

Department of Social Services
American Rescue Plan Act (ARPA) Funding Update
Joint Committee on Appropriations
May 3, 2023

Areas of Focus (amount budgeted)

AOF: ACCESS AND AFFORDABILITY (\$17 M)

Context: One-time federal funding that must be obligated by September 2023 and expended by September 2024. AOF Goal is to increase capacity for daycare in South Dakota in a variety of settings including childcare centers, family daycare, and before- and after-school programs.

Eligibility: providers that are licensed and or in-process of becoming licensed. Funding also available to support community planning grants.

- Eligible expenses include:
 - health and safety items needed to meet licensure requirements
 - equipment and supplies necessary to open/expand
 - payroll and benefit expenses
 - other operating expenses (rent, utilities, etc.)

Child Care Startup/Expansion Grants

Center/Family Childcare/Before and After School

Response: Application portal opened mid-February 2023. Interest in the program has been high. As of April 28:

- Total number of applications submitted (*final reviews in process*)
 - 63 completed and found on preliminary review to be eligible per grant guidelines
 - 27 childcare centers
 - 33 family day providers
 - 3 before and after school programs
- Total requested expenditures (*not yet awarded*):
 - \$13.0 million
- Total additional capacity *projected* in grant applications:
 - approximately 2,400 children in 37 different communities

Mechanics: Providers receive funding in two payments. An initial pre-operational payment and second payment tied to opening date/date of expansion.

- DSS will conduct post payment reviews to ensure grant funds were expended in accordance with guidelines. Reviews will include onsite visits to be made in conjunction with licensing review as well as an examination of financial reports.

Status: After review of existing applications, will determine if funding is available to support additional applications.

Child Care Startup/Expansion Grants

City-registered and unregistered providers

Supporting city-registered and unregistered providers

- Grants available to support training, technical assistance, and support with licensing process.
- Application portal opened late February 2023.
 - 1 (one) application received and awarded \$15,000.

AOF: WORKFORCE (\$4 M)

- Conducting a comprehensive study to examine opportunities and challenges in the workforce
 - Request for proposals published in April 2023.
 - Contract to qualified provider will be awarded in summer 2023.
 - Study results expected in summer 2024.
- Piloting an implementation of digital fingerprint scanners. To be placed at childcare centers to streamline employee completion of federally-required fingerprint background requirements.

AOF: ADVANCING QUALITY (\$2 M)

- Implementing a federally-required framework for rating quality.
 - Competitive procurement released in summer 2022.
 - SDSU working to pilot draft framework with childcare centers.
 - Future phases/pilot will expand to family daycare and before and after school programs with work expected to be completed in October 2024.
- Expanding existing behavioral health voucher program to support childcare providers. Goal is to streamline/shorten timeframe for background check process.

AOF: EDUCATION AND COMMUNICATION (\$2 M)

- DSS has enlisted leaders currently serving in the childcare field to lead this effort. Focus will be growing awareness on the rewards and quality of life offered to those individuals who choose to serve in the profession of childcare and early childhood development.

AOF: TOOLS AND TECHNOLOGY (\$13 M)

- Supporting the purchase/implementation of modern technology to assist providers and staff in managing licensing processes. Request for proposals issued and targeting June 2023 to begin work.
- Modernizing the childcare subsidy system. Transition *from* mainframe application to more modern technology that better supports provider billing- and payment-processes. Modernization work scheduled to begin summer 2023.