

FEBRUARY 2020 | FACT SHEET

## **CHILD CARE & EARLY LEARNING**

## **State Child Care Assistance Policies: South Dakota**

- Income eligibility limit: In February 2019, a family of three in South Dakota could qualify for child care assistance with an annual income up to \$37,888 (178 percent of poverty, 56 percent of state median income).1
- Waiting list: South Dakota had no waiting list for child care assistance as of February 2019.
- Parent copayments: In 2019, a family of three with an income at 100 percent of poverty (\$21,330 a year) receiving child care assistance in South Dakota had no copayment. A family of three with an income at 150 percent of poverty (\$31,995 a year) receiving child care assistance also had no copayment.<sup>2</sup>
- Payment rates: In 2019, South Dakota's payment rates for child care providers serving families receiving child care assistance were at the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.
- South Dakota's monthly payment rate for center care for a four-year-old in Minnehaha County was \$701, which was equal to the 75th percentile of current market rates for this type of care.
- South Dakota's monthly payment rate for center care for a one-year-old in Minnehaha County was \$790, which was equal to the 75th percentile of current market rates for this type of care.
- Tiered payment rates: In 2019, South Dakota did not have higher payment rates for higherquality care.
- Eligibility for parents searching for a job: In 2019, South Dakota allowed parents already receiving child care assistance to continue receiving it for up to 90 days while searching for a job.<sup>3</sup> However, the state did not allow parents to initially qualify for and begin receiving child care assistance while searching for a job.

Source: Karen Schulman, Early Progress: State Child Care Assistance Policies 2019 (Washington, DC: National Women's Law Center, 2019). These data reflect policies as of February 2019, unless otherwise indicated.

- 1 This income limit takes into account that the state disregards 4 percent of earned income in determining eligibility. The stated income limit, in policy, was \$36,372 (175 percent of the 2018 federal poverty level) in February 2019. As of March 2019, the stated income limit to qualify for assistance was increased to \$44,592 (209 percent of the 2019 federal poverty level). Also note that in February 2019, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional 12 months after their recertification, if their stated income did not exceed \$57,612. As of October 2019, the stated exit eligibility limit for the graduated phase-out period was increased to \$59,363 (85 percent of state median income) to adjust for the updated state median income estimate.
- 2 These copayment amounts were calculated based on adjusted income, taking into account the earned income disregard discussed above. Also note that families receiving Temporary Assistance for Needy Families (TANF) and children in protective custody are exempt from copayments. In addition, families with adjusted incomes at or below 150 percent of the 2018 federal poverty level (\$31,170 a year for a family of three) were exempt from copayments in February 2019. As of March 2019, families with adjusted incomes below 160 percent of the 2019 federal poverty level (\$34,140 a year for a family of three) are exempt from copayments.
- 3 Parents receiving child care assistance can continue to receive it while searching for a job for up to 90 days or until the end of their eligibility period, whichever comes first.