



*Achieving Stability. Strengthening Families.*

# FY2026-2027 Budget Presentation

House Ways and Means Committee  
Healthcare Subcommittee

January 14, 2026

# Agency Attendees

- Tony Catone, State Director
- Don Grant, Deputy State Director of Administration
- Susan Roben, Chief Financial Officer
- Connelly-Anne Ragley, Chief External Affairs Officer and Legislative Liaison

# Agency Overview

- The Department of Social Services (DSS) serves one in every six South Carolinians, employs over 4,700 professionals across the state and operates in nearly 80 locations, including offices in all 46 counties and several regional centers.
- DSS strives against hunger, poverty, neglect and abuse. Our primary focus is the safety and well-being of children, adults, and families. DSS delivers services aimed at supporting children and vulnerable adults, administering the child welfare and adult protective services programs statewide.
- Additionally, we administer economic services programs throughout South Carolina, including the Temporary Assistance for Needy Families (TANF) program, the Supplemental Nutrition Assistance Program (SNAP), as well as Early Care and Education Scholarships, Licensing, and Quality.
- The Department also administers the state's Child Support program, which includes initiatives for establishing paternity and promoting fatherhood initiatives.
- Furthermore, we serve as the lead agency for ESF-6 Mass Care and ESF-11 Food Commodities, coordinating shelter and feeding operations during emergencies or disasters.

# Overall Budget Request for FY2026-2027

<b>Funding Type</b>	<b>State General</b>	<b>Federal</b>	<b>Other Funds</b>
	<b>Funds</b>	<b>Authorization</b>	<b>Authorization</b>
Recurring Funds	\$ 106,020,993	\$ 15,084,699	\$ 297,041
Non-Recurring Funds	\$ 36,889,871	\$ 13,165,673	\$ -
Federal Authorization Increase	\$ -	\$ 459,328,047	\$ -
<b>Total Request</b>	<b><u>\$ 142,910,864</u></b>	<b><u>\$ 487,578,419</u></b>	<b><u>\$ 297,041</u></b>

# Priority 1: Enhancing the Future of Children and Families through Stability and Support

Total Request - \$57,511,649; 59.00 FTE's

- State Funds: \$48,630,827; 42.53 FTE's
- Federal Funds: \$8,766,124; 15.14 FTE's
- Other Funds: \$114,698; 1.33 FTE's

The expected impact of this funding will be:

- Improved placement stability and outcomes for children and youth
- Expanded capacity for foster and kinship care, and additional support for adoptive families
- Enhanced support for children with behavioral and mental health needs
- Strengthened workforce and provider sustainability
- Maintained compliance with federal and court mandates

# Enhancing the Future of Children and Families through Stability and Support, continued

## Foster Family Board Rate Increase:

- \$1,708,030 – General Funds
- Ensure maintenance payments continue to meet USDA cost of raising a child

## Behavioral Health & Mental Health Needs:

### Small Group Home Model

- \$9,171,200 - General Funds
- Structured, small residential settings for youth/teens in foster care with higher level behavioral/mental health needs

### Community-Based Preservation & Stabilization

- \$1,743,721 - General Funds
- Evidence-based adoption preservation services

## Foster Family Network Expansion:

- \$242,500 – General Funds
- Increase awareness, recruit foster families

# Enhancing the Future of Children and Families through Stability and Support, continued

## Transitional Day Service and Welcome & Assessment Centers

- \$6,974,520 – General Funds
- Provide trauma-informed programs for youth awaiting placement, and immediate, therapeutic support for children and youth in crisis

## Professional Foster Parent Model

- \$2,673,952 – General Funds
- Full-time, licensed, compensated foster parents for therapeutic children with behavioral health and mental health needs

## Individualized Stabilization Services

- \$100,000 – General Funds
- Prevent unnecessary foster care entry and improve stability for children

## Salary Plan Administration (MOE)

- \$9,743,822 – General Funds
- Component of the Michelle H. Final Settlement Agreement (FSA), to maintain a qualified workforce

# Enhancing the Future of Children and Families through Stability and Support, continued

## Rates:

### Therapeutic/Medical Foster Care Adjustment

- \$1,224,052 – General Funds
- Board rate adjustment for foster parents who care for children and older youth in foster care with higher level therapeutic and medical care needs

### Group Home Adjustment

- \$8,455,843 – General Funds
- Adjust rates to address the rising costs for group home providers

### Child Placing Agency Support

- \$2,530,743 – General Funds
- Support increase in costs for recruitment, retention, training and other activities for foster families

## Staffing:

- \$4,062,444 General Funds; 42.53 General Fund FTE's
- Additional staffing to support placement, foster family licensing, child and family teaming, family search & engagement, child health & well-being, and child welfare training.

# Priority 2: Federal Funding for Benefits

Total Request - \$37,860,446; 31.00 FTE's

- State General Funds - \$34,059,000
- Federal Authorization - \$ 3,792,517
- Other Funds - \$ 8,929

Address changes in federal requirements due to H.R.1 (OBBA) for Supplemental Nutrition Assistance Program (SNAP) administrative operational costs:

- SNAP State Administrative Expenditures (SAE) increase in required state cost share from 50% to 75% to continue to administer the program - \$22,625,580 – General Funds
- Additional staffing: Quality Assurance, Call Center Monitors, and Special Agents - \$2,415,420 – General Funds
- Employment & Earnings Verification Service - \$9,018,000 – General Funds

# Priority 3: Pathways to Stability and Success

Total Request - \$21,514,380; 19.00 FTE's

- State General Funds - \$20,427,436
- Federal Authorization - \$ 1,059,508
- Other Funds - \$ 27,436

Sustain and expand critical child care, and employment programs, while addressing staffing needs to ensure continued service delivery and compliance with evolving federal requirements

- Child Care Scholarships for SC Working Families - \$20,000,000 – General Funds
- SNAP Employment & Training (E&T) Funding - \$400,000 – General Funds
- Adult Advocacy Staffing - \$27,436 – General Funds
- Child Care Licensing Staffing
- Child and Adult Care Food Program Staffing
- SNAP Eligibility Staffing FTE's

# Priority 4: Information Technology & Strategic Communication

Total Request - \$4,516,258

- State General Funds - \$2,903,730
- Federal Authorization - \$1,466,550
- Other Funds - \$ 145,978

Strengthen cybersecurity, operational continuity, and public awareness

- Risk mitigation & operational continuity – firewall replacement, data center upgrades, cybersecurity incident response
- Cyber Liability Insurance
- Required software licenses for operational continuity
- Public awareness campaigns continuation

# Priority 5: Economic Services System Application Modernization (ESSAM) – Non-Recurring

Total Request - \$ 37,691,100

- General Funds - \$ 25,116,538
- Federal Authorization - \$ 12,574,562
- Replacement of the agency's 37-year-old legacy mainframe SNAP and TANF system, responsible for determining eligibility and issuing benefit payments to nearly 300,000 households and over 580,000 individuals annually.
- Continuation of multi-year request for total system replacement.

# Priority 6: Healthy Eating – Non-Recurring

Total Request - \$12,364,444

- State General Funds - \$11,773,333
- Federal Authorization - \$ 591,111
- To continue the Healthy Bucks program and to promote efforts to encourage and increase access to healthy eating options for South Carolinians - \$10,000,000 – Non-Recurring General Funds
- Implement a SNAP/EBT program aimed at continued prioritization of healthy food options - \$1,773,333 – Non-Recurring General Funds

# Priority 7: Federal Authorization Increase

Total Request/Federal Authorization - \$459,328,047

- The forecasted spend for federal grant dollars is to be at pre-COVID levels, including any increases in regular federal awards that have occurred during the last five years.
- The original federal authorization for FY26 was \$240.7 million, with projected federal expenditures of \$700 million.
- This request will ensure the agency can operate at projected federal expenditure levels.

# Impact if Not Funded

- Placement disruptions may increase, foster family retention may decline, and progress with the target measures of the Michelle H. Final Settlement Agreement may be jeopardized.
- South Carolina will be required to make difficult decisions regarding the increased state cost share for SNAP administrative costs and could face between \$70 million and \$200 million in annual liabilities for SNAP benefits cost share.
- More families will continue to struggle to access affordable childcare, affecting the overall economic stability of communities and leaving many children without essential early education.
- Cybersecurity vulnerabilities will persist, risking data breaches and service outages. DSS may face decreased productivity without the leverage of up-to-date technologies. Public awareness campaigns will lose momentum.
- Increased risk to nearly \$1.4 billion in annual federal benefits that serve 580,000 South Carolinians, resulting in vulnerable individuals without needed support and exacerbating poverty and food insecurity in the state.
- Without sufficient authority for maximizing federal funds utilization, DSS operations will be disrupted, delaying contracts, payments, and service delivery standards.