



North Carolina
Department of Health and Human Services
DIVISION OF CHILD DEVELOPMENT
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Michael F. Easley, Governor • Carmen Hooker Odom, Secretary • Peggy M. Ball, Director

SUBSIDIZED CHILD CARE SERVICES MANUAL ~ CHANGE NOTICE # 2 – 03

TO: County Departments of Social Services
Other Local Purchasing Agencies
State Level Contract Agencies

FROM: Peggy M. Ball

SUBJECT: New Income Guidelines Effective October 1, 2003 and Additional Revisions to the Subsidized Child Care Services Manual

ISSUE DATE: September 17, 2003

The North Carolina Child Care Commission adopted licensing rule changes that became effective April 1, 2003 that impacts the criminal records check process. Attached are revisions for the Subsidized Child Care Services Manual which incorporate the rule changes. The changes include information regarding new criminal records check requirements for household members of nonlicensed home providers. This Notice also provides information regarding approved legislative changes related to the subsidy allocation formula and reversion and reallocation process. Additionally, information related to the updating of the income eligibility guidelines effective October 1, 2003 is also included. A summary of the changes in the various chapters is provided as follows.

Chapter 2: Funding for Subsidized Child Care Services

The subsidy allocation formula was revised by the General Assembly in July. This new allocation formula allows for the allocation of State and Federal subsidy funds based on each county's need for subsidy funds as determined by statistical data. Additionally, new guidelines have also been developed to determine how funds will be reverted and reallocated throughout the 2003-2004 State Fiscal Year (SFY) and are described in correspondence from the Division regarding the allocation of subsidy funds. These guidelines were established with the help of county staff and still allow for the Division to exercise flexibility when reverting and reallocating funds.

Chapter 7: Family Definition and Determining Income Eligibility

The maximum income eligibility limits for child care services have been revised as a result of State law that requires such updating every two years. An updated income table is provided as Attachment I for this chapter detailing the new income eligibility limits. The new income limits will apply to new families who apply for services on or after October 1, 2003 and will be applied



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to families currently receiving services at the time of annual redetermination of eligibility or when a change is reported in the family's situation.

Chapter 8: Parental Fees

As a result of the maximum income eligibility limits for child care services being revised an updated income table is provided for this chapter detailing the new income eligibility limits. The fee amounts have not changed.

Chapter 16: Approval and Enrollment Procedures for Licensed Facilities

Enrollment procedures for summer day camp providers were changed for the 2003 summer day camp season. The process was revised to allow LPA staff to submit the Application for Enrollment (DCD-0451) and Private Paying and Other Rate (DCD-0458) forms to the Rate Setting Unit of the Division to request an Approval Notice. Since this process worked well, we are revising the instructions in Chapter 16 to include this information for use next summer. Refer to the attached revised manual pages for Chapter 16 of the Subsidized Child Care Services Manual.

Chapter 17: Approval Process for Nonlicensed Homes and In-Home Care

Criminal record check requirements for new household members of a nonlicensed home provider have been changed. The rules now state that any new household member over age 15 must submit a criminal record check to the local purchasing agency within 10 business days of joining the nonlicensed home household. Refer to the attached revised manual pages for Chapter 17 of the Subsidized Child Care Services Manual.

This new process applies to all nonlicensed home providers and information regarding the change in the criminal records check process should be shared with these providers. Additionally, if any new nonlicensed home providers have been approved since April 1st, 2003, and are still receiving subsidy funds, those providers will need to be contacted by county staff to determine if any individuals over the age of 15 have moved into their household. If so, county staff should document this in the provider's record and request that criminal record checks for these individuals be conducted within 10 business days of discovery of the new household member.

Appendix A: Subsidized Child Care Forms

In order to be able to respond to requests about the number of More at Four children being served with subsidy funds, we have developed a new field in the Subsidized Child Care Reimbursement System to capture a child's status. Local purchasing agency (LPA) staff are now being requested to indicate in the Subsidized Child Care Reimbursement System (SCCRS) when a DCD subsidy or Smart Start payment is made for a child who is also enrolled in a More at Four classroom. In order to capture this information, the SCCRS has been revised to include a new field which requires that you enter "Yes" (child is enrolled in a More at Four Program) or "No" (child is not enrolled in a More at Four Program).

This information must be available to the LPA staff person who enters data into the SCCRS in October 2003 for newly enrolled children. The child care social worker must now include an

entry in the comments section of the Child Care Voucher (DCD-0446) or Child Care Action Notice (DCD-0450) which indicates that a child is enrolled in a More at Four Program. The purpose of using an identifier for entry will help us gather more specific information regarding children who are receiving DCD subsidy or Smart Start assistance and are also being served by the More at Four Pre-Kindergarten Program. In the future, the Child Care Voucher and Child Care Action Notice will be updated to include a "Yes" or "No" box for staff to check to indicate this information. The new field will be available in the SCCRS for entries made for October services.

Instructions for Maintenance of Subsidized Child Care Services Manual

Your agency must maintain at least one copy of the previous manual material for reference during single audits, state monitoring visits and fraud investigations. We recommend that staff review the changes to become familiar with the new information.

Remove

Pages 3 through 9 of **Chapter 2**
dated October 1, 2002.

Attachment I of **Chapter 7**
dated October 1, 2002.

Pages 7 through 8 of **Chapter 8**
dated October 1, 2002.

Attachment I of **Chapter 8**
dated October 1, 2002.

Pages 3 and 4 of **Chapter 16**
dated October 1, 2002.

Pages 3 and 4 of **Chapter 17**
dated October 1, 2002.

Insert

Pages 3 through 8 of **Chapter 2**
dated September 1, 2003.

Attachment I of **Chapter 7**
dated October 1, 2003.

Pages 7 through 8 of **Chapter 8**
dated October 1, 2003.

Attachment I of **Chapter 8**
dated October 1, 2003.

Pages 3 and 4 of revised **Chapter 16**
dated September 1, 2003.

Pages 3 and 4 of revised **Chapter 17**
dated September 1, 2003.

Pen and Ink Changes

Chapter 8: Parental Fees

- Page 5, Section V D., item 1. b., should read - When the child is enrolled in the same child care arrangement and care averages 18 (**delete "to" and insert "through"**) 31 hours per week, multiply the parental fee by .75.

Chapter 20: Payment Policies

- Page 18, Section VIII B., 3rd paragraph, 7th sentence, should read - When the LPA receives its copy, they should proceed by notifying the provider and parents that subsidy will be suspended within 45 (**insert "calendar"**) days from the date on the action.

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A copy of this **Change Notice** should be retained in your manual in **Appendix E**.

Only a limited number of copies of this Change Notice will be printed. If your agency needs additional copies and cannot make them at the local level, please contact **Fay Lewis** in the Subsidy Services Section at (919) 662-4561. The manual can be accessed on-line at **<http://info.dhhs.state.nc.us/olm.manuals/dcd/ccs/man/index.htm>**. Questions regarding the manual materials should be directed to your Subsidy Services Consultant.

Enclosures

PMB/NA