



SOUTH CAROLINA GENERAL ASSEMBLY

## Legislative Audit Council

June 2026

# A LIMITED REVIEW OF LICENSING AND OVERSIGHT OF CHILD CARE PROVIDERS BY THE S.C. DEPARTMENT OF SOCIAL SERVICES



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# Introduction and Background

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## Audit Objectives

S.C. Code §2-15-64 requires the Legislative Audit Council (LAC) to audit a program of the S.C. Department of Social Services (DSS) every three years. After consultation with Senate and House leadership, the LAC determined that it would review the department's oversight of child care providers. Upon a preliminary review of the child care programs administered by the division, we developed the following audit objectives:

- Review the DSS licensing process for child care providers to determine what inefficiencies can be identified and corrected for a more timely process.
- Review the ABC Quality program to determine its current status.
- Determine ways the license revocation and appeals process can be more timely and consistently addressed in all the regions.
- Evaluate the data management systems used by the child care division to find inefficiencies and determine how increasing automation and integration can improve the division's processes and timeliness.
- Review the functions of the DSS fire marshal staff to determine what changes can improve the efficiency of the process and ensure the safety of children served by providers.

The audit request noted that a Special Joint Committee to Study Childcare (the Special Joint Committee) was meeting to evaluate the availability and affordability of child care in South Carolina. The request stated: "One area identified as a priority is the regulatory environment surrounding child care programs and providers, a significant component of the state's efforts on workforce development." The Special Joint Committee heard from DSS and stakeholders who made presentations and provided documentation about issues providers face, the benefits of on-site child care facilities, the need to increase child care worker pay, child care costs, areas with child care deserts (or gaps), and how the lack of child care impacts business. Our audit focused on the identified area of the request to be able to add value to the work of the Special Joint Committee but not duplicate its efforts. To ensure our audit report also included the most up-to-date information about availability and affordability of child care in our state, we have provided county-level data on child care costs and child care provider gaps in South Carolina. (*Refer to Appendices B and C*).

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## Scope and Methodology

The period of our review was generally calendar years 2024 and 2025 with consideration of earlier periods, when relevant to our audit objectives. To conduct this audit, we used the following sources of evidence:

- Interviews with DSS staff, Office of State Fire Marshal staff, S.C. Department of Education staff, interested parties, and child care providers.
- LAC survey of child care providers.
- Federal and state laws and regulations.
- DSS' financial transactions in the S.C. Enterprise Information System (SCEIS).
- Contract documents from the State Fiscal Accountability Authority's Materials Management Office (MMO).
- International and South Carolina fire codes.
- Fire inspection reports for child care providers.
- ABC Quality program manuals and other data on its website.
- Visits to child care providers to shadow a DSS licensing specialist and DSS fire marshals.
- Information on child care providers from DSS' physical files.
- Data and reports on child care providers from DSS' Child Care Services System.
- DSS' budget.
- Information about other states' provider portals.
- Information on other states' child care quality improvement programs.
- Attendance at a child care provider orientation conducted by DSS.
- Appeal records from DSS' Office of Administrative Hearings.
- Ongoing legal proceedings.

Criteria used to measure performance included federal and state laws and regulations, agency documents, an LAC survey of providers, and principles of good business practices. We interviewed DSS staff, both regional and central office, staff of other state agencies, and interested parties. We reviewed data, using both statistical and judgmental samples. We explained these samples within the report. We also interviewed staff regarding various information systems used by the agency to determine how the data are maintained and what levels of control are in place. We identified ongoing legal proceedings and considered those in relation to our audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on those audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on those audit objectives.

S.C. Code §2-15-50(b)(2) requires us to review the effectiveness of organizations, programs, activities, or functions to determine if they should be continued, revised, or eliminated. We did not conclude from this audit that the S.C. Department of Social Services should be eliminated. However, we have a number of recommendations for improvement.

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## Background

DSS is the state agency responsible for the regulation of child care facilities in South Carolina. All child care facilities in the state are required to be licensed, registered, approved, or legally exempt.

**LICENSED CHILD CARE CENTER** – A center licensed for 13 or more children which can be commercial, faith-based, or school-based. The provider must meet health and safety requirements and is regularly inspected. A license is required for commercial and school-based child care centers and group child care centers.

**LICENSED CHURCH CENTERS** – For child care sponsored by a church or religious organization, this registration requires the provider to meet health and safety requirements and be regularly inspected. Faith-based facilities can elect to be licensed to receive federal funding.

**LICENSED GROUP CHILD CARE HOMES** – A facility within a residence occupied by the operator that cares for 7 to 12 children. The number includes those living in the residence and children who are related to the operator.

**LICENSED FAMILY CHILD CARE HOMES** – A facility within a residence occupied by the operator that cares for no more than six children. The number includes those living in the residence and children who are related to the operator.

**REGISTERED CHURCH CENTERS** – For child care sponsored by a church or religious organization, this registration requires the provider to meet health and safety requirements and be regularly inspected; however, registered church centers cannot receive federal funding.

**REGISTERED FAMILY CHILD CARE HOMES** – A facility within a residence occupied by the operator that cares for no more than six children. The number includes those living in the residence and children related to the operator. A provider must be registered to care for more than one unrelated child in the home.

**LEGALLY-EXEMPT CHILD CARE FACILITIES** – Child care center-based programs that are open less than four hours per day and/or open on school holidays.

Chart 1.1 shows the number of child care facilities by provider type. There were 2,365 child care providers regulated by DSS as of December 31, 2025.

**Chart 1.1: Number of Regulated Child Care Providers in South Carolina as of December 31, 2025**

TYPE OF PROVIDER	NUMBER OF FACILITIES
Licensed Child Care Centers	1,312
Licensed Church Centers	111
Licensed Group Child Care Homes	54
Licensed Family Child Care Homes	127
Registered Church Centers	186
Registered Family Child Care Homes	575
<b>Total</b>	<b>2,365</b>

Note: The licensed child care centers include approved facilities. There were also 76 legally-exempt child care facilities open as of December 31, 2025.

Source: DSS.

## LAC Survey of Child Care Providers

We used SurveyMonkey® to assess child care providers' experiences with DSS' licensing application process and the ABC Quality program. Surveys were sent to all licensed child care providers and all legally-exempt providers that participated in the ABC Quality program. Despite receiving inaccurate email and mailing addresses for several child care providers from DSS, we received responses from 585 (34%) of the 1,701 child care providers that were sent surveys.

While child care providers generally had favorable views of DSS' licensing application process and the ABC Quality program, the survey also presented some opportunities for improvement for DSS. The results of the survey are in Appendix A, and open-ended responses were summarized and referenced throughout the report.



# Licensing Process

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## Length of Time to Become a Licensed Child Care Provider

DSS does not track the length of time it takes to become a licensed child care provider. We reviewed child care provider files, DSS' Child Care Services System (the agency's child care provider database), recordings of the S.C. General Assembly's Special Joint Committee to Study Childcare (Special Joint Committee), interviewed DSS employees, and surveyed child care providers. We found:

- Despite being asked by a member of the General Assembly in January 2024 to start tracking how long the child care provider licensing process takes, we found no evidence the agency has taken steps to do so.
- DSS has the information needed to track the length of time to complete the licensing process, but inconsistent data entry and insufficient data exchange between internal databases hinders the agency's ability to effectively calculate how long the process takes.
- Based on our sample of 50 providers, the median length of time to obtain licensure varied widely across the four regions of the state.

The length of time to complete the licensing process is partially dependent on when the applicant provides the required documentation to DSS. The process also depends on DSS to respond to questions, inform the applicant of all requirements, and process the applicant's documentation as quickly as possible. As noted in a January 11, 2024 meeting of the Special Joint Committee, "time is money," and the longer the licensing process takes, the more costs add up for potential child care providers. In order to increase the number of child care providers in the state, it is important to ensure that the licensing process is as efficient as possible. Not tracking how long the process takes hinders DSS' ability to ensure that it is operating efficiently.

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## DSS Does Not Track Length of Licensure Process

During the January 11, 2024 meeting of the Special Joint Committee, a legislative committee created to explore the availability and affordability of child care, a DSS employee was asked how long it takes an average child care center to go through the entire licensing process. The employee noted that it was hard to give an answer, but if the agency had everything that it needed from the child care provider, DSS could issue a license in about 30 days. We asked DSS the same question during our audit and were given an almost identical answer without any evidence to support the number.

In the same Special Joint Committee meeting, the agency was asked to track how long tasks take to complete to ensure the agency is performing the tasks as efficiently as possible. A DSS employee responded that the agency would “take a look at that.” From our review of DSS’ systems and processes, we found that the agency is not tracking how long most tasks, such as architectural plan reviews, take to be completed.

Since DSS was unable to tell us how long the application process took for providers starting when the application form is submitted, we performed our own calculations. However, we found several issues while attempting to determine how long the process took, specifically:

- DSS’ licensing specialists were inconsistent with what information they entered into the agency’s internal child care provider database.
- DSS’ child care database has the ability to pull information from a database used by the DSS Office of Inspector General, but not all information that is needed to track how long the background check for child care providers takes to complete is exchanged between the databases.
- There is no data exchange between DSS’ child care database and DSS’ fire marshal’s system to record fire inspections and architectural plan reviews of child care providers.
- Information on child care providers in DSS’ child care database is dependent on manual data entry, which is susceptible to errors and omissions.

Some of these issues are discussed in more detail in the section entitled *Child Care Services System*.

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## Methodology for Our Analysis

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To determine how long it takes child care providers to obtain a license from DSS, we obtained a list of all child care providers that were approved for new licenses from June 1, 2024 through May 31, 2025. The list included 173 newly-licensed child care providers. We used a 90% confidence level and 10% margin of error to obtain a statistically-valid sample size of 50 providers. The 50 randomly-selected providers included providers from each of the four regions (i.e., Lowcountry, Midlands, Pee Dee, and Upstate) of the state. This sample included providers that had capacities ranging from 5 to 400 children, and was used for multiple analyses in this report.

## Length of Time to Obtain Provisional Licensure

We calculated the length of time it took for a provisional license to be issued to the 50 child care providers in our sample after the providers submitted the application form. We found that the process took anywhere from 6 to 614 days, with the median length of time being 121 days.

S.C. Code §63-13-420(D) requires DSS, with limited exceptions, to approve or deny a child care licensing application within 90 days; otherwise, a provisional license will be granted to the applicant. A provisional license allows a provider to begin operating its facility while preparing for a full evaluation by DSS to determine whether to issue a regular license. As shown in Chart 2.1, the number of days from application to a provisional license being issued varied widely among child care providers included in our sample, with most providers not receiving a provisional license within 90 days of applying. According to DSS officials, the 90-day deadline for DSS to make a determination does not start until the required 13 forms/documents, which are listed on the following page, are received or are verified by DSS.

**Chart 2.1: Number of Days from Application Form Submission to Provisional Licensure for Providers in Our Sample**

	LOWCOUNTRY	MIDLANDS	PEE DEE	UPSTATE
Minimum	6	33	49	10
Maximum	603	614	298	379
Average*	150	223	198	154
Median*	95	173	190	68

\* Note: The average and median figures are rounded to the nearest whole number. The number of days listed includes potential delays caused by applicants not submitting all required documents, which is outside of DSS' control.

Source: LAC analysis of child care provider records in DSS' Child Care Services System.

According to a DSS official, the 13 forms/documents that are required before a provisional license may be issued and before the 90-day clock starts include:

1. Zoning approval letter.
2. Application (DSS form 2902).
3. Liability insurance or notice of no insurance to parents verified.
4. Fire/health inspection report.
5. Floor plan and measurements.
6. Three references for director(s).
7. Education documentation for director(s) and staff.
8. Experience documentation for director(s).
9. List of staff (DSS form 2964).
10. Fingerprint results.
11. Central registry checks (DSS form 2924).
12. CPR/First Aid certification.
13. Policies.

Since all 13 forms/documents must be provided before the 90-day deadline starts, a considerable amount of time might pass from the time a provider first submits the application form to DSS and the start of the 90-day deadline. Waiting for providers to submit all required documentation is likely one of the reasons why more than 600 days passed for three providers in our sample before the providers were issued a provisional license.

Currently, application forms are submitted either by email, mail, or in-person. Only information relating to fingerprint and background checks is submitted through a portal. However, if DSS were to implement a portal where applicants can submit all required documents and communicate with child care licensing specialists, as noted in the section entitled *Provider Portal*, then it could significantly improve operational efficiency and may help reduce the amount of time it takes to become a licensed child care provider.

## Length of Time to Obtain Regular Licensure

We also calculated the length of time it took for a regular license to be issued to the 50 child care providers in our sample after the providers submitted an application form and found that the process took anywhere from 67 to 878 days, with the median length of time being 243 days. As with provisional licensure, the length of time to issue a regular license varied widely among the four regions.

**Chart 2.2: Number of Days from Application Form Submittal to Regular Licensure for Providers in Our Sample**

	LOWCOUNTRY	MIDLANDS	PEE DEE	UPSTATE
Minimum	198	67	321	98
Maximum	543	878	355	542
Average*	307	265	343	288
Median*	327	216	352	233

\* Note: The average and median figures are rounded to the nearest whole number. The number of days listed includes potential delays caused by applicants not submitting all required documents, which is outside of DSS' control.

Source: LAC analysis of child care provider records in DSS' Child Care Services System.

According to a DSS official, when a provisional license is issued, it is issued with a six-month expiration. DSS may extend the provisional license, but S.C. Code §63-13-100(B) generally prevents a provisional license from being extended for more than one year. We calculated the length of time it took for the child care providers in our sample to obtain a regular license after receiving a provisional license and found that none exceeded one year.

## Survey of Child Care Providers

In addition to reviewing the timelines for licensure, we also surveyed child care providers. We asked how long the licensing process took from the date the first document/form was submitted to DSS, and 0-3 months was the most popular answer. Five percent of respondents noted that the process took more than one year.

**Chart 2.3: LAC Survey Question  
on Length of Application Process**

**From the date you started the licensing application process (i.e., submitted your first document/form to DSS) to the date you were issued a license by the agency, how long did the process take?**

	RESPONSES	
0-3 months	34.22%	155
4-6 months	23.18%	105
7-9 months	7.06%	32
10-12 months	4.64%	21
More than 1 year	5.08%	23
Don't remember	25.83%	117
	<i>Answered</i>	453
	<i>Skipped</i>	132

Source: LAC survey of licensed and legally-exempt child care providers.

## Recommendation

1. The S.C. Department of Social Services should start tracking how long the entire licensure process takes, including each step of the process, to identify problem areas and to ensure the agency is able to issue licenses as efficiently as possible.

## Timeliness of Background Checks

We reviewed state and federal laws, data on checks of the Central Registry of Child Abuse and Neglect (Central Registry), and data on background investigations completed by the DSS Office of the Inspector General (DSS OIG) to determine the agency's timeliness in completing background checks. DSS is required by federal law, 42 U.S.C. §9858f(e)(1), to provide background check results to a child care provider or prospective staff member within 45 days from the date the background check request was made. We found:

- While there were some outliers, DSS was able to complete most checks of the Central Registry within one week of a request.
- Once all required items were received, the median length of time for the DSS OIG to complete background investigations was nine calendar days.
- DSS exceeded the 45-day deadline on occasion, but it does not appear to be a significant issue.

From our review, we determined that DSS is substantially meeting the federal 45-day requirement to complete background checks.

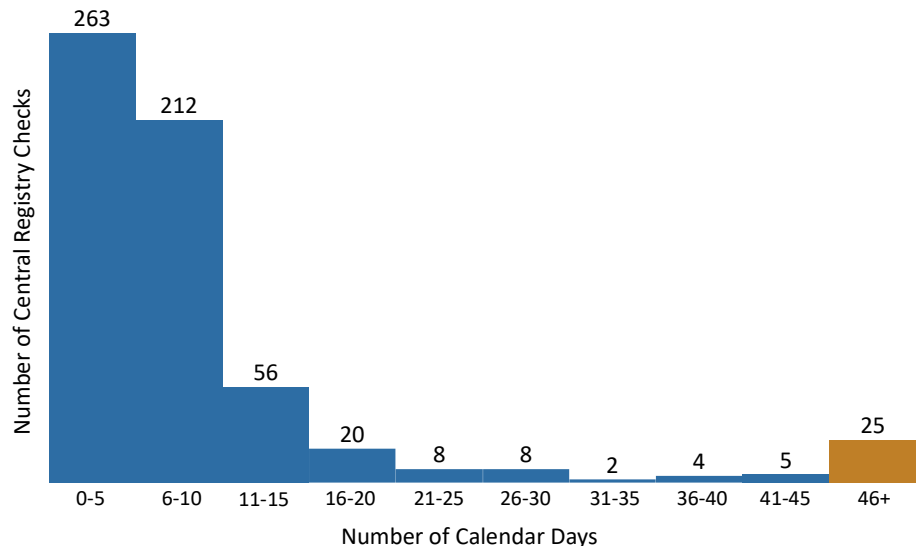
## Central Registry Checks

Using a random sample of 50 child care providers (for which the methodology can be found in the section entitled *Length of Time to Become a Licensed Child Care Provider*), we found that DSS’ checks of the Central Registry took anywhere from 0 to 281 calendar days to complete, with a median length of time of 6 calendar days. Zero days indicates that the Central Registry check was completed the same day the request was received. Of the 603 Central Registry checks we reviewed, only 25 (4%) Central Registry checks exceeded the 45-day requirement, as shown in Chart 2.4.

S.C. Code §63-13-40(D)(1) requires all prospective employees and volunteers at a licensed, registered, or approved child care facility to first undergo a check of the Central Registry. According to DSS staff, all Central Registry checks are conducted by central office staff in Columbia.

To determine how long DSS took to complete the Central Registry checks, we obtained data on every Central Registry check completed on every staff member for all 50 child care providers included in our sample. The lists of Central Registry checks were obtained from DSS’ internal child care licensing system between July 16, 2025 and July 21, 2025. We then calculated the number of calendar days between when the request to complete the check was received and the date the check was completed.

**Chart 2.4: Number of Calendar Days to Complete Central Registry Checks on Sample of Child Care Providers**



Source: LAC analysis of DSS’ Central Registry of Child Abuse and Neglect data.

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## DSS OIG Background Investigation Process

In addition to the Central Registry checks completed by the DSS central office staff, DSS OIG staff conduct criminal background investigations, which can vary greatly in length depending on the complexity of an individual's criminal history.

S.C. Code §63-13-40(D)(1) requires all prospective employees and volunteers at a licensed, registered, or approved child care facility to first undergo a fingerprint-based background check to determine criminal history and checks of the national and state sex offender registries. Additionally, S.C. Code §63-13-40(D)(2) requires the same individuals to be subject to a criminal history, sex offender, and state child abuse and neglect registry check in each state where the individual has lived in the previous five years.

The DSS OIG background investigations start when a fingerprint scan is submitted by an individual at one of the Identogo® locations across the state. In addition to submitting fingerprints, a prospective child care employee must submit a questionnaire to the DSS OIG. This questionnaire asks individuals to list, in part, all the places he/she has lived within the past five years and to list all arrests, charges, and convictions.

According to DSS OIG staff, once the questionnaire and fingerprint scans are received, an investigator conducts checks of the National Crime Information Center database and sex offender registries. The investigator also checks the public index for each county where the individual lived or worked, and may expand the search to neighboring, more populous counties, as well. DSS OIG investigators also use a database called CLEAR (Consolidated Lead Evaluation and Reporting) that has risk analytics and national crime information. Finally, criminal, sex offender, and child abuse and neglect checks are made in each state where the individual lived in the past five years.

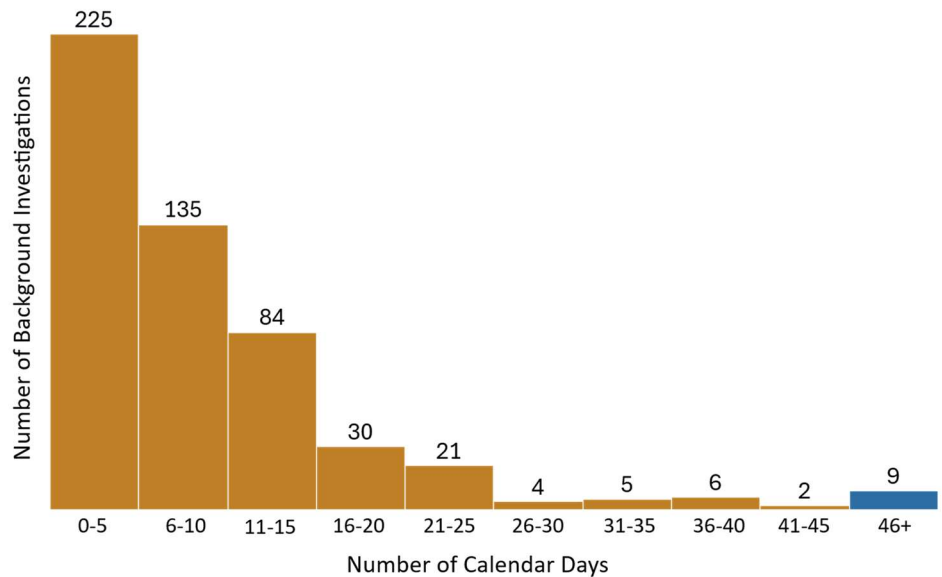
If an individual does not have any crimes that would exclude him/her from working in a child care facility, DSS OIG staff send a letter to the individual and child care provider letting them know that the individual is cleared to be hired. According to DSS OIG staff, if a criminal record is found, but the disposition of the case is unclear, an investigator will reach out to the court for clarity.

## Length of Time to Complete DSS OIG Background Investigations

Using the random sample of 50 child care providers, we found that the DSS OIG took anywhere from 0 to 148 calendar days to complete background investigations, with a median length of time of 9 calendar days. Zero days indicates the investigation was completed the same day the last required item (i.e., fingerprint scan or questionnaire) was received. Of the 521 background investigations we reviewed, only 9 (less than 2%) exceeded the 45-day requirement, as shown in Chart 2.5.

To calculate the length of time, we obtained DSS OIG background investigation information on every child care worker employed by one of the 50 child care providers included in our sample. This included obtaining the dates the fingerprint scans were submitted, the DSS OIG's determination dates from DSS' child care services system, and the date the questionnaires were received directly from the DSS OIG.

**Chart 2.5: Number of Days to Complete Background Investigations on Sample of Child Care Providers**



Source: LAC analysis of DSS OIG background investigation data.

From our review, we determined that DSS is substantially meeting the federal 45-day requirement to complete background checks. DSS should continue its work to quickly turn around background checks for child care providers.

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## **Contractor Noncompliance with State Fingerprinting Services Contract**

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We reviewed the availability of fingerprinting locations across the state and found that the contractor awarded the state contract for digital fingerprinting services is not in compliance with location or hours of operation requirements. An individual seeking employment in child care in South Carolina must submit his/her fingerprints as part of DSS' background check. Fingerprints are also required to be resubmitted every five years thereafter. To submit fingerprints, individuals must schedule an appointment at one of IDEMIA Identity & Security USA LLC's 45 IDentoGO locations across the state.

We reviewed IDEMIA's list of locations, hours of operations, and state contract, and found:

- IDEMIA is not operating four fixed site locations in each of the four regions (i.e., Lowcountry, Midlands, Pee Dee, and Upstate) of the state, as required.
- IDEMIA's fixed site locations are not open for the minimum required hours of operation.
- There are five counties with no fixed, mobile, or host sites available for residents, as required.

While DSS staff said they were aware of issues with availability of appointments during COVID-19, agency staff also stated that there have not been recent issues with appointment availability. Nonetheless, IDEMIA's noncompliance with the state digital fingerprinting services contract likely causes delays for some child care providers seeking to hire new staff members. In our survey, child care providers reported losing qualified applicants and difficulty in maintaining staffing ratios due to the length of the background check process, which would include the wait time to receive a fingerprint scan appointment.

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## Digital Fingerprinting Services State Contract

On May 19, 2022, IDEMIA was awarded a state contract for digital fingerprinting services. The contract ends on May 18, 2029. The terms of the contract specify several requirements regarding locations and hours of operation, namely:

- The contractor must establish and maintain a minimum of four physical, “brick and mortar” appointment locations (referred to as “fixed sites”) in each region of South Carolina.
- Each fixed site’s standard hours of operation must:
  - Be, at a minimum, Monday through Friday, 9:00 a.m. to 5:00 p.m., excluding state and federal holidays.
  - Include two weekday evenings until 9:00 p.m.
  - Include two Saturdays per calendar month from 8:00 a.m. to 12:00 p.m.
- The contractor must maintain a presence in each South Carolina county that does not have a fixed site. Presence, at a minimum, means either (1) contractor hosts a mobile site for a designated, full day (9:00 a.m. to 5:00 p.m.) to provide fingerprinting service appointments in the county at least every two months, or (2) if a contractor has established a relationship with an existing, SLED-approved location owned by a third party (referred to as a co-site or temp site), the contractor hosts a designated, full day to provide fingerprinting service appointments at a co-site in the county at least every two months.

We obtained a list of IDEMIA’s fingerprinting locations in South Carolina as of June 12, 2025. We reviewed compliance with the first requirement concerning fixed site availability and found that IDEMIA has two fixed sites in the Midlands, Pee Dee, and Upstate regions, and only one fixed site in the Lowcountry. Consequently, IDEMIA is not meeting the fixed site requirement for any of the four regions of the state.

We reviewed the hours of operation requirements for fixed sites and found that none of the fixed sites meet the hours of operation requirements as spelled out in the state contract. For example:

- The Mount Pleasant, Columbia, Florence, Greenville, and Rock Hill fixed sites do not meet the contract requirements because those sites are not open two weekday evenings until 9:00 p.m.
- The North Augusta fixed site does not meet the contract requirements because it is not open two weekday evenings until 9:00 p.m. and is not open two Saturdays per calendar month.
- The Myrtle Beach fixed site does not meet the contract requirements because it is not open every day from Monday through Friday, is not open two weekday evenings until 9:00 p.m., and is not open two Saturdays per calendar month.

We reviewed the South Carolina county presence requirements listed above and found that five counties (Fairfield, Jasper, Marion, Oconee, and Saluda) do not have any fingerprinting locations. Additionally, Barnwell County does not have a location that is open for a full business day, as required.

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## Oversight of Digital Fingerprinting Services State Contract

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Staff at DSS and the Materials Management Office (MMO), who awarded the state contract to IDEMIA, both acknowledged that they have heard concerns regarding availability of fingerprint locations. Issues with appointment availability led to a change order to the state contract in December 2024. The change order made it easier for IDEMIA to comply with the state contract requirements by allowing non-IDEMIA employees to conduct the digital fingerprinting services and allowed IDEMIA to open third-party locations. However, DSS staff informed us that IDEMIA is sometimes unaware of host site availability for fingerprinting services since the locations are owned by third parties.

MMO's procedures for state contracts put the responsibility for correcting contractor noncompliance on agency users when contractor nonperformance is discovered. Only after nonperformance continues and an agency prepares a formal "performance report" will MMO step in to try to resolve the matter. Ultimately, state contracts can be terminated for nonperformance.

We contacted DSS to determine what steps have been taken to ensure IDEMIA is complying with the fixed site, hours of operation, and county presence requirements outlined in the digital fingerprinting services state contract. We were informed that agency staff considered using federal grant funds to purchase mobile units that would offer fingerprinting services. However, the agency is not currently considering mobile units because staff have not heard of any problems getting appointments recently. An agency official said changes to the state’s gun laws may have made it easier to access fingerprinting services, as a concealed weapon permit is no longer required to carry concealed weapons in many locations in the state. To obtain a concealed weapon permit, individuals must either provide a fingerprint scan, which can be done at Identogo locations, or submit written verification from a medical doctor if they are unable to provide the required fingerprints for a background check.

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## Survey of Child Care Providers

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In our survey of child care providers, we asked, “If there were extended delays in the licensing application process, what were some of the reasons?” Of the 402 child care providers who responded to this question, 35 (8.71%) answered “Availability of staff background check appointments.”

Additionally, at the end of our survey, we asked child care providers if there was anything they would like to share with us that would benefit our review. Several providers referenced the length of time it takes background checks to be completed and the difficulty it creates (e.g., maintaining staffing ratios) when staff leave and new staff need to be hired.

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## Recommendations

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2. The S.C. Department of Social Services should immediately inform IDEMIA of its noncompliance with the state fingerprinting services contract.

3. If IDEMIA’s nonperformance continues, the S.C. Department of Social Services should prepare a formal performance report and provide it to the Materials Management Office for further action.

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## Background Check Fees

DSS is violating state law by covering the cost of fingerprint scans for child care provider staff. We reviewed state law, DSS' payments to the state vendor for digital fingerprinting services, DSS' revenue generated from the Central Registry check fees, and interviewed DSS staff. We found that DSS:

- Paid almost \$1.8 million to IDEMIA, the state vendor for digital fingerprinting services, for fingerprint scans conducted from August 2021 through May 2025 using federal grant money.
- Waived the Central Registry check fee for child care provider staff starting in FY 21-22, despite collecting approximately \$200,000 per year from Central Registry check fees before waiving the fee.

While DSS' payments to IDEMIA to cover the cost of fingerprint scans and the waiving of the Central Registry check fee for child care provider staff may be well intentioned, there is no requirement that federal grant funds be used to cover the costs of background checks. State law explicitly makes prospective employees or child care facilities responsible for the costs of background checks. DSS staff said the agency's decision to cover the cost of background checks has led some child care provider staff to voluntarily undergo a background check more often than necessary. This creates additional costs for DSS and extra work for DSS employees tasked with conducting background checks.

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## Requirements in State Law

S.C. Code §63-13-40(D)(1) requires all individuals to undergo multiple background checks before being employed by or providing caregiving services at a child care facility. S.C. Code §63-13-40(D)(10) states:

The prospective employee or childcare facility shall be responsible for any fees associated with any and all required background checks. Fees shall not exceed the actual cost of processing and administration.

This requirement was added to state law by Act No. 52 of 2019, and went into effect on May 16, 2019. Furthermore, multiple other statutes, such as S.C. Code §§63-13-420(K), 63-13-620(G), 63-13-630(H), 63-13-820(H), and 63-13-1010(I), also require that prospective employees or DSS-regulated child care facilities (e.g., private centers and group child care homes and family child care homes) be responsible for the costs of background checks.

## Cost of Background Checks

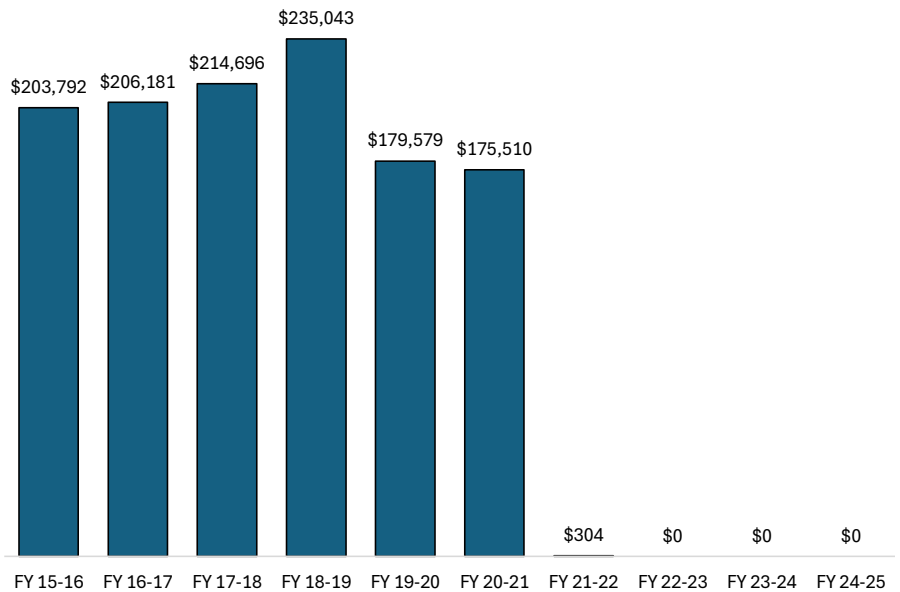
### Fingerprint Scans

The cost of a fingerprint scan ranges between \$32.75 and \$40 per scan depending on whether the child care provider is a charitable organization and whether the individual undergoing the background check is a volunteer. DSS started covering the cost of fingerprint scans in August 2021, and, from August 2021 through May 2025, the agency has paid IDEMIA \$1,790,802. DSS has used funds from three federal grants to cover the cost of the fingerprint scans charged by IDEMIA. Our review of the three grant funds found no requirement for DSS to use the grants to cover the cost of background checks.

### Central Registry Checks

Before waiving fees charged for checks of the Central Registry in FY 21-22, DSS charged individuals seeking employment in child care \$8 per check. Proviso 38.7 in all state budgets going back to at least FY 18-19 has allowed DSS to retain the fees collected for the Central Registry checks to further develop and administer the child care licensing program. Prior to waiving Central Registry check fees, DSS collected approximately \$200,000 annually from child care providers for checks of the Central Registry, as shown in Chart 2.6.

**Chart 2.6: Central Registry Check Fees Collected by DSS, FY 18-19 - FY 24-25**



Source: S.C. Enterprise Information System.

When asked if DSS planned on reimplementing the background check fees for child care providers and their staff, a DSS official said that there were no plans to do so. Even though DSS is using federal funds to cover the cost of fingerprint scans, it creates an opportunity cost because DSS could be using those funds in other ways to assist child care providers, including, but not limited to, helping providers make changes to their facilities so they could qualify for the ABC Quality program. Also, not charging for the Central Registry checks represents an annual loss in revenue to DSS that could have been used by the agency to develop an online provider portal, as discussed in the section entitled *Provider Portal*, or to offset current child care licensing expenditures.

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## Creating Additional Costs and Work for DSS Employees

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By covering the costs associated with background checks, DSS has enabled child care provider staff to obtain background checks more often than necessary. S.C. Code §63-13-40(D)(6) requires individuals to undergo a background check if the individual has not been employed or does not provide caregiver services by a child care facility for six months or longer; otherwise, background checks are only required once every five years.

According to DSS staff, some individuals think a new background check is needed any time the individual switches providers, and some providers tell employees to get fingerprint scans done at the same time, so all employees are on the same five-year renewal cycle. Instances where individuals are getting background checks more often than required create unnecessary costs for DSS and additional work for DSS employees responsible for completing the background checks. Reinstating the background check fees would likely decrease unnecessary background checks.

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## Recommendations

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4. The S.C. Department of Social Services should immediately stop covering the costs of fingerprint scans for prospective and current child care provider staff.

5. If the S.C. Department of Social Services wishes to continue covering the cost of fingerprint scans for prospective and current child care provider staff, the agency should request amendments to S.C. Code §§63-13-40(D)(10), 63-13-420(K), 63-13-620(G), 63-13-630(H), 63-13-820(H), and 63-13-1010(I) to allow the agency to cover the cost of fingerprint scans.

6. The S.C. Department of Social Services should immediately reinstate the fee to conduct checks of the Central Registry of Child Abuse and Neglect.

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## Accounting Errors

DSS made several accounting errors in SCEIS, the statewide accounting system, across multiple fiscal years. During the course of our audit, we reviewed DSS' financial transactions related to payments made to IDEMIA to cover the cost of fingerprint scans for child care workers, revenue received from child care workers for the Central Registry check fees, and postage costs paid by the four regions of child care licensing. We found that DSS:

- Incorrectly recorded a \$7,566.75 refund to the wrong general ledger account and grant fund in FY 23-24.
- Reported small revenue and refund amounts (i.e., less than \$100) in a general ledger account designated for Central Registry check fees that should not have had any transactions reported in FY 24-25 and FY 25-26.
- Incorrectly assigned \$5,000 of postage costs incurred by the Pee Dee region in FY 23-24 to the Lowcountry region.

We asked a DSS official responsible for financial transactions about the first two accounting errors, and the agency acknowledged the errors and said that its staff was working to correct the error involving the \$7,566.75 refund. While the dollar amount involved in the accounting errors was small, the fact that we found accounting errors in each of the three areas where we reviewed financial transactions is concerning and points to a need for better attention to detail and oversight to ensure that errors like these are limited in the future.

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## **Recommendations**

7. The S.C. Department of Social Services should correct the accounting error in the S.C. Enterprise Information System related to the \$7,566.75 refund from IDEMIA that was incorrectly assigned to a child care licensing grant.
8. The S.C. Department of Social Services should reconcile the general ledger account designated for Central Registry of Child Abuse and Neglect checks of child care providers at least annually.
9. The S.C. Department of Social Services should correctly assign postage costs for each of the four regions of child care licensing going forward.

# ABC Quality Program

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## ABC Quality Program

One way South Carolina families can be assisted with the affordability of child care is through the ABC Quality program. This program requires higher than minimum standards for licensing (or regulation) of child care providers, and, through the program, families can be awarded scholarships to help pay child care tuition. However, we found that program improvements are needed to:

- Ensure that program standards are clear and fair to all types of providers.
- Improve communication between providers and ABC Quality DSS staff.
- Establish a method by which a provider can appeal its “grade” assessed by DSS.

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## What Is the ABC Quality Program?

ABC Quality, South Carolina’s statewide Quality Rating and Improvement System, has been in existence since 1992. According to DSS, this voluntary program provides the foundation for an early care and education system through a framework to assess, improve, promote, and communicate the quality of early learning and development. According to DSS, when child care providers join the ABC Quality program, they get business-building and quality improvement tools—at no cost to them. Additionally, they can access funds for upgrading technology, enhancing staff salaries, and providing professional development.

The state also provides scholarships, with amounts varying depending, in part, on the provider’s grade (A+, A, B+, B, and C) to help pay for child care at ABC Quality providers, so parents can work or attend job training for a designated time, usually a year. The goal of the program is to increase the availability, affordability, accessibility, and quality of child care for South Carolina families.

As of June 30, 2025, there were 1,336 child care providers in the ABC Quality program. This number has remained relatively consistent since June 2023, when there were 1,325 in the program.

In the section entitled *Length of Time to Become a Licensed Child Care Provider*, we reviewed the length of time it takes between the application date and the date DSS grants a license. We wanted to determine how long it takes for a licensed or legally-exempt provider to be approved for the ABC Quality program; however, DSS does not track the length of time between when a newly-licensed provider applies for and is approved for participation in the ABC Quality program after becoming licensed. DSS does require a provider to be in operation for at least six months with no deficiencies to be considered for the program.

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## DSS' Survey of ABC Quality Providers

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DSS conducted a survey in late 2024 and published it on February 17, 2025 of 530 ABC Quality providers that had completed the ABC Quality rating process using the recently revised tools and standards to “gather valuable insights” on the process, scoring system, and overall impact of ABC Quality standards. DSS reported a 37% response rate with input from 76% of counties.

DSS' survey showed a number of issues needing improvement. Survey participants were given the opportunity to respond to open-ended questions as well as closed-ended questions about the program. DSS' key takeaways included:

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Some standards were described, in the open-ended responses, as vague, lengthy, or difficult to interpret. (The standards are what the assessors judge providers on to determine the rating for the provider, which, in turn, affects the amount of financial assistance offered for children attending the program.)

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While most respondents answering the closed-end questions reported being somewhat satisfied to very satisfied with the program, a notable percentage expressed concerns about clarity and fairness in scoring. Specifically, 23.18% of respondents said the scoring system was “somewhat” or “not” objective, while 18.30% of respondents said that the scoring system (point designations) were “somewhat unclear” or “very unclear”.

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Many felt the scoring system (implemented in 2024) is too rigid and failed to account for differences in programs (especially Montessori schools). When asked how well a provider's scores reflect the quality of its program, almost 42% responded “slightly” or “not very” well. Over half of the respondents indicated that the new scoring system created additional administrative burdens, particularly for smaller programs.

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Some providers said that pre-assessment opportunities would help providers prepare for formal monitoring. Technical assistance was helpful for many, but some felt more targeted support was needed. Many programs expressed a need for more hands-on training and mentorship, particularly when implementing new standards.

Respondents with lower ratings commented that there are challenges in marketing their services to families. They also said that DSS needs to better explain to the public what the ABC Quality ratings represent.

More than 40% of respondents indicated that the ABC Quality process had a negative impact on staff morale.

As of September 2025, DSS was still meeting with the University of South Carolina (USC) and another consultant to decide what to do about the new assessment tool and the concerns noted by respondents.

In addition to key takeaways, DSS' report also lists "Recommendations" the agency developed from survey responses. Some of the recommendations noted the need for DSS to:

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Revise ambiguous standards to include clearer language and real-world examples.

Enhance the scoring system, separate scoring categories to provide a more nuanced evaluation of program quality. Also, to review the point distribution to ensure fairness across all program types, with a consideration of partial credit.

Implement a scoring appeal process to allow providers to address discrepancies.

Establish a provider advisory council to give ongoing input.

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We reviewed Southeastern states for this audit and found that some states allow providers to appeal scoring/rating decisions.

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## LAC Survey of ABC Quality Providers

In May 2025, we sent out surveys to all licensed and legally-exempt child care providers to obtain their input on the licensing process and the ABC Quality program, if applicable. We had an overall response rate of 34%. The survey results can be found in Appendix A. Approximately 327 ABC Quality providers responded to our survey. We found:

85% of the respondents agreed that the ABC Quality program’s “financial support through scholarships and vouchers helps sustain or improve my facility’s child care services.”

When asked to choose up to three responses to how the providers’ participation had influenced the providers’ abilities to provide high-quality child care, the top responses included: “Increased access to funding or financial incentives.” (64%) and “Improved staff training and professional development.” (51%)

On average, when asked to rate the communication between ABC Quality staff and the provider, 66% rated it either 4 or 5 stars out of 5 stars.

Asked if the providers had ever disagreed with a quality rating, 35% answered “yes”. When asked what actions, if any, were taken, 85 respondents either took no action or attempted to communicate with a DSS employee.

Responses from DSS to these providers’ inquiries included that there was no recourse, nothing could be done until the next review in a year, no avenue for questions and/or disagreements were provided, nothing changed, nothing worked. Specific responses included:

- “Didn’t take any actions because it wouldn’t matter.”
  - “No point in taking action as a response is usually negative.”
  - “I sent emails over to my assessor along with her supervisor, however, it was pointless because the system is very bias [*sic*].”
  - “The [grading] practice is certainly unfair.”
  - “I was so fed up that I simply took what was given.”
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In an open-ended question, we asked what challenges ABC Quality providers have faced while participating in the program. Of the 222 providers responding to this question, 70 remarked that they had not faced challenges; however, there were responses including the following issues:

- **COMMUNICATION:** 42 responses indicating that they had experienced communication issues with DSS staff—with some specifically stating that DSS does not answer telephone calls and it is difficult to get someone to answer questions.
- **CLEARER POLICIES:** 27 comments indicating that the ABC Quality program needs clearer policies and defined expectations, specifically stating that answers between DSS (licensing) and ABC Quality conflict and regulations and guidelines are unclear and difficult to understand.
- **LACK OF TIMELINESS:** 14 additional comments addressed the lack of timeliness for various aspects of the program including untimely review processes and scheduling a “visit” to get a grade.
- **QUALITY RATING QUESTIONS:** 11 providers indicated they had questions about how to achieve a higher rating, how to change a rating, and how to maintain a rating because it is difficult.

In our survey, we also asked the providers *not* participating in the ABC Quality program for the reasons why they did not participate. Of the answer choices provided, the top three chosen were:

- “My facility is already meeting high standards without ABC Quality.” (38%)
- “My facility is already at capacity and there is no need for the ability to admit children with DSS vouchers/scholarships.” (33%)
- “Participation takes too much time and paperwork.” (32%)

Respondents were given the opportunity to specify other reasons why they did not participate in the ABC Quality program. Some of the responses from the providers not participating in the ABC Quality program mirrored those issues identified by the ABC Quality providers, including unclear policies and communication issues.

While responses varied, several respondents mentioned that the rating system is not clearly explained. Respondents have also reached out to ask questions and/or request information from DSS and received no response. Respondents noted that it would be easier to do paperwork online, the process is long and complicated and, financially, it is very hard to get a good grade (not easily attainable). One respondent stated that no additional oversight was needed.

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## Interested Party Responses

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In addition to these surveys of providers, we reached out to nine agencies/organizations, identified by DSS or by the LAC, dealing with the DSS child care licensing process and asked them about the ABC Quality program.

One interested party commented that, while the ABC Quality program is “much needed” in the state because general child care licensing regulations are very low, the ABC Quality assessment process could be significantly improved. The standards focus too much on “bean counting” and paperwork instead of true indicators of quality like teacher-child interactions and relationships with families. The amount of paperwork required is overwhelming to providers, and the tool, itself, is so expansive that the process to complete the assessment and have it approved by the different levels of ABC Quality staff takes an inordinate amount of time.

The same interested party also stated that ABC Quality needs to establish an appeal process similar to the child care licensing process where there is a formal process to resolve the grievance if a provider disagrees with its rating.

Another interested party stated that the ABC Quality program is “incredibly regulated,” but stated that, for the most part, that is good. It can also make child care more affordable for families. Lastly, an interested party commented that ABC monitors (assessors) are not properly trained or supported.

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## South Carolina's Quality Program Compared to Other States' Programs

According to ChildCare.gov, an official website of the United States government, in addition to child care licensing, many states also have child care quality rating systems. In comparing South Carolina's quality program to other Southeastern states, we found there are similarities. The number of points scored and the assessment tools used by these states vary, but the information requested and observations made are similar. Most of the Southeastern states use at least a portfolio score and classroom observations.

However, we found that at least seven other states we reviewed allow child care providers to appeal or have their ratings reassessed when there is a disagreement over a rating. Providers in South Carolina do not have this capability if displeased with the rating determined by DSS.

### **South Carolina**

In South Carolina, a child care provider can be licensed without participating in the ABC Quality program; however, if the provider does not participate in the ABC quality program, it cannot receive subsidies for children to attend.

South Carolina's ABC Quality program's structural and process quality assessments are points-based. Providers earn points based on their strengths by meeting indicators through a portfolio/document submission (Structural Quality Assessment) and an on-site observation (Process Quality Assessment). The points are essentially converted to grades of A+, A, B+, B, and C.

The child care provider's quality level determines the amount of scholarship funding which may be received; the higher the grade, the more funding. A scholarship may cover all or a portion of child care costs. The child care scholarship amount a provider is eligible for will be determined by factors including the provider's tuition rate, its ABC Quality level, and the age of the child served.

### **North Carolina**

North Carolina's quality program is called the Star Rated License System and uses a scale of one to five stars. A one-star license is issued to child care programs that meet the minimum licensing requirements. A child care center must be in operation for six months before applying to earn two or more stars. To apply for a multi-star license, the program must have a compliance history of 75% or better over an 18-month period (or during the length of time the facility has operated, whichever is less) and the program can voluntarily choose to apply to meet higher standards in two components: program standards and staff education standards.

A child care provider may apply for a change or appeal of the star rating. The operator may have extra rating scale assessments performed at the operator's expense in addition to the free one performed by the division. An operator may also appeal a reduction of a star rating as provided in state law.

### **Georgia**

Georgia's quality program is called Quality Rated child care and assigns zero to three stars indicating the level of quality a licensed child care program provides. The program's guidance was revised as of June 2025. Programs that receive a zero rating can reapply to Quality Rated and attempt a re-rating by selecting a new slot from any remaining available cohorts (which refers to a group of child care programs that are scheduled to submit their portfolios and receive their assessments within a specific time frame). Georgia offers financial incentives to help programs improve learning environments, attain higher ratings, and sustain long-term quality.

In addition to North Carolina and Georgia, we reviewed quality programs in Kentucky, Arkansas, Tennessee, Virginia, and Alabama. All of these states have some mechanism in place for providers to appeal a decision or ask for a reconsideration or reassessment of a quality rating. The lack of this ability in South Carolina was noted by ABC Quality providers responding to DSS' survey, the LAC's survey of providers, and interested parties.

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## **Grant Money to ABC Quality Providers**

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In addition to scholarship funding to providers, ABC Quality child care programs receive grant funding for various reasons. Since 2023, ABC Quality providers have received \$206,350,538 in assistance from DSS through various grants. According to DSS management, the agency received close to \$1 billion for child care from the American Rescue Plan Act (ARPA), which was a federal stimulus bill to aid public health and economic recovery from the COVID-19 pandemic. The federal plan included \$350 billion in emergency funding for state, local, territorial, and tribal governments, known as the Coronavirus State and Local Fiscal Recovery Funds.

In addition to the ARPA and other funds related to COVID-19, ABC Quality providers have also received grant money from various sources, including the Preschool Development Grant (PDG) and the Child Care and Development Fund (CCDF). Justifications for these grants included incentives to providers to continue to operate with no negative actions, to support programs' ability to make continuous quality improvements, to encourage providers to participate in a program to enhance outdoor play, and to help providers expand access for families with young children by, in part, redesigning infant, toddler, and three-year-old indoor learning environments.

Non-ABC Quality providers received \$122,982,360 over the same three-year time period with almost all of the funding from ARPA to help with COVID-19 relief. Non-ABC Quality providers only received \$120,566 from the Hurricane Ian grant disaster funding in addition to ARPA. No funds were received from CCDF or PDG grants for providers not participating in the ABC Quality program.

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## Conclusion

The DSS survey responses, responses to the LAC survey of ABC Quality providers, and interested party input all demonstrate that the standards and guidelines for the current ABC Quality program are not clear to all providers. Some respondents commented that it can be difficult to communicate with DSS staff when questions arise, and the paperwork required by the program is overwhelming to some providers. In addition, the surveys and interested party responses combined with the information from other states supports the need for providers to have a mechanism for appeal, reconsideration, or reassessment of the quality rating determined by DSS. Addressing these issues may encourage other providers to apply for the program.

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## Recommendations

10. The S.C. Department of Social Services should continue to clarify the standards and guidelines for the ABC Quality program, possibly including providers in ongoing discussions and decisions.
11. The S.C. Department of Social Services should establish a mechanism for an ABC Quality provider to appeal a rating decision or have it reconsidered or reassessed.
12. The S.C. Department of Social Services staff of the ABC Quality program should discuss and implement ways that communication between providers and the agency can be improved.

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## Funding Pause

As our audit was concluding, DSS posted the following on its website:

Effective 12/1/2025, the Child Care Scholarship Program will be placing a temporary pause on accepting applications for Working Families (aka Strong Start) unless applicants fall within a protected category (such as TANF families, Special Needs, Homeless Families, Child Welfare and others). Applications submitted on or after 12/1/2025 will be denied. All applications that have been submitted prior to 12/1/2025 will be processed... More than 1,900 child care providers across the state are enrolled to accept scholarships.

We asked DSS officials what this pause meant and if the agency knew when funds may again be available. DSS replied that South Carolina, along with several other states, announced this pause or change in its program's operations due to high application demand and limited sources of funding in both state and federal dollars.

DSS stated that the agency must reduce the amount of child care discretionary spending as DSS cannot spend money that it currently does not have. Staff also stated that announcing this pause was not an easy decision but necessary to make sure the program is solvent and not in danger of running a deficit as the program currently spends between \$20 million to \$24 million per month assisting parents and caregivers with the cost of child care in the state.

DSS explained that the decision to implement this pause is driven by several factors, including the ending of COVID-19 era child care specific federal funding, an incredibly high demand with large volumes of applications submitted by parents and caregivers for assistance, and delayed federal disbursements from the federal government shutdown earlier in Fall 2025. Child care scholarship spending levels have to stay within the federal discretionary funding amounts for our state.

During this pause, only applications for families in a defined protected category will be considered for eligibility. The agency believes it has been very clear that currently approved scholarship recipients, which are approved for 52 weeks of continuous care, will not be "cut off" or terminated early.

Protected categories include families that are:

- Currently receiving TANF (Temporary Assistance for Needy Families).
- Transitioning off TANF.
- Experiencing homelessness.
- Living in or participating with a domestic violence shelter.
- Has a child with a documented special need (only the child with the special need would be considered for eligibility).
- In an open/active child welfare case such as foster care and family preservation.
- Eligible for the SC First Steps 4K program.
- In a Head Start-eligible program.

DSS management stated that the agency is monitoring the spending, funding levels, and volume of protected category applications for the child care program. DSS sent an email notice to all ABC Quality providers informing them of the change and allowing them to notify the parents currently receiving a child care scholarship.

According to DSS, it will work to determine the number of scholarships that are sustainable with the agency's appropriations, usually received quarterly from the federal government through the CCDF program. There is also a \$20 million recurring state funding request for additional scholarships that was submitted as part of the agency's FY 26-27 budget request.



# Revocations and Appeals

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## Revocation Process

The process to revoke a child care provider’s license is lengthy and inconsistently applied across the state. For the purposes of this report, we are using the term *revocation* to encompass the removal of licenses, registrations, and approvals. We reviewed state and federal laws and regulations, interviewed DSS staff and child care providers, and reviewed files of all eight child care providers revoked in 2023 and 2024. We found that DSS does not:

- Have a comprehensive policy outlining the entire process child care licensing specialists and regional staff should follow when providing oversight of child care providers, which includes issuing provider citations, revoking a provider’s license, and withdrawing a provider’s registration.
- Notify providers of the possibility of an adverse action, or the consequences of that action, prior to the adverse action occurring.
- Ensure providers understand what a negative action is, how it is incurred, and the penalties that can be assessed.

Lack of comprehensive oversight and inadequate communication with child care providers may put children at risk of physical harm and can lead to lengthy correction processes for child care providers and the licensing specialists who oversee them. DSS can take a variety of actions to assist in bringing a struggling child care provider into compliance prior to revoking its ability to serve children.

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## Steps in the Revocation Process

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According to DSS officials, regulations, and provider notification letters, the revocation process offers child care providers the opportunity to correct the issues noted at each step of the process in addition to asking for a reconsideration of the noted issues. The process includes:

### WRITTEN REPRIMAND OR DEFICIENCY LETTER

This letter describes reasons for issuance, including regulations that were violated, the dates and times of the violations, and a timeframe for correction. The letter also includes referrals to supplemental training or consultations with other non-profits such as the Child Care Resource and Referral program through the University of South Carolina.

#### CORRECTIVE ACTION PLANS (CAPS)

If a provider does not comply with training and referrals or continues to violate regulations, it may be placed on a CAP. The CAP is a written agreement between DSS and the provider to correct deficiencies within three months. This timeframe can be extended if needed.

Before a CAP can be issued, the file must be “staffed” with the central office, meaning that program management staff in Columbia are assigned to review the issues with which a child care provider may be having difficulty and, in conjunction with the regional staff, determine what is the needed next step for the provider. The CAP can be revised and extended as appropriate. The licensing specialists are required to make unannounced visits to the provider to check for compliance with the CAP.

#### WRITTEN (FINAL) WARNING

If the provider fails to meet compliance standards within the timeframe provided, DSS can seek to have the license revoked. The final warning letter may precede the revocation as a last effort to bring the provider into compliance. Once a final warning letter is issued, licensing specialists visit the provider. If the provider is still out of compliance, DSS can move to have the provider’s license revoked.

#### LICENSE REVOCATION/REGISTRATION WITHDRAWAL (REVOCATION)

All license revocations must be reviewed by central office staff prior to the final decision. A DSS official informed us that a common violation with child care providers is being ‘out of ratio,’ or having more children than approved for or is legally acceptable with the number of child care provider staff on duty. However, in the event of an egregious violation, DSS can move to immediately revoke a child care provider’s license.

State regulation defines egregious violations as:

- Illegal child care operations.
- Death of a child caused by a provider.
- Willful, unauthorized administration of medication.
- Lack of supervision and/or ratio issues which cause life threatening situations resulting in injury or death.
- Three incidents that may or may not result in serious injuries or death.

We reviewed all eight providers that received a revocation during calendar years 2023 and 2024. Of those eight providers, four received a CAP at some point before their licenses or registrations were revoked. Additionally, three of the four providers received two CAPs before revocation. Each CAP lasted an average of 150 days or five times longer than the initial CAP.

DSS cited a history of noncompliance as the reason three of the eight providers were revoked. Another three providers were revoked due to findings of physical abuse/neglect of children. The remaining two providers were revoked after background checks found issues that prevented the providers from operating a child care facility or working in child care.

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### Providing Information to Child Care Providers on Adverse Actions

Child care providers are not informed of their rights to dispute an adverse action until after the action has occurred. Adverse actions against a provider can result in what DSS refers to as a negative action. DSS defines an adverse action as one that prevents or disqualifies, suspends, or revokes a person or facility from renewing or obtaining benefits, licensing, registration, etc. For the purposes of child care, these adverse actions are referred to as negative actions, and include, but are not limited to, revoking or withdrawing a child care provider's license or registration to provide child care services.

We attended the virtual child care center provider licensing orientation, which included an informational video and a packet of paperwork that was emailed to us before the orientation date. We also reviewed the transcript of the video used in the orientation and paperwork given to the providers and found there was no mention of adverse or negative actions. The possibility of violations is mentioned only once in the context of conducting follow-up visits for corrections.

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### Comprehensive Policy on Negative Actions Needed

There is no comprehensive policy or standard operating procedure outlining how child care licensing specialists are required to address violations of state and federal regulations. This may lead to an inconsistent application of technical assistance, written deficiencies, and corrective action plans, which can put the welfare of children in jeopardy.

In June 2025, we were provided a draft DSS policy titled *Chapter Fifteen– Negative Actions* which gives limited guidance on what is supposed to occur when a child care provider violates state or federal laws and regulations. We found that this draft policy did not comprehensively outline how licensing specialists are required to address violations of state and federal laws and regulations. In February 2026, we asked for, but were not provided, a finalized policy on negative actions.

Child care providers are required to abide by state and federal laws and regulations to ensure the safety of children. For example, state regulations allow licensing specialists to make in-person visits to child care providers for:

- Supervisory inspections for initial issuance or renewal of a license/registration/approval.
- Annual unannounced inspections.
- Investigating a complaint.

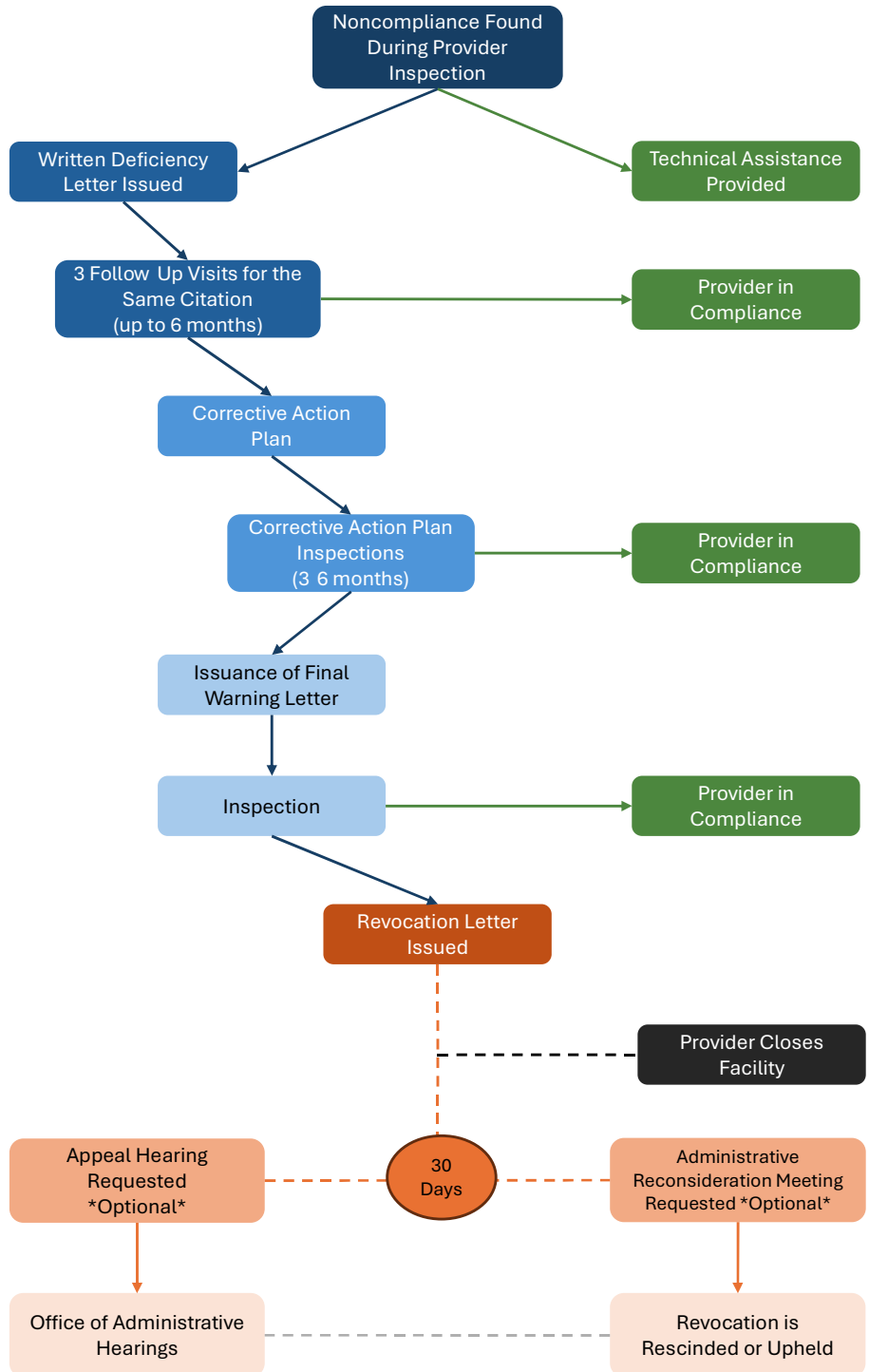
During inspection visits, for either the annual visit or the renewal (or initial) supervisor inspection, licensing specialists are tasked with ensuring the provider is meeting state and federal regulations, including:

- Checking employee files for required documentation, such as training records, background checks, certifications, etc.
- Noting the physical condition of the building.
- Interviewing staff and observing staff-to-child ratios.

If anything is found to be out of compliance with regulations, the licensing specialists can either provide technical assistance onsite, which includes referrals to support agencies and services, or cite the deficiency in a written letter with a date for correction. Deficiencies recorded and issued as a citation are followed up on within 30 days to check for compliance. If a provider is still struggling with the same violations three times within six months, DSS staff will recommend the provider be placed on a CAP for three months, however it can be extended. In the instance of an egregious violation (e.g. death of a child, serious injury of a child, unauthorized administration of medications), a CAP can be issued immediately.

Providers who fail to abide by the requirements of the CAP in the prescribed timeframe could face revocation of their licenses or withdrawal of their registrations.

**Chart 4.1: General Adverse Action and Revocation Process for Child Care Providers Regulated by DSS**



Source: DSS staff interviews and review of child care provider files.

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## Recommendations

13. The S.C. Department of Social Services should create a new orientation video for child care providers that includes information about negative actions, defining what they are, how a provider may be issued one, and how to resolve them.

14. The S.C. Department of Social Services should create an additional informational page that is included with the orientation paperwork packet for prospective child care providers that addresses negative actions, what they are, how a provider may be cited, and how to resolve them.

15. The S.C. Department of Social Services should create and implement a comprehensive, written policy encompassing the entire process for child care licensing specialists and regional staff to follow from the time a child care provider is cited for noncompliance to revocation, including allowable instances of offering technical assistance versus issuing a formal written citation.

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## Appeal Process

The process of appealing a revocation is lengthy and cumbersome. We reviewed state and federal laws and regulations, interviewed DSS staff and child care providers, and reviewed files of all eight child care providers revoked in 2023 and 2024. We found that DSS:

- Has duplicative processes to challenge license revocations and registration withdrawals.
- Allows child care providers to operate under revocation while awaiting an appeal hearing.
- Does not hold appeal hearings in a timely manner.
- Lacks consistency and oversight of providers by licensing staff during the appeal process.

Without consistent and comprehensive oversight of child care providers, children could be at risk of physical harm.

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## Options to Appeal a Revoked License, Registration, or Approval

A child care provider is given two options when a letter of revocation is issued by DSS:

1. Appeal the decision to DSS' Office of Administrative Hearings (OAH), and/or
2. Request a meeting with DSS' department staff to discuss "possible solutions to the identified problem."

Both options can occur in tandem. In the eight cases we reviewed, three providers met with department staff, in addition to filing an appeal, and their license revocations or registration/approval withdrawals were overturned and reinstated. Of the other five reviewed:

- One provider did not file an appeal or request to meet with department staff.
- Two providers filed appeals but withdrew them before an appeal hearing was held. One of the two requested to meet with department staff, but we were not provided evidence that this meeting took place.
- One provider requested to meet with department staff, but we have no evidence that the meeting was held. An appeal hearing was held for the provider, and OAH upheld the agency's decision to revoke the provider's license.
- One provider's appeal had been pending for nine months at the time we received the data from DSS.

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## Office of Administrative Hearings Process

The OAH is organized into two separate groups: economic services and human services. Economic services include programs in which funds are provided to a consumer or on behalf of a consumer, such as the Supplemental Nutrition Assistance Program and child care scholarship program. Human services include programs such as child care licensing, Child Protective Services, and Out of Home Abuse and Neglect division cases.

Human services' appeals are similar to cases presented in a courtroom because lawyers represent each side before a hearing officer. An attorney from DSS' Office of General Counsel presents the agency's case and the provider is allowed to retain its own legal counsel to represent it in the hearing. DSS' hearing officers are specialists in these areas and handle only those cases.

We found that the overall process of filing an appeal is lengthy and not entirely governed by any statutory timeframes. The process includes:

#### APPEAL REQUEST

An appeal (filed within 30 days from the revocation/withdrawal date) is filed by the child care provider with OAH, which holds itself separate from the day-to-day workings of the agency. According to a DSS official, the agency's goal is to send an acknowledgement letter to the provider within ten days of receipt of the appeal request.

#### PRE-FAIR HEARING QUESTIONNAIRE

The pre-fair hearing questionnaire is sent to the provider with a deadline for date of return; however, there is no policy or procedure dictating a standard deadline timeframe. This questionnaire is used to provide OAH with an overview of each party's case prior to the hearing, including whether the provider has retained legal counsel.

#### PRE-FAIR HEARING CONFERENCE (OPTIONAL)

OAH reviews the pre-hearing questionnaire and determines whether a pre-hearing conference is needed to provide further clarity. This conference is optional and is not always determined to be required.

#### FAIR HEARING

A hearing date is scheduled, and notification is sent to the provider. There is no required timeframe to schedule a hearing. The hearing is generally held using Microsoft Teams. There is also no deadline or time requirement for the hearing officer to review the case and forward the recommendation to the director's designee for review.

#### HEARING OFFICER SENDS ORDER TO THE DIRECTOR'S DESIGNEE

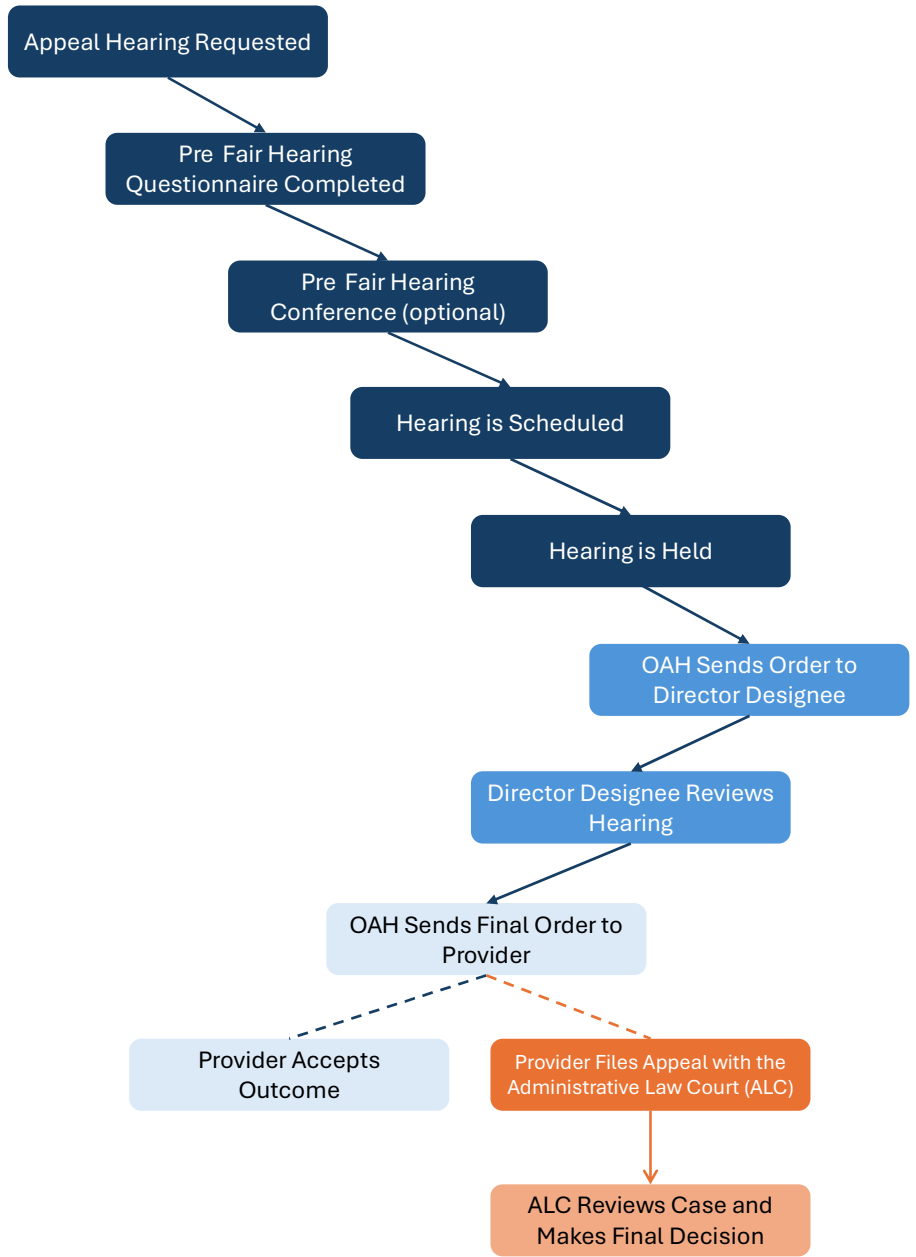
The hearing officer reviews the case and sends the recommendation/order to the division's director or the director's designee. The division director or his designee reviews the recommendation/order of the hearing officer and OAH is required by state regulation to "promptly" render the official decision on the appeal after the conclusion of the hearing. DSS contracts with an outside contractor/counsel to act as the division director's designee in OAH cases. A review of invoices for the designee showed a minimal amount of funding is spent yearly for a contractor to review child care licensing cases.

#### OAH SENDS FINAL ORDER TO THE PROVIDER

Upon receipt of the director designee's decision, the provider can either accept the agency's decision or appeal the decision within 30 days to the Administrative Law Court (ALC). The ALC is a separate entity from DSS whose goal is to provide neutral, fair, and objective hearings to persons affected by the actions of certain agencies in South Carolina. The ALC reviews the case and renders its decision.

A visual overview of the appeal process is shown in Chart 4.2.

**Chart 4.2: Outline of the Appeal Process for Child Care Providers**



Source: LAC graphic based on review of appeal documents DSS provides to child care providers and interviews with DSS staff.

Seven of the eight providers whose licenses were revoked during 2023 and 2024 filed an appeal with OAH. Of those seven cases, three received hearing dates from OAH. The median time from when OAH received the appeal from a provider to the scheduled hearing date was just under seven months. DSS representatives stated scheduling child care hearings is greatly dependent on the availability of DSS' legal counsel.

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## Administrative Reconsideration Meeting

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We reviewed S.C. Code §63-13-10 et seq., DSS documentation, and interviewed DSS staff regarding the administrative reconsideration meeting with department staff. We found:

- There is no policy governing the process or requiring oversight of the decisions made during this meeting.
- There is no formal documentation kept of this meeting, such as meeting minutes or recordings; documentation only exists in the provider's case notes or personal notes kept by participants in the meetings.
- The stage during which this meeting currently occurs in the revocation process duplicates the function of the OAH. Offering and conducting this meeting at the final warning letter stage of the process would ensure the option to meet with department staff is provided prior to the revocation and may potentially reduce the need for OAH involvement.
- Providers have the option at each step of this process to make a written request for an administrative reconsideration of the negative action.

DSS officials assert that the option to meet with department staff, which may include DSS legal counsel, regional licensing staff, and the child care licensing director, allows providers to develop and present a plan of action to correct the violations with which they continue to struggle. DSS believes that this meeting instills a sense of ownership in a provider's corrective path. However, DSS likely had many of these child care providers on a CAP where the providers were given an opportunity to correct deficiencies before the agency made the decision to revoke the providers' licenses/registrations. The meeting is attended by DSS department staff but the decision is finalized by the DSS child care licensing division director. It is important to note that this is the same division director who previously approved the recommendation to revoke.

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## Operating Under Revocation While Awaiting Appeal

Child care providers can continue to operate after a revocation letter is issued and while awaiting an appeal hearing, which we found can take months. Child care providers are entitled to appeal any violation cited by DSS under the S.C. Children’s Code.

While the child care provider is awaiting its appeal hearing, it is generally allowed to continue to care for children as it did before the revocation. In certain instances, such as an egregious violation where a child was harmed or put in harm’s way, DSS may seek an injunction from a family court to close the child care provider.

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## Length of Negative Action Process

We reviewed information on all child care providers that had a revocation from the 2023 and 2024 calendar years and found the length of time for the negative action process can vary significantly depending on many factors, but, on average, the appeal’s portion takes seven months. We have included two examples showing how long the entire negative action process can take once a provider is issued a citation.

### **Provider Example A**

In our analysis, we reviewed a case where a provider was issued a registration withdrawal letter on November 3, 2023. The letter cited violations of being over capacity as well as a history of noncompliance and deceptive practices starting in 2010, such as hiding children during a visit from a DSS licensing specialist and locking a child in a room alone. Notes on the withdrawal indicate that there were two previous CAPs implemented, and successfully completed, in 2010 and 2015. The provider appealed the registration withdrawal on November 22, 2023, and requested a meeting with department staff, as allowed.

The meeting with department staff took place on May 15, 2024, six months after the registration withdrawal date. The registration withdrawal was rescinded, and the provider was allowed to reopen with a CAP in place. This provider was still operating while awaiting its appeal. We found no record of any compliance visits in the Child Care Services System (CCSS), the official database for licensing, for this time period. An inquiry to the regional office produced physical documentation of visits made to the provider.

Chart 4.3 shows the entire timeline from opening to revocation recension for Provider A.

**Chart 4.3: Timeline for Provider A**



Source: LAC analysis of child care provider files.

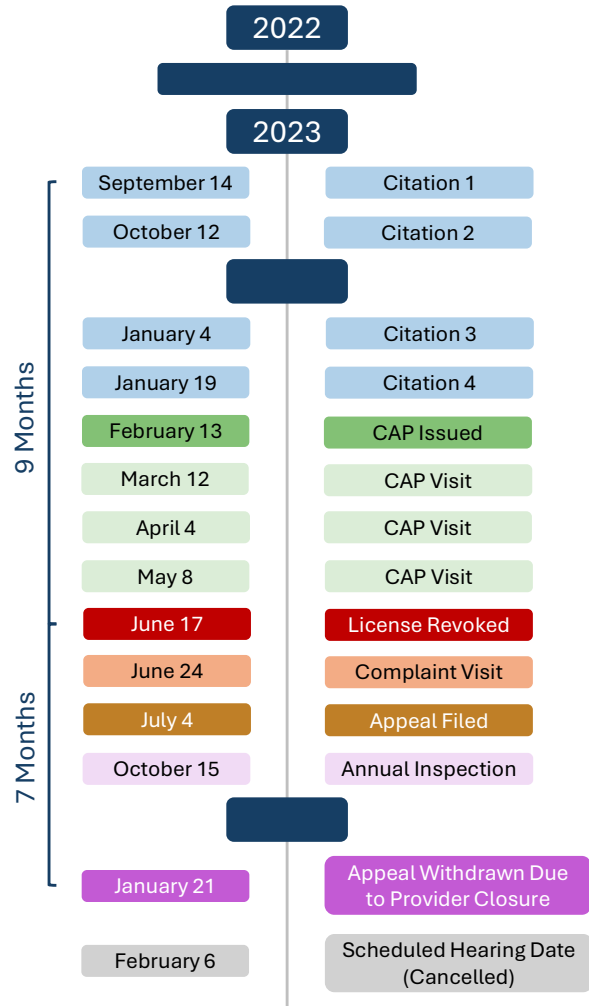
**Provider Example B**

In another case, a provider received a revocation letter dated June 17, 2024 for multiple issues, such as being out of compliance with legally-mandated staff-to-child ratios, lack of supervision, background check issues, tracking of children, safe sleep practices, and staff records, among others. The provider appealed the decision to revoke the license on July 4, 2024, and the letter was received by DSS on July 9, 2024. On November 6, 2024, an email noted that the hearing was scheduled for February 6, 2025, via Microsoft Teams®. The provider closed the center on January 10, 2025, and withdrew its appeal hearing request via email on January 20, 2025. The hearing was officially dismissed on January 23, 2025, by the OAH.

The entire process, from revocation to dismissal by OAH, took seven months. During this time, the provider only received two visits from DSS, one being a visit to follow up on a self-reported injury of a child, but the provider did not officially close until January 10, 2025.

Chart 4.4 shows the entire timeline from opening to closure for Provider B.

**Chart 4.4: Timeline for Provider B**



Source: LAC analysis of child care provider files.

DSS does not have a formalized, written policy on revocations or appeals that is current. In March 2025, we found a policy document on DSS’ website titled, “Negative Actions” that discussed the revocation process and appeal rights. When asked about this policy, we were informed by a DSS official that it was from an “old operation manual.” In July 2025, we were informed that DSS’ negative action policy was being revised. As of March 2, 2026, a DSS official said the policy was still in draft form. However, the draft policy does not dictate the appropriate length of time, deadlines, or documentation processes for the majority of these revocation and appeal processes.

During our review of Providers A and B, we found that Provider A received four visits from DSS while awaiting an appeal hearing. Provider B only received one visit that was not connected to a self-reported injury even though Provider B was revoked because of a background check issue and was on a CAP for a history of noncompliance. When DSS staff were asked whether child care licensing specialists make visits to the providers while awaiting an appeal hearing, the responses varied across regions, which showed that there is a lack of consistency across the state. This is likely because DSS does not have a policy dictating the number of announced or unannounced visits that should be made to a provider that has had its license revoked but is still operating while awaiting an appeal hearing.

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## Recommendations

16. The S.C. Department of Social Services should move the option to request a meeting with department staff to overturn a license revocation or withdrawal of a registration/approval to the final warning letter step.
17. The S.C. Department of Social Services should create and implement a policy requiring a prescribed number of unannounced visits to child care providers who continue to operate under a revocation and are awaiting an appeal hearing or meeting with department staff.
18. The S.C. Department of Social Services should create and observe deadlines for each step of the appeal process.



# Automation Needs

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## Provider Portal

DSS' Division of Early Care and Education does not have a multi-functional provider portal that allows applicants who may wish to become child care providers or current licensed child care providers to electronically upload and submit required documentation. Almost all licensing-related forms, renewals, and supporting documentation are submitted by email, mail, or in-person.

A child care provider portal refers to an online platform or system that is designed for child care providers to manage various aspects of their operations. Most are designed to include a range of features and functionalities to streamline administrative tasks and improve the overall quality of services offered by child care providers. A well-designed provider portal can significantly improve operational efficiency and facilitate communication between DSS and providers.

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## Other States' Portals

As of December 2025, the only available function of DSS' child care provider portal is the ability to request that a background check be conducted. Other states, including Alabama, Georgia, and Texas, have implemented multi-functional provider portals for child care licensing that enable potential applicants to electronically submit a licensing application, update current provider information, manage background check requests, and review compliance history, among other tasks.

Table 5.1 compares provider portal capabilities between South Carolina, Alabama, Georgia, and Texas. While not a comprehensive list, the table demonstrates some features and functionalities implemented by other states.

**Table 5.1: Comparison of Other States' Provider Portal Features to South Carolina**

PROVIDER PORTAL FEATURES	SC	AL	GA	TX
Apply for licensing application	X	✓	✓	✓
Add/update child care provider information (phone number, facility address, email address, facility website, hours of operation)	X	✓	✓	✓
Request/manage background checks	✓	✓	✓	✓
Review compliance history	X	✓	✓	✓
Pay licensure fees	X	X*	✓	✓

\* There are no licensure fees for an operating child care facility in Alabama.

Source: LAC analysis of other states' child care provider portals.

## LAC Survey

In May 2025, we sent surveys to all licensed and legally-exempt child care providers in our state to obtain their input on the licensing process. We asked what, if anything, would make the licensure process easier and faster. More than half, or approximately 55%, of providers that responded to the question stated that online completion and submission of application forms would make the licensure process easier.

Additionally, we asked DSS' licensing staff how having a provider portal would improve the licensing process. The responses included that a provider portal would:

- Allow provider files to be reviewed prior to an on-site inspection of a child care facility.
- Reduce the amount of paperwork being sent through email, fax, and postal mail.
- Serve as a secure location for providers to store and submit documents.
- Streamline the process for providers to review documents and background checks using a centralized location.

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## Improving DSS' Child Care Provider Portal

Officials within DSS' Division of Technology Services (IT) confirmed that the agency can design and develop an enhanced child care provider portal with a broad range of licensing functions. DSS IT has designed provider and client portals for other DSS divisions, including those handling the Supplemental Nutrition Assistance Program, child support, and foster care, that allow for the uploading of relevant documentation. According to the IT director, other than staff time, the only cost to expand the current portal may be the purchase of licenses if a new software is needed.

According to a licensing official, DSS' Division of Early Care and Education has considered implementing a multi-functional portal that would allow providers to upload documents and forms that are required as part of the application process to operate a child care facility. In addition, an enhanced provider portal could streamline processing and reduce the time spent handling paperwork submitted via postal mail. DSS' IT staff indicated that licensing staff had previously engaged in discussions with IT staff regarding the development of a customized provider portal that was capable of collecting DSS form 2902 (Application to Operate a Child Care Facility) submitted by child care provider applicants. However, IT staff noted at that time that such a portal could support additional functionality beyond the collection of a single form. IT staff confirmed that the topic of a customized provider portal has not been revisited with licensing staff since the initial discussions several years ago, and they are unaware if any implementation plans currently exist.

Licensing staff and DSS' IT staff planned to meet to discuss requirements and determine a schedule for developing a multi-functional child care provider portal. There were two separate meeting dates scheduled in October 2025, and both were cancelled. As a result, licensing staff continues to rely on postal mail and email for document submission and review.

DSS has not prioritized the development or implementation of a multi-functional provider portal. This can contribute to longer processing times, increased administrative workload, and potential delays in application review and approval. The absence of a provider portal with enhanced licensing capabilities may increase the risk of incomplete submissions, data entry errors, and inconsistent communication between DSS and child care providers.

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## Postage Costs

The implementation of a provider portal may also reduce postage costs for DSS. We reviewed DSS' child care licensing postage costs and found the department could save thousands of dollars annually by setting up a documentation exchange with child care providers through an agency provider portal or encouraging more providers to use email. As part of the licensing application process, DSS requires 20 items from child care providers. Several of the same documents are also required during every licensure renewal for child care providers. While we have heard from DSS staff that documentation is now often exchanged with providers via email or in-person during a site visit, some documentation is still exchanged through the mail. From FY 15-16 through FY 24-25, just the Pee Dee region of child care licensing spent \$65,391 on postage.

We attempted to obtain the postage costs for all four regions of child care licensing from FY 15-16 through FY 24-25 and found DSS is not currently tracking postage costs incurred by two (Midlands and Upstate) of the four regions in SCEIS. According to a DSS official, the Midlands region's postage costs are combined with other program areas in DSS' Division of Early Care and Education, and the Upstate region's postage is taken care of by the lessor of the region's office space.

Based on the postage cost data available in SCEIS, we estimated that DSS' four child care licensing regions spent approximately \$232,000 in postage costs from FY 15-16 through FY 24-25. While child care licensing's postage costs appear to be declining in recent years, additional reductions in costs could be realized by further shifting document exchanges to electronic methods.

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## Recommendations

19. The S.C. Department of Social Services should prioritize the development and implementation of a multi-functional child care provider portal that allows applicants and existing providers to securely upload and track required documentation.

20. The S.C. Department of Social Services' Division of Early Care and Education should review provider portals implemented by other states (e.g., Alabama, Texas, and Georgia) to identify best practices and design features that could be adopted or integrated.

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## Retention of Licensing Records

DSS' Division of Early Care and Education relies on a paper-based filing system to manage records for active and inactive child care providers. During our review, we found:

- DSS does not save or store any provider files electronically.
- Regional offices have paper-based filing systems and do not have enough room to house all of the provider files.
- Hard-copy files for active providers are retained for as long as the child care facility remains operational.
- Although new dual-use laptops were purchased for child care licensing staff, the agency has not seen an improvement in efficiency regarding the reduction of hard-copy files.

During a site visit to DSS' Midlands regional office, we observed 54 filing cabinets designated for hard-copy provider files, with some files being stored on top of the cabinets.

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### Exhibit 5.2: Midlands Regional Office File Room for Child Care Provider Files



Source: LAC photo.

DSS has not implemented an electronic recordkeeping system to maintain files and records for child care providers. Currently, DSS keeps all hard-copy files for active child care providers for as long as the facility remains operational. Files for some active providers who have been operating for an extended period of time can contain multiple volumes. Hard-copy files for inactive child care facilities are maintained for five years plus the current year, while files for facilities closed due to a negative action, such as revocation, withdrawal, or denial, are retained indefinitely.

According to licensing staff, the file cabinets take up a tremendous amount of space and there is not enough room to store all of the hard-copy files that are currently being retained. Also, it would be easier to manage the provider records if older documents could be stored electronically. One licensing official at a regional office stated, “We have file cabinets all over. If we could just scan everything and save it, that would be better. We have been told if you collect something, you keep it.”

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## DSS Record Retention Schedule

According to DSS’ records retention schedule, inactive provider files are to be maintained for two years and then transferred to the State Records Center for an additional five years before destruction. While the retention schedule does not specifically address child care facilities closed due to negative actions, it directs that the complaint files related to regulatory infractions are to be retained for five years before transferring them to the S.C. Department of Archives and History for permanent retention. Additionally, the retention schedule allows for electronic recordkeeping, provided that procedures exist for:

- Backing up all permanent records held in electronic format.
- Storing a back-up copy off site.
- Migrating all permanent records when the system is upgraded or replaced.

According to DSS’ IT, it already has the procedures implemented that are required by DSS’ record retention schedule to utilize an electronic recordkeeping system that can be used for child care provider files. Additionally, DSS’ IT has two off-site servers, data recovery plans for each application, and procedures for database back up.

DSS management stated that there have been discussions with IT staff about the possibility of utilizing an electronic recordkeeping system to reduce the amount of hard-copy files that are currently being retained. When we asked IT staff, we were informed that there have been no discussions between IT and DSS licensing regarding the implementation of an electronic recordkeeping system.

The Division of Early Care and Education has not aligned its retention of hard-copy provider files with the DSS records retention schedule. Additionally, it has not taken steps to implement an electronic recordkeeping system. It is unclear why DSS has failed to utilize an electronic recordkeeping system for child care provider files when DSS' IT has the necessary infrastructure and required procedures implemented. Maintaining hard-copy records that exceed the required retention period can result in inefficient use of space, increased administrative burden, and the potential for misplaced or damaged files.

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## 2-in-1 Laptops

In July 2024, DSS began upgrading child care licensing staff to a new dual-use (2-in-1) laptop that can be converted into a tablet. This laptop model was chosen because it had been piloted in the field by licensing staff and met the staff's requirements. Additionally, it met staff's requirements regarding ease of use, durability, processing power, and reliability. The total cost for upgrading to the 2-in-1 laptops was \$227,476.

Despite providing these new laptops, DSS has not reduced its reliance on paper documents during the normal course of business. Licensing staff are still required to maintain hard copies of records for the provider files. Also, some licensing specialists are not utilizing the laptops during on-site inspections of child care facilities because the inspection checklists are in paper format. We shadowed a licensing specialist during an inspection of a child care facility and observed the specialist utilizing a paper checklist. While the inspection forms can be viewed on the new laptops, they are not fillable and cannot be manipulated.

When licensing specialists use the laptops in the field, it is to research information while at the facility, if needed. Despite their potential usefulness, staff noted some concerns with using the new laptops, instead of paper, during on-site inspections:

- Potentially increased costs of having to repair or replace damaged laptops.
- Licensing specialists may become preoccupied with completing a digital checklist. This can result in failing to create relationships and better experiences with child care providers.
- Licensing specialists may encounter limited internet capabilities while conducting on-site inspections depending on the location of the child care facility.

Licensing staff continue to rely on and utilize paper forms and inspection checklists. By not using the new laptops as intended, DSS is not fully capitalizing on the increased efficiency, potential cost savings, and modernization benefits these devices could provide. As a result, DSS' limited use of these new laptops may hinder its transition to an electronic recordkeeping system and reduce overall operational efficiency.

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## Recommendations

21. The S.C. Department of Social Services' Division of Early Care and Education should collaborate with agency's Division of Technology Services staff to evaluate and implement an electronic recordkeeping system for both active and inactive provider files, leveraging existing infrastructure for off-site data backup.

22. The S.C. Department of Social Services' Division of Early Care and Education should align its record storage practices with the current agency records retention schedule.

23. The S.C. Department of Social Services' Division of Early Care and Education should evaluate the use of dual-use laptops and determine what configuration changes or policy adjustments are needed to maximize their effectiveness.

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## Child Care Services System

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DSS' Division of Early Care and Education uses the Child Care Services System (CCSS) as its central database for managing information on child care providers. During our review, we found:

- CCSS lacks core capabilities and functions that licensing staff need to complete their duties.
- Licensing staff describe reports generated within CCSS as being inaccurate.
- Supervisory staff are aware that CCSS does not provide licensing specialists with the capabilities to complete their duties. Additionally, DSS' Division of Technology Services (IT) staff are aware that CCSS is in need of upgrades and modifications.
- Licensing staff have varying levels of understanding of how the system operates.
- Licensing staff do not receive standardized CCSS training.

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## What is the Child Care Services System?

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CCSS is an electronic copy of what the division stores regarding a child care provider in its hard-copy files. Licensing staff utilize CCSS to initiate new provider applications, access current provider information, generate letters, input inspection reports, and run reports, among other functions. CCSS was designed, created, and launched by DSS' IT in September 2020.

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## Limitations of CCSS

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During our review, licensing staff expressed dissatisfaction with the usability of CCSS. Some of the issues about the system mentioned by licensing staff include:

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### **Unreliable reporting functions**

Some staff do not find reports generated from CCSS to be user-friendly or easy to access. Reports were also described as being inaccurate.

### **Difficulty generating usable letters**

Notification letters generated from CCSS can contain erroneous information.

### **Limited editing capabilities**

One licensing supervisor stated that hours are spent drafting deficiency letters due to the constrained editing capabilities within CCSS.

### **Abrupt crashing of CCSS**

Sudden system failures cause delays and interruptions to licensing staff.

Supervisory licensing staff are aware that CCSS does not provide specialists with the capabilities needed to complete their duties. Additionally, DSS' IT has acknowledged that CCSS needs to be upgraded, and licensing staff need enhancements and modifications within the system. When asked about accommodating modification requests from licensing staff, IT staff relayed that any issues within CCSS that prevent staff from completing their work are fixed immediately. If there is a request to add or change a function within CCSS, IT generally requires a written process to be provided by the division requesting the modification. According to IT staff, IT is still waiting for written processes regarding requests discussed in an August 2025 meeting before they can continue to work on prior modification requests made by child care licensing staff.

#### **Reporting Functions within CCSS**

After reviewing licensing staff's feedback regarding CCSS, we requested access to CCSS to assess the reporting functionalities within the system and the types of reports that can be generated. After becoming familiar with the capabilities of CCSS, we attempted to generate a facility report regarding the number of licenses that had been revoked, withdrawn, suspended, or denied between July 1, 2024 and June 30, 2025. The report produced by CCSS contained no data or information. However, we reviewed monthly reports submitted by regional supervisors to executive staff for this time period and found information and data that should have been included in the report generated by CCSS.

Additionally, we attempted to generate a report that contained the status of corrective action plans for July 1, 2024 through June 30, 2025. The report produced by CCSS was missing pertinent information for some child care facilities, such as end dates for corrective action plans, facility permit numbers, the director's name, and information related to documented problems or concerns.

DSS cannot rely on reports generated within CCSS to provide accurate information that may be needed to understand and make decisions related to child care provider compliance, enforcement actions, emerging trends, and program effectiveness.

### **Manual Entry of Data and Information into CCSS**

During our review, we also found that the accuracy of information, data, and reports generated by CCSS can be dependent on the manual entry of information input into the database by licensing staff. We compared hard-copy files of some child care providers with the providers' electronic files in CCSS to determine if the data was consistent in both files. Of the provider files we compared, we found that there was information in the hard-copy file that was not entered into CCSS. For example:

- A provider's hard-copy file contained an inspection report with documented deficiencies. This inspection was not noted in CCSS as having occurred.
- CCSS listed a provider as having only one corrective action plan (CAP). However, we found physical documentation that the provider previously had been issued two prior CAPs.
- A provider's hard-copy file contained the date that a fire inspection report was issued. This date was missing within CCSS.

Limitations within CCSS can increase the risk of inconsistent data entry, incomplete reporting, and inefficiencies in licensing operations. These issues can collectively hinder DSS' ability to effectively oversee child care providers and ensure compliance with state licensing requirements.

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### **Inconsistent CCSS Training**

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Licensing staff may lack an adequate understanding of CCSS' functions due to inconsistent training. We found:

- There is no formal written guidance on the capabilities of CCSS for staff.
- Some supervisory licensing staff were unaware of basic capabilities and unaware of the different levels of access within CCSS.
- Staff have not received consistent training on how to operate CCSS. Training for new hires does not always consist of formal instruction.
- The last formal refresher training on CCSS was conducted in 2022.

During our review, licensing staff stated that CCSS could not perform basic functions. For example, we were told by a licensing supervisor that CCSS could not generate reports except for those that pertain to monthly caseloads. Additionally, a different licensing supervisor stated that documents could not be uploaded into CCSS. After being granted access, we were able to verify that these capabilities were available within CCSS leading us to believe the staff we spoke with may just not have known how to conduct these functions.

We asked licensing staff how they were trained to use CCSS. Two licensing supervisors stated that the system would not function as needed when they were being shown how to operate and navigate CCSS during the training phase. Some staff were provided with a very brief manual that consisted of screenshots and descriptions of certain functions within CCSS and tipsheets. When asked how new hires are trained to operate the system, we were informed that training consists of informal, peer-to-peer instruction.

We asked the central office if any standardized CCSS training has been conducted or if there is any instructional material for CCSS. We were given a similar manual that had been provided by licensing staff. However, the manual we received from the central office contained less information than the manual that was provided to licensing staff.

Additionally, we were provided with a child care licensing staff training outline that is given to newly-hired licensing staff. CCSS is not listed on the training outline as part of any standardized training provided by DSS. We were also informed that the last time a refresher training was provided was in 2022.

We were informed that IT has not provided any CCSS training for licensing staff. An IT official stated that licensing has not asked for IT to conduct any training sessions.

DSS has not implemented standardized CCSS training and has relied primarily on informal, peer-to-peer instruction. Inconsistent training materials and limited refresher sessions may have contributed to varying staff knowledge about the capabilities of the CCSS.

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## Recommendations

24. The S.C. Department of Social Services should conduct a formal assessment of the Child Care Services System’s capabilities, in consultation with licensing staff, and prioritize essential modifications that are needed within the Child Care Services System.
25. The S.C. Department of Social Services should have its Division of Technology Services, within 30 days of our report publication, ensure the timely resolution of Child Care Services System modification requests.
26. The S.C. Department of Social Services should develop and implement a standardized Child Care Services System training program for all licensing staff, including during onboarding and periodic refresher training.
27. The S.C. Department of Social Services should create comprehensive Child Care Services System training manuals and guidance documents to be used by its staff.



# Fire and Health Safety Office

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## Introduction

According to an Office of the State Fire Marshal (OSFM) analysis of data from approximately 80% of South Carolina fire departments, firefighters responded to at least 470 medical emergencies and 197 fires at child care facilities between 2020 and 2024. During that same period, South Carolina child care providers self-reported 361 injuries that occurred on their playgrounds. The injuries were from playground equipment, snake and insect bites, falls, and other incidents.

It is the expressed policy of the State of South Carolina to ensure the protection of children under care in child care facilities. S.C. Code §63-13-80(A) requires that health and fire safety inspections be conducted of child care centers and group child care homes as part of the licensing process. These inspection requirements make DSS' Fire and Health Safety Office an important fixture of the regulatory environment surrounding child care programs and providers. In our review, we found that a number of changes and improvements are needed.

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## DSS' Fire Marshal Program May Conflict with State Law

DSS' current practice for fire and health safety inspections of child care facilities may conflict with state law and regulations. We reviewed state laws and documentation from the National Conference of State Legislatures (NCSL) on child care-related statutes, and interviewed DSS staff. We found:

- Fire and health safety inspections are now conducted by DSS' fire marshals, rather than the former S.C. Department of Environmental Health and Control (DHEC) and the OSFM, which state law describes as "the appropriate agencies."
- State law is outdated and should be amended to reflect the contemporary child care inspection environment.

Although DSS has been conducting fire inspections of child care facilities since 2008 and health inspections since 2013, S.C. Code §63-13-80(A) still requires the former DHEC and OSFM to conduct fire and health safety inspections as requested by DSS for child care licensing and license renewals. DHEC and OSFM are to generate inspection reports which DSS is to carefully consider in making child care licensing decisions, along with the results of the agency's own investigation of the applicant and the proposed child care and operating plans. The statute does not provide unambiguous authority for DSS, itself, to conduct the inspections.

It is common for state fire marshals in other states to have statutory responsibility to conduct fire inspections of child care facilities for licensing purposes; however, there is no national consensus on whether this is the best practice. Documentation from NCSL included information on 18 states' child care-related statutes. We found that, in 10 of those states, the state fire marshals had either exclusive or shared responsibility for conducting inspections.

S.C. Code §63-13-80 and S.C. Reg. 114-502(A)(2) state that DSS should request in writing that fire and health officials make inspections of child care centers when an application for child care licensing is received. S.C. Reg. 114-502(F)(1) similarly requires DSS to request fire and health inspections for license renewals. In both cases, "health and fire officials shall inspect the facility" and provide "health and fire inspection reports" to DSS. Regulations mirror these requirements for group child care homes and child care centers operated by religious entities.

DSS began conducting its own fire and health safety inspections due to DHEC and OSFM time constraints. We interviewed one inspector who recalled that the "plates" of DHEC and OSFM were already full. "We'd do them when we could get to them; it was really not fair to providers. If a provider's license expired next week, there was no time to correct deficiencies." It was also confusing for DSS and for child care providers when OSFM and a local fire marshal independently reviewed architectural plans for a facility or conducted an inspection and made different findings or arrived at different conclusions.

Prior to DSS conducting these inspections, DHEC charged child care providers \$60 per inspection, and provider staff time was consumed by accompanying inspectors. OSFM contracted with DSS to perform fire inspections. When asked, neither DSS nor OSFM could provide contracts for the former OSFM inspections; however, OSFM contracted with DSS in 2024 for fire inspections of foster care homes at a cost of up to \$585,550 per year.

OSFM stopped inspecting child care facilities in 2008. DSS then initiated its own fire inspection function under its child care licensing office to assume responsibility for those inspections. Three years later, Proviso 89.147 of FY 11-12 required DSS and DHEC to develop a plan for "consolidation of the regulatory and licensing functions for child care centers."

In 2013, DSS and DHEC—now separated into the S.C. Department of Public Health and the S.C. Department of Environmental Services—entered into a memorandum of understanding by which DSS also assumed responsibility for conducting health inspections of child care facilities. That responsibility was assigned to the fire marshals of DSS’ newly-formed Fire and Health Safety Office. This resulted in a single, hybrid, fire and health safety inspection, rather than separate inspections by separate agencies. It relieved child care providers of the \$60 cost being charged to them by DHEC and the additional staff time required to accompany and observe the DHEC inspection, which may help make child care more affordable.

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## New Fire and Health Safety Office

We contacted both OSFM and NCSL in an attempt to identify another state-level child welfare agency in the United States with an in-house fire and health inspection component but were unable to find a comparable model. Some states’ statutes included in the NCSL documentation were ambiguous as to exactly which entity was responsible for conducting the fire inspections.

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## Improved Timeliness of Inspections

A DSS official we interviewed observed an improvement in the timeliness of inspections conducted by DSS fire marshals over those formerly conducted by DHEC and OSFM, which helps the child care licensing office to operate within its process timeline. DSS fire marshals are able to focus and develop expertise on inspections of child care facilities, as opposed to other fire marshals who may look at child care through the eyes of a generalist. One provider we interviewed at a Midlands region child care facility specifically remarked about the expertise and knowledge of the DSS fire marshal.

The chief fire marshal explained to us that inspections of child care health and safety issues, like diapering stations, playgrounds, kitchen sanitation, drinking water, and trash disposal, are not typically performed by other fire marshals. We shadowed three of the fire marshals during inspections of child care facilities and observed that they presented a polite, friendly demeanor that seemed to put the provider at ease, exercised courtesy and patience in answering provider questions, demonstrated heightened knowledge of safety practices and particular concern for the safety of children, and were friendly and interactive with children.

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## Recommendations

28. The S.C. General Assembly should determine if S.C. Code §63-13-80(A) should be amended to require the S.C. Department of Social Services to conduct fire and health safety inspections of child care facilities for purposes of licensing and license renewal.

29. The S.C. General Assembly should amend S.C. Code §63-13-80(A) to remove references to the former S.C. Department of Health and Environmental Control and the Office of the State Fire Marshal.

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## Fire Marshal Certifications

DSS fire marshals are not formally trained or certified to inspect child care facilities for compliance with health, sanitation, and safety regulations. DSS does not have a written policy requiring certifications for fire marshals to conduct fire inspections. We also found that DSS:

- Does not have an agency policy regarding health and sanitation inspection training.
- Does not have fire marshals who are certified to inspect playgrounds.

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## Fire Inspection Certification

Even though DSS management stated that each fire marshal will hold certification by either the International Code Council (ICC), the National Fire Protection Association (NFPA), or OSFM, the agency did not provide a written policy that requires its fire marshals to be certified fire inspectors.

We reviewed position descriptions and job postings for DSS fire marshals hired since 2013 and found that certification requirements at time of hire varied. In 2013, a candidate was required to have or obtain certification from the State Fire Marshal. Thereafter, NFPA, ICC, or State Fire Marshal certification, or the ability to obtain one of these certifications, was required. As of 2025, DSS required new fire marshals to hold NFPA certification. However, a supplemental question in a 2025 job posting asked whether the applicant had “SC Fire Marshal Certification or and ICC Fire Inspection I certification.”

Both ICC and NFPA certifications are recognized worldwide. The OSFM certification, which was limited to state-level recognition, was discontinued around 2012, in favor of ICC certification. We reviewed the current position description for deputy state fire marshals who conduct foster home inspections for DSS on a contract basis and found that OSFM requires them to hold ICC Fire Inspector I certification or the equivalent.

While all DSS fire marshals have some level of certification, we reviewed ICC certifications and found that three hold current Fire Inspector I credentials and two have achieved ICC Fire Inspector II credentials. Documentation provided by DSS for one other fire marshal showed that fire marshal's ICC credentials appear to have expired in 2020.

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## Health and Sanitation Inspections

DSS does not have a policy or procedure that requires health and sanitation inspection training for fire marshals. DSS also does not require fire marshals to be certified as environmental health inspectors. Environmental health, sanitation, and safety deficiencies can cause child care facilities to fail fire and health safety inspections, which can delay the child care licensing or license renewal process.

Environmental health, sanitation, and safety inspections of child care facilities were conducted by the former S.C. Department of Health and Environmental Control (DHEC) until 2013, when DSS fire marshals were assigned that responsibility. As part of the agency's agreement with DHEC, DSS was to ensure its fire marshals were properly trained on an ongoing basis. The training consisted of fire marshals who were then employed with DSS shadowing DHEC inspectors for a short time until the fire marshals were comfortable. No training materials, apart from an inspection checklist and the DHEC report form, were provided to DSS. A DSS fire marshal told us that the fire marshals received no further training from DHEC.

We asked each DSS fire marshal responsible for conducting fire and health safety inspections to identify the key deficiencies that cause child care facilities to fail fire and health safety inspections. The deficiencies that were cited by more than one fire marshal included:

- Paint peeling or sections needing paint, soffit (the surface beneath the overhanging edge of a roof) damage, general building hazards, and broken or molded ceiling tiles.
- General cleaning and sanitation issues, including stained ceiling tiles.
- Failure to maintain playground components from broken or rusty parts, as well as equipment in poor repair.
- Insufficient playground cushioning material.

During the audit, we encountered some concerns about the qualifications of DSS fire marshals to conduct environmental health inspections. “How is the DSS guy qualified?” asked one interested party, “They’re not trained DHEC inspectors.” A DSS manager expressed a preference for DHEC health inspections over DSS fire marshal inspections, asserting that DHEC inspectors had greater health and safety expertise and were better qualified to explain health-related requirements to providers. The manager described DSS fire marshals as “fire-centered.”

DHEC health inspectors formerly required that hot water in child care facility restrooms not exceed 120 degrees Fahrenheit. Currently, S.C. Reg. 114-526(A)(6)(c) requires hot water in registered child care centers operated by religious entities to be between 100 and 120 degrees Fahrenheit. While this requirement is limited to registered child care centers operated by religious entities, we observed a fire marshal using a finger to test the water temperature at a licensed child care center that was not affiliated with a religious entity. The provider noted that “DSS uses thermometers” to check water temperature, a less subjective standard, given the specificity of the regulation.

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## Playground Inspections

During their inspections, DSS fire marshals should assess playground compliance with the U.S. Consumer Product Safety Commission (CPSC) standards. Compliance by child care centers is required by S.C. Regs. 114-507(B)(5) and (C)(2), and by S.C. Reg. 114-517(C)(2) for group child care homes. Quoting state regulations for child care centers, the electronic inspection checklist used by DSS fire marshals asks whether “all...recreational equipment [is] free from hazards,” and whether “all outdoor recreational equipment [is] made of durable, non-rusting, non-poisonous material and are [*sic*] sturdy.” During one inspection we shadowed, a fire marshal estimated the age of playground equipment, and thereby the applicability of an agency rule, from the appearance of the equipment, rather than by provider documentation recommended in CPSC guidelines.

CPSC guidelines emphasize that secure anchoring is key to stable installation of playground equipment and recommend anchoring in strict compliance with manufacturer's specifications. At one facility we visited after an inspection, we found that some playground equipment was not anchored and that the deficiency had not been reported by the fire marshal. CPSC guidelines also recommend that playground equipment be inspected in accordance with the manufacturer's instructions and that manufacturer's instructions and maintenance records be retained. This is important because safe use and suitability of playground equipment depend upon good inspections and strict adherence to the manufacturer's maintenance instructions; inadequate maintenance may cause injuries. DSS management informed us that the agency does not require child care providers to retain these records. We also learned through conversations with DSS fire marshals that none are certified to inspect playgrounds. One fire marshal opined that playground safety training would be beneficial because "lots of accidents happen there."

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## Training Resources

We found potential environmental health and safety training and certification opportunities available online through private and public sources, including at least one of South Carolina's technical colleges. DSS also has the benefit of the agency's Staff Development and Training Office and of at least two fire marshals who have completed instructor training through the South Carolina Fire Academy. These fire marshals could be a great resource when developing policy or in training other fire marshals. We also found that the National Recreation and Park Association offers a certified playground safety inspector training program.

The lack of training or certification deprives the agency of a vehicle to improve the quality of its fire and health safety inspections. Training and certification could also demonstrate to child care providers, the environmental health community, and the public the competence and professionalism of DSS' fire marshals and the agency's commitment to building expertise.

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## Recommendations

30. The S.C. Department of Social Services should develop and implement policies and procedures establishing minimum standards of training and certification for its fire marshals, to include fire, health and sanitation, and playground inspection certifications.

31. The S.C. Department of Social Services should develop and implement policies and procedures requiring fire marshals to remain current on all certifications required by the agency.

32. The S.C. Department of Social Services should, as a matter of written policy, require its fire marshals to continuously maintain at least Fire Inspector I certification through either the International Code Council and/or the National Fire Protection Association.

33. The S.C. Department of Social Services should, as a matter of written policy, maintain documentation of all required certifications achieved by its fire marshals and monitor the status of those certifications.

34. The S.C. Department of Social Services should determine why the requirement in S.C. Reg. 114-526(A)(6)(c) applies only to registered child care centers operated by religious entities and move to amend Chapter 114 to resolve any inconsistency with requirements for other child care facility types.

35. The S.C. Department of Social Services should move to amend the S.C. Code of Regulations to require that child care providers maintain documentation of their playground equipment in accordance with U.S. Consumer Product Safety Commission guidelines.

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## Fire Marshal Authority

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DSS' fire marshals are operating under the authority of the S.C. State Fire Marshal despite DSS being the agency that regulates child care. We reviewed relevant state laws and regulations and attended the *State Fire Marshal Rules and Regulations Course*, presented by the S.C. State Fire Academy. We concluded that DSS' fire marshals should derive their authority from the agency itself.

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## Authority

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S.C. Code §23-9-30 grants the State Fire Marshal authority to certify “any state or local governmental employee,” and conveys to that employee the authority to perform “all duties of investigation, inspection, and enforcement vested in the State Fire Marshal.” These employees are referred to as “South Carolina certified fire marshals.”

DSS management asserts that a fire marshal's status as a South Carolina certified fire marshal also provides access to training that equips the fire marshal to perform the fire marshal's fire prevention and safety duties. We found that South Carolina certified fire marshals are required to successfully pass the *State Fire Marshal Rules and Regulations Course* and attend quarterly trainings, approved by the International Code Council, through OSFM.

All of DSS' fire marshals are credentialed as South Carolina certified fire marshals. The exercise of that authority, however, must conform to the enforcement mechanism prescribed in Chapter 9 of Title 23, S.C. Code of Laws, for the State Fire Marshal and deputy state fire marshals.

The enforcement authority of the State Fire Marshal and, by extension, the South Carolina certified fire marshal, is different than that of DSS. The State Fire Marshal has the authority to assess a fine of up to \$1,000 per fire code violation, which must be remitted to OSFM. The State Fire Marshal also has the authority to *order* the owner or person in charge of an unsafe building to correct deficiencies, vacate until deficiencies are corrected, or even demolish the building, and to apply to the Administrative Law Court for an injunction to obtain compliance with such order. In contrast, the enforcement authority of DSS is limited to denial, suspension, or revocation of child care licensure, a sanction not available to the South Carolina certified fire marshal.

Credentialing DSS' employees as South Carolina certified fire marshals may create a conflict in appellate procedures. A fire code violation may form the basis of an adverse action by which DSS may deny child care licensure or refuse to renew a license. S.C. Regs. 114-100 and 114-130, et seq., provide for a DSS hearing officer to hear disputes over adverse child care actions. In contrast, a citation issued by a South Carolina certified fire marshal must be heard by the State Fire Marshal or his designee.

The State Fire Marshal's Rules and Regulations no longer address child care. All child care regulations were removed from the State Fire Marshal's Rules and Regulations in 2015, in favor of reliance on codes like the South Carolina Fire Code.

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## Best Practices

An S.C. Department of Public Health (DPH) official said that the agency gets its authority for its fire marshals from Title I, Chapter 34, which provides that an agency charged with the regulation of buildings should enforce a nationally recognized code, if the code is referenced in the statutes or regulations administered by that agency. In other words, DSS would have authority to enforce the South Carolina Fire Code if regulations administered by DSS referenced the code.

Chapter 114 of the S.C. Code of Regulations, which DSS administers, only references the term, “State Fire Code,” in relation to residential group care facilities for children. We did not find the term “South Carolina Fire Code” anywhere in the chapter.

It is the expressed intent of the South Carolina General Assembly that state regulatory agencies enforce the same editions of nationally-recognized codes. S.C. Code §1-34-30 requires that an agency adopt the latest edition of the South Carolina Fire Code; therefore, the 2021 edition of the South Carolina Fire Code, published by the International Code Council would need to be referenced in regulations administered by DSS.

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## Recommendations

36. The S.C. Department of Social Services should continue to participate in applicable fire safety training offered by the Office of the State Fire Marshal, the S.C. Fire Academy, or equivalent training offered by another vendor.

37. The S.C. Department of Social Services should resign its South Carolina certified fire marshal credentials in favor of the S.C. Department of Social Services’ regulatory authority.

38. The S.C. General Assembly should amend S.C. Code §63-13-80(A) to provide direct and unambiguous authority to DSS fire marshals to inspect child care facilities for compliance with the South Carolina Fire Code.

39. The S.C. Department of Social Services should take appropriate steps to amend Chapter 114 of the S.C. Code of Regulations to require child care providers to comply with the latest edition of the South Carolina Fire Code.

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## Written Policies Needed

DSS does not have written policies or procedures for its Fire and Health Safety Office. We also found that the Fire and Health Safety Office shares the same mission statement as the Division of Early Care and Education but there is no mention of a commitment to fire or health safety in that mission statement.

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## Policies and Procedures

DSS' Fire and Health Safety Office does not have a policy or procedure manual. Over the course of the audit, we requested specific, individual policies and procedures; however, DSS could not produce any policies for:

- When a fire marshal must schedule a fire and health safety inspection with a child care provider and the standard for passing a fire and health safety inspection.
- Responses by fire marshals to fire and health safety incidents at child care facilities.
- The deadline for completing an architectural plan review and length of time that architectural plans can or should be stored at the agency once reviewed.
- Training for new fire marshals, including on-the-job, job shadowing, and health and sanitation inspection training.
- Quality control reviews of fire and health safety inspection reports.

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## Mission Statement

According to a DSS official, the agency's mission statement for its Fire and Health Safety Office is the same as the mission statement of the Division of Early Care and Education. We reviewed the statement to determine the stated mission of the Fire and Health Safety Office: "To make child care more available and affordable to parents, and to increase the quality of care for all children in the state."

The mission statement does not address a commitment to fire or health safety. In reviewing the purpose statements of state laws and regulations related to child care, we found that state law prioritizes the health and safety of children in child care. It is the intention of the state to ensure the protection of children in child care facilities. The General Assembly assigned responsibility for the regulation of child care facilities to DSS. Chapter 114 of the S.C. Code of Regulations provides requirements and standards to protect the health, safety, and well-being of children in child care facilities. The General Assembly's emphasis on the health and safety of children in child care is not, however, reflected in this mission statement.

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## Recommendations

40. The S.C. Department of Social Services should develop a comprehensive manual of policies and procedures aligned with the mission statement of the Fire and Health Safety Office and addressing the functions of the office.

41. The S.C. Department of Social Services should amend the mission statement of the Division of Early Care and Development to reflect the statutory and regulatory emphasis placed on the health and safety of children in child care to include a commitment to fire and health safety.

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## Fire and Health Safety Inspections

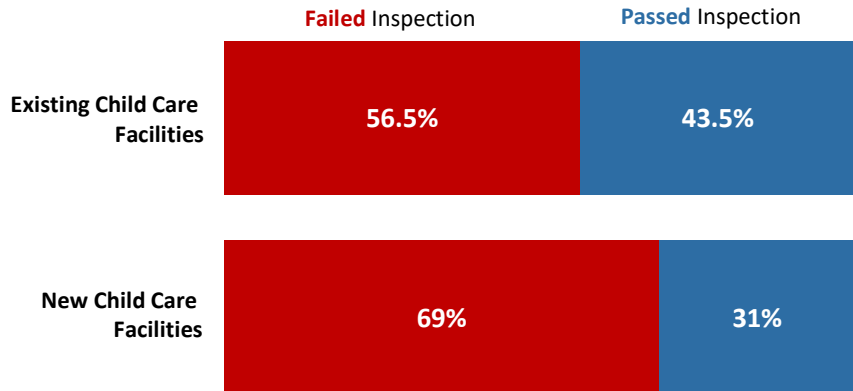
DSS does not have a published standard for what constitutes passing or failing a health, fire, and life safety inspection of a child care facility. Passing a health, fire, and life safety inspection is a requirement for licensing or renewing the license of a child care provider. Establishing this inspection as a single, determining factor as to whether a child care facility becomes licensed may also be contrary to state law and state regulations, and may result in an unnecessary process delay when a provider is cited for a deficiency that is less than a serious threat to the health, safety, or well-being of children.

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## Pass/Fail Rates

DSS does not track data on the fire and health safety inspection failure rate for new child care facilities. We surveyed all of DSS' fire marshals who conduct fire and health safety inspections and asked the approximate percentage of child care facilities that fail these inspections. The fire marshals reported that approximately 69% of new child care facilities fail their initial fire and health safety inspections, and approximately 56.5% of existing facilities fail their initial inspections for license renewal.

**Chart 6.1: Reported Pass/Fail Rates for New and Existing Child Care Facilities**



Source: LAC analysis of DSS' Fire Marshals' reported pass/fail rates.

## Pass/Fail Standard

S.C. Code §63-13-80(A) requires that child care centers and group child care homes undergo fire and health safety inspections as a condition of licensing and license renewal. The statute does not require that a facility “pass” an inspection, nor does it prescribe a standard for “passing.” The statute does require DSS to carefully consider the results of fire and health safety inspections as part of its licensing or license renewal determinations. Similarly, S.C. Regs. 114-502(A)(5) and 114-512(A)(5) require DSS to consider the fire and health safety inspection report alongside a licensing inspection report, child abuse and criminal history background record checks, and written policies in making child care licensing decisions. This allows for discretion when violations are not urgent and there is no serious threat to the health, safety, or well-being of children.

S.C. Regs. 114-502(A)(5)(c) and 114-512(A)(5)(c) require DSS to deny licensure of a child care center or group child care home when a violation seriously threatens the health, safety, or well-being of the children. The regulations do not identify what constitutes a “serious threat.” S.C. Regs. 114-502(A)(5)(b) and 114-512(A)(5)(b) provide for issuance of a provisional child care license when violations “do not seriously threaten the health, safety or well being [*sic*] of children.”

In an obsolete DSS “Child Care Licensing and Regulatory Services” policy from 2006, when the OSFM and DHEC inspected child care facilities, DSS required child care providers to “pass” a fire and health safety inspection with no violation that cannot be corrected on-the-spot. A “failed” inspection is not considered with other elements in a licensing decision, as one factor among others; rather, the failed inspection, itself, preempts further consideration. Based on interviews of DSS’ fire marshals, we found that a “failed” fire and health safety inspection requires a fire marshal to reinspect the facility, which can delay the licensing process up to 30 days.

When asked about this policy, DSS directed us to the “Resources” tab of the agency’s SCChildcare.org website. In reviewing the website, however, we found only the requirement from state regulations that inspections be conducted; we did not find a pass/fail standard.

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## Inconsistent Focus

Variance in focus and the application of fire codes and health regulations by DSS’ fire marshals can result in inconsistent fire and health safety inspections, requiring child care providers in different parts of the state to prepare differently for the “same” inspection. Consistency in fire and health safety inspections is essential to fair treatment of all providers and ensuring they clearly know what to expect from fire marshals and how to comply with requirements. Conversely, inconsistency can discourage provider efforts to comply.

DSS’ fire marshals apply approximately 60 fire or building codes during fire and health safety inspections, depending upon the conditions they encounter onsite. One child care facility we visited underwent a 105-point inspection, inclusive of health items; another underwent a 92-point inspection. DSS’ fire marshals are provided with an interactive, electronic inspection checklist in the software on their laptop computers, which provides the basis for the fire marshal’s report and promotes consistency of the inspection.

During our visit, we found fire marshals may observe and note violations outside of the checklist. We found:

- In no inspection that we observed did the fire marshal refer to the checklist until after the inspection. Experience and memory were relied upon instead.
- In one inspection, three identified deficiencies were not later entered onto the checklist and were thereby excluded from the report.
- After the walkthrough in another inspection, the fire marshal did not recall whether a specific combustible material had been observed or the extent of food preparation done in the kitchen—conditions that affect the application of certain inspection standards.

To assess the consistency of fire marshal focus in fire and health safety inspections, we surveyed the six DSS fire marshals who conducted these inspections, asking each for the “top ten” violations that cause child care facilities to fail inspections. The possible total number of violations cited would have been 60 if all responses were different. If all fire marshals reported the same top ten violations, we would interpret it to mean that inspection focus was optimally consistent. Variance from the number ten would suggest variance in focus: the greater the number, the greater the variance. This indicates inconsistency in the application of requirements. We received 40 “top ten” violations, 25 (62.5%) of which were reported by only one fire marshal. Of the 15 violations that were reported by more than one fire marshal, 9 were fire code violations and 6 were DSS health regulations. From this we conclude that, despite the electronic checklists, DSS fire marshals emphasize different inspection items, resulting in variance from fire marshal to fire marshal and region to region.

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## Provider Perspective

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We visited child care providers in three of the four regions of the state to explore consistency of inspections from their perspective. We found that inspections could vary from fire marshal to fire marshal. Providers commented as follows:

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Two providers told us their most recent inspections were more thorough than any previous inspection. One added that the most recent fire marshal inspected things that previous fire marshals had not – and that the provider had “learned a lot” from the new fire marshal.

Of a child care center’s most recent inspection, another provider said, “This [fire marshal] did a lot of talking – answered questions that I didn’t even ask.”

Another provider asserted, “The guy last time only looked at the books.”

One provider offered that providers may not know what to expect when a facility is inspected by different fire marshals.

One provider said that its child care center had been inspected by at least four different fire marshals in recent years.

At another child care facility, the provider said that different fire marshals had conducted the two most recent inspections and a third was expected to conduct the next inspection.

A provider also alleged that different fire marshals had at least some different requirements.

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We found that child care providers were often unaware that the fire marshals were DSS employees. On consecutive days in August 2025, we asked three child care providers, in different regions of the state, if they knew for which agency the fire marshals worked. One provider was well acquainted with the DSS fire marshal program, but another thought the fire marshals worked for the county and the third had “no idea.” We also found that providers and the public may mistake DSS fire marshals for deputy state fire marshals, resulting in confusion when there is an issue or question related to child care fire and health safety inspections.

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## Fire Marshal Perspective

DSS fire marshals provide important services for the South Carolina child care community, without charge to providers or families. We observed fire and health safety inspections conducted by three different DSS fire marshals in three different regions of the state. We also asked the DSS fire marshals for strategies to help more child care facilities pass the fire and health safety inspection. These are some of their responses:

- “Providing more information to them, more frequently, about what is expected prior to the renewal inspection on a state-wide basis would be a great strategy for ensuring they are ready and compliant.”
- “There should be more communication in the initial application process with our central office about what is expected from fire, life and health safety and the importance of each.”
- “A Fire Marshal Corner type e mailer [*sic*] and they can have the option to ask questions if needed.”
- “Education and training for directors.”
- “I have found that the centers that have an employee dedicated to managing the centers [*sic*] fire and health safety issues have a higher pass rate than others.”
- “[R]oughly 70% of new child care facilities fail their initial inspection due to lack of knowing what is needed for success or the center calls for an initial before they are ready to open.”

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## Recommendations

42. The S.C. Department of Social Services should track and monitor the pass/fail rate of fire and health safety inspections for child care licensing and license renewals.

43. The S.C. General Assembly should amend S.C. Code §63-13-80(A) to require child care facilities to pass a fire and health safety inspection based on standards published by the S.C. Department of Social Services.

44. The S.C. Department of Social Services should identify and take appropriate steps to promulgate in state regulations those fire and health safety violations it deems to constitute a “serious threat” to the health, safety, or well-being of children in a child care facility, with the understanding that a fire marshal may, in some situations, identify additional conditions as serious threats.

45. The S.C. Department of Social Services should replace its “no violation” standard for passing a fire and health safety inspection for child care licensing, in favor of a “no serious violation” standard, consistent with S.C. Regs. 114-502(A)(5)(c) and 114-512(A)(5)(c).

46. The S.C. Department of Social Services should take appropriate steps to promulgate regulations for what constitutes passing a fire and health safety inspection for child care licensing in state regulations.

47. The S.C. Department of Social Services should issue a provisional child care license when a child care facility is cited only for a fire and health safety violation that does not “seriously threaten the health, safety, or well-being of the children,” consistent with S.C. Regs. 114-502(A)(5)(b) and 114-512(A)(5)(b).

48. The S.C. Department of Social Services should develop and implement written procedures to ensure fire marshals inspect the same items at all child care facilities, to the extent that an item is applicable to a specific facility, and to ensure deficiencies are properly reported.

49. The S.C. Department of Social Services should, in collaboration with its fire marshals, determine and implement strategies to better prepare child care providers for fire and health safety inspections, and encourage providers to maintain safe conditions between inspections.

50. The S.C. Department of Social Services should promote its fire marshal program within the child care community to help relieve any confusion about fire and health safety inspections.

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## Inspection Standards

DSS uses the unapproved International Fire Code (IFC) rather than the South Carolina Fire Code (SCFC). DSS also uses outdated state regulations as standards for architectural plan reviews and fire and health safety inspections of child care facilities. We reviewed fire codes and state statutes, interviewed DSS fire marshals, observed a demonstration of inspection software used by DSS fire marshals, and consulted officials of OSFM and the S.C. Department of Education (SCDE), and found:

- OSFM and SCDE cite violations to the South Carolina Fire Code, but DSS fire marshals cite violations to the International Fire Code, contrary to the intent of the General Assembly that all state regulatory agencies enforce the same fire code.
- Improper or outdated fire codes and state regulations are loaded in inspection software used by DSS fire marshals.
- The State Fire Marshal's Rules and Regulations that once applied to child care were rescinded in favor of fire code enforcement.
- A child care provider may be improperly held to an incorrect standard.

The use of outdated regulations and fire codes can impact the reliability of a fire marshal's findings, the accuracy of citations, and the outcome of appeals.

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## Outdated Regulations and Fire Codes

DSS fire marshals conduct fire and health safety inspections using a web-based software program called Codepal Toolkit (Codepal). The software is installed on the state-issued laptop computer of each fire marshal. The manufacturer programs fire codes, statutes, and state regulations into the software, as specified by the agency, which fire marshals can then reference onsite while inspecting a child care facility. The chief fire marshal can also reference the codes, statutes, and regulations in the software while reviewing the architectural plan of a child care facility. Codepal also generates and populates an inspection report form with a checklist of items fire marshals should inspect depending upon the type of facility being inspected. The program is viable; however, it is dependent upon the input of current and proper standards.

DSS management could not determine when state regulations in Codepal were last updated but conceded they “may be old and outdated”– at least older than 2021. We reviewed DSS contracts, purchase orders, and service agreements with the Codepal manufacturer from 2018 to 2025 but were unable to identify when DSS had ordered the loading of state regulations into the software. We concluded that the regulations were loaded in 2018 or earlier.

DSS entered into an agreement in 2020 with the manufacturer of Codepal to load the 2018 IFC and other international codes into Codepal at a cost of \$900. We found that, in 2022, DSS had contracted with the manufacturer to load the 2021 IFC and other international codes into Codepal at a cost of \$1,000. We found no documentation that DSS has ever ordered installation of the SCFC.

Outdated inspection standards may cause a fire marshal to erroneously cite a child care provider for a violation, and DSS may be unable to defend the citation on appeal. For instance, when a DSS fire marshal listed for us the top ten violations that cause providers to fail fire inspections, we found that one of those top ten violations no longer pertains to child care facilities – only to foster homes.

In reviewing the South Carolina State Register, we found that, by 2009, state regulations promulgated by the State Fire Marshal had established fire prevention and life safety standards for both new and existing child care facilities, as well as for foster homes. The regulation cited by the DSS fire marshal had been established in 2014 in S.C. Reg. 71-8301.3(A)(3)(b) and did apply to child care facilities at that time. However, in 2015, all child care requirements were removed from the State Fire Marshal’s regulations in deference to fire codes, leaving only regulations for foster homes. S.C. Reg. 71-8301.3(A)(3)(b) no longer exists; therefore, fire marshals citing a child care provider for violating that regulation are in error.

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## Improper Citations to Model Fire Code

S.C. Code §1-34-10 expresses the intent of the General Assembly that all state agencies responsible for enforcing building or fire codes should enforce the same editions of the codes. The IFC is a model code that is subject to change by the International Code Council. The SCFC, also known as the “International Fire Code with South Carolina modifications,” is a modification of the IFC, vetted and adopted by reference for the state by the South Carolina Building Codes Council, through a statutory, legislative process. As an adaptation of the model IFC, the SCFC is similar but not identical to the model code. For instance, according to the OSFM, a municipal fire department recently proposed a modification to the IFC to require South Carolina fire protection vendors to electronically submit all reports of required fire protection system inspections and maintenance to the fire marshal. If approved by the South Carolina Building Codes Council, that modification may appear in the next edition of the SCFC – but would not be found in the model IFC.

While DSS management asserts that the agency’s fire marshals cite fire code violations from the “International Fire Code with South Carolina modifications,” DSS management could not determine whether the code loaded in Codepal was the IFC or the International Fire Code with South Carolina modifications (the South Carolina Fire Code). The South Carolina Fire Code is the code that should be cited and enforced in South Carolina. In reviewing DSS’ reports of fire and health safety inspections, however, we noted that inspection checklists consistently referenced inspection items to the IFC and, accordingly, violations were cited to the IFC. During a demonstration of Codepal, we noted that the South Carolina Fire Code was not loaded on that system.

This can be problematic as seen in fire codes prohibiting the storage of combustibles in electrical rooms. When we asked DSS’ fire marshals, in an open-ended survey question, to identify the top ten violations that cause child care facilities to fail fire and health safety inspections, this violation was one of the most frequent responses. Respondents cited the violation to IFC 315.3.3, which addresses the subject—with the exception of one fire marshal who erroneously cited an unrelated code number. The corresponding SCFC is also 315.3.3 and has language identical to the model code, but adds the requirement: “Rooms shall be labeled with approved signage ‘No storage allowed.’” A child care facility without the required sign on its electrical room door would be in violation of the SCFC but would not be in violation of the IFC. Guidance given to the child care provider to comply with the IFC would not bring the provider into compliance with the SCFC. One author of literature we reviewed said of erroneous citations, the “negative impact on readers is palpable.”

As previously noted, we asked all DSS fire marshals who inspect child care facilities to list the top ten violations that cause child care providers to fail a fire and health safety inspection. Every fire code violation identified was cited to the IFC; no violation was cited to the SCFC.

We reviewed three presentations on the agency’s SCChildcare.org website: “South Carolina Child Care Centers and Faith Based Facilities: When Are Architectural Plans Required?”, “Records and Reports: Questions 13-19 for Educational Child Care Facilities,” and “Access-Controlled Egress Doors.” All three presentations repeatedly refer to the IFC. A “Child Care Fire Drill Report” form on the website cites the IFC as the authority for record-keeping requirements, rather than the SCFC.

A 2021 sole source contract between DSS and the manufacturer of Codepal stated that the software is used by DSS to review the architectural plans of new child care facilities to ensure their construction complies with the IFC. In reviewing findings of architectural plan reviews, we noted that all fire code references cited the IFC; none referenced the SCFC.

The OSFM’s deputy state fire marshals cite fire code violations to the SCFC rather than the IFC. OSFM stated that citing to the SCFC:

- More accurately reflects the intent of the state legislature in creating an adoption process for such codes.
- Implements a code that has been vetted and adopted through a legislative process in South Carolina.
- Is more palatable to a South Carolina building owner than an international code.

We found that plan reviewers of the SCDE also adhere to the SCFC.

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## Miscited State Statute

During a demonstration of the agency’s Codepal Toolkit system, we observed a statute referenced on the screen as S.C. Code §63-13-1040 with its subsections, A, B, C, and D. We attempted to confirm the accuracy of this citation by comparing it to a printed version of the law. We found that S.C. Code §63-13-1040 has no subsections and that the Codepal verbiage was not consistent with the actual law. However, we found that the Codepal verbiage and subsections were consistent with S.C. Code §63-13-1050.

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## Recommendations

51. The S.C. Department of Social Services should review the former child care regulations of the State Fire Marshal and move to adopt any that should be preserved into Chapter 114 of the S.C. Code of Regulations.
52. The S.C. Department of Social Services should move to amend regulations to adopt the South Carolina Fire Code as the standard for agency-conducted fire inspections and architectural plan reviews of all types of South Carolina child care facilities.
53. The S.C. Department of Social Services should immediately coordinate with the manufacturer of Codepal Toolkit to install the South Carolina Fire Code into the DSS fire marshals' Codepal Toolkit system.
54. The S.C. Department of Social Services should review the accuracy of all state statute citations in its Codepal Toolkit system and correct all errors.
55. The S.C. Department of Social Services should update state regulations in its Codepal Toolkit system.
56. The S.C. Department of Social Services, as a matter of written policy, should ensure regulations in Codepal Toolkit remain current.
57. The S.C. Department of Social Services should immediately, via written directive or memorandum, discontinue enforcement of former child care regulations of the State Fire Marshal that are no longer in effect or applicable to child care facilities.
58. The S.C. Department of Social Services should identify and replace all references to the International Fire Code on the SCChildcare.org website with references to the South Carolina Fire Code.

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## Frequency of DSS Fire Marshal Inspections

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The infrequency of DSS' fire marshal inspections of child care facilities limits the agency's ability to ensure safe conditions for children. As a result, a child care facility may be out of compliance with fire codes for years before DSS identifies a deficiency and its associated risk to children.

Child care providers only receive one fire inspection from a DSS fire marshal every three years while entities, such as adult daycare facilities and residential treatment facilities, are inspected every 15 to 18 months by other fire officials. State regulations require annual fire safety inspections for other children’s facility types that are licensed by DSS. The federal Child Care and Development Block Grant Act of 1990 requires at least one annual, unannounced health, safety, and fire inspection of child care providers receiving assistance.

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## Current Three-Year Fire Inspection Cycle

According to DSS management, the purpose of the agency’s fire inspection is to protect the health, safety, and well-being of children who receive care from child care providers. DSS accomplishes this through enforcement of fire codes and health regulations. These inspections by DSS are critical because local fire marshals may not actively inspect child care facilities and inspection protocols may vary between local jurisdictions, meaning an inspection in one county may not be as comprehensive or demanding as an inspection in another county. One provider who had been in business for six years told us its child care center has not been inspected by a local fire marshal since it opened. A provider in another region told us its center has never been inspected by a local fire marshal.

Effective July 10, 2024, due to legislation requested by DSS, amendments to S.C. Code §63-13-20(23) changed the child care licensing period from two to three years. DSS began implementing this change in calendar year 2025. Consequently, because state law and regulations require fire and health inspections for initial child care licensure and license renewal, the frequency of DSS fire and health inspections may now be reduced to once every three years.

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## Other Fire Inspection Cycles in South Carolina

In reviewing state and federal law, state regulations, and other literature, we found that conducting a fire inspection every three years is not a standard policy for other types of facilities. In contrast, S.C. Code §5-25-360 requires quarterly fire inspections of all buildings within a city’s fire limits. S.C. Code §23-9-360 requires quarterly fire inspections of public buildings and businesses in every city, town, and unincorporated community that accepts benefits of the Fireman’s Insurance and Inspection Fund (1% tax on firefighter insurance premiums used to maintain and improve fire departments). The Fire Inspector I and II textbook by the International Association of Fire Chiefs and the National Fire Protection Association (NFPA) describes fire inspections as “annual” but notes that some states require biannual or quarterly inspections in certain situations.

S.C. Department of Public Health (DPH) fire marshals inspect DPH-licensed facilities, such as adult day care facilities and residential treatment facilities for children and adolescents, every 15 to 18 months. S.C. Reg. 114-592(B)(1)(b) requires annual fire safety inspections for residential group care facilities for children and S.C. Reg. 114-600(D)(3) requires annual fire inspections for wilderness therapeutic camps for children – both of which are also licensed by DSS. Finally, the federal Child Care and Development Block Grant Act requires at least one annual, unannounced, health, safety, and fire inspection of child care facilities that receive assistance.

## Fire Safety Tasks Required of Providers

The failure of child care providers to perform fire safety tasks that are required annually or even monthly account for many of the deficiencies that cause facilities to fail fire inspections. Examples of such requirements were noted in our survey of DSS fire marshals and are demonstrated in Chart 6.2.

**Chart 6.2: Examples of Fire Safety Tasks Required of Child Care Providers**

CODE REQUIREMENT	FREQUENCY	S.C. FIRE CODE
Fire safety and evacuation plans must be reviewed and updated.	Annually	S.C. Fire Code 404.3
Fire drills must be conducted.	Monthly	S.C. Fire Code 405.3
Employees must receive training on fire safety and evacuation plans.	Annually	S.C. Fire Code 406.2
Fire suppression sprinklers must be inspected by qualified personnel.	Quarterly	S.C. Fire Code 901.6.1 NFPA-25, 5.1.1.2
Kitchen range fire suppression hoods must be inspected.	Semiannually	S.C. Fire Code 904.13.5.2
Fire extinguishers must be inspected by owner.	Monthly	S.C. Fire Code 906.2 NFPA-10, 7.2.1.2.1
Fire alarms must be inspected and tested by S.C. licensed fire alarm contractor.	Annually	S.C. Fire Code 907.8, via NFPA-72, 14.3.1
Emergency lighting equipment must be tested.	Monthly	S.C. Fire Code 1032.10.1
Battery-powered emergency lighting equipment must be tested.	Annually	S.C. Fire Code 1032.10.2

Note: Requirements in orange were identified by more than one DSS fire marshal as a reason why child care providers fail fire and health safety inspections. Code requirements in the first column are paraphrased for brevity.

Source: LAC survey and the S.C. Fire Code.

In an open-ended survey question to DSS' fire marshals, who we consider to be the agency's experts on fire and life safety, we asked for the top ten violations that cause child care facilities to fail fire and health safety inspections. At least two fire marshals identified three of the above-listed fire codes, which providers must comply with at intervals of 12-months or less. We also asked DSS management which violations are most frequently found in child care facilities. Of the seven violations cited by management, three are listed in Chart 6.2.

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## Fire Marshal Observations

In the same survey, we asked the fire marshals for strategies to assist child care providers in passing their fire and health safety inspections. Of the six fire marshals surveyed, three responded with concern about the frequency of inspections:

- “We are currently about to have our inspection spaced out further years and we have learned that as long as we are not there, it’s an out of site [*sic*] out of mind situation when it come [*sic*] to what the fire marshal expects.”
- “Increase the frequency of inspections conducted instead of decreasing to 3 years.”
- “2 years is a long time to insp[ect;] they plan on going to 3 years.”

Two DSS fire marshals also expressed, in separate field interviews, that they “worried” about the frequency of fire inspections being changed from two years to three years. Regarding fire alarm deficiencies, specifically, one fire marshal asserted, “They don’t do it until the fire marshal is coming.” The second fire marshal stated, “Lots of findings are made every two years; I worry that it will be worse with three-year inspections. It increases the risk of something happening and the provider not being prepared.”

In one child care facility we visited where the fire marshal was neither present nor expected (nor were we expected), we observed three fire extinguishers without the required hangtags to document monthly checks, and the safety pin had been pulled from one of them (Exhibit 6.3). The child care director expressed unfamiliarity with fire extinguisher inspection requirements. The director of a second child care provider we visited told us, “We used to miss fire drills when we were only checked when up for renewal, every two years. A lot can happen in two years, we have so much turnover. The kids know the drill—it’s the staff that needs the training.”

**Exhibit 6.3: Fire Extinguisher in a  
DSS Licensed Child Care Facility  
without an Inspection  
Maintenance Hangtag or Safety  
Pin**



Source: LAC photo.

**Recommendation**

59. The S.C. Department of Social Services should develop and implement a written plan, by the close of FY 26-27, to determine how it can increase the frequency of fire inspections of all licensed child care facilities to at least every 18 months.

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## Fire Inspection Report Quality Control

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DSS has no formal quality control process for fire and health safety inspection reports. We reviewed a judgmental sample of fire and health safety inspection reports filed by DSS fire marshals, interviewed DSS staff, and visited four child care providers. We found:

- An unusual circumstance regarding an inspection that was reportedly done outside of the child care provider’s business hours.
- The fire and health safety inspection report form provides a line for the child care provider’s signature but does not indicate what that signature means.
- Substantial and potentially consequential errors can occur on a DSS fire and health safety inspection report.
- DSS has no written policy or procedure for who may sign a fire and health safety inspection report on behalf of a child care provider; nor does DSS have a policy on actions for a fire marshal to take if a provider refuses to sign the document.
- DSS has no written policy or procedure establishing a formal quality control protocol for fire and health safety inspection reports.

We reviewed four 2025 inspection reports chosen based on our visits to providers in addition to one 2023 DSS fire and health safety inspection report which we found because it indicated the inspection had been conducted outside of the child care provider’s regular business hours and no deficiency was found or corrected—meaning that the provider “passed” the inspection. The report, however, had not been signed by the provider and there was no explanation on the report indicating why it was not signed. We noted that the report form requests the signature of the child care provider but does not indicate what that signature means.

According to DSS, the signature represents the provider’s acknowledgement of the inspection and its findings, but that is not indicated on the report form. The signature could therefore be interpreted to mean something other than what the agency or the child care provider understands it to mean.

A 2025 fire and health safety inspection report for the same child care facility was allegedly signed by the provider, whose name was typed beneath the signature. This report also stood out, however, because the signature did not match the individual's typed name and, again, no deficiency was found or corrected. We visited the child care provider, interviewed the director and the manager, and toured the facility. We found:

- According to the provider, the 2025 inspection had not been scheduled; the fire marshal “just popped in.”
- Contrary to the report, the child care provider informed us that it had at least three violations, which, according to DSS’ standards, would be considered a failed inspection. The fire marshal brought the violations to the attention of a staff member.
- Two of the three violations disclosed to us by the provider had not yet been corrected.
- A violation on the playground was not brought to the provider’s attention by the fire marshal.
- The report specifically stated that two of the three deficient items had been inspected and found to be compliant. The third deficiency was not listed on the report.
- The child care provider staff member who allegedly signed the report had not been there for the inspection.
- The name of the staff member who was present for the fire inspection did not match the name or signature on the report.
- The fire marshal did not provide the child care provider with a copy of the fire and health safety inspection report, either printed or emailed.

DSS has no written policy or procedure establishing who can sign a fire and health safety inspection report on behalf of a child care provider, and actions to take if a provider refuses to sign. However, the agency’s long-standing practice is for the fire marshal to note a refusal in the “comments” section of the report.

DSS also has no written policy or procedure that requires reviews of fire and health safety inspection reports. However, the chief fire marshal reviews some violations for uniformity and errors. Although we noted only two inspections with unusual entries, this may indicate the need for a more formal quality control process.

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## Recommendations

60. The S.C. Department of Social Services should include verbiage with the signature block in fire and health safety inspection reports to advise the signer and other readers of the significance of the signature and consequences of refusing to sign.
61. The S.C. Department of Social Services should document all deficiencies that the agency requires a child care provider to correct on the fire and health safety inspection report.
62. The S.C. Department of Social Services should ensure signature blocks of fire and health safety inspection reports accurately indicate the authority of the individual signing the report by noting the individual's title.
63. The S.C. Department of Social Services should develop and implement a written policy or procedure to establish who can sign a fire and health safety inspection report on behalf of a child care provider.
64. The S.C. Department of Social Services should develop and implement a written policy or procedure outlining actions for a fire marshal to take if a child care provider refuses to sign the inspection report.
65. The S.C. Department of Social Services should develop and implement a written policy or procedure establishing a formal quality control protocol for the review of fire and health safety inspection reports, which addresses the documentation of deficiencies, signatures, and refusals to sign.

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## Fire Inspection Request Process

DSS' procedure for scheduling fire and health safety inspections interferes with the chief fire marshal's oversight of direct reports and their inspections, inhibits fire marshal accountability, and may even contribute to failed inspections. We reviewed the scheduling process and found:

- Outdated information that an applicant for child care licensing needs to request a fire and health safety inspection is prominently accessible online and can misdirect the applicant to OSFM or to the former S.C. Department of Health and Environmental Control (DHEC) to remit payment for the inspection.
- The agency's "Fire Inspection Request" form does not capture the child care provider's email address to facilitate inspection scheduling by the fire marshal.
- Child care licensing staff directly notifies fire marshals in the field of the inspection needs of applicants for child care licensure and existing providers. This reduces the chief fire marshal's ability to oversee direct reports and ensure that fire and health safety inspections are scheduled and conducted as requested.
- Fire marshals regularly work with outdated information when scheduling fire and health safety inspections for license renewals.
- Premature scheduling of fire and health safety inspections, before a new or renovated facility is prepared, can result in failed inspections and delay the licensing process.

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## Internet Search for Fire and Health Safety Inspection Request Form

The process of requesting a fire and health safety inspection for a new child care facility begins with the provider completing a DSS form 2905, "Health-Fire Inspection Request: Child Care Facility New Applicants Only," and submitting it to the child care licensing division of DSS.

We searched online for the term, "DSS fire inspection form," as a child care provider might do to locate the appropriate form. The top search result linked to a DSS form 2905 on the agency's [dss.sc.gov](http://dss.sc.gov) website. The form, dated June 2012, required the provider to remit a \$60 payment to DHEC for a sanitation inspection. DSS has superseded this form and it has been obsolete since October 2013. Retaining the obsolete form on the agency website, where it features prominently in search results, can cause a provider to submit an improper form and delay the licensing process for the provider.

The fifth result returned in our online search for “DSS fire inspection form” linked to a document on the website of a county fire department, titled, “State Fire Marshal’s Guide to the DSS Licensing Process.” The document instructs providers to:

- Submit architectural plans for new and existing child care construction to the State Fire Marshal, rather than the DSS Fire and Health Safety Office.
- Submit fire alarm plans for existing child care facilities to OSFM for review, rather than DSS.
- Have a deputy state fire marshal test the commercial hood and fire suppression system, rather than a DSS fire marshal.
- Contact DSS for an inspection by a local fire marshal or Deputy State Fire Marshal, rather than a DSS fire marshal.
- Contact the OSFM with questions, rather than DSS.

All of these procedures have been obsolete since DSS fire marshals assumed responsibility for fire inspections of child care facilities from OSFM. There is obsolete child care fire inspection information on state and local fire department websites, where it features prominently in internet search results. Although DSS has no authority over local fire departments, it can be confusing to providers and delay the licensing process for the provider.

According to the federal Office of Management and Budget, to avoid confusing or negatively impacting the public, an agency should review and coordinate with other agencies to review web-based content to ensure it is accurate and non-duplicative. Outdated and inaccurate content should be removed, and redirects inserted as appropriate, to direct the public and search engines to current, accurate information.

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## Requests by Child Care Licensing Division for Fire and Health Safety Inspections

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The Division of Child Care Licensing, to comply with state laws and regulations, must make a written request for a fire and health safety inspection prior to licensing or renewing a license for a child care center or group child care home, or registering or renewing the registration for a child care center operated by a religious entity. A child care licensing specialist or licensing supervisor enters information for the request, to include the provider’s telephone number and address, onto a form titled “Fire Inspection Request.” The child care provider’s email address is not entered on the form, limiting scheduling communication between fire marshals and providers to telephone.

A DSS child care licensing specialist or supervisor emails the fire inspection request form directly to a fire marshal in the field. In at least one region, a licensing specialist may also text or call with any details that need to be conveyed. For new facilities, this request is triggered by notification by the chief fire marshal that the architectural plan for the facility has been conditionally approved. For existing child care facilities, the request is triggered by a license expiration date. State regulations require the request to be made 120 days before expiration of a child care license or registration. Since each request is transmitted directly to the fire marshal in the field, the chief fire marshal may never see it. This can restrict the chief fire marshal's capacity to ensure the chief's direct reports receive and respond to all requests for fire and health safety inspections in a timely manner, appropriately schedule inspections with child care providers, conduct inspections as scheduled, and are not over-extended.

Premature submission of a fire inspection request form to a fire marshal, before a newly-constructed child care facility is prepared to be inspected, can result in a failed inspection and require rescheduling and reinspection, delaying the licensing process. We sought information from DSS' fire marshals that could help child care providers pass their fire and health safety inspections. One fire marshal pointed out that scheduling inspections before a new facility is ready to be inspected is a leading cause of failures.

There is no mechanism by which the chief fire marshal or other supervisory staff can look up a scheduled inspection until it actually begins. For example, we asked DSS on a random Monday morning for a list of all fire inspections scheduled for that week, to include (1) the date and time of inspection, (2) the name and address of the child care facility, (3) the type of inspection (new applicant or renewal), and (4) the name of the inspecting fire marshal. DSS gathered this information by polling each fire marshal individually, and it took the agency nearly two workdays to complete, instead of having the information readily available in a scheduling database. The handwriting on one record was challenging to the extent that a DSS manager erred in attempting to discern the name of the child care provider to be inspected.

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## Fire Marshals Need List of Upcoming Inspections

In one region, a fire marshal stated that while child care licensing usually emails the fire marshal when an inspection is due, the email may arrive after the inspection has been completed. One of the fire and health safety inspections we observed had not yet been requested by child care licensing even though the provider's renewal date was within one week. Some fire marshals track child care license expiration dates in their respective regions, using lists of providers they are responsible for inspecting.

- The lists are generated from the agency's Child Care Services System by a fire marshal who can retrieve that data.
- One fire marshal receives an updated list approximately once a year; at least two others use a list that is four years old and includes facilities that have since closed.
- The list used by one fire marshal was color-coded by inspection status; another fire marshal offered, "I don't know half of what I have."
- A fire marshal stated that it would be helpful to have a list of assigned child care providers on the inspection software.

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## Recommendations

66. The S.C. Department of Social Services should remove obsolete child care content from its websites and replace it with current, accurate content.

67. The S.C. Department of Social Services should encourage fire departments and other partner agencies to remove obsolete child care licensing information from their websites and insert redirects to current, accurate content.

68. The S.C. Department of Social Services should update its fire inspection request form to require the email address of the child care provider.

69. The S.C. Department of Social Services should submit fire inspection request forms to the chief fire marshal at the same time as they are sent to the fire marshals in the field.

70. The S.C. Department of Social Services should update the Child Care Services System and train fire marshals in its use or develop a program or database where Fire and Health Safety Office staff and child care licensing staff can share needed information.

71. The S.C. Department of Social Services should develop a system to ensure that fire and health safety inspections of newly-constructed facilities are not scheduled before a facility is prepared for inspection.

72. The S.C. Department of Social Services should develop and implement a written procedure by which each fire marshal is provided with an updated list of child care facilities, at least annually, which that fire marshal is primarily responsible for inspecting.

73. The S.C. Department of Social Services should update its Child Care Services System or investigate the possibility of loading current lists of child care facilities assigned to each fire marshal on the inspection software used by the Fire and Health Safety Office.

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## Unannounced Fire Inspections

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State law may preclude DSS' fire marshals from performing unannounced inspections of child care facilities. State law restricts DSS, as an agency, to visiting a child care facility "without prior notice once a year for purposes of investigations and inspections." This may prevent DSS' fire marshals, as agency employees, from making a needed, unannounced visit if a licensing specialist has already visited a child care provider unannounced. We also found:

- The completion of unannounced fire marshal inspections was not a problem while OSFM inspected child care facilities, since it is a separate agency.
- Federal Child Care and Development Fund (CCDF) regulations require DSS to make at least one annual, unannounced visit of child care providers that receive CCDF resources.
- DSS does not have a written policy or description of the practice regarding unannounced visits of child care facilities.
- National and state fire safety authorities assert that unannounced fire safety visits offer a truer picture of a child care provider's compliance with fire prevention standards and readiness to protect children in the event of a fire.

S.C. Code §63-13-80(A) limits DSS to one unannounced visit to a child care facility annually "for purposes of investigations and inspections."

Inspections by fire marshals are different than the annual, unannounced inspections conducted by licensing specialists. This restriction was not an issue while OSFM—a separate agency which is still listed as the fire inspection contact on the SCChildcare.org website—inspected child care facilities, but it now precludes DSS fire marshals from performing an unannounced fire inspection if a licensing specialist has or will make an unannounced inspection.

The federal CCDF program requires at least one unannounced licensing inspection per year for providers that are eligible to receive CCDF funds. This required unannounced inspection by licensing staff would preclude an unannounced inspection by DSS fire marshals since state law allows the agency only one unannounced visit per year. We interviewed one child care provider who said that a DSS fire marshal recently conducted an unannounced inspection of a facility and found deficiencies that needed to be corrected. In this instance, a DSS child care licensing specialist may be precluded from conducting an unannounced inspection of that facility, as it would constitute more than one unannounced inspection by the agency in one year.

The model International Fire Code (IFC) would allow the fire marshal professional discretion for scheduled and unannounced fire inspections. IFC 109.2 states, “The fire code official is authorized to conduct such inspections as are deemed necessary to determine the extent of compliance with the provisions of this code...”

DSS does not have a written policy or procedure on unannounced fire and health safety inspections, or a description of the current practice, in the absence of policy and procedure. When asked for these documents, we were referred to S.C. Reg. 114-502(C)(1), which, similar to state law, permits one annual, unannounced, DSS visit to “verify regulatory compliance.” The agency produced no written policy or procedure on unannounced fire inspections and did not describe its practice in the absence of policy and procedure.

According to the International Association of Fire Chiefs and the National Fire Protection Association, unannounced fire inspections afford fire marshals a more accurate look at how businesses comply with fire codes on a daily basis. One member of the OSFM we interviewed described a fire inspection as a “snapshot in time,” and asserted: “What makes it safe isn’t the fire marshal; it’s the culture of the organization, what they do when the fire marshal is not there... Are they safety-minded? Do they care if it’s safe?”

Regarding child care provider compliance with fire codes, a DSS fire marshal told us, “If the fire marshal is not coming in, they will not do it—out of sight, out of mind. They would rather get a slap on the hand every three years . . .” At one child care facility we visited, staff confided in us that the facility adjusts a particular inspection item to be in compliance “when the [DSS] lady shows up,” but restores the item to the provider’s preference “after inspections.” The item described was inspected by the DSS fire marshal during our visit. We have reviewed DSS fire and health safety inspection reports which indicate this particular inspection item is among those inspected by DSS fire marshals.

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## Recommendations

74. The S.C. General Assembly should amend S.C. Code §63-13-80 to allow an authorized DSS fire marshal to conduct an unannounced fire inspection of a child care facility at least once per year, in addition to any other unannounced visits by DSS staff.

75. If state law is not amended, the S.C. Department of Social Services should develop and implement written policy and procedures for unannounced fire inspections of child care facilities.

76. The S.C. Department of Social Services should update materials on its SCChildcare.org website to replace references to the Office of the State Fire Marshal, as the contact for child care fire and health safety inspections, with references to the DSS Fire and Health Safety Office.

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## Architectural Plan Review Process

DSS’ Fire and Health Safety Office is responsible for reviewing printed architectural plans for all new child care facilities and all existing facilities that undergo structural changes. DSS assigns one employee—its chief fire marshal—to review all of the plans. We found that this process lacks:

- An electronic portal for submission of architectural plans.
- Multiple staff trained to review architectural plans.
- A policy requiring a deadline for when reviews of architectural plans must commence upon submission.
- A proper storage and retention process for architectural plans.
- Regulations to require DSS to conduct plan reviews for child care facilities.

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## Importance of Plan Reviews

According to the International Association of Fire Chiefs and the National Fire Protection Association (NFPA), plan reviews provide an opportunity for the fire marshal to identify structural or layout changes needed for new construction to comply with fire codes—before those changes would require major reconstruction. DSS’ architectural plan review protects the building owner from any child care-specific requirement overlooked by a design professional, which, if identified post-construction, could be expensive to remediate. DSS staff explained that reviews may also reveal details that would be invisible to a fire marshal post-construction, and are essential in promoting the safety of children who will occupy the structure.

Architectural plan reviews, however, directly impact the period of time required for an aspiring child care provider to become licensed. Although DSS does not recognize the architectural plan review as part of the application process, the license application process does not move forward until a DSS fire marshal has first reviewed and conditionally approved the architectural plan.

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## Authority for Plan Reviews

Neither state law nor state regulations specifically authorizes DSS to conduct architectural plan reviews of child care facilities. Both the International Fire Code and NFPA-1 Fire Code prescribe authority for plan reviews; however, as model codes, they convey no authority unless adopted by the State. During a course on State Fire Marshal Rules and Regulations, an OSFM official noted that administrative provisions of the International Fire Code do not apply unless they have been adopted by the municipal or county governing body. Therefore, the prescribed authority may not be incorporated into the South Carolina Fire Code. We did not find specific fire marshal authority to conduct plan reviews elsewhere in state law. In reviewing state regulations, we found that architectural plan reviews are required for residential group care facilities for children and for wilderness therapeutic camps for children—both of which DSS regulates—but not for child care facilities. Similarly, we found that state regulations authorize the OSFM and the S.C. Department of Public Health to conduct plan reviews in areas that they regulate, and state law authorizes the S.C. Department of Education (SCDE) to publish a construction guide for school construction and renovation, which requires plan reviews by the Office of School Facilities.

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## Impact on Licensing Time

DSS' method of receiving and reviewing architectural plans can be improved. According to one DSS manager, "When it comes to reviewing building plans, DSS is still 15-20 years behind. DSS cannot accept plans electronically, [design professionals] have to send physical copies of building plans." DSS conducts reviews of rolled, paper plans, while agencies like OSFM and SCDE conduct electronic reviews.

We interviewed DSS staff and staff of other state agencies charged with reviewing architectural plans and reviewed other state agency systems. We visited the OSFM for a demonstration of its electronic plan review system and interviewed staff at SCDE. We also reviewed state law, fire codes, and fire inspection literature.

DSS' Fire and Health Safety Office sometimes receives complaints about the turnaround time for architectural plan reviews, which the agency attributes to shipping time. DSS states it has experienced delivery times as long as three weeks. Time required for the design professional to have a plan printed and prepared for shipping also factors into the timeframe. The process repeats when corrections or revisions to a plan are needed. Prospective providers can become frustrated when such delays prevent them from moving forward in the licensing process.

According to DSS management, it is not unusual for architectural plans to be returned to the design professional because of insufficient information or lack of specificity. Delays in plan reviews and the need to return plans may prolong the licensing process and negatively affect child care availability.

In reviewing the process used by SCDE, we noted that SCDE does not return plans for insufficient information. Rather, a 20-day period is observed for the SCDE reviewer to ensure all required information is present and for the design professional to submit any missing information, so the review can begin as expected.

**Exhibit 6.4: Estimated Annual  
Agency Costs for Architectural  
Plans Delivered to Columbia**



Note: Architectural plans may be received in Columbia but are reviewed in Greenville. Assuming one round trip per week to retrieve plans, the annual cost to the agency is 21 workdays for the chief fire marshal and 10,690 miles of vehicle operation expense (\$4,031).

Source: LAC analysis.

We viewed a presentation on the “Fire and Health Safety Resources” section on the agency’s SCChildcare.org website. The presentation states that architectural plans for new construction, and for a closed facility that is being reopened, must be sent to DSS child care licensing in Columbia. The address given contradicts two other documents on the website that require that plans be sent to a different address in Columbia. According to DSS management, plans may also be mailed to a Greenville office, which is where they are reviewed by the chief fire marshal. For architectural plans mailed to Columbia, however, the chief fire marshal must drive from Greenville to retrieve them as often as three times per week. Exhibit 6.4 shows the estimated mileage and time consumed for the chief fire marshal to retrieve plans from Columbia. Those hours reduce the time available for reviewing architectural plans and are detrimental to turnaround time.

We visited the OSFM for a demonstration of its electronic plan review system and discussed electronic plan reviews with engineers of SCDE. We learned that such systems enabled design professionals to submit plans for review electronically and the reviewer to search the document electronically. In contrast, larger paper plans can be physically demanding for some reviewers to manipulate and can require the reviewer to sort through many pages of paper to find specific details like fire alarms, while simultaneously looking through books. Electronic plans can also be returned for correction and resubmitted electronically, removing printing time, shipping time, and drive time from the equation.

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## Burden of Inspection Load

All DSS plan reviews are conducted by the agency's chief fire marshal, who also supervises the agency's Fire and Health Safety Office. This limits the chief's time to perform other duties. We reviewed records of architectural plan reviews conducted by DSS and found that between January 1, 2020 and March 31, 2025, the chief fire marshal completed 1,389 plan reviews, inclusive of fire alarm plans and reinspections. DSS states that two or three plans can be reviewed per day, depending upon work interruptions.

According to the SCDE, eight SCDE plan reviewers reviewed 4,000 plans last year – an average of 500 plans per reviewer. Based on the records cited above, DSS' chief fire marshal reviewed approximately 264 architectural plans per year. Plan reviews consume most of the chief fire marshal's workday; however, the chief is also responsible for supervising seven fire marshals, resolving fire inspection issues, and performing all administrative functions of the Fire and Health Safety Office. The extent of the chief fire marshal's plan review duty detracts from the chief's capacity to supervise fire marshals in the field, conduct employee performance reviews, and ensure compliance with the agency's records retention schedule, and has precluded development of office policies and procedures.

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## Qualifications for Architectural Plan Review

DSS has no required qualifications for personnel assigned to review architectural plans for child care facilities. We reviewed the chief fire marshal's student transcript from the South Carolina Fire Academy and found that the chief has successfully completed the "Plans Review for Fire and Life Safety" course, presented by the National Fire Academy, the equivalent of an undergraduate college course. We asked DSS if any other fire marshal was trained to review architectural plans. The agency identified one other current fire marshal who had also completed that course, which we confirmed through individual training records. That fire marshal is not assigned to review plans, however.

We asked DSS for any written qualification(s) required of employees who review architectural plans for child care facilities; we were told that the agency had no such criteria. We reviewed DSS' fire marshal job postings and position descriptions for the period 2020 through 2025 and found that plan review was a job duty for every fire marshal hired; however, no qualification specific to that job duty was required.

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## Deadline for Plan Reviews

DSS does not have a policy that establishes a deadline for fire marshals to complete the review of an architectural plan. According to DSS management, "generally [requestors] are told it could take up to 30 days," though most reviews are completed sooner. Similar to DSS, OSFM reviews engineering plans for fire protection sprinkler systems. OSFM's target turnaround time on reviews is 13 or 14 days; however, S.C. Code §40-10-260(C)(4) declares a sprinkler plan that is not reviewed within 30 days to be approved. In contrast, SCDE affords 90 days for a plan review to be finalized and the plan to be approved.

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## Retention and Storage of Architectural Plans and Records Retention

DSS has no formal inventory system for architectural plans that have been submitted, and its storage system may be contrary to the agency's records retention policy. As a result:

- It may be difficult for staff to locate a specific, stored plan.
- Stored plans are subject to damage.
- It is difficult for management to verify compliance with the records retention policy.
- Unnecessary storage space is required.

DSS does not have a written policy on agency retention of architectural plans. As a matter of practice, DSS retains plans "for about three years from the review date." DSS ultimately disposes of architectural plans by shredding.

**Exhibit 6.5: Files of Architectural Plans**



Source: LAC photos.

DSS maintains the rolled, paper, architectural plans, some with as many as 100 sheets, in filing cabinets in the chief fire marshal's office and training room in Greenville. In visiting this facility, we found additional plans were stacked in an open bookcase, in an open rack on the office floor, or just on the floor itself. The open drawers and shelves we observed were stuffed full of rolled plans, some of which were bent, folded over, or crumpled; none were stored in protective tubes. DSS could not provide a written inventory of the stored plans.

Some of the architectural plans present had been stored for approximately eight years. We reviewed the agency's records retention schedule and found that it does not specifically address blueprints, architectural plans, or plan reviews in the context of child care; however, the schedule requires that documents supporting the regulation of "child day care facilities," including sanitation inspection reports and fire inspection reports, be retained by the agency for two years after inactive and then by the State Records Center for five years. Because architectural plans are acquired, reviewed, and maintained in support of the regulation of child care facilities and in relation to child care sanitation and fire inspections, we conclude that DSS' records retention schedule could apply.

Similar to DSS, the City of Greenville amassed file drawers of paper plans until an electronic plan review system was implemented. With the electronic system in place, a reviewer could instantly store a plan with a mouse click, and easily locate it later, if needed for questions. With physical storage space no longer required, many file cabinets could be disposed of and significant floor space was recovered.

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## Recommendations

77. The S.C. Department of Social Services should take appropriate steps to amend state regulations to require the agency to conduct architectural plan reviews for new construction and renovations of child care facilities in the same manner in which regulations require plan reviews for residential group care facilities for children and for wilderness therapeutic camps.

78. The S.C. Department of Social Services should, as a matter of written policy and procedure, recognize architectural plan reviews conducted by employees as part of the agency's child care licensing process.

79. The S.C. Department of Social Services should revise all architectural plan review instructions to prospective providers and design professionals, both virtual and printed, to submit architectural plans to the chief fire marshal, at the agency office where plans are actually reviewed, and to no other location.

80. The S.C. Department of Social Services should, as a matter of written policy and procedure, observe an appropriate period of time upon receipt of an architectural plan for a design professional to submit any missing information, before rejecting the plan for insufficient information.

81. The S.C. Department of Social Services should develop and implement a plan to establish an electronic portal system to expedite the submission, review, recall, and inventory of architectural plans for child care facilities.

82. The S.C. Department of Social Services should develop and implement a plan to train and assign an additional employee to the Fire and Health Safety Office for the purpose of reviewing architectural plans for child care facilities.

83. The S.C. Department of Social Services should establish, as a matter of written policy, minimum qualifications for employees who review architectural plans for child care facilities.

84. The S.C. Department of Social Services should, as a matter of written policy and procedures, require that the Fire and Health Safety Office complete the initial review of an architectural plan for a child care facility within 30 days of the agency's receipt of that plan.

85. The S.C. Department of Social Services should inventory and document all architectural plans of child care facilities that are in its possession.

86. The S.C. Department of Social Services should, as a matter of written policy and procedures, require that the Fire and Health Safety Office maintain a current and accurate inventory of all architectural plans in its possession.

87. The S.C. Department of Social Services should amend its records retention schedule or develop and implement other appropriate, written policy to specifically account for the retention and disposal of child care architectural plans.

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## Fire and Health Safety Office Staffing

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DSS has not conducted a formal staffing assessment of its Fire and Health Safety Office. Because staffing levels and workload are interrelated, we reviewed the workload of DSS fire marshals in relation to staffing levels and explored workload concerns of the fire marshals, themselves. We concluded that a staffing assessment could provide a roadmap to optimal performance, both now and in the future, for the Fire and Health Safety Office.

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## Impact of Workload

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One DSS fire marshal we interviewed stated DSS does not have the resources or manpower to consult with child care providers on fire and health safety issues, and their workloads can require fire marshals to complete necessary online training during their time off. This fire marshal expressed concern that turnover due to low salaries has already diminished the level of institutional experience within the Fire and Health Safety Office. Excess workload can also delay task performance, increase errors, and adversely affect safety and job satisfaction, increasing the likelihood of staff turnover.

Workload can also impact the timeliness of inspections. One fire and health safety inspection we observed had been requested weeks earlier but went unscheduled for two weeks because the fire marshal had been too busy to schedule it. Another had been scheduled only two business days before the child care provider's license renewal paperwork was due, leaving little time for correction of any deficiency found. A fire marshal we spoke with stated a similar scheduling scenario was "not fair to providers." We asked DSS for a written policy or procedure stating the number of days before expiration of a child care license that a fire and health safety inspection must be conducted; we found there was no such specification.

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## Number of Inspections

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The current number of DSS fire marshals (seven) was established in approximately 2012, after the responsibility shifted for health inspections from the former S.C. Department of Health and Environmental Control to DSS' fire marshals. Fire marshals we spoke with explained that their workload increases as new child care facilities open. For instance, in the Upstate region, at least 40 new child care centers opened in 2024, and additional facilities underwent renovation. This expansion likely increased the workload of the assigned fire marshal. In addition to inspections, fire marshals respond whether they are on or off duty to fire and life safety questions from both child care providers and DSS child care licensing specialists. This is a responsibility that one fire marshal described as "constant."

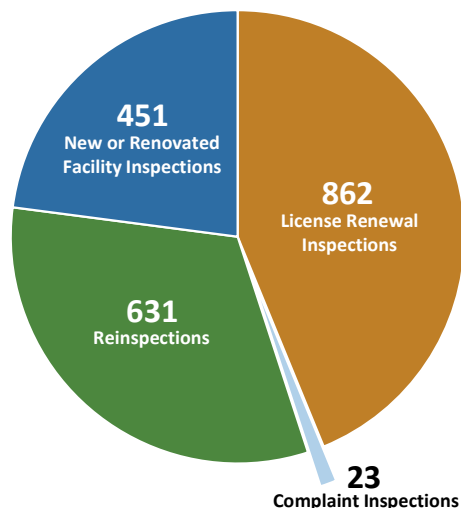
We reviewed fire and health safety inspection statistics maintained by the Fire and Health Safety Office. We found that, in 2024, seven DSS fire marshals conducted a total of 1,967 inspections, including:

- 451 inspections of new child care facilities.
- 631 re-inspections as a result of “failed” inspections, complaints, and provider requests.
- 862 inspections for license renewals.
- 23 complaint inspections.

If distributed evenly between the seven fire marshals, this total averages 281 inspections per fire marshal. A written report must also be generated for each inspection.

Travel time also factors into fire marshal workload. As of August 2025, South Carolina had 1,596 licensed child care facilities that were inspected by DSS fire marshals. Distributed evenly among the seven fire marshals, each fire marshal would be responsible for providing services to 228 facilities. Those 228 facilities are distributed across a three- to nine- county area; each fire marshal is responsible for an area that size. As one DSS fire marshal told us, “Inspections are fun but drive time takes a lot of time—especially if you have to go back to recheck a facility the next day.”

**Chart 6.6: Child Care Fire and Health Safety Inspections, 2024**



Source: LAC analysis of DSS Codepal Toolkit data.

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## Potential Staffing Need

We discussed staffing remedies with DSS fire marshals and management and generally found the perception that the Fire and Health Safety Office is understaffed. One manager asserted that two additional positions were needed in order to assign two fire marshals to each region of the state. This was echoed, independently, by fire marshals, with one asserting, “We’re operating at bare bones, with just enough people to go in and do quality inspections.” Additional staff could also absorb any increased workload from unannounced inspections.

Fire marshals also suggested that two additional positions may enable annual inspections of child care facilities; additional positions could enable them to assume responsibility for inspections of foster homes, possibly relieving the agency of the need to outsource that function. According to a memorandum of understanding between DSS and OSFM for FY 24-25, outsourced foster home inspections could cost the agency as much as \$585,550 per year. A staffing assessment of the Fire and Health Safety Office that weighs the cost of outsourced foster home inspections against additional fire marshal positions could identify cost savings for DSS, as well as a path to reducing fire marshal inspection load and travel time.

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## Recommendations

88. The S.C. Department of Social Services should, within the next six months, conduct a documented assessment of the staffing level of its Fire and Health Safety Office, considering a five-year projection, with recommendations for addressing any inadequate condition identified.

89. The S.C. Department of Social Services should develop and implement a written policy establishing a minimum number of days before expiration of a child care license that a fire and health safety inspection must be conducted, in order to afford sufficient time for correction of deficiencies before the license expires.

90. The S.C. Department of Social Services should conduct a cost-benefit analysis to determine if the role of its fire marshals could or should include inspections of foster care homes and how funding might be structured to support such an enhanced role.

# LAC Child Care Provider Survey Results

LAC's survey of child care providers was conducted between May 21, 2025 and June 12, 2025, using SurveyMonkey®. We sent a survey to all licensed and legally-exempt child care providers to gain insight on the licensing application process and the ABC Quality program. Our survey had a response rate of 585 (34%) of 1,701. Respondents were informed that their responses would remain confidential; therefore, open-ended responses have been summarized and referenced throughout the report to preserve anonymity for those who participated.

The survey was designed using question logic to direct respondents to specific questions based on their responses. This resulted in some questions with lower response counts, as they only applied to a limited number of participants. Additionally, some questions allowed respondents to select multiple answers, which resulted in some questions having higher response counts than total unique respondents. Questions are provided below with response percentages and response counts.

1. What type of child care facility do you currently operate?		
ANSWER CHOICES	RESPONSES	
Child care center	77.78%	455
Group child care home	2.74%	16
Family child care home	15.73%	92
Legally-exempt operation (e.g., after-school care)	3.76%	22
<b>TOTAL</b>		<b>585</b>

2. In which county is your facility located?					
ANSWER CHOICES	RESPONSES		ANSWER CHOICES	RESPONSES	
Abbeville	0.34%	2	Greenwood	1.55%	9
Aiken	2.06%	12	Hampton	0.17%	1
Allendale	0.17%	1	Horry	4.47%	26
Anderson	2.92%	17	Jasper	0.86%	5
Bamberg	0.34%	2	Kershaw	0.86%	5
Barnwell	0.69%	4	Lancaster	1.03%	6
Beaufort	3.09%	18	Laurens	0.69%	4
Berkeley	4.81%	28	Lee	0.17%	1
Calhoun	0.17%	1	Lexington	4.47%	26
Charleston	7.73%	45	Marion	1.37%	8
Cherokee	1.20%	7	Marlboro	0.86%	5
Chester	0.86%	5	McCormick	0.00%	0
Chesterfield	0.69%	4	Newberry	0.34%	2
Clarendon	1.03%	6	Oconee	1.03%	6
Colleton	0.86%	5	Orangeburg	2.06%	12
Darlington	1.55%	9	Pickens	1.55%	9
Dillon	0.86%	5	Richland	9.97%	58
Dorchester	4.12%	24	Saluda	0.17%	1

Appendix A  
LAC Child Care Provider Survey Results

ANSWER CHOICES	RESPONSES		ANSWER CHOICES	RESPONSES	
Edgefield	0.52%	3	Spartanburg	6.70%	39
Fairfield	0.34%	2	Sumter	3.78%	22
Florence	4.30%	25	Union	0.34%	2
Georgetown	1.72%	10	Williamsburg	1.37%	8
Greenville	9.62%	56	York	6.19%	36
<b>TOTAL</b>					<b>582</b>

**3. When did you obtain the initial license for your current facility? NOTE: If you purchased the facility from another provider, please only include the time since you obtained initial licensure.**

ANSWER CHOICES	RESPONSES	
Within the past year	13.02%	59
1 - 3 years ago	20.09%	91
4 - 10 years ago	22.30%	101
More than 10 years ago	44.59%	202
<b>TOTAL</b>		<b>453</b>

**4. From the date you started the licensing application process (i.e., submitted your first document/form to DSS) to the date you were issued a license by the agency, how long did the process take?**

ANSWER CHOICES	RESPONSES	
0 - 3 months	34.22%	155
4 - 6 months	23.18%	105
7 - 9 months	7.06%	32
10 - 12 months	4.64%	21
More than 1 year	5.08%	23
Don't remember	25.83%	117
<b>TOTAL</b>		<b>453</b>

**5. If there were extended delays in the licensing application process, what were some of the reasons? (Check all that apply.)**

ANSWER CHOICES	RESPONSES	
Zoning issues.	5.47%	22
Contractor issues.	7.96%	32
Issues with financing for the facility.	3.23%	13
Availability of staff background check appointments.	8.71%	35
Wait time to receive results of staff background checks.	22.89%	92
Wait time to receive a fire inspection.	15.67%	63
Wait time to receive architectural approval.	10.95%	44
Wait time for DSS licensing staff to respond to a question or issue.	19.15%	77
Delays in the transmittal of licensing forms (e.g., forms lost by the Postal Service).	5.72%	23
There were no significant issues that caused delays.	48.01%	193
Other (please specify).	13.43%	54
<b>TOTAL</b>		<b>402</b>

6. Please respond to the following statements:									
STATEMENTS	RESPONSES								
	Agree		Neither Agree Nor Disagree		Disagree		Don't Remember		
The licensing staff adequately explained the licensing process to me.	69.60%	316	14.54%	66	8.81%	40	7.05%	32	
The information provided during orientation was helpful and easy to understand.	66.67%	300	17.56%	79	4.44%	20	11.33%	51	
The licensing staff was helpful in answering my questions during the licensing process.	74.23%	337	11.23%	51	7.93%	36	6.61%	30	
The order of the steps in the licensing process was clear.	65.86%	299	16.30%	74	11.67%	53	6.17%	28	
The requirements in federal/state laws and regulations regarding the licensing process were clearly explained to me.	63.13%	286	17.00%	77	11.48%	52	8.39%	38	
The forms required for the licensing process were easy to understand and complete.	71.02%	321	17.70%	80	6.86%	31	4.42%	20	
The requirements of the licensing process help ensure that children in my facility's care are protected from fire hazards.	84.70%	382	9.98%	45	1.33%	6	3.99%	18	
<b>TOTAL</b>									<b>455</b>

7. If your facility had violation citations from your initial/provisional licensing visit, please respond to the following statements:										
STATEMENTS	RESPONSES									
	Agree		Neither Agree Nor Disagree		Disagree		Don't Remember		N/A	
The licensing staff was helpful in explaining violations found during the initial/provisional licensing visit.	40.96%	170	6.99%	29	5.06%	21	2.89%	12	44.10%	183
The amount of time given to correct violations found during the initial/provisional licensing visit was adequate.	44.55%	184	7.51%	31	2.42%	10	2.91%	12	42.62%	176
<b>TOTAL</b>										<b>416</b>

8. What, if anything, would make the licensure process easier or faster? (Check all that apply.)		
ANSWER CHOICES	RESPONSES	
Online completion and submission of application forms.	54.84%	238
Better communication with DSS licensing staff.	30.88%	134
Better communication with DSS fire marshal staff.	14.52%	63
Better communication with local zoning staff.	12.44%	54
No changes to the process are necessary.	30.65%	133
Other (please specify).	10.37%	45
<b>TOTAL</b>		<b>434</b>

9. On your first inspection by the DSS fire marshal, did the fire marshal pass or fail your facility?		
ANSWER CHOICES	RESPONSES	
Pass	87.53%	386
Fail	12.47%	55
<b>TOTAL</b>		<b>441</b>

10. How much longer did the licensure process take because of the initial fire inspection failure?		
ANSWER CHOICES	RESPONSES	
1 - 7 days	18.64%	11
8 - 14 days	15.25%	9
15 - 21 days	6.78%	4
22 - 30 days	16.95%	10
More than 30 days	23.73%	14
Don't remember	18.64%	11
<b>TOTAL</b>		<b>59</b>

11. Does your facility participate in the ABC Quality program?		
ANSWER CHOICES	RESPONSES	
Yes	68.55%	327
No	31.45%	150
<b>TOTAL</b>		<b>477</b>

12. How long has your facility participated in the ABC Quality program?		
ANSWER CHOICES	RESPONSES	
Less than 1 year	14.24%	45
1 - 3 years	24.05%	76
4 - 10 years	26.58%	84
More than 10 years	35.13%	111
<b>TOTAL</b>		<b>316</b>

13. Please respond to the following statements:						
STATEMENTS	RESPONSES					
	Agree		Neither Agree Nor Disagree		Disagree	
The ABC Quality program has been effective in helping me improve my facility's quality standards.	74.52%	234	16.24%	51	9.24%	29
The ABC Quality program's financial support through scholarships and vouchers helps sustain or improve my facility's child care services.	85.03%	267	10.83%	34	4.14%	13
It is easy to access ABC Quality program resources, updates, and support.	65.82%	208	20.25%	64	13.92%	44
It is easy to maintain my facility's ABC Quality designation.	58.65%	183	27.88%	87	13.46%	42
<b>TOTAL</b>						<b>316</b>

14. How has participation in the ABC Quality program influenced your ability to provide high-quality child care? (Select up to three.)		
ANSWER CHOICES	RESPONSES	
Improved staff training and professional development.	51.11%	161
Increased access to funding or financial incentives.	64.13%	202
Enhanced curriculum and learning materials.	31.75%	100
Improved health and safety standards.	32.38%	102
Increased parent engagement and communication.	17.78%	56
Made it easier to hire and retain qualified staff.	16.19%	51
Improved overall program quality and operations.	51.43%	162
No significant impact.	14.29%	45
<b>TOTAL</b>	<b>315</b>	

15. How would you rate the communication between ABC Quality staff and your facility?		
ANSWER CHOICES	RESPONSES	
One star	7.64%	22
Two stars	10.76%	31
Three stars	15.97%	46
Four stars	23.61%	68
Five stars	42.01%	121
<b>TOTAL</b>	<b>288</b>	

16. Is it clear what is required to receive an "A+" quality level rating?		
ANSWER CHOICES	RESPONSES	
Yes	61.59%	194
No	38.41%	121
<b>TOTAL</b>	<b>315</b>	

17. Have you ever disagreed with your facility's ABC Quality rating?		
ANSWER CHOICES	RESPONSES	
Yes	34.81%	110
No	65.19%	206
If yes, what actions, if any, did you take?	—	85
<b>TOTAL</b>		<b>316</b>

18. What challenges, if any, have you faced while participating in the ABC Quality program?	
ANSWER CHOICES	
Open-ended responses only	
<b>TOTAL</b>	<b>222</b>

19. Why does your facility not participate in the ABC Quality program? (Select up to three.)		
ANSWER CHOICES	RESPONSES	
I am not familiar with the ABC Quality program.	7.53%	11
The requirements are too difficult or stringent to meet.	21.92%	32
The requirements are too expensive to implement.	13.01%	19
The application/enrollment process is too complicated.	15.07%	22
Participation takes too much time and paperwork.	32.19%	47
The program does not offer enough financial support or incentives.	13.70%	20
I prefer to operate without the additional oversight.	26.71%	39
I have had negative past experiences with the program.	8.22%	12
My facility is already meeting high standards without ABC Quality.	37.67%	55
My facility is already at capacity and there is no need for the ability to admit children with DSS vouchers/scholarships.	32.88%	48
My facility is financially successful and there is no need for the ability to admit children with DSS vouchers/scholarships.	26.71%	39
Other (please specify).	24.66%	36
<b>TOTAL</b>		<b>146</b>

20. Is there anything else you would like to share that you think would benefit our review of child care licensing?	
ANSWER CHOICES	
Open-ended responses only	
<b>TOTAL</b>	<b>267</b>

# Affordability: Child Care Price as a Share of Median Family Income in South Carolina

The tables below show 1) the annual price of child care for infants in center-based care as of November 2024 and 2) the child care price as a share of median family income for each county in South Carolina. The price estimates in the tables are obtained from state market rate surveys in the 2019-2022 data collection cycle, which is the most recent data available. The market rate surveys are used by the Women’s Bureau of the U.S. Department of Labor to create the National Database of Childcare Prices. The median family income figures that were used to calculate the “Share of Median Family Income” were obtained from the 2019-22 American Community Survey to correspond with the 2019-2022 child care price data.

COUNTY	ANNUAL CHILD CARE PRICE	SHARE OF MEDIAN FAMILY INCOME
Abbeville	\$6,759	9.2%
Aiken	\$11,471	13.1%
Allendale	\$6,494	11.2%
Anderson	\$11,471	13.6%
Bamberg	\$6,494	9.9%
Barnwell	\$5,414	7.7%
Beaufort	\$11,471	11.0%
Berkeley	\$11,471	11.7%
Calhoun	\$6,759	7.9%
Charleston	\$11,651	10.0%
Cherokee	\$6,494	9.1%
Chester	\$6,759	10.2%
Chesterfield	\$6,759	10.2%
Clarendon	\$6,759	9.1%
Colleton	\$6,759	10.4%
Darlington	\$6,403	9.6%
Dillon	\$6,403	12.0%
Dorchester	\$11,471	11.3%
Edgefield	\$6,759	8.0%
Fairfield	\$6,759	10.3%
Florence	\$11,471	14.0%
Georgetown	\$12,818	16.2%
Greenville	\$11,651	11.8%

COUNTY	ANNUAL CHILD CARE PRICE	SHARE OF MEDIAN FAMILY INCOME
Greenwood	\$12,818	18.0%
Hampton	\$6,759	11.7%
Horry	\$11,471	14.3%
Jasper	\$6,403	8.5%
Kershaw	\$6,403	7.6%
Lancaster	\$12,818	13.2%
Laurens	\$6,403	8.8%
Lee	\$6,759	12.0%
Lexington	\$11,471	12.1%
Marion	\$6,494	12.7%
Marlboro	\$6,494	12.4%
McCormick	\$6,759	8.0%
Newberry	\$6,403	8.3%
Oconee	\$6,403	7.9%
Orangeburg	\$6,403	10.7%
Pickens	\$11,471	13.5%
Richland	\$11,651	12.8%
Saluda	\$6,759	9.9%
Spartanburg	\$11,471	13.8%
Sumter	\$11,471	15.3%
Union	\$6,403	9.9%
Williamsburg	\$6,759	10.9%
York	\$11,471	10.1%

Note: Several counties had the same annual child care prices because South Carolina reported this data to the U.S. Department of Labor by rural and urban zones.

Source: National Database of Childcare Prices 2019-2022, Women’s Bureau, U.S. Department of Labor



# Availability: Child Care Gaps in South Carolina

The Child Care Trust, in collaboration with Child Care Aware of America, the Bipartisan Policy Center, and the Buffett Early Childhood Institute at the University of Nebraska, analyzed child care gaps for all counties in South Carolina. A child care gap is defined by Child Care Trust as “the number of children under six who have all parents in the labor force and do not have access to child care within reasonable driving distance.” A radius of 3.5 miles was used as a reasonable driving distance for urban areas and a 10-mile radius was used for rural areas as part of the Child Care Trust’s analysis. To determine the need for child care, the Child Care Trust used data from the census’ American Community Survey 5-year 2019-2023 sample. Child care supply data came from capacities reported by the state’s child care officials, the Office of Head Start, and the Department of Defense’s facility data. South Carolina’s supply data was last updated in 2025.

COUNTY	GAP	GAP PERCENT
Abbeville	380	42.36%
Aiken	1,280	17.82%
Allendale	80	40.82%
Anderson	1,520	17.27%
Bamberg	150	24.56%
Barnwell	160	18.79%
Beaufort	230	3.99%
Berkeley	1,480	13.27%
Calhoun	100	24.17%
Charleston	880	4.35%
Cherokee	900	35.94%
Chester	240	15.00%
Chesterfield	620	33.86%
Clarendon	8	0.80%
Colleton	350	22.76%
Darlington	87	3.18%
Dillon	300	19.89%
Dorchester	1,320	17.99%
Edgefield	120	15.14%
Fairfield	65	8.05%
Florence	370	5.56%
Georgetown	430	20.61%
Greenville	2,270	9.15%

COUNTY	GAP	GAP PERCENT
Greenwood	1,080	30.33%
Hampton	76	11.86%
Horry	3,270	25.27%
Jasper	7	0.92%
Kershaw	25	0.83%
Lancaster	950	20.94%
Laurens	950	30.43%
Lee	0	0.00%
Lexington	1,840	13.57%
Marion	58	5.66%
Marlboro	380	38.61%
McCormick	17	15.60%
Newberry	34	2.43%
Oconee	330	13.99%
Orangeburg	350	10.43%
Pickens	510	11.74%
Richland	550	2.91%
Saluda	4	0.60%
Spartanburg	1,990	13.65%
Sumter	0	0.00%
Union	220	18.67%
Williamsburg	330	24.25%
York	2,060	16.50%

Note: The “GAP Percent” shows the percent of children needing care whose families lack reasonable access to formal child care.

Source: Child Care Trust.



# Agency Comments

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Appendix D  
Agency Comments

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HENRY McMASTER, GOVERNOR  
TONY CATONE, STATE DIRECTOR

June 9, 2026

K. Earle Powell, Director  
Legislative Audit Council  
1331 Elmwood Avenue, Suite 315  
Columbia, South Carolina 29201

Dear Director Powell,

The Department of Social Services (DSS) appreciates the Legislative Audit Council's (LAC) efforts during the recently completed review of Licensing and Oversight of Child Care Providers administered by our Economic Services division. The report highlights several areas where the agency has already initiated improvements and other areas where process clarifications or policy updates will further strengthen the system. The department agrees with many recommendations—particularly those advancing automation, transparency, consistency, and timeliness—and has already begun implementation of a range of recommendations contained in the report.

This response offers additional context and some clarifications where the report's interpretation and recommendations regarding funding authority, pass/fail standards, and statutory roles may not reflect current federal guidance or the operational realities and best interests/needs of child care providers in South Carolina.

In brief:

- DSS concurs with recommendations to strengthen tracking, automation (provider portal), staff training, policy documentation, and fire/health safety communications.
- Corrections in accounting, Codepal content updates, and training standardization have already been initiated or completed.
- DSS respectfully does not agree with proposals that would prematurely constrain allowable federal uses of funds, which is the primary funding source for child care operations and services in the state, for background checks or those that assume a single "pass/fail" inspection standard absent DSS regulatory discretion and the practical goal of continuous improvement.

DSS would welcome legislative partnership in modernizing statutory references and clarifying DSS Fire Marshal authority, while maintaining operational models that have improved timeliness and child care provider experience.

We are appreciative of the opportunity to provide our responses to certain findings and recommendations contained in the LAC's report below, organized by chapter.

## **Chapter 2: Licensing Process**

DSS acknowledges that there is not currently an automated means to track the entire licensing process and related throughput at the level leadership agrees would be more useful. As the LAC recognized in the report, providers must submit thirteen (13) forms/documents as part of the application process. As noted by the LAC in its report, DSS must wait for providers to submit required documentation, which has a direct impact on the number of days for a license to be issued, but DSS agrees that those uncontrollable variables should not prevent DSS from implementing automated measurement tools to track and monitor the process. The LAC's survey of providers confirmed the DSS perspective that most licenses are issued within the 90-day requirement. DSS will explore developing a structured tracking tool to monitor the sequential requirements for issuing a child care license, which will enable the department to more accurately measure the time between the various steps and to look for potential additional efficiencies in the process.

The IDEMIA fingerprint contract is a statewide contract utilized by a dozen agencies, including DSS. DSS was instrumental in notifying and providing information to the Materials Management Office (MMO) and the General Assembly to address the issues noted in the LAC report early in the contract term and well before the LAC's audit began. In fact, on August 21, 2023, IDEMIA was issued a Contractor Performance-Cure Letter from MMO as a result of DSS' monitoring of these issues. The agency has and will continue to escalate compliance measures through MMO as contractual performance issues arise and coordinate with MMO for formal remedies.

While state law assigns the ultimate responsibility for background check fees to the prospective employee or facility, federal Child Care Development Fund (CCDF) and related relief funds permit DSS to utilize federal funds to absorb certain costs to expedite hiring, stabilize the workforce and support child care providers during and after the COVID pandemic, which has directly benefited child care providers across the state in addition to the concomitant benefits to children and parents. DSS has used allowable federal funds expenditures to eliminate barriers, reduce churn, and support compliance. DSS respectfully disagrees that resuming the imposition of these additional costs on child care providers is necessary or optimal at this time. If the General Assembly prefers DSS retain discretionary authority to cover certain background check/fingerprint-related costs when federal or state funding is available, DSS supports amending state statute to permit but not require DSS to cover these costs with allowable expenditures, thus maintaining flexibility to respond to labor market conditions. Alternately, although it would create additional steps/processes and thereby reduce efficiency, DSS could consider requiring child care providers to resume absorption of these costs up front, then develop a process for reimbursing child care providers via additional reporting and financial transactions, to accomplish the same end goal.

As it pertains to the accounting anomalies identified in the report, as stated by the LAC in its report, the amount and magnitude of the classification/posting errors identified was "small." Journal entries have been posted to correct the entries that DSS agreed would more appropriately account for the transactions identified and will explore the high-level reconciliation recommendation for Central Registry as an additional internal mechanism to supplement the robust controls already in place. While the agency strives to avoid any instances of posting errors occurring, it is notable, as it pertains to the materiality of the amounts identified in the report, that DSS processes expenditures totaling approximately \$1 billion per year (not including SNAP benefit payments, which average an additional \$1.5 billion per year). As it pertains to Child Care licensing activity alone, DSS processed nearly \$7.5 million in expenditures during state FY 2025.

### **Chapter 3: ABC Quality Program**

ABC Quality (ABCQ) is a voluntary program that emphasizes reliability safeguards amid capacity constraints. DSS respectfully does not agree that a traditional “appeals” track is applicable or workable as it relates to the rating level within the current resources. However, DSS intends to evaluate a structured reconsideration path tied to reliability evidence and defined thresholds. This balanced approach preserves both integrity and feasibility.

ABCQ currently has three online trainings (Introduction/Framework, Structural Quality and Process Quality). Realizing the need for additional training offerings, the agency executed a contract in January 2026 to assist with this effort. The structured reconsideration process mentioned above was one of the areas identified for online training development.

### **Chapter 4: Revocations and Appeals**

Although the regulatory process is provided by written State law and regulation, DSS concurs with the benefit of a comprehensive, written policy encompassing the entire negative action process from citing a provider for noncompliance to license revocation. DSS will continue working to finalize all policies, including those related to negative actions.

DSS respectfully does not concur with moving the option to request a meeting with department staff to overturn a license revocation or withdrawal of an appeal to the final warning. The department believes keeping reconsideration available both at final warning and revocation will facilitate early problem-solving while preserving due process.

### **Chapter 5: Automation Needs**

The department concurs with the need for additional automation and has committed to conducting a comprehensive “Gap Analysis” of the Child Care Service System (CCSS). This assessment will prioritize system modifications to reduce manual workarounds and improve data integrity for licensing staff. Document management systems will be explored to promote alignment with the applicable retention schedule. DSS Technology Services team will continue collaborating with the Early Care and Education team to review, vet and prioritize all CCSS modification requests.

### **Chapter 6: Fire and Health Safety Office**

DSS is statutorily responsible for licensing child care centers and homes. Part of that licensing mandate includes requiring facilities to meet health and fire safety standards. Embedding fire marshaling functions within DSS promotes safety-critical evaluations (architectural review, inspections, smoke alarm, fire extinguishers, etc.) occurring early in the licensing process, is more efficient, and avoids delays that commonly result from cross-agency handoffs and segregated priorities.

DSS concurs with and supports the LAC’s recommendation that the South Carolina General Assembly amend SC Code §63-13-80(A) and related references to remove DHEC/OSFM and explicitly recognize DSS Fire Marshal authority to inspect child care facilities.

DSS cannot submit regulations, new or revised, without an affirmative vote in favor by the Governor’s Advisory Committee on the Regulation of Child Care Facilities, as outlined in SC Code §63-13-180 and §63-13-1210 et seq. The regulations are on a three-year cycle for review. The South Carolina Code of Regulations (§114-505(H)(1)) contain language requiring private and public child care centers to “comply with the regulations and codes of the State Fire Marshal.”

DSS will consult with the State Fire Marshal's Office as the leading authority for guidance on the recommendations referencing violations deemed to constitute a "serious threat"; replacing the "no violation" standard in favor of a "no serious violation" standard; what constitutes passing a fire and health safety inspection; and issuing a provisional license when violations do not "seriously threaten health, safety, or well-being of children."

While DSS supports the recommendation to increase the frequency of fire inspections of all licensed child care facilities to at least every eighteen (18) months, this would require a change to current law. Additional resources may also be needed to meet the increased workload demands. Child care facilities are visited by multiple staff from program areas within the DSS Division of Early Care and Education. If any fire code violations are observed, or if a complaint is received, the Fire Marshal's office is notified for immediate inspection.

Initial fire and health safety inspections are performed prior to issuance of a license and at every renewal period. Renewals are every three years for all licensed providers, as recently updated as part of Act 216 of 2024, and every two years for registered faith-based programs. The initial inspection is scheduled by the provider once the provider indicates to the agency that it has met all the necessary requirements. DSS is not opposed to allowing Fire Marshals to conduct unannounced fire inspections (as contrasted with inspections resulting only from complaints), but this transition in operational posture would require statutory changes and additional resources to meet the increased workload demands.

Architectural plan reviews are an important function of the Fire Marshal office and should be conducted by specifically certified staff. The Chief Fire Marshal carries that certification at DSS. DSS will review the background and experience of other staff within the Fire Marshal's office to determine if an additional employee can be identified who is capable of acquiring the necessary certification to assist with architectural plan review. DSS will also develop written policies outlining minimum qualifications for employees who review architectural plans, timelines for completing reviews, and retention and disposal of child care architectural plans.

As previously stated, having the Fire Marshal's office as part of Child Care Licensing enables DSS to have dedicated staff to support child care providers and reduces the potential for delayed action as a result of cross-agency handoffs. DSS recognizes the potential benefit of having agency Fire Marshal staff also inspect foster care homes. This collaboration would require additional funding for Foster Home inspections as CCDF funding cannot be used for non-child care programs. DSS will continue to explore options for maximizing the operational efficiency and value of its Fire Marshals.

In closing, DSS appreciates the extensive time and effort by LAC and agency staff over the last eighteen months in working together to gather information and produce recommendations. DSS remains committed to protecting children, supporting providers, and improving regulatory efficiency. We appreciate the LAC's recommendations, many of which align with efforts already underway, and we look forward to continuing our work to improve the agency's operations with transparency and diligence.

My best,



Tony Catone  
State Director

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