

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38



Fiscal Year FY 2026-2027

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2026-2027, my agency is (mark "X"):	
	☒	Requesting General Fund Appropriations.
	☒	Requesting Federal/Other Authorization.
	☐	Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)	For FY 2026-2027, my agency is (mark "X"):	
	☒	Requesting Non-Recurring Appropriations.
	☒	Requesting Non-Recurring Federal/Other Authorization.
	☐	Not requesting any changes.

CAPITAL REQUESTS (FORM C)	For FY 2026-2027, my agency is (mark "X"):	
	☐	Requesting funding for Capital Projects.
	☒	Not requesting any changes.

PROVISOS (FORM D)	For FY 2026-2027, my agency is (mark "X"):	
	☒	Requesting a new proviso and/or substantive changes to existing provisos.
	☐	Only requesting technical proviso changes (such as date references).
	☐	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

PRIMARY CONTACT:	<u>Name</u>	<u>Phone</u>	<u>Email</u>
	Susan Roben, Chief Financial Officer	(803) 898-7427	susan.roben@dss.sc.gov
SECONDARY CONTACT:			

I have reviewed and approved the enclosed FY 2026-2027 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<u>Agency Director</u>	<u>Board or Commission Chair</u>
	 10/7/25	
TYPE/PRINT NAME:	TONY CATONE	

This form must be signed by the agency head – not a delegate.

Agency Name:	Department Of Social Services
Agency Code:	L040
Section:	38

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Enhancing the Future of Children and Families through Stability and Support	48,630,827	8,766,124	114,698	0	57,511,649	42.53	15.14	1.33	0.00	59.00
2	B1 - Recurring	Changes in Federal Funding Requirements for Benefits	34,059,000	3,792,517	8,929	0	37,860,446	23.38	7.55	0.07	0.00	31.00
3	B1 - Recurring	Pathways to Stability and Success	20,427,436	1,059,508	27,436	0	21,514,380	7.07	11.70	0.23	0.00	19.00
4	B1 - Recurring	Information Technology & Strategic Communication	2,903,730	1,466,550	145,978	0	4,516,258	0.00	0.00	0.00	0.00	0.00
5	B2 - Non-Recurring	Economic Services System Application Modernization (ESSAM) - DDI Phase	25,116,538	12,574,562	0	0	37,691,100	0.00	0.00	0.00	0.00	0.00
6	B2 - Non-Recurring	Healthy Eating	11,773,333	591,111	0	0	12,364,444	0.00	0.00	0.00	0.00	0.00
7	B1 - Recurring	Federal Authorization Increase	0	459,328,047	0	0	459,328,047	0.00	0.00	0.00	0.00	0.00
TOTALS			142,910,864	487,578,419	297,041	0	630,786,324	72.98	34.39	1.63	0.00	109.00

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Enhancing the Future of Children and Families through Stability and Support
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$48,630,827 Federal: \$8,766,124 Other: \$114,698 Total: \$57,511,649
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	59.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	X	Change in cost of providing current services to existing program audience
	X	Change in case load/enrollment under existing program guidelines
		Non-mandated change in eligibility/enrollment for existing program
		Non-mandated program change in service levels or areas
	X	Proposed establishment of a new program or initiative
	X	Loss of federal or other external financial support for existing program
		Exhaustion of fund balances previously used to support program
		IT Technology/Security related
	X	HR/Personnel Related
		Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
		Education, Training, and Human Development
	X	Healthy and Safe Families
		Maintaining Safety, Integrity, and Security
		Public Infrastructure and Economic Development
		Government and Citizens

ACCOUNTABILITY OF FUNDS	Goal 1; Strategy 1.1; Measure 1.1.1 and 1.1.2 Goal 1; Strategy 1.2; Measure 1.2.1
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

	Foster Parents, Kinship Caregivers, Child Placing Agencies, Group Care Providers,
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RECIPIENTS OF FUNDS

Allocation of funds is based on the level of care, age of the child, the individually assessed needs of foster children and youth, and associated costs required to meet those needs.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

Foster Family Board Rate Increase - \$2,412,558 Total Funds

State General Funds - \$1,708,030

Federal Authorization - \$704,528

Other Funds - \$0

The agency reviews foster family board rates on an annual basis and adjusts as necessary to enable the monthly rates for regular foster care, difficulty of care (DCBR) and kinship care continue to meet the USDA cost of raising a child. This request is directly related to a Proviso change request for 38.14 (DSS: Family Foster Care Payments).

Placement Stabilization – Small Group Home Model- \$9,391,200 – Total Funds

State General Funds - \$9,171,200

Federal Authorization - \$220,000

Other Funds - \$0

Our State must have solutions available when youth and older teens with behavior health and mental health challenges come into foster care. These placements provide a structured house model program in smaller environments and specialized treatment services for youth in DSS custody that meet the need of a residential program but require more extensive supervision and services and will benefit from a small house model program due to the level of their emotional, behavioral, and/or developmental needs. These smaller residential settings will provide structured twenty-four (24) hour care and treatment to children/youth who have special care needs, with the goal of stabilizing the youth's behavior so they can then be stepped down to placement in a less restrictive setting.

Community Based Preservation & Stabilization - \$2,071,679 Total Funds

State General Funds - \$1,743,721

Federal Authorization - \$327,958

Other Funds - \$0

These services help adoptive families when they experience challenges and difficulties with adopted children. The agency currently provides evidence-based adoption

preservation services to families of children adopted through the DSS child welfare system. In 2024, these services were provided to 112 families, which have proven effective in stabilizing adoptive placements. By expanding these services, the agency would be able to serve children and families in South Carolina, but adopted through other jurisdictions, along with post-guardianship cases. This is expected to triple the number of families served and reduce re-entry into foster care among previously adopted children. The agency will also serve post-adoption children and families who experience severe family instability requiring evidence-based intensive in-home services.

Placement Stabilization – Transitional Youth Day Services Programs - \$4,320,000 Total Funds

State General Funds - \$4,320,000

Our State must have this solution available for youth and older teens to have educational activities, counseling, and services while awaiting placement or between placements. Transitional youth day services programs for youth that have experienced trauma employ trauma-informed practices that focus on fostering resiliency, facilitate the development of supports and protective factors, in a safe environment that teaches alternatives to aggression, and support. The program incorporates adult role model interactions with therapeutic activities. Youth are provided services such as skills-based learning group activities, projects, social-recreational, and socio-emotional therapeutic activities that also nurture daily living skills, psycho-educational and when appropriate, family-focused interventions.

Placement Stabilization – Welcome and Assessment Center - \$3,300,000 Total Funds

State General Funds - \$2,654,520

Federal Authorization \$645,480

Other Funds - \$0

These centers will serve to eliminate the time youth and older teens spend in DSS offices, enhance safety and improve working conditions for DSS staff, and reduce the trauma that children experience due to foster care entry or placement changes. The welcome and assessment/stabilization centers aim to provide immediate, safe, and therapeutic support for children in crisis. The centers create a nurturing environment that promotes healing, stability, and positive outcomes for children in crisis via room, board, care, and supervision for each child, prioritizing their safety and overall wellbeing. A comprehensive assessment of youth entering the program will be conducted within 24 hours of admission, assessing all of the youth's medical, social/family, developmental, educational, behavioral, mental health, cultural, and spiritual domains.

Placement Stabilization – Professional Foster Parent Model - \$3,166,964 Total Funds

State General Funds - \$2,673,952

Federal Authorization - \$493,012

Other Funds - \$0

While regular foster parents serve as volunteers, a professional foster parent is a

licensed therapeutic foster parent who receives compensation to provide full-time, specialized care for children with complex emotional, behavioral, intellectual and/or developmental needs. The Professional Foster Parent Model (PFP) will provide services to children and youth between the ages of 6 and 21 years with some of the highest level acute mental health and/or behavioral health needs and/or intellectual and/or developmental disabilities who qualify for Therapeutic Foster Care Level 3. A third-party community service provider will be contracted to oversee the PFP. The children served in PFP homes have either (1) completed treatment objectives and stabilization in a higher level of care and no alternative lower levels of care are able to admit the child for stepdown due to the specialized nature of the child/youth's needs, or; (2) are exhibiting intensive behaviors that have not been manageable in the child's home setting or a traditional or lower level Therapeutic foster care setting and no alternate home-like settings are able to admit the child. The approved contracted provider must identify the specific population, needs, and presenting behaviors that each approved professional foster parent will serve, and ascertain the professional foster parent has the skills, training and wrap around support to successfully work with the identified child/youth in need of these services. Two parent PFP homes require that at least one foster parent not work outside of the home. A one parent PFP home requires that the foster parent not work outside of the home. Professional Foster Parents must meet all licensing and regulatory standards required of standard Therapeutic Foster Parents.

Child Welfare Salary Plan Administration Maintenance of Effort (MOE) - \$13,035,213 Total Funds

State General Funds - \$9,743,822

Federal Authorization - \$3,291,391

Other Funds - \$0

The requested FY26-27 MOE funding represents amounts required to continue to operate the Court-approved plan under the Final Settlement Agreement in the Michelle H class action lawsuit. This includes funding required to continue for unfunded portions of statewide General Increases (GI's) absorbed since implementation, anticipated unfunded GI amounts and the accelerated movement of staff to higher levels based on additional training and competencies to improve workforce beginning next fiscal year, which the Court has deemed necessary.

Additional Historical Information on this Request:

The Workload Implementation Plan, as one provision of the Michelle H. Final Settlement Agreement (FSA), was approved and ordered by the U.S. District Court on February 27, 2019. This plan outlines the three primary drivers that make the most significant impact on child welfare reform in South Carolina. They are a well-qualified, stable workforce; a strong and well-defined framework of family-centered practice; and a network of resources and supports for families and children that includes prevention as well as child maltreatment intervention and placement services.

To achieve a well-qualified, stable workforce, one of the strategies was to raise the salaries of all child welfare case managers and team leaders (supervisors), to include a salary premium for those possessing a BSW or MSW degree. These staff also receive an annual increase with each class year of service and have the ability to receive an additional increase by growing their work-related knowledge and skills via a leveling system. Initial funding was appropriated by the General Assembly, and the SC DSS 'child welfare services salary plan' (CWS Salary Plan) was originally implemented in July 2021. The Department of State Human Resources (DSHR) reviewed and approved DSS's request to administer pay actions to implement and maintain operation of the plan in July 2021.

Therapeutic and Medical Therapeutic Foster Care - Cost of Care Adjustment - \$1,224,052 Total Funds

JUSTIFICATION OF REQUEST

State General Funds - \$1,224,052

Federal Authorization - \$0

Other Funds - \$0

Children who come into custody/care of the Department often require intensive behavioral, emotional, and medical support, which places significant demands on foster parents in terms of time, training, and resources. These needs have increased nationwide post covid. Foster parents providing therapeutic and medical therapeutic care are expected to manage challenging behaviors, coordinate with multiple service providers, attend frequent appointments, and maintain detailed documentation. In many cases, they are also responsible for administering medications, implementing treatment plans, and promoting a safe and structured environment tailored to each child's unique needs.

Without regularly reassessed and appropriately adjusted board rates for caregivers, we risk losing qualified foster families to burnout or financial strain among the other burdens that come with their volunteering to care for these children, which directly impacts placement stability and outcomes for children. The last time these rates were updated was October 2022.

Group Home - Cost of Care Adjustment - \$9,077,485 Total Funds

State General Funds - \$8,455,843

Federal Authorization - \$621,642

Other Funds - \$0

Group homes play a vital role in the foster care system by providing structured, supportive environments for children who cannot be placed in traditional family settings due to complex behavioral, emotional, or medical needs. These homes offer stability, therapeutic services, and individualized care that help children heal, grow, and prepare for more permanent placements.

However, the cost of providing this level of care has steadily increased due to rising staffing expenses, and the need for specialized services due to the growing need for behavioral and mental health services for the youth. Despite these growing demands, reimbursement rates have not kept pace, placing significant financial strain on providers and threatening the sustainability of these essential service organizations.

Child Placing Agency Foster Family Support - \$3,316,535 Total Funds

State General Funds - \$2,530,743

Federal Authorization - \$785,792

Other Funds - \$0

Child Placing Agencies (CPA's) are community-based organizations that provide regular foster care services and supports to foster families, and while the CPA's have not received an increase to this rate in the past several years, these costs continue to rise each year. It continues to be challenging for these providers to build capacity,

support recruitment and retention of foster parents, address the increasingly complex mental health needs of children and youth in care, and pay for required staffing and training that is needed to support this work.

Placement Stabilization – Individualized Stabilization Services - \$100,000 Total Funds

State General Funds - \$100,000

This funding is intended to prevent unnecessary foster care entry and improve placement stability for children in the highest needs counties. These funds would be used for support services such as family/individual counseling, specialized therapies, one on one support, tutoring and other school related support, extracurricular activities such as karate, music lessons, sports, as well as beds, bedding, housing assistance such as security deposit, utility bills, transportation assistance, and other individual needs as identified by the Child and Family Team.

Placement and Foster Family Licensing Staffing - \$1,992,235 Total Funds; 22.00 Total FTE's

State General Funds - \$1,481,389; 16.05 FTE's

Federal Authorization - \$396,148; 4.76 FTE's

Other Funds - \$114,698; 1.19 FTE's

Data indicates that we continue to have a need for additional family-like foster homes, and that South Carolina, like other States, continues to experience a net loss of foster family homes post-covid (more foster homes closing than opening), Meanwhile the need for adequate and appropriate placement settings remains extensive around the state. We are requesting additional Foster Family Licensing positions to increase capacity for DSS to accept all non-kin, non-therapeutic foster family applicants who desire to have their license managed by the agency. In addition, we are requesting additional positions to support targeted recruitment for non-kin foster families. Our recent deep dive into timeliness of licensure showed that on average all kin and non-kin foster families are getting through the licensure process in less than 90 days, so additional staff will allow us to maintain the service level with the anticipated increase in applications for licensure.

Child and Family Teaming (CFTM) Staffing - \$1,371,925 Total Funds; 14.00 Total FTE's

State General Funds - \$914,525; 9.33 FTE's

Federal Authorization - \$457,400; 4.67 FTE's

Other Funds - \$0

The agency is requesting additional staff to assist with the expansion of mandatory pre-removal CFTMs and initial 24-hour CFTMs. This work will directly impact foster care entries and the short stayer population and produce financial savings for the agency downstream in addition to preventing the trauma of entry into foster care for children and young people when it can be avoided. 8 out of 10 kids that have had a CFTM pre-removal have been maintained with family or kin without the need for foster care, whereas placement costs for a child who enters foster care costs an average of \$28,000 and can cost up to \$115,000 per year.

Family Search & Engagement Staffing - \$1,973,831 Total Funds – 18.00 Total FTE's

State General Funds - \$1,545,312; 14.09 FTE's

Federal Authorization - \$428,519; 3.91 FTE's

Other Funds - \$0

The agency is requesting positions to support statewide implementation of dedicated Family Search and Engagement staff, with the purpose of early and ongoing identification of kin for both the purposes of placement and to provide ongoing supports and connections with children and their families. Their capacity will include engaging with youth just entering foster care for purposes of potential placement and providing initial and ongoing support for youth currently in care.

Child Health & Well-Being Staffing - \$120,972 Total Funds – 1.00 Total FTE

State General Funds - \$60,486; 0.5 FTE's

Federal Authorization - \$60,486; 0.5 FTE's

Other Funds - \$0

This request is for one additional Human Trafficking Coordinator to provide coverage and support in all four regions of the state. The support includes participating in all investigations, 20-day case consultations, providing family preservation case consultation for survivors of trafficking 30 days after indication, and every 90 days thereafter, and foster care case consultation as needed. They will also participate in DJJ facilitated interagency staffing (IAS) and facilitate internal staffing prior to IAS or debriefs afterwards. The coordinator will participate in the child advocacy center facilitated multidisciplinary team in accordance with the child abuse protocol. The Human Trafficking Unit has referred 103 intakes with concerns of child trafficking to the SLED trafficking unit between January 2025 and May 2025. In 2024 the unit referred 260 intakes to SLED. Child trafficking is on the rise in South Carolina primarily in the Upstate and Midlands region.

Child Welfare Training Staffing - \$0 Total Funds – 4.00 FTE's

State General Funds - \$0; 2.56 FTE's

Federal Authorization - \$0; 1.30 FTE's

Other Funds - \$0; 0.14 FTE's

As we provide more advanced, focused training for Case Managers and Team Leaders to build case management skills, we will transition the remaining contract in-house. This transition will allow for more control over deploying instructors into counties that are not performing as high in metrics that we receive from our ADR and Quality Assurance and CQI divisions. Funding will be redirected from the contract savings, so only the FTE positions are needed.

Child Welfare Training Support - \$137,000 Total Funds

State General Funds - \$60,732

Federal Authorization - \$76,268

Other Funds - \$0

This request supports the transition of the external Learning Management System (LMS) that is used for foster parent, adoptive parent, and kinship caregiver training to an in-house system.

Foster Family Support Network Expansion - \$500,000 Total Funds

State General Funds - \$242,500

Federal Authorization - \$257,500

Other Funds - \$0

This work will increase awareness, recruit foster families and build community-based family support systems. It will also support Family Preservation and reunification by developing county-based resource networks made up of agencies and community organizations. With additional funding this will allow for expansion to other county offices into the needs request portal that connects DSS case managers with real-time community supports for the children and families that are being served through child welfare services. Lastly, this work intends to build long-term, county level ecosystems to support foster, adoptive, kinship and biological families – especially after reunification. This includes mentorship, family navigation, and support events designed to stabilize families long term.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Changes in Federal Funding Requirements for Benefits
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$34,059,000 Federal: \$3,792,517 Other: \$8,929 Total: \$37,860,446
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	31.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	X	Change in cost of providing current services to existing program audience
		Change in case load/enrollment under existing program guidelines
		Non-mandated change in eligibility/enrollment for existing program
		Non-mandated program change in service levels or areas
		Proposed establishment of a new program or initiative
	X	Loss of federal or other external financial support for existing program
		Exhaustion of fund balances previously used to support program
		IT Technology/Security related
	X	HR/Personnel Related
		Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
		Education, Training, and Human Development
	X	Healthy and Safe Families
		Maintaining Safety, Integrity, and Security
		Public Infrastructure and Economic Development
		Government and Citizens

ACCOUNTABILITY OF FUNDS	Goal 1; Strategy 3.1; Measure 3.1.2
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

	Existing DSS staff, vendors/service providers supporting the SNAP program
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RECIPIENTS OF FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

On July 4, 2025, President Donald Trump signed into law H.R. 1, the One Big Beautiful Bill Act (OBBBA). The OBBBA is a comprehensive budget reconciliation bill, with impacts on taxation, border security, energy, and other sectors, including the Supplemental Nutrition Assistance Program (SNAP).

The most significant change to SNAP requires states to pay a portion of the federal benefits if their federally computed payment error rate (PER) is 6% or higher. SNAP benefits are currently 100% federally funded and not included in the state's budget. It is estimated that unless South Carolina achieves and maintains a payment error rate of less than 6%, a minimum of \$70 million per year in state funds will be needed to meet the new state matching requirement beginning October 1, 2027. All program eligibility requirements are set by USDA. States do not have the flexibility to "reduce caseloads" or otherwise control costs in order to lower the state's match requirement. FFY 2024 payment error rates are the most recent number published by USDA/FNS. Only 8 states had a payment error rate below 6% in FFY 2024. South Carolina's performance is better than half of the States and its 2024 PER was 9.25%, which is below the national average of 10%. The national average has historically been used as the threshold for an acceptable PER by USDA until now. Portions of the request in this decision package are investments aimed at lowering SC's PER below the 6% threshold, with the goal of avoiding the significant amount of state funding (between \$70 million-\$200 million) that would be required to fund between 5%-15% of SNAP benefits beginning in the subsequent fiscal year.

In addition to the OBBBA changes to SNAP allotment payments above, the State share of costs to administer the program has been increased by 25%. All states will now be required to begin paying 75% of all SNAP administrative costs, vs. the previous 50% state funding that has been in place since the SNAP program began. Portions of this decision package are investments required to replace the loss of federal dollars associated with administering the SNAP program.

SNAP State Administrative Expenditures Cost Sharing Increase – Personnel Costs - \$16,742,930 Total Funds

State General Funds - \$16,742,930

Sec. 10106 of H.R.1, Section 16(a) was amended so that effective for FFY27, the federal administrative cost sharing for the Supplemental Nutrition Assistance Program (SNAP) will be reduced from 50% to 25% - meaning that instead of the state cost sharing 50%, the State's share will now increase to 75%. Over 3,000 DSS employees are paid using some portion of SNAP SAE funding, allocated via the agency's federally approved cost allocation plan. This request is the additional 25% state share of the current personnel costs to continue to operate the state's SNAP program as it exists today, notwithstanding the additional investments required to lower the state's PER.

SNAP State Administrative Expenditures Cost Sharing Increase – Operating Costs - \$5,882,650 Total Funds

State General Funds - \$5,882,650

Sec. 10106 of H.R.1, Section 16(a) was amended so that effective for FFY27, the federal administrative cost sharing for the Supplemental Nutrition Assistance Program (SNAP) will be reduced from 50% to 25% - meaning that the state's 50% administrative cost share will increase to 75%. This request represents the additional 25% state share of the current operating costs required to continue to administer the SNAP program as it exists today, notwithstanding the additional investments required to lower the state's PER. This increase in administrative costs are not tied to the state's error rate.

JUSTIFICATION OF REQUEST

SNAP Quality Assurance Staffing - \$2,625,827 Total Funds; 25.00 FTE's

State General Funds - \$1,996,154; 19.00 FTE's

Federal Authorization - \$629,673; 6.00 FTE's

Other Funds - \$0; 0 FTE's

The agency is requesting twenty-five SNAP quality assurance case reviewer positions to promote efficient and effective administration and operation and to continue to improve the integrity and accountability of South Carolina's Supplemental Nutrition Assistance Program (SNAP). The top contributors to the State's PER are 1) wages and salaries 2) shelter deductions, and 3) household composition. Additional FTEs to conduct SNAP case reviews on 10% of these cases within the first 30-60 days of approval will be charged with correcting discrepancies under these categories, which will directly reduce the State's payment error rate and help to mitigate the risk of the state being responsible for funding anywhere from \$70 million to \$200 million in SNAP benefit payments beginning in Federal Fiscal Year 2028.

SNAP Call Center Monitor Staffing - \$336,307 Total Funds; 4.00 FTE's

State General Funds - \$260,234; 3.10 FTE's

Federal Authorization - \$76,073; 0.90 FTE's

Other Funds - \$0; 0 FTE's

The South Carolina SNAP program allows households to call in to conduct the federally required SNAP interview. These interviews are recorded in a system which captures various data elements which require importing into dashboards, spreadsheets, etc. used by management to monitor the quality and quantity of SNAP interviews for customer service reviews, and performance evaluations. Currently, the agency has one call center monitor per region. The additional staff requested will provide for increased monitoring of the interview center data and provide management information needed in monitoring that staff are conducting the required number of interviews daily/weekly/monthly, conducting accurate interviews in order to ensure proper eligibility determination of benefits, identifying and reducing payment error trends found during interviews, and identify coaching/training opportunities on policies, procedures and best practices to share statewide.

Special Agent Staffing - \$248,732 Total Funds; 2.00 FTE's

State General Funds - \$159,032; 1.28 FTE's

Federal Authorization - \$80,771; 0.65 FTE's

Other Funds - \$8,929; 0.07 FTE's

H.R.1. explicitly prioritizes combating fraud within federally funded programs, including specific provisions aimed at reducing SNAP fraud. This federal mandate, emphasizing "strengthening program integrity by targeting waste, fraud, and abuse" and holding states increasingly accountable for detecting and addressing SNAP-related fraud, directly aligns with the DSS Office of Inspector General's mission and necessitates additional investigative support to effectively meet these heightened federal

priorities. With these two additional agents, the agency projects to be able to lower the threshold for investigation, thereby addressing and prosecuting fraud involving smaller dollar amounts, and significantly increase financial recoveries through both criminal prosecutions and voluntary payment agreements.

SNAP Employment & Earnings Verification Services - \$12,024,000 Total Costs

State General Funds - \$9,018,000

Federal Authorization - \$3,006,000

It is estimated that unless South Carolina achieves and maintains a payment error rate of less than 6%, between \$70 million and \$200 million per year in additional state funds will be needed to meet the new state matching requirements beginning October 1, 2027.

The Division of Economic Services (ES) is responsible for the registration and processing of all SNAP applications and recertifications. ES has approximately 713 SNAP eligibility workers and 63 Benefit Integrity (BI) claims specialist that would begin using electronic employment and earnings verification services to automatically access employment and/or wage information to determine a household's eligibility for SNAP at the time of application interview or recertification, and prevent improper payments to improve the State's PER.

The State anticipates that investing in this earnings verification service will help to lower the state's PER and reduce instances of fraud, waste, and abuse by better-allowing eligibility staff to:

- Accurately distinguish between client and/or agency errors with reporting wage information.
- Correctly close out SNAP cases when fraudulent wage information is provided by clients.
- Verify household composition by verifying residency with employment information provided by electronic employment verification software.
- Capture verified wage information and start/end dates to be used as evidence during Administrative Disqualifications Hearings.
- Accurately classify claims with client errors or intentional program violations with actual income, start and end dates.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Pathways to Stability and Success
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$20,427,436 Federal: \$1,059,508 Other: \$27,436 Total: \$21,514,380
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	19.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☒	Change in cost of providing current services to existing program audience
	☒	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☒	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☐	IT Technology/Security related
	☒	HR/Personnel Related
	☐	Consulted DTO during development
☐	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☒	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	Goal 2; Strategy 2.1; Measure 2.1.1 Goal 3; Strategy 3.1; Measure 3.1.2 Goal 3; Strategy 3.2; Measure 3.2.1
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

	Child care providers licensed or regulated by the agency on behalf of working families;
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RECIPIENTS OF FUNDS	SNAP recipients needing Employment and Training assistance/services
	<i>What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?</i>
	<u>SNAP Eligibility Staffing - \$0 Total Funds; 9.00 FTE's</u> State General Funds - \$0; 6.84 FTE's Federal Authorization - \$0; 2.16 FTE's Other Funds - \$0; 0 FTE's The agency is transitioning current FTE positions to work on the Economic Services System Application Modernization (ESSAM) project, and these resources need to be replaced to continue performing the current SNAP eligibility work. The nine FTE's requested will continue long-term work on the ESSAM system. <u>Adult Advocacy Staffing - \$275,296 Total Funds; 2.00 FTE's</u> State General Funds - \$27,436; 0.23 FTE's Federal Authorization - \$220,424; 1.54 FTE's Other Funds - \$27,436; 0.23 FTE's A Resource Recovery Specialist is being requested to assist the agency by recouping funds expended for adults in the care of DSS. When adults have no funding resources for long-term care, food, clothing, medication, etc., DSS funds these expenses until the time it takes to connect adults to eligible funding. The Omnibus Adult Protection Act gives DSS the authority to recoup funds when adults have means or after they become eligible for appropriate resources, gain access to their funds or if they are paid a lump sum retroactively. This Resource Recovery Specialist will possess the financial acumen, effective communication, and problem-solving skills to better serve vulnerable adults at risk of exploitation and assist DSS with recovering financial resources utilized to support adults in our system. An additional Eligibility Resource Coordinator is also being requested to aid vulnerable adults with applying for all resources available to them, and to facilitate timely completion and submission of the associated applications. In 2024, 5,570 vulnerable adults were assessed for Medicaid eligibility to include verifying, completing applications, obtaining medical records, bank records, and meeting weekly with DHHS staff. The agency also assists if the adult owns any property or shares a bank account putting them over Medicaid eligibility resource thresholds. DSS consulted with DHHS on 1,543 referrals in 2024, which decreased the processing time of approximately 680 new Medicaid applications, which ultimately saved the agency money. With an additional staff, the goal is to double the referral consultations. <u>Child and Adult Care Food Program (CACFP) Staffing - \$456,732 Total Funds; 4.00 FTE's</u>

JUSTIFICATION OF REQUEST

State General Funds - \$0; 0 FTE's

Federal Authorization - \$456,732; 4.00 FTE's

The complexities of serving meals which meet CACFP requirements have increased due to changes to the meal pattern. In addition, the expansion of the program within SC has highlighted a need for additional federally-funded staff to provide the necessary training and technical assistance around timely and accurate processing of applications to newly approved institutions and previously participating institutions experiencing staff changes. In addition, new CACFP federal regulations (7 CFR 226.7(b)(1) and 7 CFR 226.7(g)(2)) were recently issued and include additional requirements for State agency financial management, prompting the need for additional FTEs, all of which will be 100% federally funded.

SNAP Employment & Training Funding - \$400,000 Total Funds

State General Funds - \$400,000

Participation in the SNAP E&T program increased by nearly 8% in South Carolina in FY2024 and thus far in FY2025, 2,190 SNAP recipients have enrolled in the SNAP E&T program. South Carolina is serving significantly more participants with less funding and is anticipating an operating deficit as the program continues to expand and costs continue to increase.

South Carolina's E&T model has been recognized regionally for best practices, which has drawn other jurisdictions to request technical assistance and guidance in developing and implementing their programs. However, while our program has effective strategies in place, the impact of COVID-19 and the costs associated with rising inflation have resulted in year-over-year increases in applications to the program – translating to increased costs. The program has taken steps to mitigate the impact, including minimizing program expenses and limiting scholarships, but additional funding is necessary in order to continue provide essential services. Without this additional funding the program will be forced to eliminate positions which would undoubtedly result in a service interruption, service delays, and a decrease in existing program standards. SNAP recipients participating in the E&T program are more likely to move towards long-term, economic self-sufficiency, and relying less on public assistance.

The \$400K in additional state funding will be matched with \$200K in federal SNAP E&T funding, representing a federal match of 50% of the state's investment under this program.

Child Care Scholarships for SC Working Families - \$20,000,000 Total Funds

State General Funds - \$20,000,000

The agency requests \$20 million in funding to provide child care scholarships for families whose income is 85% of the State Median Income or below (\$73,215 or less for a family of three). For Federal Fiscal Year 2024, the Child Care Scholarship program served 47,542 children via the Child Care Development Fund (CCDF). As of October 2025, CCDF-funded child care scholarships will have to be reduced in order to stay within the annual Federal allocation of CCDF Discretionary funding. These additional state funds will allow DSS to provide child care scholarships for an estimated 2,537 children per year. Scholarships would be made available on a first come, first served basis. Providers must participate in the state's voluntary ABC Quality program to accept these scholarships.

Child Care Licensing Staffing – \$382,352 Total Funds; 4.00 FTE's

State General Funds - \$0; 0 FTE's

Federal Authorization - \$382,352; 4.00 FTE's

DSS, along with the SC Department of Education sent a joint letter to the local school districts state-wide to ensure awareness of the state's child care laws and regulations for programs serving children four years of age and under. A follow-up survey sent to school districts indicated that there are currently over 700 different programs serving this age group. These dedicated licensing positions are needed to identify which programs require licensure and support the programs through the public-school licensing process and associated inspections required under this program.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	4
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Information Technology & Strategic Communication
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$2,903,730 Federal: \$1,466,550 Other: \$145,978 Total: \$4,516,258
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☒	Change in cost of providing current services to existing program audience
	☐	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☒	Loss of federal or other external financial support for existing program
	☒	Exhaustion of fund balances previously used to support program
	☒	IT Technology/Security related
	☐	HR/Personnel Related
	☒	Consulted DTO during development
	☐	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☐	Healthy and Safe Families
	☒	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	Goal 2; Strategy 2.2; Measure 2.2.4
	Goal 3; Strategy 3.1; Measure 3.1.1
	Goal 3; Strategy 3.1; Measure 3.1.2
	Goal 3; Strategy 3.4; Measure 3.4.1
	Goal 3; Strategy 3.4; Measure 3.4.3
	Goal 4; Strategy 4.2; Measure 4.2.1

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template

RECIPIENTS OF FUNDS

Information technology and professional service providers/contractors; communications/media service providers

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

Risk Mitigation & Operational Continuity - \$4,066,258 Total Funds

State General Funds - \$2,599,845

Federal Authorization - \$1,320,435

Other Funds - \$145,978

Protecting public assets, ensuring uninterrupted services, and building a resilient digital government are foundational to our ability to serve citizens securely and efficiently. To promote the continued security, resilience, and operational efficiency of our digital infrastructure, the agency is requesting funding to replace its Border Firewall, VPN Firewall, and Data Center Firewall. Firewalls are the first line of defense against external attacks, and investing in next-generation firewalls will reduce the risk of data breaches and service disruptions that could impact public trust and service delivery.

Funding is also needed for Cybersecurity Incident Response. A funded incident response capability ensures we can act swiftly to minimize damage, reduce downtime, and protect sensitive data. It is just as important that we equip our staff with the productivity, security, and compliance tools to effectively and efficiently perform their jobs. Funding is needed for the continuation of the Office 365 G5 licenses that include advance threat protection, data loss protection, and compliance tools that are essential for safeguarding sensitive government data. These licenses also enable secure collaboration, cloud-based productivity, and analytics capabilities that improve service delivery and decision-making.

Funding is also requested for a cyber liability insurance policy. In today's digital landscape, the threat of cyberattacks is not a matter of if, but when. As stewards of sensitive data and critical infrastructure, our agency faces increasing exposure to cyber risks that could result in significant financial, operational, and reputational damage. Funding for cyber liability insurance is not just a prudent investment—it is a strategic necessity.

Cyber liability insurance provides a financial safety net in the event of a data breach, ransomware attack, or other cyber incident. It covers costs that can quickly escalate, including legal fees, forensic investigations, data restoration, regulatory fines, and notification requirements. Without this coverage, the agency would be forced to absorb these costs directly, diverting funds from mission-critical programs and services.

Funding this request will allow the agency to be prepared, protected, and positioned to respond swiftly and effectively in the face of cyber threats.

Public Awareness Campaigns - \$450,000 Total Funds

State General Funds - \$303,885

Federal Authorization - \$146,115

Over the last several years, the agency has developed a roster of Public Awareness Campaigns and Public Service Advertisements (PSAs) explaining the agency's mission along with key emphasis areas including the need for foster parent recruitment, teen adoption, child support, Daniel's Law for safely surrendered babies, criminal penalties for SNAP fraud, and general agency overview. These funds would be used for ad placement on a variety of platforms including streaming digital (YouTube, Spotify, etc.), Facebook, and local television programming.

During the quarter ended 3/31/25, the general agency overview campaign delivered 4.8 million impressions to individuals in the state. Interest in learning more about the agency and its services is evident based on strong clicks across all media platforms. Since all PSAs have been previously filmed and are 'evergreen' - meaning no dates or dated information is used, all funds would be used for continued use of developed content and no funding is being requested for the creation of new content.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	7
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Federal Authorization Increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$0 Federal: \$459,328,047 Other: \$0 Total: \$459,328,047
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	0.00
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Change in cost of providing current services to existing program audience
	☒	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☐	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☐	IT Technology/Security related
	☐	HR/Personnel Related
☐	Consulted DTO during development	
☐	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☒	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
☐	Government and Citizens	

ACCOUNTABILITY OF FUNDS	This decision package supports the entire agency and relates to each goal as listed in the Agency Accountability Report.
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF	Service Providers, Child Care Centers, Vendors, Contractors, DSS Employees, Program Participants
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FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST****Federal Funds Authorization Increase - \$459,328,047 Total Funds**

State General Funds - \$0

Federal Authorization - \$459,328,047

For the current FY, between July 1, 2025, and August 25, 2025, the agency had already been required to request, and had received approval for a total of \$267 million in additional federal funds authorization in order to continue normal agency operations. The agency is forecasted to spend its federal grant dollars at pre-COVID levels, including any increases in regular federal awards that have occurred during the last five years. The original federal authorization budget for FY26 was \$240.7 million, with projected federal expenditures of \$700 million, which is why the agency is requesting an additional recurring \$459.3 million in federal funds authorization.

If federal spending authority is not increased via the FY26-27 budget process, DSS will be required to submit significant and voluminous requests for additional budget authority to the Executive Budget Office, placing unnecessary administrative burden on both entities for mid-year adjustments that should appropriately be captured in the regular recurring federal funds portion of DSS's section of the budget. Even more importantly, without the appropriate level of federal authorization for the entire fiscal year, the agency is unable to issue its normal purchase orders, contracts, or pay invoices until additional federal budget authority is requested and approved. These delays not only disrupt internal operations but also place unnecessary burdens on vendors, contractors, and service providers who depend on timely payments and contract execution to manage their own business and service delivery. These partners are unable to begin work or continue providing services without a fully executed contract or purchase order, compounding the operational and financial strain across the board.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	5
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Economic Services System Application Modernization (ESSAM) - DDI Phase
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Provide a brief, descriptive title for this request.

AMOUNT	\$37,691,100
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Change in cost of providing current services to existing program audience
	☐	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☒	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☒	IT Technology/Security related
	☒	Consulted DTO during development
	☐	HR/Personnel Related
	☒	Request for Non-Recurring Appropriations
	☐	Request for Federal/Other Authorization to spend existing funding
	☐	Related to a Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☒	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	Goal 3; Strategy 3.1; Measure 3.1.1
	Goal 3; Strategy 3.1; Measure 3.1.2

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	Professional Service Providers and Contractors
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon

**JUSTIFICATION
OF REQUEST**

Economic Services System Application Modernization (ESSAM) - \$37,691,100 - Total Funds

\$25,116,538 – State General Funds

\$12,574,562 – Federal Authorization

The Department is requesting nonrecurring state funds to cover a portion of the design, development, and implementation phase for the Economic Services System Application Modernization (ESSAM) project, which will replace agency's 37-year-old legacy Mainframe SNAP and TANF Eligibility Systems. These systems are responsible for determining eligibility and issuing benefit payments to nearly 300,000 households and over 580,000 individuals, receiving nearly \$1.4 billion in annual benefit payments.

The outdated technology required to maintain the current legacy system no longer meets modern business/operational needs. The programming language used in the legacy system is no longer used in modern enterprise systems, and the programmer skillsets required to maintain the system are costly, and often no longer available. Due to the age of the system, DSS no longer has the ability make system changes and provide appropriate enhancements to improve client experience, benefit timeliness, or program integrity and operational efficiency/effectiveness, posing major risks to the State.

The agency is currently awaiting approval from FNS on the design, development, and implementation (DDI) contract before moving forward with project kickoff. The DDI phase has an estimated FY26 total cost of \$24.2 million, and an overall total estimated design, development, and implementation project cost of \$89.8 million, approximately 25% of which will be funded with federal dollars starting October 1, 2026, due to the passage of H.R.1., the One Big Beautiful Bill Act (OBBBA). The impact of H.R.1. on funding for this project is that SNAP system development costs incurred beginning October 1, 2026, will now require a 75% state match, whereas costs incurred prior to the effective date of H.R.1. required only a 50% state match.

Current estimates show the design, development, testing, and implementation phases of the project spanning until FY27-28. As communicated previously, in addition to the FY26-27 request, along with the FY23-24, FY24-25, and FY25-26 non-recurring appropriations received, DSS intends to request additional non-recurring state appropriations for now the approximately 75% in required state matching funds for the duration of the project, followed by associated ongoing maintenance and support funds, following system deployment.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	6
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Healthy Eating
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Provide a brief, descriptive title for this request.

AMOUNT	\$12,364,444
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What is the net change in requested appropriations for FY 2026-2027? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☒	Change in cost of providing current services to existing program audience
	☒	Change in case load/enrollment under existing program guidelines
	☐	Non-mandated change in eligibility/enrollment for existing program
	☐	Non-mandated program change in service levels or areas
	☐	Proposed establishment of a new program or initiative
	☒	Loss of federal or other external financial support for existing program
	☐	Exhaustion of fund balances previously used to support program
	☐	IT Technology/Security related
	☐	Consulted DTO during development
	☐	HR/Personnel Related
	☐	Request for Non-Recurring Appropriations
	☐	Request for Federal/Other Authorization to spend existing funding
	☐	Related to a Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark “X” for primary applicable Statewide Enterprise Strategic Objective:	
	☐	Education, Training, and Human Development
	☒	Healthy and Safe Families
	☐	Maintaining Safety, Integrity, and Security
	☐	Public Infrastructure and Economic Development
	☐	Government and Citizens

ACCOUNTABILITY OF FUNDS	Goal 3; Strategy 3.1; Measure 3.1.2
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What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	SNAP clients and recipients, DSS employees
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What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon

**JUSTIFICATION
OF REQUEST**

Healthy Bucks - \$10,000,000 Total Funds

State General Funds - \$10,000,000

DSS continues to promote efforts to encourage and provide access to healthy eating options for South Carolinians, in addition to the administration of the federal SNAP, Child and Adult Care Food Program (CACFP), Child Nutrition and Senior Farmer's Market programs, the state's Healthy Bucks program (originally authorized under a proviso in the 2013-14 Appropriations Act), provides coupons allowing SNAP recipients to obtain additional fresh fruits and vegetables when purchasing fresh produce at grocery stores or farmer's markets with SNAP benefits through their EBT cards. Each coupon allows the recipient to double the amount of produce purchased, up to \$10. In 2022, the proviso was amended to increase the incentive limit to \$20. The Department received \$5,000,000 in non-recurring state general funds in FY24 and requests an additional \$10M in non-recurring funding to continue to operate the program with the \$20 incentive limit.

Food Choice Demonstration Project - \$2,364,444 Total Funds

State General Funds - \$1,773,333

Federal Funds - \$591,111

DSS also requests funding to implement and monitor refinements to the SNAP/EBT program that are aimed at continued prioritization of healthy food options for SNAP recipients in conjunction with a Food Choice Demonstration project DSS is partnering with USDA to place into operation.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM D – PROVISO REVISION REQUEST

NUMBER	38.14
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Cite the proviso according to the renumbered list (or mark “NEW”).

TITLE	Family Foster Care Payments
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Provide the title from the renumbered list or suggest a short title for any new request.

BUDGET PROGRAM	II. Foster Family Care Payments
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	Priority 1 - Enhancing the Future of Children and Families through Stability and Support
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Is this request associated with a budget request you have submitted for FY 2026-2027? If so, cite it here.

REQUESTED ACTION	Amend
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	None
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	This proviso was first adopted in FY2002-2003. The rates in this proviso are amended annually as needed based on inflation, to provide funding for the basic needs of foster children, including kinship care assistance. <u>Ages – Old Rate</u> 0-5 \$700 Per Month 6-12 \$818 Per Month 13+ \$863 Per Month
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

FISCAL IMPACT

This amendment would result in an increase in the amount foster parents receive for the needs of foster children in their care, and it would continue to meet the US Department of Agriculture cost of raising a child study.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

PROPOSED PROVISO TEXT

The Department of Social Services shall furnish as Family Foster Care payments for individual foster children under their sponsorship and under kinship care:

Ages 0-5 ~~\$700~~ **\$733** per month

Ages 6-12 ~~\$818~~ **\$856** per month

Ages 13+ ~~\$863~~ **\$904** per month

These specified amounts are for the basic needs of the foster children to include kinship care assistance. Basic needs within this proviso are identified as food (at home and away), clothing, housing, transportation, education, and other costs as defined in the U.S. Department of Agriculture study of the Annual Cost of Raising a Child to Age Eighteen. Further, each agency shall identify and justify, as another line item, all material and/or services, in excess of those basic needs listed above, which were a direct result of a professional agency evaluation of clientele need. Legitimate medical care in excess of Medicaid reimbursement or such care not recognized by Medicaid may be considered as special needs if approved by the sponsoring/responsible agency and shall be reimbursed by the sponsoring agency in the same manner of reimbursing other special needs of foster children.

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$10,158,764
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What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.

ASSOCIATED FTE REDUCTIONS	53.61
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM / ACTIVITY IMPACT	To meet a three percent reduction in general funds expenditures, DSS would reduce active contracts, excluding those under which services are delivered directly to clients. The agency would also execute a two-week furlough of all staff whose compensation is \$50,000 or more. Lastly, DSS would eliminate its current forecasted vacant positions, excluding frontline child welfare case managers, and frontline economic service eligibility workers.
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What programs or activities are supported by the General Funds identified?

SUMMARY	Description of Reduction Amount: 1. Implement Contract Reductions \$3,585,719 2. Furlough staff making \$50,000 and over for 10 days \$2,261,014 3. Eliminate forecasted vacant positions, except frontline child welfare case managers, and frontline economic service eligibility workers \$4,312,031 The reduction of these contracts would hinder the agency’s ability to continue to perform certain services necessary for the proper administration of DSS. The furlough of staff whose compensation is \$50,000 or more would put a strain on those staff that may need to continue the workload during the furlough period, along with a strain on their families. The elimination of current forecasted vacant positions, excluding frontline child welfare case managers and frontline economic service eligibility workers would put a heavier burden on current staff who are already absorbing an increased workload, thus creating a significant impact on service delivery to agency clients.
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Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS	NA
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What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Department Of Social Services		
Agency Code:	L040	Section:	38

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Reducing Cost and Burden to Businesses and Citizens
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	See narratives below
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What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	Mark “X” for all that apply:	
	☐	Repeal or revision of regulations.
	☐	Reduction of agency fees or fines to businesses or citizens.
	☐	Greater efficiency in agency services or reduction in compliance burden.
	☒	Other

METHOD OF CALCULATION	NA
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	Elimination of background check fees for child care providers will continue.
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	None
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

	The South Carolina Department of Social Services (DSS or Agency), one of the largest state government agencies in South Carolina, provides a vast array of critical services to a wide range of South Carolinians facing complex and often urgent needs. The agency operates an integrated service delivery method of county level offices and regional operation hubs. This framework is anchored at the state level which provides centralized support, and performance accountability measures. To fulfill its mission, the Agency works closely with and relies on other state agencies, community based non-profit organizations and other strategic partners. By leveraging shared resources and expertise, the Agency and its partners work collaboratively to advance state-wide outcomes Beyond the high-profile work done in the areas of Child Welfare and Adult Protective Services, the Agency also serves as the state’s administrator of safety net programs that provide financial and employment assistance to families in need. This includes the Supplemental Nutrition Assistance Program (SNAP) and the Temporary Assistance to Needy families (TANF) program. The Agency also oversees the licensure, regulation, and quality assurance of childcare providers statewide. This includes the management of a tiered, quality-based, rating system. Further, DSS maintains and operates the statewide infrastructure for the collection and disbursement of Child Support payments, ensuring timely and accurate financial support for South Carolina families.
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All DSS employees are prepared to support state-wide shelter operations during natural disasters and/or upon direction from the Governor, underscoring the Agency's vital role in South Carolina's emergency response framework.

The agency stopped charging child care centers for background check fees, effective with the 2021-2022 fiscal year, and this practice continues. This has reduced the burden on these centers by between \$175,000 and \$200,000 per year.

The agency issued additional one-time wage supplements using federal stimulus funding for child care teachers to help increase retention. Eligible direct care staff employed in a child care facility regulated by DSS received a supplement meeting certain criteria. DSS approved SC BOOST payments for over 13,900 child care teachers.

On July 10, 2024, DSS launched a final round of ARPA-funded grants to help child care providers increase their current enrollments. Licensed centers were strongly encouraged to use these funds to expand access to more children by opening unused classroom(s) and/or hiring additional teachers, or to retain current staff through salary increases or retention bonuses. Other allowable expenses included paying facility expenses (e.g., rent/mortgage payments, utility bills, and personnel costs); classroom materials; playground repairs/upgrades; technology equipment/services; goods/services; and cleaning or sanitation costs.

SUMMARY

DSS began offering child care assistance (scholarships) for working parents in October 2020. In order to qualify, parent income must be at or below 85% of the State Median Income and be working at least 15 hours a week or in school or training program. 50,908 children were approved for SC Working Families Child Care Scholarships and placed in a slot during SFY 2025.

The Healthy Bucks program provides coupons allowing SNAP recipients to obtain additional fresh fruits and vegetables when purchasing fresh produce at grocery stores or farmers markets with SNAP benefits through their EBT cards. Each coupon allows the recipient to double the amount of produce purchased. DSS expanded the types of vendors authorized to participate in the Healthy Bucks program to include small grocery stores and convenience stores, allowing greater access to fresh fruits and vegetables for SNAP recipients. The agency increased from 47 active Healthy Bucks vendors in 2022, to 53 in 2023; 57 in 2024 and 58 in 2025.

The Child Support Services Division (CSSD) continues to collect money for clients efficiently. In fact, CSSD was the 7th most cost-effective child support program in the United States for the most recent federal fiscal year. In addition to improvement in cost-effectiveness, the division improved in all other Federal Performance Measures.

Continued enhancements to the online child support customer service portal provide customers with 24/7 access to case information, more options to pay child support, and a faster way to enroll in direct deposit. As of August 1, 2025, over 80,000 customers have created user accounts and visited the online portal over 7 million times and has saved South Carolina citizens over \$1.1 million since they no longer need to ask the court to print their pay history.

Economic Services processed more than 366,000 applications for SNAP and TANF assistance in SFY 2025. The average number of applications received per week during this time was 6,668 which reflects an ongoing volume of 139% of 2019 application levels. The division also significantly improved the state's timeliness rate for SNAP application processing in SFY 2025, from 83% to 95%.

The agency issued over \$60 million in Disaster SNAP (DSNAP) benefits to more than 109,000 households impacted by Hurricane Helene and adopted a hybrid service delivery model to allow customers to apply for DSNAP online and over the phone or in person at designated sites. Economic Services and Information Technology staff built an online application/eligibility determination system, trained over 600 staff on a new service delivery model, and implemented call center and in-person events in 28 counties, all within a three-month period. The average amount of DSNAP benefits per household was \$548.

The SNAP Employment and Training (E&T) program increased SNAP E&T enrollments, which assisted 1,083 South Carolina TANF and SNAP E&T program participants to obtain employment.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?