

SILICON VALLEY WORKFORCE INVESTMENT NETWORK'S

# JOBS WITH A FUTURE

**SUCCESSFUL HIGH-ROAD PARTNERSHIPS  
IN THE CHILD CARE INDUSTRY**

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## THE WORKFORCE INVESTMENT ACT

In 1998 the United States Congress enacted the Workforce Investment Act to consolidate, coordinate, and improve employment, training, literacy and vocational rehabilitation programs in the U.S. The Workforce Investment Act is intended to meet the needs of the nation's businesses, job seekers and those who want to further their careers through local employment and training programs. To advance these objectives, locally organized Work-force Investment Boards (WIBs), consisting of members from both the private and public sectors have been set up throughout the country. These WIBs oversee the delivery and contracting of employment and retraining services for the regional job market they represent. In April 2000, the State of California designated Santa Clara County as a Workforce Investment Area. In July 2000, the City of San José, in partnership with Campbell, Gilroy, Los Gatos, Los Altos Hills, Monte Sereno, Morgan Hill, Saratoga and the unincorporated areas of Santa Clara County, created the Silicon Valley Workforce Investment Network (SVWIN) to act as Silicon Valley's regional WIB. It acts in collaboration with NOVA, the north county workforce investment board that covers Sunnyvale, Cupertino, Mountain View, Los Altos, Santa Clara and Palo Alto.

Locally managed, the WIN brings together job seekers, local employers, educators, labor representatives and program administrators to sustain and maximize the relationship between employers and the prospective labor market in this region.

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# INTRODUCTION

## BEST PRACTICE PROFILES OF SUCCESSFUL SECTOR PARTNERSHIPS IN CHILD CARE

The child care industry has significance for the WIN that is distinct from its other 5 industry clusters.<sup>1</sup> This sector analysis report briefly reviews the core elements of this uniqueness - that this industry more deeply affects the entire range of WIN clients, including employers, job seekers, and the full industry base of Santa Clara County. The report also details the WIN's interest in child care and the problems the industry faces that limit its expansion as well as descriptions of case studies highlighting child care projects that solve these problems. By combining these elements, it can hopefully be used as a handbook for those interested in creating sector initiatives in child care.

Sector initiatives are a primary focus of this analysis. These industry-specific workforce development strategies have three common elements that distinguish them from traditional workforce and economic development initiatives. First, they are targeted to a specific industry, in this case, child care. Second, they are led by an organization with deep knowledge of the target industry that often serves a coordinating role. Third, they improve the job quality of child care workers, and at the same time improve the performance of the firm engaged in the initiative, a win-win approach. As a result of this final element, a third constituency often benefits as well-the consumer. It is the ability to achieve outcomes for all three groups – employers, workers, and consumers of the service or product provided by these initiatives – that earns these efforts a designation as “high-road” strategies.

A sector approach in child care is particularly useful to the WIN because it can provide additional resources to three main significant constituencies-employers, disadvantaged job seekers, and client

parents eligible for subsidized child care. The assistance needed by these groups was highlighted in a previous report on barriers to growth for the child-care sector, published by the WIN.<sup>2</sup> *Findings from the previous report included the severe lack of affordable child care and a shortage of child care workers, as well as the absence of adequate infrastructure and systems to provide more child care workers and thus meet a projected increase in demand for child care over the next decade.* The unfilled demand for needed spaces is so high that four times as many children need licensed child care as those who currently have it. Worker shortages are primarily attributed to low wages and limited benefits; these factors also result in high turnover and reduce the quality of care. Compounding these difficulties is the high cost of care for parents, especially in Santa Clara County. According to the national child care affordability index, parents should spend no more than 10% of household income on child care. However, in Santa Clara County, the cost of care ranges from 11-17% of family income for one child.

## REVIEW OF CHALLENGES TO GROWTH IN CHILD CARE

Effects of these limitations on the industry are severe for the WIN's constituents. The grave lack of affordable child care hurts business productivity and prevents disadvantaged clients from engaging in training programs and climbing career ladders. For example, a lack of high-quality, dependable child care has been found to negatively affect low-income mothers' labor market performance, health, and emotional well-being.<sup>3</sup> Unless mechanisms are implemented to stabilize the child care industry, to create new ways to make child care more affordable and to improve the quality of care, working parents will continue to have difficulty participating effectively in the labor force, potentially compromising the regional growth potential of Santa Clara County.

Supplying recommendations for realistic solutions that elevate the standard of care and improve affordability would directly benefit WIN clients. Two main groups of WIN clients in particular have a vested interest in more affordable, high quality child care that produces a more stable child care industry and at the same time addresses challenges they typically have as clients of the WIN. First, employers who are WIN clients are seeking workers with skills, or are looking to connect displaced workers with opportunities for training and career advancement. Second, the 4,000 monthly job seekers or employed workers using the WIN One-Stop are in search of additional training or professional development. Well over half of these clients are parents, many with young children. According to the San Jose One Stop, up to 75% of their client base could be composed of parents. Given this high correlation between the WIN customer base and a significant need for child care, improving access to care through increased subsidies and creating additional programs in the community for quality affordable care could yield

double benefits; it could both improve career advancement opportunities for parents seeking training and increase the reliability of employed parents. Additionally, these changes could also help improve productivity of the workforce and thus positively impact local businesses.

Another challenge to successful expansion in the next few years lies in meeting new government mandates for child care providers employed through the Head Start program. One new mandate in particular, the School Readiness Act, requires additional training of providers, without a significant increase in resources to meet the new requirements. Approved in July of 2003, the act requires that all Head Start teachers have at least an AA in early childhood education by 2006, and that 50% of providers must have a bachelor's degree by 2008.<sup>4</sup> Despite the new educational mandates for early education teachers, the law does not include adequate funding for the Head Start program to prepare for these changes.<sup>5</sup>

Although this new law attempts to level the playing field for children by mandating higher educational attainment levels for preschool providers, it fails to address the funding challenge needed to properly implement its provisions in three areas. First, it lacks funding for training programs to help current providers meet the new requirements. Second, it lacks sufficient funding or wage increases to encourage providers to remain in child care once they receive the increased education. Finally, it fails to include financial incentives for young college graduates to enter the child care industry.

To adjust to this change, local, state, and federal governments must assist the regional child care industry with the implementation of this new

*The grave lack of affordable child care hurts business productivity and prevents disadvantaged clients from engaging in training programs and climbing career ladders.*

legislation. In order to mitigate possible adverse impacts, more of a financial commitment is needed from the public sector to promote training programs and educational opportunities for child care workers. In addition, increased funding is needed to improve provider pay in order help retain the industry's current workforce and encourage new people to enter into the industry.

To understand the range of challenges faced by workforce development practitioners interested in supporting the child care industry, one must also understand that career ladders are almost non-existent for child care workers. Advancement options with significantly greater salaries and additional training requirements are limited. This is true for two main reasons. First, shifts from home care to center care professionals currently are not much of an advancement, since center-based staff are also paid low wages and frequently do not receive health care benefits. Second, the minimum professional requirements for most center-based child care resemble standards for home based care. Only a handful of directors and

senior teachers are required to have a significant amount of training, and receive greater remuneration for it. However, the opportunities for advancement – and the resulting need for additional training – would increase dramatically if a universal preschool initiative is approved at the state level, as is currently being proposed by Preschool California.

California is poised to join other states in improving early childhood education for the 3 and 4-year-old population. However, if a universal preschool initiative is approved, implementing the program will require the construction of new bridges between the education and child care communities. This will include incorporating preschool into existing child care centers, as well as developing child care components in education settings. Finally, it will require the successful training of masses of new early childhood education staff. Given the current shortfall of quality providers, the importance of identifying and expanding existing efforts to increase training and retention of this workforce cannot be overstated.

## SUMMARY OF KEY ELEMENTS TO HIGH ROAD SECTORAL INITIATIVES IN CHILD CARE

Over the next few years, then, as the economy moves out of the downturn, a serious shortage in quality affordable childcare could threaten the region's potential to meet the expected increase in demand for workers. The previous WIN report examined problems the child care industry faces that present obstacles to growth. *To better serve the needs of its base, the Silicon Valley WIN commissioned the following report to identify model programs that have demonstrated success in confronting these challenges.* The case studies that follow may be used in a facilitated discussion with interested groups to discuss collaborations and solutions to address the shortage of providers, the high cost of care and low wages for workers. Descriptions of best practices also offer information on job training and professional development in early childhood education to help increase the number of qualified child care providers. Finally, the report offers examples of

successful partnerships between local government and the private sector that provide financial incentives to improve retention of high quality child care workers. Case studies include both small and large employers, often in partnership with labor unions and local government, which have crafted child care assistance programs.

In general, these case studies depict strategies to enable the child care sector to better address growing demand through increasing the quantity and quality of child care. Specifically, *the programs under review demonstrate how to improve the quality of child care, build stronger career ladders for child care workers through training and financial incentives, improve compensation, expand both the public and private sectors' responsibility for child care, and strengthen coalitions among interested parties.* As a result, these

efforts provide long term cost savings for taxpayers and improved educational and workforce outcomes.

Many of the following case studies were described in publications of the Department of Labor under the Clinton Administration, with the goal of providing a resource to employers who recognize that addressing the child care needs of their employees makes good business sense.<sup>6</sup> This report offers updated information on those initiatives that have weathered the economic downturn since the Department of Labor's 1998 report. As a result, it provides timely information through recent interviews with program staff at all nine programs included here. Moreover, it also identifies

successful programs by their ability to survive over the course of 5 years, in a period including an economic boom followed by a recession and prolonged downturn. The survival of these programs thus refutes the criticism often leveled at child care assistance programs that they are unaffordable or fragile boutique projects.<sup>7</sup>

In addition to national initiatives, the following analysis draws from local programs that have successfully served to address child care industry problems on a relatively small scale that could either be expanded or replicated in Santa Clara County. In so doing, the report offers examples of best practices that have achieved sustainability and that are tailored to our local context.

## **BEST PRACTICE PROFILES OF SUCCESSFUL PARTNERSHIPS IN THE CHILD CARE SECTOR**

The first set of examples highlights successful training programs that increase the number of child care workers who improve their skills and in consequence, receive increased compensation. These programs have positively impacted the quality of care in Santa Clara County and West Virginia.

The second set demonstrates ways to offer more flexible child care that better serves the needs of working parents. Four programs from San Mateo County, Atlanta, Honolulu and Missouri present ways to tailor child care, preschool, and training programs to help parents incorporate the demands of work and family.

The final set of programs highlights the ways in which successful partnerships among community organizations, businesses, unions and local government can reduce cost of care for parents (a health care union in NY, labor-management partnerships between the Autoworkers and General Motors in Flint, Michigan, the Hotel and Restaurant Workers and hotels in San Francisco, and a national non-profit business association, the American Business Collaboration). Private sector support for childcare is encouraged by providing documentation that these services improve employee productivity and lower job turnover. These projects also serve as models for employer-worker coalitions that can achieve WIN-WIN outcomes sustainable over time.

*The programs under review demonstrate how to improve the quality of child care, build stronger career ladders for child care workers through training and financial incentives, improve compensation, expand both the public and private sectors' responsibility for child care, and strengthen coalitions among interested parties.*

## FIRST SET:

### FINANCIAL INCENTIVES AND CAREER LADDERS TO INCREASE SKILL LEVELS OF PROVIDERS

This first set of examples highlights successful training programs that increase the number of child care workers who improve their skills and in consequence, receive increased compensation. The initial example demonstrates a county-wide program offering stipends for child care workers at family or center based settings. Their high success rate is in part attributed to consistent funding, experienced leadership, extensive outreach, and community partnerships. The second example highlights a program that builds new career ladders for child care workers, providing paid on-the-job training; it has reached significant scale in a low-income region. Both examples demonstrate the ability to offer quality training at scale and improve retention of child care workers in the program, based in part on creating broad community-based coalitions.

#### CARES PROGRAM

##### Goal

To provide financial incentives to early childhood educators for pursuing additional training, thereby improving the quality of care for families in Santa Clara County.

##### Overview

One of the best examples in Santa Clara County of improving access to education and training for child care providers is the CARES program. CARES, or “Comprehensive Approaches to Raising Educational Standards,” links child care providers with educational programs that offer a number of training and professional development options. Run by the Institute for Early Childhood Professional Development, it engages community-

based organizations, community colleges and universities throughout the county to expand community-based educational opportunities. The program makes stipends available to child care workers in licensed environments – including both family and center based providers – to pursue additional training at participant facilities.

Outreach to potential applicants also encourages and facilitates enrollment in the process. Community groups are each assigned a different geographic region within the county where they develop workshops to provide technical assistance and information to potential applicants. Every applicant is assigned to a partner organization based on the zip code of his or her licensed early childhood program.



## Project Participants

The Institute for Early Childhood Professional Development, Santa Clara County, West Ed, four community-based organizations, nine community colleges and two universities, and the California and Santa Clara County First 5 Commissions

## Eligibility requirements

- Must be at least 18 years of age and have worked for a minimum of nine months in the same licensed program
- Must work at least 20 hours with a group of children under the age of 5 enrolled in a child care program

**Subsidy amounts:** \$100 to \$4,500

## Source of Funding

The First 5 Commission provides \$3,000,000 annually to be used as incentives for early childhood education workers.

## Success

Since 2002, more than 3,000 early education professionals - over half of the estimated eligible early education workforce in Santa Clara County - received CARES stipends totaling over \$4.2 million dollars.

Thirty percent of licensed child care workers are in the CARES system, and 40% of those workers had education outside of the US, mainly from Mexico, Vietnam, the Philippines and India.

## Recent Changes/Current Goals

At this point WestEd is focusing on increasing visibility

of their program and overcoming barriers that have arisen. To do this, they are involved in the following initiatives:

- They encourage broad community support for provider education;
- They do not offer direct training, but coordinate a regional training advisory group with representatives from all of the community colleges, SJSU and Santa Clara University, along with members of the community college boards;
- They are focusing on leadership development, primarily for providers who already have a BA and are seeking additional training or have a master's degree;
- They aim to encourage professional development by designing a cohesive system in which academic programs are aligned to encourage workers to seek additional education. Currently, a number of classes in early education cannot be transferred from a community college to a university. WestED is looking at how they can create a more fluid process through which providers can further their education and work towards a BA. Examples of states with a cohesive system include Georgia, North Carolina and New Mexico;
- Based on findings from their survey of a large number of immigrant women who received upper-level education in other countries, WestEd is currently working to improve the review of foreign transcripts to facilitate the transfer of credits earned abroad and to encourage the pursuit of additional education in the US.

## FURTHER INFORMATION

Yolanda Garcia, Institute Director, 408.299.1701

College Partners: <http://www.santaclaracares.org/pub/htdocs/scc/colleges.html>

Community Partner Agencies: <http://www.santaclaracares.org/pub/htdocs/scc/cpartners.html>

## APPRENTICESHIP FOR CHILD DEVELOPMENT SPECIALISTS TRAINING PROGRAM, WEST VIRGINIA

### Goal

To improve the supply of highly qualified child care workers by providing on-the-job training opportunities.

### Overview

The program provides child care workers with opportunities to pursue additional training at no cost while continuing to work.

A child care training program was established with the West Virginia Office of Apprenticeship and Training.

This program enables existing or new child care workers with little or no formal training to receive training on-the-job. The Office of Apprenticeship and Training established a new apprenticeship program for child care workers. Under this program, certification requires a total of 420 hours of coursework and 4,000 hours of on-the-job experience over a two-year period. Apprentices receive training at no cost and receive college credit for nontraditional training. Graduates receive national certification (equivalent to the Child Development Associate credential) through the US Department of Labor.<sup>8</sup> Classroom instructors have at least a 4-year degree in education or a related field. They also receive a 5-day instructors course and attend refresher seminars every other year.<sup>9</sup> The office works in tandem with community colleges to help link interested apprentices who complete certification with other higher education options.

### Project Participants

West Virginia Office of Apprenticeship and Training

West Virginia Department of Health and Human Resources

The River Valley Child Development Services

Department of Labor, Bureau of Apprenticeship and Training

NAACP

### Eligibility

The program serves child development workers that work with children ages 0-8. Apprentices must be of a legal working age and have a high school diploma or equivalent. They must also maintain a minimum of 20 hours per week of on-the-job training in an early childhood program that is registered with the West Virginia Office of the Apprenticeship and Training.

### Subsidy/Wage Increase

The average wage increase, upon completion of the apprenticeship program, is about 25 cents an hour, added to the minimum wage salary that most workers earn.

### Source of Funding

Roughly all funding comes from the Department of Health and Human Resources.<sup>10</sup>

### Success

The program began in 1989 in a single county. By spring semester 2004, the program served all counties in the state, including more than 650 apprentices.<sup>11</sup> The program also receives full funding, so there is no cost for the class.

Enrollment continues to grow and many apprentices are continuing their education. A number of enrollees decide to pursue additional classes at community colleges or enroll in a four-year university to pursue a bachelor's degree.<sup>12</sup>

### Recent Changes/Current Goals

The program has provided an infrastructure to enable child care workers to meet additional requirements established through the No Child Left Behind Act. More child care workers, student aid and pre-kindergarten teachers are enrolling in the program due to the new regulations. It has also further strengthened the Department of Labor's relationship with the local community colleges.<sup>13</sup>

## SECOND SET:

### FLEXIBLE SCHEDULES AND NONTRADITIONAL HOURS

These case studies address the problems that parents with nontraditional work schedules face in finding care after hours or on weekends. They demonstrate ways to improve access to care by offering child care during non-standard hours, enabling greater flexibility in training schedules so that parents can amend their studies to their child care needs. Also, they attempt to place child care centers for low income parents in more accessible areas. Both San Mateo and Atlanta illustrate how industry-based collaborations assist parent employees in meeting child care needs.

#### **PALCARE - INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, SAN FRANCISCO AIRPORT**

##### **Goal**

To establish an on-site child care center to improve access to child care for employees at San Francisco Airport and for regional hospital workers by addressing the challenges of non-standard work schedules at these locations.

##### **Overview**

This program was established to improve access to child care for San Francisco Airport and local hospital workers and to address the particular needs of parents in this workforce. Providers are available on-site 7 days a week, 24 hours a day. The ratio of teachers is generally 1-to-8.

All staff members participate in college classes in Early Childhood Education and on-site staff training. Teachers have a minimum of 24 units of ECE

training as well as classroom experience. Most lead teachers have an associate degree and many have bachelor's degrees in Child Development or ECE.

Due to the varied nature of its scheduling, the program charges by the hour (\$7.25/hr for preschool, \$8.15 for toddler, \$9.25 for infant) Per hour prices are reduced the more hours that are utilized. Average monthly costs, based on 170 hours per month, are:

Preschool: \$905 per month

Toddler: \$1,025 per month

Infant: \$1,163 per month

##### **Project Participants**

The program was established in cooperation with numerous community groups, the San Francisco Airport Commission, United Airlines, Mills Peninsula Hospital, the San Mateo Labor Council and a number of private foundations.

### Eligibility

Palcare gives first priority to San Francisco Airport employees, the Mills-Peninsula hospital and Gap employees.

### Subsidy/Wage Increase

Child care workers are represented by the Communication Workers of America and are provided with a comprehensive benefits plan

### Source of Funding

Currently, the program receives little or no outside funding; it is supported primarily by employee parents.

### Success

The center currently serves approximately 230 families with children from 3 months to 5 years of age.

## ATLANTA'S INN FOR CHILDREN<sup>14</sup>

### Goal

Overcome the scheduling and cost challenges associated with child care for workers in one entire industry in a metro region.

### Overview

This program demonstrates a highly successful model for how employers can collaborate to address the child care challenges faced by their employees.

In 1997 in Atlanta, Georgia a collaboration of five downtown hotel employers opened a 24-hour, 6 day-a-week child care center to serve up to 250 children. The center's creators aimed to serve the needs of the 1,000 service industry employees in downtown Atlanta who often work during non-standard hours. The center provides infant, toddler and before and after-school care with sliding scale fees based on family income and size. In addition, the center provides immunizations and well-baby check-ups.<sup>15</sup>

Services provided include: parenting education workshops, a resource center for families, nutrition counseling, health fairs, and dental screenings.<sup>16</sup>

The center's providers may participate in a child development certification program.

### Project Participants

Central Atlanta Hospitality Child Care Inc.; Hospitality Consortium co-leaders Atlanta Marriott Marquis, Marriott Suites Atlanta Midtown; Omni Hotel at CNN Center; Hyatt Regency Atlanta; Atlanta Hilton and Towers

### Eligibility

Approximately one-third of the children enrolled in Atlanta's Inn are of parents who work in the participating hotels, the other children are from families working in neighboring businesses.<sup>17</sup>

### Subsidy/Wage Increase

NA

### Source of Funding

Half of the children at the Inn receive either state subsidies or scholarships (based on a sliding scale) provided by the Central Atlanta Hospitality Child Care Inc (CAHCI). The CAHCI is a non-profit community-based organization formed by the collaborating hotels. The hotels also help fund a certain number of subsidized slots, whether their employees use them or not.

### Success

A 1999 survey indicated that 97% of parents had no absences due to child care and 92% had no absences due to child illness.

### Recent Changes/Current Goals

The program underwent significant changes last year. Hotels are no longer as involved but the center continues to offer extended hour care, and the scholarship program is still available. Hours were also reduced to 5:30am-midnight, based on a lack of parent demand.

## CITY OF HONOLULU – DEPARTMENT OF COMMUNITY AND SOCIAL RESOURCES

### Goal

Increase the number of subsidized child care spaces and improve low-income families' access to early childhood education.

### Overview

The City of Honolulu has taken progressive strides to improve access to child care for city residents. Honolulu leases under-utilized park space to Head Start, allowing that organization to open neighborhood day care and preschools. The City is also working with neighborhood groups to help promote the program in the community. All child care spaces are subsidized Head Start spaces, based on federal affordability requirements. The program began in 1996 and now has between 8 and 12 neighborhood sites. Each site has between 20 and 25 early preschool and preschool students (ages 3 and 4).

Honolulu also provides opportunities for families to get actively involved. Parents have the opportunity to volunteer in the classroom and participate on policy councils. They are also given preference for Head Start jobs.

The Head Start program has well-established job training programs and professional development opportunities throughout the city to help its workers continue to further their education. Head Start administrators oversee the training and compensation of all child care workers.

### Project Participants

City of Honolulu and Head Start

### Eligibility

Head Start Families (based on Head Start federal guidelines)

### Subsidy/Wage Increase

NA

### Source of Funding

City funding and Head Start funds

### Success

This is an example of how collaboration can improve opportunities for subsidized child care. A city has successfully been able to utilize neighborhood park space to facilitate access to early education for low-income neighborhood residents. Furthermore, the program allows children to take advantage of the rich open space in their region. Families now visit the park more frequently and are more likely to participate in community activities.

### Recent Changes/Current Goals

Ongoing challenges include improving outreach to eligible families and finding new sites to expand the program.

## MVC COMPUTER AND BUSINESS SCHOOL (COMPUTER AND BUSINESS INSTITUTE)

### Goal

To provide adults pursuing job retraining with flexible hours to increase rate of successful completion.

### Overview

This computer and business school in Arnold, Missouri provides flexibility for its students to enable them to balance busy schedules. While they do not provide on site child care, they make available individualized training opportunities with highly flexible schedules.

The MVC Computer and Business School is a computer-training program for people re-entering the workforce. MVC provides in-depth training programs to prepare students for the workforce and at the same time offers flexibility enabling students to take care of child care or other family issues. Students are required to complete 25 hours of school anytime between 8am and 4pm Monday through Thursday, with make-up time on Fridays.

The school has approximately 10-18 students at one time through out the year. Because the program is so small, staff is able to devote a significant amount of time to each student. A small staff and flexible program keeps turnover very low.

Classes last anywhere from 16 to 32 weeks. Following the completion of coursework, MVC provides educational seminars on resume writing and then provides assistance with job placement.

### **Project Participants**

MVC

### **Eligibility**

Most students are re-entering the workforce through a Welfare-to-Work program, a rehabilitation facility or other state program.

### **Subsidy/Wage Increase**

NA

### **Source of Funding**

NA

### **Success**

Starting wages for students upon completion of the program range from approx \$7.50 to \$9.50, with higher wages due to previous work experience.

## THIRD SET:

### PRIVATE COLLABORATIONS TO REDUCE COSTS FOR PARENTS AND FIRMS

The final set of programs highlights successful partnerships among the community, businesses, unions and/or local government to reduce the cost of care for parents. These efforts help build support for child care from the private sector by providing documentation for improved employee productivity and lowered job turnover. They also serve as models to demonstrate how employer-worker coalitions can achieve WIN-WIN outcomes that are sustainable over time.

Most of the following models have three elements in common. First, there is an employer contribution negotiated through a union contract that reduces the cost of care for parents. Second, the programs reach scale. The majority of parents who need subsidies receive them. Third, the programs result in cost savings for the employer through reduced employee turnover and absenteeism. The exception among these partnership best practices is the ABC collaborative, which is included here because of its demonstrated ability to fund pilot programs and then bring them to scale. Each of these programs generates that element of success in their partnership – the ability to improve access and child care quality for a large number of families.

#### 1199/EMPLOYER CHILD CARE

##### Goal

To increase access to child care for union workers and to secure contributions from employers to offset the cost of child care for employees.

##### Overview

The 1199 Health and Human Service Employees Union successfully incorporated a childcare fund into its collective bargaining agreement with employers. Starting in 1992 with contributions from 16 hospitals and nursing homes, the program now

receives contributions from 469 New York employers that represent 50,000 union members. Employers contribute to a fund for child care costs for children from infants to 17 year olds. Activities of the fund include child care subsidies, summer camp vouchers, formal child care, and subsidized prep courses.

The Fund offers the following programs and benefits

- Child care learning centers: \$6,000 per year. (one of the many options for center based child care offered to members)
- After school care: \$1,120 per year
- After school care: \$560 per year (60% of 1199's members use informal child care and qualify for vouchers ranging from \$15-75 per week for up to 52 weeks a year)
- SAT prep course: cost of the program is \$1,600, member pays \$100
- Holiday program: total cost \$450, member pays \$50-75
- Summer camp: total cost \$45-120/week, member pays a co-pay of \$45-75. In 2004, 3,500 children participated.

### Project Participants

469 NY Employers, Union Trust Fund, Health and Human Service Employees

### Eligibility

Members of 1199 in NY

### Subsidy/Wage Increase

NA

### Source of Funding

Employers contribute half a penny for every dollar in gross payroll to the child care fund. This contribution is part of their collective bargaining agreement. This past year they had a budget of approximately \$14-16 million.

### Success

Child care benefits are based on seniority, prior benefits and need. The fund provides assistance to the majority

of those who apply. Benefits are based on a sliding scale. Last year (2003) 11,200 members applied for benefits, with 90% approved.

## AMERICAN BUSINESS COLLABORATION FOR QUALITY DEPENDENT CARE

### Goal

Strengthen access to dependent care for employees, improve quality of regional child care, improve quality of public education.

### Overview

This collaboration is an example of the value of corporate participation in building support for child care within the private sector. It was launched in 1992 by a number of champion companies throughout the country. These firms aimed to strengthen access to dependent care for their employees. They currently have a significant impact in cities where they have offices, including San Francisco, New Jersey, Chicago and Dallas.

Eight major companies, known as championship companies, are involved in this effort. All champions are required to make a financial commitment for at least three years.

### Project Participants

The San Francisco - Bay Area ABC includes:<sup>18</sup> AT&T, Bank of America, Chevron, Citibank, Deloitte & Touche, Genentech Inc, GTE Service Corporation, Hewlett-Packard Company, IBM Corporation, Lucent Technologies, PricewaterhouseCoopers LLP, WFD, Xerox Corporation

### Eligibility

Eligibility varies from city to city, depending on the type of program.

### Subsidy/Wage Increase

NA

Working at the local level, the coalition has created successful models to directly impact the employees of participating companies. The collaboration invites other companies to participate, which means commit to



investing in particular projects. ABC has divided its plan into phases (each lasting 3 years) with a distinct focus and a clearly identified model in each phase. Phases I and II were devoted to working on expanding access to dependent care.

Models created during Phase I and II include vacation and holiday programs and after school programs for at-risk youth (citizen schools).

Once a model is established, the ABC collaboration works to provide funding for the start-up and its implementation. Following completion of the start-up the program provides technical assistance but does not generally provide ongoing subsidies.

The ABC aims to create a model that will be fairly sustainable once it is up and running. Hopefully, it will attract other funding sources to help with long term sustainability. For example, one “Citizen School” in a Houston middle school established a curriculum for after-school at-risk middle-school students. The collaboration funded the original school and has since helped with the replication of two additional citizen school programs in the area.

In addition, ABC has addressed the child care industry from the provider perspective. They endorsed the T.E.A.C.H Early Childhood Program that works to improve provider pay, lower turnover and increase accreditation programs. ABC has also endorsed a scholarship program for child care workers that addresses turnover, compensation and training.<sup>19</sup>

ABC also funds projects that work to establish better partnerships among parents, teachers and the community. For example, ABC’s Bridge Project uses new technology to improve parent/teacher communication and its Summer of Service program focuses on improving community services.

Regional collaboration: Below is a sample of the regional partners in San Francisco that participate in ABC and the models they have worked to implement in the Bay Area. Funding Bay Area Companies include

AT&T, Bank of America, Chevron, Citibank, N.A., Deloitte & Touche, Genentech Inc., GTE Service Corporation, Hewlett-Packard Company, IBM Corporation, Lucent Technologies, PricewaterhouseCoopers LLP, WFD, and Xerox Corporation.

This regional Bay Area collaboration helps fund a range of services in early childhood education, school-age, back-up care and elder care. Such projects include:<sup>20</sup>

- Accreditation/ Credential for Family Child Care Providers
- CORE and Advanced CORE Curriculum for Family Child Care Providers
- The Bridge Project
- Scholarships
- Summer Camps for Middle School Youth
- Summer of Service
- Backup Emergency Care
- Elder Care Fair
- Home Care Worker Recruitment/Training

### Source of Funding

Since 1992 the championship companies have contributed over \$136 million.<sup>21</sup>

### Success

In Phase III, ABC focused on broad replication of numerous championship models that were created in Phases I and II. The purpose was to disseminate information about the models and work to replicate the programs in other regions. ABC partnered with resource and referral agencies and implemented over 400 trainings nationwide, which impacted more than 3,500 providers and 125,000 children.<sup>22</sup>

### Recent Changes/Current Goals

The ABC collaboration is now in Phase IV where the focus is no longer on child care but on creating models for the changing workforce.<sup>23</sup>

## LOCAL 2/ HOSPITALITY INDUSTRY CHILD CARE AND ELDER CARE FUND

### Goal

To subsidize the cost of child and elder care for employees in the hospitality industry.

### Overview

In 1994, the San Francisco Hotel and Restaurant Employees union (HERE Local 2) negotiated a child and elder care fund with the San Francisco Hotels Multi-Employer Group and the San Francisco Class A union hotels.

The fund provides resource and referral services and partial reimbursement for child and elder care.

Currently more than 1,700 families are receiving financial assistance in seven different benefit programs.<sup>24</sup>

Sample programs include:

- Pre-K: 135 slots- employees can be reimbursed up to \$325/ mo
- School age (before and after school care): 165 slots- reimbursement up to \$225
- Informal child care (i.e. unlicensed care): 995 slots- reimbursement up to \$100
- Newborn: 115 slots- for kids under a year- reimbursement up to \$125/mo
- Youth programs (i.e. tutoring, enrichment classes, SAT prep classes): 525 slots- reimbursement \$400/yr
- Elder care: 185 available slots for employers to receive financial assistance- employees can be reimbursed for up to \$150/month

### Project Participants

HERE Local 2 and the San Francisco Hotels Multi-Employer Group and the San Francisco Class A union hotels

### Eligibility

- The employer must make contributions to the fund;
- An employee must work sufficient hours or shifts to be eligible for benefits under the San Francisco

Culinary Bartenders, and Service Employees Health and Welfare Plan;

- Employees must work regularly three hours or more per day, five or more days per week in at least three of the four full payroll weeks per month;
- Employees must work at least two full shifts (six or more hours) per payroll week, in at least three of the four full payroll weeks.

### Subsidy/Wage Increase

NA

### Source of Funding

Hotel employers contribute \$0.20 for every hour worked by eligible members.

### Success

Since the program began employers have noticed absenteeism decline. The program has continued to expand every year, and employees have been exceedingly satisfied.

### Recent Changes/Current Goals

Demand for the program continues to grow, thus HERE is working on finding ways to expand the number of subsidies and benefit programs.

## UAW - GM CENTER FOR HUMAN RESOURCES

### Goal

Reduce the cost of child care for employee families and meet the child care needs of a large portion of employees working non-traditional hours.

### Overview

The United Auto Workers and General Motors created a joint labor/ management initiative to address child care needs among the workforce. In 1992, they contracted with Knowledge Learning and opened The Center, which serves children from infancy through 13. The Center provides services twenty-four hours a day, 6 days a week and provides child development activities, sports and field trips.<sup>25</sup> This collaboration also provides child care resource and referral, parenting consultations and on-site workshops on parenting issues.

In 1994 UAW-GM began the Child Development Summer Camp Program. The goal was to attract the children of the 30,000 UAW members at 14 facilities in Flint, Michigan.<sup>26</sup> Currently, there are approximately 220 children enrolled in the summer program, about 50 more children than during the school year.<sup>27</sup>

**Oversight:** The collaboration established a steering committee to provide a mechanism for program oversight. The committee has served as an important space for ongoing communication about the programs success, upcoming challenges and program changes.<sup>28</sup>

### **Project Participants**

United Auto Workers and General Motors in Flint, Michigan

### **Eligibility**

All members of UAW that work at a General Motors plant in Flint, Michigan

### **Subsidy/Wage Increase**

Staff at The Center receive tuition reimbursement for their own education and a 401k plan.

### **Source of Funding**

Employer contributions and parents' fees. Fees are based on the age of the child and the number of hours the child attends the program.

### **Success**

Staff turnover at the employer-sponsored child care center is very low.<sup>29</sup>

Since the program began, it has consistently received high satisfaction marks from parents.

### **Recent Changes/Current Goals**

One of the major challenges for the UAW program is adjusting to cost increases, particularly for subsidized care. When provider costs rise, the reimbursement rate for subsidized care that the center receives from the state often does not cover the increase. Thus, there is a gap for subsidized coverage between the actual cost of care and provider reimbursement.

# CONCLUSIONS, RECOMMENDATIONS AND NEXT STEPS

## CONCLUSIONS

The child care industry presents thorny challenges for workforce development practitioners interested in strengthening the industry. Participation from child care employers as well as employers of working parents in other industries are often needed to create programs that effectively address the problems of improving the quality and quantity of child care. Private resources coupled with public and foundation funds are essential to stabilize the cost structure of the industry and to underwrite training. This cooperative effort to generate additional funds is necessary because the rising costs of care experienced by working families has not translated into increasing the quality of care, expanding the worker pool, or providing additional subsidies to those most in need.

Strategic partnerships around child care will also prove invaluable because of pending changes in the structure of early childhood education. Child care advocates are hopeful that California will join numerous states currently working to improve education and developmental outcomes for children by expanding preschool opportunities. Universal preschool is now a real possibility in California through the Preschool California initiative. However, creating a comprehensive state-level

program will require new training and considerable cooperation from the childcare community. Added to these potential pressures are the new requirements under the No Child Left Behind Act for Head Start. As a result, partnerships seeking to create the new childcare workforce of the future must focus on increasing the quality of care by successfully expanding training opportunities for providers.

## RECOMMENDATIONS AND NEXT STEPS

The Silicon Valley WIN is considering the following actions as a way to support growth in the Child Care Industry:

- Invest in the CARES program which provides training stipends for center based care and facility based care;
- Partner with the Mayor's Smart Start program, increase business support of the Smart Start Initiative;
- Contribute to development of a plan to provide incentives for community groups and businesses to pursue one of the strategies mentioned in this report-i.e. Groups seeking to offer care during nontraditional hours in target WIN industries such as health care, hospitality, and at the airport;
- Work with local business partners of the American Business Collaboration for Quality Dependent Care to put into practice local pilot programs that this business collaborative has developed, funded, and tested;
- Collaborate with the Preschool for All Initiative at the state level.

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**ENDNOTES**

- 1 Biotech, Retail, Hospitality, Health Care, IT
- 2 See “Jobs for the Future: Barriers to Growth in The Child Care Industry”, Brownstein, Muller and Zimmerman, August 2004
- 3 Boushey, Heather. “Staying employed after welfare: Work supports and job quality vital to employment tenure and wage growth.” Economic Policy Institute, Briefing Paper #128, June 2002.
- 4 Schumacher, Rachel and Jennifer Mezey “Still Headed in the Wrong Direction: Why the July 24th Substitute House Head Start Bill (H.R. 2210) Is Unlikely to Make the Program Better” Center for Law and Social Policy, July 24th, 2003.
- 5 As of 2003 the Head Start budget was \$6.87 billion, which includes a small budget increase of \$202 million included in the approval of the School Readiness Act. However, this new funding is well below the amount needed to implement the program’s changes. Bill Summary: The School Readiness Act of 2003 (Head Start Reauthorization) House Education & the Workforce Committee, John Boehner, Chairman, July 23, 2003
- 6 “Meeting the Needs of Today’s Workforce: Child Care Best Practices.” U.S. Department of Labor, Alexis M. Herman, Secretary. 1998
- 7 The exception is Atlanta’s Inn, which changed considerably but is still included because of its prolonged success as a labor-managment partnership in an underserved area.
- 8 Apprenticeship for Child Development Specialists Training Program, West Virginia [www.nccic.org/ccpartnerships/profiles/wviregina.htm](http://www.nccic.org/ccpartnerships/profiles/wviregina.htm)
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- 10 Susy Brodaw, ACDS Coordinator from the River Valley Child Development Services
- 11 Susy Brodaw, ACDS Coordinator from the River Valley Child Development Services
- 12 Susy Brodaw, ACDS Coordinator from the River Valley Child Development Services
- 13 Susie Brodaw, ACDS Coordinator from the River Valley Child Development Services
- 14 The program underwent significant changes last year: hotels are no longer involved but the center continues to offer extended hour care and the scholarship program is still available.

- 15 Meeting the Needs of Today's Workforce Child Care Best Practices, U.S Department of Labor, 1998
- 16 Atlanta's Inn for Children  
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- 24 Conversation with Lisa Jaicks from Local 2
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## **SILICON VALLEY WORKFORCE INVESTMENT NETWORK**

Silicon Valley Workforce Investment Network (Silicon Valley WIN) is a comprehensive regional resource for employers, workers and job seekers. Silicon Valley WIN provides solutions and bottom-line results for complex workforce issues. Silicon Valley WIN provides businesses with customized, professional career services, helping companies and their employees manage career transitions and enabling employers to attract, train and retain skilled employees. Silicon Valley WIN exists to help businesses meet their workforce needs by providing outplacement, recruiting and training services. Silicon Valley WIN is dedicated to fostering the economic development of the region as the most effective way of providing jobs, a healthy tax base and prosperity for all.

## **WORKING PARTNERSHIPS USA**

Working Partnerships USA was formed in 1995 in response to the widening gap between Silicon Valley's prosperous employers and the well being of much of the region's workforce. Today, Working Partnerships is a unique collaboration among labor unions, religious groups, educators and other community-based organizations that crafts innovative solutions to the problems of the New Economy. Solutions developed by Working Partnerships include the arenas of health care, affordable housing, contingent work, and smart growth. Working Partnerships is also shaping the next generation of labor market intermediaries through the establishment of Working Partnerships Membership Association, a temporary workers' organization.

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