



Strategies and Resources for Employers to Address Childcare Needs

Innovating Georgia's Workforce Pipeline

Strategies and Resources for Employers to Address Childcare Needs

November 14, 2:45 PM - 3:45



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Total Budget of \$982,473,880



One of a few states with an agency **dedicated** to early childhood education



Administers and regulates critical early education programs that support families



Programs within DECAL

- Georgia's Pre-K
- Licensing and regulation
- Quality Rated, Georgia's Quality Rating and Improvement System
- Childcare and Parent Services (CAPS), Georgia's subsidy program
- Nutrition services
- Head Start State Collaboration Office
- Inclusion services
- Infant and toddler supports
- Several quality initiatives, professional development programs, and grants



Georgia's Early Education Landscape



5,512



340,000



71,000



\$2.56B in
Gross
Receipts



K-12 vs. Birth to 5

	K - 12	B - 5
Attendance	Compulsory, most students attend, consistent “dosage”	Not compulsory, varying levels of attendance and “dosage”
Funding	Students attend at no-cost	Cost varies greatly, cost can limit participation
Access	More consistent access across state and communities	Varies greatly across the state and communities
Structure	Public system	Mixed-delivery system



Georgia's Early Education Landscape

- 3,244 child care learning centers and 1,187 family child care learning homes are licensed to operate
- 49,262 families are receiving subsidies for 89,937 children with an active CAPS scholarship
- 2,880 providers are Quality Rated (1, 2, or 3 stars)
- In the 2022-23 school year, Georgia's Pre-K served 73,465 children



Economic Impact Study: Change in Providers

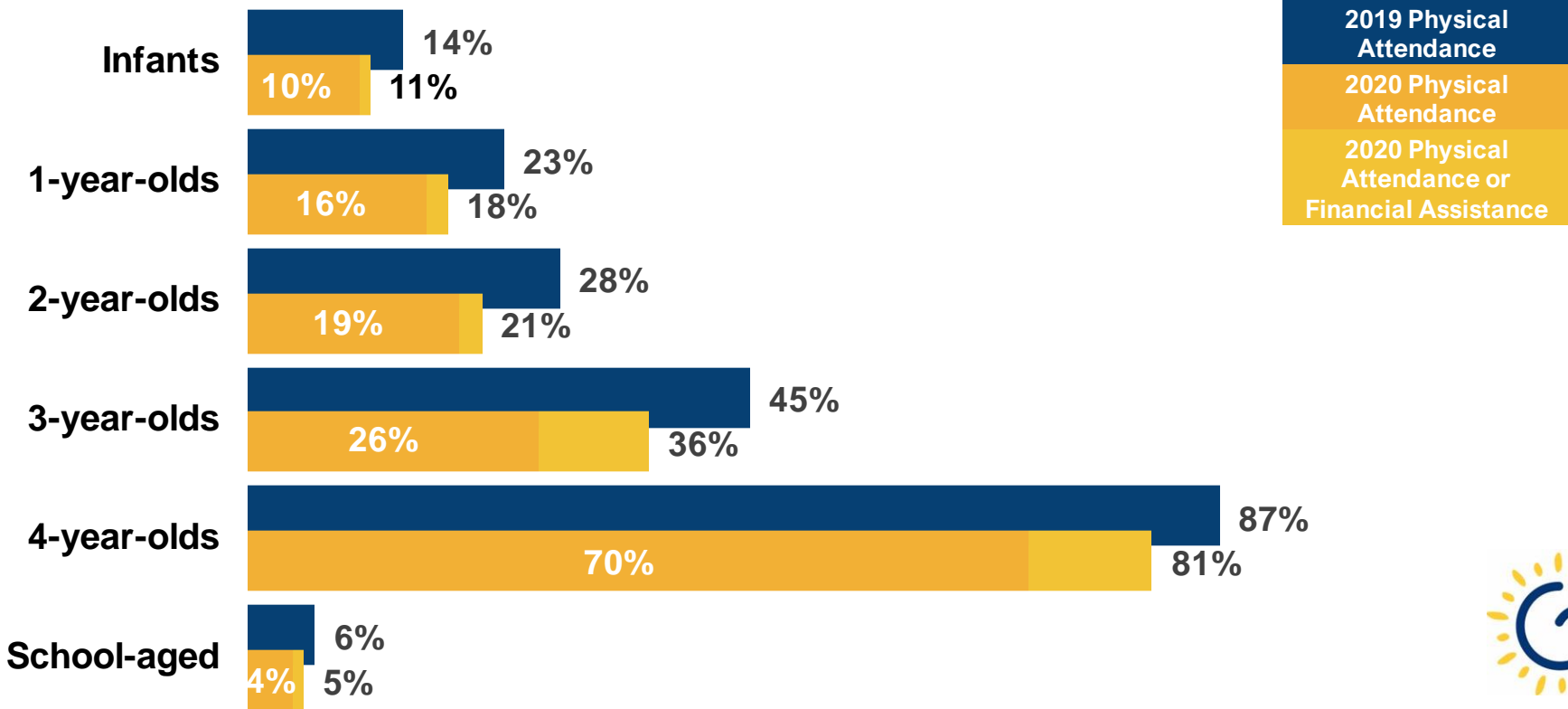
Average annual decline in providers remains relatively consistent since 2016.

2016 to 2019 Average Annual % Change		2019 to 2020 Annual % Change
-0.8%	Center	-0.9%
-9.4%	Family	-6.6%
–	School-Based Pre-K	-0.9%



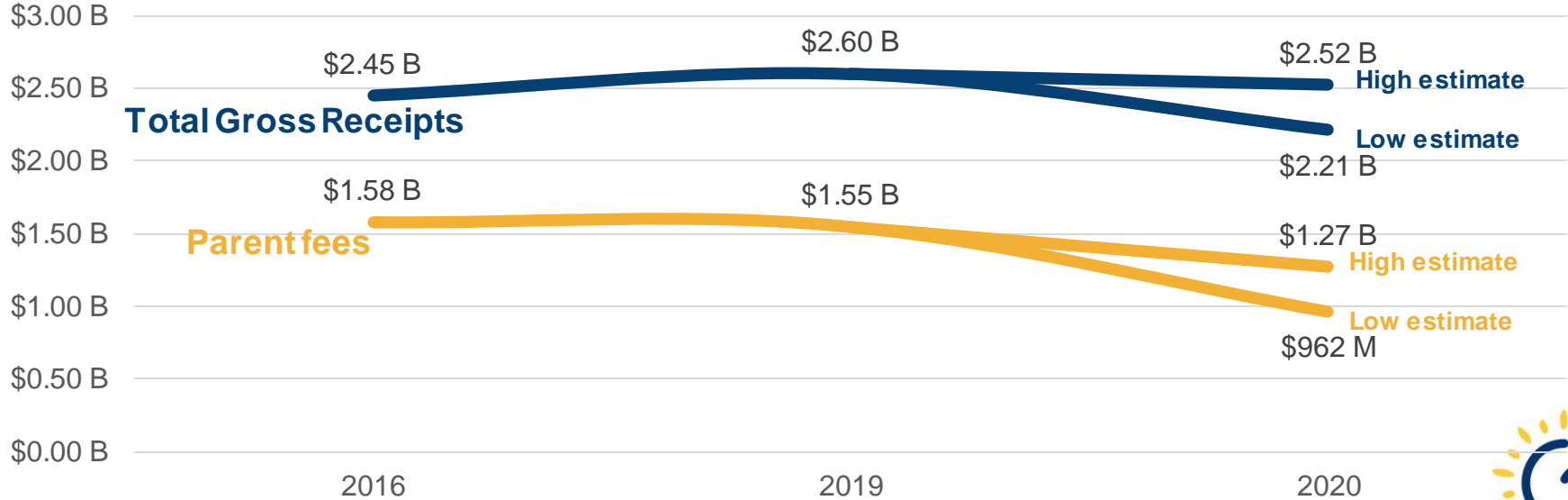
Economic Impact Study: Population Served

Estimated % of Population Served by Age, 2019 and 2020

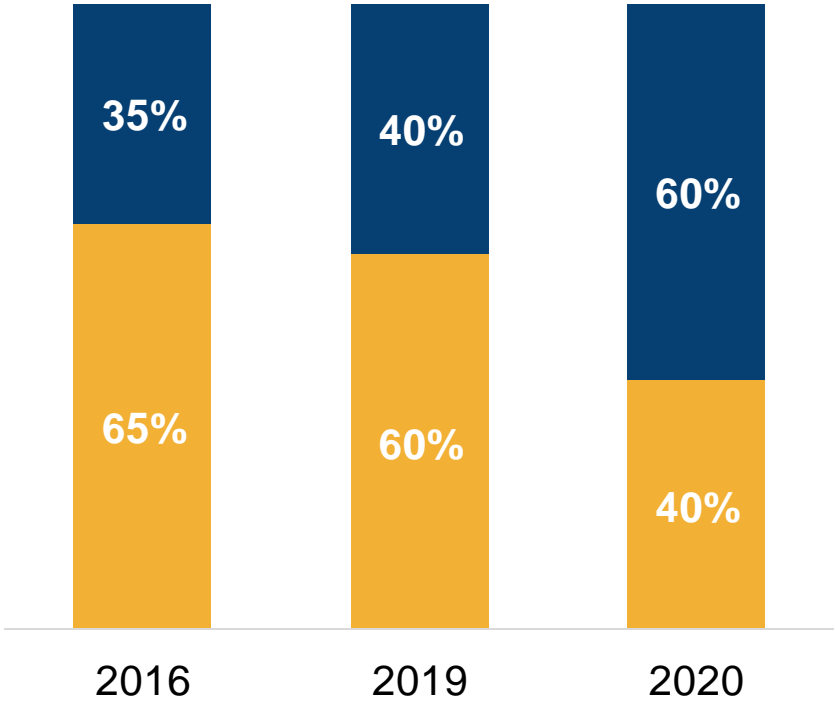


Economic Impact Study: Change in Gross Receipts

Gross receipts are the sum of parent fees and federal, state, and local payments to programs



Economic Impact Study: Change in Gross Receipts



The reduction in the proportion of **parent fees** to **federal and state** funding is a key finding related to the impact of the pandemic.



EXPAND Grants — Expanding Parents' Access to Nontraditional Delivery

- Funded by the American Rescue Plan Act
- Designed to address child care needs during nontraditional hours, such as evenings, overnight, early mornings, weekends and variable shift schedules
- First pilot of EXPAND grants October 2023 – December 2024



EXPAND Grants for Licensed Child Care Providers

- 7 grantees
- Grant funds support them extending their operating hours through hiring additional staff, making necessary health and safety improvements, and more



EXPAND Collaborative Grants for Government Entities and Nonprofit Organizations

- 6 grantees
- Grant funds support a collaborative of community partners implementing a project that addresses the need for nontraditional hour child care in the local community. Projects are unique to each community.



Why EXPAND Grants?

- DECAL collected feedback from Georgia families, child care providers, the ECE workforce, DECAL staff, and other stakeholder groups about supports Georgia's ECE system needed
- Key recommendation that emerged was to strengthen supports to families needing care during “nontraditional” hours
- Aligns with DECAL's Strategic Plan goal to “*expand Two Generation (2Gen) approaches to better support children and families*”
- Grants may uncover nontraditional hour care solutions that can be scaled up or other lessons learned to help DECAL better support access to nontraditional hour care more widely



EXPAND Grantees: Licensed Child Care Providers

Child Care Learning Centers

- Bright Horizons Preschool
- Bright Ones Learning Center
- Creative Labs Learning Center
- Learning Voyage Success Center
- Start Bright Academy Hiram

Family Child Care Learning Homes

- Danielle Albanese, *It Takes A Village, LLC*
- Edelina Lane, *Lina Lane's Learning Center*



EXPAND Grantees: Non-Profits and Government Entities

- Alliance Theatre, a division of the Robert W. Woodruff Arts Center, Inc.
- City of Thomasville Payroll Development Authority
- Columbus Technical College
- Georgia Department of Behavioral Health and Developmental Disabilities
- Navicent Health, Inc.
- The Manufacturers Education Foundation, Inc. (Georgia Association of Manufacturers)



The availability of **high-quality child care** and early education plays a key role in Georgia's **workforce development and economic growth.**



The child care trilemma

Availability

32% of parents report having difficulty finding child care, a significant factor in women leaving the workforce. Their labor participation is at its lowest in 20 years.

Affordability

The average annual cost of center-based child care for infants is **more than the average cost of public college tuition and fees** in 28 states.

Quality

Only 11% of child care nationwide is accredited.



What can employers do?
Increase the supply of high-quality, affordable child care.

1 childcaredeserts.org, 2 Child Care Aware, 3 Child Care Aware State Fact Sheets

The child care trilemma in Georgia

Availability

- Georgia has only 377K licensed child care spaces for 631K children ages 0-4.
- 44% of the population lives in a child care desert.

Affordability

- Child care is considered affordable if it costs no more than 7% of a family's income. By this standard, only 17% of Georgia families can afford infant care.
- Infant care in Georgia is more expensive than annual in-state college tuition.

Quality

- Only 147 of licensed programs (3%) are NAEYC-accredited (NAEYC) across the entire state and only 10% are at the highest level of Georgia's QRIS ratings system.



With the loss of American
Rescue Plan Act (ARPA)
funds this year:

3.2 million

children are predicted to
lose care

70 thousand

programs are predicted to
close

Shrinking labor force

- Increased dependent care needs
- Desire for higher wages reducing interest in low-paying jobs
- Higher pace of retirements due to an aging population
- Slower population growth





The high cost of turnover

Healthcare organizations continue to face sky-rocketing turnover. Nurse burnout has made the talent battle tougher than ever and caused labor costs to spike:

~37% higher

salaries for traveling nurses than staff nurses¹

105 days

average # of days to fill an experienced RN position³

40%

average turnover of new hires <1 year tenure²

\$33.9K-\$58.3K

cost of replacing an RN²

93% of employers are evaluating benefits enhancements to compete for talent

ROI of onsite child care

At **Wellstar Health** staff members who use the center have the lowest turnover rate – 1.5%.

Shannon Health reduced the number of contractors by 84 people.

“Basically no one leaves that utilizes the child care center.”

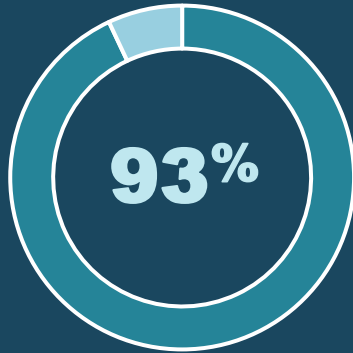
— Penny Ferrell, Executive Director for Employee Wellness and Services, WellStar



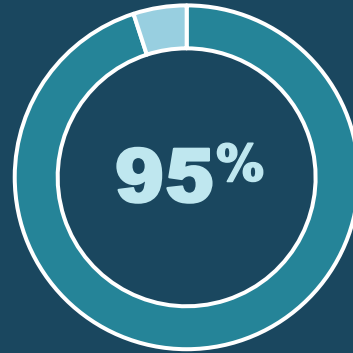
Investment impact of sponsored child care

Consumer Products / Manufacturing

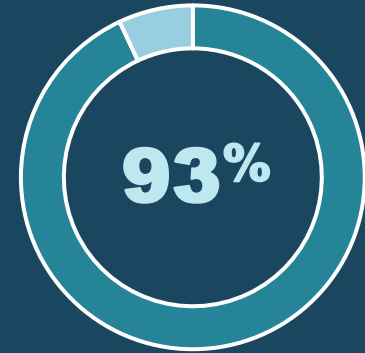
More than 90% of respondents who use an employer-sponsored child care center say it positively impacts their ability to work necessary hours, be productive, meet job performance expectations and integrate their personal and professional demands.



say the center allows them to work the necessary hours for their job



say the center allows them to concentrate on their job and be productive

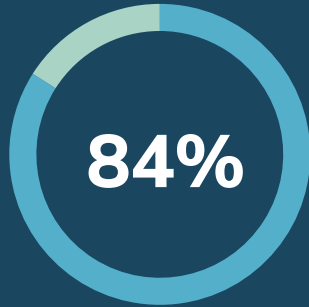


say the center allows them to meet job performance expectations

Investment impact for employers

Recruitment & Retention

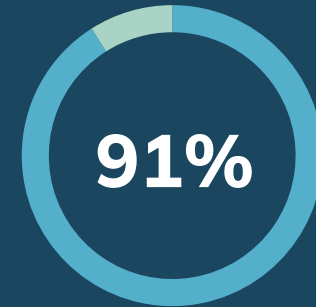
Offering an employer-sponsored child care center increases the female workforce and becomes that “sticky benefit” that encourages employees to stay with your organization.



of female managers with access to an on-site center say it helped **advance their career**



of parents returning from parental leave say the center **was part of their decision to return**



will recommend their employer to other working parents because of the on-site center



Bright Horizons Family Solutions™

Flexible family care benefits for the moments that matter.

- Safe, **high-quality child care** on location or nationwide
- The **largest back-up care program** with a 100% vetted and trained care network
- Flexible care options including personal network reimbursement, pet care, tutoring and virtual camps
- **Impactful support** for each life stage
- Discounts on **tutoring, nannies, summer camps**, and much more
- A single access point for employees to find **what they need right now**



Employer-supported early childhood education

Custom child care support

On-site or near-site child care centers offering high-quality, convenient supports that address the three primary child care challenges: quality, accessibility and affordability

Trusted provider

Exceptional care and education programming from a proven leader in early education with 35+ years of experience, designing, developing and operating centers under the highest health & safety standards

Client partnership experience

Expertise designing centers and services to meet specific workforce needs, incorporate organizational culture, and address people and financial goals

Potential tax credits



Georgia

According to O.C.G.A. Section 48-7-40.6, organizations that sponsor child care services to their employees may be eligible for tax credits from the State of Georgia of up to 50% of the taxpayer's liability. Potential tax credits include **up to 100% of construction for a child care center, and up to 75% of employers' direct costs** for sponsored care programs.

Federal

According to Internal Revenue Code Section 45F, Employer-Provided Child Care Credit, made permanent under American Tax Relief Act of 2012, organizations that provide child care services to their employees may be eligible for federal tax credits of **10-25% of program expenses**.

Check with your tax department or tax advisor to see whether your child care program expense qualifies for the credit and to determine the amount of your potential credit.

Bright Horizons refers potential clients to IRS form 8882, which describes a tax credit available for amounts paid or incurred under a contract to provide child care services to employees of the taxpayer. Certain states may also provide tax credits for child care expenses. Clients will need to make their own tax department or tax advisor aware of the particular facts and circumstances of the program details of their child care programs in order to determine whether the expense may qualify for these credits. Bright Horizons cannot, under any circumstance, provide tax advice to current or potential clients.

Center partners in the Southeast

81 of the Working Mother Top 100

59 of the Fortune 100 Best

Bright Horizons also recognized:

Fortune 100 Best – 20 times

Best Place for Workforce Diversity



Mercedes-Benz



Georgia Power



EMORY HEALTHCARE



HCA Healthcare

JACKSON HEALTHCARE



KING & SPALDING



UHealth UNIVERSITY OF MIAMI HEALTH SYSTEM

ALSTON & BIRD

MOFFITT CANCER CENTER

St. Jude Children's Research Hospital

TSYS

Arthrex

This partial client list should remain confidential. No information may be shared with a third party without the prior written consent of Bright Horizons Family Solutions® ("Bright Horizons").

Georgia Power's child care benefit



Q&A

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