



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

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

February 22, 2023

Dear County Directors of Social Services and Local Purchasing Agencies

Letter Number: SCCA DCDL 2023 – #01

Attention: Directors of County Departments of Social Services
Directors of Other Local Purchasing Agencies
Child Care Coordinators
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

Subject: **Guidance for Managing Allocations**

The purpose of this letter is to provide guidance to County DSS and LPA staff managing allocations for the Subsidized Child Care Assistance Program.

Non-Smart Start Allocations

All counties should continue to spend their non-smart start allocation. The statewide spending coefficient after December services were paid in January was 77.89% and the preliminary spending coefficient for January services paid in February is 77.10%.

Counties should continue to take applications and serve children using their non-smart start allocation. Waiting lists should not be put in place at this time. This applies to counties who are both underspending and overspending. Due to the low statewide spending coefficient for non-smart start allocations, DCDEE will complete reversions and reallocations towards the end of the fiscal year to ensure that counties with a spending coefficient above 100% will end the fiscal year without overspending.

Please remember that the special provision language regarding counties being eligible for additional funds if they spent at least 92% of their allocation has been REMOVED. This means that any counties who end the fiscal year underspending will not be penalized or see a reduction in their allocation for the next fiscal year due to their underspending.

Smart Start Allocations

Smart Start funds are allocated based upon determinations made by local Partnerships and added to funding authorizations throughout the SFY as has been done in prior years. DCDEE continues to rely on Smart Start expenditures to count for CCDF and TANF Maintenance of Effort (MOE) or CCDF Match. The Division counts these expenditures for MOE or Match if the parent meets current income eligibility and needs care due to employment, seeking employment, post-secondary education or job training, or high school/GED.

All counties should continue to closely monitor their Smart Start spending and work with their local partnership and DCDEE TA Consultant to develop a plan for continued spending. Please remember that Smart Start allocations must be spent within \$100 of their allocation total. DCDEE does not have the same flexibility with Smart Start allocations and reversions and reallocations cannot be completed with this allocation in the same way they are completed for Non-Smart Start allocations. Because of this, each county's plan for Smart Start spending may vary.

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

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For counties that are currently overspending their Smart Start allocations, please work with your DCDEE TA Consultant and local partnership, if you haven't already, to develop a plan to reduce spending. This could include changing fund ranking for the county and/or completing transfer obligations to remove children from Smart Start funding.

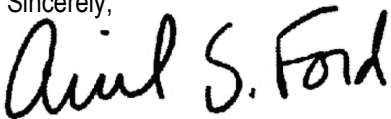
For counties that are currently underspending their Smart Start allocations, please work with your DCDEE TA Consultant and local partnership to develop a plan to increase spending.

DCDEE appreciates everyone's efforts to manage spending. We are facing many challenges within the early education field as we navigate out of the pandemic and the continued partnership and collaboration is appreciated.

If you have questions about the information in this letter, please contact your DCDEE TA Consultant directly or Elizabeth Everette, Assistant Director at Elizabeth.Everette@dhhs.nc.gov.

Thank you for your continued trust in our program and services.

Sincerely,

A handwritten signature in black ink that reads "Ariel S. Ford". The signature is written in a cursive, flowing style.

Ariel Ford

AF/EE