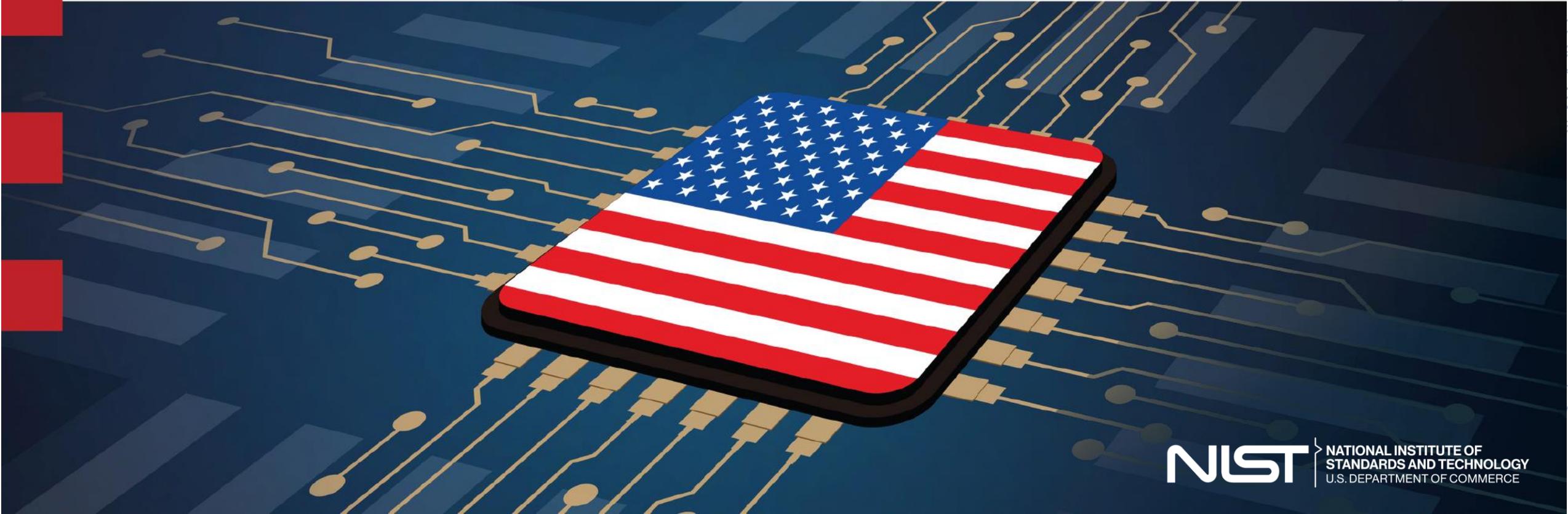
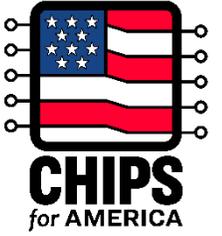
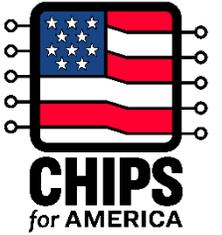


CHIPS for America: Designing & Acting on Child Care Solutions

October 25, 2023



Today's Speakers

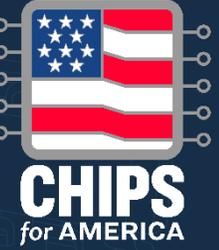


Jesse Stoneman
Deputy Director,
Public Engagement



Liat Krawczyk
Senior Advisor, Workforce Strategy
Head of Child Care

AGENDA & OBJECTIVES



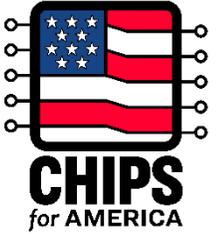
Agenda

- Overview of CHIPS for America and Priorities
- Recap of Child Care Requirements and Evaluative Criteria
- Best Practices for Developing a Child Care Plan
- Q&A

By the end, attendees should better understand

- The U.S. child care landscape and the significance of care for workforce
- The importance of gauging employee care needs and community engagement
- A menu of actions employers may consider in building a child care plan

CHIPS for America Vision



Economic Security

The CHIPS Act will strengthen supply chain security and increase economic resilience in critical sectors.



National Security

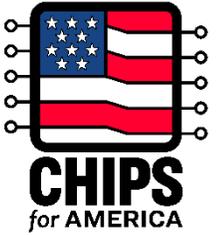
The CHIPS Act will support U.S. manufacture of high-quality and secure chips for defense and other critical infrastructure applications.



Future Innovation

The CHIPS Act will spur innovation, increase competitiveness, and ensure long-term U.S. sector leadership.

CHIPS for America Programs



\$39 billion for manufacturing

Components:

1. Attract large-scale investments in advanced technologies such as leading-edge logic and memory
2. Incentivize expansion of manufacturing capacity for mature and other types of semiconductors

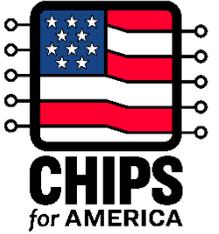
\$11 billion for R&D

- National Semiconductor Technology Center
- National Advanced Packaging Manufacturing Program
- Manufacturing USA institute(s)
- National Institute of Standards and Technology measurement science

Together with CHIPS initiatives from other agencies, including DOD, State, NSF, and Treasury

Workforce development

Funding Opportunities



February 28, 2023

For commercial leading-edge, current, and mature node fabrication facilities

June 23, 2023

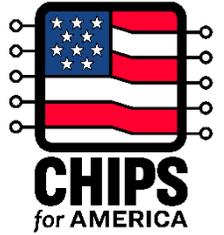
For large semiconductor materials and equipment facility projects \$300M+

September 29, 2023

For smaller semiconductor materials and equipment facility projects under \$300M

To support the construction of semiconductor R&D facilities

Statements of Interest currently being accepted for all funding opportunities



Accomplishing these objectives requires:

Catalyzing private investment

Protecting taxpayer dollars

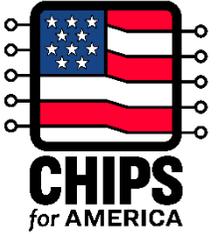
Building a skilled and diverse workforce

Engaging with U.S. partners and allies

Driving economic opportunity and inclusive economic growth

In the first NOFO, applicants requesting over \$150M must submit a child care plan

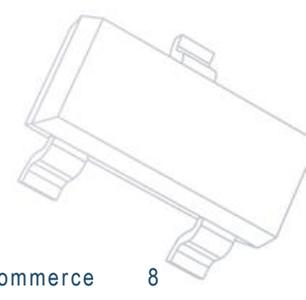
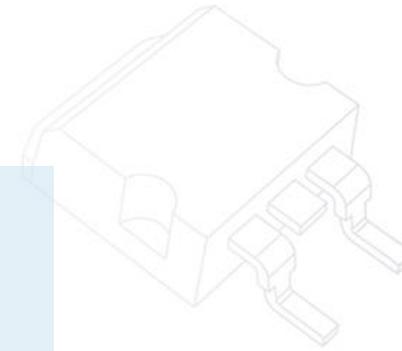
Workforce Development Vision

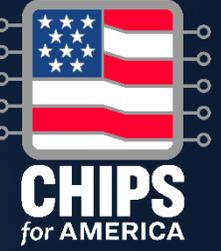


Delivering on our **national and economic security objectives** demands **major investments in the semiconductor workforce** that will support **good-paying jobs across the industry.**

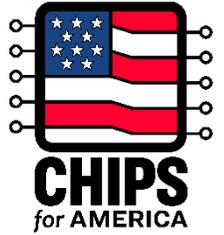
America's diversity is a comparative advantage; we must make significant investments to create opportunities for **Americans from historically underserved communities.**

Effective workforce solutions **enable key stakeholders to work together.**





CHIPS & Child Care

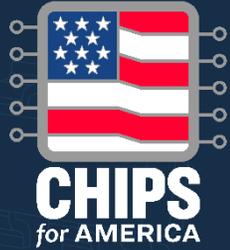


Child Care Plan in CHIPS NOFO

In order to achieve CHIPS Act economic and national security objectives and ensure that everyone, including women, can participate and thrive in the U.S. semiconductor economy:

- CHIPS applicants applying for **over \$150 million** are required to provide a **child care plan for both facility and construction workers**
- CHIPS applicants that do not meet the \$150 million threshold **strongly encouraged to provide a child care plan**

THE U.S. CHILD CARE CRISIS



LACK OF AFFORDABILITY

- Average cost of US child care is ~11K per child a year, ~15% of median household income
- In 34 states and DC, average cost of center-based child care for infants is more than in-state, public college tuition

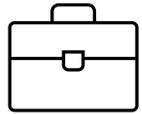
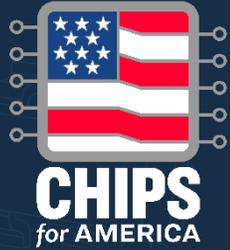
INSUFFICIENT SEATS

- Over 50% of Americans live in a “child care desert” (at least 3 kids per licensed slot)
- Only 8% of child care centers offer care between 6pm-7am
- Under 25% of construction and manufacturing workers have child care for the hours needed

DIFFERING QUALITY

- High turnover of workers due to low wages
- Lack of parent ability to vote with feet

CHILD CARE IS CRITICAL TO U.S. ECONOMIC AND INDUSTRY GROWTH



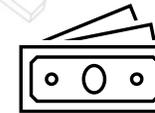
EMPLOYERS

- **Employers lose \$23B a year** to child care challenges faced by employees
- **Over 70%** of working caregivers **said better child care** would make them **more productive**
- **Over 80% of parents** with kids 0-5 stated child care benefits would be an **important factor in retention**



HOUSEHOLDS

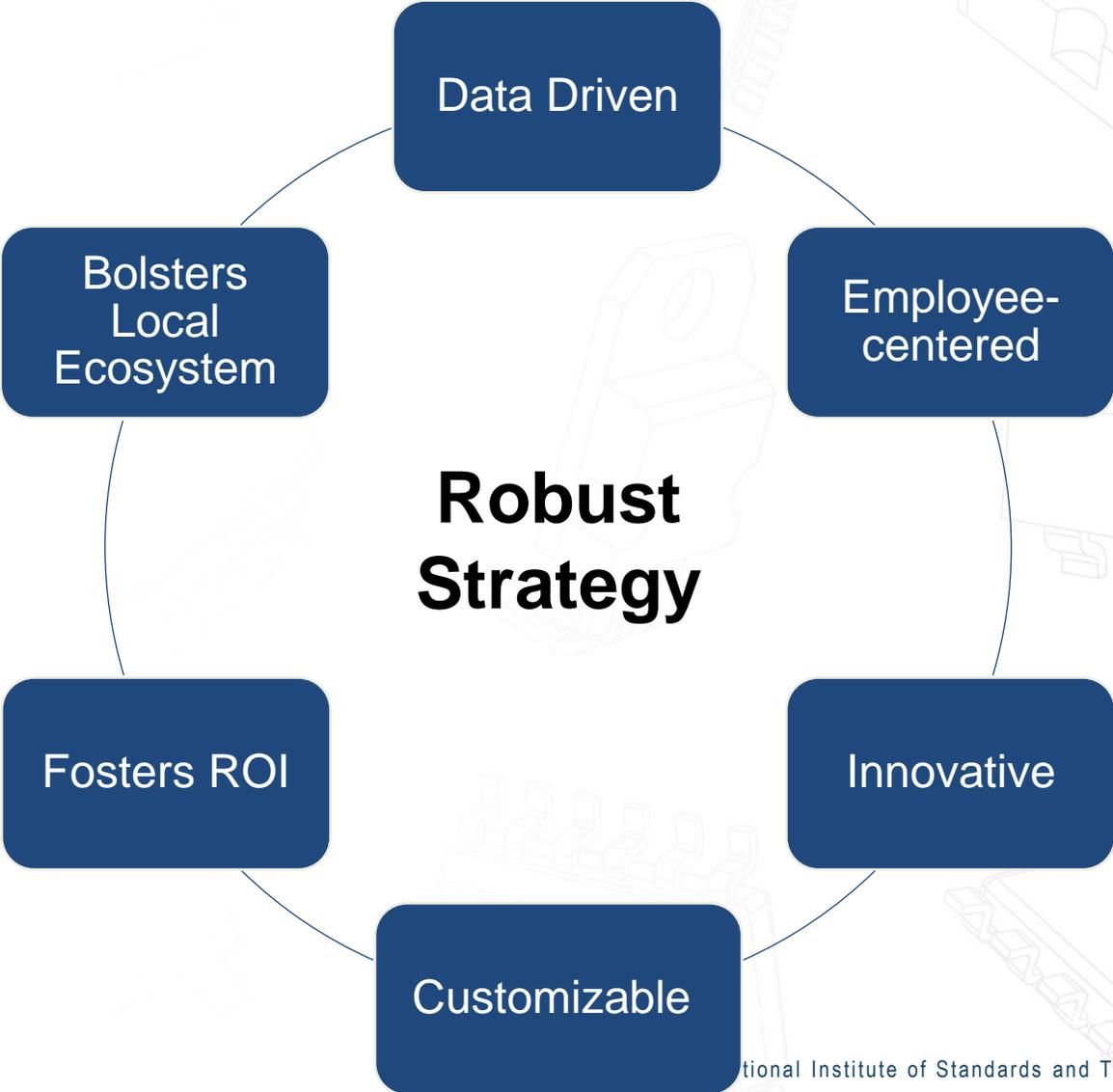
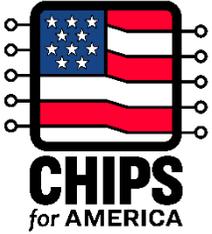
- A 2023 report shows that **26% of parents quit a job; 23% were fired; 17% were demoted; 40% turned down a job and 25% turned down promotion** due to child care challenges
- **Families lose \$78B a year** in forgone earnings and job search expenses due to 0-3 child care challenges



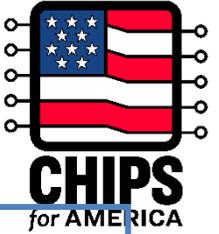
U.S. ECONOMY

- Nation's **infant-toddler child care crisis now costs \$122B a year** in lost earnings, productivity, and revenue
- **Taxpayers lose \$21B each year** in lower federal and state/local tax revenue

Child Care Strategy Characteristics



Core Child Care Plan Evaluation



Accessible

- Seats are available and not subject to long waitlists
- Care location is aligned to needs and preferences of workers (e.g., onsite, near-site, customized)
- Care is provided during hours needed (e.g., traditional and non-traditional hours)

Reliable

- Schedules are reliable so that care can be arranged in advance
- Care solutions are considered for back-up and/or emergency coverage
- Flexibility in granting alternative arrangements for care crisis situations

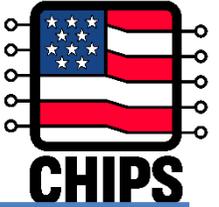
Affordable

- Price of care is defrayed such that it is within reach for low- and medium-income households

High-Quality

- Multiple licensed and unlicensed settings are considered (centers, home-based care)
- Providers and staff are well-compensated and appropriately trained and resourced
- Settings are in line with quality safeguards (e.g., regulations, quality rating systems, etc.)

Child Care Plans: Moving to Action



1

Understand Worker Needs

- Devise solutions **responsive** to the specific needs of workers such as during non-traditional hours and per regional market (supply, price, household) dynamics.

2

Work with Community Partners

- **Work with community stakeholders**, including state and local governments and local groups with expertise administering child care, **to create effective solutions.**

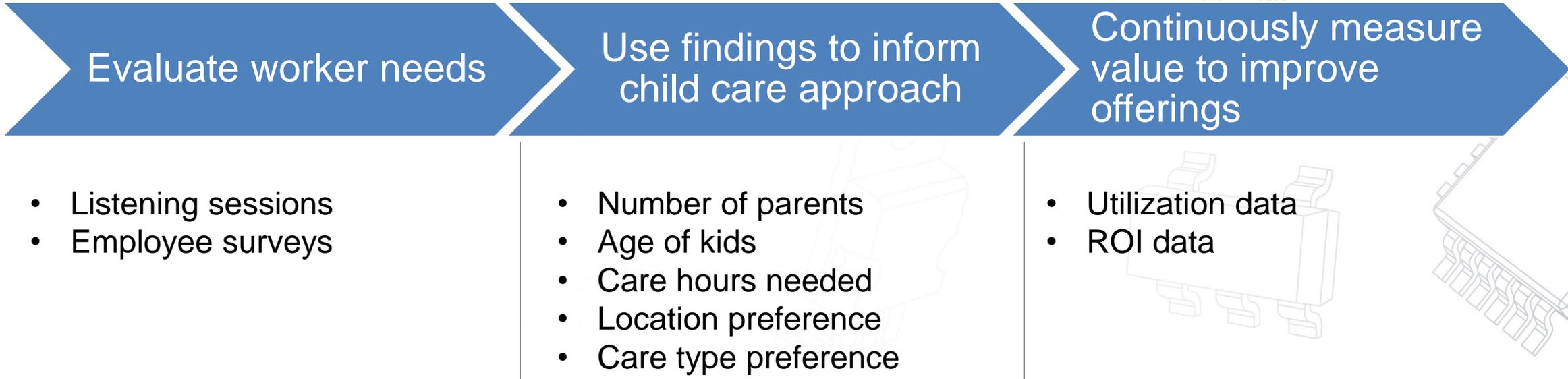
3

Design & Roll Out Child Care Offerings

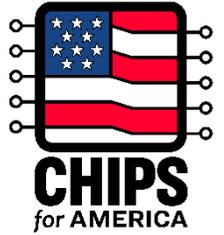
- Design and roll out a **concrete menu of practices, policies and partner types** that can meet the **diverse child care needs** of workers

1 Understand Worker Needs

Applicants are expected to **devise solutions responsive to the specific needs of their workers** such as during non-traditional hours and per regional market (supply, price, household) dynamics.



By designing solutions that are in line with needs, employers are more likely to have offerings translate into key business success metrics like talent attraction, retention, productivity and diversification.

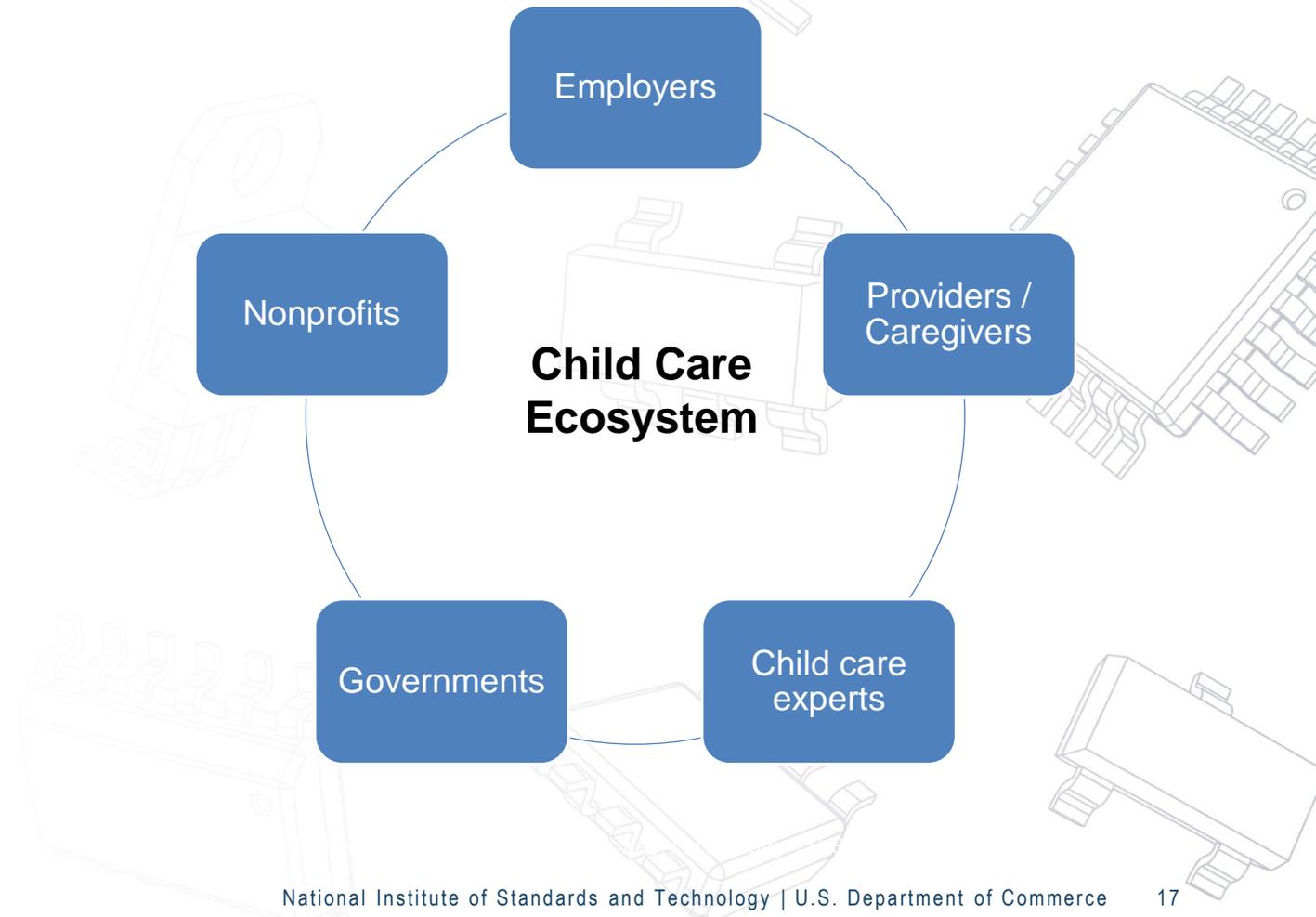


2 Working with Community Partners

Applicants are encouraged to **work with community stakeholders**, including state and local governments and local groups with expertise administering child care, to **create effective solutions**.

Non-exhaustive List of Potential Partners

- Child care resource and referral agencies
- Associations for the education of young children
- Community development financial institutions
- Local dedicated funds for children and youth
- Licensed family child care networks
- Shared service alliances
- Faith-based organizations
- Economic development organizations
- State and local representatives



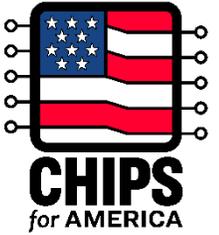
3 Design & Roll Out Child Care Offerings

Design and roll out a **concrete menu of practices**, policies and partner types that can meet the **diverse child care needs** of workers

Model:	A	B	C	D
Description:	Company On- or Near-Site Care	Company Expanded Off-Site Care	Company-Secured Off Site Care	Financial Support
	<p><i>Company provides space. Care Ops & Business may be in-house or outsourced</i></p>	<p><i>Company pays to increase capacity or operating hours at existing center(s) or reserves slots for shift workers</i></p>	<p><i>Company pays (directly or via vendor) to reserve and/or subsidize worker seats at existing facilities</i></p>	<p><i>Company defrays cost of care (directly or via vendor) (e.g., via stipends, DSA, vouchers)</i></p>

Mixed delivery options can help provide workers multiple, often layered, supports to meet complex child care needs.

Create New Child Care Seats to Address Supply Constraints



Challenges

- Over 50% of Americans live in a “child care desert” (at least 3 kids per licensed slot)
- Under 25% of construction and manufacturing workforce have child care available for hours needed

Tap Into Employer Tax Benefits:

The IRS Employer-Provided Child Care Credit offers 25% of qualified child care expenditures plus 10% of qualified childcare resource and referral expenditures paid or incurred during the tax year up to \$150,000 per tax year.

Example Actions

Create new daycare seats that align to labor force needs (e.g., hours, sliding scale costs) by:



Building a facility on- or near-site

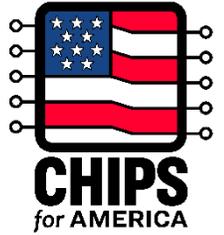


Partnering with existing facilities to increase their capacity by funding site expansion and/or labor costs needed to add seats and/or operate longer hours



Operations can be in-house or outsourced

Secure Child Care Seats for your Employees



Challenges

- A dearth of child care supply leads to long waiting lists
- Parents who cannot secure a spot turn to more expensive alternatives, informal care arrangements, or downshift/leave a job

Tax credits may exist for helping employees secure or subsidize child care seats.

Example Actions

- Design terms that align to labor force needs (hours, sliding scale costs)
- Work with a partner that has access to local daycare networks to enable employee care choice and support local and small child care operators
- Enable predictable shifts
- Offer back-up care

Defray the Costs Of Care

Challenges

- Child care for one child is ~15% of median U.S. household income
- Traditional care facilities are often not options for large set of employees

Examples: part time, shift, non-standard hour workers, mothers post maternity leave

Example Actions



Offer dependent-care FSAs where the employer contributes pretax dollars, reducing payroll taxes, and employees choose how much to contribute



Issue dependent care-specific or general well-being stipends

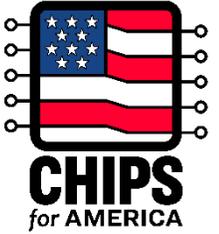


Help employees navigate existing supports



Work with local government to explore employer-supported child care cost mitigation options

Customize Employee Benefits & Design for the Toughest Use Cases



Challenges

- Limited care benefits can go under-utilized when they do not meet diverse needs of employees

Did you know?

About 50% of workers lean on informal support networks of family, friends, and neighbors to meet their child care needs.

Example Actions

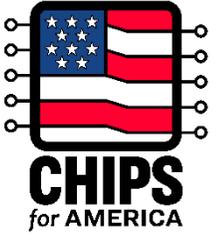


Support building and coordination of informal care systems like family, friends, and neighbors



Mixed delivery models can provide benefits that serve workers' diverse needs

Caregiver Supportive Culture



Challenges

- Only 56% of caregivers report their supervisor is aware of their responsibilities
- Two thirds of workers believe speaking about child care struggles makes them a “problem employee”

Example Actions



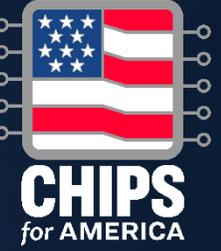
Welcome transparent discussion about caregiver needs at work via surveys, focus groups, and team meetings



Train managers to support caregivers and to be open about own caregiving realities

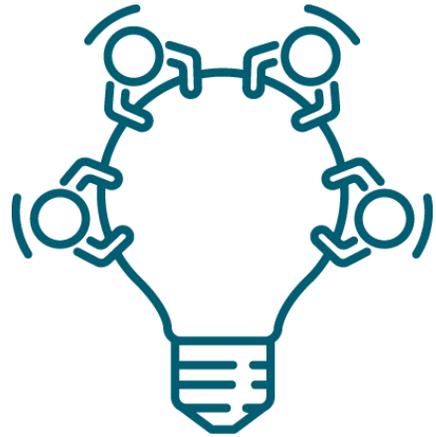
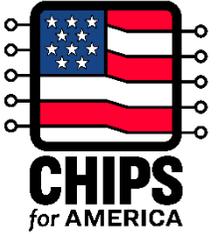


Support transitions around leave for both caregiver and colleagues



Resources

Teaming Partner List

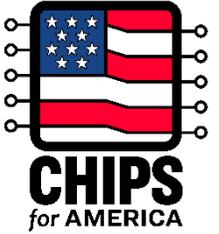


The teaming partner list will enable entities to share information, foster collaboration, and advance shared goals

- Entities that may not be eligible to apply can **share contact information and capabilities**
- Potential applicants can access and **reach out to entities on the list to facilitate potential partnerships and collaboration**
- This list does not directly connect entities to potential applicants, but is meant to enable **potential strategic partnerships**

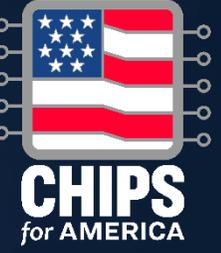


More details at: <https://www.nist.gov/chips/chips-america-teaming-partner-list>



Next Steps

- Visit [CHIPS.gov](https://chips.gov) for resources, including:
 - Workforce Development Guide
 - Upcoming and Previously Held Webinars
- Explore the Teaming Partner List
- Join Employer Coalitions
- Seek technical assistance from experts
- Sign on for our Mailing List
- Contact Us
 - askchips@chips.gov – general inquiries
 - apply@chips.gov – application-related inquiries



Thank You