



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0862 Amended by House Education and Public Works on April 25, 2024
Author: Shealy
Subject: DSS - Childcare Center Caregivers
Requestor: House Education and Public Works
RFA Analyst(s): Boggs
Impact Date: April 30, 2024

Fiscal Impact Summary

This amended bill allows an individual who has a high school diploma, a high school equivalency credential recognized by the State Board of Education, Certificate of Completion, or a South Carolina High School Employability Credential to work in a licensed or approved childcare center in South Carolina. Further, this bill removes the requirement that an individual must either have at least six months' experience as a caregiver in a licensed or approved childcare facility or be directly supervised for six months by a staff person with at least one year of experience as a caregiver in a licensed or approved childcare facility. Additionally, this bill states that within thirty days of being employed, a caregiver must complete fifteen hours of health and safety pre-service training. This amended bill adds that the caregiver shall be directly supervised for at least thirty days by a staff person with at least one year of experience as a caregiver in a licensed or approved childcare facility until the health and safety training is completed. Further, a caregiver who has a high school diploma, a high school equivalency credential recognized by the State Board of Education, Certification of Completion, or South Carolina High School Employability Credential and at least six months of experience as a caregiver in a licensed or approved facility is exempt from the fifteen hours of health and safety service provider training.

Additionally, regular approval, regular license, and renewal are all increased from a two-year period to a three-year period. The Department of Social Services (DSS) is to begin issuing the written notices for regular approval beginning with the 2025 calendar year.

Further, this amended bill adds that an operator of a private childcare facility and any person employed by or who contracts with an operator of a private childcare facility to provide direct childcare, must annually complete and provide documentation to DSS of a minimum of fifteen hours of training approved by DSS. Individuals who have operated, or been employed by, a private childcare facility for more five years are required to receive a minimum of ten hours of training per year, up to five of which may be offered virtually. Individuals who have operated, or been employed by, a private childcare facility for more than twenty years are exempt from this requirement except for required health and safety training.

DSS anticipates this bill will increase General Fund expenditures by \$703,688 in FY 2024-25 and \$1,436 each year thereafter. The agency anticipates the need for a non-recurring \$536,000 for system modifications; \$158,040 for electronic tracking; \$8,212 for childcare licensing law books, storage space, and laptops; and a recurring increase in General Fund expenditures of \$1,436 for software licenses. Even though the Childcare program is a 100 percent federally funded program, any new costs resulting from this bill are projected to put this program into a deficit position, therefore, DSS anticipates requesting a General Fund appropriation to cover these expenses.

Explanation of Fiscal Impact

Amended by House Education and Public Works on April 25, 2024

State Expenditure

This amended bill allows an individual who has a high school diploma, a high school equivalency credential recognized by the State Board of Education, Certificate of Completion, or a South Carolina High School Employability Credential to work in a licensed or approved childcare center in South Carolina. Further, this bill removes the requirement that an individual must either have at least six months' experience as a caregiver in a licensed or approved childcare facility or be directly supervised for six months by a staff person with at least one year of experience as a caregiver in a licensed or approved childcare facility. Additionally, this bill states that within thirty days of being employed, a caregiver must complete fifteen hours of health and safety pre-service training. This amended bill adds that the caregiver shall be directly supervised for at least thirty days by a staff person with at least one year of experience as a caregiver in a licensed or approved childcare facility until the health and safety training is completed. Further, a caregiver who has a high school diploma, a high school equivalency credential recognized by the State Board of Education, Certification of Completion, or South Carolina High School Employability Credential and at least six months of experience as a caregiver in a licensed or approved facility is exempt from the fifteen hours of health and safety service provider training.

Additionally, regular approval, regular license, and renewal are all increased from a two-year period to a three-year period. DSS is to begin issuing the written notices for regular approval beginning with the 2025 calendar year.

Further, this amended bill adds that an operator of a private childcare facility and any person employed by or who contracts with an operator of a private childcare facility to provide direct childcare, must annually complete and provide documentation to DSS of a minimum of fifteen hours of training approved by DSS. Individuals who have operated, or been employed by, a private childcare facility for more five years are required to receive a minimum of ten hours of training per year, up to five of which may be offered virtually. Individuals who have operated, or been employed by, a private childcare facility for more than twenty years are exempt from this requirement except for required health and safety training.

DSS anticipates a non-recurring General Fund expense of \$36,000 for system modifications to address the shift from calculating renewals every three years instead of two and to address the

new training requirements for all childcare operators and staff. A non-recurring General Fund expense of \$500,000 is also anticipated for additional system modifications to adjust the business practice of SC Endeavors and their professional development system New World. DSS also anticipates needing \$158,040 in non-recurring General Funds to create an electronic portal to allow applicants to submit renewal packets along with additional documents and \$8,212 for childcare licensing law books, storage space, and laptops. Overall, DSS anticipates a non-recurring increase in General Fund expenditures of \$702,252, in FY 2024-25. Additionally, the agency anticipates a recurring increase in General Fund expenditures of \$1,436 beginning in FY 2024-25 for software licenses. Even though the Childcare program is a 100 percent federally funded program, any new costs resulting from this bill are projected to put this program into a deficit position, therefore, DSS anticipates requesting a General Fund appropriation to cover these expenses.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 9, 2024

State Expenditure

This bill amends code relating to caregiver requirements to allow an individual who has a Certificate of Completion or a South Carolina High School Employability Credential to work in a licensed or approved childcare center in South Carolina. Further, this bill removes the requirement that an individual must either have at least six months' experience as a caregiver in a licensed or approved childcare facility or be directly supervised for six months by a staff person with at least one year of experience as a caregiver in a licensed or approved childcare facility. Additionally, this bill states that within three months of being employed, a caregiver must complete fifteen hours of health and safety pre-service training. A caregiver who has a high school diploma, GED, Certificate of Completion, or a South Carolina High School Employability Credential and at least six months' experience as a caregiver in a licensed or approved facility is not required to complete the fifteen hours of health and safety pre-service training.

DSS anticipates that this bill will have no expenditure impact on the agency as this bill does not alter the responsibilities of the agency.

State Revenue

N/A

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director