

Understanding Child Care Scholarships in South Carolina: A Deeper Dive

Information shared by Connelly-Ann Ragley from the South Carolina Department of Social Services during the March ECCA Advocacy Training.

What happened during COVID-19?

South Carolina received a **one-time investment of \$954 million in federal funding** to support child care. These funds allowed the state to expand access to scholarships and serve **more** families by increasing eligibility.

What's changed now?

Those federal dollars have now been **fully spent**. While the need for child care remains high, funding has returned to pre-pandemic levels and is limited.

- Most funding comes from the federal **Child Care Development Fund (CCDF)**

- South Carolina contributes about **\$14 million in state funding**

- Demand for child care continues to grow

What about the "funding freeze"?

- South Carolina **has not** been impacted by this freeze

- The pause in new child care scholarship applications is **not** related to the federal funding freeze

Why were new child care scholarship applications paused?

Since 2020, DSS has been spending **\$20-24 million per month of federal dollars on child care scholarships**—more than current funding can sustain. Because of this, the South Carolina DSS made the difficult decision to pause new applications.

What does this mean for families?

- Families already approved will continue receiving 52 weeks of care from the approval date

- These families will not be cut off or see reductions during their approved period. This is different from some other states, where benefits have been reduced or ended early

Is South Carolina the only state facing this?

No, many states are experiencing similar challenges as temporary COVID relief funding has ended.

What can advocates do?

- Encourage **federal lawmakers** to increase CCDF funding
- Ask **state lawmakers** to invest in child care
- Remind decision-makers that child care supports working families and helps prevent neglect and instability

Child Care Frequently Asked Questions regarding the temporary pause of Working Family (Strong Start) Applications:

Effective 12/01/2025 – The Child Care Scholarship Program placed a temporary pause on accepting application for the Working Families (aka “Strong Start”) Child Care Scholarship Program. During this pause, only applications for families in a protected category will be considered for eligibility.

Protected categories include families that are:

- Currently receiving TANF
- Transitioning off TANF
- Experiencing homelessness
- Living in or participating with a domestic violence shelter
- Has a child with a documented special need (only the child with the special need would be considered for eligibility)
- In an open/active child welfare case such as foster care and family preservation
- Eligible for the SC First Steps 4K program
- In a Head Start eligible program

Why are applications no longer being taken for the Working Family/Strong Start program?

We are having to make these changes to reduce spending now that we are in the post pandemic period and COVID funding has ended. DSS must reduce the amount of child care discretionary spending. Child care scholarship spending levels have to stay within the states federal discretionary funding amounts.

Will families with current services be ended?

No, families that are currently receiving services will not be affected. If someone has child care as of December 1, 2025, that child care will continue through their original eligibility period.

Will applications submitted prior to 12/01/2025 be processed?

Yes, all applications submitted prior to 12/01/2025 will be reviewed to determine if families are eligible to apply or reapply.

Can families add new or additional children to current services after 12/01/2025?

No, during this pause, no additional children will be approved unless the family is approved under a protected category.

If a family was originally approved for half time but now needs full time care, are they allowed to submit documentation to have services changed from half time to full time?

No, during this pause, changes are not being made to existing services unless the family is approved under a protected category.

Can families reapply when they receive notice that their current services are ending?

Families will not be able to submit a renewal application unless they qualify under a protected category. If a family applies after 12/1/2025 and is not in a protected category, the application will be denied due to funding.

For child care providers, will there be any delays or reduced reimbursement for children currently under approved scholarships ?

No, our processing time and payment schedule will remain the same.

When will applications being accepted again?

We are unsure at this time how long the temporary pause will be in effect. Please continue to visit our website at www.scchildcare.org for information on when applications will be taken in the future.

Is there a projected timeline that would allow renewals and new applications to resume?

Child Care Development Fund (CCDF) for Federal Fiscal Year 2026 funding has not yet been appropriated by Congress. DSS will work as quickly as possible once appropriation is made to determine the number of scholarships that are sustainable with our appropriation. Please note that this program is not guaranteed and is offered based on eligibility criteria and available resources.