In 2018, the Bipartisan Policy Center examined how states oversee federal and state funding dedicated to early childhood education, or ECE, programs. Now in 2021, we revisit each state system to understand enacted improvements and emerging challenges in state governance.

As the country adjusts to a new reality of work and home life amid the pandemic, American families are faced with the challenge of finding and affording quality child care, now more than ever. Early learning operates within a fragile business model, in which services cost more than most families can afford to pay. For this reason, states must administer funding with efficiency and effectiveness to ensure families are able to access programs and to maximize the reach of federal and state investments.

States are now responsible to distributing recent COVID-19 relief funding for child care—allocated through three successive relief packages by Congress in 2020—in addition to established funding streams that support multiple early childhood programs. The relief packages are intended to stabilize the fragile system that challenged access to affordable, reliable care. State governments are tasked with coordinating and combining the many different ECE funding streams allocated to them.

For all but one federal program, governors have wide discretion with regard to the administration and coordination of early childhood funding.

The Bipartisan Policy Center set out to re-examine the issues of state governance, coordination, and integration by reviewing how states are meeting requirements set by federal statutes and agencies, as well as how states are capitalizing on the opportunity to create efficiency through their governance structures.

With this in mind, BPC is making recommendations at the federal and state level with an eye towards further reducing duplication and improving results for families. These recommendations are summarized in the full report. The following summarizes the findings for South Dakota.

More state data, including funding levels and demographic information, can be found at https://bipartisancolor.org/report/national-child-care/.

### STRENGTHS OF SOUTH DAKOTA’S EARLY CARE AND EDUCATION SYSTEM

- South Dakota administers four programs serving children—Head Start Collaboration Office; Child and Adult Care Food Program (CACFP); IDEA Part C and Part B, Section 619—under one agency, which improves efficiency and allows for better alignment of eligibility, monitoring requirements, and quality improvement activities.
- IDEA Part C (infants/toddlers) and Part B, Section 619 (3-5 year olds) are administered within the same agency, which can support a smooth transition for parents.

### RECOMMENDATIONS FOR SOUTH DAKOTA’S EARLY CARE AND EDUCATION SYSTEM

- Increase efficiency and cost-effectiveness of monitoring and oversight by aligning administration of the Child Care and Development Fund (CCDF) with the Child and Adult Care Food Program.
- Improve program alignment and efficiency by colocating CCDF with the Head Start Collaboration Office.
- Provide support for the establishment of a new State Advisory Council (SAC) for Early Education and Care, as mandated by the Improving Head Start for School Readiness Act of 2007, and ensure the SAC is fulfilling its required activities, including conducting a statewide needs assessment on the quality and availability of early care and learning programs.
Flow of Federal Early Childhood Funds: South Dakota

KEY:
- Funding mandated for State Departments of Education
- Funding provided directly to local organizations
- State does not receive funding
- Partnership with funding provided by state department or agency

South Dakota Office of the Governor

Department of Health and Human Services
- Office of Head Start
- Office of Child Care
  - CCDF
- Office of Family Assistance
  - TANF
- Office of Children and Family Services
  - Division of Economic Assistance
    - TANF
    - Child Care Services
      - Child Care Subsidy
      - Child Care Quality
      - CCDF

Department of Agriculture
- Food & Nutrition Service
  - CACFP

Department of Education
- Office of Special Education and Rehabilitative Services
  - Part B, Section 619
  - Part C
- Office of Child and Adult Nutrition Services
  - CACFP

Office of Postsecondary Education
- CCAMPIS

Office of the Governor
- Deputy Secretary
  - Office of Licensing and Accreditation
    - Child Care Licensing
    - CCDF

Local Institutions
- Early Head Start-Child Care Partnership
  - Grants to local organizations
- Local Head Start Programs

No state pre-k
No SAC
No QRIS

Early Childhood: 50 State Report
### ECE Funding in South Dakota

<table>
<thead>
<tr>
<th>Funding from Nine GAO-Identified Programs</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCDF Expenditure</td>
<td>$20,828,997</td>
<td>$30,291,958</td>
<td>$149,190,855</td>
</tr>
<tr>
<td>Transfer from TANF</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Head Start Allocation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Head Start</td>
<td>$26,754,739</td>
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<tr>
<td>Early Head Start</td>
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</tr>
<tr>
<td>IDEA Part C, Allocation (infant/toddler)</td>
<td>$2,301,492</td>
<td>$2,333,044</td>
<td>$3,587,364</td>
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<tr>
<td>IDEA Part B, Section 619 Allocation (3-5 years)</td>
<td>$1,502,294</td>
<td>$1,512,665</td>
<td>$2,271,025</td>
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<tr>
<td>CCAMPIS Grants</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional ECE Funding Streams</th>
<th>FY 2019 Funding</th>
<th>FY 2020 Funding</th>
<th>FY 2021 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF Child Care Expenditure (Direct)</td>
<td>$802,914</td>
<td>$802,914</td>
<td>$0</td>
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<tr>
<td>TANF Pre-K / Head Start Expenditure</td>
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<td>$0</td>
<td>$0</td>
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<tr>
<td>CACFP Allocation</td>
<td>$7,567,274</td>
<td>$5,927,253</td>
<td>$5,852,543</td>
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</tbody>
</table>

### BPC Reviewed

BPC reviewed the following federally-funded programs to assess the efficiency and integration of South Dakota’s early care and education system.

- Child Care and Development Fund (CCDF)
- Head Start
- Child Care Access Means Parents in School (CCAMPIS)
- Early Intervention Program for Infants and Toddlers with Disabilities (IDEA Part C)
- Preschool Development Grant Birth through Five (PDG B-5)
- Preschool Grants for Children with Disabilities (IDEA Part B, Section 619)
- Promise Neighborhoods
- Striving Readers Comprehensive Literacy
- Child and Adult Care Food Program (CACFP)
- Temporary Assistance for Needy Families (TANF)
- Early Head Start - Child Care Partnership (EHS-CCP)
- Race to the Top, Early Learning Challenge

### Number of Children Under Age 6

- **UNDER 3**
  - 33,242
- **3-4 YEARS OLD**
  - 24,837
- **5 YEARS OLD**
  - 12,529

### Percentage of Children in Poverty

- **14.6%**