



Investing in Child Care

Department of Social Services

Overview

Governor Noem's budget proposal includes \$100 million in one-time federal funding from the American Rescue Plan Act (ARPA) to support child care programs across the state. Child care services are a vital component of South Dakota's strong economy and these investments will allow high-quality child care facilities to open and expand around the state. This funding will be used to support communities and families by stabilizing and enhancing current child care providers, recruiting new providers, building public-private partnerships to develop on-site child care options, and promoting a professional child care workforce to support the essential skilled work that they do.

Project Description

South Dakota received \$100 million in federal funding through ARPA to help support child care providers and families impacted by COVID-19. The Department of Social Services will use these funds to support new and existing child care providers through a variety of grants including stabilization funding, program enhancements, and startup funding for new daycares. Additional information on the ARPA Child Care Stabilization grants is available at dss.sd.gov.

The initial distribution of this funding includes \$60 million in stabilization grants to existing child care providers. Grant awards will be based on the provider's average monthly expenditures and will provide funding to cover up to 3 months of operating expenses. The funding is available to child care providers registered and licensed by the Department of Social Services at the time of their application. Providers began applying December 2021 and payments will be issued in January 2022.

An additional \$30 million will be used to provide start-up funding for new daycares and funding to enhance the safety and quality of current daycares. These enhancements include funding for equipment and updating technology, as well as infrastructure improvements to promote efficient operations. The application portal for these funds is slated to open in February 2022.

The remaining funds will be used to address workforce challenges by investing in a work-force study, providing funding to communities that want to start new daycares, and updating technology to make it easier for providers to report information and receive payments.