



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Child Development and Early  
Education

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**ANNA CARTER** • Director

## **SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #07-18**

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

**SUBJECT:** Changes to Subsidized Child Care Assistance (SCCA) Program Policy

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

**ISSUE DATE:** December 17, 2018

**EFFECTIVE DATE:** February 1, 2019

The purpose of this Administrative Letter is to communicate SCCA policy regarding:

- (1) Graduated Phase Out

### **Graduated Phase Out**

#### **1. General Information**

Current SCCA policy outlined in Administrative Letter #05-16 requires that recipients receive a graduated phase out of 90 days if, at the time of redetermination, the recipient's income is above the appropriate Federal Poverty Level but is at or below 85% State Median Income. In October the Division received feedback from the Administration for Children and Families – Office of Child Care that a change was required in our graduated phase out policy to provide a full 12 months of graduated phase. This information necessitates a change to the SCCA policy.

#### **2. Policy**

New policy requires that recipients receive a graduated phase out of 12 months if, at the time of redetermination, the recipient's income is above the appropriate Federal Poverty Level but is at or below 85% State Median Income.

#### **3. Procedures**

The functionality within NC FAST for this policy change will be included during the February 2019 release. All families who begin graduated phase out in November 2018, December 2018, and January 2019 will be included in this change and will receive a full 12 months of continued care.

Once the functionality is released in NC FAST, the system will make retroactive changes to these cases and extend their eligibility period to ensure they receive a full 12 months of graduated phase out. Since the functionality will not be available until February, the recipients who started graduated phase out in November 2018 need to be notified that their services can now continue until October 31, 2019. Based on a report that has been generated from the system, there were 86 children across the State who entered graduated phase out in November 2018 and therefore action will need to be taken for these cases. **For**

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION**

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**these 86 children, child care workers MUST create a manual notice for each family who started graduated phase out in November 2018 and mail that notice to the family and the family's provider. The notice to providers should explain that the children in graduated phase out will not appear on their roster beginning February 1, 2019.** After the NC FAST release in mid-February, these children will be added back to the provider's roster and the provider will be able to enter and submit attendance for the service month of February 2019. These providers will be paid for services provided during the month of February 2019 once they enter and submit their February attendance. To assist counties, there is a report posted in FAST Help that identifies the 86 children who need to receive this notice. Staff in each county should review this report immediately to determine if any of these 86 children receive care in your county and create and mail notices to the families and providers included on this report. **In order to ensure continued services, this manual action for these 86 cases must be completed by January 4, 2019.**

Families who begin graduated phase out in December 2018 and January 2019 will have their eligibility periods automatically extended by NC FAST once the functionality is released and the system will generate a parent notice and provider notice. Once the notice has been generated for December and January cases, the child care worker MUST print the notice and mail it to both the family and the provider.

Families who begin graduated phase out beginning February 2019 forward will automatically receive 12 months of graduated phase out and the action notice created by NC FAST will include the dates that their graduated phase out begins and ends.

If you have questions about the information in this letter, or other Subsidized Child Care Assistance Program 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,



Anna Carter