



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

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
ARIEL FORD • Director

SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #01-22

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: February 11, 2022

EFFECTIVE DATE: Immediately

This Administrative Letter provides clarity and more concise policy related to reporting requirements. It also replaces the following sections of Administrative Letter #06-18:

- (1) Timeline for Reporting Changes
- (2) Reporting Requirements

New language/policy is underlined and previous language/policy that no longer applies is ~~struck through~~.

Timeline for Reporting Changes

1. General Information

Current policy requires that recipients report changes within five (5) business days of the change. The Child Care & Development Fund mandates that reporting requirements do not place an undue burden on eligible families.

2. Policy

New policy requires that recipients must report required reporting changes to their child care worker within ten (10) business days of the change. Families can report voluntary reporting changes to their child care worker at any time during their certification period.

3. Procedures

Clients will have ten (10) business days to report required reporting changes and the worker will continue to have ten (10) business days to react to the reported change. NC FAST has been adjusted to incorporate a total of twenty (20) business days when aligning parent fee changes and when determining the need for an overpayment or underpayment. Families can report voluntary reporting changes to their child care worker at any time during their certification period.

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Reporting Requirements

1. General Information

The Child Care & Development Fund sets forth requirements related to recipient reporting requirements that facilitate a change in North Carolina's SCCA Program policy. According to 45 CFR 98.21 (1), during the period of time between determinations or re-determinations, if the child met all of the eligibility requirements on the date of the most recent eligibility determination or re-determination, the child shall be considered eligible and will receive services at least at the same level, regardless of a change in family income, if that income does not exceed 85% of SMI. Additionally, 45 CFR 98.21 (4) states that because a child meeting eligibility requirements at the most recent eligibility determination or re-determination is considered eligible between re-determinations, any payment for such a child shall not be considered an error or improper payment due to a change in the family's circumstances. Lastly, 45 CFR 98.21 (e) explains that reporting requirements should not place an undue burden on eligible families that could impact continued eligibility between redeterminations and that required recipient reporting should be limited to items that impact a family's eligibility which includes when a family's income exceeds 85% of SMI, when there is a non-temporary change in the status of the child's parent as working or attending a job training or educational program, and items that enable the agency to contact the recipient or pay providers. In addition to not being burdensome, families must be given multiple methods of reporting their changes.

2. Policy

New policy limits recipient reporting requirements as to not place an undue burden on eligible recipients. Reporting requirements will now include changes that impact the DSS/LPA's ability to contact the family, income increases that exceed 85% SMI, a non-temporary change in the recipient's working or attending a job training or educational program, and when the recipients requests a change in child care providers.

Recipients must report required reporting changes to the DSS/LPA within 10 business days from the date the change occurs, and the child care worker must react within 10 business days. Regardless of the date the change originally occurred, the start date of the evidence in NC FAST for reported changes should be the date the change was reported to the child care worker. The following items are required to be reported by the recipient during the twelve-month eligibility period:

Recipients are required to report:

1. Change of contact information including address and telephone number.
2. Increase in income that exceeds 85% SMI (this should NOT include irregular income fluctuations) based on the SMI chart posted on the DCDEE website.
3. ~~Recipient is no longer employed, no longer in an education setting, or has any other temporary change in their need for child care.~~ Non-temporary change in the status of the recipient as working or attending a job training or education program or any other non-temporary change in their need for child care.
4. Change in recipient's choice of provider is needed or wanted.
5. Recipient needs or wants to end child care services.

Recipients should be informed that the current 85% SMI income chart is available on the DCDEE website. When a recipient's income increases, they should review the income chart to determine if their income has increased above the 85% SMI based on their family size. If the income is above 85% SMI for their family size, this increase should be reported and reacted to per the procedures in this letter. If an increase in income is not reported due to a family not knowing or understanding that their income is above 85% SMI, payments made to child care providers on behalf of these families should not be considered an error or improper payment due to changes in the family's circumstances.

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Recipients have the option to voluntarily report any other change that impacts their subsidized child care case including temporary changes in their need for care, decreases in income, changes in work or education hours, and changes in the household members:

Child care workers will have 10 business days to review and react if necessary to changes reported by the recipient. Child care workers are required to act on information provided by the family if it reduces the family's parental fee or increases the family's subsidy. Child care workers shall accommodate the needs of working parents by allowing changes to be reported in a variety of ways such as by phone, mail, or email. Face to face visits should only be used for recipients to report changes if the visit is not burdensome on the recipient.

3. Procedures

Child care workers shall react in the following way to changes that recipients are required to report:

1. Change of contact information including address and telephone number
 - a. Change in NC FAST
2. Increase in income that exceeds 85% SMI (this should NOT include irregular income fluctuations)
 - a. Income should be verified per the Verification Method Hierarchy in Section 4050.3 of the IEM
 - b. Manually review the new income outside of NC FAST
 - c. If the increased income remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parental fee cannot increase during 12-month certification period due to change in income
 - d. If the increased income is above 85% SMI, enter new income into NC FAST and generate 10-day termination notice.
3. Recipient is no longer employed or in an education setting and it is a non-temporary change, or the recipient has any other non-temporary change in their need for child care
 - a. Provide 90-day transition if non-temporary change
 - b. ~~Provide 10-day termination notice if this is not a non-temporary change~~
4. Change in recipient's choice of provider is needed or wanted
 - a. Issue action notice to end services at the existing child care provider with the appropriate notice period
 - b. Change providers in NC FAST and issue a new voucher
5. Recipient needs or wants to end child care services
 - a. Terminate case in NC FAST

Voluntary reporting made by the recipient should be entered into NC FAST by the child care worker if the change decreases the parent fee or increases the recipient's subsidy. Additional information reported by the recipient should be documented in the case narrative. Child care workers shall react in the following way to changes that recipients voluntarily report:

1. Changes in income that do not exceed 85% SMI
 - a. Income should be verified per the Verification Method Hierarchy in Section 4050.3 of the IEM
 - b. Manually review the income increase outside of NC FAST
 - c. If the income increases but remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parental fee cannot increase during 12-month certification period due to change in income
 - d. If the income increases and is above 85% SMI, enter new income into NC FAST and generate 10-day termination notice.
 - e. If the income decreases, enter new income into NC FAST and decrease the parental fee
2. Changes in work hours or education hours
 - a. If increase in work hours results in increase in income, review income as indicated above

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- b. If increase in child care hours is needed, increase the level of care in NC FAST to reflect the need based on work or education hours
 - c. If decrease in work hours or education hours is reported, only enter this decrease into NC FAST if requested by the recipient; DSS/LPAs are no longer allowed to automatically decrease the level of care to adjust to a decrease in work or education hours
 3. Change in household members (includes marriage, divorce; or a household member, including children, moving into or out of the home)
 - a. Update household members in NC FAST
 - b. If there is an income change based on the new income unit, manually review the new income based on new income unit outside of NC FAST
 - c. If the income increases as a result of this change but remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parent fee cannot increase during 12-month certification period due to change in income
 - d. If the income increases as a result of this change and is above 85% SMI, enter new income into NC FAST and generate 10-day termination notice.
 - e. If the income decreases as a result of this change, enter new income into NC FAST and decrease the parent fee
 4. Temporary change in recipient's need for care
 - a. Document the temporary change in the case record
 - b. Update the need for care to Seeking Employment
 - c. If the temporary change results in a change in income, refer to #1 in this section

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 to reach technical assistance and policy consultation.

Sincerely,



Ariel Ford