

# Child Care Stabilization Snapshot for **SOUTH DAKOTA**

The COVID-19 pandemic created significant hardships for working families and for child care providers caring for young children. In response, historic federal investments were made to help prevent an already fragile early care and education (ECE) system from collapsing. Since March 2020, Congress has allocated over \$52 billion to states to help stabilize child care and support families with young children. Specific funding mechanisms have included:

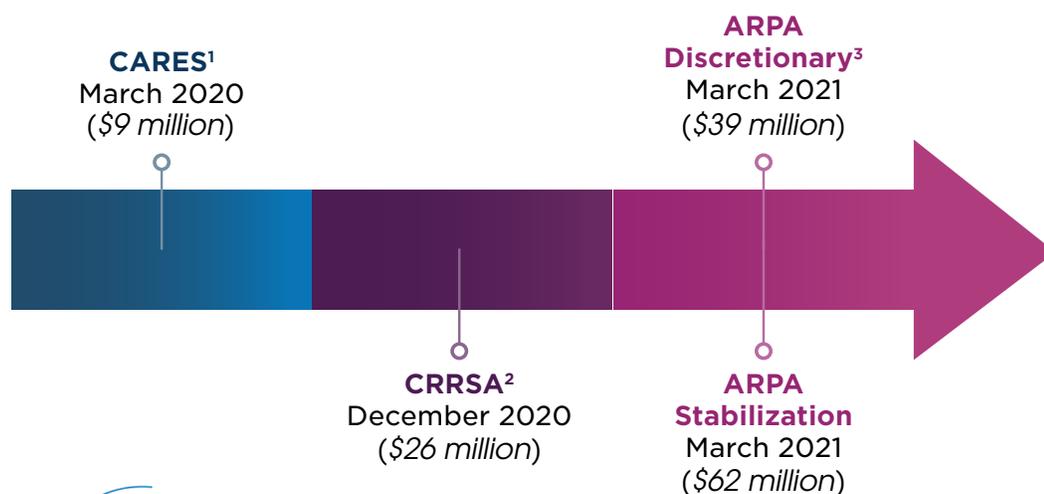
- The Coronavirus Aid, Relief, and Economic Security (CARES) Act
- The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act
- The American Rescue Plan Act (ARPA)

Funding was intended to support a range of activities—including expanded access to child care assistance for working families and support for child care providers to avoid closure—to prevent the loss of essential child care infrastructure needed to support families returning to work and children’s learning. As states and territories approach the end of these funds, it is important to track whether families and child care systems are returning to pre-pandemic levels of child care access and supply and what additional investments state leaders may need to avoid future collapse.

This data profile for South Dakota provides a snapshot of the amount of COVID-19 funding received, how it was used, and trends in parental workforce participation, income levels, work disruptions due to child care needs, child care subsidy receipt, child care supply, and wages for child care workers.

Total federal funding for South Dakota: **\$135 million**

## Timeline



Child Trends conducted a national scan of how states used COVID-19 relief funds to support families and child care programs during the pandemic. The scan included policy changes to expand financial support to child care programs, serve more families, provide mental health supports, and improve the referral systems needed to connect families with services. This section highlights these uses, the number of direct grants to child care programs, and the allocation of state funding to supplement federal funding or continue child care stabilization policies.

## How South Dakota uses COVID Funds<sup>4</sup>

- |   |   |
|---|---|
| <input type="radio"/> Reduce/Waive family co-payments/fees  | <input type="radio"/> Increase reimbursement rates                  |
| <input type="radio"/> Expand eligibility criteria   | <input type="radio"/> Payment based on enrollment not attendance    |
| <input checked="" type="radio"/> Improve information systems and/or enhanced referrals to help families identify care | <input checked="" type="radio"/> Payments continued during closures |
| <input checked="" type="radio"/> Provide mental health consultation services  | <input type="radio"/> Financial support to workforce members        |

## Stabilization Grants Received by Child Care Providers by Type of Care<sup>5</sup>

| Number of providers that received a grant |           |
|---|-----------|
| Total programs                            | 705       |
| Center-based programs                     | 365       |
| Home-based programs                       | 340       |
| Other                                     | 0         |
| Average grant amount received             |           |
| Center-based programs                     | \$144,300 |
| Home-based programs                       | \$23,400  |

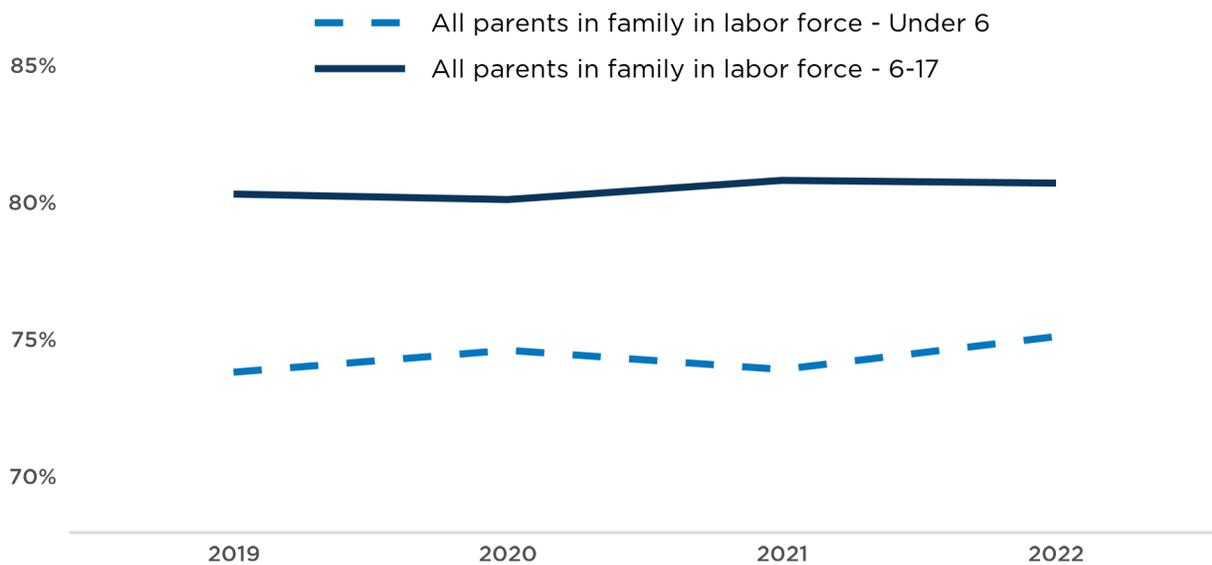
**Increase Funding to Supplement or Continue Child Care Stabilization Policies<sup>6</sup>**

- Yes  No

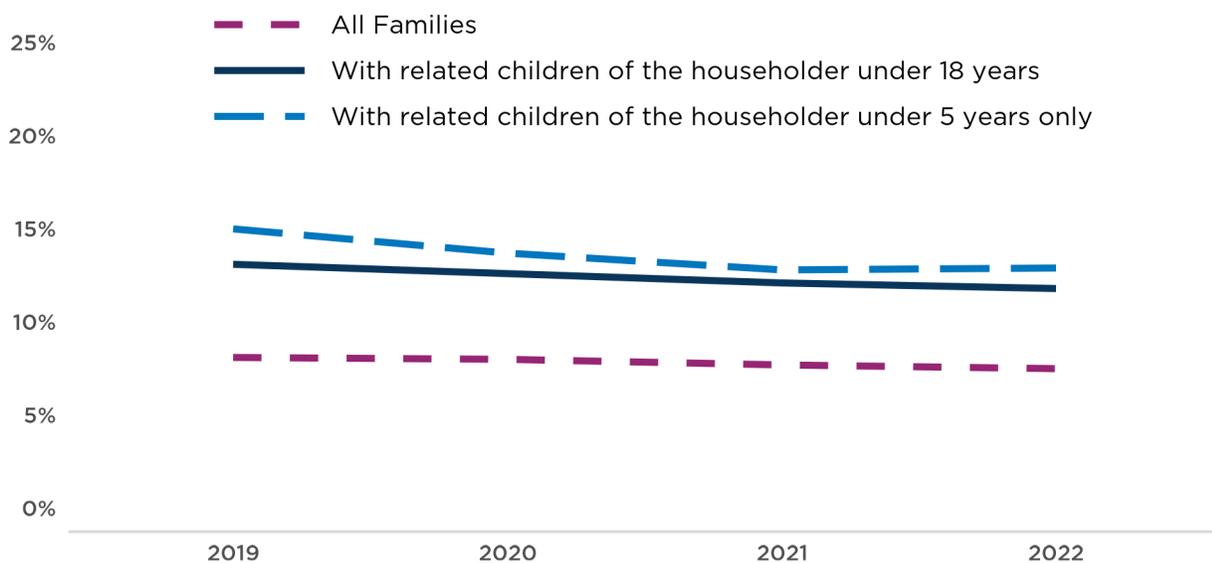
# Children and Families<sup>7</sup>

A key goal of pandemic-era COVID-19 funds was to stabilize the child care industry. Stabilization is defined as the process of reaching a level of child care access and supply that does not fall below pre-pandemic levels. The following charts and tables show changes in families' workforce participation, income levels, work disruptions due to child care, receipt of child care subsidies, child care supply, and workforce wages from 2019 to 2022.

## Percentage of children with working parents



## Percentage of families living in poverty



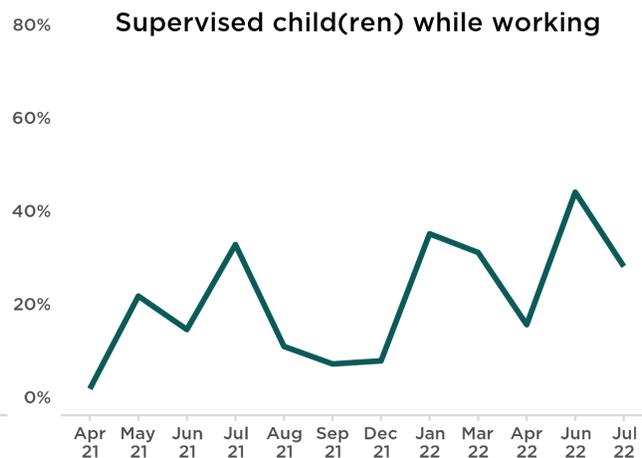
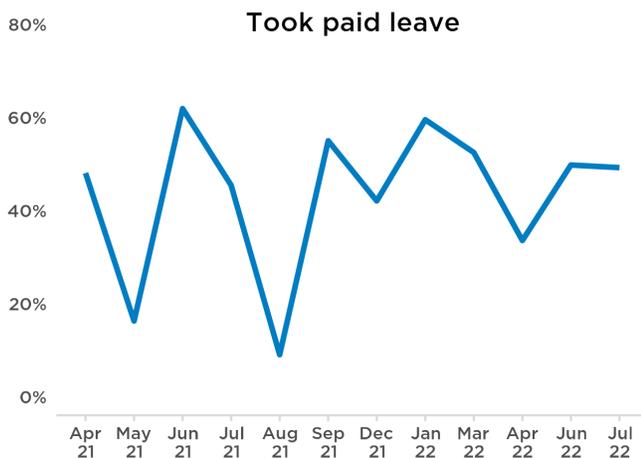
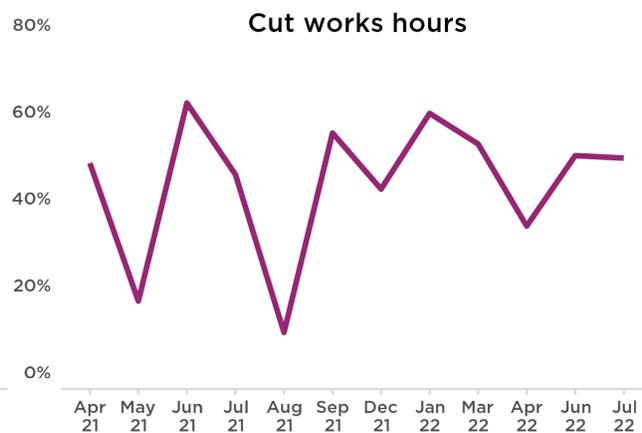
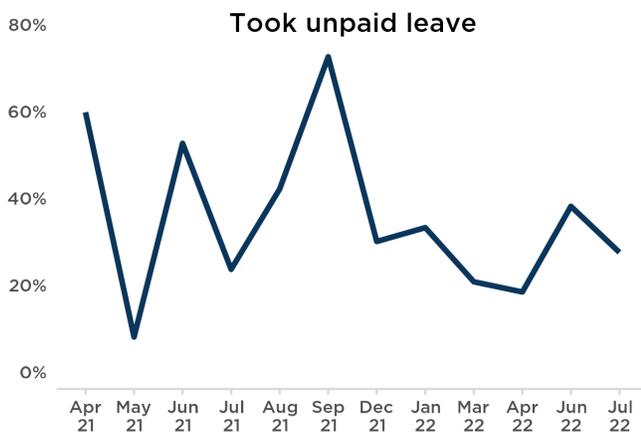
# Percentage of Parents Experiencing Child Care Disruptions During COVID-19<sup>8</sup>

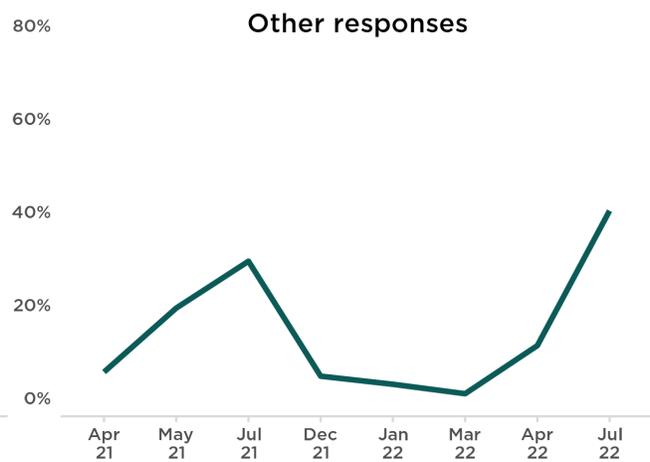
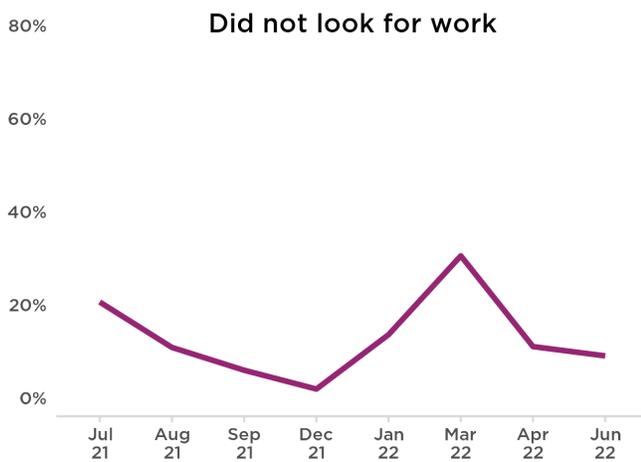
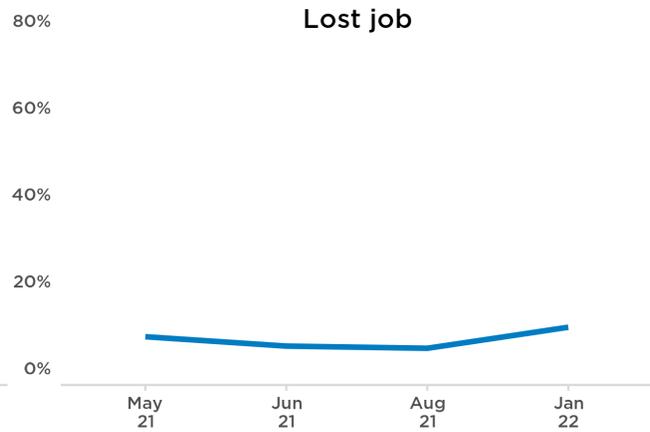
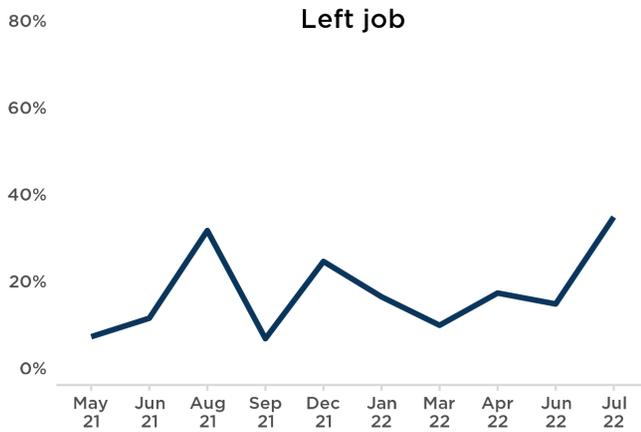
Not all months and years had data available. Only changes between available dates are shown.

## Percentage of parents that experienced child care disruptions



## How parents responded to child care disruptions





## Children and Families Served Through CCDBG Child Care Subsidies in South Dakota<sup>9</sup>

|                                      | FY2019 (final) | FY2020 (prelim) | FY2021 (prelim) | Difference |
|--------------------------------------|----------------|-----------------|-----------------|------------|
| Estimated Families                   | 2,300          | 2,200           | 2,100           | ▼ -200     |
| Estimated Children                   | 3,600          | 3,400           | 3,200           | ▼ -400     |
| <b>Race/Ethnicity</b>                |                |                 |                 |            |
| Latino                               | 5%             | 5%              | 6%              | ▲ 1%       |
| Non-Latino                           | 95%            | 95%             | 94%             | ▼ -1%      |
| Native American/<br>Alaska Native    | 25%            | 22%             | 21%             | ▼ -4%      |
| Asian                                | 1%             | 0%              | 0%              | ▼ -1%      |
| Black/African American               | 4%             | 5%              | 4%              | 0%         |
| Native Hawaiian/<br>Pacific Islander | 0%             | 0%              | 0%              | 0%         |
| White                                | 57%            | 59%             | 61%             | ▲ 4%       |
| Multi-Racial                         | 13%            | 14%             | 14%             | ▲ 1%       |

|                                       | FY2019<br>(final) | FY2020<br>(prelim) | FY2021<br>(prelim) | Difference |
|---------------------------------------|-------------------|--------------------|--------------------|------------|
| <b>Age of Child</b>                   |                   |                    |                    |            |
| 0 to < 1 yr                           | 6%                | 6%                 | 5%                 | ▼ -1%      |
| 1 yr to < 2 yrs                       | 11%               | 10%                | 9%                 | ▼ -2%      |
| 2 yrs to < 3 yrs                      | 14%               | 13%                | 12%                | ▼ -2%      |
| 3 yrs to < 4 yrs                      | 14%               | 14%                | 14%                | 0%         |
| 4 yrs to < 5 yrs                      | 13%               | 14%                | 15%                | ▲ 2%       |
| 5 yrs to < 6 yrs                      | 11%               | 12%                | 12%                | ▲ 1%       |
| 6 yrs+                                | 31%               | 31%                | 32%                | ▲ 1%       |
| <b>Copayments</b>                     |                   |                    |                    |            |
| Families with a Copay                 | 10%               | 12%                | 8%                 | ▼ -2%      |
| Mean Copay as<br>Percentage of Income | 7%                | 6%                 | 4%                 | ▼ -3%      |

## Child Care Supply & Workforce Wage Changes<sup>10</sup>

|                                       | 2019     | 2020     | 2021     | 2022     | Difference |
|---------------------------------------|----------|----------|----------|----------|------------|
| <b>Supply</b>                         |          |          |          |          |            |
| Center Based -<br>Licensed            | 420      | 420      | 420      | 411      | ▼ -9       |
| Center Based - License<br>Exempt      | 0        | N/A      | N/A      | N/A      | N/A        |
| Family Child Care -<br>Licensed       | 434      | 404      | 367      | 370      | ▼ -64      |
| Family Child Care -<br>License Exempt | 16       | 10       | 7        | 10       | ▼ -6       |
| In-Home Care                          | 11       | 9        | 10       | 12       | ▲ 1        |
| Total Programs                        | 881      | 843      | 804      | 803      | ▼ -78      |
| <b>Wages<sup>11,12,13,14</sup></b>    |          |          |          |          |            |
| Annual Mean Wage                      | \$21,940 | \$22,730 | \$23,720 | \$25,490 | ▲ \$3550   |

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