



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 #02-23

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

SUBJECT: Decoupling Private Payment Rates from Market Rates

ATTENTION: Child Care Coordinators, Supervisors and Managers
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

ISSUE DATE: August 25, 2023
EFFECTIVE DATE: August 1, 2023

1. General Information

During the recent legislative session, the General Assembly directed the Division to decouple private tuition payment rates from the subsidized child care market rates for licensed child care centers and homes, as specified by the General Assembly in Session Law 2023-14, Senate Bill 20.

2. Policy

New policy states that the comparison of market rate to private rate is no longer required and the approved payment rate should be the market rate regardless of the provider's private rate.

Licensed child care centers and homes with three or more stars shall receive the market rate for that rated license level for that age group. Religious sponsored child care facilities operating pursuant to G.S. 110-106 shall be paid the one-star county market rate.

3. Procedures

Child care providers will not need to take additional steps in order to implement

Child Care Provider Approval Notices will be updated to reflect new approved subsidy rates. Child Care Provider Approval Notices in the NC FAST Provider Portal will generate automatically, reflecting the revised approved subsidy rate effective August 1, 2023.

Please share this information with other child care and reimbursement staff in your agency. If you have questions regarding your county's market rates, please address those questions to DCDEE.Subsidy.Policy.Help@dhhs.nc.gov.

Sincerely,

Ariel Ford
AF/LD

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

LOCATION: 333 East Six Forks Rd • Raleigh, NC 27609
MAILING ADDRESS: 2201 Mail Service Center, Raleigh, NC 27699-2200
www.ncdhhs.gov • TEL: 919-814-6300 • Fax: 919-715-1013

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER