TASKFORCE CHARGE
In May of 2016, President Ann Weaver Hart asked Senior Vice President for Business Affairs and Chief Financial Officer Gregg Goldman to explore options for an on-campus or near-campus childcare center to serve students and employees. A review team representing faculty, staff, and students was established to research potential models and report findings.

THE NEED
Advocates for an on-campus or near-campus childcare center agree such a center would benefit both students and employees, especially those who would welcome the opportunity to visit their children during the day for bonding and breastfeeding purposes. The convenience of an on- or near-campus childcare center could also increase student retention and accelerate on-time graduation. The Institute for Women’s Policy Research’s recently released brief, “Child Care for Parents in College,” noted that only a third of student parents complete an undergraduate degree within six years, and many student parents report that affordable and accessible childcare is a significant educational barrier that leads to breaks or dropping out altogether. This policy brief also noted that low-income families (those earning less than $18,000 per year) with children under the age of 15 typically spend 40 percent of their average monthly income on dependent care.

CURRENT UNIVERSITY OF ARIZONA (UA) CHILDCARE BENEFITS
The University currently provides financial support to students and employees who place their children with childcare providers that meet established quality standards. These programs permit parents to choose childcare providers that meet their needs in terms of philosophy, design, and geographic location. Employees and students throughout Arizona are able to use these benefits to defray childcare costs for children up to the age of 12. As of September 12, 2016, these programs were serving 627 children of 108 student parents and 334 employee parents. Student parents are eligible to receive up to $1000 per semester for childcare and employees are eligible for up to $1000-$2500 a year depending on family income. The student program is supported by Student Affairs and Enrollment Management, the Office of Scholarships and Financial Aid, the Graduate College, and the Graduate Student and Professional Council. The employee program is funded through the University’s employee-related expenses pool. These programs currently operate on a first-come, first-served basis and have not historically been able to meet demand from all potential users.

Table 1: Employee and Student Use of UA Life & Work Childcare Reimbursement Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Number of Individual Households Served to Date in FY 2017</th>
<th>Number of Children Served to Date in FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Voucher Program</td>
<td>334</td>
<td>461</td>
</tr>
<tr>
<td>*Student Subsidy Program</td>
<td>108</td>
<td>166</td>
</tr>
<tr>
<td>TOTAL</td>
<td>442</td>
<td>627</td>
</tr>
</tbody>
</table>
Table 2: Age Distribution of Children Served by UA Life & Work Connections Childcare Reimbursement Programs

<table>
<thead>
<tr>
<th>Child Age</th>
<th>Children of Employees Served to Date in FY 2017</th>
<th>Children of Students Served to Date in FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infants, Walkers, and Toddlers</td>
<td>142</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>31%</td>
<td>25%</td>
</tr>
<tr>
<td>Pre-school</td>
<td>158</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>*Kindergarten</td>
<td>46</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>School-Age</td>
<td>115</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>25%</td>
<td>33%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>461</td>
<td>166</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Chart 1: Geographic Distribution of Childcare Providers - Arizona
Chart 2: Geographic Distribution of Childcare Providers - Tucson

UA Tucson campuses are at the center

- 1 Mile Radius
- 5 Mile Radius
- 10 Mile Radius

Employees
Students
Chart 3: Geographic Distribution of Childcare Providers - Phoenix

Phoenix Biomedical Campus is at the center
CHILD CARE CENTER INFORMATION-GATHERING PROCESS

During June of 2016, the taskforce developed a request for information (RFI) document that asked childcare providers and consultants to describe their service delivery models and philosophies, partnership ideas, facility needs, financial requirements, and a range of related information. The RFI was released at the end of June and seven (7) organizations responded by the end of July deadline.

REQUEST FOR INFORMATION FINDINGS

Business Models
The request for information process revealed three business model options for meeting National Association for the Education of Young Children (NAEYC) standards for childcare on or near one or more of the University of Arizona campuses:

Management Fee Contract Model
In this model, the childcare provider manages center operations and performs all day-to-day functions in return for a management fee that covers oversight and administrative costs. The University would have a direct say in center parameters, including tuition rates, hours of operation, and salaries. Revenue that exceeded the management fee would be returned to the University. Deficits would be charged back to the University on a monthly basis. The University would assume all financial risk and reward for the ongoing operation of the center, including any rent and facility expenses.

Profit and Loss Model
In this model, the childcare provider would perform all day-to-day management, covering any operational losses and retaining any excess revenues. The University would have no other financial responsibilities other than providing space rent-free, covering the full costs of building construction (typically $150-180 per square foot), tenant improvements, building insurance and utilities, providing adequate parking for pick-up and drop-off, and maintaining the building, grounds, and furniture. At least one provider would entertain covering start-up costs if the University would commit to full repayment over time.

Tuition Discount/Preferred Provider Model
In this model, the University would provide financial support or guarantee enrollment at an existing childcare center within close proximity to one of the University’s campuses.

Space Needs
Serving approximately 200 children would require 1.5 acres of land with a 15,000-18,000 square foot building and a similarly sized attached playground.

Indoor Space
NAEYC requires 50 square feet per infant and 35 square feet per child older than age one.

Outside Activity Space
Arizona requires a minimum of 75 square foot per child to accommodate up to 50% of the center’s capacity comfortably at any given time.
OPPORTUNITIES TO CONNECT WITH OUR ACADEMIC MISSION

RFI responses noted opportunities for a childcare center to serve as research laboratory, early childhood education site, and internship provider.

TASKFORCE RECOMMENDATIONS

In reviewing options, taskforce members stressed an interest in benefits parity and they noted it would not be feasible to construct childcare centers in all of the major population centers in which the University has students and employees - Phoenix, Sierra Vista, Tucson, and Yuma. As an alternative to multi-site childcare centers, the taskforce expressed interest in expanding the childcare cost reimbursement programs the University currently provides for 627 children age 0-12 throughout Arizona. Taskforce members noted these cost reimbursement programs benefit UA students and staff parents regardless of where they live or work, and additional funding for these existing programs may benefit many more families than one or more childcare centers.

Taskforce members acknowledged that on- or near-campus childcare could be a competitive advantage in attracting students, faculty, and staff.* If there is a decision to collaborate with an existing childcare provider to provide such services, the taskforce recommends focusing on care for children age 0-6 because after-school care for older children typically requires transportation. In terms of the most appropriate business model, the taskforce recommends the discount/preferred provider model, as it represents the lowest risk option for the UA. A land-lease agreement would likely be necessary to permit on or close-to-campus proximity.

*Fewer than half of public four-year institutions in the United States currently provide childcare services.¹
REFERENCES

1 Child Care for Parents in College: A State-by-State Assessment by Ellie Eckerson, Lauren Talbouret, Lindsey Reichlin, Mary Sykes, Elizabeth Noll, and Barbara Gault, Institute for Women's Policy Research, September 2016. – Available at: http://www.iwpr.org/publications/recent-publications#sthash.NjrAzCwL.dpuf

2 FY 2016/2017 Employee Childcare Voucher Program Guidelines
https://lifework.arizona.edu/sites/default/files/ChildCare/%2716%2717%20Voucher%20Guidelines.pdf
FY 2016/2017 Student Childcare Subsidy Program Guidelines
https://lifework.arizona.edu/sites/default/files/ChildCare/%2716%2717%20Subsidy%20Guidelines.pdf