

illinois CHILD CARE

options for employers



Illinois Department of Human Services
Child Care Resource Service – University of Illinois
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Illinois Network of Child Care Resource and Referral Agencies

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This publication outlines available options for assisting employees with child care, as well as provides agency and organizational contacts who can provide technical assistance to employers throughout this process.

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Other publications in the *Illinois Child Care* series include:

Illinois Child Care: A Guide for Family Home Providers
Illinois Child Care: Developing Center-Based Programs
Illinois Child Care: Developing Community Programs

To obtain printed copies of these publications, call your local Child Care Resource and Referral Agency. See page 55 to locate the agency nearest you.

Electronic copies are available online with other business startup and management guides at: <http://www.commerce.state.il.us/>

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Why Should Employers Be Concerned About Child Care?

Each day across Illinois, employers pay the price for gaps in local child care resources:

- **absenteeism** when parents stay home to care for ill children,
- **lost productivity** when parents are interrupted by telephone calls from unsupervised children at home,
- **turnover** when a shortage of available infant care prevents new mothers from returning to work, and
- **reduced morale** when employees cover for coworkers whose child care arrangements have fallen through.

Ultimately, child care issues affect work quality and business competitiveness.

Chances are your employees have struggled with child care. Nationally, a third of all parents' child care arrangements fall apart within three months. As the economy expands, the impact of this situation will increase. According to the Bureau of Labor Statistics, most new workers will be women with children under the age of six. What's more, over a quarter of single parents now are men. Additionally, a growing number of grandparents are raising their children's children. Child care issues are having an increasing impact on the workplace.

How much does the lack of child care cost you?

How much does it cost your business when an employee stays home with a child? How much does it cost to find new employees to replace those who have left because of child care issues? Have you lost prospective employees to competitors who are offering child care assistance? For help in determining how much child care impacts your bottom line, see the "Cost-Benefit Analysis" on page 42 in the "Resources Directory." This worksheet provides a step-by-step process for calculating turnover and absenteeism costs due to child care issues. The questions in the "Employee Child Care Questionnaire," on page 44 in the "Resource Directory," can provide insight into how much child care issues affect your employees and their performance.

What are the incentives for providing employee child care assistance?

Not only can child care assistance improve morale, increase productivity, and reduce absenteeism, it can improve employee retention and loyalty, according to studies conducted by the Families and Work Institute. Additionally, providing child care assistance is a tax-deductible business expense. See "Tax Benefits..." on page 43 in the "Resource Directory" for details. Many Illinois employers already provide child care assistance. For a listing, see page 54.

How can you effectively provide child care assistance?

Effectively assisting employees with child care doesn't have to be costly or require taking on liability. An overview of the most common options can be found on the following page. To help you tailor an assistance program to match your employees' current and future needs, refer to the "Employee Child Care Questionnaire" mentioned above, or contact your local Child Care Resource and Referral (CCR&R) agency for assistance. These agencies are part of a state network that can provide technical information and low-cost consulting to help you develop the assistance program that best meets your needs and those of your employees. To find the agency nearest you, see the CCR&R directory on page 55 in the "Resource Directory."

An Overview of Employer Child Care Assistance Options

Employer child care assistance programs typically fall into four categories: providing information, adopting flexible work hours and leave policies, providing financial assistance, and creating or supporting child care services. Of course variations exist, and it is entirely possible that a combination of options might best suit the needs of your business and employees.

Providing Information

- Option 1: Parent Seminars
- Option 2: Web-Based Child Care Resources
- Option 3: Child Care Resource and Referral Services

Benefits: These options are low cost, address a variety of needs, are appropriate for any size business, and can be provided in a variety of locations.

Considerations: They work best in communities with ample child care services. They assume all employees have the financial resources to afford the child care services they need.

Adopting Flexible Work Hours and Leave Policies

- Option 4: Alternative Work Schedules (flexible scheduling, compressed time, job sharing, part-time options)
- Option 5: Parental Leave Policies (use of sick leave for family illness, personal leave)

Benefits: These options require a minimal investment relative to return. They reduce absenteeism, and improve morale and productivity. They expand the pool of potential employees, as well as enhance recruitment and retention.

Considerations: These options may require greater planning on the part of managers and work teams. Effective implementation may require additional staff training.

Providing Financial Assistance

- Option 6: Dependent Care Spending Assistance Plans (as part of flexible benefit plans)
- Option 7: Voucher or Reimbursement Systems (for employee child care expenses)
- Option 8: Purchased Child Care Slots/Discount Program (employer programs with local child care vendors)

Benefits: These options require little administrative responsibility and are appropriate for any size company. They do not require large capital or start-up costs. Additionally, they can support and strengthen existing community care services.

Considerations: These options work best in areas where there is an ample supply of child care. Depending upon benefits offered, some options are not low-cost. Under-utilization of vendors must be monitored.

Creating or Supporting Child Care Services

- Option 9: School-Age Child Care (dedicated or shared programs with other employers, agencies, and/or organizations)
- Option 10: Sick-Child Care (in partnership with other employers and health care facilities)

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Option 11: Shared, Employer Sponsored Child Care (partnering with other employers to create center-based child care or a family child care network)

Option 12: Dedicated, Employer-Sponsored On-site/Off-site Child Care (creating center-based care or a family child network)

These options reduce absenteeism, while improving morale and productivity. They also can be an effective recruitment tool. Creating or supporting local child care services addresses specific child care needs and/or shortages in the community, and builds community resources for families. Hours of operation and programs can be adapted to meet employees' needs.

Initial start-up costs for these options can be high and they do require a long-term financial commitment. As with any child care program, building a stable enrollment will take time and demand may fluctuate.

Getting Started

In the pages that follow, you'll find overviews, detailed benefits and considerations, steps for implementation, and sources of technical assistance for each of these options. You'll also find a "Resource Directory" with tools to help you evaluate the best options for your business, and local listings for child care agencies and organizations to help you in creating an effective child care assistance program.

Providing Information

Option 1: Parent Seminars

Human resource staff and/or outside consultants can organize forums to inform working parents about available resources and support systems in the community. Workshops on a wide variety of parenting issues also are appropriate to address common concerns facing working parents. A program may have one or more of the following purposes:

- To provide basic information about parenting, child care, and other community resources.
- To assess the family support and child care needs of working parents in the business, in preparation for the development of another child care service.
- To supplement another kind of child care service, such as reimbursement or referral, by offering the information parents need in a more structured way.

The type and amount of information offered through this system will vary with the needs of parents. Formats will vary, as well. They can range from group discussions or seminars using expert presenters to a fair where employees can get information from brochures or from representatives of local support groups. They can provide forums for employees to share their own experiences with each other.

Single workshops or a series may be offered, usually on site, on topics such as:

- How to Work and Parent Successfully
- How to Select Child Care
- How to Monitor Your Child's Care
- Time Management for Working Parents

Benefits/Considerations

Benefits

- Relatively inexpensive; minimal requirements—a small amount of staff time, a group leader, space (conference room), and time off for employees. Can be adapted to reflect parent and company concerns. Can supplement other company programs, such as employee assistance or employee-relations efforts.
- Can provide a visible indication that the company is sensitive to employee needs.
- Can foster collective problem solving and generate a variety of responses and solutions to stressful situations.
- Can be used as an interim step for companies considering other child care services.
- Can reduce employee stress and improve performance and morale.

Considerations

- Not a direct child care service.
- Participation may not be widespread.

Steps in developing a parent seminar

1. Conduct a needs assessment.

A needs assessment will determine employee interest in this type of assistance. A sample needs assessment, “Employee Child Care Questionnaire” is included in the “Resources” section in the back of this publication. This questionnaire may be copied and distributed among employees as written, or changed to reflect your business’ individual needs and interests. Alternately, you can contact your local Child Care Resource & Referral (CCR&R) agency to assist you in this process. These agencies are part of a state network that assists parents, child care

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providers, and businesses. To find the CCR&R nearest you, see page 55 in the “Resource Directory” of this publication.

2. Consider establishing a management-employee committee to plan the program.

A joint management-employee committee can foster a sense of program ownership among employees and provide a forum for them to give input into design features of the program or service.

3. Design the program based on available funds and employee needs.

Parent seminars are a relatively inexpensive option for employers. They can be planned as a package to cover a broad range of topics, or each session can be based on discussions from a prior session. The needs assessment will provide information about the topics employees want to see addressed.

Presenter fees will vary depending on the number of programs to be presented and the format for each. The level and type of expertise required for the topic also will influence cost. Other expenses may include preparation of handout materials, whether provided by the presenter, the guest expert, or the company. Time off for employees to attend the sessions will also contribute to the overall cost.

Initial considerations that go into designing educational programs/seminars include:

- Type of format (seminar, fair, workshop).
- Kind of presentation (lecture, written, discussion).
- Scheduling the sessions (consider employee preferences).
- Size of the group (depends on format).
- Whether to provide handouts and how they will be prepared (reprints of articles, lists of resources, outlines).

- The breadth of topics (may evolve from parent input).

- How to conduct follow-up (individual contact or a form for participants to complete).

4. Decide who will present the program.

Employers may wish to contact employer-supported child care providers or specialists, such as those from the local CCR&R agency (see page 55). Local colleges, women’s groups, advocate groups for children and teens, and other employers also may have recommendations. Employers should interview potential program presenters, as well as check credentials, discuss the company’s goals as they relate to the project, and inquire how the presentation will help the business attaining the goals.

5. Review a written outline of the sessions with the presenter.

An introductory overview session open to everyone is a good way to begin the educational program. Organization of subsequent workshops should be in accord with outlined goals.

6. Review the printed material.

The presenter should ensure that any handouts reinforce the company’s goals and do not raise expectations for a service that the company has no intention of offering.

7. Publicize the seminar/workshop well in advance.

Publicity should begin at least one month in advance, using regular in-house methods such as bulletin boards, newsletters, and interoffice memos. If you sense that employees are not learning about the seminar/workshop, or if they aren’t learning about it in sufficient time to arrange to be away from their work station, then changes should be made in the publicity methods used. A few

days before the event, phone calls can be made or memos sent to remind those who have signed up, as well as others that may be interested.

8. Conduct an evaluation.

Immediately following the session, participants should be asked to complete evaluation forms. You will want to survey employees' reactions to the presentation(s) and discussion, ask for ideas for future sessions, and solicit any comments. If a report is to be made on the survey results and the broad issues discussed, employees' names should not be included.

9. Make long-term plans.

Issues raised or settled during discussions at seminars and workshops can supplement information gained through the needs

assessment about assistance options. Employers can assess the nature of employee concerns and respond to information and counseling needs. Employees may wish to take responsibility for continuing formal or informal follow-up sessions.

Technical assistance needed

Programs can be managed using in-house human resources staff. They also may be developed or managed under contract with outside consultants, such as those from an area CCR&R agency (see page 55), human services agency, college, or other educational institution.

See "Additional Technical Assistance" on page 58 in the "Resource Directory" for suggestions of organizations and community members who may be able to assist you in planning a parent seminar.

Option 2: Web-Based Child Care Resources

Human resource staff and/or outside consultants can create Internet web pages to inform working parents about available local child care resources and support systems. These pages can cover a wide variety of parenting issues, as well as provide venues for addressing common concerns facing working parents. Depending upon the structure of the pages, they can incorporate:

- Topics such as “How to Work and Parent Successfully,” “How to Select Child Care,” and “How to Monitor Your Child’s Care.”
- Forums for parents to exchange information and parenting tips.

- Surveys to gather data for developing additional child care assistance options.
- Supplement other assistance options such as Child Care Resource & Referral (page 9). You may also want to link to one or more external sites for parenting resources and support. Several agencies and organizations provide child care resources online. The National Child Care Information Center website at <http://www.nccic.org> features numerous child care topics and answers to several frequently asked questions.

Benefits/Considerations

Benefits

- Can be relatively inexpensive if business has an existing website; minimal requirements—initial staff time to create and maintain in accordance with features.
- Can be used even if remaining human resource operations are not web-based.
- Can be adapted to reflect parent and company concerns. Can supplement other company child care assistance programs.
- Can provide a visible indication that the company is sensitive to employee needs.
- Exchange forums can foster collective problem solving and generate a variety of responses and solutions to stressful situations.
- Can be used as an interim step for companies considering other child care services.
- Can reduce employee stress and improve performance and morale.

Considerations

- Not a direct child care service.
- Can be seen as impersonal.

- Participation may not be widespread if a major portion of the workforce is not using computers, or is without internet access.
- May need to assign logins and passwords to protect the privacy of employees and safeguard business’ website.
- Some features may require advanced programming skills.

Steps in developing web-based child care resources

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Design the web module.

Initial considerations that go into designing web-based child care resources include:

- Type of format (passive/interactive).
- What topics will be covered, features included? Note: Employee surveys and parent forums will need provisions for confidentiality.
- Will external resources be used? Does your business have permission to use them?
 - How will use be monitored? What provisions will you make for employees to

evaluate the offerings and request additional information?

4. Publicize the web pages.

Because of the nature of web-publishing, it is possible to direct employees to your pages before the entire module is fully completed and all functions are enabled. Pages can be publicized via regular in-house methods such as e-mail, bulletin boards, newsletters, and interoffice memos.

5. Make long-term plans.

Issues raised from discussion forums or online surveys can supplement information gained through the needs assessment about options for assisting parents. Employers can assess the nature of employee concerns, and, if necessary, adopt policies and procedures that are mutually beneficial.

Technical assistance needed

Web pages may be constructed using in-house staff or outside contractors. Some firms allow your business to run online human resources operations through their websites via so-called portals. Content may be developed internally, or with input from outside experts, including local Child Care Resource and Referral agencies (see page 55), human services agencies, or colleges and other educational institutions.

See “Additional Technical Assistance” on page 58 in the “Resource Directory” for suggestions of organizations and community members who may be able to assist you in planning a web-based child care resource option.

Option 3: Child Care Resource and Referral Services

Illinois' Child Care Resource and Referral agencies (CCR&Rs) assist parents in locating and selecting child care. Additionally, they help improve the quality and supply of child care by working with parents, business leaders, government officials, and child care providers. CCR&Rs are involved with the entire range of child care providers in an area. They have contact with license-exempt care-givers, licensed family home care providers, and nonprofit and for-profit center-based child care programs. CCR&Rs also work with nursery schools, Head Start, and after-school programs of centers, family home providers, schools, churches, youth programming organizations, as well as parks and recreation departments.

The Illinois Network of Child Care Resource & Referral Agencies is a statewide not for profit organization representing the 18 regional CCR&Rs serving Illinois communities (see page 55). It provides child care resource and referral services throughout the state on a sliding scale fee-basis.

Each CCR&R offers a core set of services:

- For parents

CCR&Rs provide consumer education and referrals for various types of child care, on a sliding fee scale. They also determine eligibility for child care subsidy programs.

- For child care providers

CCR&Rs offer training and technical assistance, resource lending libraries, educational scholarships, and client referrals.

- For communities

CCR&Rs track and report on local child care supplies and recruit child care providers.

- For businesses

CCR&Rs can offer enhanced contracts to provide referral services to participating employers. Individual companies or groups of companies also may contract for seminars on selecting child care options.

Benefits/Considerations

Benefits

- Costs to the company can be relatively low or, in the case of simply providing employees with information about CCR&R agencies in their area, negligible.
- The company does not have to be directly involved in the selection or provision of child care.
- CCR&Rs provide personalized parent counseling and child care referral.
- CCR&Rs offer support services to providers.
- CCR&Rs support family home child care and center care, thus ensuring greater parental choice.

- Increased access to child care means less stress and higher morale among workers who also are parents.

- Companies could use CCR&R agency services as an interim step while they decide what other coverage to provide for their employees.

Considerations

- CCR&R agencies do not make child care more affordable to all parents. However, they can assist low- and moderate-income parents with child care subsidies.
- Though each CCR&R agency has a selective approval process for license-exempt providers, referral is not a guarantee of quality.

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- Problems may remain for parents in areas where there is a shortage of child care facilities.
- Can be difficult to understand full range of services. The core offerings are standardized, additional services vary.

Steps in using a Child Care Resource and Referral agency

1. Conduct a needs assessment.

(See Step 1, page 4)

2. Decide the level of involvement with the CCR&R.

The business needs to decide whether it wants to (1) contract with a resource and referral agency to provide services to employees or (2) provide information on

resource and referral agencies to employees and let them make contacts and pay any fees.

3. Negotiate services and fees.

If the company decides to provide information, the next step is to contact the area CCR&R agency and ask it to provide materials on the services it offers.

If the company decides to contract with a CCR&R agency, it should contact its area agency to learn about the services offered and negotiate a contract.

Technical assistance needed

See “Additional Technical Assistance” on page 58 for resources of educational programs on child care, parenting, family financial management, nutrition, health, and other work/family concerns.

Adopting Flexible Work Hours and Leave Policies

Option 4: Alternative Work Schedules

The following schedules allow employees to adjust their work time to balance child care needs and the needs of their employer.

Flexible leave policies: Systems that allow accrued sick and annual leave to be combined for employees' to use as they choose. Policies may include paid or unpaid "personal leave time."

Parental leave: Sometimes called "family leave," a flexible policy that provides time off for mothers or fathers to care for newborn or very young children.

Flex-time: Work schedules that allow employees to vary their arrival and/or departure times as long as they work a prescribed number of hours per pay period and are present during a daily "core time," usually peak business hours.

Job sharing: Two or more workers share the duties of one full-time job, each working part-time. Alternatively, two or more workers who have unrelated part-time assignments may share the same budget line.

Compressed workweek: A work schedule enabling full-time employees to work the equivalent of a full week in less than 5 days, or for employees on biweekly pay schedules to work less than 10 full work days.

Part-time employment: Can refer to portions of days, weeks, months, or years worked by temporary or permanent workers.

Voluntary reduced work time: Employees can reduce their work time and salary by a specified amount (usually 5-50 percent) for a specific period (6-12 months) or permanently, while retaining benefits and seniority on a pro-rated basis.

Flex-place-telecommuting: Employees work at home or at a satellite work site where they are connected to their offices by computer and/or telephone.

Phased retirement: Enables employees to transition gradually from full-time work to retirement. During an interim period of part-time work, the employee may train a replacement worker.

Flex-time is the most commonly known of the alternative work schedule options. The federal government began using flex-time on an experimental basis in 1979: The program was permanently authorized by Congress in 1985.

The private sector also has increasingly adopted flex-time to help employees balance their work and family lives, to make better use of equipment and buildings, and to improve attendance, punctuality, and productivity.

Part-time employment has been used for a number of years by both the public and private sectors. Some of the other options for alternative work schedules discussed above are newer, but have proven to be successful.

Benefits/Considerations

Benefits

- Contributes to lower absenteeism and higher productivity.
- Reduces overtime costs.

- Alternative work schedules can improve morale and reduce stress for employees who are parents.
- Enhances recruitment, particularly of those employees who might not be available for a traditional work schedule.

- Business hours can be extended through flex-time and compressed workweek options.
- Flexible schedules allow for more economical use of office space and equipment.

Considerations

- Supervisors and employees may not work the same hours, requiring greater planning and control over work flow.
- Administrative problems may arise with time keeping or with the way benefits are assigned, prorated, or split.
- Administrative costs may be high when an option is first implemented, depending on existing systems and how quickly they can be adjusted.
- Workplace coverage may be a problem with some options.

Steps in developing alternative work schedules

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Decide which alternative work schedule option(s) will be implemented.

A decision should be based on results of the needs assessment and input of the management-employee committee. Company goals also should be reflected in the decision. Small companies may find that offering part-time employment is more cost-effective and beneficial to them, as well as more responsive to their employees' needs. Larger companies may find flex-time or flex-place-telecommuting or even a combination of options better suited to both company and work force needs.

4. Advertise the selected alternative work schedule.

Employees should be made aware of the alternative work schedule option being considered and how it will address their

specific needs. If applicable, supervisors also should be made aware of the option and its impact on personnel decisions in their unit. Publicize the option through all company communication channels. Follow-up via staff meetings or telephone calls should ensure that all employees are advised of the options and understand how to make use of them.

5. Implement necessary policy and administrative changes.

Ensure that appropriate policy changes are made and disseminated throughout the organization. Changes to administrative systems should be monitored to ensure a smooth transition and that employees are not penalized by the impending change. For example, when an employer is switching to a flexible leave approach from traditional sick- and annual-leave systems, employees' accrual rates should be monitored to verify that they are equivalent to what they were earning before. Employees managing the administrative system need to be comfortable with implementing the changes and explaining them to other employees.

6. Design and establish a reporting mechanism.

Instituting an alternative work schedule requires designing a reporting mechanism that allows for accurate tracking of hours worked, benefits due, and other administrative provisions that may have been altered. Cost tracking can determine the cost-effectiveness of the program to the employer.

Technical assistance needed

Benefits personnel should be involved in setting up any alternative work schedule option. Companies considering options that impact workers' benefits should consult legal counsel to ensure that there is no negative impact on employees.

To gain insight into the pros and cons of a specific option, an employer may wish to talk

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with other employers, either in the same area or in the same industry, who have already implemented alternative work schedules. See “Additional Technical Assistance” on page

58 for suggestions of agencies, organizations, and community members who may be able to provide additional information on child care assistance for your employees.

Option 5: Parental Leave Policies

As early as 1993, the Families and Work Institute estimated that it costs an employer three to four times more to replace an employee on parental leave than to hold the job open for the employee's return. Recruiting and training costs have only increased since then.

Federal legislation (Title VII of the Civil Rights Act and the Family and Medical Leave Act) and Illinois state legislation address the issue of parental leave.

Title VII of the 1964 Civil Rights Act, as amended by the Pregnancy Discrimination Act (PDA) in 1978, requires that women affected by pregnancy, childbirth, and related medical conditions be treated the same as other employees who are unable to work because of temporary physical conditions. Title VII covers employers of 15 or more persons.

Covered employers are to provide workers disabled by pregnancy, miscarriage, childbirth, and recovery the same health or temporary disability insurance, sick leave, seniority credits, and reinstatement privileges that are provided to workers temporarily disabled from other nonwork-related causes. However, the law does not require employers to provide a specific amount of maternity leave, to treat pregnant employees in any manner different from other employees with respect to hiring or promotions, or to establish new medical, leave, or other benefit programs where none previously existed. Under the Pregnancy Discrimination Act,

employers use the same procedures for determining an employee's ability to work whether disabled by pregnancy or other nonwork conditions, typically a doctor's statement.

In general, mothers need from six to eight weeks to recover from childbirth. Maternity leave enables mothers to recuperate, to adjust to caring for newborns, and to make suitable child care arrangements before returning to work. The ability to use this leave can often make the difference, both financially and emotionally, between the well-being of a family and severe stress.

In 1993, Congress passed the Family and Medical Leave Act (FMLA), which extended the right to unpaid leave to all workers and expanded the reasons for which such leave might be taken. It entitles eligible employees of either sex to take up to 12 weeks unpaid job-protected leave each year for specified family and medical reasons, including the birth of a child, the placement of an adopted or foster child in the home, and the serious illness of a family member. The law applies to all public agencies and to private sector employers who employ 50 or more people for at least 20 work weeks during the year.

Illinois has no laws which expand the FMLA. However, there are laws which require employers to provide leave for parents to participate in their children's educational activities. Parents are allowed up to 4 hours of unpaid leave per day toward a maximum of 8 hours per year.

Benefits/Considerations

Benefits

- Reduces turnover and preserves the employer's training investment.
- An effective recruitment tool, particularly for employers with large female work forces.

- Allows employees time to adjust to their role as parents, reduces their stress at becoming new parents, and gives them time to prepare infant care arrangements.
- Allows employees time to handle family emergencies without fear of losing their jobs.

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Considerations

- Smaller companies may find it costly to hold a job open for a period of time. Other employees may be burdened with handling the work of the employee on leave.
- Providing benefits to employees on parental leave may raise an employer's costs.

Steps in developing parental leave policies

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Explore the best maternity and parental leave alternatives in relation to the requirements of the Pregnancy Discrimination Act, and if applicable, the stipulations of the Family and Medical Leave Act .

A decision to institute this option should be based on results of a needs assessment, business' goals, and input from the management-employee committee, if established. The following are examples of policies instituted by employers:

- Leave with pay for the entire 12-week period for mothers and/or parents.
- Leave of absence without pay for maternity-related disabilities for the 12-week period.
- A combination of leave with pay and leave without pay for the 12-week period for mothers and/or parents.
- Part-time scheduling to facilitate the parent's return to work after the leave period.
- Disability leave with full or partial salary reimbursement for mothers.

- For companies not bound by the FMLA, a shorter period of parental leave (with or without pay).

5. Establish guidelines for participation in the parental leave program.

Some examples of participation requirements instituted by employers are:

- Length of service as a determinant of the amount of time available for such leave.
- A physician's opinion as a second determinant for the length of maternity leave.
- Paid leave for the hours accrued by the employee under the company's sick and personal leave policies and unpaid leave for any additional time.

6. Publicize the new policy.

Parental leave policies should be widely shared in all of the business' communication channels—flyers, bulletin board notices, newsletter articles, amendments to administrative handbooks, staff meetings, etc.

Technical assistance needed

A needs assessment can determine the most appropriate parental leave benefit. This can be done in-house or by an outside consultant from your local Child Care Resource & Referral agency (see page 55). A legal advisor can help set up and interpret leave policies.

The Illinois Department of Labor should be consulted about any applicable state requirements. See "Additional Technical Assistance" on page 59 for contact information.

Providing Financial Assistance

Option 6: Dependent Care Assistance Plans

A salary reduction plan is one way employers can assist employees in meeting the financial aspects of their child care needs.

These plans, typically referred to as Dependent Care Assistance Plans (DCAPs) are typically offered as part of a cafeteria plan. Under a DCAP, the employer and employee agree to reduce the employee's income by a certain amount, which is set aside in a fund for the employee. As the employee incurs dependent care expenses, he/she submits receipts and is reimbursed from the fund. The employee is not taxed on the amount set aside, and the employer isn't required to make social security and unemployment insurance payments on the deducted amount.

DCAPs allow for virtually all types of child care, providing the chosen child care program is licensed or license-exempt. This includes employer-supported child care at an employer-owned center, a community child care center, or via a network of individual family home child care providers. DCAP funds can be used to cover other child care services that parents might choose. However, programs that do not involve actual care for the child, such as parent seminars or information and referral services, do not qualify as DCAP expenditures.

IRS Code Sections 125 and 129 provides clarification for DCAP options, which are considered a non-taxable fringe benefit. To be valid, a DCAP must be in writing and for the exclusive benefit of a business' employ-

ees. Employees' rights under the plan must be legally enforceable, and the employer must intend to maintain the plan indefinitely when it is established. Although nondiscrimination guidelines require that the plan cannot discriminate in favor of highly paid employees, the plan can favor low income employees and provide extra subsidies for those parents who have the hardest time covering their child care costs. See "Vouchers/Reimbursements" (page 18) for details. All employees are eligible regardless of length of service. However, employees covered by a collective bargaining agreement can be excluded as long as child care benefits were negotiated in good faith by the employer with the union.

Employers offering DCAPs will want to make sure that employees are aware that these funds are restricted. The amount to be set aside must be determined at the beginning of the year. This amount can be deducted through regular payroll deductions, however it cannot be changed until the following plan year unless there is a change in family status, such as marriage, divorce, death of a spouse or child, etc. Also, DCAP funds cannot be carried over into the following year. Any monies not used are forfeited. Because of this, employees should be instructed to use conservative estimates for child care costs.

For regulations regarding DCAP salary reduction agreement and cafeteria plans, see Internal Revenue Code Section 416 (i).

Benefits/Considerations

Benefits

- Can provide tax advantages for both employer and employee.
- Can improve relations with employees.

- Ensures that funds are available to employees to meet their child care expenses.
- Can be a good public relations tool.

Considerations

- Infers existing ample child care.

(continued)

- “Use-it or lose-it” nature of this option must be fully understood by employees.

- Typically does not benefit employees with incomes of \$25,000 or less, as these employees often cannot afford to set aside earnings.

Steps in developing a DCAP plan

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Ensure that the salary reduction plan meets legal requirements.

Before a Salary Reduction Plan/DCAP is established, certain legal requirements must be met in order for the plan to conform to IRS guidelines. Employers should confer with their legal counsel or tax consultant.

4. Decide how the company will finance the benefit.

- By underwriting the cost of the program as an add-on above and beyond an employee’s present salary and benefits.
- Through the salary deduction plan discussed above.
- Through a combination of both.

5. Decide how the company will reimburse benefits.

- Providing child care on-site/off-site.
- Contracting with a third party(ies) for child care service for employees.
- Reimbursing employees for child care expenses based on the submission of receipts or canceled checks. The expertise of legal, tax, and benefits consultants will prove useful in determining the most appropriate option of reimbursement.

6. Communicate to employees.

The law requires that an employer provide employees with reasonable notice of the

terms and eligibility of a DCAP program. The notice must include a description of the child care tax credit available to them and a statement of the circumstances under which the tax credit is more advantageous to the employee than exclusion from taxes under the DCAP. This becomes an issue when an employee chooses to reduce salary and place that amount into a DCAP.

By law, the DCAP must also meet one of two nondiscrimination tests. Employers should ensure that employees are aware of this provision, as well. The expertise and advice of the business’ legal counsel, tax consultant, and benefits personnel should be sought to ensure that any DCAP meets the nondiscrimination requirements.

Employers should ensure that all employees are informed of this program via all internal communication channels. Human resources or other staff should be prepared to explain the program to employees and answering any questions that may arise.

7. Design and establish a report.

Employers are required by law to report to both the employee and the IRS on the financial aspects of a DCAP. This requires designing a quick and accurate reporting mechanism. Reporting requirements may be obtained through the IRS.

Technical assistance needed

Legal, tax, and benefits consultants should be involved in the establishment of your business’ DCAP.

“Additional Technical Assistance” on page 58 contains suggestions of agencies, organizations, and community members who may be able to provide additional information on child care assistance.

Option 7: Voucher or Reimbursement Systems

In a voucher/reimbursement plan, the business provides a reimbursement to employees for some portion of the cost of the employees' chosen child care.

The employer contribution varies. It can be a percentage of the total cost of child care, a flat amount for all participating employees, or based on a sliding scale according to the family's annual income. Vouchers or reimbursements are either added to an employee's paycheck, reimbursed as other "expense account" costs are reimbursed, or paid directly to the provider via a check or paper voucher redeemable by the provider upon presentation.

For employers, vouchers and reimbursements

constitute a deductible business expense as they help reduce absenteeism, increase productivity, and aid in recruitment. They can be targeted at low-income employees or used as an incentive to encourage new mothers to return to work earlier by defraying the high cost of infant care. The voucher or reimbursement system allows the employer to be less involved in the business of child care.

Instead, the care of children is placed in the hands of child care professionals and the issue is essentially a bookkeeping function for employers. For employees, this system allows them to individually select the child care agency that best meets their personal criteria for location, hours of operation, and quality of child care.

Benefits/Considerations

Benefits

- Low start up cost, relative to direct child care services such as employer-owned or shared centers.
- Employer does not have to get directly involved in the child care business.
- Useful to businesses of various sizes, especially those with multiple worksites.
- Can be used as an incentive to reduce length of maternity leave if directed at defraying the higher cost of infant care.
- Offers a wide range of choices and allows parents to make their own arrangements. Serves the entire age range of children.
- Uses existing resources in the community.

Considerations

- Low visibility for company; not as effective as a recruitment tool as employer-owned child care.
- Requires an existing ample supply of child care.

- Can be costly unless eligibility is limited by income or type of care.

- Employees may incur tax penalties unless provisions are taken to make vouchers/reimbursements nontaxable benefits.

- Can make low income employees ineligible for government child care subsidies, and in turn, affect the types and quality of care they can afford.

Steps in developing a voucher/reimbursement system

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Determine the group to be served and eligibility criteria.

Although most employers offering a voucher/reimbursement plan do so to all employees at a certain income level, a reimbursement can be directed to specific worksite(s) or to specific employee groups, such as those whom the company has difficulty in recruiting. Eligibility criteria should be established with the advice of a tax specialist who understands the provisions of

(continued)

Section 129 of the Internal Revenue Code. Section 129 is applicable if the reimbursement is to be a nontaxable benefit.

A company may have a program designed specifically for new parents. This policy helps new parents afford the high costs of infant care and provides an incentive for new mothers to return early from maternity leave.

Decisions must be made about whether part-time employees are eligible and whether to make adjustments for them. Answers to concerns, such as how many hours employees must work per week to be eligible for the program, also need to be determined.

In determining the income cutoff for eligible employees, note that the cost of child care presents problems for those with moderate incomes, as well as those with low incomes.

4. Decide on the amount of subsidy and method of payment.

The employer may pay a flat amount to all eligible employees, a consistent percentage of the cost of the care, or an individual rate determined on a sliding scale.

Decisions must be made on whether to pay on a monthly basis directly to the parents or provider, or on an annual basis to the program or the provider.

5. Determine eligible child care providers.

Companies have a number of choices to make about the type of care that is eligible for reimbursement. Section 129 of the Internal Revenue Code specifies and defines a “qualified care plan.” Some employers allow the use of license-exempt care from relatives or neighbors. Others include only licensed child care providers or license-exempt providers that meet certain employer requirements for location, quality, or service. The employer must determine the number of choices to be offered in relation to the needs assessment.

6. Make financial decisions.

Employers using voucher/reimbursement programs typically set a maximum on the amount they will contribute to child care costs. This amount is based either on family income or the cost of care. Businesses may limit eligibility to certain income groups or ages of children as a way to control program costs.

The simplest approach to vouchers is a flat-rate reimbursement to all employees (or those within a specified income range), regardless of the cost of care or family income. However, many businesses base their vouchers on a fixed percentage of total costs, establishing a maximum or ceiling on the cost of care which is reimbursed. Maximums should be high enough to encourage the use of better quality child care programs. In addition to benefiting parents, this may reduce employers’ exposure to liability.

Administrative costs are relatively low because existing staff can typically manage the program along with present responsibilities. Almost all of the money spent goes directly into providing child care services. Other than subsidies, there is no real cost to the employer because the child care program start-up fee is usually minimal. The voucher also is a deductible business expense for the company if earmarked for the employee.

Costs will vary depending on the type of programs chosen for purchase and the administration of payment. Income restrictions on eligibility may help to keep overall program costs low, but may prevent higher paid staff from participating in the program.

A cost-benefit analysis should be conducted that compares short-term costs and long-term operating costs with the productivity, absenteeism, and turnover advantages that the voucher or reimbursement assistance provides. A sample cost-benefit analysis can be

found on page 42. A child care benefits specialist can assist you with this process.

7. Decide on program management.

Decide whether to administer the program in-house or hire an outside firm to do so.

8. Design a record keeping system.

Regular monthly recording of child care expenses should be maintained. Paperwork is generally minimal. However, coordination between the business and child care provider(s) may be required to track the number of hours used each month.

9. Plan marketing strategy.

Employees need to understand how the system works. Information on the program can be disseminated via memos, bulletins, newsletter articles, meetings, etc.

10. Develop an evaluation mechanism.

Once the program is in place, employers should develop evaluation mechanisms to gauge the adequacy and usefulness of the program. The evaluation should include a monthly review of reports on budget versus costs, usage figures, company sick leave and absenteeism trends, quality control standards and measures, and an annual program review.

Technical assistance needed

An attorney may be required to help the employer clarify the nature of the option and minimize liability. A management service might be hired to handle the paperwork.

“Additional Technical Assistance” on page 58 contains suggestions of agencies, organizations, and community members who may be able to provide additional information on child care assistance.

Option 8: Purchased Child Care Slots/Discount Programs

In this program, employers agree to “own” a specified number of slots/spaces in a local child care program, be it center-based or a network of family home child care providers. Parent fees may cover most or all of the cost of any slots used, but the company typically picks up all or a portion of the cost of the unused spaces. Thus, the program can afford to keep the spaces open for the company.

A variation on this approach is when the employer does not hold the space open indefinitely but has first right of refusal to all or a percentage of spaces as they become available. This method is less expensive but usually involves some financial or in-kind

service exchange between the employer and the program.

In a discount program, the employer arranges for employees to pay lower fees than those typically charged to parents. An employer can make this arrangement with a single child care program or with various programs. The difference in fees is usually absorbed by the company through a financial contribution to the program. Some programs that would otherwise not be full offer a discount that is greater than the employer’s contribution. Discretion should be used in these cases, as there may be a reason the program isn’t full.

Benefits/Considerations

Benefits

- Requires minimal management and administrative responsibility.
- No capital investment or start-up costs, as with an employer-owned facility.
- Ideal for small companies with relatively few employees or large companies with small numbers of employees at any one work site.
- Can provide child care at an affordable price for employees’ children.
- Can serve a wide age group of children. Family home child care networks allow for siblings to be placed together.
- Additional spaces can be purchased as more employees apply for the discount.
- Can be reduced or modified according to employees’ needs.

Considerations

- Employees’ choices may be limited to certain programs.
- Child care programs may not be available, accessible, or in ample supply to be effective.

- May be viewed as an endorsement of some child care providers; liability exposure needs to be minimized.

- Discount arrangements are most available from poorer quality programs, unless the employer pays the full cost of the difference.

Steps in developing a purchase of space/discount program

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Determine existing programs in the locality.

There may be a number of programs near a company’s location that are suited to the child care needs of employees. Specialists from the area Child Care Resource and Referral (CCR&R) agency should be able to assist employers in locating existing programs. To find the CCR&R agency nearest you, see page 55.

4. Negotiate contract(s) with the child care program(s).

Buying a number of spaces gives a business leverage to negotiate for a discount. An

employer can decide to negotiate with a number of programs or with only one. The more programs involved, the more choices employees have for child care suitable to their needs. The area CCR&R can assist you in developing selection criteria to ensure high-quality programming and minimize any liability.

5. Decide how to manage the program.

A business may decide to subsidize part of the child care cost by offering a discount to employees. This can be done with a flat fee per child, or using a sliding fee scale based on an employee's income and/or family size. A child care consultant from the area CCR&R agency can assist with choosing the appropriate arrangement.

A Dependent Care Assistance Plan (DCAP) should be set up for any ongoing employer contributions to make them nontaxable for the employee. See page 16 for more information on DCAPs. Consult with a local IRS agent or tax advisor to create one.

Employers also may decide to pay the child care program(s) a bulk sum to reserve the spaces for its employees beforehand. Employees would then be responsible for paying the weekly/ monthly balance directly to the child care program.

6. Develop record keeping procedures and a payment system.

In order to determine costs, use of the service, and other operating matters, the business should establish financial management and record keeping systems. A suitable

system of payment to the service provider also needs to be developed by the employer.

7. Make financial projections.

Costs will vary based on the type of programs chosen for purchase, cost per child care slot, number of slots negotiated for, administration of payment, and average cost of services in the locality. Discount(s) to the company and employee also may vary according to the factors mentioned above.

8. Publicize the program.

Employees should be informed about all child care programs participating in a company's purchase of space/discount program, as well as the program's fee structure and payment system. Employees should be encouraged to visit the programs so that they can make the most informed decision. An employer could publicize the program through informational flyers, notices on bulletin boards, seminars and meetings, and articles in the company's newsletter.

Technical assistance needed

Legal assistance may be required in negotiating contracts with child care providers to ensure limited liability. A local IRS advisor or tax consultant can assist in establishing a DCAP for any ongoing contributions. See page 16 for more information on DCAPs.

"Additional Technical Assistance" on page 58 contains suggestions of agencies, organizations, and community members who may be able to provide additional information on child care assistance.

Creating or Supporting Child Care Services

Option 9: School-Age Child Care

School-age child care programs can help reduce staffing crises that occur when school is not in session—before and after school, school holidays and vacations, and in some instances, during the summer.

School-age programs typically serve children between 5 and 12 years old, using school buildings, recreational facilities, religious institutions, social or community service facilities, and existing child care centers. Enrollment can be limited to school-age children, or include younger children.

Well-planned activities are essential. The program should be organized so that children view it as distinctly different from the regular school day. Children’s development needs also should be kept in mind.

Activities should include different forms of physical exercise, as well as time for homework and other quiet activities. Activities can encompass science experiments, art projects, games, and playground time, as well as mini-field trips and socialization activities, including interaction with local elders. Nutritious snacks for after school are important; some before-school programs offer breakfast.

“Phonefriend” - In many communities, organizations operate Phonefriend for so-called latch key children, school-age children who care for themselves after school and while parents are working.

Via telephone, Phonefriend volunteers can provide comfort and support to children who are at home without adult supervision. Several television stations have provided publicity and funding for the development of community Phonefriend programs throughout the U.S. Phonefriend is particularly helpful to parents whose work environment is not conducive to receiving phone calls from their children who are at home alone.

Summer camp programs - Camp programs are another form of school-age child care. They can be developed to operate for the full work day instead of the traditional 9 a.m. to 3 p.m. Some larger businesses lease space for summer months in order to run day camp programs for their employees’ children. Other programs, particularly those with modest space, utilize public parks and pools for sports and recreation activities.

An employer or groups of employers considering this option may work with existing summer camp programs to create extended day sessions to accommodate working parents. Alternatively, employers may contract with a local community agency, such as 4-H, YMCA, or YWCA; to provide summer care. They may also work with these agencies to develop a program within their own offerings that addresses the needs of the employer’s work force. This arrangement could include convenient hours for employees and require only a modest investment from the employer.

Benefits/Considerations

Benefits

- Contributes to lower absenteeism and higher productivity.
- Improves morale and reduces stress on parents.

- Addresses one of the most critical child care shortages.
- Provides increased safety and comfort to children, reduces their anxiety.
- Provides opportunities for learning and recreation.

- Some programs provide opportunities for older children to take on responsibility in the form of mentoring.

Considerations

- Requires transportation if the programs are not housed at schools. This may require the use of mini vans or buses from the local school system. See <http://www.NCCANet.org> for details.
- Programs for older children may be hard to develop since these children sometimes feel that they are too old for child care.

Steps in developing a school-age child care program

Many of the steps discussed below pertain to establishing on-site school-age child care programs. Employers will find coordinating with existing resources, such as public school districts, may make this an easier and less expensive option to implement.

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Determine existing services.

Companies should analyze community programs to determine what is available and how the employer can best coordinate with existing services. Your area Child Care Resource and Referral (CCR&R) agency (see page 55) or county Extension office (see page 60) may be helpful in determining whether existing services can be accessed or if a new program will have to be started.

4. Identify legal issues.

Legal issues include approval from local authorities, program licensing, insurance and liability questions, tax benefits, and agreements between the employer and the service provider, if applicable. Your local Illinois Department of Children and Family Services (IDCFS) day care licensing representative can advise you on approval and licensing issues (see page 64). Your legal and tax advisers can assist with the remainder.

5. Make financial projections.

Calculate start-up costs, monthly operating budgets, and annual expenditures. A system of ongoing financial management that ensures quality control and accurate reporting must be developed.

A cost-benefit analysis should be conducted to compare short-term start-up costs and long-term operating costs with employee productivity, absenteeism, and turnover. Your area Small Business Development Center can assist you with this (see page 66).

This information should be analyzed in terms of the advantages or disadvantages of different school-age programs. Start-up costs may include renovation of facilities, purchase of equipment and supplies, staff training, and transportation. Operating costs include costs for staff, space, insurance, and any food served. A sample cost-benefit analysis worksheet is on page 41. A child care specialist from your area CCR&R agency (see page 55) can assist you with the budgeting process.

6. Select the type of program or service and who will provide it.

Using the cost-benefit analysis data, decide the type of service to be provided, who will provide it (schools, community agencies, other), and the number of sites at which the service will be offered.

If the employer is to provide school-age child care service, decisions must be made about how many staff members will be hired, the capacities in which they will serve, and how issues of supervision and accountability will be handled. Your CCR&R specialist (see page 55) can advise you on this.

7. Finalize program design.

Design considerations include the number and ages of children to be served; days and hours of operation; as well as whether to offer meals/snacks, transportation, or curriculum.

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8. Plan the marketing strategy.

Publicize the program through lunch time seminars or meetings, flyers, bulletin board notices, and articles in any employee newsletters. Benefits staff need to be able to answer questions about the program.

9. Develop an evaluation mechanism.

Mechanisms for evaluating the program's adequacy and usefulness can include monthly program budget reviews, usage figures, company sick leave and absenteeism trends, quality control standards and measures, as well as an annual program review.

Technical assistance needed

Consult your local IDCFS day care licensing representative regarding licensing (see page 64). Your area CCR&R agency (page 55) may be able to provide references for legal and tax advisors specializing in child care.

“Additional Technical Assistance” on page 58 contains suggestions of agencies, organizations, and community members who may be able to provide additional information on child care assistance.

Option 10: Sick-Child Care

Sick or mildly ill child care programs provide care for children who are mildly ill or recovering from a health problem. An employer saves the cost of a replacement worker or lost work time when an employee uses a sick-child care program rather than staying home with a child.

Typically, ill children are not allowed to attend regular child care programs. Several program models for the care of sick children have developed across the country in recent years. Although these programs may not be able to serve parents for all the days that a child is ill, they can provide an alternative for days when a child is mildly ill.

Nationally, models of sick-child care include: (1) centers that care only for sick children, (2) programs within hospitals, (3) care in a “sick bay” at regular center-based child care programs, (4) family home child care programs, and (5) in-home care or visiting nurse service. Illinois presently permits only hospital-based programs. For details, see Illinois Administrative Code 77, Section 250.2720, Subchapter b. However, officials with the Illinois Department of Public Health’s Center for Rural Health say that they are willing to work with businesses and communities to establish other types of programs, as well as investigate variations, such as adding sick-child care units to existing satellite health clinics. See “Additional Technical Assistance” (page 58) for contact information. The latter could involve the least legal hurdles as current law stipulates that programs may only be supervised by registered nurses and physicians, and that a registered nurse must be available at all times. Additionally, emergency medical treatment must be available at all times.

The types of childhood illness or symptoms of illnesses sick-child care programs exclude varies. Most programs exclude children with a high fever or serious illness, and most group programs exclude children with infectious diarrhea and highly contagious

diseases such as chicken pox. Because of the current stipulation that sick-child care occur in hospital facilities, Illinois permits care for contagious children as long as the children are separated from children with other contagious conditions and those with non-contagious conditions.

The following factors distinguish various mildly ill child care programs from regular child care programs:

- Sanitation policies and procedures are more stringent.
- The ratios of caregivers to children tend to be higher than in regular care.
- Providers must be trained in caring for ill children since these children may need to rest and may have restrictions on activity.

Record keeping procedures also are more complex. When the child arrives, the provider must conduct a health check with the parent. The health check serves as a screening for exclusion purposes and yields information to be used in providing appropriate care to the child, such as medical history, the name of the child’s physician, etc. Illinois presently permits only registered nurses and physicians to conduct initial screenings of children for sick-child programs via telephone and later in person when the child is brought to the facility.

Hospital-based sick-child care programs usually operate independently from hospital pediatric wards. In Illinois, some hospital-based programs have been developed to serve the surrounding community in addition to hospital staff.

In states where non-hospital-based care is permitted operations are as follows:

Center-based sick care programs are similar to those of regular child care centers. An entire center may be developed as a sick care program, or a sick care program may be a part of a regular center. The latter is called a

sick bay and consists of rooms in a regular center set up to care for ill children. Children who are excluded from the center because of illness may be moved into the sick bay.

Family home care programs for ill children operate similarly to regular family home child care.

Visiting nurse or in-home programs send caregivers into the child's home on an as-needed basis when the child is ill. The qualifications of the caregiver vary from program to program. Note, Illinois currently requires the presence of a registered nurse.

The program administrator maintains a list of caregivers who have been screened and trained. They are supervised by the administrator. Parents usually must pre-register their child. When the child becomes ill, the parents call the program to request a caregiver. Further arrangements sometimes are then made between the caregiver and parent.

Because of the high cost involved (\$6 to \$7 an hour), many companies subsidize sick-child care provided in the employee's home. Rates are typically lower for children in hospital-based programs (\$3.50+ an hour).

Benefits/Considerations

Benefits

- Reduces absenteeism; improves recruitment and work flow.
- Improves employee morale; relieves stress on parents.
- Enhances company image.

Considerations

- Usage may be low due to unfamiliarity with the concept.
- Caregiver/surroundings may be unfamiliar to the child.

In states where non-hospital-based programs are permitted:

- Monitoring quality control may be difficult in a visiting nurse program.
- Recruiting/retaining qualified program staff may be difficult.

Steps in developing a sick-child care program

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Determine what sick-child care programs exist in the community.

The concept of sick-child care is relatively

new. Only a small percentage of parents may use a program in the beginning. However, repeat usage is high and additional parents will use the service on the basis of user recommendation. Your area Child Care Resource & Referral (CCR&R) agency can be helpful in determining the existence of programs in the community. To locate the agency nearest you, see the directory on page 55.

4. Determine licensing requirements.

Specific regulations and guidelines for sick child care programs in Illinois can be found in the Illinois Administrative Code 77, Section 250.2720, Subchapter b.

5. Decide whether sick-child care services should be provided in-house, jointly with other businesses, or contracted out.

There are both advantages and challenges to consider when contracting out. If a business wishes to do so, and if there are no local services immediately interested in providing such a program, it may consider providing the seed money to establish a nonprofit agency with the primary function of operating such a program for the business, e.g. a foundation that is hospital-affiliated and attached.

Employers may want to explore the possibility of joining with other businesses in the

locality to develop a program at an area hospital, or pending approval, a clinic.

6. Determine program features.

The following areas must be addressed in designing a sick-child care program:

- Policies on which childhood illnesses will be permitted or excluded.
- Infection control procedures.
- Curriculum of activities for ill children.
- Staff training on childhood illnesses and in caring for ill children, including sanitation practices, giving medications, and taking temperatures.

The steps to be taken in designing a hospital-based program, in addition to those mentioned above, include:

- Determining the specific location of the program.
- Determining if the program will serve the community, as well as employees.
- Purchasing materials and equipment.
- Establishing meal service, possibly through the dietary department.
- Determining staffing arrangements, including who will be the program manager and other caregivers or assistants.
- Working with the marketing department to promote the program.

Pending state approval, visiting nurse programs require the following additional steps:

- Involving the employee benefits manager.
- Hiring an administrator to operate the program.
- Screening and training qualified caregivers.
- Recruiting parents to pre-register for the program.
- Supervising the caregivers.

7. Make financial projections.

The cost of a sick-child care program will vary depending on the type and size of the program, the operating facility, type of staff hired, insurance coverage, and geographic location. The basic budget items to consider include:

Personnel

- director
- teachers and caregivers

Other Costs

- insurance
- marketing
- equipment/supplies
- telephone
- space
- postage

The least expensive programs to develop are hospital-based and visiting nurse programs because facility development is minimal.

Most employer-supported sick-child care programs require some level of operating support from the business in order to maintain reasonable fees. In the case of sick care, this subsidy is especially important because parents must pay for sick care and their child's regular care program. Sick care fees also are higher because the service is labor-intensive.

A cost-benefit analysis should be conducted that compares short-term costs and long-term operating costs with the productivity, absenteeism, and turnover advantages sick-child care assistance provides. A sample cost-benefit analysis can be found on page 42.

8. Plan the marketing strategy.

Publicize the options through lunch time seminars or meetings, flyers, bulletin board notices, and newsletter articles. Employers need to ensure that benefits staff receive

training to answer questions about the sick-child care program.

9. Develop an evaluation mechanism.

Once the program is in place, develop mechanisms for evaluating the program's adequacy and usefulness. These may include monthly reviews of the program budget, enrollment figures, and quality control standards/measures, in addition to an annual program review.

Technical assistance needed

You will want to involve health professionals from your local health department in devel-

oping policies and procedures. You may also want to consult with a physician or registered nurse.

If you are proposing a program that is not hospital-based, you will need to consult with the Illinois Department of Public Health's Center for Rural Health. See "Additional Technical Assistance" on page 59 for contact information.

There, you also will find suggestions of agencies, organizations, and community members who can provide additional information on child care assistance.

Option 11: Shared, Employer-Sponsored Child Care

Businesses located in the same community, especially those in downtowns and shared office buildings or industrial complexes may find a shared sponsored child care approach feasible. Though typically referred to as consortium centers, these ventures also can consist of a network of family home child care providers located throughout the community.

Shared centers often are developed through coordination between a real estate developer, businesses in the development, and a child care organization. Alternatively, they may be owned or rented, renovated, existing structures. Shared centers also may be joint business and community projects. See *Illinois Child Care: Developing Community Programs* for details. To obtain a copy see page i. *Illinois Child Care: Developing Center-Based Programs* also may be useful.

Shared family child care networks offer greatly reduced start-up costs. They allow for businesses not located immediately together, such as those in smaller communities and rural areas, to share facilities. A family home child care network's multiple locations and

home-like atmospheres make it especially convenient and attractive to employees. This is especially important for rural employers whose employees may be less comfortable with center-based care.

The amount of control that a consortium member wishes to exert over the child care program may have implications for the business' liability. A new nonprofit corporation may be established to provide or oversee the child care, and contributing businesses may provide board members to the child care corporation if they wish.

Consortium members generally share start-up costs and in return receive priority enrollment for their employees' children. Specific numbers of slots can be set aside for each company; or, arrangements can be more informal. However, operating costs are usually funded through a combination of parent fees and contributions from the participating employers. Member businesses may choose to subsidize their employees fees through a voucher/reimbursement program. See page 18 for an overview.

Benefits/Considerations

Benefits

- Resources, liability, and costs are shared.
- Small employers can participate.
- Large size of the combined labor force protects the center from long-term under enrollment.
- Center facility projects may qualify for funds from USDA Rural Development or the Illinois Office of the Treasurer (see page 32).
- Creates additional child care resources in the community.

Considerations

- Facility(ies) may be able to serve only a

limited number of employees from each participating business.

- May involve complicated negotiations among participating businesses.
- Recruitment/public relations value may be less than with a dedicated facility.

Steps in developing a shared sponsored care program

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Identify consortium members.

Contact other employers in the area to gauge their interest in forming a consortium. Consortiums can consist of employers from a

specific industry or diverse businesses with similar goals.

4. Establish planning committee.

Establish a committee to represent users of the facility in the planning and program design phase. You may want to contact a child care specialist from your area Child Care Resource and Referral (CCR&R) agency (see page 55) at the outset of the planning, as well as your local day care licensing representative from the Illinois Department of Children and Family Services (IDCFS) (see page 64). If a center facility option is chosen, this committee will work with the architect facility's design. This committee will be responsible for implementing the program once it is finalized.

5. Determine program features.

The program characteristics selected should be based on the needs assessment data and recommendations of the committee or company personnel on program design. Characteristics will include:

- number of children
- age groups
- sizes of groups
- hours of operation
- educational programming

The majority of these decisions will involve working with your local IDCFS day care licensing representative. See page 64 for a directory.

6. Apply for applicable state license(s).

Contact your local IDCFS day care licensing representative (page 64) about this process.

7. Determine the type of facility.

Consortium members considering a center should decide whether the prospective facility will be newly constructed or a

renovated existing facility. A child care specialist from your area CCR&R (see page 55) can help advise you on site selection and analysis. An architect may then be engaged to develop working blueprints with a child care specialist, and oversee construction/renovation. Both advisors will be necessary to design a successful facility. Employers considering a family child care network may also need to engage the services of a contractor or architect to meet licensing requirements in the event they are assisting the individual providers of the network with this cost.

8. Determine the legal structure.

Participating businesses may establish a nonprofit entity comprised of their representatives to manage the center or network. Alternatively, businesses may permit the board of directors to be comprised of parents and community representatives. The center or network also may operate as a for-profit program. Legal and tax consultants will be able to advise which legal structure is most advantageous.

9. Investigate costs and potential outside funding sources.

Start-up costs

Consortium members should develop a budget that includes all start-up costs in order to allow participating employers to determine their share and how it will be collected. Your area CCR&R (see page 55) can assist you in developing financial projections .

Start-up costs usually include:

- Facility renovation or new construction costs per square foot based on the indoor and outdoor space requirements per child, as well as parking.
- Equipment costs.
- Licensing fees and other permits required.
- Insurance coverage.

- Fees for technical experts: legal consultants, accountants, and/or child care experts.
- Salaries and benefits to personnel who are involved in setting up the facility(ies) or who may require training.
- Marketing costs, such as promotional materials, meetings, and newsletters.

Employers also should consider that operating losses may result at the beginning of the program due to under-enrollment. These losses can be considered part of start-up costs.

Tax advantages may apply to employers establishing child care facilities. These advantages may lower their investment costs. Consult the Internal Revenue Service or a tax advisor for details.

Operating costs

Preparation of the monthly and annual operating budgets should be accomplished with the assistance of someone who understands the child care industry, such as a representative from your area CCR&R agency (see page 55). The budget should include assumptions of enrollment and bad debt, and must cover true and accurate costs.

The largest budget expenditure for a child care facility is usually payroll. High quality child care programs typically spend at least 60 and up to 80 percent of their budget on payroll. Salary percentages are an indicator of quality that can be used if the consortium is considering contracting with (an) established child care provider(s). Your area CCR&R agency (see page 55) can be helpful in determining average salaries for the locality. Salaries in business-sponsored centers are typically well above market rates in order to avoid the high turnover common to the child care industry.

Food can be catered or prepared in-house. Employers may wish to consider catering costs in developing an operating budget. Many communities require a full commercial kitchen for the preparation of meals. Check

local health regulations for conformity to standards.

Other operating costs can include facilities (rent and maintenance), equipment and supplies, insurance coverage, advertising, miscellaneous expenses, and transportation. Transportation costs are substantially higher for facilities operating in rural communities.

Most employer-sponsored facilities require some level of operating support from the company in order to maintain reasonable fees and still maintain quality.

A cost-benefit analysis should be conducted that compares short-term startup costs and long-term operating costs with the productivity, absenteeism, and turnover advantages that consortium care will provide. A sample cost-benefit analysis can be found on page 42. Your area Small Business Development Center and CCR&R agency can help you with this. See respective directories on pages 66 and 55.

Potential outside funding sources

USDA/Rural Development provides direct and guaranteed low-interest loans to construct, improve, or expand space, and buy equipment and furniture for child care projects in rural areas (pop. <50,000). See page 68 to locate the office nearest you. Both nonprofit organizations and for-profit organizations are eligible to apply. New and expanding child care projects, especially those serving families with low incomes, may be eligible for low-interest funds through the Illinois State Treasurer's Day Care Initiative. These funds also can be used for construction and/or equipment. (See page 70 for details.)

If your project is organized as a nonprofit and will be serving low-income or special needs children, The Illinois Facilities Fund (page 71), may be able to assist with fixed rate low-interest loans, as well as facilities planning and development.

Your township government may also be a

(continued)

source of child care funds. Your area CCR&R agency (see page 55) may have information on grant programs applicable to your project.

10. Determine and implement administration.

The decision about how the facility(ies) will be managed is determined in part by the legal structure of the program.

If a nonprofit entity is to run the program, the board must select a child care program director and establish program policies and procedures. Alternatively, if an outside management firm is to operate the center, then the consortium must select a firm and draw up a contract. The firm will then be responsible for the remaining administrative tasks, including licensing, equipping, and staffing the center, and developing curriculum, policies, and procedures. Another option is to incorporate the parents as a nonprofit association to oversee the administration of the center. All of these arrangements require a great deal of thought and planning to ensure successful operation.

11. Plan the marketing strategy.

A publicity campaign is advisable to quickly attract employees to use the program so that the program can operate cost efficiently as soon as possible. A campaign could include: notices to employees, open-house tours, and brochures. You may want to consider a fall opening date as this is a time when many parents change child care arrangements.

12. Develop enrollment procedures.

Pre-enrollment and regular enrollment procedures must be developed, taking into account agreements by participating employers of how the slots will be allocated.

13. Develop an evaluation mechanism.

Evaluations assess the degree to which the child care program is fulfilling its goals efficiently. Periodic program evaluations can pinpoint trouble areas and allow administra-

tors to improve program quality and cost effectiveness. Issues to examine include:

- How many employees are being reached by the service?
- How well are employees' needs for child care being served?
- Is the program having an impact on absenteeism and turnover? Is it enhancing recruitment, public relations, and/or achieving other management goals?
- How well are the children's developmental needs served?
- Do the program's curriculum and support services fulfill the goals derived from the program's philosophy?
- Will changes in the amount of participation in some program services lead to cost savings in the program overall?
- Are there program components that are inefficient in terms of cost to provide? Can more cost effective delivery methods for these services be implemented?

Depending on the structure of the child care program, one or a combination of the following can conduct the evaluation: consortium board of directors, program director, a child care specialist from the local CCR&R agency (see page 55), or an evaluation committee.

Technical assistance needed

Your area CCR&R agency (see page 55) can advise on many aspects of establishing and running a child care operation.

Consult an attorney on issues of legal structure, profit/nonprofit status, and liability. Legal counsel also can prepare articles and bylaws for child care corporations and apply for 501(c)(3) tax-exempt status, if necessary. A certified public accountant should advise on tax issues and conduct an annual audit.

(continued)

**Technical assistance needed
(contd.)**

“Additional Technical Assistance” on page 58 contains suggestions of agencies, organizations, and community members who can

provide additional information on employer child care assistance.

Option 12: Dedicated, Employer-Sponsored Child Care Facilities

Dedicated, employer-sponsored child care facilities can help ensure that employees have access to child care. They can reduce tardiness and absenteeism for parents with unreliable arrangements. They also enable companies to retain and recruit employees. These facilities may serve the business' employees exclusively or receive children from the community.

These facilities can consist of on- or off-site centers or a network of family home child care providers within the employer's area. See *Illinois Child Care: A Guide for Family Home Providers* and *Illinois Child Care: Developing Center-Based Programs* for more information. To obtain copies see page i. Facilities can be sponsored by the employer or a union. They can be managed in-house or by a contracting child care provider.

The employer (or union) typically pays all start-up costs, early-stage operating losses before the facility is fully enrolled, and some portion of ongoing operational expenses. Parent fees cover the balance of these facilities' operating expenses.

Employer-sponsored facilities can serve non-school age children ranging from 6 weeks, (though 3 months is common) through 5 years. Some centers admit school-age children before and after school, on school holidays, and during the summer, depending upon the proximity of the children and

transportation, which is a key issue for rural areas. Facilities may also provide emergency or drop-in care for employees who normally use other child care arrangements, but whose arrangements have fallen through.

Hours of operation typically accommodate employees' work hours. Usually facilities operate within the hours of 6:30 a.m. and 6:30 p.m. and may be open weekends and legal holidays. Though facilities can be open during evenings, these slots could be underutilized if parents prefer to have home care during these hours. An employee needs assessment (see "Step 1" page 4) can help determine optimum hours of operation.

Employer-sponsored child care programs can be legally structured in many ways: as a department of the company operated in-house or by an outside operator, as a wholly owned subsidiary, or as a separate nonprofit corporation. Each approach should be considered in terms of how it best accomplishes the goals of the company and responds to the needs of employees.

Most employer-sponsored child programs are subject to state licensing standards and may be subject to county and municipal zoning. Your local Illinois Department of Children and Family Services (IDCFS) day care licensing representative (page 64) can brief you about this.

Benefits/Considerations

Benefits

- Cuts absenteeism and tardiness caused by unreliable child care arrangements. Useful for recruiting and public relations.
- Improves the quality of employees' work and productivity by lessening distractions about their children while they are working.
- Improves morale by demonstrating that the employer is responsive to employees' needs.

- Programs with infant care can be especially useful in reducing maternity leave and retaining female employees.

- Some projects may be eligible for government loan guarantees, direct loans, or discounted funds.

Considerations

- Legal structure and operating arrangement of the program need to minimize liability.

(continued)

- Center option requires start-up funding, may require a larger investment than other forms of employee child care assistance.
- There is generally a need to subsidize the operating costs of the center.

Steps in developing dedicated, employer-sponsored child care

1. & 2. (See Steps 1 and 2 on pp. 4 and 5)

3. Determine program features.

The program features selected should be based on data from the needs assessment, including:

- number of children
- age groups
- sizes of groups
- hours of operation
- food service
- transportation
- level of programming
- level of subsidy from employer

You will need to work with your local Illinois Department of Children and Family Services (IDCFS) day care licensing representative (see page 64) to determine most of these.

4. (See Step 6 p. 31)

5. Develop the educational program.

At a minimum, decisions about the program should include:

- the philosophy
- level of quality
- educational goals to be stressed
- curriculum activities for the different ages of children

Note that program activities impact facility design in a center option, as well as the

selection of providers for a family child care network.

6. Determine the type of facility(ies).

Management will determine whether the proposed program will consist of a new construction or a renovated existing facility, or a network of family child care providers.

7. Select the site(s).

An employer may choose to work with existing family child care providers, or, in areas with little available child care, work with an area Child Care Resource and Referral (CCR&R) agency (see page 55) to recruit and hire new providers.

If a center-based option is chosen, an IDCFS day care licensing representative (see page 64) should be contacted for help in ensuring that the site and plans meet applicable standards. An architect may then be engaged to develop working blueprints.

Employer-sponsored facilities are often located near the parents' workplace. Alternatively, they may be geographically separate from the sponsoring company but adjacent to the worksite.

If a center option is chosen, consider the following criteria in site selection and design:

- **Indoor space:** Approximately 35 square feet per child indoors is needed, more for infants sleeping and playing in the same area. Space not used directly for child care does not count toward this number. See *Licensing Standards for Day Care Centers*, Illinois Administrative Code 407, Subpart H, Section 407.370 for details.

- **Playground:** The total area must accommodate 25 percent of the enrolled children at any one time. Approximately 75 square feet of safe outdoor space must be allotted per child for the total number of children using the playground at any one time. Rooftop play areas also are an option. See *Licensing Standards for Day Care Centers*, Illinois

Administrative Code 407, Subpart H, Section 407.390 for details.

8. Determine the legal structure.

The center can be a department of the corporation or unit within a department; a wholly owned subsidiary; or a separate corporation operated either for-profit or as a nonprofit. The corporation can also subcontract the operation of an in-house center to an outside child care operator or child care organization.

The control and liability an employer desires determines the legal structure. Typically, the more control over quality and other aspects of the program a business has, the greater its liability. Research shows that corporate centers have not had liability problems, regardless of their legal structure.

When an employer subcontracts the operation of the program to a child care operator, the first level of liability is carried by the operator. A separate legal structure created for the program also gives the employer some distance from the program and thereby reduces liability exposure.

Another option to consider is incorporating the employee/parents as a nonprofit parents' association to oversee the administration of the child care center. This association would be responsible for contracting with a provider and monitoring the safety and quality of care.

If a child care center is organized as nonprofit, it may qualify for tax exempt status under section 501(c)(3) of the Internal Revenue Service code. It is then eligible to receive tax deductible donations and certain grants.

Programs serving children of low-income families can receive partial funding for food through the United States Department of Agriculture Child and Adult Care Food Program (CACFP). For more information about the CACFP in Illinois, contact the Illinois State Board of Education. See page 58 for contact information.

A final decision concerning legal structure should take place after consulting with legal counsel and a child care benefits specialist.

9. (See Step 9 pp. 31-32)

10. (See Step 10 p. 33)

11. Prepare for administration.

Administrative responsibilities for center-based care and family child care provider networks likely will include:

- Determining program philosophy.
- Planning educational curriculum and activities. Preparing a developmentally-appropriate curriculum is essential. The National Association for the Education of Young Children (see page 58) has information on curriculums. You may also wish to consult with a child care specialist from your area CCR&R agency (page 55).
- Setting operating, admission, and personnel policies.
- Managing finances.
- Keeping records on finances, children, and management decisions.
- Mobilizing resources, both funding and volunteer services.
- Supervising operations.
- Developing staff, including recruiting, hiring, and training.
- Promoting parent involvement via developing newsletter, information forms, etc.
- Handling employer-center relations, community relations, and publicity.

Additional administrative activities include:

- Planning for the physical plant. A procurement list for all equipment and supplies must be prepared. Arrangements for janitorial and trash collection services must be made.

(continued)

- Planning for proper nutrition. An appropriate food service system must be developed. Food can be catered or prepared in-house. It is less costly to prepare meals and snacks in-house, but a cook must be hired and a kitchen constructed to meet building codes. In many locales, a full commercial kitchen is required for the preparation of meals. The center may wish to apply for funding from the U.S. Department of Agriculture, which makes funding available to partially reimburse child care programs for food costs through the CACFP. See page 58 for contact information.

- Assuring quality. An employer cannot afford to support the development of an inferior quality program. Such a program would reflect badly upon the company and be ineffective for solving problems of productivity or recruitment, in addition to presenting a liability risk.

Methods to assure quality include:

- Staff the center according to the standards set by the National Academy of Early Childhood Programs, an offshoot of the National Association for the Education of Young Children. See page 58 for contact information.

- Apply for accreditation from the National Academy of Early Childhood Programs after the first year of operation (see page 58).

- Develop and implement quality control standards and measures.

- Conduct annual program evaluations.

- Conduct personnel evaluations regularly.

12. Develop procedures for enrollment.

Pre-enrollment and regular enrollment procedures must be developed, taking into account agreements with any additional employers or individuals of how child care slots will be allocated.

13. & 14. (See Steps 12 and 13 on p. 33)

Technical assistance needed

(See pp. 33-34)

Option 13: Combination Approach

When individual options do not completely meet employee needs, it is possible to combine options.

For example, in an area with a limited number of child care facilities, an employer may want to use a Child Care Resource and Referral agency (see page 55) to help employees make arrangements. To help employees afford high-quality early childhood learning for their children, an employer also

might set up a dependent care assistance program.

In the case of larger businesses, some parents may be happy with their present care and reluctant to place their children in a company-supported, off-site child care center. In this instance, it may be possible to provide discounts to parents using the off-site center and partial reimbursements for parents using their own providers.

Conclusion

Providing child care assistance to your employees can help to improve morale, increase productivity, and reduce absenteeism, as well as improve employee retention and loyalty. Child care assistance can also aid you in recruiting new employees and it's tax-deductible.

What's more, investments in child care assistance may have long-range positive effects for your workforce. According to a 1998 RAND study, children who do not receive quality care between the ages of 0 and 3 are more likely to exhibit violent and delinquent behavior, become teenage parents, need welfare assistance, and fail academically. Chaotic home situations can't help but impact parents' productivity.

Employee child care assistance options vary in cost and liability. Some can be implemented almost immediately, while others may take several years.

Ten characteristics of successful child care assistance programs:

The most successful child care assistance programs are:

- ***Well-researched*** using grounded data from third party exit interviews, focus groups, and surveys.
- ***Diagnosis-driven***. Opportunities arise where employee performance/retention issues intersect with businesses' financial performance, competitiveness, and product quality.
- ***Effectively-staffed***.
- ***Creatively designed***.
- ***Comprehensively concise***.
- ***Systematically implemented***.
- ***Constantly communicating***.
- ***Leadership embraced***.
- ***Monitored regularly***.
- ***Continuously improved***.

To recoup the full benefit of a child care assistance program you'll have to create a mutually beneficial program for you and your employees. The contacts listed in the following pages can help you accomplish this.

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Cost-Benefit Analysis to Determine Child Care Impact *

Calculating Turnover Costs

Step 1: Calculate the Average Annual Cost of Employee Turnover

Estimate Total Costs

Include employment ads and/or agency fees, training, and lost productivity (note: it can take from 3 to 17 weeks for a new employee to reach full productivity). Depending on the type of business, include applicable applicant expenses, relocation expenses, and staff compensation for hiring/training process.

Divide total costs by number of new employees per year for average.

Step 2: Calculate Estimated Reduction in Turnover

Estimate or use available data (anecdotal or survey) to determine how many separating employees typically leave because of child care issues. (Remember that employees often are reluctant to name child care as a reason for leaving, so problem may be understated.)

Estimate how many of these probably would not have left had programs or policies been in place.

Estimated reduction in turnover by subtracting line 2 from line 1.

Step 3: Calculate Expected Savings in Turnover Costs

Multiply the expected reduction in turnover (step 3) by the average turnover costs per new employee (step 2) to determine the expected savings in turnover costs.

$$\frac{\text{_____}}{\text{(reduction in turnover)}} \times \frac{\text{_____}}{\text{(average turnover cost)}} = \text{_____}$$

Calculating Absenteeism Costs

Step 1: Calculate the Annual Cost of Absenteeism Per Year

$$\frac{\text{_____}}{\text{(# work days lost/yr)}} \times \frac{\text{_____}}{\text{(cost/work day)}} = \text{_____}$$

Step 2: Calculate the Expected Reduction in Absenteeism

Estimate the percentage of current absences that might be due to child care problems.

Step 3: Calculate Expected Savings in Absenteeism Costs

Multiply Step 1 by Step 2:

$$\frac{\text{_____}}{\text{(annual cost)}} \times \frac{\text{_____}}{\text{(expected reduction)}} = \text{_____}$$

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* Your area Small Business Development Center may be able to assist you with this process. See directory on page 66.

Tax Benefits for Businesses Providing Child Care Assistance

Child care assistance provided by an employer is a tax-deductible business expense. Your accountant and/or tax adviser can provide further details about the laws highlighted below, and explore any additional incentives you may qualify for at the state and local level.

Business Expenses

Amounts paid by an employer to provide a child care service for employees may be deductible as ordinary business expenses under IRC Section 162 as the services reduce absenteeism and turnover; aid in recruitment and retention of employees; and increase productivity for the employer. Amounts paid by an employer to a welfare benefit fund, such as a Voluntary Employees' Beneficiary Association (VEBA), may also be deductible.

Charitable Contributions

An employer may be entitled to a charitable contribution deduction for donating to a qualifying tax-exempt child care organization.

Capital Expenses

Costs incurred for acquiring, constructing, and/or remodeling a building to be used as a child care center can be depreciated over a thirty-nine year period under the Modified Accelerated Cost Recovery System described in IRC Section 188. Costs of equipping the building can be depreciated over varying recovery periods depending on the type of business in which the center is located and the type of equipment. See IRS Publication 946 for specific depreciation instructions.

Start-Up Expenses

Start-up and investigatory expenses incurred in the development of a new child care center may be amortized over 60 months or more under IRC Section 195. Eligible expenses may include costs for advertising, needs assessments, consultant services, and staff training. Corporations providing child care facilities for employees may be eligible for Illinois state tax credits for start-up costs as outlined in ILCS Section 210.5.

Tax-Exempt Organizations

An employer-sponsored child care center may be established as a tax-exempt 501 (c)(3) organization. The organization providing child care services must apply to the IRS for tax-exempt status. The employer's contributions to the center may be deductible as charitable contributions. However, it is required that the center must also be open to the general public. An employer may also be able to deduct child care benefits provided through a VEBA 501 (c)(9).

Dependent Care Assistance Plan (DCAP)

Though primarily a tax benefit for employees, DCAPs also provide a tax incentive to employers. A DCAP is one type of flexible spending account in which an employee sets aside a certain amount each month to pay for dependent care. Neither the employee nor the employer pays income or FICA taxes on the amount used for dependent care. If the benefit is offered under a cafeteria plan as defined in IRC Section 125.

Employee Child Care Questionnaire and Scoring

This questionnaire is intended to be distributed to employees for gaining insight into the impact of child care issues. Alternately, employers may enlist area Child Care Resource and Referral Agencies to undertake this task and make recommendations. A directory of Child Care Resource and Referral Agencies can be found on page 55.

Child Care Questionnaire

This questionnaire is anonymous. Please do not print your name on it.

1. First, we would like to know a little about your family. Please list the ages of your children from youngest to oldest:

2. Over the last 12 months, have you needed child care (baby-sitting) for any of your children while you work? Circle the number of your response.

1 Yes

2 No

If no care was needed, please skip to question 24.

3. We would like to know about all the care your children needed over the last 12 months while you worked. Check all the kinds of care needed by your child(ren).

___ Full-day care

___ Half-day care

___ Before/after school care

___ Night or weekend care (while parents work)

___ Full-day care (summers only)

___ Half-day care (summers only)

___ Other (explain)

4. Please tell us how care was provided for your child(ren). Check all the ways that care was provided.

___ Relative in our home

___ Non-relative in our home

___ In relative's home

___ In non-relative's home

___ Child care center

___ Other (describe) _____

5. Did you get all the child care you needed during the last 12 months? Circle one response.

1 Yes. (Skip to Question 7)

2 I got some of the care I needed.

3 No, I did not get any of the care I needed.

6. If you couldn't get all the child care you needed, please indicate the reason. Circle all the reasons that fit your situation.

1 Cost of care was too expensive

2 Couldn't find anyone to care for my children (explain) _____

3 Care was too far away

4 Care wasn't available when I needed it (explain) _____

5 My child has special needs that couldn't be accommodated (explain) _____

6 Other (explain) _____

7. About how many hours per week is (are) your child(ren) in child care? (Total hours for all children receiving care) Circle your response.

1 1-10

2 11-20

3 21-30

4 31-40

5 41-50

6 51-60

7 61-70

8 71-80

9 81-90

10 91-100

11 101-110

12 111-120

13 121 or more

(continued)

8. What is the average amount you pay per week for child care for your child(ren) (the total for all your children who receive care)? Circle your response.

- 1 \$0-\$10
- 2 \$11-\$20
- 3 \$21-\$30
- 4 \$31-\$40
- 5 \$41-\$50
- 6 \$51-\$60
- 7 \$61-\$70
- 8 \$71-\$80
- 9 \$81-\$90
- 10 \$91-\$100
- 11 \$101-\$110
- 12 \$111-\$120
- 13 \$121-\$130
- 14 \$131-\$140
- 15 \$141-\$150
- 16 \$151-\$160
- 17 \$161-\$170
- 18 \$171-\$180
- 19 \$181-\$190
- 20 \$191 or more

9. Do you have backup child care when your regular care is unavailable? Circle the number of your response.

- 1 Always
- 2 Usually (explain) _____
- 3 Sometimes (explain) _____

10. Who cares for your child(ren) when they're ill? Circle the number of your response.

- 1 Spouse who doesn't work outside the home
- 2 Spouse stays home from work with child
- 3 I stay home from work with child
- 4 Regular child care arrangements
- 5 Alternative child care arrangements
- 6 Child cares for self
- 7 Other (explain) _____

11. If you stay home from work to care for a sick child, what kind of leave do you take? Circle the number of your response.

- 1 Sick leave
- 2 Vacation day
- 3 Personal leave day
- 4 Unpaid leave
- 5 Other (explain) _____
- 6 Doesn't apply

12. Who cares for your child(ren) when schools close for an emergency snow day? Circle the number of your response.

- 1 Spouse who doesn't work outside the home
- 2 Spouse stays home from work with child
- 3 I stay home from work with child
- 4 Regular child care arrangements
- 5 Alternative child care arrangements
- 6 Child cares for self
- 7 Other (explain)
- 8 Doesn't apply - child(ren) is(are) too young to go to school

13. Who cares for your child(ren) when schools close for in-service days or holidays? Circle the number of your response.

- 1 Spouse who doesn't work outside the home
- 2 Spouse stays home from work with child
- 3 I stay home from work with child
- 4 Regular child care arrangements
- 5 Alternative child care arrangements
- 6 Child cares for self
- 7 Other (explain)
- 8 Doesn't apply - child(ren) is (are) too young to go to school

(continued)

14. Who takes care of making child care arrangements for your child(ren)? Circle the number of your response.

- 1 I do
- 2 Spouse
- 3 My spouse and I share responsibility
- 4 A friend
- 5 A relative
- 6 Other (specify) _____

15. Who takes or drives your child(ren) to and from child care? Circle the number of your response.

- 1 Care is in our home (Skip to question 18)
- 2 I do
- 3 Spouse
- 4 My spouse and I share responsibility
- 5 A friend
- 6 A relative
- 7 Other (specify) _____

16. How many miles does the person mentioned above drive (one way) from your house to your child care home or center? Circle the number of your response.

- 1 0-5
- 2 6-10
- 3 11-15
- 4 16-20
- 5 21-25
- 6 26-30
- 7 31-35
- 8 36-40
- 9 41-45
- 10 46-50
- 11 51 or more

17. How many miles does the person mentioned above drive (one way) from your child care home or center to his/ her job? Circle the number of your response.

- 1 0-5
- 2 6-10
- 3 11-15
- 4 16-20
- 5 21-25
- 6 26-30
- 7 31-35
- 8 36-40
- 9 41-45
- 10 46-50
- 11 51 or more

18. Have you or others in your household limited their work hours because you can't find good child care? Circle the number of your response.

- 1 Yes
- 2 No

19. Does anyone in your household often worry about your children in child care while at work? Circle the number of your response.

- 1 Yes
- 2 No

20. Does anyone in your household often worry about your children at home alone after school? Circle the number of your response.

- 1 Yes
- 2 No

21. Has anyone in your household had to take off time from work because of problems with child care? Circle the number of your response.

- 1 Yes
- 2 No

22. Has anyone in your household had to quit a job because of problems with child care? Circle the number of your response.

- 1 Yes
- 2 No

(continued)

23. When you need to be away from work for a short time for a child's appointment or a child care emergency, how does your supervisor manage your absence? Circle the number of your response.

- 1 Allows personal leave time
- 2 Allows me to make up lost time
- 3 Reduces wages for missing time
- 4 Demerit or mark against work record
- 5 Other (explain) _____

24. How does your supervisor respond to your family responsibilities that may occur during work time? Circle the number of your response.

- 1 Supportive
- 2 Reluctant but allows necessary absence
- 3 Critical
- 4 Other (explain) _____

25. Listed below are a number of ways that businesses can help employees with their child care problems. Check options that you think this business should consider:

- ___ a Free lunch time seminars on parenting and child care
- ___ b Employee is provided information on local child care homes and centers
- ___ c Job sharing - two employees "share" a full-time position
- ___ d Allow employees time off from work following childbirth
- ___ e Flex-time - adjusted arrival and departure times to meet family's schedule
- ___ f Allow employees to bring their children to work for limited amounts of time, in unusual situations or emergencies
- ___ g Allow employees to use paid sick leave to care for sick children
- ___ h Child care program for children who are mildly ill or recovering from an illness.

(See next column for additional responses)

- ___ i Child care center for children of employees at or near your work site
- ___ j Financial support for child care as part of the benefit package
- ___ k IRS-approved plan to pay for child care with pre-tax dollars
- ___ l Child care program before and after school hours, and on school holidays and vacations.
- ___ m Spaces reserved in a child care center or home for employees' children
- ___ n Employees receive a discount on the regular fee charged for child care at a center or home

26. Which three child care options listed above are most important to you? Write the letters of your choices.

- 1 _____
- 2 _____
- 3 _____

27. Are you going to need child care within the next two years? Circle the number of your response.

- 1 Yes
- 2 No (Skip to question 29)
- 3 Not sure

28. Please tell us what kind of care you think you will need. Circle all kinds you will need.

- 1 Full-day care
- 2 Half-day care
- 3 Before/after school care
- 4 Summer care only, full-time
- 5 Summer care only, halftime
- 6 Night/weekend care
- 7 Not sure
- 8 Other (explain) _____

(continued)

29. What is your relationship to the child(ren) in your family? Circle the number of your response.

- 1 Mother (include foster, step)
- 2 Father (include foster, step)
- 3 Aunt
- 4 Uncle
- 5 Grandmother
- 6 Grandfather
- 7 Other (specify) _____

30. What is your marital status? Circle the number of your response.

- 1 Never married
- 2 Married
- 3 Separated
- 4 Divorced
- 5 Widowed

31. How would you describe your household? Circle the number of your response.

- 1 Single person, no children
- 2 Single employed parent, children living with me
- 3 Single employed parent, children living elsewhere
- 4 Two adults, no children
- 5 Two parents, children living with us, both parents working
- 6 Two parents, children living with us, one parent working
- 7 Other

32. How long have you worked with this company? _____

33. What are your working hours?

_____ Full-time: how many hours per week? _____

_____ Part-time: how many hours per week? _____

_____ Other (explain) _____

34. What is your spouse's working schedule? Circle the number of your response.

- 1 Does not work outside the home
- 2 Part-time work outside the home
- 3 Full-time work outside the home
- 4 Do not live with spouse

35. Are there any concerns or comments that you would like to make about child care that we haven't covered here? If so, please feel free to tell us those concerns or comments.

Please return your completed questionnaire to:

by this date _____ Thank you.

Scoring the Employees and Child Care Questionnaire

Results from the Employees and Child Care Questionnaire can be compiled in several ways:

- Hand tally
- Computerized spreadsheets, such as Microsoft Excel

Question 1: Make a tally of numbers of children in the following age range groupings:

0-12 months (infants)

1-4 years (toddlers and preschoolers)

5-6 years (kindergarten)

7-12 years (school-age)

13 years and above

Children in each of these groupings will have different child care needs:

- Infants require the most specialized care and it is usually the most expensive.
- Toddlers and preschoolers need full-day child care, depending on their parents' work hours.
- Children in kindergarten will likely need child care for half-days, depending on the local school system.
- School-age children may need child care before or after school hours, or both.
- Children age 12 and above are often left alone in their homes before and after school.

Question 2: Add the number of employees indicating number 1 "Yes." This total represents the current number of employees in your work force who have children in some type of child care arrangement.

Questions 3 and 4: Total the types of care and who provided care. Note how much is provided in private homes v. child care centers. Rural areas trend toward private homes. You may also observe the number of parents juggling multiple child care arrangements and providers.

Compare responses for Questions 3 and 4 to marital status and household description (Questions 30, 31). How many single parents rely on relatives to care for their children? How many single parents need "night or weekend care" (Questions 3 and 4)?

Question 5: Total the number of employees indicating each of the three responses. Employees circling response "2" or "3" may be a key group needing assistance with child care needs.

Question 6: Total the number of employees indicating the six responses. You may also want to note some of the explanations. The responses given to this question will be important to remember when planning some form of child care assistance program.

Question 7: Tally the number of employee responses for each of the thirteen ranges of hours. Answers to this question will let you know the total number of hours of child care needed by employees' children per week. Remember, responses indicate a total for all of their children receiving care. You may be able to see one or two ranges of child care hours that are used by the majority of employees and their families.

Question 8: Tally the number of employee responses for each of the twenty ranges of payments. Look for ranges of child care payments that are used by the majority of the employees and their families.

For further analysis, you may want to examine this question in the following ways:

- Multiply the number of responses to each category by the median amount in the category. Add these totals and divide by the number of respondents to Question 8. This will give the average amount paid per week for child care.
- Compare the average weekly payment with the average salary for employees with your company. What percentage of the weekly salary is spent on child care?
- Compare the employees indicating “cost of care was too expensive” in Question 6 with actual payments for child care in Question 8.
- Compare the responses to Question 8 with the responses to Questions 29 and 31. What are the average child care costs for single parents?

Question 9: Total the number of employees indicating each of the three responses. Backup care is crucial if employees are using child care arrangements in private homes.

Question 10: Total the number of employees indicating each of the seven responses. Parents staying home to care for ill children may represent a large proportion of absenteeism in the work force.

Question 11: Total the number of employees indicating responses one through five. Answers to Question 11 may suggest policy implications for your business. Consider if employees, especially single parents, can afford to take a day of unpaid leave to care for a sick child. A first step toward assistance with employee child care may be to permit employees to take paid sick leave to care for sick children.

Questions 12 and 13: Total the number of employees indicating responses one through seven for each question. Emergency school closings, such as those due to weather, create very stressful situations for many working parents. Although parents have more time to

plan for scheduled school closings due to such as those due to holidays and faculty training workshops, these may present difficulty for child care, as well. Many center-based programs and family care providers will not take children on a part-time or occasional basis. Additionally, a child who is allowed to stay home alone for two to three hours after school may not be mature enough to remain alone for an entire day.

Questions 14 and 15: Tally the number of employee responses for each of these questions. You may want to note the number of employees who are solely responsible for child care arrangements and transportation (Question 14, response number 1; Question 15, response number 2). These employees may experience high stress levels before they reach the workplace, especially if alternative child care arrangements have to be made. For further analysis:

- Compare Question 14, Response Number 1 and Question 15, Response Number 2 with Question 29. Mothers are frequently responsible for both child care arrangements and transportation in families.
- Compare Question 14, Response Number 1 and Question 15, Response Number 2 with Questions 30 and 31. What proportion of the employee respondents are single parents, without anyone to assist in child care arrangements or transportation?

Questions 16 and 17: Tally the number of employee responses for each of these questions. You may want to look at the distances indicated by the majority of employee responses. For further analysis, consider the following:

- Do your employees drive long distances to work site? Does this relate to tardiness on the job?

(continued)

- Compare employees noting “care was too far away” in Question 6 with the actual distances driven.
- Answers to Questions 16 and 17 should be considered if you plan a child care assistance program involving existing facilities or one you plan to develop.
- Is the existing facility or planned site within the range of distance driven by the majority of your employees?

Questions 18-22: Record the number of employees responding “Yes” to each of these questions. Stress from child care related problems may lead to reduced productivity or loss of good employees.

Questions 23 and 24: Tally employee responses for each of these questions. Answers to Questions 23 and 24 may present implications for future personnel policy decisions.

Question 25: Tally employee responses for the fourteen child care assistance options. Which options were checked by the majority of employee respondents?

Question 26: Record employee responses, listing preferred child care assistance options. Compare the responses to Question 25 with the responses to Question 26. Child care assistance options receiving large response rates should be discussed and explored further by the employee-management committee.

Questions 27 and 28: Tally employee responses to each of these questions. Implications may be drawn from these questions to calculate your present work forces’ future need for employee child care assistance. Did a large proportion of employees indicate they will need “Full-Day Care” and “Before-After School Care,” etc. in the future? Will employees need assistance in arranging this type of care for their children?

Questions 29 through 34: will provide further valuable insights on your employees and their families:

Question 29: Tally the number of responses to each of the relationships of respondents to the child(ren) in the family

Question 30: Tally the number of responses to each of the marital status categories.

Question 31: Tally the number of responses to each of the household categories. Special consideration should be given to the “single parent” categories. Respondents to category two (“single employed parent, children living with me”) will likely be responsible for all child care needs themselves. Respondents to category three (“single employed parent, children living elsewhere”) should not be ignored. These employees may have custody of their children for varied periods of time, requiring child care arrangements while the parent works.

Question 32: Record the responses. You may want to categorize the answers in ranges, such as 1 year or less, 2-5 years, 6-10 years, etc. Businesses invest a large amount of time in training employees. Child care assistance is one strategy for keeping valuable employees.

Question 33: Tally the number of responses to each category of working hours. Be aware that employees who work odd hours on a part-time or swing-shift basis and employees who work weekends frequently experience problems finding child care for their children.

Question 34: Record the number of responses to each category. In most cases, a response of number 1 (“does not work outside the home”) will indicate that no child care is needed. However, do not overlook the

growing number of home business operations and people doing volunteer work. These employees may still need child care arrangements.

Question 35: Record the comments provided by employees. You may want to categorize them according to problems that the business should address, community problems, etc.

Illinois Employers Providing Child Care Assistance

The following is a sampling of Illinois employers providing various forms of child care assistance to their employees. Summaries of these and other options are included with implementation recommendations beginning on page 4.

Web-Based Child Care Resources

University of Illinois
Urbana-Champaign, Illinois
Number of employees*: 8,500

* resources also available to students

Child Care Resource & Referral Services

Bayer Crop Science
White Heath, Illinois
Number of employees: 7

Alternative Work Schedules

Rantoul High School
Rantoul, Illinois
Number of employees: 103

Parental Leave Policies

Paxton IGA
Paxton, Illinois
Number of employees: 65

Dependent Care Assistance Plan

Champaign-Urbana Mass Transit District
Urbana, IL
Number of employees: 274

School-Age Child Care

Export Packaging Company
Milan, Illinois
Number of employees: 450

Sick-Child Care

Perry Memorial Hospital
Princeton, Illinois
Number of employees: 300+

Consortium Center/Family Child Care Network (shared program)

Agri-Fab and Hydro Gear
Sullivan, Illinois
Number of employees: 400 and 360

On-site/Off-site Child Care

Illinois Department of Revenue
Springfield, Illinois
Number of employees: 1,499

Blessing Hospital
Quincy, Illinois
Number of employees: 2,232

Swedish American Hospital
Rockford, Illinois
Number of employees: 2,913

Combination Approach

Northern Illinois University
DeKalb, Illinois
Number of employees*: 3,841

*students also are able to use the university's on-site child care facility

Service Delivery Area – 5
Child Care Resource & Referral

801 N. Larkin Ave., Suite 202
Joliet, IL 60435

Referral: (800) 552-5526
Subsidy: (815) 741-4622
(800) 641-4622
Admin.: (815) 741-1163

Counties Served: Grundy, Kankakee, Kendall, Will

Service Delivery Area – 6
Action for Children
(formerly Day Care Action Council of Illinois)

4735 N. Broadway, Suite 1200
Chicago, IL 60640

Referral: (773) 687-4000
Subsidy: (773) 687-4000
Admin.: (773) 687-4000

Counties Served: Cook

Service Delivery Area – 7
Community Child Care Resource & Referral
Network

(a unit of East Central TRAIN)
2804 Eastern Ave.
Davenport, IA 52803

Referral: (800) 369-3778
Subsidy: (563) 324-7844
Toll Free: (800) 923-7844
Admin.: (563) 324-7844

Counties Served: Henderson, Henry, Knox,
McDonough, Mercer, Rock Island, Warren

Service Delivery Area – 8
Child Care Connection

Illinois Central College
One College Drive
East Peoria, IL 61635-0001

Referral: (309) 679-0400
Subsidy: (309) 679-0945
(800) 301-3304
Admin.: (309) 681-5322

Counties Served: Bureau, Fulton, LaSalle, Marshall,
Peoria, Putnam, Stark, Tazwell, Woodford

Service Delivery Area – 9
Child Care Resource & Referral Network

207 W. Jefferson St., Suite 301
Bloomington, IL 61701

Referral: (309) 828-1892
Subsidy: (309) 828-1892
(800) 437-8256
Admin.: (309) 828-1892

Counties Served: DeWitt, Ford, Livingston, McLean

Service Delivery Area – 10
Child Care Resource Service

905 S. Goodwin Ave., 314 Bevier Hall
Urbana, IL 61801

Referral: (217) 333-3252
(800) 325-5516
Subsidy: (217) 244-6188
(800) 379-7406
Admin.: (217) 244-7356

Counties Served: Champaign, Douglas, Iroquois,
Macon, Piatt, Vermilion

Service Delivery Area – 11
Child Care Resource & Referral

Eastern Illinois University
Klehm Hall, Room 107
600 Lincoln Avenue
Charleston, IL 61920

Referral: (800) 545-7439
Subsidy: (800) 643-1026
Admin.: (800) 545-7439

Counties Served: Coles, Clark, Cumberland, Edgar,
Moultrie, Shelby

Service Delivery Area – 12
West Central Child Care Connection

WCU Building, Room 610
510 Maine
Quincy, IL 62301

Referral: (217) 222-2550
(800) 782-7318
Subsidy: (217) 222-2592
Admin.: (217) 222-2550

Counties Served: Adams, Brown, Calhoun, Cass,
Greene, Hancock, Jersey, Pike, Schuyler

(continued)

Service Delivery Area – 13

Community Child Care Connection, Inc.

1004 N. Milton Ave.
Springfield, IL 62702-4430

Referral: (217) 525-2805 (in Springfield)
(800) 676-2805 (outside Springfield)
Subsidy: (217) 525-2805 (in Springfield)
(800) 676-2805 (outside Springfield)
Admin.: (217) 525-2805

Counties Served: Christian, Logan, Macoupin, Mason,
Menard, Montgomery, Morgan, Sangamon, Scott

Service Delivery Area – 14

CHASI Child Care Resource & Referral Program

2133 Johnson Road, Suite 100 A
Granite City, IL 62040

Referral: (800) 467-9200
Subsidy: (800) 847-6770
Admin.: (618) 452-8900

Counties Served: Bond, Clinton, Madison, Monroe,
Randolph, St. Clair, Washington

Service Delivery Area – 15

Project CHILD: Child Care Resource & Referral

327 Potomac
PO Box 827
Mt. Vernon, IL 62864

Referral: (800) 362-7257
Subsidy: (800) 362-7257
Providers: (618) 244-2210
Admin.: (618) 244-2210

Counties Served: Clay, Crawford, Edwards,
Effingham, Fayette, Jasper, Jefferson, Lawrence,
Marion, Richland, Wabash, Wayne

Service Delivery Area – 16

Child Care Resource & Referral

John A. Logan College
700 Logan College Road
Carterville, IL 62918

Referral: (800) 232-0908
Subsidy: (800) 548-5563
Admin.: (800) 548-5563

Counties Served: Alexander, Franklin, Gallatin,
Hamilton, Hardin, Jackson, Johnson, Massac, Perry,
Pulaski, Pope, Saline, Union, White, Williamson

Additional Technical Assistance

The agencies and organizations listed in the following directories can provide you with a variety of assistance. Other people in your community who may be consulted in planning a child care assistance option include preschool teachers, and child care center staff or directors. Additionally, retired persons with child development backgrounds and members of the Service Corps of Retired Executives (see <http://www.score.org> on the Internet), vocational-technical schools with child care curriculums, community colleges, and local child care sponsoring agencies, such as a child care council or community action agency, may be able to assist you. The resources below can assist you with specific aspects of a planning and developing a child care assistance option.

Accrediting, Early Childhood Education Standards

For accrediting information, and standards for early childhood education programs, contact the National Academy of Early Childhood Programs, a division of the National Association for the Education of Young Children (NAEYC). See <http://www.naeyc.org>, or write to NAEYC at 1509 16th Street, N.W.; Washington, DC 20036-1426, or call (800) 424-2460 between 9 a.m. and 6 p.m. EST. Dial extension 3 for accreditation information.

Child Care Program Planning and Development

Illinois Child Care: Developing Center-Based Programs and *Illinois Child Care: A Guide for Family Home Providers* can provide additional information on developing center-based and family child care. To obtain copies, see page i.

Community Child Care Programs

For projects with public or community components, see *Illinois Child Care: Developing Community Programs*. To obtain printed or electronic copies, see page i. For information about these types of projects throughout the U.S., contact the Child Care Partnership Project at (800) 616-2242 or see <http://www.nccic.org/ccpartnerships/home.htm>.

Financial Assistance (non-food)

Depending upon the nature of your child care option, you may be able to receive planning and or financial assistance from USDA/Rural Development Illinois. A directory of Rural Development offices is on page 68.

The Illinois Office of the Treasurer also provides financial assistance for creating or expanding licensed child care programs, especially those serving families with low incomes. See page 70 for details.

Nonprofit child care projects serving low-income or special needs children may be eligible for The Illinois Facilities Fund, may be able to assist with fixed rate low-interest loans, as well as facilities planning and development. For more information, see page 71.

Food Subsidies

For information about partial reimbursement for food costs for center-based child care programs through the United States Department of Agriculture's Child and Adult Care Food Program (CACFP), contact the Illinois State Board of Education, Nutrition Programs and Education Services at 100 N. First St.; Springfield, IL 62777-0001. Alternatively, call (800) 545-7892 (in Illinois) or (217) 782-2491, or see <http://www.isbe.net/nutrition/> on the Internet.

(continued)

Labor Statutes

For information on applicable Illinois labor statutes, see the Illinois Department of Labor website at <http://www.state.il.us/agency/idol/>. Alternately call the department office nearest you. In Northern Illinois, call (312) 793-2800; in Central Illinois, call (217) 782-6206; in Southern Illinois, call (618) 993-7090.

Sick-Child Care

For assistance in developing care for sick children in non-hospital facilities in rural areas, contact Illinois Department of Public Health Center for Rural Health at (217) 782-1624.

Workplace Child Care Research

For information and studies on child care and the workplace, consult the Families and Work Institute, 267 Fifth Ave., Floor 2; New York, NY 10016. Alternatively, call (212) 465-2044 or see <http://www.familiesandwork.org/> on the Internet.

University of Illinois County Extension Offices

University of Illinois Extension offers a variety of resources on child care and child development, as well as sponsors youth programming in the form of 4-H. Extension staff also may assist with data, research, and community group facilitation.

Adams County

330 S. 36th St.
Quincy 62301
(217) 223-8380
(217) 223-9368 fax

Alexander County

502 Oakley Lane
Mounds 62964
(618) 745-6310
(618) 745-6806 fax

Bond County

P.O. Box 187
Lake and Harris Ave.
Greenville 62246
(618) 664-3665
(618) 664-9277 fax

Boone County

930 W. Locust St.
Belvidere 61008-4299
(815) 544-3710
(815) 544-4606 fax

Brown County

P.O. Box 209
Mt. Sterling 62353
(217) 773-3013
(217) 773-2614 fax

Bureau County

Becker Prof. Suites
850 Thompson St.
Princeton 61356
(815) 875-2878
(815) 875-2870 fax

Calhoun County

818 S. Park St.
Hardin 62047
(618) 576-2293
(618) 576-8013 fax

Carroll County

807D S. Clay St.
Mt. Carroll 61053
(815) 244-9444
(815) 244-3836 fax

Cass County

651 S. Job
Virginia 62691
(217) 452-3211
(217) 452-7260 fax

Champaign County

801 N. Country Fair Dr.,
Suite D
Champaign 61821
(217) 333-7672
(217) 333-7683 fax

Christian County

1120 N. Webster St.
Taylorville 62568
(217) 287-7246
(217) 287-7248 fax

Clark County

15493 N. State Hwy #1
Marshall 62441
(217) 826-5422
(217) 826-8631 fax

Clay County

235 Chestnut St.
Louisville 62858
(618) 665-3328
(618) 665-4985 fax

Clinton County

1163 N. Fourth St.
Breese 62230
(618) 526-4551
(618) 526-4597 fax

Coles County

Northwest Business Ctr
707 Windsor Rd., Suite A
Charleston 61920
(217) 345-7034
(217) 348-7940 fax

Cook/Chicago North

2840 N. Lincoln Ave.
Chicago 60657
(773) 755-2223
(773) 755-7776 fax

Cook/Chicago South

8751 S. Greenwood,
Suites 112-122
Chicago 60619
(773) 768-7799
(773) 768-4818 fax

Cook/North Suburban

Lake Center Corp. Park
1699 Wall St., Ste. 500
Mt. Prospect 60056
(847) 437-6449
(847) 437-7583 fax

Cook/South Suburban

5527 Miller Circle Dr.,
Suite A
Matteson 60443
(708) 720-7500
(708) 720-7509 fax

Crawford County

301 S. Cross St.,
Room 290
Commercium Bldg.,
Robinson 62454
(618) 546-1549
(618) 544-3222 fax

Cumberland County

130 Courthouse Square
Toledo 62468
(217) 849-3931
(217) 849-2411 fax

DeKalb County

1350 W. Prairie Dr.
Sycamore 60178-3166
(815) 758-8194
(815) 758-8199 fax

DeWitt County

Illinois Rt. 51 North
P.O. Box 347
Clinton 61727
(217) 935-5764
(217) 935-8932 fax

Douglas County

122 S. Walnut St.
Arthur 61911
(217) 543-3755
(217) 543-3757 fax

DuPage County

310 S. County Farm Rd.,
Suite B
Wheaton 60187
(630) 653-4114
(630) 653-4159 fax

Edgar County

210 W. Washington St.
Paris 61944
(217) 465-8585
(217) 463-1192 fax

Edwards County

350 N. Seventh St.
Albion 62806
(618) 445-2934
(618) 445-3746 fax

Effingham County

1209 Wenthe Dr.
Effingham 62401
(217) 347-7773
(217) 347-7775 fax

Fayette County

118 N. Sixth St.
Vandalia 62471
(618) 283-2753
(618) 283-4932 fax

(continued)

Ford County
912 W. Seminary Ave.
Onarga 60955-0163
(815) 268-4051
(815) 268-4058 fax

Franklin County
1212 Rt. 14W.
Benton 62812
(618) 439-3178
(618) 439-2953 fax

Fulton County
15411 N. IL 100 Highway,
Suite C
Lewistown 61542
(309) 547-3711
(309) 547-3713 fax

Gallatin County
450 N. Lincoln Blvd. E.
Shawneetown 62984
(618) 269-3049
(618) 269-3107 fax

Greene County
Illinois Rt. 267 North
R.R. 3, Box 129C
Carrollton 62016
(217) 942-6996
(217) 942-3827 fax

**Great Lakes Naval
Training Center**
Family Services Center
2601A Paul Jones St.
Great Lakes 60088
(847) 688-3603

Grundy County
1802 N. Division St.,
Suite 604
Morris 60450
(815) 942-2725
(815) 942-9519 fax

Hamilton County
100 S. Jackson
McLeansboro 62859
(618) 643-3416
(618) 643-3206 fax

Hancock County
550 N. Madison St.
Carthage 62321
(217) 357-2150
(217) 357-3598 fax

Hardin County
Walnut St., Apt. 13
Elizabethtown 62931
(618) 287-8673
(618) 287-7042 fax

Henderson County
410 E. Main
Stronghurst 61480
(309) 924-1163
(309) 924-1164 fax

Henry County
Blackhawk East College,
Bldg 4
26234 N. 100 Ave.
Galva 61434
(309) 853-1533
(309) 853-1634 fax

Iroquois County
912 W. Seminary Ave.
Onarga 60955-0163
(815) 268-4051
(815) 268-4058 fax

Jackson County
402 Ava Rd.
Murphysboro 62966
(618) 687-1727
(618) 687-1612 fax

Jasper County
1401 Clayton Ave.
Newton 62448
(618) 783-2521
(618) 783-2232

Jefferson County
4618 Broadway
Mt. Vernon 62864
(618) 242-0780
(618) 242-0781 fax

Jersey County
200 N Lafayette, Ste. 6
Jerseyville 62052
(618) 498-2913
(618) 498-5913 fax

JoDaviess County
204 Vine St.
Elizabeth 61028
(815) 858-2273
(815) 858-2274 fax

Johnson County
208 E. Main St.
Vienna 62995
(618) 658-5321
(618) 658-2028 fax

Kane County
535 S. Randall Rd.
St. Charles 60174-1591
(630) 584-6166
(630) 584-4610 fax

Kankakee County
1650 Commerce Dr.
Bourbonnais 60914
(815) 933-8337
(815) 933-8532 fax

Kendall County
7775B Illinois Rt. 47
Yorkville 60560-9619
(630) 553-5823
(630) 553-5871 fax

Knox County
180 S. Soangetaha Rd.,
Suite 108
Galesburg 61401-5595
(309) 342-5108
(309) 342-1768 fax

Lake County
100 S. U.S. Highway 45
Grayslake 60030
(847) 223-8627
(847) 223-9288 fax

LaSalle County
1689 N 31st Rd, Ste. 2
Ottawa 61350
(815) 433-0707
(815) 433-5454 fax

Lawrence County
600 Cherry Lane
Lawrenceville 62439
(618) 943-5018
(618) 943-4968 fax

Lee County
280 W. Wasson Rd.
Amboy 61310
(815) 857-3525
(815) 857-3527 fax

Livingston County
1412 S. Locust St.
Pontiac 61764
(815) 842-1776
(815) 842-6547 fax

Logan County
980 N. Postville Dr.
Lincoln 62656
(217) 732-8289
(217) 735-5837 fax

Macon County
2535 Millikin Parkway
Decatur 62526
(217) 877-6042
(217) 877-4564 fax

Macoupin County
210 N. Broad St.
Carlinville 62626
(217) 854-9604
(217) 854-7804 fax

Madison County
900 Hillsboro Ave.
Edwardsville 62025
(618) 692-7050
(618) 655-9951 fax

Marion County
1404 E. Main St.
Illinois Rt. 50 East
Salem 62881
(618) 548-1446
(618) 548-9891 fax

Marshall County
327 Edward St.
Henry 61537
(309) 364-2356
(309) 364-2804 fax

Mason County
133 S. High St., Box 170
Havana 62644
(309) 543-3308
(309) 543-6239 fax

Massac County
1438 W. 10th St.
Metropolis 62960
(618) 524-2270
(618) 524-3948 fax

McDonough County
3022 W. Jackson St.
Macomb 61455
(309) 837-3939
(309) 833-3019 fax

McHenry County
1102 McConnell Road
Woodstock 60098
(815) 338-3737
(815) 338-4755 fax

McLean County
402 N. Hershey Rd.
Bloomington 61704
(309) 663-8306
(309) 663-8270 fax

Menard County
420 S. Seventh St.
Petersburg 62675
(217) 632-7491
(217) 632-2425 fax

Mercer County
702 S.E. Third St.
Aledo 61231
(309) 582-5106
(309) 582-7338 fax

Monroe County
901 Illinois Ave.
Waterloo 62298
(618) 939-3434
(618) 939-7708 fax

Montgomery County
#1 Industrial Park Dr.
Hillsboro 62049
(217) 532-3941
(217) 532-3944 fax

Morgan County
104 N. Westgate Ave.
Jacksonville 62650
(217) 243-7424
(217) 243-1544 fax

Moultrie County
122 S. Walnut St.
Arthur 61911
(217) 543-3755
(217) 543-3757 fax

Ogle County
421 W. Pines Rd., Suite 10
Oregon 61061
(815) 732-2191
(815) 732-4007 fax

Peoria County
4810 N. Sheridan
Peoria 61614
(309) 685-3140
(309) 685-3397 fax

Perry County
3764 State Rt. 13/127
Room 110
Pinckneyville 62274
(618) 357-2126
(618) 357-3934 fax

Piatt County
210 S. Market St.
Monticello 61856
(217) 762-2191
(217) 762-2703 fax

Pike County
1301 E. Washington St.
Pittsfield 62363
(217) 285-5543
(217) 285-5735 fax

Pope County
Clara and Lewis St., Apt. 1
Golconda 62938
(618) 683-8555
(618) 683-4025 fax

Pulaski County
502 Oakley Lane
Mounds 62964
(618) 745-6310
(618) 745-6806 fax

Putnam County
327 Edward St.
Henry 61537
(309) 364-2356
(309) 364-2804 fax

Randolph County
313 W. Belmont St.
Sparta 62286
(618) 443-4364
(618) 443-1922 fax

Richland County
306 S. Fair St., Box 130
Olney 62450
(618) 395-2191
(618) 392-4906 fax

Rock Island County
4550 Kennedy Dr., Ste. 3
East Moline, IL 61244
(309) 796-0512
(309) 796-0673 fax

Saline County
34 Veterans Drive, Ste D
Harrisburg 62946
(618) 252-8391
(618) 253-3006 fax

Sangamon County
Illinois State Fairgrounds,
Bdg. 30
Springfield 62791
(217) 782-4617
(217) 524-6662 fax

Schuyler County
710 Maple Ave.
Rushville 62681
(217) 322-3381
(217) 322-3382 fax

Scott County
401 N. Walnut St.
Winchester 62694
(217) 742-9572
(217) 742-3582 fax

Shelby County
1125 W. N. Second St.
Shelbyville 62565
(217) 774-9546
(217) 774-9549 fax

St. Clair County
1 S. Third St.
Belleville 62222-0405
(618) 236-4172
(618) 236-9416 fax

Stark County
Blackhawk East College,
Building 4
26234 N. 100 Ave.
Galva 61434
(309) 853-1533
(309) 853-1634 fax

Stephenson County
Highland Community
College, Bldg R
2998 W. Pearl City Rd.
Freeport 61032
(815) 235-4125
(815) 232-9006 fax

(continued)

Tazewell County
1505 Valle Vista
Pekin 61554
(309) 347-6614
(309) 347-5472 fax

Union County
125 W. Davie Street
Anna 62906
(618) 833-6363
(618) 833-6304 fax

Vermilion County
25 E. Liberty Lane,
Suite A
Danville 61832
(217) 442-8615
(217) 442-8628 fax

Wabash County
15039 Four-H Ctr Lane
Mt. Carmel 62863
(618) 262-5725
(618) 263-3370 fax

Warren County
1000 N. Main St.
Monmouth 61462
(309) 734-5161
(309) 734-5532 fax

Washington County
9623 Wall St.
Nashville 62263
(618) 327-8881
(618) 327-8882 fax

Wayne County
2B Frontier Dr.
Fairfield 62837
(618) 842-3702
(618) 842-4725 fax

White County
1715 College Ave.
Carmi 62821
(618) 382-2662
(618) 382-2276 fax

Whiteside County
100 E. Knox St.
Morrison 61270
(815) 772-4075
(815) 772-4077 fax

Will County
100 Manhattan Rd.
Joliet 60433
(815) 727-9296
(815) 727-9364 fax

Williamson County
1306 N. Atchison Ave.,
Suite A
Marion 62959
(618) 993-3304
(618) 997-1542 fax

Winnebago County
4311 W. State St.
Rockford 61102-1339
(815) 986-4357
(815) 986-4329 fax

Woodford County
117 W. Center St.
Eureka 61530
(309) 467-3789
(309) 467-6034 fax

Illinois Department of Children & Family Services Licensing

The Illinois Department of Children and Family Services (IDCFS) is responsible for setting standards and licensing day care centers, homes, group homes, and day care agencies in Illinois. IDCFS day care licensing representatives can assist you with any questions you may have about state licensing standards and their impacts on the design and operation of your proposed child care program.

<http://www.state.il.us/dcfs/>

State Office:

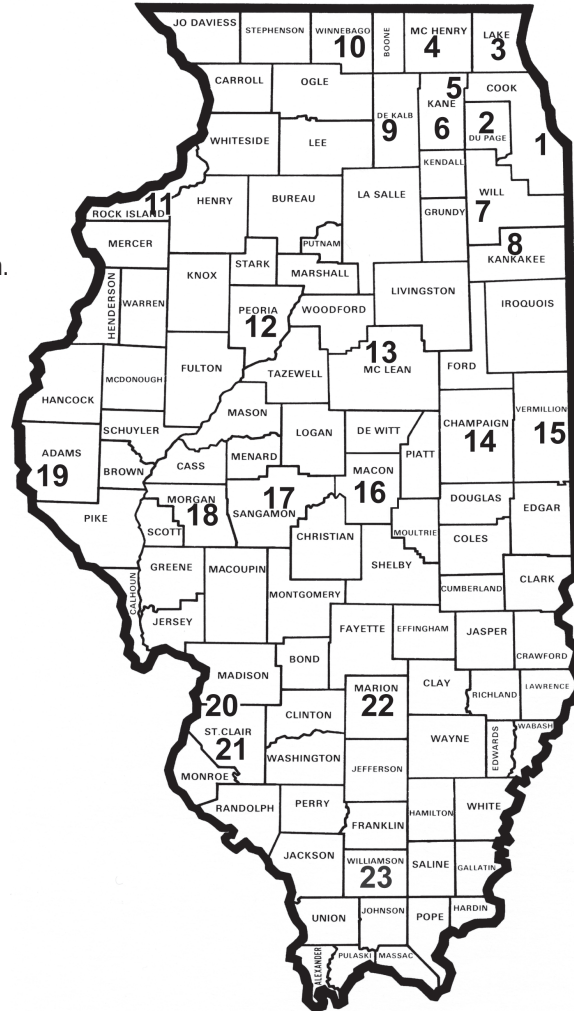
IDCFS Central Office of Licensing
 406 E. Monroe, Station 60
 Springfield, IL 62701-2688
 (217) 785-2688

Regional Offices:

- (1) **IDCFS - Cook**
 1921 S. Indiana, 9th Floor
 Chicago, IL 60616
 (312) 328-2464
- (2) **IDCFS - Glen Ellyn**
 800 W. Roosevelt Rd.,
 Bldg. D, Suite 10
 Glen Ellyn, IL 60137
 (630) 790-6800
- (3) **IDCFS - Round Lake Beach**
 328 West Rollins Road
 Round Lake Beach, IL 60073
 (847) 546-0772
- (4) **IDCFS - Woodstock**
 113 Newell Street
 Woodstock, IL 60098
 (815) 338-1068
- (5) **IDCFS - Elgin**
 595 State Street
 Elgin, IL 60123-7661
 (847) 888-7620
- (6) **IDCFS - Aurora**
 841 North Lake Street
 Aurora, IL 60506-3152
 (630) 844-8400

- (7) **IDCFS - Joliet**
 1619 West Jefferson
 Joliet, IL 60435
 (815) 730-4000
- (8) **IDCFS - Kankakee**
 505 South Schuyler
 Kankakee, IL 60901
 (815) 939-8140
- (9) **IDCFS - DeKalb**
 760 N. Peace Road
 P.O. Box 425
 DeKalb, IL 60015
 (815) 787-5300

- (10) **IDCFS - Rockford**
 107 N. 3rd Street
 Rockford, IL 61107
 (815) 967-7640
- (11) **IDCFS - Rock Island**
 500 42nd Street, Suite 5
 Rock Island, IL 61201
 (309) 794-3500
- (12) **IDCFS - Peoria**
 5415 N. University Avenue
 Peoria, IL 61614
 (309) 693-5400



(13) IDCFS - Bloomington
401 Dinsmore Street
Bloomington, IL 61701
(309) 828-0022

(14) IDCFS - Savoy
1806 Woodfield
Savoy, IL 61874
(217) 278-5300

(15) IDCFS - Danville
401 N. Franklin St.
Danville, IL 61832
(217) 443-3200

(16) IDCFS - Decatur
2900 N. Oakland Avenue
Decatur, IL 62526
(217) 875-6750

(17) IDCFS - Springfield
521 S. 11th Street
Springfield, IL 62703-1304
(217) 782-4000

(18) IDCFS - Jacksonville
46 N. Central Park Plaza
Jacksonville, IL. 62650
(217) 479-4800

(19) IDCFS - Quincy
107 N. Third St.
Quincy, IL 62301
(217) 221-2525

(20) IDCFS - Fairview Heights
10251 Lincoln Trail, Suite 3
Fairview Heights, IL 62208
(618) 394-2100

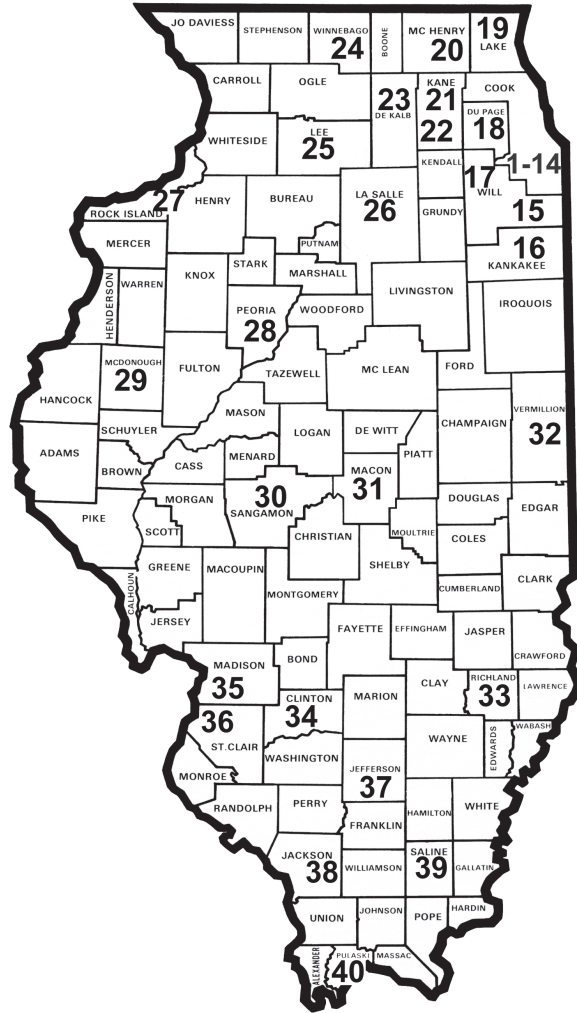
(21) IDCFS - Belleville
12 N. 64th Street, Suite 1
Belleville, IL 62223
(618) 394-2150

(22) IDCFS - Salem
219 East Schwartz
Salem, IL 62881-2937
(618) 548-7300

(23) IDCFS - Marion
107 Airway Drive
Marion, IL 62959
(618) 993-8639

Illinois Small Business Development Center Directory

The Illinois Department of Commerce and Economic Opportunity's Small Business Development Center Network provides management, marketing, and financial counseling. Centers can assist with developing business and marketing plans, improving business skills, as well as financial analysis, including those related to implementing employee child care assistance. Contact the center nearest you or call (800) 292-2923 for details.



(1) Asian American Alliance
222 West Cermak, Suite 303
Chicago, IL 60616-1986
(312) 326-2200

(2) Back of the Yards SBDC
1751 West 47th Street
Chicago, IL 60609-3889
(773) 523-4419

**(3) Chicago State University/
Greater Southside**
9501 South King Drive,
BHS 601
Chicago, IL 60628-1598
(773) 955-3938

**(4) Chicagoland Entrepreneurial
Center at the Chicagoland
Chamber of Commerce**
330 N. Wabash, Suite 2800
Chicago, IL 60611
(312) 494-6777

**(5) Evanston Bus. & Tech. Ctr.
SBDC**
1840 Oak Avenue
Evanston, IL 60201-3670
(847) 866-1817

**(6) Greater N. Pulaski Dev.
Corp. SBDC**
4054 West North Avenue
Chicago, IL 60639-5223
(773) 384-2262

**(7) Harper College Business
& Professional Dev.**
1200 W. Algonquin Rd.
Palatine, IL 60067-7398
(847) 925-6000, ext. 2969

**(8) Jane Addams Hull House
Assoc. SBDC**
Parkway Community House
500 East 67th Street
Chicago, IL 60637-4097
(773) 955-8027

(9) Uptown Center Hull House
4520 N. Beacon Street
Chicago, IL 60640
(773) 561-3500

**(10) Latin American Chamber of
Commerce SBDC**
3512 West Fullerton Avenue
Chicago, IL 60647-2418
(773) 252-5211

**(11) Moraine Valley Community
College SBDC**
10900 South 88th Avenue
Palos Hills, IL 60465-0937
(708) 974-5468

**(12) North Business and
Industrial Council SBDC**
5353 West Armstrong Avenue
Chicago, IL 60646-6509
(773) 594-0891

(13) Triton College SBDC
2000 Fifth Avenue
River Grove, IL 60171-1995
(708) 456-0300, ext. 3246

(continued)

- (14) **Women's Business Dev. Center SBDC**
8 South Michigan, Suite 400
Chicago, IL 60603-3302
(312) 853-3477, ext. 14
- (15) **Governors State University SBDC**
College of Business,
Room C3370
University Park, IL 60466-0975
(708) 534-4928
- (16) **Kankakee Community College SBDC**
Box 888, River Road
Kankakee, IL 60901-7878
(815) 933-0376
- (17) **Joliet Junior College SBDC**
City Center Campus, Rm. 400
214 North Ottawa Street
Joliet, IL 60432-4077
(815) 280-1400
- (18) **College of DuPage SBDC**
425 Fawell Blvd.
Glen Ellyn, IL 60137-6599
(630) 942-2771
- (19) **College of Lake County SBDC**
19351 W. Washington St.
Grayslake, IL 60030-1198
(847) 543-2033
- (20) **McHenry County College SBDC**
8900 U.S. Highway 14
Crystal Lake, IL 60012-2761
(815) 455-6098
- (21) **Elgin Community College SBDC**
1700 Spartan Drive
Elgin, IL 60123-7193
(847) 214-7488
- (22) **Waubensee Community College SBDC**
Aurora Campus
5 East Galena Blvd.
Aurora, IL 60506-4178
(630) 906-4143
- (23) **Kishwaukee College SBDC**
21193 Malta Road
Malta, IL 60150-9699
(815) 825-2086, ext. 205
- (24) **Rock Valley College SBDC**
Technology Center
3301 N. Mulford Road,
Room 277
Rockford, IL 61114-5640
(815) 921-2081
- (25) **Sauk Valley Community College SBDC**
173 Illinois Route #2
Dixon, IL 61021-9188
(815) 288-5511, ext. 320
- (26) **Illinois Valley Community College SBDC**
815 N. Orlando Smith Ave.,
Building 11
Oglesby, IL 61348-9692
(815) 224-0212
- (27) **Black Hawk College SBDC**
4703 16th Street, Suite G
Moline, IL 61265-7066
(309) 764-2213
- (28) **Bradley University SBDC**
141 North Jobst Hall
1501 West Bradley Avenue
Peoria, IL 61625-0001
(309) 677-2992
- (29) **WIU SBDC**
214 Seal Hall
Macomb, IL 61455-1390
(309) 298-2211
- (30) **Lincoln Land Community College SBDC**
1300 S. Ninth St.
Springfield, IL 62703-2527
(217) 789-1017
- (31) **U of I Extension**
2525 E. Federal Drive
Building 11, Suite 1105
Decatur, IL 62526-2184
(217) 875-4004
- (32) **Danville Area Community College SBDC**
28 West North Street
Danville, IL 61832-5729
(217) 442-7232
- (33) **IL Eastern Community College SBDC**
702 High Street
Olney, IL 62450-2119
(618) 395-3011
- (34) **Kaskaskia College SBDC**
Salem Center
204 W. Main Street
Salem, IL 62881
(618) 548-9001
- (35) **SIU - Edwardsville SBDC**
200 University Pk. Dr., Ste. 1126
Edwardsville, IL 62026-1126
(618) 650-2929
- (36) **SIU - East St. Louis SBDC**
601 James R. Thompson Blvd.,
Building D, Room 1017
East St. Louis, IL 62201
(618) 482-8330
- (37) **Rend Lake College SBDC**
327 Potomac Blvd., Suite A
Mt. Vernon, IL 62864
(618) 242-5813
- (38) **SIU - Carbondale SBDC**
Dunn-Richmond Econ. Dev. Ctr.
150 East Pleasant Hill Road
Carbondale, IL 62901-4300
(618) 536-2424
- (39) **Southeastern Illinois College SBDC**
303 South Commercial
Harrisburg, IL 62946-2125
(618) 252-5001
- (40) **Shawnee Community College SBDC**
8364 Shawnee College Rd.
Ullin, IL 62992-2206
(618) 634-3371

USDA/Rural Development - Illinois Offices

United States Department of Agriculture/Rural Development offices provide technical assistance and financing for child care facilities in rural communities. Cities, counties, nonprofit, and for-profit organizations are eligible to apply.

<http://www.rurdev.usda.gov/il/index.html>

RDM – Rural Development Manager
RDS – Rural Development Specialist

State Office

USDA/Rural Development

2118 W. Park Court, Suite A
Champaign, IL 61821

Phone: (217) 403-6214
Fax: (217) 403-6215
TDD: (217) 403-6240

Gerald Townsend
Cathy McNeal
Karen Lee

Area 1 Office

USDA/Rural Development

1802 N. Division St., Suite 218
Morris, IL 60450

Phone: (815) 942-9390
Fax: (815) 942-9394

Herman Wisslead, RDM (ext. 105)

Area 1 Sub-Area Office

USDA/Rural Development

312 E. Backbone Road, Suite B
Princeton, IL 61356

Phone: (815) 875-8732 (ext. 204)
Fax: (815) 872-1175

Duane L. Smith, RDS (ext. 125)

Area 1 Sub-Area Office

USDA/Rural Development

USDA Building
233 S. Soangetaha Road
Galesburg, IL 61401

Phone: (309) 342-5138
Fax: (309) 342-2259

Donald A. Burns, RDS (ext. 120)

Area 2 Office

USDA/Rural Development

2118 W. Park Court, Suite B
Champaign, IL 61821

Phone: (217) 403-6232
Fax: (217) 403-6233

John Clark, RDM
Duane Massie, RDS

(continued)



Area 2 Sub-Area Office

USDA/Rural Development
1904 West Lafayette, Suite 3
Jacksonville, IL 62650

Phone: (217) 243-1535
Fax: (217) 245-4875

Robert Maschhoff, RDS (ext. 126)
Tracy Ashbaugh, RDS (ext. 125)

Area 2 Sub-Area Office

USDA/Rural Development
USDA Building
2301 Hoffman Drive
Effingham, IL 62401

Phone: (217) 347-7107
Fax: (217) 342-9855

Vicky Middleton, RDS (ext. 120)

Area 3 Office

USDA/Rural Development
912 S. Commercial St.
Harrisburg, IL 62946

Phone: (618) 252-8371
Fax: (618) 252-8024

Marvin Teckenbrock, RDM (ext. 105)
Glen Hall, RDS (ext. 107)
James Wanstreet, RDS (ext. 108)

Area 3 Sub-Area Office

USDA/Rural Development
256 S. Mill St.
Nashville, IL 62263

Phone: (618) 327-8822
Fax: (618) 327-8774

Michael Wallace, RDS (ext. 104)
Marsha Gajewski, RDS (ext. 106)
Bernadette Bronke, RDS (ext. 105)

Area 3 Sub-Area Office

USDA/Rural Development
USDA Building
1520 E. Main St.
Salem, IL 62881

Phone: (618) 548-2230
Fax: (618) 548-0298

Thomas Beyers, RDS (ext. 4)

Illinois State Treasurer's Day Care Initiative

The Illinois State Treasurer's Day Care Initiative, part of the targeted initiative program, encourages the construction and expansion of licensed day care facilities in Illinois by providing low-interest financing in partnership with area financial institutions.

Eligibility

Eligible applicants include new or expanding family home or center-based child care programs. Start-up programs must be in the process of becoming licensed.

Eligible projects include property acquisition, construction (new, rehabilitating/renovating, or expansion), and equipment purchases such as children's furniture, office furniture and office equipment, appliances, playground equipment, and other assets.

All applicants must receive loan approval by an Illinois financial institution (bank, credit unions, or savings and loan) in good standing with the State of Illinois.

- Current maximum interest rate 4.6%
- Maximum financing \$5,000,000
- Maximum term 5 years

Additional details are available at <http://www.state.il.us/treas/> on the Internet.

Contact

Attn: Michael Smith
Office of the Illinois State Treasurer
Day Care Initiative Program
100 West Randolph, Suite 4-100
Chicago, IL. 60601
Phone: (312) 814-8951
Fax: (312) 814-2765

Illinois Facilities Fund

The Illinois Facilities Fund (IFF) is a statewide, nonprofit financial institution that assists Illinois nonprofits through loans, facilities planning, and facilities development. As a private nonprofit, the IFF is able to provide financing where commercial banks cannot or will not. IFF's loans are fixed at 5% with a 15-year term and no origination or application fees. The IFF also provides consulting services and technical assistance through its Real Estate Services Department to programs which are seeking to improve their operating environment.

Examples of IFF loan projects include:

- **Bloomington Day Care Center:** A \$300,000 subordinate position IFF loan for the acquisition of two existing day care centers to provide services for children from low-income families. Total project costs are \$1,265,000. The IFF worked in partnership with Heartland Bank to finance these acquisitions. The bank is providing up to a maximum of \$700,000, plus \$100,000 in financing for equipment and fixtures in the two facilities. Financing of \$100,000 from the seller and an agency contribution of approximately 5% of project costs will cover the remaining project costs. Bloomington Day Care quickly met its goal to convert the new child care centers to 50% low-income clients and continues to enroll an increasing number of children from low- and moderate-income families.
- **PUKA Preschool:** A \$500,000 loan fixed at 5% for 15 years enabled this experienced day care provider in Carbondale to relocate from a leased basement and acquire its own new facility. PUKA was able to expand its program from 47 to 107 preschool children, including the addition of two classrooms to serve infants and toddlers.
- **Sonshine Day Care Center:** A \$750,000 loan at 5% fixed for 15 years allowed the First United Methodist Church in Jerseyville, which operates the Sonshine Day Care Center, to refinance its short-term debt, thus improving its cash flow and financial management. Sonshine provides day care services to 150 children and employment for 19 full-time and 21 part-time employees in the surrounding rural community.

IFF's Facilities Planning and Financing Workshop for Child Care Providers

This workshop covers how child care providers should approach facilities management and how to finance such projects. It provides participants with the resources and tools necessary to plan for and implement projects such as converting classrooms, constructing additions for program growth, purchasing property for the first time, or making needed facility improvements to meet licensing and code requirements. Participants learn a practical model for assessing organizational readiness, planning for project management, and determining debt capacity, as well as evaluating financing options.

Eligibility

Any Illinois nonprofit child care program serving low-income and/or special needs populations is encouraged to apply.

Application Process/Funding Cycle

Applications for loans and real estate services are accepted on an ongoing basis.

Contacts

Illinois Facilities Fund
300 West Adams, Suite 431
Chicago, IL 60606
Phone: (312) 629-0060
Fax: (312) 629-0065
E-mail: iffmail@iffund.org

Illinois Facilities Fund
730 West Vine Street, Suite 109
Springfield, IL 62703
Phone: (217) 525-7701
Fax: (217) 525-7704
E-mail: rchapman@iffund.org

References

The 1997 National Study of the Changing Workforce, Families and Work Institute, New York, 1998.

2004 KIDS COUNT Data Online, The Annie E. Casey Foundation, (<http://www.aecf.org/kidscount/>), 2004.

Child Care Options for Employers, Iowa State University Extension, 1997.

“Cost Benefit Analysis,” *Oregon Employer Tool Kit for implementing Work/Life Programs*, Oregon Child Care Division, 1997.

“Engaging Business Partners: An Employer Toolkit Template,” *The Child Care Partnership Project*, U.S. Department of Health and Human Services - Child Care Bureau, 1998.

Johnson, G.W., *Sick Child Care: An Idea Whose Time Has Come*, paper presented at the Emergency Child Care Conference, Indianapolis, Indiana, 1997.

Karoly, Lynn A., *et.al.*, *Investing in Our Children: What We Know and Don't Know About the Costs of Early Childhood Interventions*, RAND, 1998.

Licensing Standards for Day Care Homes (Illinois Administrative Code 406), Illinois Department of Children and Family Services.

Licensing Standards for Day Care Centers (Illinois Administrative Code 407), Illinois Department of Children and Family Services.

Licensing Standards for Group Day Care Homes (Illinois Administrative Code 408), Illinois Department of Children and Family Services.

Parental Leave and Productivity, Families and Work Institute, New York 1993.

Work and Family Initiatives: The Art of Evaluation, paper presented at a workshop at the Families and Work Institute, Chicago, Illinois, 1993.

Work and Life Benefits Provided by Major U.S. Employers in 2001-2002, Hewitt Associates LLC, 2002.

Notes: