



2024

# CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG) IN SOUTH DAKOTA

The Child Care and Development Block Grant (CCDBG) is the primary federal grant program that allows states to provide child care assistance to low-income working families with children under age 13. In South Dakota, 67% of these funds serve children 5 and under.<sup>1</sup> These subsidies provide working parents with access to quality child care in a setting of their choice.

## HOW CCDBG WORKS IN SOUTH DAKOTA

Using an established federal formula, funding is awarded by the U.S. Department of Health and Human Services, Administration for Children and Families (ACF) to states, territories, and tribal entities.

**\$29,972,218** CCDBG and Mandatory Funds<sup>2</sup>

**\$4,010,633** CCDBG State Match<sup>3</sup>

**\$0** TANF Transferred to CCDBG<sup>4</sup>

Through a Lead Agency, states allocate the funds to support:

**Families:** Eligible families use subsidies to help cover the cost of care (if a provider/program agrees to accept them).

**Providers:** Lead Agencies work with providers to designate slots for subsidy-eligible children. Funding also helps to recruit and retain a qualified, fairly compensated workforce.

**Quality Care:** Lead Agencies are required to have child care licensing in place to ensure children are served in quality, safe environments. Funding also supports continuous quality improvement.

## CCDBG & FAMILIES WITH YOUNG CHILDREN

CCDBG subsidies help remove barriers to affordable, quality child care. Families receiving a subsidy may choose any participating child care provider (center-based, home-based, those providing nontraditional hour care, etc.).

Under federal rules, children whose parents are employed or participating in training/education programs and whose household income is under 85% of the State Median Income (SMI) are eligible, as are children in need of or receiving child protective services. Lead Agencies have the flexibility to design their own subsidy programs and may also choose to set additional requirements or set lower income eligibility rates.

**In South Dakota, eligibility is capped at 62% of SMI. This means a family of three is eligible if they make: \$3,825 or less per month (\$45,900 per year).<sup>10</sup>**

Lead Agencies can choose to prioritize certain populations. In South Dakota, children experiencing homelessness, families with very low incomes, and families receiving TANF are served without being placed on a waitlist.<sup>11</sup>

*(Note: Other populations may also be prioritized in different ways.)*

## CCDBG IN SOUTH DAKOTA NEED VS. REACH

**69,976** Children 5 and under<sup>5</sup>

**50,288 (72%)** Children 5 and under with all available parents in the workforce<sup>6</sup>

**20,682 (30%)** Children 5 and under eligible for CCDBG<sup>7</sup>

**2,144** Children 5 and under served by CCDBG<sup>8</sup>

**10%** Eligible children served by CCDBG due to insufficient federal funding<sup>9</sup>

## HOW MUCH DO FAMILIES PAY FOR CARE IN SOUTH DAKOTA?

In South Dakota, a family of three with a CCDBG subsidy pays between

**\$1** per month.<sup>12</sup> **\$448**

Families that do not receive subsidies pay significantly higher costs. For instance, center-based infant care ranges from

**\$511** per month.<sup>13</sup> **\$709**  
in Beadle County in Minnehaha County

# CCDBG subsidies provide working parents with access to quality child care in a setting of their choice.



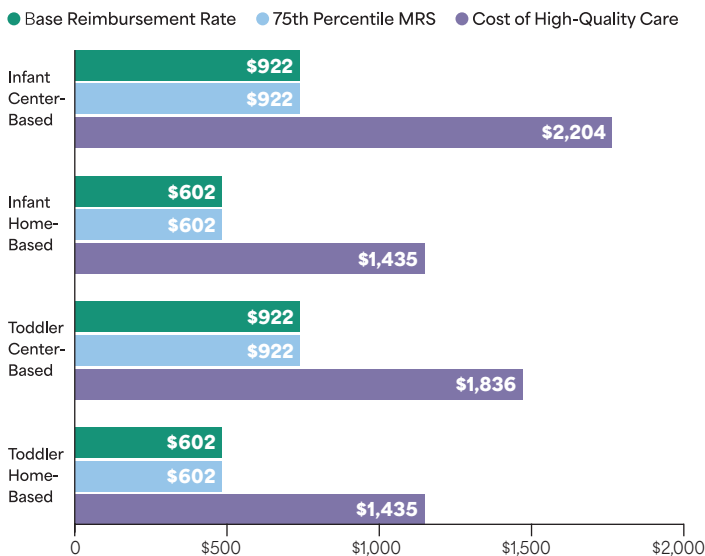
## CCDBG & PROVIDERS

In South Dakota, 711 child care providers accept CCDBG subsidies.<sup>14</sup>

Child care providers are reimbursed by the state to offset the costs of serving children with subsidies. ACF recommends that Lead Agencies set provider reimbursement rates at the 75th percentile of the market rate, based on data from a market rate survey (MRS).<sup>15</sup> This is the price that the lowest 75% of child care programs reported charging.

However, there is a significant gap between how much providers are reimbursed and how much it costs to provide care. Learn more about provider reimbursement rates [here](#).<sup>16</sup>

## MONTHLY PROVIDER REIMBURSEMENT RATES IN SOUTH DAKOTA<sup>17</sup>



**The Consequences:** In South Dakota, providers are only reimbursed 42% of what it actually costs to care for an infant in a center-based program. Low payment rates make it difficult for providers to maintain fiscal stability and provide high-quality care. Some are forced to charge working families higher fees to compensate.

## CCDBG & QUALITY

To receive CCDBG funds, Lead Agencies must have child care licensing requirements in place to ensure children are served in quality, safe environments. These requirements differ by state. Lead Agencies may establish different rules depending on the setting (e.g., center-based, home-based) and may exempt some providers from licensing requirements altogether (e.g., faith-based programs).

### South Dakota Teacher Qualifications<sup>18</sup>

Educators play a crucial role in supporting children's development. Education and training requirements ensure they have the necessary knowledge and skills.

#### Teacher Minimum Requirements

In most states, there are multiple pathways to qualification. One example in South Dakota:

- **Age:** 18
- **Education:** None
- **Prior Work Experience:** None

### South Dakota Teacher-Child Ratios<sup>19</sup>

Teacher-child ratios are crucial for safety as well as ensuring high-quality and individualized interactions. Providers receiving CCDBG funds must adhere to ratios set by the state.

#### Licensed Center-Based Care

Infant	1:5
Toddler	1:5
Preschool	1:10

Learn more about minimum requirements for directors and teacher assistants in South Dakota [here](#).<sup>20</sup>



For more information about CCDBG contact FFYF at [mail@ffyf.org](mailto:mail@ffyf.org). Scan or click the QR code for full references and links.