



Child Development
and Early Education
HEALTH AND HUMAN SERVICES

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Director

SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #04-16

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

SUBJECT: Changes to Subsidized Child Care Assistance Program Policy

ATTENTION: Child Care Coordinators
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

ISSUE DATE: May 18, 2016

EFFECTIVE DATE: The First Month a Payment is Processed through NC FAST

The purpose of this Administrative Letter is to communicate changes to the Subsidized Child Care Assistance Program policy regarding Blended Rates and Provider Closings with Pay.

These policies will take effect as NC FAST is rolled out across the state. When the first payment is made through NC FAST the blended rates and provider closings with pay will be used. Counties continuing to use SCCRS to complete payment will not implement these policies.

Blended Rates

1. General Information:

Current policy in Chapter 20 Section III - Payment policies and procedures Letter H states, during the months in which school closes for the summer and school re-opens in the fall, a school-age child could have two (2) plans of care, one for the days for before and/or after-school care and one for the days for full-time care. During out-of-school days during the school year, a differential payment is made if the child receives care for the full day. A parental fee, if applicable, is imposed on each plan of care. The child care worker should include the full-time parental fee on the Application for Child Care Services (DCD-0456) and the Child Care Voucher (DCD-0446) or the Child Care Action Notice (DCD-0450).



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2. Policies:

Payment rates for some preschoolers and school age children are changed to a blended rate. The blended rate is 83% of the provider's full-time approved subsidy rate. The 83% rate takes into account care provided for fifteen (15) school holidays, ten (10) teacher work days, and fifteen (15) emergency closure days (including inclement weather days when the part-day program schools, NC Pre-K, Early Head Start, Head Start, Title I, and special education classrooms in the public schools) is closed and child care is provided. For children who need full time summer care and a wraparound plan during the school year, a blended rate of 83% of the full time provider's approved subsidy rate for the specific age group will be paid for the entire year.

Preschool Children:

Preschool age children attending a part-day program such as Early Head Start, Head Start, NC Pre-K, Title I, special education class rooms in the public school receiving before, after, or before and after care also needing care at the 100% level in summer and on teacher work day, holidays, and emergency closings (including inclement weather days) will be paid at the blended rate for their age group for the entire year.

Preschool age children attending a part-day program such as Early Head Start, Head Start, NC Pre-K, Title I, special education class rooms in the public school receiving before, after, or before and after care also needing care at less than 100%, in summer and on teacher work day, holidays, and emergency closings (including inclement weather days) will be paid at the level of care needed for each time period covered. Children in this circumstance will not be paid at the blended rate.

Note: For those participating facilities in counties having Early Head Start-Child Care Partnership grants, enrolled children will be paid at the 100% rate for the Early Head Start portion of the day. This payment will include care provided before, after, and before & after Early Head Start hours.

School age children:

School age children who need care for wraparound and full time summer care will receive the blended rate for the entire year.

School age children who need less than 100% care in the summer months will be paid at 75% for the entire year.

Children who need before, after, or before & after school care only during the school year who **do not** need care on teacher work days, holidays, and emergency closures are paid at the 75% rate. Children who need before, after, or before & after school care only during the school year who **do** need care on teacher work days, holidays, and emergency closings are also paid at the 75% rate.

Children who need care only on teacher work days, holidays, and emergency closings are paid a daily rate based upon their level of care.



Children who need care in summer and on teacher work days, holidays, and emergency closings receive payment based upon the plan of care for the summer and the daily rate based on the level of care during the school year.

Payment for Children who need care only in the summer is based on the level of care approved for the children.

Payments for children approved for levels of care exceeding 100% are paid based on the level of care. The blended rate does not apply.

Programs Operating Only In the Summer:

Programs operating only in the summer receive payment based the level of care approved for the children.

Certified Developmental Day Centers:

Certified Developmental Day Centers operating 12 months a year are subject to the blended rate policies. Certified Developmental Day Centers operating only during the school year receive payment based upon the children's level of care.

3. Procedures:

As providers enroll in the NC FAST Provider Portal, they will be asked to provide blended rates. Providers need to calculate their blended rates based upon their individual circumstances, taking into consideration school holidays and teacher work days in their local school districts and historical information regarding emergency closures such as inclement weather.

An 83% approved rate column is present on the approval notice. Student evidence is required to determine which children are to be paid at this rate. The blended rate will be 83% of the 100% approved rate. If a family's need for care exceeds 100% for school agers and children in pre-school for summer/track out, the payment will be based on the level of care.

Local County Departments of Social Services and Local Purchasing Agencies are encouraged to have providers read materials posted on the DCDEE website related to blended rates and set before/after and before and after school rates to account for the out of school days during the school year.

Note: If care is needed for 2nd or 3rd shifts, the worker would not enter student evidence.



Provider Closings with Pay:

1. General Information:

As a result of the implementation of NC FAST, a Subsidized Child Care Assistance Program policy change is being made to how facility closings are managed. This includes closings for vacation, emergency and inclement weather.

Current policy in Chapter 20. III. D. encourages the local purchasing agency to establish limits about the number of days during the contract period that a facility can be closed and still receive payment for subsidized child care for those days. The local purchasing agency addresses in local policy the number and type (e.g., holiday, vacation, emergency) of days the county will pay when a facility is closed. The local purchasing agency may pay for up to ten (10) days in a month when the facility is closed but should not pay for any days that private paying parents are not required to pay.

Current policy in Chapter 22. VII. A., allows local purchasing agencies to set limits on the number and type of days (e.g., holiday, vacation, and emergency) during the contract period that the facility can be closed and still receive payment for subsidized child care.

2. New Policies:

New policy allows providers to choose fifteen (15) days a calendar year for automatic approval for holidays and vacation days. This limit does not include closing for inclement weather and emergencies. The limit for inclement weather and emergencies will be up to five (5) calendar days per month, which may or may not coincide with local emergency school closings. Inclement weather and emergency closings will have to be approved by the Local Purchasing Agency (LPA).

3. Procedures:

Providers will enroll annually through the NC FAST Provider Portal. Providers will not have to list their closure days in advance, however, they will indicate type of closing on their attendance rosters. NC Fast will pay the first 15 days. Subsidy policy requires that payment for provider closures is only authorized for days that private paying parents are required to pay.

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,



Pamela L. Shue, Ed.D.