Facility Planning and Management

NOTES

Department of Design and Environmental Analysis, College of Human Ecology, Cornell University

Volume 1, Number 7

Employer-Sponsored Child Care

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Since the 1980s, more of us see child care as both a family and business concern. Almost one-third of American workers have children under 13 years old, and 80 percent of those working parents are part of dual-wage couples or are single parents [National Council of Jewish Women Center for the Child Fact Sheet, 1990]. Trend watchers in the child care industry have predicted that employer-sponsored on-site child care will be the fringe benefit of the future.

In 1992 the American Business Collaboration for Quality Dependent Care (ABC) was formed to increase the supply and enhance the quality of child and elder care. In support of ABC, 21 major corporations made a joint commitment to invest $100 million to strengthen child care and elder care programs (Wong, 1995). Some of this money will no doubt go toward developing on-site child care facilities. Private companies, government agencies, and even hospitals are discovering that investing in child care can be mutually beneficial for employer and employee.

Why employers should consider sponsoring on-site child care centers

High-quality child care is scarce in many communities and sometimes too costly for many workers who need this service. Providing for the family needs of employees can have advantages for employers including

- increased employee productivity, morale, and loyalty;
- reduced worker absenteeism; and
- recruitment and retention of better-qualified employees.

Both men and women may decline promotions and transfers because of the subsequent effects on existing child care arrangements. Child care ranks high among the priorities of employees in the first half of their careers. The existence of dual-career households makes child care a major issue for families (List, 1989; Newgren, 1988; Gillman, 1988).

Optimal center size

The size of the child care center is important both for the employer/sponsor and the families using the center. An optimally sized facility has about a half
an acre of land and is licensed for at least 40-50 children so that it can generate enough income to make a profit (profits will be small, though). If the center is smaller, the employer may have to subsidize it so that the service will be affordable to those employees who need it most. Centers can also be run as nonprofit centers with tuition and fees just covering the costs of operation. The employer can still consider subsidizing the center to lower the tuition costs for employees.

The center should not be larger than 60-75 children. Centers that are too big are often not appropriate for young children. It is difficult to meet children’s individual needs in large centers because more time and energy must be spent on managing the center. If a center has to be larger than 75 children, the facility should be designed with several separate smaller and distinct units.

Once a company has made the decision to provide an on-site or near-site child care facility, how does it determine the best size for its particular circumstances? The employer must find out if enough demand exists within the company and if the employees will commit to using the on-site or near-site facility. Building a demographic profile from human resource records is one way to estimate demand. Conducting employee focus groups will help determine the exact nature of their child care needs. Small businesses usually do not have the numbers to support a center, and very large firms face a demand too great. But all sizes of companies can successfully set up on-site or near-site child care.

Some small businesses that want on-site centers have allocated and renovated space in their existing facilities rather than build from the ground up. Some companies whose demand would not have been great enough to justify the expense of an on-site center have arranged a consortium with other businesses in the community. Such a joint venture spreads out the operating costs.

Center design

The business must decide whether to renovate existing space already owned by the company, to rent space, or to build on currently owned property on-site or nearby. The decision must consider that child care facilities have different building code requirements than do office facilities. In addition, licensing must be obtained for the facility by the State Department of Social Services in New York State or its designee in the community. The company may also want to consider eventually receiving accreditation from the National Association for the Education of Young Children indicating that the center meets a higher standard (both program quality and the physical facility) than basic licensing requirements. A child care facility should have as a minimum the following spaces:

- classrooms sufficient for the number of children,
- a multipurpose space for indoor gross motor activity,
- parents’ resource room,
- staff workroom/lounge,
- separate children’s and adults’ toilets (handicapped accessible),
- a kitchen,
- administrative office(s),
- space to isolate a sick child,
- storage, and
- outdoor play areas appropriate for all children who will use the center.

Security and privacy fences around the outdoor play area should be regulation height or higher, and security procedures for drop-off and pick-up should be carefully planned.

Classrooms should be sized to accommodate shifting group numbers and ages of children. Rooms sized only for infants or toddlers may not be appropriate if the need is for more preschool-aged children. Fixtures and finishes for the facility should be attractive, able to withstand heavy use, and easy to maintain. Facility design and finishes should ensure that noise is kept to a minimum. Although classroom design and arrangement will in part depend on age of children served and educational philosophy, classrooms should incorporate the following, at a minimum:

- sufficient play/activity space for number of children,
- toileting/ diapering space,
- windows accessible to children to view the outdoors,
- space for resting and sleeping,
- various textures (e.g., hard surfaces and soft areas),
- sinks for children and adults,
- personal storage for children’s belongings,
- storage for materials and supplies, and
- appropriate and flexible lighting.

Location of the center

Decision makers and facility managers should carefully consider the location of on-site child care centers. Research indicates that if the center is located centrally within the workplace, employees may find it convenient to visit the center during the workday, at times other than lunch (Gilman, 1988). This is not necessarily a negative feature because the accessible location may reduce an employee’s anxiety about his or her child, especially if the child is an infant. The employee may be able to concentrate better on his or her tasks if this anxiety is relieved. Some companies, though, may find it preferable to place the center in an adjacent building or other location that will make it less accessible. The placement will depend largely on the philosophy of the company. It is important to remember that location of the center will have an effect on the workers who use it.

Should a company build and operate it or outsource?

Contracting out to a child care management organization (CCMO), of which there are many nationwide consolidated firms, has distinct advantages over taking on the management of the center in-house. The employer benefits from the CCMO’s previous experience and structures for handling liability and insurance matters. The employer also is not involved in the day-to-day management and operations of the center.

When soliciting proposals from child care management organizations (such as Bright Horizons or KinderCare), ask about flexibility in construction plans
and location requirements: will they locate on-site or do they ask to be nearby? They should be a certified and accredited operator. Also ask for a detailed outline of operational plans, including budgets, tuition schedules, contract fees, marketing requirements, and fiscal accountability. A list of their operation guidelines and standards for care is also vital information to get before choosing a management organization. It is also helpful to talk to other employers who have had experience with that particular CCMO.

On the other hand, owning and operating the center in-house lends more direct control of the quality and the management operations. Financing options and funding resource information for each state as well as “how to” manuals for undertaking an on-site child care center are available through the National Child Care Information Center. Contacting the state regulatory body that governs child care laws is one of the first steps toward implementation. In New York, the Department of Social Services handles licensing and can provide other information such as legal structures involved if an employer wants to build an on-site or near-site center.

If the decision is made to have a child care facility on-site (new or renovated space), remember to include a child care person on the planning team. Preferably this should be someone who will be involved in running the center when it is opened. This person should also work with the architect/interior designer who designs the center. When choosing a design professional, give special consideration to firms or persons who have previously designed child care centers.

Program quality

The quality of care is as important as the characteristics of the space. The employer should be familiar with standards for judging the quality of a program: whether the child care center is managed in-house or by a child care management organization. The National Association for the Education of Young Children (NAEYC) and the National Child Care Association (NCACA) have information pertaining to program quality.

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### Highlights

**A Child Care Success Story: Corning Glass in Corning, N.Y.**

Corning Glass has found a way to support the family needs of its employees while they are working. In 1981, Corning helped to found a private nonprofit company to operate a child care center with a sliding-scale tuition. Today, with a total enrollment of 120-140 children, the center receives one-third of its operating budget through a dependent care fund set up by Corning. The center operated for more than ten years in church basements. In 1990, based on a survey of Corning employees who used the service, the need for a high-quality facility was evident. More than a dozen other companies in the community contributed money, materials, and expertise to the construction of the facility and its ongoing budgetary needs.

The center was located in the community near Corning headquarters but not directly on Corning property. The board of directors of the private nonprofit company recognized many crucial criteria for the design and construction of the facility.

The facility’s design resembles a central hub with attached modules. The hub contains a large reception area and the administrative offices; this configuration emphasizes the importance of the parents’ role in the child care relationship. Each module, or section of the building, is exclusively designated for one of the three main developmental stages (infant, toddler, preschool). The design acknowledges the crucial role played by place identification and stability in early child development. The physical scale was also an important criterion. The scale of equipment and furniture must be appropriate for each age group’s developmental stage.

The enrollment is now half Corning employees, and the other half represents a broad spectrum of the community, which Rick Weakland, manager of the dependent care fund for the center, says provides a diverse environment, similar to what the children will experience when they enter elementary school.

A child care management organization was not considered a good option for Corning fifteen years ago because the demand for child care was too small to attract one. Creating the private nonprofit company achieved Corning’s goal that the center stand as a symbol of partnership with the community; contracting with a management organization would not have met this objective.

### Going it Alone: SAS Institute Inc. in Cary, N.C.

The SAS Institute, a computer software company, in 1981 became dedicated to providing on-site child care for its employees. SAS owns and operates two centers at its headquarters’ 100-acre campus in Cary to meet the needs of the 1,500 employees who receive full-subsidized child care from their employer. One center is exclusively for infants and toddlers, and the largest privately owned day care center in the United States with about 24,000 gross square feet. Combined with the preschool center, the total capacity is 328 children. The only cost to the employees is the form of a monthly payroll deduction for meals and snacks.

Although SAS assumes all of the operating costs of its two centers, Lynne Donges, manager of public affairs, says that in-house management has not been difficult at all. The centers are affiliated with the American Montessori Society and most of the staff are Montessori-certified. The management decision to embrace on-site child care was weighed against the cost of retaining employees, which is relatively expensive given the type of industry. Subsequently, employee turnover is extremely low, and the company has found that its child care program has generated higher productivity levels (Galinsky, 1991).
Alternatives to full-service centers

Some employers may decide that a day care center with a full range of services is too large for their needs or not desirable for many logistical reasons, but they still may want to sponsor child care in some way. Other options for employers who want to assist their workers with child care are:

- a small-scale limited dependent care center—used for mildly ill children or as a back-up option when a family's usual child care arrangements fail
- vouchers—subsidized child care for employees on a sliding scale
- discounts—contract with an existing high-quality off-site center for a specific number of slots to be made available to employees at little or no cost.
- dependent care assistance plan—provide financial assistance in the form of a dependent care spending account, which allows employees to pay for child care with pretax income
- child care resource and referral service—make available to employees a list of accredited child care centers in the vicinity and provide training on work and family issues
- family-friendly personnel policies—flexible hours and telecommuting can help employees deal with family responsibilities

Further information and free publications

For a tailor-made package of referral information, including funding resources on request, any company considering on-site child care should contact:

**The National Child Care Information Center at 1-800-610-2242**

For a Resource and Referral Agency listing by county, call or write:

**New York State Day Care Coordinating Council**

130 Ontario St.

Albany NY, 12206

518-453-8603

For information on high-quality programs for young children, contact:

**National Association for the Education of Young Children (NAEYC) at 1-800-424-2460**

**National Child Care Association (NCGA) at 1-800-543-7161**

For child care licensing information in New York State, contact:

**Department of Social Services in Albany at 518-473-3170**

For the Department of Social Services publication **Child Care Center Information and Resource Guide (#120),** which includes a time line, steps for information gathering, and legal structures write to:

New York State Dept. of Social Services Forms & Publications—Forms Print Management

40 N. Pearl St.

Albany, NY 12243-0001

For the New York State Department of Economic Development publication **Technical Assistance Series: Employers and Child Care,** call their publications division in Albany at 518-473-0499

**References**

Galinsky, Ellen; Friedman, Dana E.; and Hernandez, Carol A. The Corporate Reference Guide to Work-Family Programs, Families and Work Institute, New York City. 1991.


Holly D. Archer is grateful for her work on the preparation of this fact sheet.

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This publication is issued from the Cooperative Extension and is mandated by acts of Congress of May 8 and June 30, 1914. It was produced with the cooperation of the U.S. Department of Agriculture Cornell Cooperative Extension; and College of Agriculture and Life Sciences, College of Human Ecology, and College of Veterinary Medicine at Cornell University. Cornell Cooperative Extension provides equal program and employment opportunities. William B. Lacy, Director. Alternate formats of this publication are available on request to persons with disabilities who cannot use the printed format. For information call or write the Office of the Director, Cornell Cooperative Extension, 270 Roberts Hall, Ithaca, NY 14853 (607-255-2237).

Produced by Media Services at Cornell University
Illustration by Carlton Ryan
Printed on recycled paper.