

CapMetro

Childcare Program Update

July 22, 2024

Recap of Commitment to Board

From March 25, 2024 Board Resolution:

“Provide an update to the Board on childcare center operations and programs supporting CapMetro employees’ childcare needs no later than July 2024.”

Update will address:

- The work we have done
- Broader support for childcare needs of CapMetro and Service Provider employees
- Potential CapMetro Childcare Center partnership

The Work We Have Done

Parent and Employee Communications

- Regular meetings and updates with Bright Horizons parents and CapMetro employees
- Employee survey and findings
- Engagement of service provider employees and leadership

Determining Cost and Need

- Ways to reduce CapMetro subsidy
- Employee demographics
- FY 2025 budget proposal

Exploring Options and Partnerships

- Location of on-site childcare
- Following community initiatives on childcare
- Pursuit of promising partnerships
- Research on programs to support employee childcare needs

Benefits of Supporting Employees' Childcare Needs

Employer

- In a recent study, 71% of working parents said better childcare would make them more productive at work.
- 75% of employees surveyed said that better childcare would make them more likely to stay with their employer.
- According to a recent survey by Care.com, 90% of employers say childcare benefits have a positive impact on talent recruitment and retention.

Employee

- Helps parents build safe, stable and nurturing environments for their young children while at work.
- Supports the physical and emotional health of employees and their families.
- Helps employees balance family and work, thus fostering greater capacity to fulfill both their family and work obligations.

Estimated Employee Childcare Needs

Age	Keolis	MTM	Cap Metro	Herzog	TOTALS
0-2	47	10	29	6	92
3-4	43	7	14	2	66
Total full-time childcare needs	90	17	43	8	158
5-6	55	12	22	3	92
7-9	99	14	31	5	149
10-12	94	20	36	1	151
Total part-time childcare needs	248	46	89	9	392

Based on enrollment in health benefit plans.

2024 Employee Child and Dependent Care Survey

Survey goals:

- Determine current child and dependent care needs of employees, such as ages of children and types of care needed.
- Identify types of dependent care services currently utilized by employees, including full and part-time childcare arrangements, weekend/after-hours childcare, drop-in childcare, etc.
- Understand the challenges employees experience with their current childcare arrangements.
- Learn which child and dependent care benefits employees believe to be most useful.



May 2024 Survey

- 446 completed surveys
- 17.5% response rate

July 2023 Survey

- 141 completed surveys
- 6.4% response rate

Key Findings



10.28% Expecting a child in the next nine months and anticipate needing childcare.

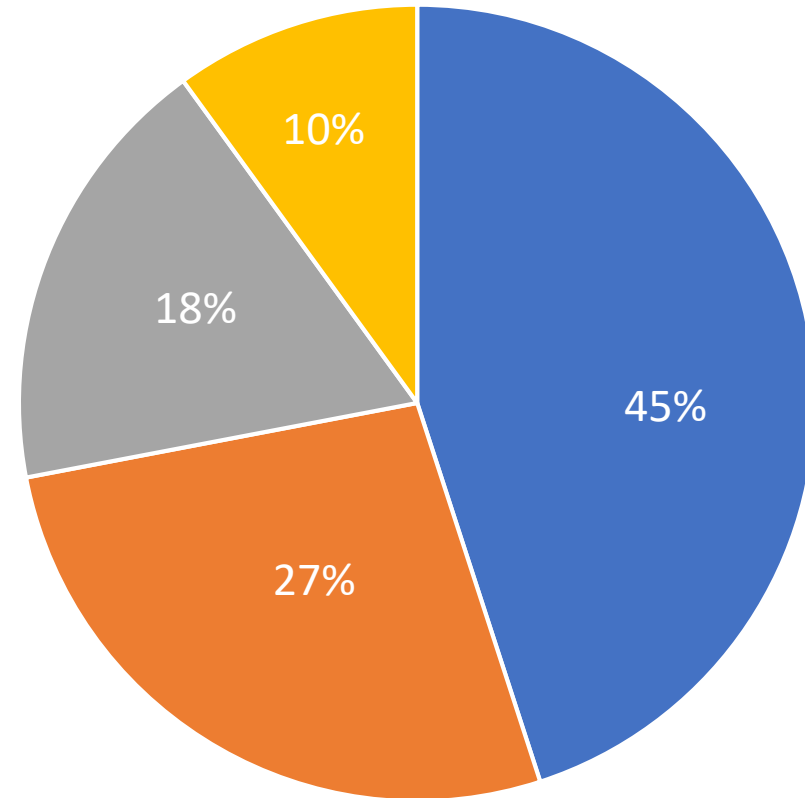


51.4% Have one or more children ages 0–5 years old who require childcare.



38.28% Have one or more children 5 years old (in kindergarten) or older who require childcare

Childcare Location Preference



■ Near Home ■ Near Work ■ No Preference ■ No Response

Dependent Care Benefits: Top 6 From Survey

Most Important Dependent Care Benefits:



86%

Stipend for childcare of their choice



75%

Flexible work location



68%

Gradual return to work after parental leave



67%

Access to after-school programs



62%

Access to summer care/summer camp programs



61%

Access to back-up childcare options, including care for sick children

Stipend Program Approaches Under Consideration

Dependent Care Flexible Spending Account- Employer Contribution

- Determine annual amount for FSA employer contribution
- Fund the FSA account as claims are paid
- Current FSA vendor can process reimbursements
- Not taxable to employee
- Reimbursement for licensed providers and individual providers

Direct Payment to Providers

- Determine the monthly stipend amount
- Contract with vendor to process payments directly to childcare facility used by employee
- Taxable to employee
- Payment to licensed providers and individual providers

Income/Need-Based for Both Plans

- Determine income base table for eligibility
- Correlate to number of family size
- Develop process to review application to determine eligibility

Childcare Center Sustainability Considerations

Current Bright Horizons Contract Completion



- Increase tuition to reduce subsidy for period September 2024 – March 2025
- Possible partnership with another employer to further reduce CapMetro subsidy

Lease Agreement with Non-Profit Childcare Center



- 5-year lease with one 5-year option period
- \$10 per year for rent
- Priority enrollment for CapMetro and service provider employees
- CapMetro to provide utilities, security and building maintenance
- Potential administrative fee/support

Childcare Fiscal Year Cost Considerations

	FY 24	FY 25	
Indirect Sunk Costs			
Lease value	\$ 191,000	\$ 191,000	
Maintenance	\$ 75,000	\$ 75,000	
Total Indirect	\$ 266,000	\$ 266,000	
Direct Childcare Support Costs			
Stipend	\$ -	\$ 300,000	Half Year
Childcare Center Operations Support	\$ 668,632	\$ 270,000	
Total Direct	\$ 668,632	\$ 570,000	

What's Next?

- **July – September 2024:**
 - Determine partnership option to pursue
 - Determine appropriate contractual mechanism for partnership option selected
 - Determine details of stipend program
- **September 23, 2024:** FY 25 Budget Adoption
- **October 2024:** Possible board action on childcare center partnership
- **November 2024 to March 2025:** Implement changes to childcare services based on outcome of partnership agreement opportunities
- **April 2025:** Initiate Childcare Stipend Program



Questions?

