

Hospitals are setting trends in on-site care, aimed at stabilizing employee pools. These youngsters (from left) David Donahue, 4; Keyleigh Hering, 3; Christina Fratarcangeli, 3; Eric Durbin, 4, and Ashley Ciaffone, 3, are cared for in the Botsford Hospital state-of-the-art facility in Farmington Hills.

SHARON LEMIEUX/staff photographer

## State lawmakers prefer volunteer child care plans

By Tim Richard  
staff writer

Republicans and Democrats agree: State government shouldn't mandate child care benefits, but it's wonderful if businesses provide benefits voluntarily.

"We did not want government-mandated benefits," said state Rep. Lyn Bankes, R-Livonia, chair of a GOP task force that is producing how-to booklets for business and giving non-cash awards to employers that run a good program. "We need to stroke companies for new ideas."

"We're not handling it as a women's issue. It's not a women's issue," said Jeanette Herick, a high-ranking official in Gov. James Blanchard's state Commerce Department.

"I'm not a child development person. I'm a working mother," added Herick, who is putting together a 21-member, business-dominated task force on child care this fall.

THERE ARE virtually no bills in Michigan's legislative hopper on child care, although in time there may be cautious advances in licensing.

There are federal income tax benefits to setting up child care programs, and both parties are scurrying to make the 1986 tax law better known.

House Republicans have a free booklet called "The Michigan Employers' Guide to Child Care" that covers taxes and other ideas.

The Blanchard administration is setting up tax-free accounts for state employees, and his Treasury Department is working on a plan to do the bookkeeping for small businesses unable to do it themselves.

It works like this: The employee has up to \$5,000 of pre-tax earnings deducted and set up in a special "child/dependent care account." A couple earning \$36,000 can save \$1,244 on federal income taxes, \$230 on state income taxes and \$375 on social security taxes for a total of \$1,849.

There's a short-run disadvantage: Social security taxes and benefits are also reduced, lawmakers point out.

The worker draws on this account to pay for child care.

Blanchard announced in his State of the State address that Treasury will do "care credits plus" bookkeeping for small businesses. Beler

said it's "not up and running yet" but will be ready about Jan. 1.

Under that, employers will withhold employees' care account money as well as taxes and submit them to Treasury, which will do the accounting. Employees would submit reimbursement requests to the state, which would make payments from individual "care accounts plus."

If 30,000 Michigan families set up child care accounts, the state Treasury estimates it would lose only about \$7 million in revenue — 1/10th of 1 percent of the budget.

JEANETTE Herick of the Commerce Department said Blanchard will announce the 21 members of the child care task force sometime this month.

"Fifteen will come from the private sector. The private sector should have a majority," she said.

"It will have a business perspective — the economic climate — not a social service perspective. We want to maintain Michigan's competitive advantage."

Herick said Blanchard himself will chair the group's few meetings in its 90 days of life.

Her view is that many businesses want to do the right thing but don't know how. "Companies are calling me on how to do child care because they're not in the kid business," she said.

WHAT KINDS of changes could a task force recommend?

• A child care ombudsman in the Commerce Department.

• Training of day care providers. At present, a provider working at home with fewer than six children need only register with the state Department of Social Services. Larger establishments must be licensed.

• A study of capital needs of providers.

• Mechanisms to help groups of employers provide joint programs.

• A statewide how-to conference for employers. (The Michigan Small Business Forum, held in Novi in May, had a seminar on the topic.)

MEANWHILE, the state and federal governments continue to provide \$883,000 in the "Four C's" — Child Care Coordinating Council.

"It has 13 regional offices in the state," said Sue Allen, who manages that account for the state in the Office of Children and Youth.

## Senate child care measure broadens role of government

Senate Bill 55, (ABC) the Act for Better Child Care, was passed on June 23, 1989, authorizing subsidies and tax credits for child care.

Final version of the bill authorized \$1.75 billion in grants to the states for subsidies to child care providers and payments to parents. States would be required to set standards for child care providers.

In the House, the bill is now being moved along by the Ways and Means Committee.

IT APPEARS both parties in the House and Senate are trying to provide some measure of federal relief for working parents.

HB3, sponsored by California Democrat Augustus Hawkins, would carry out a three-pronged delivery of child care.

Approximately 25 percent would finance full day/full year programs for Head Start, and more children, some from families with somewhat higher incomes, would be served.

Another quarter chunk would flow directly to preschools to estab-

lish or expand early childhood programs and before and after school "latchkey" programs.

Approximately 35 percent would be made available to child care providers to pay for day care programs for infants, toddlers and children under 13 years old.

The remainder would finance grants to help states coordinate child care activities, improve standards, provide training and enforce regulations at the local level.

THE BILL would allow the poorest families to get services for free, but moderate-income families would have to pay based on a sliding scale.

A presidential veto is possible, according to Labor Secretary Elizabeth Dole and Health and Human Services Secretary Louis Sullivan.

Dole said in a letter to the committee that the range of choices available to parents would be restricted due to the bias in favor of center based care and against informal arrangements favored by many parents.

## Labor Act outlines wages, standards for in-home sitters

Child care workers who receive at least \$50 in cash wages in a calendar quarter or work a total of more than eight hours a week are entitled to a minimum wage of \$3.35 an hour, according to the Fair Labor Standards Act.

Operators of preschool or day care centers who have fewer than two employees or whose only employees are members of their immediate family are not subject to the act.

The U.S. Department of Labor also distinguishes between casual

and full-time baby sitters.

A casual baby sitter, generally one whose employment is irregular or intermittent, need not be paid the minimum wage.

Full-time baby sitters must be paid the required minimum wage and overtime.

Under the act, baby-sitting means care and protection of infants or children in or about the children's own homes. Individuals who take children into their own homes for care and protection are not domestic service employees.

## Child care: 'Benefit of the '90s'

By Janice Brunson  
staff writer

Child care benefits, long overlooked by corporate America, are receiving renewed attention by employers scrambling to fill jobs from a shrinking labor pool.

"The benefit of the '90s," predicts Georgiana Jasnowski of the 4-C Child Care Coordinating Council in Wayne County. "Employers have to do something," she said, in view of "a decreasing work force and more jobs."

Jasnowski's 4-C counterpart in Oakland County, Paulette Chaplin, agrees.

"Severe labor shortages at entry level positions already exist. While big employers aren't feeling the crunch yet, they're soon will. And I think they're going to be forced into providing child care services," Chaplin said.

To date, few firms offer such benefits. Of an estimated 6 million companies nationwide, a mere 4,150 have programs, based on figures maintained by the National Commission on Working Women.

In Michigan, an estimated 200 firms, 30 percent located in metropolitan Detroit, offer various programs, but most are limited because "the whole concept is new to corporate America," according to one corporate official whose firm launched benefits this summer.

"A CAFETERIA-STYLE benefit program" offering a variety of options is the ideal, according to John Sutarski of Alexander Hamilton Life Insurance in Farmington Hills. Last May, the firm offered a flexible payment account, today's benefit of choice by most corporations.

Under such a plan, untaxed salary is earmarked for child care costs, saving the employee and the corporation taxes on withheld sums. While actual benefits are small, the program is considered by many to be at least a beginning.

Fidelity Bank, a community bank with branches in Birmingham, Bloomfield Township, Southfield and Troy, and Olin Industries in Livonia maintain such accounts.

Alexander Hamilton also implemented flexible work schedules this summer. From May to September, work hours were extended Mondays through Thursdays. Each Friday, the workday ended at noon.

Flexible working hours "provide extended opportunity for families to be together, increased R and R time on the weekend," Sutarski said. The firm is now considering flexible work schedules on a permanent basis.

Six years ago, employees of the city of Southfield decided an on-site day care would be an asset for them. With the passage of years, all of those parents' children are now in school, but the idea didn't fade.

Within a month the Southfield Employees Day Care Center will open in the old Tennis and Arts Center of the Civic Center. It will be the first municipal child care center in Oakland County.



child care

Other possibilities for consideration include child care subsidies in lieu of health, vacation or other benefits now earned by employees and resource and referral services that assist in tailored child care, rather than settling for what is readily available.

Presently, Burger King of Michigan subsidizes wages of employees at 19 outlets in Kent, Ottawa and Montcalm counties, paying an additional \$1.50 hourly to those with young children. The big three auto firms, GM, Ford and Chrysler, each offer resource and referral services.

"MORE WOMEN THAN ever before are majoring in accounting, some 50 percent of all students," said Barbara Fornasiero of Plante & Moran, an accounting firm with offices in Southfield and Rochester.

"We looked at our demographics, who we are hiring, and decided it's necessary to do these kinds of things for the viability of the company," Fornasiero said of child care benefits offered by that firm.

In addition to extended parental leave (18 weeks beyond accrued paid leave) and flexible funding, the firm offers free on-site child care each Saturday in the Southfield office during tax season, from January to mid-April. Up to 20 children ages 18 months to 12 years are cared for in a specially outfitted conference room that is converted into a day care center.

Quality on-site child care is costly and almost always requires some corporate funding, especially when starting up and if infants and toddlers are included, according to Janet Munson.

"It's expensive bringing child care onto your campus," said Munson, an early childhood specialist whose firm, on-site Child Care Services, has assisted in establishing many of the 17 on-site corporate centers now in Michigan, including those at Pontiac Osteopathic and St. Joseph hospitals in Pontiac, St. Mary in Livonia and William Beaumont in Troy.

Hospitals, responding to critical nursing shortages (many of whom are child-bearing age females) and the expense in training new employees, are setting trends in on-site care, aimed at stabilizing employee pools.

BOTSFORD HOSPITAL in Farmington Hills operates a state-of-the-art facility, featuring furnishings scaled in size to fit small children and felt-covered walls.

Launched three years ago by Munson and partner Kathleen Boylan, the center has an open door policy that permits unscheduled parental visits throughout the day, creating a "fish bowl" effect that Munson and Boylan said results in quality care. Still, in spite of recent expansion that now accommodates 80 children, admission waits are lengthy and hours of operation, 6 a.m. to 6 p.m., do not accommodate employees on night shifts. Costs range from \$105 weekly or \$3 hourly for infants and toddlers to \$80 weekly or \$2.50 hourly for children ages 2 to 5 years.

The Botsford center is a corporate model, according to Munson and Boylan.

The wave of the future, Boylan added, are centers catering to both the young and the old, "combined care for sandwiched families" responsible for the care of children and aging parents.

Employers, Munson said, "need to realize how important the entire family picture is to the health of the employee and then be responsive to those needs. If not, everyone — the employer and taxpayers like — is going to be paying costs four or five times over down the road when the children who aren't getting quality care today are grown."

A decision will be made later this

from an array of possible providers, including existing child care centers seeking expanded facilities, area consultants and national firms specializing in the development of child care centers.

Such firms are relatively new on the horizon, in the forefront of a promising industry now that corporate child care is emerging as "the employee benefit of the '90s."

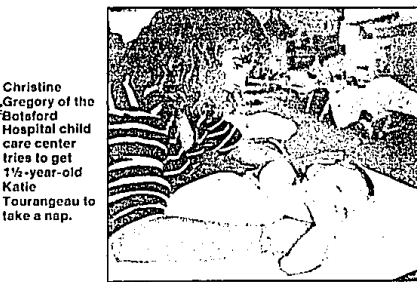
Gerber Children's Centers, a division of Gerber Products in Fremont, offers a franchised turnkey operation such as that now in operation at Henry Ford Hospital in Detroit. Children's World and Kinder-care offer similar franchises.

Some 30 firms in metropolitan Detroit provide more individualized services, including Americare, noted for expertise in establishing resource and referral systems, and the Merrill-Palmer Institute at Wayne State University that offers a host of services.



SHARON LEMIEUX/staff photographer

Sandi Burton's tales about the difficulty in finding adequate child care prompted her husband, Birmingham-based developer Peter Burton, to include on-site child care at the new Arboratum Office Complex in Farmington Hills.



Christine Gregory of the Botsford Hospital child care center tries to get 1½-year-old Katie Tourangeau to take a nap.

SHARON LEMIEUX/staff photographer

## Complex to offer on-site day care

By Janice Brunson  
staff writer

When Birmingham-based developer Peter Burton married Sandi Burton in 1980, she had a son, Christopher, then 9.

Her tales about the difficulty in finding adequate child care as a working single parent before the marriage impressed Burton, seeding an idea he has translated into an innovative touch in an enormous commercial project under way by Burton and partners Robert Katzman and Ronald Hughes.

The Arboratum Office Park Complex in Farmington Hills, a six-stage development containing a million square feet of office space, will contain an on-site child care center for tenants of the six massive buildings in the project.

"It's a commitment to society at large, a way of making the world a better place to live," said Burton, 35, describing himself as "sensitive

to social issues" as a result of the 1980s.

The center will be located in the fifth building, slated for construction next year when space in the recently completed fourth building is full.

Mercy Health Services, Delta Dental and TRW, a credit bureau, now occupy space in the complex. They and another 30 or so tenants were polled about interest in a child care center.

OF THOSE WHO responded, "100 percent were very supportive of the idea," according to Joanne Fletcher of Arboratum Properties, the firm developing the project. Fletcher recently completed an exhaustive search for a child care operator.

"We wanted to use a local vendor, someone able to adapt to the interest of the development. We didn't feel the (national) chains were flexible enough for us," Fletcher said.