

Tri-Share Childcare Funding Pilot Program Beaufort County & Jasper County, South Carolina July 2026 Work in Progress

Purpose

To launch a regional Tri-Share Childcare Pilot Program that demonstrates an innovative, sustainable approach to making quality childcare more affordable and strengthening the local workforce. The ultimate objective is to create a successful model that can be expanded and adopted statewide across South Carolina.

Pilot Philosophy

This proposal is intended as a starting point rather than a finished product. The purpose of a pilot is to test assumptions, gather data, identify improvements, and refine the model before pursuing statewide implementation. Launching quickly and evaluating results will be more valuable than delaying implementation in pursuit of a perfect design.

Program Overview

What: Tri-Share Childcare Funding Pilot Program

Where: Beaufort County and Jasper County, South Carolina

Participants:

Local Beaufort & Jasper County government entities

Local Employers

Local Working Parents/Guardians

Local Licensed Early Childhood Care Providers

A Local Program Administrator

Program Goals

The pilot program is designed to:

- Make quality early childhood education and care more affordable for working families.
- Help employers recruit and retain employees
- Improve workforce participation and economic productivity
- Provide childcare centers with stable, predictable revenue
- Strengthen the availability and quality of early childhood education during the critical birth-to-five years
- Demonstrate a scalable model that can be implemented across South Carolina

Why This Matters, Why Tri-Share

Access to affordable, high-quality childcare has become one of the most significant barriers to workforce participation. Families often earn too much to qualify for public assistance but not enough to comfortably afford childcare. At the same time, childcare providers struggle with rising operating costs, and employers experience ongoing workforce shortages caused by childcare challenges.

More than 8,200 families in Beaufort and Jasper counties, with children under the age of 5, fall into the prime workforce demographic. The Tri-Share childcare funding model addresses the affordability challenge by distributing the cost among the three primary beneficiaries while recognizing the broader economic benefit to the community.

For example, Accommodation and Food Services is the largest employment segment in Beaufort County. Workers in this segment have an average annual salary of \$33,748, or \$2,812 per month. Average childcare for a single parent with an infant and a 4-yr old is \$1,681. That leaves \$1,131 for all other monthly expenses including rent and food.

In this example, the Tri-Share program would reduce the cost for the parent by \$1,120 leaving them with \$2,251 for all other expenses after childcare.

The Tri-Share Model

The program is built on a simple principle: the cost of childcare is shared equally among three partners. This shared investment creates a more sustainable system than expecting any single stakeholder to bear the full financial burden.

- **The employee**, making childcare more affordable for working families
- **The employer**, improving employee recruitment, retention, and attendance
- **The municipality or county**, supporting workforce development and local economic growth



Proposed Pilot Framework

Program Administration

A trusted local organization will administer the program, such as:

- United Way of the Lowcountry
- Community Foundation of the Lowcountry
- Coastal Community Foundation

Responsibilities include collecting funds, verifying eligibility, distributing payments, and managing program reporting.

Cost-Sharing Formula

One-third of the total cost of care will be paid by each participant:

- Employee/Parent: 33⅓%
- Employer: 33⅓%
- Municipality or County: 33⅓% - **dollars invested by municipality or county governments will support families within their own geographical region**

Employer Process

Participating employers will:

- Enroll eligible employees – based on eligibility guidelines
- Collect the employee's share through payroll deduction
- Contribute the employer's share
- Submit all payments to the program administrator for monthly distribution to participating childcare providers

It is important to note that employers may participate in Tri-Share while also claiming the 45F credit. The 33% share of childcare costs contributed by the employer could count as a "qualified childcare expenditure" under 45F, meaning the employer can claim 40% (or 50% for small businesses) of those expenses at the end of the year. Employers should consult their CPA for details on this possibility.

Provider Eligibility

Participating early education and care providers will:

- Maintain up to date licensing by the Department of Social Services
- Meet, yet to-be-established quality standards or ratings (*potentially State of SC rating scale*)
- Agree to program participation requirements

Family Eligibility

Income eligibility will be based on a defined percentage of the Federal Income Poverty Guideline (FPG). More specifically, the model is intended to fill a gap for families who do not qualify for the state's ABC tuition scholarship but make less than 300% of the FPG.

Desired Long-Term Outcomes

A successful pilot in Beaufort and Jasper Counties will provide measurable evidence showing:

- Increased workforce participation
- Improved employee retention and decreased cost of recruiting, hiring, and training
- Expanded access to affordable early childhood education and care
- Increased kindergarten readiness scores in Beaufort & Jasper counties
- A tested framework for statewide adoption and funding by the State of South Carolina

Core Development Team:

Mayor Harry Williams – City of Hardeeville

Dale Douthat – President and CEO, United Way of the Lowcountry

Tom Henz – VP, Hilton Head – Bluffton Chamber of Commerce

Ashley Hutchison – Director of Readiness – Beaufort County School District

Jody L Levitt – Executive Director, The Children's Center

Forrest Alton – Co-Founder & President, 1000 Feathers Consulting