

In South Dakota, federal and state early learning opportunities serve more than **9,226 children and families,¹ or 13% of children ages 5 and under.²**

High quality child care and early learning programs support child development and offer parents peace of mind while they work or attend school.

Unfortunately, the demand for quality care far outweighs the supply, so many families struggle to access and afford the care options they want or need. While there are several federally funded programs that provide working families with access to quality child care opportunities, limited funding leaves many eligible children unserved. The impacts of these challenges extend beyond families and carry over to the workplace. As a direct result, the national economy loses **\$122 billion annually** in the form of lost earnings, productivity, and revenue.³

Below is a list of existing child care and early learning programs which together form a mix delivery system that supports parental choice and aims to meet children's individual needs. These programs have unique eligibility requirements and service delivery models. However, at current funding levels, each only reaches a fraction of eligible families.

STATE OF CHILD CARE IN SOUTH DAKOTA
69,976

 Children 5 & Under⁴
72%

 Children 5 & Under with All Available Parents in the Workforce⁵
297

 Licensed Child Care Centers in 2023 (+16 compared to 2022)⁶
352

 Licensed Family Child Care Homes in 2023 (-16 compared to 2022)⁷
Coming soon

 Gap in the Supply of Child Care vs. the Potential Need⁸
\$329M

 Estimated Economic Impact of Infant-Toddler Child Care Challenges Each Year⁹
\$7,862

 Annual Price of Center-Based Infant Care (\$655 per month)¹⁰
\$5,824

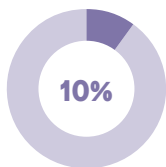
 Annual Price of Home-Based Infant Care (\$485 per month)¹¹
\$109,987

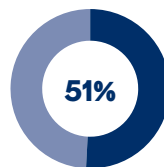
 Median Income of Married-Couple Family¹²
7.1%

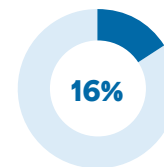
 Portion of Income Spent by a Married-Couple Family on Center-Based Infant Care¹³
\$34,417

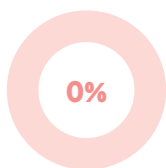
 Median Income of Single-Parent Family¹⁴
22.8%

 Portion of Income Spent by a Single-Parent Family on Center-Based Infant Care¹⁵
CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG)

 20,682 CHILDREN 5 & UNDER ELIGIBLE¹⁶
 2,144 CHILDREN 5 & UNDER SERVED¹⁷

 10% ELIGIBLE CHILDREN 5 & UNDER SERVED¹⁸
HEAD START

 5,905 CHILDREN ELIGIBLE¹⁹
 3,025 CHILDREN ENROLLED²⁰

 51% ELIGIBLE CHILDREN SERVED²¹
EARLY HEAD START

 5,905 CHILDREN ELIGIBLE²²
 919 CHILDREN ENROLLED²³

 16% ELIGIBLE CHILDREN SERVED²⁴
STATE-FUNDED PRE-K

 0 CHILDREN ENROLLED²⁵

 0% 3-AND 4-YEAR-OLDS SERVED²⁶
MIGRANT AND SEASONAL HEAD START

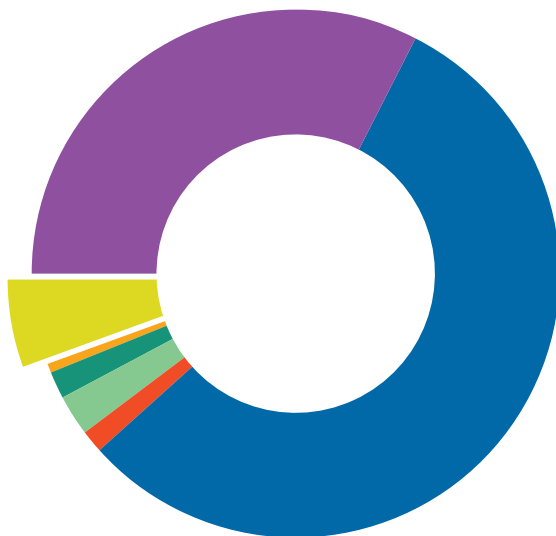
 0 CHILDREN ENROLLED²⁷
MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING (MIECHV)

 149 FAMILIES SERVED²⁸
IDEA PART C

 (EARLY INTERVENTION)
 1,156 CHILDREN SERVED²⁹
IDEA PART B, SEC. 619

 (PRESCHOOL SPECIAL EDUCATION)
 1,833 CHILDREN SERVED³⁰

SOUTH DAKOTA: FEDERAL AND STATE CHILD CARE AND EARLY LEARNING FUNDING



- \$32M** CCDBG and Mandatory Funds³¹
- \$54.6M** Head Start and Early Head Start³² (includes AIAN HS/EHS when applicable)
- \$0** PDG B-5³³
- \$1.4M** MIECHV³⁴
- \$2.6M** IDEA Part C³⁵
- \$1.6M** IDEA Part B, Sec. 619³⁶
- \$802,914** TANF Early Care and Education³⁷
- \$0** TANF Transferred to CCDBG³⁸

STATE INVESTMENT

- \$0** State-Funded Pre-K³⁹
- \$5.3M** CCDBG State Match⁴⁰
- N/A** PDG B-5 State Match⁴¹

ELEMENTS OF PROGRAM QUALITY

Program quality varies substantially within and across states.

Quality child care and early learning programs rely on a strong workforce, but low pay makes it difficult to recruit and retain educators. **In South Dakota, child care workers earn \$12.67 per hour (\$26,350 annually).**⁴²

Teacher-child ratios are crucial for ensuring safety, quality, and individual attention. Licensed center-based care providers participating in CCDBG are required to have the following ratios:⁴³

- **Infant 1:5**
- **Toddler 1:5**
- **Preschool 1:10**



CHILD AND DEPENDENT CARE TAX CREDIT (CDCTC)

The Child and Dependent Care Tax Credit (CDCTC) directly helps working parents offset the cost of child care.

In its current form, the credit only reaches a small percentage of families and has been swiftly outpaced by the escalating cost of child care as it lacks any adjustment for inflation.

Last permanently updated in 2001, the current credit averages \$500-\$600 a year.⁴⁶

CDCTC IN SOUTH DAKOTA BY TAX YEAR

2020	<ul style="list-style-type: none"> • 22,960: Number of taxpayers claiming the CDCTC⁴⁷ • \$585: Average credit
2021	<p><i>The CDCTC was temporarily expanded and made refundable for one year in response to the pandemic.</i></p> <ul style="list-style-type: none"> • 25,270: Number of taxpayers claiming the CDCTC⁴⁸ (an additional 2,310 from 2020) • \$2,152: Average Credit (an additional \$1,567 from 2020, on average)
TODAY	<p><i>The temporary expansion expired; the CDCTC reverted back to 2001 levels.</i></p> <ul style="list-style-type: none"> • \$500-600: Average credit

NOTE: Major provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) expire at the end of 2025⁴⁹, giving Congress the opportunity to modernize the CDCTC and other tax provisions to better help working families offset the cost of quality child care.⁵⁰



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