

850018

CAPITOL COMPLEX

CHILD CARE

DEPARTMENT OF ADMINISTRATION



MANAGEMENT ANALYSIS DIVISION



# STATE OF MINNESOTA

DEPARTMENT OF ADMINISTRATION

SAINT PAUL 55155

OFFICE OF THE  
COMMISSIONER

TEL. NO. 296-3862

October 29, 1984

The Honorable Rudy Perpich  
Governor  
130 State Capitol Building

Mr. Patrick E. Flahaven  
Secretary of the Senate  
231 State Capitol Building

Mr. Edward A. Burdick  
Chief Clerk  
House of Representatives  
211 State Capitol Building

Dear Gentlemen:

The enclosed report "Capitol Complex Child Care" was completed pursuant to 1984 Laws of Minnesota, Chapter 485.

The research for this study was conducted by a task force composed of technical experts from this and other state departments and representatives of employee groups. Their charge was to advise me on the feasibility of an on-site child care program.

The methodology used for the study was to:

- o determine program goals for an on-site center,
- o examine child care needs of state employees and the supply of child care services in the Capitol Complex area,
- o identify a program and potential sites.

The task force identified two potential sites in existing buildings within the Capitol Complex. The task force also identified three alternative sites other than existing state owned buildings as was described in the legislation. The Department of Administration is pursuing the feasibility of these options. The information available to the task force was not complete enough to determine which, if any, of these options will most effectively meet the child care needs of Capitol Complex employees.

## CAPITOL COMPLEX CHILD CARE

### Introduction

The 1984 Legislature added the following subdivision to Minnesota Statutes 1982, Section 16.02.

Subd. 30. To provide rental space within the Capitol Complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in chapter 16. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.

This report summarizes the Department of Administration's analysis of the feasibility of opening an on-site child care center.

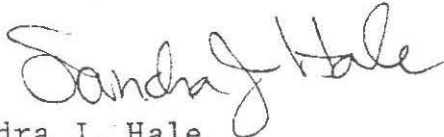
The Commissioner of Administration, Sandra Hale, convened a task force to advise her on the implementation of a private child care operation in the Capitol Complex. Task force members included technical experts from the Department of Administration, Human Services, and Employee Relations, and representatives of employee groups.

The task force used the following methodology to research the topic of on-site child care. The first step was to determine the goals of an on-site center. The second issue studied was to examine the child care needs of Capitol Complex employees and the supply of child care in the Capitol Complex vicinity. The third step was to apply the findings from the first two efforts to determine an appropriate number of children for the center. This step was essential because the number of children using the center determines the amount of space needed to meet licensing standards. Finally, licensing requirements and other criteria were used to identify appropriate space.

An on-site center, however, is only one option for addressing the child care needs of employees. The final section of this report considers this issue in a broader context. The Department of Employee Relations is staffing a Labor-Management Committee which will make final recommendations on these other options.

We are also aware that there are alternative methods of supporting the child care needs of employees than an on-site center. A Labor-Management Committee, staffed by the Department of Employee Relations, is conducting a comprehensive study of these other options. We will be guided by the final recommendations of this Committee.

Sincerely,

A handwritten signature in cursive script that reads "Sandra J. Hale". The signature is written in dark ink and is positioned above the printed name and title.

Sandra J. Hale  
Commissioner

SJH:lo

cc: Senator Gary W. Laidig  
137 State Office Building

Representative Dorothy Hokr  
354 State Office Building

## Program Goals

The mandate in the legislation is to make a recommendation on implementing a private day care operation. Interviews with the House and Senate authors of the bill further clarified that the intent is to begin a process whereby a private provider will be able to rent space within the Capitol Complex for an unsubsidized child care center. One of the goals for the center is for the State to take an active leadership role in meeting the child care needs of its employees.

The legislation was written with the understanding that the need for child care is becoming an increasingly important social issue. According to the report "Women in Minnesota," half of all mothers with preschool children and more than two-thirds of mothers with school-age children, hold jobs. Nationally, the number of children under the age of six is expected to increase by 23% in the decade of the '80s. The need for child care exists now and, in all likelihood, will continue to grow as women stay in the work force as they raise their families.

Employers' involvement in meeting child care needs is becoming a more common practice. A recent federal study found that over 1,000 employers in this country offer some form of support to employees for child care. A survey done in 1982 found that a majority of these organizations have documented a positive impact on:

- o employee morale
- o public relations
- o recruitment
- o absenteeism
- o turnover

The State has already taken a leadership role with on-site child care. In Faribault and Oak Terrace, the State is leasing space to private providers for child care programs. In both these cases a need was clearly demonstrated. Employees lacked other child care options especially for care during evening hours to match their changing work shifts.

Nationally, however, organizations are more often choosing options other than on-site centers. A study done by the Bureau of National Affairs documents the trend. Consistent with this trend, a recent study done for the Hennepin County Board of Commissioners concluded that a center in downtown Minneapolis was not practical in existing buildings and should be considered only as a part of new construction.

**Analysis:**

Employer supported child care can benefit both the organization and the employees. If the State makes the space available for a child care center, it will be taking a visible leadership role in the community while demonstrating a concern for employee needs. However, the trend nationally is for employers to pursue other support options than on-site centers.

### Needs Assessment and Supply

According to many child care providers, the demand for new child care programs is difficult to predict. This child care task force reached a similar conclusion. Only tentative statements on demand can be made based on the data available.

One source of information on need is a child care survey done by the Labor-Management Committee. The task force reviewed the data collected from employees working in the Capitol Complex area. A 1983 building census showed 5,629 state employees located in this area. The number of surveys returned from those employees was very small; consequently, the data should be used cautiously. It should be viewed as a general indicator of employee preference and need. Some of the highlights from the data show that:

- 30% preferred child care arrangements to be located near work.
- 30% had some problem with the location of their child care provider.
- 23% had some problem with the reliability of present child care arrangements.
- 48% had some problem finding temporary child care.
- 53% had some problem finding sick care arrangements.
- 14.5% plan to make a change in their child care arrangements.
- 20% ranked on-site child care as one of their top three alternative child care options.

A second indicator of the need for child care is the use of referral services. Resources for Child Caring, a nonprofit referral service in Ramsey County, records the name of employing organizations when parents call. They reported that over the past year 150 state employees have used their service. Those familiar with the nature of referrals estimate that approximately 40% of those calls will actually lead to placement with a child care provider. Resources for Child Caring is only one of several referral services. Other families may have used referrals from other sources, advertising, or word-of-mouth.



More concrete data is available on the supply of child care services. Within one mile of the Capitol Complex there are eight child care centers. The centers offer programs for a variety of age groups:

| <u>Program</u> | <u>Centers with Programs</u> | <u>Licensed Spaces</u> |
|----------------|------------------------------|------------------------|
| Infant         | 3                            | 46                     |
| Toddlers       | 5                            | 88                     |
| Preschool      | 7                            | 374                    |
| School Age     | 4                            | 67                     |
| Drop-in Only   | 1                            | 54                     |

Of the eight centers, two are presently at capacity. One program, in fact, has a significant waiting list especially for infant and toddler spaces. A staff person from this center commented that spaces for infants and toddlers, affordable to low and middle income families, is an unmet need. In the Metro area average costs for infant care in a center range from \$90 to \$110 per week. For toddlers the range is \$55 to \$65.

The six centers with openings have a total of 25 spaces to be filled. None of the openings are for infants. Three of these centers reported that they have never been at licensed capacity.

In addition to eight day care centers, there are about 200 family day care homes within one mile of the Capitol Complex. Resources for Child Caring reports that 97 of these homes are not at licensed capacity. According to the referral service, openings exist for 81 infants, 30 toddlers, and 88 preschoolers. However, the number of openings for infants may be misleading. Homes may accept an older child in a place licensed for an infant and many family day care providers choose to do this.

### Analysis:

The task force can only tentatively project what child care programs will best meet the needs of Capitol Complex employees. The findings of an employee survey do not suggest that there is a significant need for an on-site center. Common wisdom in the day care community together with evidence from waiting lists and a referral service suggests that, if a need exists, it is for infant and perhaps toddler care that is affordable to employees with low and moderate incomes. The cost of \$90 to \$110 per week for infant care in an unsubsidized center, is not affordable to low and medium incomes. A need may also exist for temporary and sick child care. It appears that parents with school-age children prefer care near home or school since the care is determined by the school's schedule instead of work schedules.



### On-Site Center Alternative

If a center were to be built, the task force proposes the following capacity for on-site child care: sixteen infants, twenty-eight toddlers, and twenty preschoolers. The task force estimates that between 3,200 and 3,500 square feet of space will be needed to meet the licensing requirements for that number of children. Licensing standards also require street level access, a separate entry, and a play area within 1,000 feet of the center (or transportation to a play area).

Other desirable characteristics of the center would be: off street parking for drop-off, tunnel access to insure advantages of an "on-site" center, and minimum remodeling costs.

The task force used the above criteria to evaluate the buildings in the Capitol Complex area, all of which are presently occupied by state offices. (See attachment). The following, in order, are potential sites.

500 and 506 Rice Street: This building meets all of the requirements except that it is not directly on the tunnel system. However, the building next door, 117 University, is connected by tunnel. A preliminary estimate for renovation is \$10,000.

117 University: This building meets the criteria, but the interior would need significantly more renovation than the first site. Preliminary estimates range from \$20,000 to \$30,000.

## Conclusions

The Commissioner of Administration has reviewed the findings of the task force studying a Capitol Complex child care center. The findings of the task force address only the option of an on-site center as was the charge. A review of this subject, however, is not complete without considering the issue in a broader context.

First, there are other site potentials than an existing State owned building. The design for a new Historical Center, for example, could include space for a child care facility and a playground. The space could be designed to meet the specific needs of small children and the playground area could be incorporated into the landscaping of the Capitol Complex grounds. A facility in the Historical Center might have the added advantage of being convenient for drop-in care for visitors to the Center and the Capitol and for employees.

Other site potentials include buildings which are not owned by the State. Bethesda Hospital, located within the Capitol Complex area, is considering a child care center as part of its plans for a community center. The task force suggested that Bethesda consider a program that includes sick child care. Further, the State has plans to rent space in a building under construction located in what is becoming the "lower campus" for State offices. A space designed for children could be part of the plan for the new building. The advantage of these options is that the buildings are owned by the private sector. Neither the Legislative nor Executive Branches of government would need to make the difficult decision of selecting one provider among the several who might come forward with a proposal.

Second, it is important to remember that there are other options for meeting the child care needs of State employees than an on-site center while still meeting the goal of demonstrating leadership. In fact, as was discussed earlier in the report, the trend is away from opening new centers and towards finding more innovative solutions. The Labor-Management Committee is considering options that range from publicizing information on the availability of child care to offering child care reimbursement as a component of a flexible benefit plan. These options have the advantage of serving employees state-wide, not just those who work in the Complex.

In light of these other considerations, the Department of Administration is not currently requesting proposals from private operators to rent existing space for a child care center. Information on need is not definitive; more appropriate sites

## ATTACHMENT 1



may be available in the future; and the State through the Labor-Management Committee is considering more far-reaching options.

State government can be a leader in supporting child care needs, but the most appropriate vehicle is a matter requiring careful consideration. The Department will investigate the option of a center in the new Historical Center or in the lower campus and will be guided by the final recommendations of the Labor-Management Committee.

Attachment 2

Task Force on Capitol Complex  
Day Care

|               |  |
|---------------|--|
| Terry L. Bock | Department of Administration<br>Management Analysis Division     |
| Laurie Pryor  | Department of Administration<br>Management Analysis Division     |
| Linda Oelker  | Department of Administration<br>Management Analysis Division     |
| Marlo Hanson  | Department of Administration<br>Real Estate Management Division  |
| Gary Paulson  | Department of Administration<br>State Building Construction Div. |
| Nancy McClure | Department of Employee Relations                                 |
| Wendy Olson   | Department of Employee Relations                                 |
| Eleanor Weber | Department of Human Services                                     |
| Nell Connelly | Council 6  |
| Kathy Foley   | Senate Employees   |
| Beth Pauley   | MN Assoc. of Professional Employees                              |
| Laura Hoffman | Middle Management Association                                    |

\*The House of Representatives was invited to assign a representative to the task force but one was not appointed.