



TO: Executive Officers

FROM: NIH Day Care Board

SUBJECT: Appropriated Funds to Subsidize Child Care Costs

The NIH Day Care Board was established in 1989 with the mission of promoting quality child care services for NIH employees and advising the NIH with regard to child care issues and policies. To this end, we are asking the Executive Officers to support the implementation of recent legislation that permits agencies in the Executive branch to use appropriated funds to subsidize child care costs for their lower-income Federal employees. The intent is to make child care more affordable for these employees, for whom child care can consume up to 50 percent of their family's total income.

The NIH Day Care Board believes that the NIH would experience numerous significant benefits resulting from the implementation of a child care subsidy program. These include increased employee retention and productivity, reduced tardiness and absenteeism, and increased commitment and loyalty to the NIH. The following data illustrate these benefits:

- The Maryland Child Care Resource Network reports that workers miss more than seven workdays each year due to dependent care problems, (looking for care, unanticipated closings, transportation issues, etc.), and that when employers provide assistance with dependent care issues, absenteeism is reduced by 20 to 30 percent (Implementing Work/Life Programs Employer Tool Kit, Maryland Committee for Children/Maryland Child Care Resource Network, 1999).
- According to the 1997 National Study of the Changing Workforce, workers who perceive that the organizational culture is supportive of their family and personal needs are more committed to and more likely to remain with their employer (The 1997 National Study of the Changing Workforce, Bond, Galinsky, Swanberg, Families and Work Institute, 1998).
- In an assessment of the NationsBank child care subsidy program, the bank acknowledged that there was one-third lower turnover in staff and an increase in worker productivity because parents had fewer worries about child care (Implementing Work/Life Programs Employer Tool Kit, Maryland Committee for Children/Maryland Child Care Resource Network, 1999).

To date, six Federal agencies have implemented a child care subsidy program, and an additional six have submitted letters of intent to OPM. Within HHS, FDA, PSC, SAMSHA, and OS/AOA have all committed money for this purpose. All agencies which implemented the program in fiscal year 2000 will continue to provide it in fiscal year 2001.

Many will be expanding their programs because actual operating costs were *lower* than anticipated. In addition, many agencies have chosen to set a "not to exceed" spending cap to limit the impact on their agency budgets.

We encourage you to support the implementation of a child care subsidy program at the NIH. It is clear that NIH employees would benefit from such a program. Last year, the NIH Work and Family Life Center Child Care Resource & Referral service was contacted by 438 NIH employees. Fifty percent of NIH employees using their service reported added stress because of dependent care issues. An additional 40 percent of service users indicated that they had been absent from work in order to address dependent care issues. We need to show our support for our working parents who struggle with the enormous financial and emotional burdens of child care. Ultimately, our support will benefit the NIH by enhancing recruitment efforts, increasing job satisfaction, and improving retention and productivity in our current workforce. The quality of research and science administration that we do at the NIH is a direct result of the quality of the workforce and the quality of our lives, both at home and at work.

Should you have any questions or concerns, please direct them to Dr. Deborah Henken at (301) 435-6885 or Ms. Corliss Taylor at (301) 435-2651.

Sincerely,

/s/
Deborah Henken, Ph.D.
Co-Chair, NIH Day Care Board

/s/
Corliss A. Taylor, MPA
Co-Chair, NIH Day Care Board

Distribution:
Executive Officers, NIH

cc:
Acting Director, NIH
Deputy Director for Management, NIH
Director, OHRM
Director, ORS
NIH Day Care Board

This letter was signed and distributed to the NIH Executive Officers on January 15, 2001