



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Tamara Barnes, Interim Director  
Child Development and Early Education

### SUBSIDIZED CHILD CARE SERVICES ADMINISTRATIVE LETTER #4-15

**TO:** Directors of County Departments of Social Services  
Directors of Other Local Purchasing Agencies

**SUBJECT:** Changes to Policies Regarding:  
1. Non-Parent Relative Caretakers  
2. Conducting Periodic Reviews

**ATTENTION:** Child Care Coordinators  
Other DSS Personnel who work with the Subsidized Child Care Program

**ISSUE DATE:** August 26, 2015

**EFFECTIVE DATE:** September 1, 2015

The purpose of this Administrative Letter is to communicate changes to Subsidized Child Care policy surrounding Nonparent Relative Caretakers and Conducting Periodic Reviews.

#### NONPARENT RELATIVE CARETAKERS:

##### 1. Background:

Section 12B.1 of S.L. 2014-100 revised the definition of income unit used in the subsidized child care program. The legislation required that a nonparent relative caretaker would be included in the income unit for purposes of determining eligibility.

Subsequently, the enactment of S.L. 2015-214 provides that effective September 1, 2015, the policy's definition of "income unit" will now exclude a nonparent relative caretaker, and the caretaker's spouse and child, if applicable, when the parent of the child receiving child care subsidy does not live in the home with the child.

##### 2. Policies And Procedures:

Chapter 7: Family Definition and Determining Income Eligibility; Section III. Defining the Income Unit for Determining Eligibility

The nonparent relative caretaker and the caretaker's spouse and child(ren) if applicable are removed from the income unit.

The nonparent relative caretaker will remain the case head. The income unit will be the child(ren) only.

[www.ncdhhs.gov](http://www.ncdhhs.gov) • [www.ncchildcare.nc.gov](http://www.ncchildcare.nc.gov)

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The nonrelative caretaker's income is not counted in the calculation of income for determining eligibility. Income of the child(ren), such as but not limited to, social security survivor benefits and child support continues to be counted and the parental fee is assessed on the child(ren)'s income alone.

## CONDUCTING PERIODIC REVIEWS:

### 1. Background:

The Child Care and Development Block Grant (CCDBG) is the major source of Federal funds for the Division of Child Development and Early Education (DCDEE). DCDEE uses these funds to provide child care assistance for families, and to fund initiatives to improve and support the quality of child care in North Carolina. The CCDBG Reauthorization Act of 2014 included some new requirements for states receiving these funds, including policies in the subsidized child care program.

Reauthorization now requires that States must have a redetermination period of not less than 12 months under the conditions specified by the Act, including a graduated phase-out of care. All States will be required to certify in their FY 2016-2018 CCDF Plan that they have a 12-month re-determination period. States are expected to implement this policy change immediately.

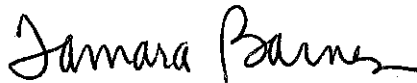
### 2. Policies and Procedures:

Chapter 11: Responding to Eligibility Changes and Redetermination: II. Maintaining Contact with the Recipient; B. Conducting Periodic Reviews; and, III. Recipient Responsibilities Regarding Reporting Changes

Periodic reviews are no longer allowed. Family eligibility will be redetermined only at the end of the certification period.

If you have questions about the information in this letter, or other Subsidized Child Care questions, please contact [dcdee.subsidy.policy.help@dhhs.nc.gov](mailto:dcdee.subsidy.policy.help@dhhs.nc.gov) to reach technical assistance and policy consultation.

Sincerely,



Tamara Barnes, Interim Director