

Frequently Asked Questions about Child Care Scholarships

History/General:

Where does the funding for Child Care Scholarship program come from? Is it state or federal funding?

The primary funding for the child care scholarships comes from the federal government through the Child Care Development Fund (CCDF). Child care scholarships are primarily funded with Child Care Development Fund (Federal funding) Discretionary funding which is a part of a block grant. There is a set amount of funding that comes to the state based on a formula. The State of South Carolina contributes a very small portion, roughly \$14 million annually for match funding, which allows DSS to draw down all of the federal funding.

Discretionary CCDF funds are allotted among states based on a formula established by section 658O(b) of the CCDBG Act that includes three factors:

1. The young child factor: The state's share of children younger than age 5 (from Census Bureau)
2. The school lunch factor: The state's share of children receiving free and reduced-price lunch
3. The allotment proportion factor: The state's per capita income (averaged over 3 years from Department of Commerce)

There has been funding for Child Care Scholarships for a long time. Why is there a pause now? What happened?

DSS must reduce the amount of child care discretionary spending as the demand for scholarships remains extremely high and the agency only has a certain amount of funding available as we cannot spend money we do not have. Child care scholarship spending levels have to stay within the state's federal discretionary funding amounts. We have had to go back to only allowing the protected categories as we did prior to March 2020 in order to limit the expenditures. The open enrollment of scholarships (in the Working Families Child Care category) have caused expenditures to rise above what we can sustain with our current Federal appropriation of child care funding.

Are all Child Care Scholarships paused?

Effective 12/01/2025 – The Child Care Scholarship Program discontinued accepting applications for the Working Families (aka "Strong Start") Child Care Scholarship Program. During this time, 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

For families currently on scholarship, when does their funding end?

Families that are currently receiving services will continue to receive their child care services through their approved 12-month eligibility. Once the 12-month eligibility is over, they will not be able to re-apply for the Working Families Child Care.

There will be a gradual ending of services for families depending on their eligibility period in this child care category. The applications that came in prior to December 1, 2025, have all been processed. Those applications that are eligible will receive 12 months of child care services. Applications in the protected categories are continuing to be accepted and processed.

As a provider, how do I know when my family's scholarship ends?

On your remittance advice you receive with each payment, the end dates for the families' scholarships are listed.

Is there any timeline when the scholarships will open, and will the income eligibility guidelines change?

The scholarship spending levels must come down to a certain level. Decisions will be made as to whether or not the income guidelines will change. We will not be able to open up slots to the level they were but will determine number of slots available based on Protected Category spending and available funding.

Types of Child Care Scholarships/Protected Categories:

Scholarships still exist for Protected Categories. What are those categories, and what are the eligibility requirements?

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

If you have questions about these opportunities or your current scholarships, please reach out to scchildcare@dss.sc.gov.

How do providers know which of their families are receiving a scholarship through a protected category? Do parents know they are receiving a scholarship through a protected category?

We do not advertise on letters to the providers what category of care a family is receiving services under. Parents would know what program they applied under. Parents may always call the Control Center at 1-800-476-0199 to confirm their type of funding.

Should families re-new /apply if they think they might be eligible for a protected category?

Yes, families must be in one of the following protected categories to apply:

- 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

Are there any other funding options for families that are not in a protective category?

Parents can go to Child Care Resource and Referral at www.sc-ccrr.org/family-services/finding-child-care to look for options.

Parents can go to: First Five SC at www.first5sc.org to screen for eligibility for other options which may include:

- Head Start
- Public 4K in the school district
- Private 4K with SC First Steps

If a provider/family have questions about protected categories, where should they go to find information?

Providers/Families may visit www.sccchildcare.org for more information. Parents may call the Control Center at 1-800-476-0199 and providers may call 1-800-262-4416 or reach out to scchildcare@dss.sc.gov.

Other:

What can we do to help raise awareness about the need for more funding for scholarships for SC working families?

Consider making contact with your federal elected officials (U.S. Senate and U.S. House) or local elected officials at the S.C. Senate and S.C. House of Representatives about the need for additional funding for child care. To find your elected officials, you can look up your federal and state elected officials by entering your home address here: [South Carolina Legislature Online - Find Your Legislators](http://SouthCarolinaLegislatureOnline-FindYourLegislators)

Questions from Families:

Can I add a child to my active Working Families Scholarship?

No, during this time, no additional children will be approved and added to a family's current services 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.

How do I apply for a protective category through the DSS portal if I am job searching

Job searching is allowed for only certain categories. You may call the Control Center at 1-800-476-0199 to discuss which categories you may qualify for.

Funding Outlook

DSS submitted a \$20M recurring state funding request for additional scholarships. This request was submitted as part of the agency's SFY26-27 budget request that the General Assembly is in the process of taking up now. The agency will not know the status of the FY26-27 budget until the end of June 2026.

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