some form of subsidy and the parent does not pay a fee. The remaining 3,000 children would be from households where parents could access the parental tax credit.

What other options would be feasible for families?

Many states have adopted the use of the Earned Income Tax Credit to assist low/moderate income families with children. Maryland expanded its state Earned Income Credit by making it refundable for the first time. When fully phased in after four years, the Maryland Earned Income Credit will be refundable at 15% of the federal Earned Income Credit. This would especially be applicable to those families receiving subsidy for their child care services.

Colorado enacted a child tax credit and a child care tax credit for families whose federal adjusted gross income is $60,000 or less. An additional $400 state child tax credit will be available to families claiming the federal child tax credit for children age 5 years or younger. In addition, any families who claim a credit for childcare expenses on their federal income tax can subtract the state child tax credit. The credit is funded from the state's budget surplus and is in jeopardy of being ended when the surplus disappears.

New York State's budget for 98-99 included $50 million to enhance the Child Care Tax Credit. The enhanced credit began with the 99 tax year. The income threshold would be increased to allow taxpayers with income of $35,000 or less to receive a credit equal to 100% of the federal credit. The credit would be phased down to 20% of the federal credit for incomes between $35,000 and $50,000.

Nebraska enacted a Child Care Tax Credit which provides a refundable tax credit for families whose adjusted gross incomes is at or below $21,500. These families received 100% of the calculated federal tax credit. It also provides nonrefundable tax credit equal to 25% of the federal credit if the family's adjusted gross income is greater than $28,500.

THE ARKANSAS DEPARTMENT
OF HUMAN SERVICES
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EARLY CHILDHOOD EDUCATION

May 2000
Issue Brief

GOVERNOR'S FAMILY FRIENDLY COMPANIES AWARD

WHAT IS FAMILY FRIENDLY POLICY?
A family friendly workplace is one in which an employer seeks to help employees balance work and family responsibilities. A family friendly program could be as elaborate as an on-site child care center or as simple as a flexible work schedule.

WHY ARE COMPANIES DEVELOPING FAMILY FRIENDLY POLICIES?
These policies have the power to attract star recruits, retain talented employees, and boost productivity. Companies are attempting to address the current labor shortage and competition for high quality employees and have learned to respond to the needs of the changing workforce.

WHAT IS A GOVERNOR'S FAMILY FRIENDLY COMPANY AWARD?
The Governor would recognize companies that have established policies that address the growing concerns of employees trying to balance work and family life. Companies that offer programs meeting the needs of their employees would be recognized.

WHAT CRITERIA COULD BE USED FOR SELECTION?
Development of an application which addresses family friendly policies would occur. Eligible companies would be private or public of any size (Government agencies would not be considered). The application would include questions about a company's culture, employee population and policies on work/life/family issues. Specific areas would address: Leave for New Parents, Flexibility, Child Care, Work/Like and other Benefits. The applicant would send supporting documents such as benefit handbook and results of employee survey. A scoring procedure would be established, a review committee would score all applications. After the review is completed, a staff member of the Division would interview and visit each of top 5 applicants to confirm the information. Recommendations would then be forwarded to the Governor.

HOW WOULD COMPANIES BE INFORMED OF THE AWARD?
Letters to the CEO and Human Resource Directors would be sent from the Governor soliciting applications. Information would be shared with local Chambers of Commerce for distribution. The Department of Economic Development would be asked to also share information with employers.

HOW WOULD THE PRESENTATIONS AND NOTIFICATION BE MADE?
The Governor would present the awards at an event each year; notices and articles would be developed for publication in Arkansas Business and other media outlets.

THE ARKANSAS DEPARTMENT
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May 2000
Issue Brief

CHILD CARE STAFFING ISSUES: TURNOVER

Why is child care staff turnover a concern?

Staff turnover is harmful to children who become attached to their caregivers and depend on consistent relationships for the development of learning, trust and self-esteem. Nurturing and responsive relationships during the first five years are crucial to a child's development of thinking and social skills. As a child interacts with the world, the brain connections soar. A child needs appropriate relationships and stimulation by the same caring adults during the early years of life, without these strong relationships of both parents and other caregivers children are less able to learn, cope with stress, handle emotions and form lasting relationships.

What is the turnover rate nationally?

Staff turnover in the child care industry is extremely high. The turnover rate for all child care staff ranges from about 33% to 41%, according to varied reports and studies. This rate is approximately four times the annual rate of 9.6% reported by all U.S. companies in 1992 and three times the annual rate of 12% reported by non-business companies, such as government, schools and other nonprofit organizations. Turnover of teachers in child care settings nearly tripled between the mid-1970's and 1990.

Why is the turnover rate so high?

This high turnover problem is largely the result of low wages and poor benefits. Child care providers earn as much as $5,000 less per year than they could earn in other jobs for which they are qualified. A national wage study found that most child care workers earn $12,058 per year (slightly above minimum wage) and received no benefits or paid leave. Family child care providers earn an average of $9,528 annually after expenses.

What is the average turnover rate for child care staff in Arkansas?

A recent survey of licensed child care programs regarding the number of vacancies they had to fill in 1999 reported an average turnover rate of 38.3%.

Arkansas Better Chance programs were surveyed separately to determine the actual turnover rate for these programs which require a degreed teacher and CDA credential for all aides. Although 23% of the staff were first year employees, the good news is that almost 50% of the staff had been employed for more than 5 years.

THE ARKANSAS DEPARTMENT OF HUMAN SERVICES DIVISION OF CHILD CARE & EARLY CHILDHOOD EDUCATION

May 2000
Issue Brief

EARLY CARE AND EDUCATION QUALITY INITIATIVE FUND THE CAMPAIGN FOR QUALITY CARE

WHAT IS AN EARLY CARE AND EDUCATION QUALITY INITIATIVE FUND/ THE CAMPAIGN FOR QUALITY CARE?

A fund could be established to provide support to early care and education initiatives in the State. Many states have developed similar funds in the areas of Child Abuse and Neglect or Child Care. Most funds are established by legislation and offer opportunities for employers, and the general public to support the issue through a monetary donation. Many giving campaigns have been designed to have state matching dollars committed for dollars raised to increase the fund.

WHAT WOULD THE CAMPAIGN FOR QUALITY CARE FUND BE USED FOR?

The fund would support early care and education activities in the state. A portion of the fund would be used to support low-income families in the child day care voucher system state-wide. A portion would be returned to the county from which the donation was made for vouchers, and a portion would be used for quality initiatives in the local community/ county where donations are received. This allocation of funds would support activities state-wide and allow corporate donations to be returned to the local community.

HOW COULD THIS BE ESTABLISHED IN ARKANSAS?

Legislation could be developed to establish a fund that would allow donations and grant funds to be matched by general revenues up to a maximum cap annually. Additionally, to encourage corporate participation, legislation could include an offset for corporate donations at a level of 50% of the donation.

WHERE WOULD THE FUND GET ITS DOLLARS?

Funds could come from direct solicitation, private donations from individuals, foundations, businesses, grant funding and state funds could be accessed. A portion of the TANF Block grant dedicated for quality child care could be transferred to the fund. Interest gained on the Arkansas Guarantee Loan funds investment could be transferred annually to the fund. A substantial one-time state appropriation could be established with the monies being invested and drawing interest to ensure an on-going funding source.

WHO WOULD ADMINISTER THE FUND?

The Division of Child Care and Early Childhood Education in consultation with the Arkansas Early Childhood Commission would establish a committee to review the procedures for use of the fund. This fund would be a unique public – private partnership, administratively located within the Division, but having a committee with expertise in early care and education and business issues as an advisory group.

DIVISION OF CHILD CARE AND EARLY CHILDHOOD EDUCATION CORPORATE/EMPLOYER SPONSORED CHILD CARE SURVEY RESULTS

In response to recommendations from the Arkansas Corporate Champions for children initiative, the Division of Child Care and Early Childhood Education completed a survey of employers in Arkansas who are currently offering on-site child care for employees. We identified eleven sites across the state and were able to obtain responses to our survey from all eleven sites[1].

From these surveys, we were able to gather the following information related to corporate/employer sponsored child care centers:

1. When did your on-site employer-sponsored child care program begin operation?

The oldest program began in 1968 and the most recent program started in 1999. Program start dates include the following:

1968 - 1 1977 - 1 1984 - 1 1986 - 1 1987 - 2 1990 - 1 1991 - 2 1995 - 1 1999 - 1

2. How many children are currently being cared for in the program?

Most of the employer-sponsored programs tend to be larger, with enrollment ranging from a high of 240 to a low of 10 children. Enrollment fall into the following categories:

10 - 49	-	1 center
50 - 99	-	3 centers
100 - 149	-	3 centers
150 - 199	-	0 centers
200 - 250	-	4 centers

3. Do you serve non-employee children?

Most of the employer-sponsored programs serve children other than those of their employees, but there are some difficulties. One employer states that they had allowed this initially, but it created a difficultly for them when new employees were placed on a waiting list while non-employee children who were previously enrolled were allowed to continue in the program. They finally had to eliminate non-employee enrollments. The following responses were received:

Yes - non-employee allowed	7
Yes, but very limited	2
No non-employees allowed	2

4. Do you operate the program or is the program out-sourced to someone else to operate?

Most of the programs were operated directly by the company, but several had agreements established with child care providers to provide services. The following numbers were totaled:

Employer-operated	9

5. What are the benefits your company/business has gained through this program?

Overall, most employers view the child care as a benefit for employees that positively affects recruitment and employee satisfaction. A summary of benefits mentioned follows:

Recruiting tool	7
Employee satisfaction and relations	7
Convenience for staff - contact with child	5
Benefit - cost discounts	4
Retention/stabilization	2
Reduced absenteeism	1
Extended shifts	1

One employer stated that they recently had a recognition ceremony at their company. She noted that at least one-third of the employees who were recognized for over 10 years of service had been consumers of their child care services.

6. What are the difficulties you have experienced in operating the child care program?

Overall, the difficulties described were similar to those most providers experience, with financial limitations and the need for increased funding for hiring and retaining quality staff mentions most consistently. Several of these providers mentioned their concern about how other providers who do not have corporate assistance could possibly meet quality and other standards, since they find it extremely difficult to do so with corporate support. The following difficulties were mentioned in the survey:

Money limited for program	3
Accountability to company administration for costs	3
Meeting child care regulations	3
No difficulties noted	3
Need additional staff salary funds	2
Hiring and keeping quality staff	2
Staff limit work hours so their money from other funding sources will not be reduced	1
Change to employee-only services disrupted care	1
Parent involvement	1

7. If you do not currently offer an on-site child care program do you offer any other child care related benefits to your employees?

All of these programs were on-site or directly adjacent to employment site. One employer mentioned that they offer a flexible spending account option to parents for payroll deduction of child care costs in addition to their on-site care.

8. What if any, type of tax credit/incentive would be of assistance to you in offering child care as a benefit to your employees?

Many employees felt some form of tax credit would be of benefit to their employees. The following specific responses were noted:

Tax credit to employers for quality care	3
Subsidy directly tied to staff salary increase	3
Higher tax credit for employees	2
Subsidy to attain quality accreditation	1
Tax credit for providers/centers	1
Subsidy for more highly educated staff	1
Pre-pay for parents	1
Not sure	1

9. What would need to be available for your firm/business to get involved in offering some form of assistance to your employees in the child care area?

The comments for this section, which were widely varied, included the following:

Already offering reduced fee	2
Feel they are already doing this	2
Quality tax incentive	1
Tax break for employer not useful - tax exempt	1
Access CDA scholarship and training grants	1
Already offer payroll deduction	1
Money for staff time to work on this	1
Cash awards for employees	2
More grants for operating expenses	2
Family service person/case manager services	1

Conclusions:

Employers who offer child care for their employees view this as a benefit for their employees and feel that this benefit contributes most to recruitment, employees satisfaction, and staff retention. The many difficulties they note are similar to those of child care providers in other settings, such as hiring quality staff and meeting regulations. They have additional pressures form accountability requirements by the employer for funds that are already very limited. Many feel that some form of tax credit would be helpful, and several noted they would like to see funds allocated directly to subsidize staff salaries.

[1] One additional corporation responded to portions of the survey, but indicated they were not presently an on-site, corpo rate-sponsored program. The land for the initial start-up of the center was donated by a corporation, and in exchange for that donation, the center continues to accept corporate employees children at a discounted rate. Currently only 3 corporate discounted children are enrolled, with the center's total enrollment listed at 165 children.

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Family Friendly Workplace Survey Results

The Arkansas Corporate Champions for Children, a Governor-appointed group of business and faith-based leaders, asked the Division of Child Care and Early Childhood Education to determine the status of family-friendly policy for employees in Arkansas. A survey was distributed to the top five employers in each county. The response rate for the survey was 38%, with 339 employers receiving surveys and 127 responding. From their responses, we calculated the following percentages of employers offering each of the listed services for their employees:

86%	Maternity/Paternity Leave
51%	Cafeteria Benefits
45%	Wellness/Health Programs
44%	Part-time Schedules
41%	Employee Assistance Programs
31%	Flextime
24%	Partnership programs with schools
21%	Corporate Foundation Giving
13%	Would like assistance developing family-friendly program
13%	Dependent Care Assistance Plans (DCAPS)
12%	Flexplace (working away from the office)
10%	Spouse Employment Assistance
9%	Job Sharing
9%	Child Care Resource & Referral Services
6%	Sick Child Care
6%	Work-Family Support Groups
5%	Other
4%	Dependent Care Support
4%	Worksite parenting programs
4%	Vouchers/Assistance Paying for Child Care
3%	Discounts for Child Care
2%	Child Care Center or Consortia
2%	Work-Family Coordinator

According to this survey, most of the top employers across the state include maternity/paternity benefits for their employees, but there is far less opportunity for parents to take advantage of other family friendly options. Only half of the employers offer cafeteria benefits. Only 13% offer department care assistance plans, and other desirable care options such as discounts, work-based centers, and assistance with payment for care are offered by less than 5% of the employers.

Only 13% of the employers responding expressed a desire for assistance in developing family-friendly workplace policies. It is clear that some educational and promotional efforts will be needed to increase employer awareness and involvement in these options.