



SD CHILD CARE TASK FORCE REPORT RELEASE JANUARY 2025

South Dakota's child care system is integral to the state's economic stability and family well-being. Addressing these challenges through strategic investments and policy reforms can ensure sustainable solutions that benefit children, families, and the broader community.

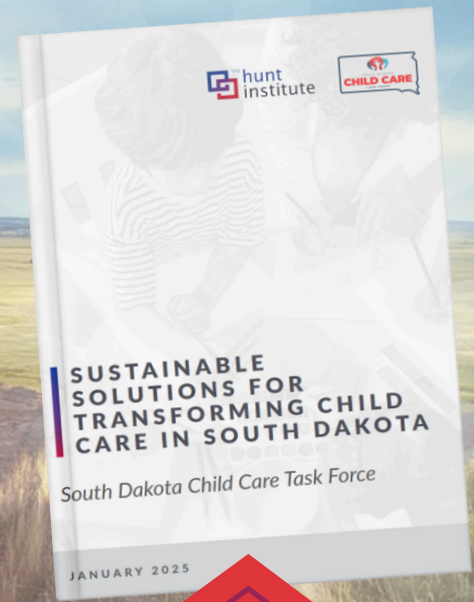
Key Issues

- **Child Care Gap:** **35% shortage** in licensed child care spaces.
- **Affordability Crisis:** Families often spend **10-20% of their income** on child care, surpassing affordability benchmarks.
- **Workforce Shortages:** Early educators earn an average of **\$12.67/hour, below the living wage of \$19.58**, leading to **high attrition (41%)**.

Key Findings

- **Access:** Rural areas face severe deficits in licensed spaces, compounded by low compensation and staff shortages.
- **Affordability:** High costs of care, especially for infants and toddlers, strain family budgets, pushing many out of the workforce.
- **Workforce Development:** Enhanced compensation, professional development, and career pathways are critical to stabilizing the early educator workforce.

See other side for more information



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Promising Initiatives

- **Brookings Child Care Collaborative:** Created 130 infant/toddler slots and 230 preschool slots through partnerships and ARPA funding.
- **Rapid City TriShare Pilot:** Cost-sharing between families, employers, and public funds reduced financial burdens for middle-income families.
- **EmBe Education in Sioux Falls:** Improved wages and professional development reduced workforce attrition and increased care quality.

Recommendations

1. Improve Access:

- Establish public-private partnerships to expand funding for child care programs.
- Increase state grants and incentives for child care operators and educators.
- Enhance Child Care Assistance Program (CCAP) reimbursement rates.

2. Enhance Affordability:

- Establishing partnerships with government, philanthropic and business organizations to create braided funding, supplementing child care revenue.
- Implement cost-sharing models like TriShare.
- Develop scholarship programs for low- and middle-income families.

3. Strengthen the Workforce:

- Provide competitive wages and benefits.
- Expand professional development through partnerships with higher education.
- Adopt career pathways and pay parity standards for early educators.

See other side for more information



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