GENERAL SERVICES ADMINISTRATION

PLAN TO IMPROVE THE AFFORDABILITY OF CHILD CARE

This report describes the steps GSA plans to take to assist low income Federal workers in finding affordable child care.

Executive Summary

The General Services Administration will use a three part strategy toassist low income Federal employees find safe, affordable child care and to support the child care needs of Federal agencies as they hire and retain welfare recipients.

Make clear - all l-i, not just welfare

GSA will link Federal officials at the community level with state and county child care resource and referral networks. These 600 specialist community-based organizations can counsel, support and assist new and existing lower income employees by linking them to a wide array of child care options.

- These groups can also provide information concerning financial subsidies for child care which are available at the local level (state or county) for those leaving the welfare rolls and which may also be available to other low income employees.
- Federal officials can also hire part time employees or job-shares through local Head Start programs. These employees could then use Head Start (generally part day, part year) in lieu of child care, while meeting current welfare reform requirements for 20 hours of work per week for those with children under six.

?

GSA will act aggressively to make Federal child care centers more affordable to more employees. Currently, there are more than 1,000 available spaces in the more than 200 non-military centers that operate in Federal space, but fees for quality care charged by private operators are generally out of reach to lower graded employees. Sliding fee scales and other forms of scholarship assistance could help match employees to available spaces, if costs could be reduced and/or revenues increased.

Odd that Academy didn't say this

- GSA will determine whether group purchases of supplies, insurance and other shared needs could help reduce costs for center operators. Savings could be reinvested in tuition help for families that need it.

- GSA will help centers seek enterprise activities and special additional programs for children that could operate at their location to bring in additional revenue.
- If adequate additional revenues are secured, GSA will require each center operating in Federal space to use a sliding fee scale.
- GSA has worked ~~with the~~ Office of Management Budget on a major study of the accessibility and affordability of Federal child care which will be ~~released~~ to Congress at the end of April. The agency will promptly ~~implement~~ appropriate recommendations.

How do you get there?

GSA will increase the capability of individual Federal child care centers to raise additional funds for tuition assistance scholarships. GSA will immediately retain expert financial development and fund raising counsel to define a national strategy to help support the financial needs of all Federal centers. This could include establishment of a private non-profit foundation which could seek and receive funds to support all centers on a larger scale than individual centers can accomplish on their own. It is estimated that approximately $3-5 million per year will be needed to make Federal child care slots more affordable for more parents.

- GSA will seek opportunities for centers to partner with private organizations which need child care for their employees as a way to diversify funding sources.
- GSA will assure that each center applies for participation in the Combined Federal Campaign. It will also continue to emcourage agencies to dedicate recycling proceeds to child care centers which operate in their buildings.
- GSA will tap and utilize the best experience of states which have been exploring child care financing strategies to support welfare reform (i.e. Colorado, Indiana, Washington, Hawaii, Minnesota and others).

BACKGROUND

The Federal government has long played a leadership role in the development of child care arrangements for its work force. Starting in l985, for example, the General Services Administration began to make space available for this purpose in the Federal buildings it manages. As a result of this effort, authorized by the Trible Amendment, GSA currently has l07 child care centers operating in its buildings. These centers care for more than 7,000 children, in facilities in 68 cities, 3l states and the District of Columbia.

Other Federal agencies, operating under the same legislative authority, also have created child care and development programs in their facilities. Some 110 or more of these are now sponsored by 27 agencies in 36 states and the District of Columbia, as well as 9 Coast Guard centers under separate legislation. That means that today, a total of more than 225 worksite child care centers operate in non-military settings to serve the needs of Federal workers, and more are planned.

The Department of Defense, the nation's largest sponsor of worksite child care programs, has been very active over the past 25 years in creating child development programs to meet the needs of its military service members and civilian employees. Today, it has a sophisticated system of varied child development options which support military readiness and retention.

Operating under the authority of the Military Child Care Act of 1989, DoD now operates more than 800 centers at over 300 locations, providing care for 200,000 children daily, from six weeks to 12 years of age. In addition, more than 9,000 licensed and trained family day care programs operate in government owned or leased housing to provide night, weekend and unusual hours care to meet the specific needs of military training and deployment schedules.

The systems through which child care is provided are very different in civilian agencies and military installations. Centers in civilian agencies are set up as local non-profit corporations which then hire private providers--either individuals, companies or community agencies-- to actually provide care to children. Agencies lease space to the centers and provide furniture and equipment, maintenance, security, utilities and certain training costs, all at no cost to the center operator. Parent fees, paid to the non-profit corporation, are the principal source of funding to cover ongoing operating expenses, more than 80% of which are related to the cost of caregiving staff.

Local fund raising by the center's Board of Directors can generate additional revenues to offset the high cost of care for lower income families through tuition assistance programs. (Last year, for example, in the centers in GSA buildings, more than $1,000,000 was raised in this way.) Fees to parents are established by the business entity which operates the center. These are generally based on the age of the child, with infant/toddler care costing parents considerably more than care for a preschool age child, because it requires more staff to care for younger children.

In the military system, on the other hand, child development programs are run by the military services themselves which employ care giving personnel directly. Fees are established by DoD, on a sliding scale based on income--low income parents pay less than high income families, regardless of the age of the child. In addition to the sliding fee scale, fees to parents are heavily subsidized by the military service. This subsidy covers about half the cost of care and costs about $260 million per year to maintain.

Because of these very different organizational and financial arrangements, DoD and non-DoD employees pay quite different fees when they use Federal child care centers. Parents using non-DoD centers can expect to pay fees for the care of their children which are comparable to the market rate in the community in which their child care center operates. In 1996, this averaged in the range of $180 per week (in Washington, D.C.) for the care of an infant, the highest cost form of care. Families eligible to use DoD centers, on the other hand, can pay as little as $36 per week to $92, depending on income, for children of any age. This difference is directly attributable to the subsidy which is authorized under the Military Child Care Act, but which is not authorized for other Federal centers.

As a result, there are presently two different affordability issues related to child care in the Federal community. In most non-DOD centers, parents at the lower end of the pay schedule cannot afford and therefore generally do not use the worksite centers that are available. [In the DoD system, while low income parents can pay low fees and use the centers, there is growing concern about the cost to the military service of maintaining both high quality programs and low fees for parents. The Navy is currently pilot testing the outsourcing of its programs to private providers in several markets to see whether this would reduce costs.]

Why include this?

Concern about affordability for parents prompted the Congress at the start of FY 1997 to direct the Office of Management and Budget to review " Federal child care centers to evaluate their effectiveness and determine how they may be improved to provide greater flexibility, access and availability to all Federal employees." OMB requested that GSA's Office of Governmentwide Policy conduct this study which is now complete. The Affordability Study will be released to the Congress at the end of April.

As the Federal government pursues the welfare to work initiative stimulated by the President's March memo, the issue of child care affordability--especially that dimension relating to fees charged to parents-- will assume an even higher profile and greater significance. It will be a key to the Federal government's ability to attract and retain entry level employees, particularly those in the population that formerly received AFDC payments.

Responding to the needs of lower income families will require efforts to make the existing Federal centers more affordable as well as to develop alternatives to worksite child care.

GSA'S PLAN FOR MORE AFFORDABLE CHILD CARE

The President's memorandum directed GSA to consult with all Federal agencies concerning agency-sponsored child care centers as well as agency contracts with local child care resource and referral services. It also asked GSA to provide recommendations on any appropriate expansion of these arrangements to provide assistance to low-income Federal workers.

I What GSA has learned from other agencies

GSA reviewed information provided by all Federal agencies in response to the President's June 1996 memorandum on the family-friendly workplace. These responses described how agencies are currently supporting child care for their employees and the extent to which they are utilizing resource and referral programs to assist employees in finding affordable child care. In addition, a number of interviews, focus groups and questionnaires used with Federal agency personnel in the course of completing the Affordability Study have also provided input and understanding of agency programs.

Many agencies point with pride to the quality worksite centers they sponsor either with GSA or on their own. However, recognizing that these provide care for a relatively small part of the Federal work force, agencies have been active in providing other child care program options to supplement and complement worksite centers.

For example, many of them provide help to their employees in finding appropriate forms of care through resource and referral services. In the vast majority of cases, this is done through the agency's contract with its Employee Assistance Program (EAP) and not through the more than 600 community-based agencies throughout the country which specialize in resource and referral or some of the private sector providers of such services. Only the Internal Revenue Service, the Centers for Disease Control and the Department of Justice have indicated that they provide this service through a private sector provider. Others use or distribute the OPM Child and Elder Care Handbook, which is a helpful guide to locating alternate forms of care.

Many agencies offer on-site dependent care fairs, educational seminars and brown-bag lunch sessions to help educate employees about the care options available to them. Transportation, Labor, Education, Commerce, the National Science Foundation and the EPA are among those which have highly active programs of this kind. These are useful to employees in helping them understand the various forms of care available, how to select providers and how best to develop an effective working relationship with the selected caregiver.

Other agencies are testing unusual forms of child care. For example, one Department of Energy location has a Babies in the Workplace initiative, which allows employees to bring infants of 8 weeks to six months in age to work with them and care for them at their own work station. The Department of Interior is piloting a Family Support Room at its Washington headquarters where employees can work and supervise mildly ill children at the same time, in special offices that combine desks and beds. The Department of Justice has a contract with a private sector employer to provide emergency child care when the employee's regular arrangements break down. Transportation has agreements with more than 2,000 private sector child care providers to offer reduced tuition to its employees for savings of 10-15%.

It is clear from our contacts with other agencies that they are both aware and very concerned about the affordability problem in Federal centers. In general they believe that resolving it will take authorization for agencies to spend additional appropriated funds to reduce operating costs and thereby reduce fees charged to parents. In this plan, GSA proposes a different strategy, one that places its primary emphasis on local resources in the communities where lower income families need care as well as on taking new steps to generate additional revenue to support existing centers.

II What GSA has done so far

In its briefing to agency representatives on March 13, GSA promised that it would take a number of steps to determine how best to help agencies with the child care needs of low income workers.

First, we said that we would inventory all non-military federal child care centers around the country, and gather similar information from DoD, to determine what spaces exist in the centers we have, in what age groups and at what price to parents. That inventory has been completed. It shows that approximately 1,000 more children could reasonably be accommodated in the existing system of GSA centers and as many as twice that number in the other non-DoD centers. . Reasonable accommodation would not require physical expansion or construction, but it would require the hiring of additional staff and possibly some additional equipment. We will be in a position to provide more specific information to agencies about where these spaces exist, for what age children and at what cost by May 1. The Department of Defense has indicated that no spaces are available in its centers at this time.

Second, recognizing that existing Federal worksite child care centers might be limited in their ability to accommodate enough children as well as not readily affordable to low income parents, GSA said it would link agencies in the field with their local child care resource and referral organizations. These groups can assist employees in finding appropriate care at the community level--family day care, local centers, school-based programs and others.. Initially, we provided agencies with a national 800 number (800-424-2246) of a project called

Child Care Aware which was designed to ensure that parents have access to good information about finding quality child care and resources in their community. Use of that number will link local hiring officials in Federal agencies with the right resource and referral organization for their specific geographic area. Local resource and referral organizations are also the best source for current information on child care subsidies which may be available to those leaving welfare or other low income working parents.

Third, we said that we would hold a briefing for agencies designed to help them better understand the opportunities, complexities and inadequacies of the system of child care and early education. That briefing will be held in conjunction with The Child Care Bureau of the Department of Health and Human Services, the National Association of Child Care Resource and Referral Agencies and the Internal Revenue Service. It will be scheduled in May.

Fourth, GSA said it would contact national child care groups and private employers hiring welfare recipients to seek their ideas. This process is underway and will be ongoing. Once hiring plans are in place, and we can be more specific about where needs for child care will develop, this effort can be more targeted..

III GSA's Next Steps and Recommendations

A. Efforts to Make Existing Centers More Affordable

As its initial priority, GSA will take a number of steps to make existing Federal centers more affordable to more parents principally by seeking additional funding sources and by improving the effectiveness and impact of local fund raising efforts to generate funds to support expanded tuition assistance scholarships. These will include:

1. If the steps taken below are successful in providing additional funding streams for Federal child care centers, GSA will require through its governmentwide real estate leases that every child care center operating in Federal space institute a sliding fee scale to assure that lower income parents

can more easily afford to use the centers. Absent a new funding stream, putting a sliding fee scale in place would simply mean increasing fees to higher income parents to offset reduced fees for lower income parents. It is estimated that as much as $3-5 million in new funds would be needed to reduce tuition fees at the 107 GSA centers alone.

2. To generate additional funds to make sliding fee scales a reality, GSA will immediately retain expert fund raising and financial development counsel on a full time basis to develop a national fund raising strategy and implementation plan to support child care needs. This would supplement what individual centers are doing and would develop materials to greatly increase the scope, sophistication and results of current efforts. One possibility we are exploring is the creation of a non-profit foundation to help generate a mix of private and public funds to support all Federal centers. As part of this intensified fund raising effort, GSA will ensure that all centers apply for and become part of the Combined Federal Campaign. And it will help provide centers with comprehensive fund raising training and effective materials to use in local fund raising efforts.

3. GSA will convene a Fund Raising Advisory Group to bring together agency personnel, large child care providers, representatives of center boards of directors and others to create a forum in which new approaches to fund raising can be explored. For example, in order to generate enough funds to truly support low income families with tuition assistance, centers need to move from the present context of traditional bake sales and silent auctions to larger scale activities. These could include the enterprising use of their centers as sites for business activities that can produce ongoing revenue--for example, parenting education or other forms of training. It could also include special curriculum enrichment activities for children at the centers for which parents now pay other institutions--music or dance lessons, computer courses, gymnastics. These could be set up as profit making ventures for the child care centers.

4. A number of states have accomplished really creative work in exploring alternate funding and financing mechanisms for child care. The Administrator of GSA will convene the leaders of these efforts to draw upon the best ideas which could be applied to child care offered in the Federal sector. In Colorado, for

example, Governor Romer appointed a commission of 25 business leaders to examine financing structures for child care and early education from a business point of view. In Washington state a group called Child Care Works for Washington, a coalition of many organizations involved with children's issues, set as its goal to establish funding and policy priorities for early childhood care and education in the advocacy community. Other states which have been particularly active in child care financing strategies related to welfare reform include Hawaii, Indiana, Wisconsin and Minnesota.

5. GSA will seek opportunities to partner with private sector organizations to develop consortia for child care. GSA , for example, has already had initial conversations with the American Business Collaborative for Dependent Care (ABC), a private sector collaborative effort that has put together $100 million from its member companies. GSA should work towards developing agreements with such groups that would facilitate the investment of private sector dollars in existing government centers in exchange for use of child care "slots." The goal would be to diversify funding sources so that more funds are available to support tuition assistance programs. There are already two consortium child care programs within the GSA system--one is a collaboration between the Federal Energy Regulatory Commission and the American Psychological Association whose combined center serves the needs of both groups. The other is a public-private partnership in Atlanta that brings together four private sector employers with the Federal community. Such arrangements offer the promise of bringing non-appropriated funds into the center to help defray costs and provide scholarships.

B. Efforts to Develop Alternatives to Work Site Child Care

While every effort should be made to make existing centers more affordable, GSA can also lead an effort to explore lower cost alternatives to worksite centers. It can help its agency colleagues with intensified information, technical assistance and training, briefings of key groups and other related efforts. Some steps which could be taken include:

1. GSA will provide information to existing centers and agency personnel on transitional child care subsidies which are available to welfare recipients in states and counties. Additionally, agencies can be trained to work as advocates in behalf of existing low income working parents to be sure they have applied for child care subsidies which may be available to them. While low income working parents as a category now rate 8th on the priority list for most state subsidies (well behind those leaving the welfare rolls, and children in child abuse situations which are first and second on the list) there may be opportunities to access state subsidies for existing workers as well, especially in some states that plan to dedicate additional funds from their block grants to this application.

2. GSA will encourage Federal agencies to define part time or job sharing opportunities that are 20 hours long and then to recruit parents whose children are already enrolled in Head Start. (Parents of children under 6 can satisfy the work requirements under welfare reform by working only 20 hours a week.) Working on a part time schedule would allow welfare recipients to utilize their existing Head Start programs as child care. (Most of these programs are only part day and part year in scope.) Only half of all children in Head Start currently have parents in the work force, so there are opportunities to recruit parents who could come to work with "child care arrangements," if only they could work on a part time schedule or in a job sharing situation. Participation in a Head Start program also provides an additional support system for parents making the difficult transition from welfare to work.

3. Agencies currently rely on their Employee Assistance Programs (EAP's) to provide child care resource and referral assistance to their employees. Accordingly, GSA will work with OPM to maximize the degree to which existing contracts and activities of Employee Assistance Programs provide this service at a level that is effective and complete enough to meet the needs of low income families for affordable care. To do this, briefing sessions will be scheduled to bring EAP staff together with local resource and referral experts who can provide updates on the current child care situation and options in a specific community. In addition, GSA will create a forum through which those agencies which have brought outside professional resource and referral services into their EAP

programs, like the Internal Revenue Service and the Department of Justice, can share their experiences with other agencies.

4. GSA will explore negotiating agreements with national child care providers that will reduce fees to Federal parents through access to large numbers of potential users. A number of national chains and groups of centers now offer such services within the corporate community. Additionally, GSA will work with Federal centers to determine whether group purchases of supplies, insurance and other shared needs could help reduce operating costs for center operators with the understanding that savings generated in this way would be dedicated to tuition assistance programs. GSA can also negotiate governmentwide contracts with large providers of resource and referral services so that they can be more quickly and easily used by other agencies to meet the special needs of the welfare-to-work population and other low income employees.

4-28-97

To: Jennifer Klein
Office of the First Lady

Fm: Faith Wohl
National Performance Review

re: Study on Affordability of Child Care

The General Services Administration has been working with the Office of Management and Budget on a study about the affordability of child care for Federal employees. The study is now complete and is due to Congress on Wednesday. Does the Office of the First Lady want to review the submission (attached)?

I've been working on this project, first as Director of the Office of Workplace Initiatives at GSA, which oversees l08 Federal child care centers, and now in my role as an agency representative on the NPR staff. I've also been working with Nicole Rabner as part of the group of Federal employees who provided information in connection with last week's White House Conference.

In that connection, I thought Nicole might want to review this study and the recommendations it makes for how Federal child care can be made more affordable and accessible to larger numbers of Federal employees. Since she is on vacation this week, I am sending this to you.

We would need to have any comments by tomorrow, so that OMB can meet its committment to the Hill. Attached is the proposed OMB transmittal letter, a letter from the Office of Governmentwide Policy at GSA, the affordability study itself which was prepared by the National Academy for Public Administration, and GSA's child care plan to improve the affordability of child care which was prepared in connection with the President's Welfare-to-Work initiative.

My number at NPR is 632-0l86. I'd be glad to explain or discuss.

Faith

U.S. GENERAL SERVICES ADMINISTRATION
Office of Governmentwide Policy

April 22, 1997

Mr. Franklin D. Raines
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Mr. Raines:

The Office of Management and Budget (OMB) requested the General Services Administration (GSA) Office of Governmentwide Policy (OGP) to complete a study on the affordability of child care for Federal employees. OMB was directed by the House Appropriations Treasury, Postal Service and General Government subcommittee to report to Congress on this subject. This memorandum transmits a report from the National Academy of Public Administration (the Academy), commissioned by GSA to respond to the OMB request. Agencies referenced in the report have provided comments.

The Committee's primary stated interest is to determine how to improve affordability of child care for all Federal employees. The resulting comprehensive study (enclosure 1) reinforces the acting GSA Administrator's comments at the April 10, 1997 Cabinet meeting, where child care affordability was recognized as a complex problem which requires multiple strategies.

Although the scope of the affordability problem is only partially known, the Academy report recommends a combination of strategies which focus on two areas. The first contains recommendations for making the best use of existing resources, such as improving leadership and increasing child care center revenues through grants, donations and entrepreneurial efforts. GSA supports these strategies which have potential to improve child care affordability, and may be implementable at low or no cost. If implemented, the costs would be shared by participating agencies.

Second, the Academy recommends other strategies which require legislative initiatives to expand current authorities, and reconsideration, through pilots and additional studies, of options to provide more flexible employee benefits. Several recommendations require amendment of the Trible Amendment (40 U.S.C. 490b), which authorizes provision of government space, utilities and maintenance, and purchase of certain equipment for child care centers. The Academy also suggests expansion of public-private partnerships, and further study of the potential to change personnel policies. These ideas have been under discussion within government agencies for some time, and merit pursuing their potential to improve affordability.

The Academy also recommends enacting legislation to broaden authority of agency heads to use agency funds for Federal child care center operating expenses and vouchers in non Federal centers. GSA believes implementation of many of the other low/no cost strategies may result in increased flexibility to improve services and significant improvements to affordability, without turning to additional agency funds, thus diminishing the need to implement this recommendation. This recommendation and others requiring legislative initiatives should be considered further in coordination with the appropriate agencies, and should be consistent with other Administration and Congressional efforts underway to improve affordability and quality.

To place this Affordability and Accessibility study in context, a comprehensive picture of Administration and Congressional interest over the past year is essential. In June 1996 a Presidential memorandum directed government agencies to develop a plan to "...expand their ability to provide their employees assistance in securing safe, affordable quality child care." The Appropriations subcommittee's request for a study coincided with the President's directive, and gave specific focus to the issues of access, availability and flexibility in the context of affordability.

In the Fall of 1996, OMB asked GSA to establish within OGP the capability to provide leadership to the Federal community by exercising governmentwide policy roles for workplace programs, including child care. These programs are designed to provide Federal employees with a family-friendly, cost effective and accessible workplace. GSA subsequently included necessary resources in its FY 1998 budget request. This governmentwide function would be in addition to the current resources devoted to programmatic oversight of child care centers within buildings managed by the Public Buildings Service (PBS).

Academy recommendations support OMB guidance to establish a single agency responsible for leadership of Federal child care. However, neither a new policy office nor existing PBS staffing (in the Office of Workplace Initiatives - OWI) and funding would provide the resources for the additional programmatic responsibilities which are implied by new directives in the President's Welfare to Work plan, and a potential child care initiative from Senator Daschle, both of which are described below, or the Affordability study. These initiatives are being costed separately.

In late 1996, Senator Daschle's office and the staff of the Senate Labor Committee expressed a concerted interest in establishing governmentwide standards and oversight of Federal child care centers. In response, OWI reviewed non-GSA child care centers and practices, and last month provided the Minority Leader's office with options for standardization and oversight, and their projected costs. These costs would be born by agencies sponsoring child care centers. Interested Senate offices and committees are considering action on the data and recommendations.

In March 1997 the President directed GSA, after consultation with Federal agencies, to report on governmentwide plans to assist low-income Federal employees in finding affordable child care. This directive was contained in the President's initiative to hire citizens coming off welfare. The GSA response to the Welfare to Work initiative (enclosure 2) included numerous strategies directed at improving current information and referral systems, expanding activities to bring in additional revenue to apply to tuition assistance and developing new partnerships within and outside government agencies. These strategies are being analyzed to determine their costs.

GSA believes the Academy report is an important work with implications for improvement of Federal child care programs well beyond the issue of affordability. The report also points to further study and analysis required to continue to reduce the problem. This agency will work directly with the Administration (including the Domestic Policy Council and the National Performance Review office), OMB, other agencies, and the Congress to improve our strategies, and implement those recommendations of the report which will, in fact, improve the quality, affordability, and accessibility of child care for Federal employees.

Sincerely,

G. Martin Wagner

G. Martin Wagner
Associate Administrator for
Governmentwide Policy

Enclosures

POTUS made this a
priority.

Dave Barram - GSA prepared
to implement both of these
strategies.

Jack Kelley - OMB 395-6106

The Honorable Jim Kolbe
Chairman, Subcommittee on Treasury,
Postal Service, and General Government
House Appropriations Committee
B307 Rayburn House Office Building
Washington, D.C. 20515-6028

Dear Mr. Chairman:

The House Treasury, Postal Service, and General Government Appropriations Committee Report on the 1997 Appropriations Act directed the Office of Management and Budget to "coordinate a government-wide review of federal child care centers to evaluate their effectiveness and determine how they may be improved to provide greater flexibility, access, and availability to all federal employees."

The General Services Administration (GSA) operates the largest number of child care centers among the civilian agencies and is recognized for its expertise in this area. Therefore, we requested GSA to lead this review and they, in turn, contracted with the National Academy of Public Administration to perform the survey and report their findings and recommendations. GSA was subsequently directed by the President to consult with federal agencies and report on governmentwide plans to assist low-income federal employees in finding affordable child care as part of the Welfare to Work initiative. Since GSA's response to the President's request addresses some of the same issues as the Academy's report, both documents are enclosed along with GSA's transmittal letter to us.

Because of POTUS priority and concern about aff. of ch. care for those moving from welfare to work as well as other l-i fed emps . .

When we discussed this review with GSA, it became clear that the Academy review should concentrate on civilian agency child care centers. DoD operates the vast majority of federal child care centers, over 800 as compared to the approximately 225 centers operated by civilian agencies. The Office of Family Policy, under the Assistant Secretary of Defense for Force Management Policy, is responsible for setting standards, issuing guidance, and maintaining statistics for the Department's Child Care Program. At GSA's request, the Office of Family Policy provided a review of the DoD Child Care Program, a copy of which is included in the Academy report.

The Academy study team was able to find little measurable data on the number of children denied child care because their parents or guardians could not afford it. However, based on interviews and other studies, the team concluded that quality child care is generally out of the financial reach of low income federal employees. This view was expressed by virtually all the people interviewed during the course of the study, including child care professionals, government managers and federal employees.

The Academy's recommendations fall into two categories. The first category proposes actions which may be taken within current statutory authorities and budget resources. These actions include strengthening the leadership of child care programs within agencies and seeking outside financial support and volunteer staff assistance to offset the costs of running child care centers. The Office of Management and Budget concurs with the Academy's recommendations. We also recommend that GSA proceed to implement the plan prepared at the President's request to make child care more affordable for low income Federal employees. This will provide the Administration's most comprehensive response to the issue of child care affordability within current authorities and resources.

The second category includes actions which require legislation, such as expanding current authorities for agencies to pay certain infrastructure costs, giving centers more flexibility in meeting enrollment requirements and partnering with the private sector, and authorizing demonstration projects and pilot tests of other new approaches. We have asked the General Services Administration to work with the affected agencies in analyzing the recommendations in detail and developing legislative proposals which reflect the agencies' views.

Have a long way to go. Committed to taking next steps for Fed. employees and all Ams.

Child care is an issue of great concern to many Federal employees. I hope that this report will be useful in developing approaches to making high quality child care affordable to those employees who desire it.

Sincerely,

Franklin D. Raines
Director

NATIONAL PERFORMANCE REVIEW
AL GORE
Vice President of the United States

National Performance Review
750 Seventeenth Street, NW, Box 101
Suite 200
Washington, DC 20006
voice: 202-632-0150
fax: 202-632-0390

FAX COVER SHEET

To: Jennifer Klein

Telephone Number: ______ Fax Number 456-2878

From: Faith Wohl

Direct Telephone Number or ext.: 632-0186

Date: 4/29/97 Number of Pages Plus Cover Sheet: 2

Special Message or Comments:

The Honorable Jim Kolbe
Chairman, Subcommittee on Treasury,
Postal Service and General Government
House Appropriations Committee
B307 Rayburn House Office Building
Washington, D.C. 20515-6028

Dear Mr. Chairman:

The General Services Administration is prepared to take the steps recommended in Director Raines' letter to you in order to improve the affordability of the child care programs available to Federal employees.

On April 10, I briefed the President's Cabinet and told them that while there is no "silver bullet" to fix the problem of child care affordability, there are a number of strategies that can help. GSA outlined a number of those in our response to the President's directive of March 8 in which he asked us to help with the affordability problem for both welfare recipients being hired by the Federal government and other low income employees. Our plan in that regard is one of the documents being forwarded to you today by the Office of Management and Budget and we are committed to implementing it.

Specifically, as I told the President and his Cabinet, we will help agencies connect with local community sources of care; we will help increase our centers' ability to be financially stronger by retaining expert fund raising and financial development consultants and we will do all we can to make Federal child care centers more affordable to more employees.

Now that we also have the recommendations from the National Academy of Public Administration in hand, we are discussing how best to take the steps it defines.

There is no simple solution but we believe the combination of strategies proposed herein will take a big step towards improving the situation for Federal employees. We look forward to working with you as legislative proposals are developed.

Sincerely,

Dave Barram