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South Carolina Department of Health
and Environmental Control

Class of 2005
CPM Project

Project Question:

***“Is there a need to offer a Child Care Assistance Program or
State-Sponsored Child Care Facility to
SC Department of Health & Environmental Control Employees?”***

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Project Question:

“Is there a need to offer a Child Care Assistance Program or State-Sponsored Child Care Facility to SC Department of Health & Environmental Control Employees?”

I. Introduction

Definitions:

- A “Child Care Assistance Program” is a program that would assist employees with their children’s daycare expenses.
- A “State-Sponsored Child Care Facility” is an on-site daycare at a State agency location that would allow employees to be near their children during working hours.

A presentation was made to the SC Department of Health & Environmental Control’s (DHEC) Executive Management Team (EMT) in March of 1998, “concerning a statewide “Task Force Report on Women in State Government”¹ published by the State Budget & Control Board. The EMT then formed an internal DHEC Women’s Task Force team to study this report and the eleven (11) initiatives outlined. One of these initiatives was “Child Care Issues.”

The DHEC Task Force discussed various information concerning childcare issues including the following:

- In 1998, “women comprised of 46% of the U.S. workforce and by the year 2005 this percentage was estimated to increase to 48%.² In 2004, women comprised of 59.2% of the U.S. workforce and 56.35% of South Carolina state government’s workforce.

¹ South Carolina. Department of Health & Environmental Control. Internal Report on Women in State Government. Columbia: n.p., 1998

² Anderson, Joe, et al. SC State Budget & Control Board. Task Force on Women in State Government, Recommendations to the SC State Budget & Control Board. Columbia: SC State Budget & Control Board. 1997: p. 13

- In 1998, “quality child care in the Columbia area costs on the average of \$325.00 per child per month.”³ Currently, the average per child per month is \$400.00
- The “Task Force on Women in State Government” made reference that the MoneyPlu\$ Dependent Care spending account was being used to allow daycare expenses to be paid with pre-tax dollars. Although employees are still eligible to participate in the MoneyPlu\$ Dependent Care spending account, the \$5,000 maximum contribution has not increased, even though the average daycare cost per child has increased by \$75.00 a month.
- During this time, nine (9) female executives in state government indicated that in order to have advanced to their current level in state government, they “either chose not to have children, had a supportive spouse to assist with the children, or had children first and then a career.”⁴ All of these female executives expressed their concern for childcare options to be explored for state employees. The Task Force team realized that “high quality, affordable childcare is a priority for working parents.”⁵ Research conducted also indicated “when adequate care of children is not a parental concern, companies can expect improved concentration and performance,”⁶ as well as, “boosting workplace morale and productivity.”⁷

The following were the “Task Force on Women in State Government’s” recommendations concerning childcare:

³ Anderson, Joe, et al...p. 13

⁴ Anderson, Joe, et al...p. 13

⁵ Anderson, Joe, et al...p. 13

⁶ Anderson, Joe, et al...p. 14

⁷ Anderson, Joe, et al...p. 14

- “Draft a proviso to authorize the University of South Carolina (USC) and the State Budget & Control Board to jointly establish a laboratory for Early Childhood Education/Child Care/After School Care in downtown Columbia for the benefit of state employees.”⁸
- “Establish contractual relationships with private providers for childcare alternatives for state government employees.”⁹

Offering a Child Care Assistance Program or a State-Sponsored Child Care Facility to DHEC employees would not only benefit the employees, but also allow the agency the opportunity to attract and retain valuable employees. “It has been proven that employer-sponsored childcare can help employers reach their business goals by reducing turnover, increasing productivity, and enhancing recruitment and retention.”¹⁰ The DHEC Internal Task Force felt offering such programs would be “a state employee benefit and not just directed at the female workforce.”¹¹

II. Review of Information Sources

During my research, the following randomly selected SC State Agencies were contacted to determine whether they offered a Child Care Assistance Program or State-Sponsored Child Care Facility to their employees: 1) State Budget & Control Board, 2) Department of Commerce, 3) Department of Social Services, 4) Department of Education, 5) State Educational Television (ETV), 6) Department of Health & Human Services, 7) SC First Steps and 8) the University of South Carolina (USC). Out of these

⁸ Anderson, Joe, et al...p. 14

⁹ Anderson, Joe, et al...p. 14

¹⁰ Vena, Jennifer. “Employees’ Child Care Needs & the Impact on Employers.” Bright Horizons Family Solutions 2002: p. 6

¹¹ South Carolina. Department of Health & Environmental Control. Internal Report on Women in State Government. Columbia: p. 2

state agencies, USC was the only entity that currently offers a State-Sponsored Child Care Facility. This facility is called the “USC/Gateway Academy Child Development Center.”

- **USC/Gateway Academy Child Development Center**

The USC/Gateway Academy Child Development Center is located in downtown Columbia at 1530 Wheat Street. The center opened in September of 2003 and has “28,000 square feet, with a first-floor child development center and second-floor research center.”¹² The facility has “200 children ages 6 weeks to 12 years of age. Of those, 165-170 are in full-time care, and 30-35 are in after school care.”¹³ The average per child per month cost at this facility is \$504.00. USC does not offer any discount rates or provide assistance to employees of the University with childcare expenses at this facility.

Other than USC, no other State Agency in South Carolina offers a Child Care Assistance Program or State-Sponsored Child Care Facility, however, the Department of Education, Educational Television (ETV) and the Department of Health & Human Services have partnered, along with others, with the USC/Gateway Academy Child Development Center to provide assistance and support of the Center. USC donated the land to Gateway Academy for the construction of the building for the Center. The Department of Health & Human Services (DHHS) “provided support for the design and equipping of the Center’s rooms and playground according to WestEd, SC DHHS, Head Start and the Department of Education guidelines.”¹⁴ The Department of Education

¹² Freeman, N. USC/Gateway Child Development Center. 2003. University of South Carolina. 10 Dec. 2004 <http://www.sc.edu/uscgatewaycdrc/about_shtml>

¹³ Freeman, N...p. 1

¹⁴ Freeman, N...p. 2

supports the Center by providing an employee to serve as the Center's Director. The Agency pays the Director's salary, provides guidance concerning the Center and training for the Center's staff. SC ETV contributes to the Center by providing "technical resources of education television, extensive digital satellite network for use in distance education and its wealth of experience in producing "best practices" video training and distance learning resources for early care and education."¹⁵

- **Lexington Medical Center**

Although the Lexington Medical Center is not a state entity, an on-site Child Care facility is available for the employees of the hospital. The Center offers full-time and part-time childcare for infants, toddlers, pre-schoolers and school-age children. The Center also offers a Holiday Camp during the summer months. The employees are required to pay a hundred percent of the cost of childcare, which averages \$426.00 per child per month for full-time care, and \$289.00 per child per month for part-time care.

The following Southeastern states were contacted to determine if they offered one of these programs to their state employees, 1) State of Georgia, 2) State of Florida, 3) State of Louisiana, 4) State of North Carolina, 5) State of Tennessee and 6) State of Virginia. Of these Southeastern states, the State of Florida's Department of Highway Safety & Motor Vehicles offers a State-Sponsored Child Care Facility and the State of Tennessee offers a Child Care Assistance Program to their employees. Although the States of Georgia and Virginia do not offer any type of assistance to their employees for childcare, Georgia State University and Virginia Commonwealth University both offer on-site Child Development Centers to their employees and to the state employees of these States.

¹⁵ Freeman, N...p. 2

- **State of Florida, Department of Highway Safety & Motor Vehicles**

The State of Florida's Department of Highway Safety & Motor Vehicles (DHSMV) became one of the first state agencies in the U.S. to offer an on-site childcare facility to state employees. After a 3-year pilot study was completed in 1985, "the pilot center achieved full enrollment and financial self-sufficiency (excluding the facility costs) within the first year."¹⁶ This program was established to support employees by providing a facility that would allow them to be closer to their children during working hours. Offering this program to employees "increases government productivity by reducing tardiness and absenteeism, increases employee morale and assists the agency with recruiting and retaining a more valuable workforce."¹⁷ The Program is operated by the Department of Management Services, which administers the program and coordinates childcare services. The Child Care Center "is open to all eligible state employees, with the sponsoring agency having first priority for enrollment."¹⁸ The Agency covers the facility and associated operating costs, while the contracted service provider "covers the cost of the service."¹⁹ Employees are charged a monthly fee for these services that can be payroll-deducted. "An evaluation of Florida's work-site program was conducted by Florida State University in 1991, and the estimated benefit ratio was \$3.40 returned for every dollar invested."²⁰

¹⁶ State-Sponsored Work Site Child Care. State of Florida. 10 Dec. 2004

<http://www.state.fl.us/dms/hrm/childcare_99/about.html> p. 1

¹⁷ State-Sponsored Work Site Child Care... p. 1

¹⁸ State-Sponsored Work Site Child Care... p. 2

¹⁹ State-Sponsored Work Site Child Care... p. 2

²⁰ State-Sponsored Work Site Child Care... p. 2

- **State of Tennessee**

The State of Tennessee has partnered with a privately owned childcare center, "Tomorrow's Leaders Preschool," to offer Child Care Assistance to their state employees. The State of Tennessee offers childcare assistance by subsidizing childcare expenses up to 50%. This Center has two (2) separate locations in Nashville that house approximately 200 children. State employees who enroll their children at this Center are charged discounted rates according to their income and childcare expenses are subsidized between 20%-50% of the service charges by the State of Tennessee.

- **Georgia State University**

Georgia State University offers an on-site Child Development Center administered by the College of Education for their students and staff, as well as Georgia State employees. The Center at the University not only benefits the staff and Georgia State employees, it also serves as a laboratory for the students of the University. The children in the Center are "observed, videotaped and photographed for purposes of education and training"²¹ by students interested in Early Childhood Education, as well as, other programs of study. This allows students the opportunity to "learn appropriate skills and practice techniques"²² that relate to young children. The Center employs a professional staff that is trained to meet the needs of all of the children, no matter what culture, customs or traditions they may possess. Additionally, the Center provides "training and consultation to other early childhood professionals in the community."²³ Many external professionals visit the Center to observe its daily operations.

²¹ Child Development Program at Georgia State University. Georgia State University. 05 Jan. 2005

<http://education.gsu.edu/cdc/about_us.htm> p. 2

²² Child Development Program at Georgia State University... p. 2

²³ Child Development Program at Georgia State University... p. 2

- **Virginia Commonwealth University**

The Virginia Commonwealth University (VCU) has three (3) Child Development Centers, two (2) of which are run by the Medical School and available strictly to Medical personnel (doctors, nurses, etc.), and one (1) run by the School of Education offered to employees, staff and students of VCU, as well as Virginia State employees and the local community. The Child Development Center is a State-Sponsored Child Care Facility, administered by the School of Education. The Center houses a total of eighty-four (84) children; seventy (70) children are from employees of the University and the community (with employees/students given first priority over community) and fourteen (14) are children from the School of Social Work's Head Start Program. The Center takes children ages 16 months to 7 years of age and does not offer a program for infants or school-age children. Employees are required to pay 100% of the cost of childcare, which averages \$570.00 per child per month for full-time care, and \$385.00 per child per month for part-time care. Employees are eligible for payroll deduction and the childcare expenses are pre-taxed. Low-income students who attend the VCU are eligible for discounted rates. The discounted rates in the Toddler class range from \$432.00 to \$541.00 per child per month. The discounted rates in the Pre-school class range from \$368.00 to \$432.00 per child per month. A 10% discount is given to any employee who has two or more children enrolled in the Center. This discount is deducted from the oldest child's rate.

- **Top 10 Best Companies to Work for in 2004**

An article published in the "Working Mother" magazine compiled a list of the one hundred (100) best companies to work for in 2004. Sixty-seven (67) of the hundred

companies offered on-site child care centers to their employees. The table below represents the top ten (10) best companies and the number of childcare centers each company offers to their employees. Of the top ten (10), seven (7) companies offer child care centers to their employees.

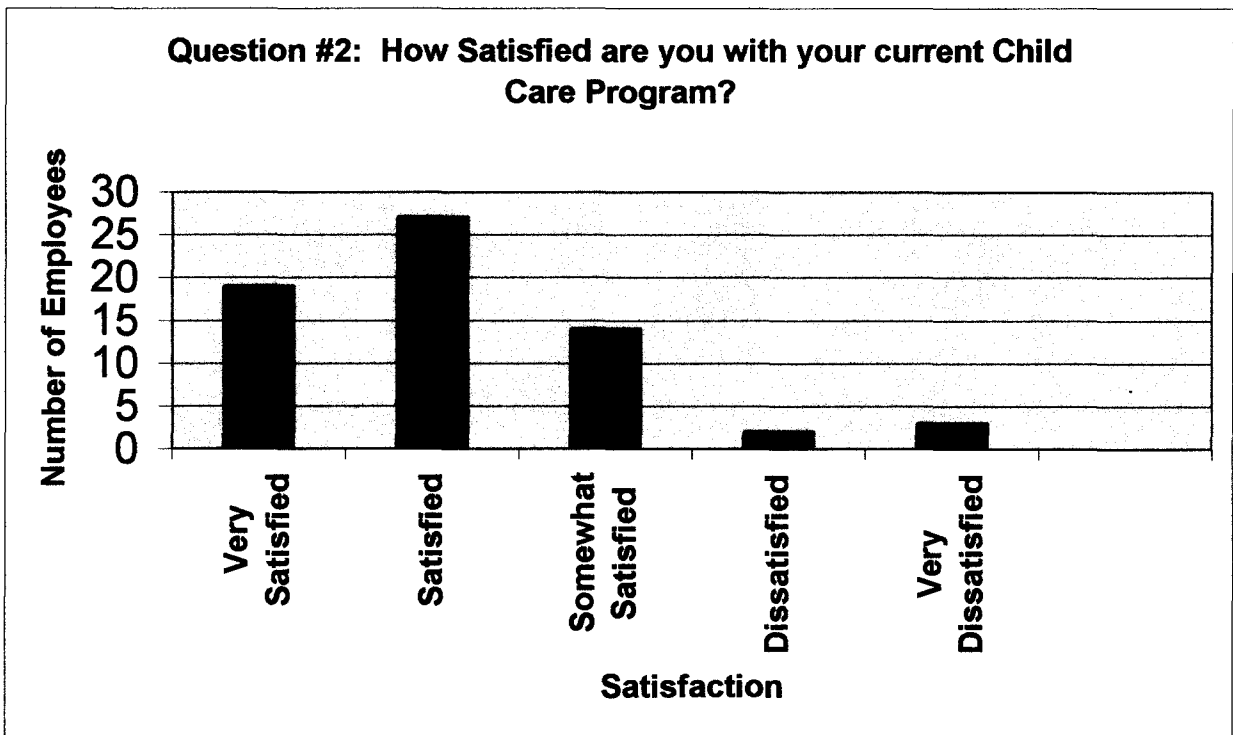
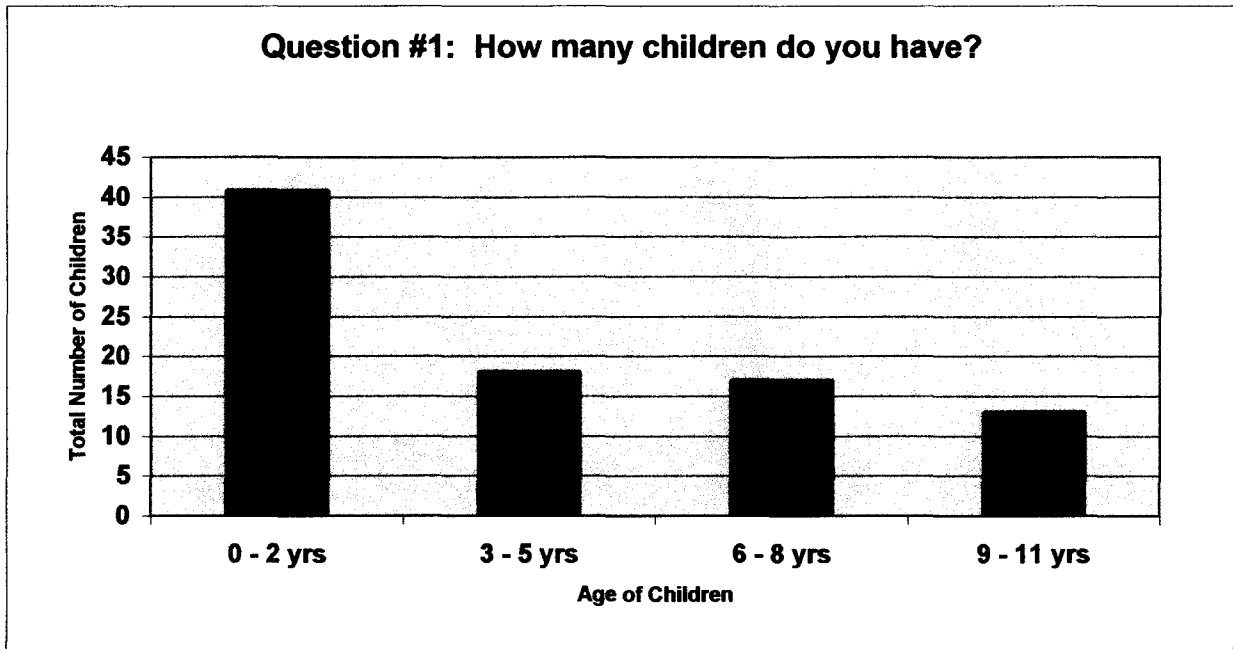
Table 1. Top 10 Best Companies to Work for in 2004

Company Name	# of Child Care Centers
Bristol-Myers Squibb Company	4
Discovery Communications, Inc.	0
Eli Lilly & Company	2
IBM	61
Johnson & Johnson	6
JPMorgan Chase	0
Pricewaterhouse Coopers LLP	0
Prudential Financial Inc.	2
S.C. Johnson & Son, Inc.	1
Wachovia Corporation	6

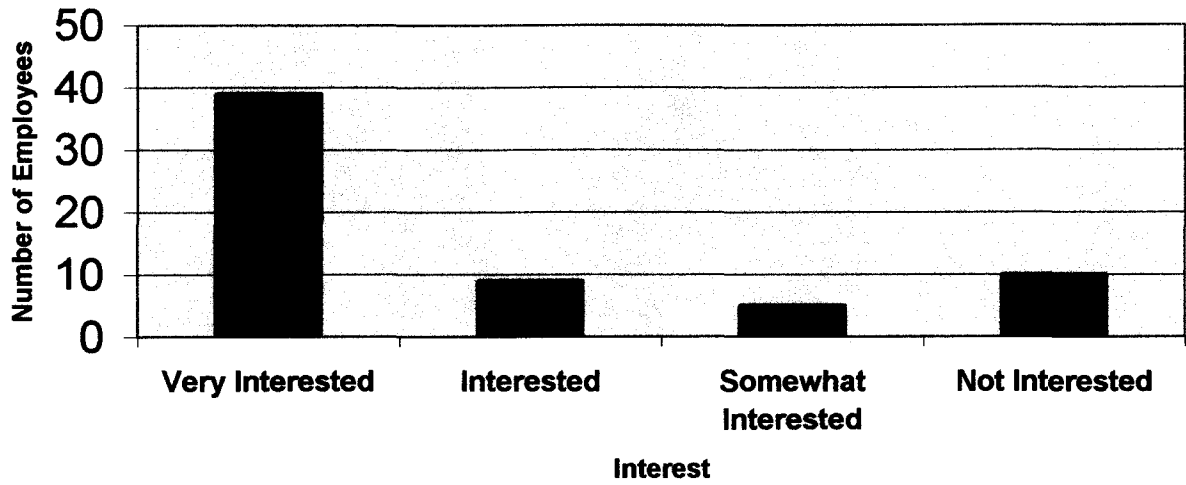
III. Methodology

Although DHEC employs approximately 5,000 employees, three hundred twenty-five (325) surveys were sent out to eleven (11) offices reporting directly to the Chief of Staff. Sixty-three (63) responses were received for a total of 19%. The low response rate was due to the fact that the majority of the people targeted in the survey either did not have children or had children twelve (12) years of age or older and did not have the

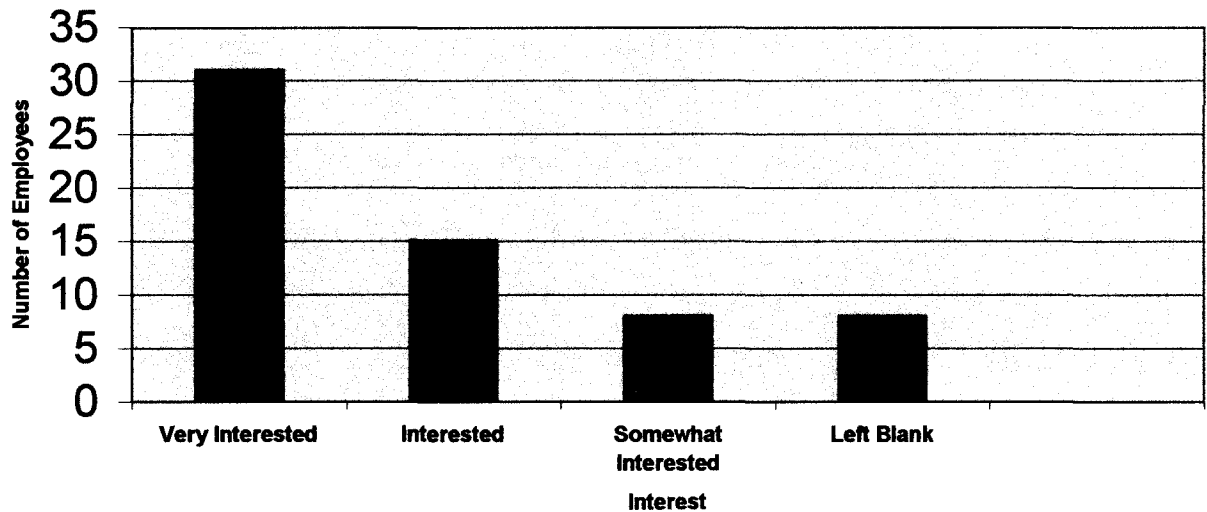
need for child care. The following graphs show the questions and responses from the survey.

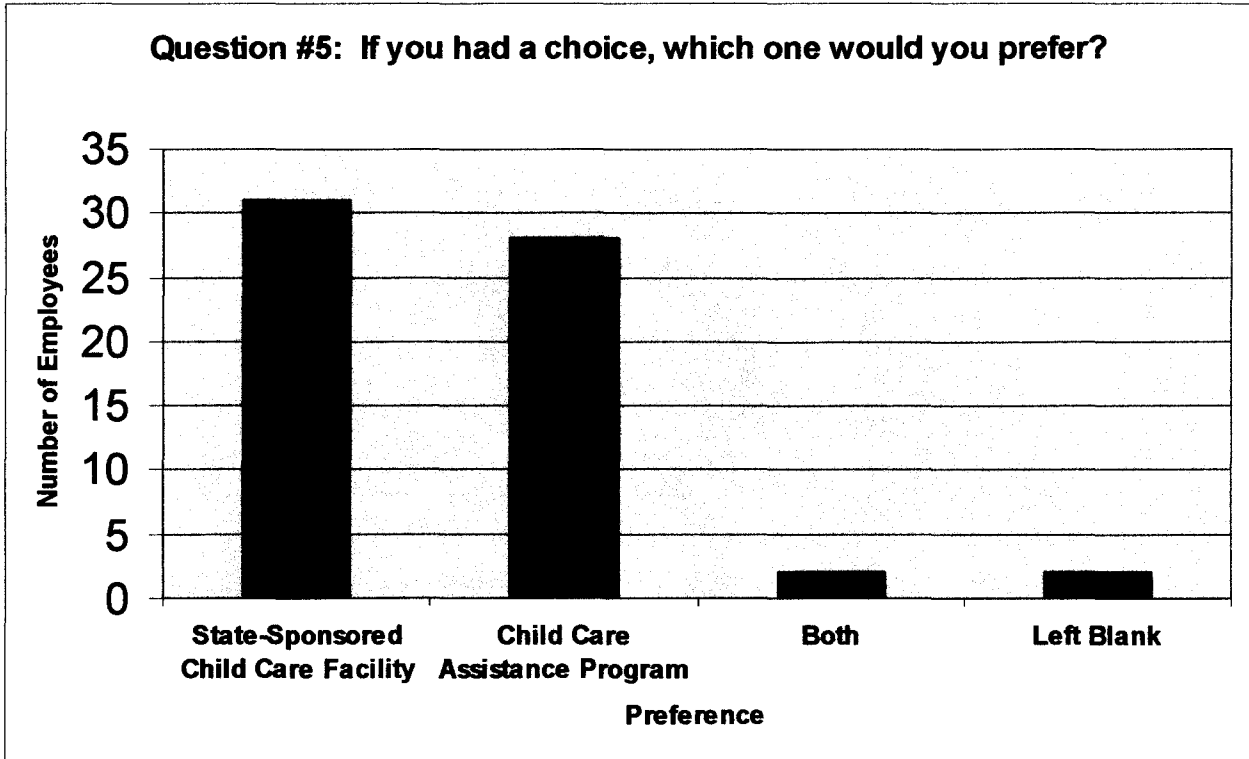


Question #3: To what degree would you be interested in a Child Care Assistance Program?



Question #4: To what degree would you be interested in a State-Sponsored Child Care Facility?





IV. Funding Situation

Currently, DHEC does not have the funding available to offer either a Child Care Assistance Program or State-Sponsored Child Care Facility to its employees. In order to offer one of these programs to employees, the funding for such programs would have to be approved by DHEC’s Executive Management Team (EMT) and funding would need to be requested during the appropriate fiscal year budget.

V. Conclusion & Recommendations

Research has shown that while most Child Care Assistance Programs and On-Site Child Care Facilities are offered by private-sector companies, only a limited number of state-sponsored childcare assistance programs and facilities are available for state employees. Offering such programs to state employees would help with efficiency, productivity, reduce tardiness and absenteeism, reduce high turnover rates, increase

employee job satisfaction and performance, and assist in recruitment and retention of valuable employees.

The Survey conducted with DHEC employees, reflected that 49.20% of employees preferred the State-Sponsored Child Care Facility and 44.40% of employees preferred a Child Care Assistance Program. The majority of employees were very interested in both a Child Care Assistance Program and a State-Sponsored Child Care Facility. Based on these findings, it appears that DHEC employees would be very interested in either one of these programs. However, the majority of DHEC employees preferred the State-Sponsored Child Care Facility.

To answer the Project Question: "Is there a need to offer a Child Care Assistance Program or a State-Sponsored Child Care Facility?," I believe that there will always be a "need" to offer either one of these types of programs to state employees. Employees will always be concerned about their children and their well-being while they are at work. I personally would like to see a Child Care Assistance Program implemented for "all" state employees, not just the employees of DHEC. The Program I would like to see offered is one in which the state subsidizes an employee's childcare expenses based on their income. My recommendation would be for more research to be conducted using all state employees needs and concerns in order to determine if the interest is there for a Child Care Assistance Program. Perhaps, the SC State Employees Association could lobby the State Legislature concerning this benefit for all state employees.

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1. Anderson, Joe, et al. SC State Budget & Control Board. Task Force on Women in State Government, Recommendations to the SC State Budget & Control Board. Columbia: SC State Budget & Control Board. 1997: p. 13, 14.
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3. Freeman, N., USC/Gateway Child Development Center. 2003. University of South Carolina. 10 Dec. 2004 <<http://www.sc.edu/uscgatewaycdrc/about.shtml>>: p. 1, 2.
4. Lapinski, Susan. "100 Best Companies for Working Mothers." Working Mother Oct. 2004: p. 66-71.
5. South Carolina Department of Health & Environmental Control. Internal Report on Women in State Government. Columbia: 1998, p. 2.
6. State-Sponsored Work Site Child Care. State of Florida. 10 Dec. 2004 <http://www.state.fl.us/dms/hrm/childcare_99/about/html>: p. 1, 2.
7. Vena, Jennifer. "Employees' Child Care Needs & the Impact on Employers." Bright Horizons Family Solutions 2002: p. 6.

Appendix 1

RESEARCH PROPOSAL

Name: Angela S. Browder

Class: 2005 CPM Class-Group B

Date: August 9, 2004

Organization: SC Department of Health & Environmental Control

Proposed Title of your Project: Child Care Assistance Program

What is the problem you wish to investigate? I would like to investigate the possibility of our Agency offering a child care assistance program to its employees, or offering a daycare facility to DHEC employees as the Agency prepares to combine all Columbia area DHEC locations in to one centralized location in the near future.

WHY is this a problem? This is not considered to be a problem, but as a mother who works for State Government, I know all parents who work for the State would appreciate the opportunity of child care assistance at the State level, in addition to what the Federal government already allows us through the MoneyPlu\$ dependent care spending account. Personally, I would also love to have my child closer to me during working hours in cases of an emergency, etc, if the Agency were to house a childcare facility on their premises.

What sub-problems do you need to pursue and what do you hypothesize about each?

<u>Sub-Problem</u>	<u>Hypothesis</u>
1. <u>Funding</u>	1. <u>State or Agency may not have sufficient funding for such a program</u>
2. <u>Employees</u>	2. <u>There may not be sufficient need by State employees.</u>

Statement of the problem in an affirmative sentence: Offering a dependent care assistance program to employees could possibly boost workplace morale, productivity, concentration &

Appendix 1

performance during an unpleasant 3-year downfall in State government, as well as, enhance State Government benefits in the areas of Recruitment & Retention.

What information is necessary to test each hypothesis and where and how will this information be available?

Data Needed

1. Funding
2. Employee Need

Data Availability

1. This data would have to be obtained from our Budget office.
2. A survey of employee's need for this type of assistance would be performed.

What specific management concern does this project address? Management's concern is that employees/parents come to work, willing to perform at their highest level possible, with little or no worries of the type of childcare their children are receiving.

Submitted by: _____

Approved: _____

Appendix 2

“Child Care Assistance Program or State-Sponsored Child Care Facility” Survey

- **Child Care Assistance Program is a program that will assist employees with daycare expenses for their children.**
- **State-Sponsored Child Care Facility is a daycare on-site at a state agency location that will allow employees to be near their children during working hours.**

Instructions: If you do not have children under the age 12, you do not need to complete this survey.

1. How many children do you have?

0 – 2 years of age _____

3 – 5 years of age _____

6 – 8 years of age _____

9 – 11 years of age _____

2. How satisfied are you with your current Child Care Program?

Very Satisfied Satisfied Somewhat Satisfied Dissatisfied Very Dissatisfied

3. To what degree would you be interested in a Child Care Assistance Program?

Very Interested Interested Somewhat Interested Not Interested

4. To what degree would you be interested in a State-Sponsored Child Care Facility?

Very Interested Interested Somewhat Interested Not Interested

5. If you had a choice, which one would you prefer?

Child Care Assistance Program State-Sponsored Child Care Facility

All Survey Responses will be kept Confidential and Used Strictly for the CPM Project