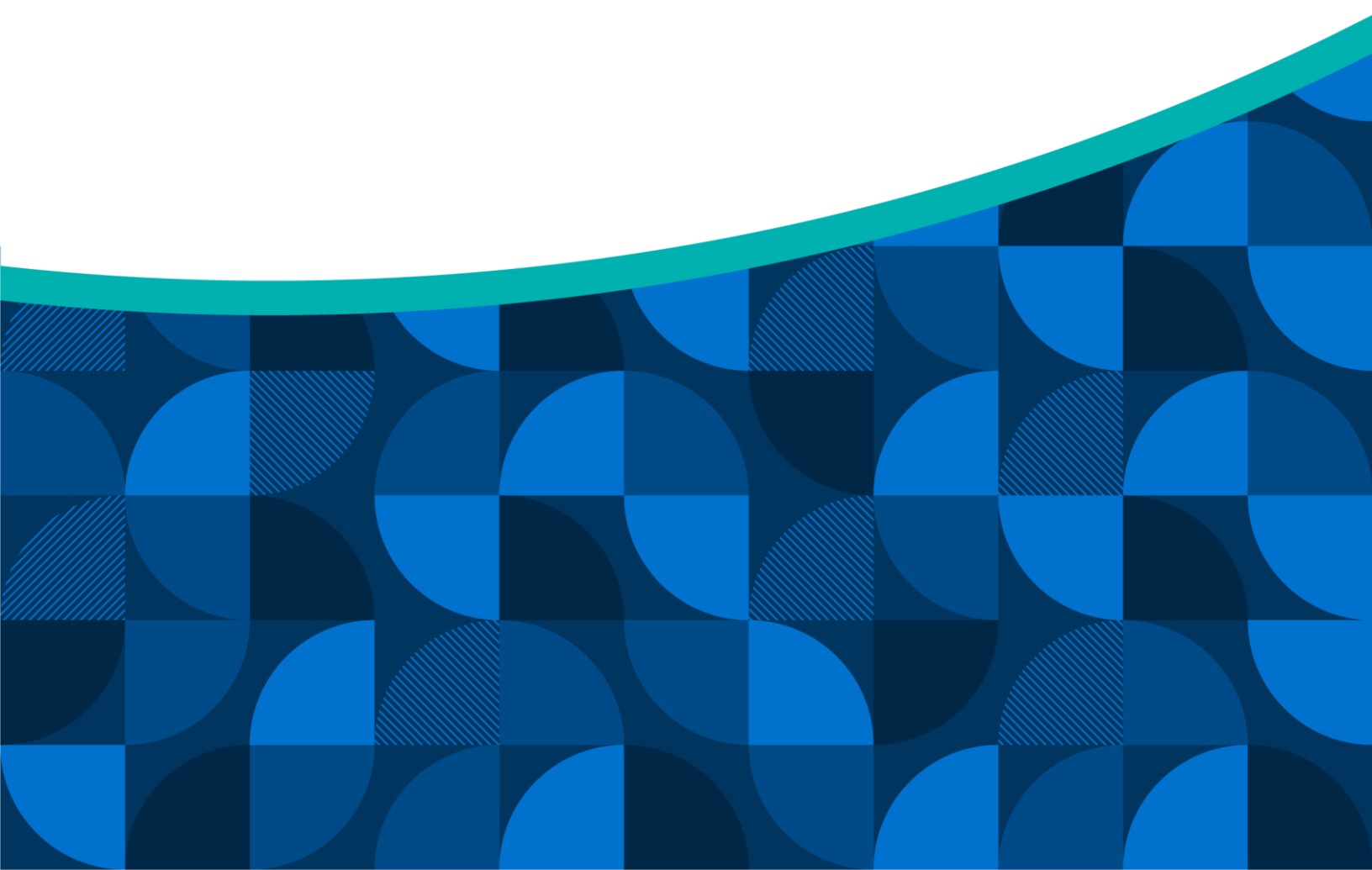




DISTRICT LEADERSHIP FORUM

# Initiating an Employee Childcare Program

March 2023



# District Leadership Program

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# 1) Executive Overview

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## Key Observations

Based on our findings, we share four important insights below for consideration:

**View employee childcare programs as an employee benefit, rather than a moneymaking venture.** While all profiled districts charge tuition for their childcare programs, districts also work to keep those prices as low as possible for employees because they view their programs as an employee benefit. Contacts at District C reveal they aim to break even on their childcare program, and contacts at District D work to ensure their childcare tuition is lower than other local options. Contacts at two profiled districts, District A and District B, report that they are willing to run their childcare programs at a deficit to provide a low-cost service to employees.

**Distribute surveys to gauge employee interest, estimate potential childcare center size, and obtain stakeholder buy in.** Contacts at two profiled districts, District A and District B report sending surveys to better understand employee interest in a potential district-run childcare center. District A sent both a preliminary survey to determine general interest and a follow-up survey to obtain more specific information about the number and ages of employees' children. District B began their childcare program with 3- and 4-year-old children before later expanding to accept infants and toddlers. As such, their initial survey inquired about employee children ages 3 and 4. Additionally, these surveys allowed contacts at District A to demonstrate childcare demand to important district stakeholders, which ultimately helped them gain approval for the project.

**Hire an experienced childcare director to lead the project and manage regulatory hurdles.** Three of four profiled districts had access to a childcare expert when establishing their employee childcare program, which allowed them to better understand and comply with necessary regulations. Both District B and District D had connections to childcare licensing experts to aid them when establishing their childcare programs. District A had no connection, and instead hired an experienced childcare director early in their planning process. Not only was this childcare director aware of state regulations, but they were also able to assist in other aspects of the planning process, such as creating a budget. Unlike other profiled districts, District C hired an internal candidate as their childcare director. This internal candidate did not have the typical training or expertise of an outside childcare director. Contacts at District C suggested that, were they going to open a childcare center for the first time again, they would hire an experienced outside childcare director instead of promoting internally.

**Prepare to overstaff to meet strict staff-to-child ratios.** Contacts at two profiled districts explained that strict state regulations on staff-to-child ratios, coupled with specific childcare staff training requirements make it difficult to run a childcare center with the minimum number of staff. Contacts at District D note that unlike other parts of the district, the training requirements for childcare staff mean that directors cannot pull untrained workers to fill-in for absent childcare workers. In turn, contacts at District A report this means that childcare centers must always be slightly overstaffed to ensure continued operation in the event of worker absence.

## 2) Planning an Employee Childcare Program

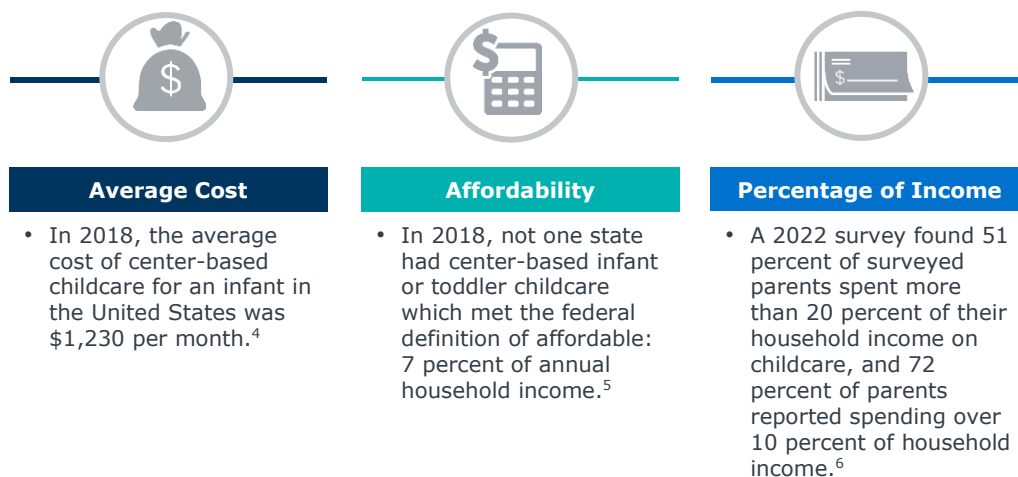
### Childcare's Impact on the Teacher Shortage

#### Lack of Affordable Childcare Drives Teachers Out of the Workforce

Childcare accessibility has become a prominent issue across the U.S. over the last five years. One 2018 report found that licensed childcare for infants and toddlers was unaffordable for most families.<sup>1</sup> Economists describe the private childcare industry as a "classic market failure" wherein the price point for a good or service is too expensive for consumers, and yet also too costly for the providers.<sup>2</sup>

As childcare grows increasingly unaffordable for many families, it also has become increasingly scarce in many places. Recent research reveals the childcare shortage has only increased since the onset of the COVID-19 pandemic.<sup>3</sup> Childcare workers (mostly underpaid women of color) have not returned to the childcare profession amid a tight labor market, instead moving to other industries with better pay.

#### Childcare Proves a Major Expense for Families



Additionally, another report finds the high cost, limited availability, or inconvenient program hours of childcare programs force parents out of the workforce at an "alarming" rate.<sup>7</sup> This burden disproportionately affects mothers, who tend to leave the workforce at higher rates than fathers when childcare difficulties arise. This dynamic substantially contributes to systemic labor shortages in workforces largely comprised of women (e.g., teaching, nursing), which experience greater shortages as the women in those professions must choose between finding someone to watch their children or keeping their jobs. Twenty percent of teachers have children under the age of five, making this crisis particularly acute in the education industry.<sup>8</sup>

Furthermore, teacher salary scales typically preclude the ability to pay over \$1,000 a month in childcare costs. Even if local childcare center spots are available, would-be

1) <sup>1</sup> "Understanding the True Cost of Childcare for Infants and Toddlers," Center for American Progress, November 15, 2018.

2) <sup>2</sup> "As Child Care Costs Soar, Providers Are Barely Getting By. Is There Any Fix?" NPR, December 16, 2021.

3) <sup>3</sup> "The Child Care Sector Will Continue to Struggle Hiring Staff Unless It Creates Good Jobs," Center for American Progress, September 2, 2022.

4) <sup>4</sup> "Understanding the True Cost of Childcare for Infants and Toddlers," Center for American Progress, November 15, 2018.

5) <sup>5</sup> Ibid.

6) <sup>6</sup> "This is How Much Child Care Costs in 2022," Care.com, June 15, 2022.

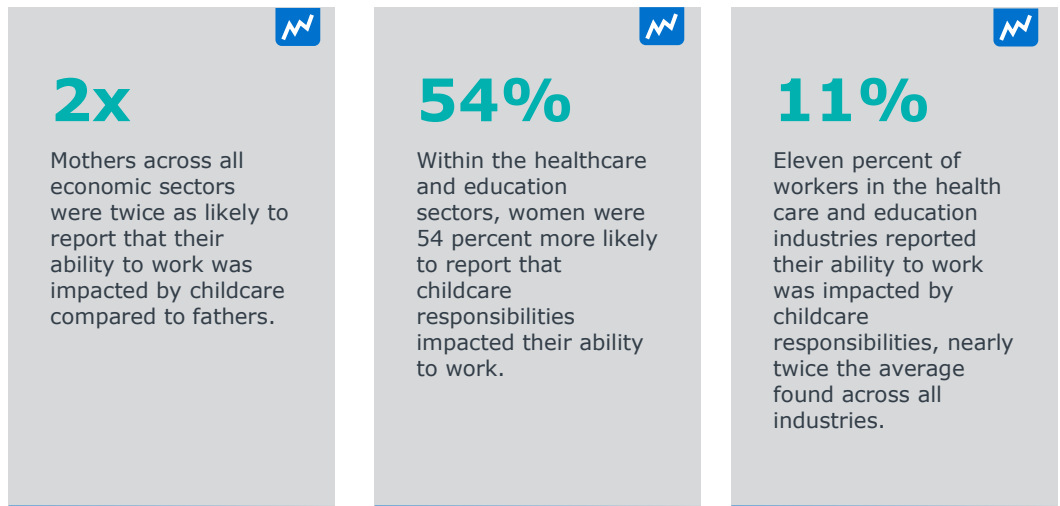
7) <sup>7</sup> "The Child Care Crisis Is Keeping Women Out of the Workforce," Center for American Progress, March 28, 2019.

8) <sup>8</sup> "Why K-12 Teachers and Their Students Need Investments in Child Care," Center for American Progress, June 8, 2022.

teachers may find it more cost-efficient to quit their jobs and stay home with their children rather than spend increasingly large proportions of their take-home pay on childcare.

### Childcare Shortage Disproportionately Impacts Education Industry

When analyzing data from the U.S Census Bureau and USC, The Century Foundation<sup>9</sup> found:



### Employee Childcare Programs Improve Staff Recruitment, Retention, and Morale

All four profiled districts confirm their employee childcare programs have proven beneficial for teacher recruitment and retention, and three out of four began their programs with these goals in mind (District D started their childcare program for the children of teen parents and expanded to employee children as teen parenthood declined).

Contacts at District D note the effectiveness of their childcare program at retaining teachers. Administrators at District C claim their program is a major selling point for prospective teachers and survey results show their childcare center keeps teachers in seat. Contacts at District A highlight the positive impact of their childcare program on overall teacher morale, and administrators at District B note that the program has created a feeling of gratitude among teachers toward the district.

See EAB's [Teacher Morale Resource Center](#) for more information.

Boosting morale is an essential part of teacher recruitment and retention efforts. EAB investigated the state of teacher morale in 2022 and found that teacher morale was at an all-time low across the country, causing disruptions in pandemic recovery initiatives, teacher absenteeism, and decreased quality of instruction. Additionally, EAB found districts' current investments to improve morale (e.g., expanding wellness programs, increasing teacher appreciation efforts) had proved largely unsuccessful.

EAB found low-cost, low-effort morale initiatives (e.g., pizza parties, a focus on self-care) ineffective. Instead, districts can show they value their teachers by starting real initiatives with proven results. EAB's Teacher Morale Collaborative outlined six key threat areas facing teacher morale. Of those six, providing employee childcare addresses three key issues.

<sup>9</sup> "How the Child Care Crunch Is Driving Nursing and Teacher Shortages," The Century Foundation, December 8, 2022.

## Employee Childcare Addresses Three Teacher Morale Threat Areas



### Personal Safety and Belonging

By reducing the potential stress of gaining access to an affordable childcare, districts demonstrate their commitment to teachers and their well-being.



### Time and Resources

By providing accessible, low-cost childcare, districts demonstrate how much they value teachers' time and put money back in teachers' pockets.



### Leadership Trust and Values Alignment

By establishing an employee childcare program, district leaders demonstrate their commitment to employees and build trust in their leadership.

Additionally, contacts at District C noted that their childcare center helps recruit and retain not only teachers, but other non-instructional staff as well. Districts nationwide struggle to hire a wide variety of support staff (e.g., food workers, janitorial staff, bus drivers).<sup>10</sup> The promise of low-cost, guaranteed childcare proves a major benefit for districts struggling to recruit and retain non-teaching staff.

### *Additional Benefits of Employee Childcare Programs*



**Less time commuting.** If districts select a central location to house their childcare center, employees will be better able to drop off their child on their way to work, and are more likely to decrease their commute time.



**Academic alignment.** Employees can feel confident not only that their child is safe and well taken care of, but that the district's childcare program provides children with the academic and social skills to succeed in the district's schools.



**Creating community.** As employees' children play together, they form friendships and bonds that bring their parents together.

## Establishing Childcare Project Parameters

### Distribute Surveys to Gauge Employee Interest and Estimate Potential Childcare Center Size

To begin scoping a potential childcare center, administrators at two profiled districts used surveys to gauge employee interest in a potential employee childcare program. Administrators at District A sent out both a preliminary and a follow-up survey to employees when first considering the project. The preliminary survey asked employees if they would be interested in a low-cost, district-run childcare center. Any employee who completed that survey received a follow-up survey, which asked them how many children they had and their children's ages. This second survey provides districts with the opportunity to obtain more specific information about the number and ages of employees' children.

<sup>10</sup> <sup>10</sup> "Schools Across the Country Are Struggling to Find Staff. Here's Why," *PBS News Hour*, November 23, 2021.

## ▶ Use Survey Results to Obtain Stakeholder Buy-In

To move ahead and begin establishing an employee childcare program, administrators must secure approval from the appropriate district leadership teams. In order to obtain stakeholder buy-in at their district, administrators at District A shared the overwhelmingly positive response to their investigative surveys, which demonstrated strong employee interest in a potential childcare program.

These data give districts a rough sense of how many childcare spots would be necessary to fully serve their employees. Currently, District A has 80 spots in their childcare center, District B has 78, and District D has 90 (though the district reserves some of those spots for children of teen parents).

Administrators at District B also used a survey to determine employee interest. However, since they began their childcare program by only accepting 3- and 4-year-old children, their survey only inquired about employees' children in that age range. Seeing strong demand for their 3-to-4-year-old offerings, administrators at District B expanded their program to accept infants and toddlers as well.



### **Waitlists Can Deter Candidates**

Understanding how many children could potentially attend the childcare center is crucial to a childcare program effectively recruiting and retaining employees. District D has a waitlist for their childcare program, and contacts in the district note that newly recruited teachers may renege on their job offer if the childcare center lacks a spot for their child(ren). As such, it may prove better for recruitment to only offer childcare for a subset of children (e.g., 3-year olds, infants) rather than have a long waitlist for children of all ages.

## **Select a Potential Location Using Capacity Data**

Once profiled districts had a sense of how many children the childcare center might serve, they were able to consider options for a childcare center location. Capacity, the ability to expand (discussed further on page 14), and location within the district all factor into that decision. For example, when District A was deciding between two potential locations for their childcare center, they ultimately selected the one more centrally located within the district to minimize commuting time for all employees.

Additionally, all four profiled districts repurposed existing spaces among their school buildings for their childcare program rather than constructing new spaces. Three profiled districts used spaces constructed with young children already in mind. District C converted an old preschool building into their childcare center, while District B's preschool and childcare center are in the same building. District A used some unused space in a newer elementary school building for their childcare center. Unlike other profiled districts, District D's childcare center is located in a converted middle school building, which also contains office space.



## Qualities to Look for in Potential Childcare Center Location

- ✓ Centrally located in the district and easy to access for all employees
- ✓ Access to a fenced-in play area
- ✓ Classrooms that directly connect to bathrooms
- ✓ Room for expansion
- ✓ Fridges and sinks for food
- ✓ Capacity for the children of all interested employees

## Estimate Childcare Center Start-Up Cost to Determine Project Budget and Obtain Stakeholder Buy-In

Estimates regarding the cost of beginning a childcare program varied widely due to different renovation needs among profiled districts. Contacts at District C noted that employee childcare programs have high up-front costs, but that these costs even out over time. Additionally, accurately estimating the cost of an employee childcare program was crucial for contacts at District A to obtain stakeholder approval to begin establishing an employee childcare program.

Three profiled districts managed to stay within their estimated budgets for their employee childcare programs. Administrators at District C estimated their program's capital costs totaled roughly \$40,000 and that they stayed within that budget. District B waited to open their childcare program until they had about \$800,000 saved for the project, and they also stayed within budget. Contacts at District B attribute part of their success in staying on budget to setting aside some money for any forgotten incidentals (e.g., tissues) after opening. Administrators at District A hired an experienced childcare director to help create their budget and thus they also did not go overbudget. However, contacts at District D revealed that despite having the largest budget of around \$1 million (due to greater renovation needs), they did ultimately go over budget due to initial underestimation of playground regulatory requirements.

## Considerations for Estimating Project Cost



### One-Time Costs

- Renovating the childcare center based on licensing requirements
- Ensuring the childcare facilities have enough capacity for employee needs (and opportunity for expansion)
- Buying changing tables, books, and toys for the childcare center



### Ongoing Costs

- Hiring and training staff to meet licensing requirements
- Buying food for children which meets nutrition requirements (if applicable)
- Ensuring the childcare program has access to a school nurse (if applicable)
- Buying diapers, wipes, tissues, and other supplies

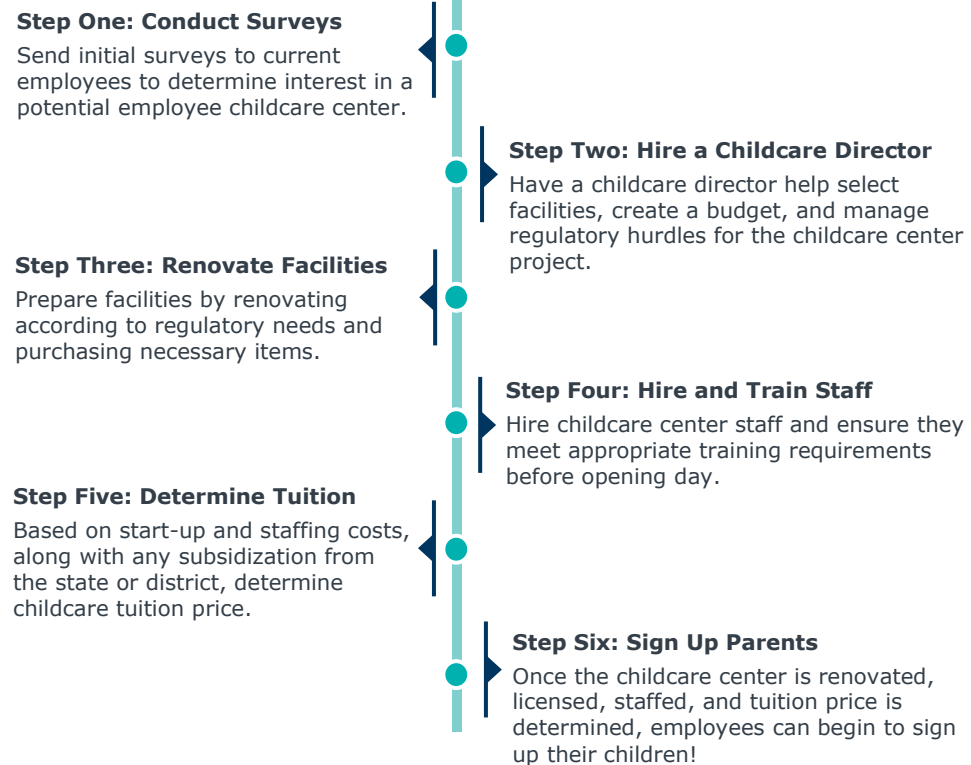
## Set a Project Timeline and Determine Project Leadership to Set Clear Priorities and Ensure all Tasks Are Completed for Opening

For more information on effectively setting project priorities and establishing timelines, see EAB's Project Planning Sheet in Appendix A.

In addition to determining capacity and cost, administrators looking to open an employee childcare program must determine a clear project timeline. Administrators at two profiled districts estimated it would take roughly a year to establish an employee childcare program, though in those two districts the entire process took longer. Contacts at District A confirmed that the childcare center only took one year to open, but that getting approval from district leadership took two years. Similarly, contacts at District B noted that because their employee childcare project was initially headed by someone unprepared to take on the project, the childcare center took two years to set up. Contacts estimated that had the project had strong leadership from the beginning, the process would have taken one year.

### Sample Employee Childcare Project Priority Timeline

*A non-exhaustive list of potential project priorities when opening a childcare center.*



### 3) Establishing an Employee Childcare Program

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#### Complying with Applicable Regulations

##### Profiled Districts Struggled to Comply with All Applicable State Childcare Center Regulations

All four contact districts struggled to comply with all applicable childcare regulations in time to open their employee childcare centers. While each profiled district mentioned several common hurdles when complying with regulations, every district experienced unique challenges as well.

For example, contacts at District A did not anticipate the food and nutrition standards that apply to childcare centers would differ so greatly from the standards for school-aged children. This difference became an unanticipated cost in the first year of operation for their childcare center. This new cost forced administrators at District A to raise tuition in the second year of operation to cover those additional costs.

Administrators at District C also failed to anticipate a requirement that impacted their first year of operation. Contacts at District C report that they did not fully understand the breadth and extensiveness of staff training requirements necessitated by regulations. As such, just before opening their childcare center, state regulators informed them that they lacked a “master teacher” (i.e., a teacher in a childcare program who is qualified at a higher level than other staff through training, certification, or experience) and would be prevented from opening.<sup>11</sup> To open on time, an administrator overseeing the project had to hastily submit her teaching qualifications and serve as the master teacher during the first year of operation—in addition to her administrative duties.

Administrators at District B had difficulties keeping their childcare center open during the COVID-19 pandemic due to the childcare regulations coming from the state rather than the local level. That meant that even if the schools were open under local ordinances, they were not always able to open their childcare center for the children of those in-person teachers.

For more information about childcare center licensing requirements by state, see: [The National Database of Child Care Licensing Regulations.](#)

When District D moved their existing childcare operation to a new building, they were forced to delay opening due to a regulatory misunderstanding. Unlike other profiled districts, District D first established their childcare program many years prior for the children of teen parents. As a result, they had been licensed by the state for many years, and did not realize that they would need to be re-licensed when they moved locations. This re-licensing process delayed their re-opening.

<sup>11</sup> <sup>11</sup> “Resource Guide: Child Care Workforce Qualifications, Training, and Professional Development,” U.S. Department of Health and Human Services, November 2018.

## Common Facility Regulations Across Profiled Districts

While state and local ordinances required each profiled district to conform to slightly different regulations, contacts frequently reported similar regulatory hurdles when it came to complying with regulations for physical facilities.



### Doors

Two profiled districts specifically mentioned renovations to doors.



### Bathrooms

Two profiled districts mentioned bathroom access in every classroom requiring renovation.



### Sinks

Two profiled districts mentioned sinks as necessary for childcare centers.



### Fenced-in Playgrounds

Two profiled districts mentioned specific playground requirements.

## To Manage Regulatory Hurdles and Establish Project Leadership, Hire an Experienced Childcare Director

Three of four profiled districts had access to a childcare expert when establishing their employee childcare program, which helped them understand their local regulations and requirements. Administrators at District B had an expert on Texas childcare regulation compliance on their school board, while contacts at District D knew their local licensing representative through their years operating a childcare center for children of teen parents. Both connections helped the profiled districts with questions or clarifications on their respective state childcare regulations. Administrators at District A hired an experienced childcare director early in their process, which they found invaluable, as the director's knowledge of childcare regulations and operational needs allowed her to create a list of all the objects required in each room of the childcare center along with their expected cost. District B's childcare director occasionally steps in to work in the childcare center when understaffed, and District D's childcare director and assistant director also fill in when necessary.

Unlike other contact districts, administrators at District C hired an internal candidate as their childcare director, not realizing childcare directors require very specific training to be licensed by their state. Consequently, the internal candidate was hampered by the demands of extensive additional training. This also meant District C did not have access to an expert or an experienced childcare director and struggled to ensure compliance with all state regulations in time for opening. Administrators at District C suggested that, were they going to open a childcare center for the first time again, they would hire an experienced outside childcare director instead of promoting internally.



"I've been in education since 2000 and I have been a teacher in all kinds of different roles. I've been a principal, I've been a district administrator. Opening the childcare center was literally the hardest thing I've ever done in my career."

- Contact at District C

## Build Extra Time into the Project Plan Before Opening to Ensure Compliance and Avoid Delays

As mentioned above, both District C and District D were forced to delay opening their employee childcare centers due to compliance issues. To avoid this, districts should ensure they have plenty of time between official state licensing and opening of their childcare centers. Delays in opening can impede successful training of staff and force district employees who were relying on childcare to find alternative options (including staying home from work to watch their children). As such, staying open is necessary not only to give district employees effective childcare, but also to ensure those employees can continue to come into work.

### ▶ **Maintain Up-to-Date Records to Ensure Continued Regulatory Compliance**

Administrators at District C note the importance of good record keeping as a necessary component of continued compliance with applicable childcare regulations. While a district's childcare center may receive the greatest level of scrutiny from regulators before opening, keeping good records of staff trainings, facilities updates, and other requirements will help districts maintain their childcare license in the long-term and expedite the license renewal process.

## Facilities Considerations

### **To Keep Start-Up Costs Low, Consider Repurposing Existing Facilities and Unused Items**

While the cost and scale of the required renovations varied by district, all profiled districts effectively met state regulations in their repurposed spaces. Additionally, administrators at District B described their efforts to relocate unused items from across their schools to the childcare center to lower start-up costs. For example, while the district had recently added fold-down changing tables to their elementary school buildings, many schools still had standing changing tables that were not being used. The District B administrators transferred these unused changing tables to the childcare center, lowering the number of changing tables they needed to purchase.

### ▶ **Ensure Facilities Fulfill Worker Needs and Regulatory Requirements**

Profiled districts renovated their selected childcare center locations extensively and acquired a myriad of necessary items to become operational. However, some districts went beyond state regulations to make their spaces as useful for childcare staff as possible. For example, administrators at District B added a large window between the childcare director's office and the main childcare room to give the director an easy view of the childcare room.

## **Design Facilities with Expansion in Mind to Accommodate Future Growth**

Currently, two of four profiled districts are looking to expand their childcare centers. Administrators at District A report their childcare program currently serves about 80 children, and they are looking to expand to another building next year to double their capacity to 160 children. Administrators at District B report their childcare center currently serves roughly 80 children and that they are also looking to expand into another building in the coming years due to growing employee demand.

Contacts at District D noted that their long waitlists prevent their district from claiming the childcare center as a benefit when recruiting teachers. Contacts reported that this long waitlist stemmed from an inability to expand their childcare program due to both staffing and facility constraints. As a result, districts looking to open a new childcare program should design their facilities with expansion in mind to allow for further program growth and avoid waitlists. Districts can also integrate expansion plans into their interest surveys, allowing for more precise forecasting of future demand.

## 4) Operating an Employee Childcare Program

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### Calendar and Hours

#### **Match Childcare Center Calendar to School Calendar to Ensure Consistent Care Availability and Attract Workers**

Three profiled districts highlighted the importance of aligning the childcare center calendar to the general school calendar. This alignment ensures that employees always have access to childcare on days they work. Further, having summers off serves as a potential recruitment tool for childcare center staff.

District D's childcare center is open all 187 days that school is open. The childcare director at District D also has childcare staff come in three days before the school year begins for training. Contacts at District B highlight the importance of not only keeping the childcare center open throughout the calendar school year, but also any time employees were working. For example, District B keeps their childcare center open on teacher professional development days, to highly positive feedback from both teachers and principals. Before childcare was available on those days, many teachers brought their children with them to professional development sessions, which resulted in distraction and forced principals to constantly refocus the group on the training material. Now, with children occupied at the childcare center, teachers are better able to focus and can spend more time engaging with professional development content.

Additionally, because many private childcare centers operate over the summer, administrators at District A report matching the childcare center and school calendar proves an attractive benefit for childcare staff and a differentiator in recruitment. Consistent, structured time off over each summer is an appealing benefit for many workers, and as a result, operating on the school year calendar helps District A fill childcare center staff positions.

#### **Provide Buffer Time for Parents by Keeping the Childcare Center Open Before and After School Hours**

While the childcare center yearly calendar should match the school calendar, the childcare center's hours must extend beyond regular school hours. Contacts at District C note that for parents to drop off and pick up their children while still working a full school day, childcare centers need to open at least an hour before and close at least an hour after the regular school day. However, contacts at District C also note that staffing these additional hours can prove challenging.

#### **▶ Hire High Schoolers as Hourly Childcare Workers**

Contacts at District C report hiring local high school seniors for hourly roles at their childcare center. While these workers still require training and certification in compliance with state regulation, there are many benefits to hiring student workers. For example, students may be more willing to work shifts before and after the traditional school day than other childcare workers. Additionally, districts may be able to use the childcare center as an opportunity for work experience through career and technical education programs.

## Hiring and Training Childcare Center Staff

### Pay Staff on the Paraprofessional Scale to Fill Roles

While administrators at District A and District B report no trouble hiring childcare center staff, contacts at District D struggle to fill enough roles to remain functional. Difficulty hiring childcare staff is not unique to public school districts. In fact, lack of available staff is a major driver of the existing childcare shortage. Research demonstrates that childcare workers are some of the lowest-paid workers in the United States and some of the least likely to receive benefits from their employer.<sup>12</sup>

To hire enough childcare workers to staff their childcare center, contacts at District D note their district pays their childcare staff on the same scale as paraprofessionals, which helps make the roles competitive when compared to other local childcare providers. However, even with this competitive pay, contacts report they still struggle to find enough workers.

Administrators at District A credit their competitive wage with helping them hire enough childcare workers to staff their childcare. Additionally, administrators at District A note matching the childcare center calendar to the school calendar is another benefit unique to school districts that made them an attractive employer for childcare workers.

### Prepare to Overstaff to Accommodate Strict Staff-to-Child Ratios

Two profiled districts report difficulties in obtaining enough staff to maintain the strict staff-to-child ratios their state regulations required. Contacts at District D and District A mention their difficulties in keeping a full staff since the onset of the COVID-19 pandemic, which reflects nationwide labor trends, with many workers leaving the childcare industry.<sup>13</sup>

However, these staffing issues prove particularly troublesome for childcare centers because of the strict training requirements and staff-to-child ratios mandated by regulators. As contacts at District D explain, due to these training requirements, childcare directors cannot simply pull staff from other parts of the district to substitute when childcare workers take time off. This means that districts must have access to substitutes who meet necessary training requirements.

According to contacts at District A, this in turn means that childcare centers must be slightly overstaffed at all times to ensure continued operation in the event of an unplanned worker absence. Without enough qualified, trained childcare workers to meet staff-to-child ratios, childcare centers cannot legally operate, meaning district employees would have to take their children home in the event of too many absent childcare workers. Contacts at District A emphasize the importance of not closing their childcare centers but admitted that overstaffing goes against the conventional wisdom for many district administrators.

12)<sup>12</sup> ["The Child Care Sector Will Continue to Struggle Hiring Staff Unless It Creates Good Jobs,"](#) Center for American Progress, September 2, 2022.

13)<sup>13</sup> Ibid.



## Train Staff Together at the Beginning of Each Year to Keep Qualifications Up to Date

As mentioned above, while training requirements for childcare workers vary by state, ensuring staff meet said training requirements is essential to running a functional childcare center. All profiled districts work with childcare staff to ensure all required trainings are met. Contacts at District A estimate that it takes about \$4,000 to hire, onboard, and train new childcare workers.

Contacts at District D report that their childcare staff receive training before opening the childcare center at the beginning of the school year, in addition to both online and in-person training options throughout the year.

While contacts at District C mention that childcare staff was eager for training before their childcare center first opened, they have found that finding time to train staff can prove difficult throughout the school year. To that end, matching the childcare center's calendar with the school calendar allows for ample staff training opportunities over the summer.

### Examples of Required Training and Certifications<sup>14</sup>

*A non-exhaustive list.*

#### Health and Safety Trainings

- Prevention and control of infectious diseases (including immunization)
- Use of medication
- Child development, physical activity, and nutrition
- Safe sleep practices and prevention of sudden infant death syndrome
- Recognition and prevention of child abuse and neglect

#### Certifications

- Master Teacher
- Pediatric first aid
- Pediatric CPR
- Child Development Associate (CDA)

## Determining Tuition Pricing

### View Childcare Programs as an Employee Benefit, Rather than a Moneymaking Venture

While all profiled districts charge tuition for their childcare, districts also work to keep those prices as low as possible for employees, viewing their childcare programs as an employee benefit. Administrators at District C aim to break even on their childcare program, not make a profit, and their tuition prices remain considerably lower than the average costs in their area. Contacts at District D also work to ensure their childcare tuition is considerably lower than other local childcare options.

Contacts at both District A and District B note that they are willing to run their childcare programs "in the red" (i.e., at a deficit) in order to provide a low-cost service to their employees. Administrators at District B's goal was to price their childcare at a point that offers significant savings to their employees, while administrators at District A consider their childcare program to be an employee benefit, similar to healthcare coverage.

<sup>14</sup> <sup>14</sup> ["Health and Safety Requirements," U.S. Administration for Children and Families.](#)

## Tier Childcare Pricing by Age Group to Account for Higher Care Burden of Younger Children

All profiled districts establish tiers for childcare tuition by age group, with younger children having higher tuition costs. However, profiled districts differ in the details of their pricing models. Contacts at District D report charging employees a daily rate, the price of which depends on the age of the child. District D's tuition rate covers food costs (i.e., a breakfast, hot lunch, and snacks) as well. Administrators at District A report options for both weekly rates and "drop-in" daily rates. Contacts at District C report charging parents by week, while administrators at District B report charging by month.

Three profiled districts also charge an enrollment or registration fee. Contacts at District B, District, C, and District D all report charging an enrollment fee, Administrators at District B report charging a supply fee alongside their enrollment fee.

## If Applicable, Consider Applying for Grant Funding to Lower Prices

Two profiled districts, District D and District A, receive state grant funding for their childcare programs. This grant funding allows both districts to lower the tuition charged to parents.

A [childcare desert](#) is "any census tract with more than 50 children under the age of 5 that contains either no childcare providers or so few options that there are more than three times as many children as licensed childcare slots."

Contacts at District D report that they receive a variety of grants for their childcare center, which help reduce the costs of running the childcare program. Administrators at District A also report that they receive state funding for their childcare program from a variety of grants for which their childcare director applies. Most recently, they have applied for a "childcare desert" grant. Their state provides grant money to licensed childcare centers in childcare deserts across the state.<sup>15</sup> These grants help keep the costs of running the childcare center low and allow District A to reduce tuition costs. Contacts at District A note that they have received more grants the longer they have been in operation.

## To Offset Losses from a Childcare Program, Reallocate Funding from Afterschool Care Programs

Two profiled districts use funds from their afterschool care programs to help offset the costs of their childcare programs. District C used funds from their profitable before-and-after school care program to offset the initial start-up costs of opening their employee childcare program.

District B built up an \$800,000 surplus from their afterschool program to establish their employee childcare program. District B continues to use the yearly surplus from their afterschool program to pay for their employee childcare program. Contacts at District B credit this alternate source of funding for their low tuition costs for employees.

## Offer Employees the Option of Paying for Childcare Directly from Their Paycheck to Simplify Transactions

Two profiled districts use payroll deductions to take childcare tuition directly out of employees' paychecks. This minimizes the number of necessary transactions between

15)<sup>15</sup> "America's Child Care Deserts in 2018," Center for American Progress, December 6, 2018.

districts and employees. District D payroll deducts tuition payments monthly. In contrast, District C uses a system that deducts childcare tuition evenly over all paychecks. Contacts at District C report that this method avoids employees having to pay a larger lump sum and instead evens out the cost over a longer period. Similarly, deducting tuition directly from paychecks in a manner similar to insurance premiums or retirement contributions can reinforce the sense that district-provided childcare is a true employee benefit.

### **Measure Employee Childcare Program Success via Surveys**

*Contacts at District B use their yearly survey to ask about the childcare program. They also use their yearly survey to obtain additional demographic data to better understand future childcare capacity needs.*

#### **Include Childcare Program Questions on Yearly Survey**



Do you have children enrolled in our employee childcare program?



Do you have children you are looking to enroll in our childcare center in the future?



Does our employee childcare program meet your childcare needs?

## 5) Future Opportunities for Childcare Programs

### Expanding an Employee Childcare Program

#### Expand Capacity and Availability to Provide a Better Service to Employees

Two profiled districts, District B and District A are planning to expand their employee childcare centers by moving into additional buildings. District B is a fast-growing district, with contacts reporting district growth rates of fifteen to twenty percent per year. To accommodate the growth of employee children without resorting to a waitlist, administrators are considering expanding their employee childcare center into a neighboring building. Administrators at District A reported recently expanding their childcare center into a second building as well. This move should double District A's childcare center capacity, from 80 children to 160 children.

Additionally, contacts at District A report that they plan to keep their childcare center open through part of the summer (June and July) for the children of teachers who teach summer school. However, as previously mentioned, many childcare workers view working the traditional school calendar as a benefit of working for a school district rather than a local childcare center. As such, districts struggling to hire or retain childcare staff should consider extending the calendar carefully.

### Community Involvement

#### Consider Accepting Children of Community Partners

Contacts at District A report that they had no desire to compete with local childcare providers, and most districts only accepted the children of district employees in their programs (except for District D, who also accepted the children of teen parents). This emphasis makes sense, as some local childcare providers have opposed districts' efforts to open childcare centers that compete with local businesses.<sup>16</sup> In California, for example, private preschool operators report concerns that universal preschool in school districts will result in fewer childcare workers at private preschools.<sup>17</sup>

#### To Reduce Community Pushback, Emphasize that District Childcare Is for Employees Only

- In 2019, a bill that would allow select New Jersey school districts to operate childcare centers was scaled back to a pilot program after public opposition.
- However, the pushback arose because these districts accepted children from the wider community, not just employees.
- To prevent a similar situation, districts should highlight that their childcare program is for the children of district employees only.

However, contacts at District A report that they have also begun to accept the children of the employees at some of their community partners. District A has partnerships with two local higher education institutions (one two-year junior college,

<sup>16)</sup> <sup>16</sup> "Bill Would Allow a Few Public Schools to Run Day Care Centers," *NorthJersey.com*, June 11, 2019.  
<sup>17)</sup> <sup>17</sup> "Child Cares Face a New Threat: Public Preschool," *Politico*, July 7, 2022.

and one four-year college), and now accepts the children of employees at those partner institutions as well. They report no community pushback from the move, which could be a result of their district being in a “childcare desert.”

## **Integrate Career and Technical Education in Childcare for High School Students**

To ensure they have enough childcare staff to comply with the required staff-to-child ratios, contacts at District c often hire high school seniors to work as hourly employees in their childcare center. These hourly workers can help fill in in the case of worker absences or work the before- and after-school shifts.

For more information on CTE, see EAB’s [Career and Technical Education-Focused High Schools](#) report.

Hiring high school seniors as hourly childcare workers also provides students with an opportunity for career and technical education (CTE) training. CTE programs provide a myriad of benefits, such as filling local employment needs in the community, higher graduation rates for students, and promoting an emphasis on real-world skills. CTE can also benefit districts by providing current students with the training and experience necessary to work in childcare. In doing so, a district is not only investing in the local economy by providing job training, but possibly growing their own childcare center’s future staff.

## 6) Research Methodology

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### Project Challenges

Leadership at a partner district approached the Forum with the following questions:

1. What motivated contact districts to start an employee childcare program?
2. What was the timeline of the creation of contact districts' employee childcare program?
3. Did contact districts build a new space, or update an existing space?
  - a. What were important facilities considerations when launching the program?
4. How did contact districts ensure compliance with applicable state and other regulations for their childcare programs?
5. Do contact districts accept all children of employees who are interested, or is there limited space?
  - a. How many slots are available?
  - b. If space is limited, is there an application process?
6. Do contact districts charge employees for this service?
  - a. If so, how did contact districts determine pricing?
7. How did contact districts ensure that the program was adequately staffed?
  - a. What is the childcare's staff-to-child ratio?
  - b. How do contact districts approach staff development (e.g., training, certification)?
8. Did the costs and resource allocation required to run this program align with contact districts' initial expectations?
9. What challenges did contact districts face when implementing this program?
10. How do contact districts measure the success of the program?
  - a. How has this program impacted contact districts' employee recruitment efforts, if at all?

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## Research Parameters

The Forum interviewed three administrators and one childcare director at four public school districts with employee childcare programs.

### A Guide to Institutions Profiled in this Report

<b>Institution</b>	<b>Location</b>	<b>Approximate Enrollment</b>
<b>District A</b>	South	7,000
<b>District B</b>	South	4,000
<b>District C</b>	South	4,000
<b>District D</b>	South	9,000

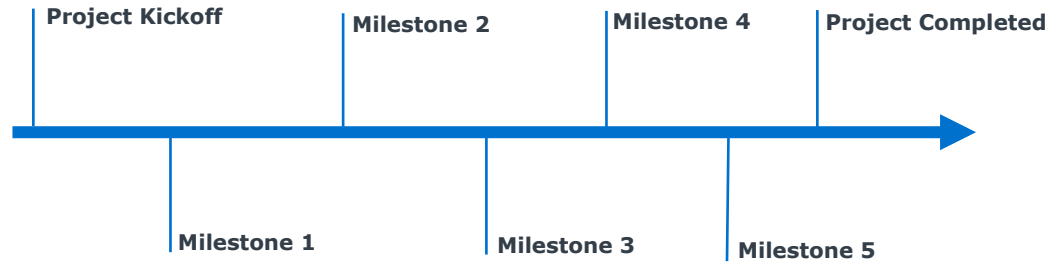


# 8) Appendix A

Page 3 of EAB’s Project Management Worksheet helps district leaders roadmap process goals.

First, define process goals and timeline. List the project milestones below and identify an appropriate timeline by which to achieve each milestone. Then, map major milestones on the project timeline chart.

### Project Milestones



Project Milestones		Date
1.		
2.		
3.		
4.		
5.		