

South Carolina's Use of CRRSA Child Care Funding

Fact Sheet | March 2021

South Carolina received **\$182 million** in supplemental CCDBG funding through the Coronavirus Response and Relief Supplemental Appropriations Act, passed in December 2020. This is in addition to the **\$64 million** in supplemental CCDBG funds the state received in the CARES Act, passed in March 2020.

States were required to submit a plan for their use of CRRSA funds to the Department of Health and Human Services by February 26, 2021. On February 25, the state submitted a letter to HHS describing plans to spend the supplemental CCDBG funds, though exact funding levels for each initiative were not provided. The letter states it is likely that other activities or strategies not specifically referenced will be implemented and funded with CRRSA dollars.

Support for providers. The state's Department of Social Services plans to continue offering grants designed to help providers that had to close or lost revenue due to low enrollment during the pandemic. Grants will be made available to cover child care facility expenses, including rent or mortgage payments, utility bills, and personnel costs. Funding may also be used to support providers who are serving school-aged children when the children are completing remote, virtual, or online schoolwork to offset the cost to parents. The state also intends to use remaining CARES Act funding to provide grants or stipends to providers to help mitigate the increased costs of sanitation, cleaning supplies, and personal protective equipment. CRRSA funds may be used for this purpose once the CARES Act funding is fully liquidated.

Additionally, the South Carolina's DSS is in the process of developing startup grant opportunities for family- or center-based care providers to support the opening of additional facilities. In addition to grant funds, resources such as technical assistance, training, and connections to other programs will be provided to support the sustainability of new child care businesses.

Lastly, the state is in the process of analyzing the most recent Market Rate Survey and will increase payment rates as appropriate to ensure equal access to child care and better support providers.

Support for families. South Carolina is currently offering child care subsidies to families with income at or below 300% of the federal poverty level and will monitor the funding available, and if necessary, may use CRRSA funds for offering subsidies to these families. South Carolina is also exploring options to provide temporary rate supplements to further close the gap between subsidy levels and private pay rates to help both parents and providers with the high cost of care.

Additionally, the state is analyzing data to determine areas where the use of contracted slots for children from birth to three in urban and rural areas will be most effective in building supply and stabilizing child care capacity.

Other. The state is currently analyzing other activities to address the short-term needs of providers and parents and make lasting improvements throughout the state's child care system, and soliciting feedback from providers, parents, and other stakeholders to ensure activities will meet their needs.

More information available [here](#), including how the [state spent its CARES Act funding](#) in 2020.