

**NCACDSS Child Care Committee Meeting
 Wednesday, April 11, 2007 (10:00-11:30 AM)
 Co-Chairs: Jerry Rhodes and Jack Jones**

Attendance

Linda Leggett	Robeson County	Tonja Hester	Robeson County
Lula Jackson	Anson County	Amy Pike	Buncombe Co.
Amie Barham	Franklin County	Christine Clinton	Harnett County
Liz White	Forsyth County	Lois Slade	NCPC
Carla Bass	Robeson County	Heather Thomas	Randolph County
Ron Byrd	DCD	Cathy Dillard	Vance County
Connie McAdams	CCN-Chatham	Adrienne Barnwell	Alamance County
Aliesa Bowman	Iredell County	Claudia Catlin	Catawba County
Beverly Spaulding	Bladen County	Tina Broadway	Orange County
Sylvia Thomasson	DCD	Darnella Warthen	Durham County
Melinda Bradshaw	Pender County	Lisa Worley	Pender County
Annie Brame	DCD	Regina Watkins	DCD
Sherry Young	DCD	Kathy Pope	Guilford County
Kate Savage	DCD	Patti Stowe	Mecklenburg County
Mary Smith	Guilford County	Denise Hill	Guilford County
Della Sweat	Cumberland County	Janice Fain	DCD
Nancy Guy	DCD	Jack Jones	Lenoir County
Jerry Rhodes	Washington County	Gloria Cook	Wake County
Terry Keene	Johnston County	Richard Everett	Cumberland County
Nancy Brandt	Rowan County	Amy Johnson	Mecklenburg County
Vickie Jackson	Wayne County	Betty Hamby	Craven County
Fay Lewis	DCD	Celeste Pleasant	DCD
Kellie McCarthy	DCD	John Winstead	DCD
Trevon Lucas	DCD	Kim Miller	DCD
Mary Staak	DCD		

The meeting was called to order by co-chair Jerry Rhodes.

Requests were made to add the following under agenda item number nine: clarification of paying for ten-days of absences and feedback regarding policy issues discovered during monitoring. The agenda was approved with these additions and no deletions. The minutes of the last meeting were also approved.

Janice Fain introduced John Winstead as the new Subsidy Budget Officer. John expressed his pleasure in returning to DCD.

Expenditure Report:

John noted that the State's combined spending coefficient increased to 92% with an approximate \$400,000 increase in non-Smart Start expenditures. The Smart Start spending coefficient decreased slightly to 102% (attributed to the probability that

children have been recoded). Children served increased by 1,720 while the waiting list decreased by 1,004. There has been no significant change in the military, More @ Four, or Katrina expenditures.

Division of Child Development (DCD) Report:

Nancy Guy gave a legislative update regarding two additional bills: Senate Bill 755 and House Bill 854 (Child Care Subsidy Funds). These bills include a request for \$23 million to serve approximately 6,000 children from the waiting list and increase market rates for 3-5 star facilities. This adjustment could be as much as 60% of the market rate difference (last year's increase was 25-30% of the MR difference). The contractor that conducted the market rate survey is now analyzing the data received in the latest survey and hopefully, the Legislature will use this up-to-date information when making a decision. The funding requested in the bills is not specified as recurring but more than likely, that will be the case.

Nancy distributed a provider brochure regarding the transition to a two-component license. This brochure was mailed to providers last week. A rate calculator feature will be added to the DCD website as a tool for providers. They can use the calculator to determine how a changes in their star license could affect their subsidy rates. The calculator is currently in the testing and revising process and should be available soon. Durham County staff reported that they prepared fact sheets advising their providers how the changes would affect rates.

Nancy reported that an administrative letter clarifying the local match policy will be issued soon. The letter will specify the funding sources which will be considered as local match and will include the new codes to use in the Subsidy Reimbursement System. Nancy explained that the Smart Start match has been revised. It was decided that in order for Smart Start funds to be considered as local match, the amount must be over the 30% mandate and in excess of the total Smart Start allocation for the previous year. The money must also be used only for eligible children under current DCD guidelines.

Nancy reported that counties with a waiting list whose spending coefficient was 90% or less were allowed to transfer services funding to services support if they could use the funding to hire temps or pay staff overtime to serve families from the waiting list. The current formula for services support funding allows each county to receive 4% of the county's base allocation or \$60,000 whichever is greater. This is an increase from the initial allocation amount in 1997 of \$50,000 or 2.5%. Concerns were expressed by Committee members that 4% is not sufficient to fund staff. The Committee was reminded that services support money is a supplement to other funds available to pay staff costs and that increasing the amount available means decreasing the services funding. DCD is willing to consider changing the amounts but would like to have recommendations from county staff about how this should be changed.

Katrina funding is currently serving 27 children. Federal funds for this service will be available through the 1st quarter of next fiscal year; however, the current expenditures are

less than the amount budgeted for this purpose. The question was raised regarding the continued need for services without regard to income for a family that has been receiving under this fund source for 6-9 months. Guilford County staff noted that many families still have mental and emotional issues that would justify the continued use of this fund source. DCD will issue a new letter updating guidelines and notifying counties that families who have been removed from this fund source based on the current guidelines can be switched back to it.

Sylvia Thomasson reported that the Subsidy Data Warehouse System is being updated, so no new worker training sessions are being scheduled at this time. Once the upgrades to the System have been completed, new worker training will be scheduled. In the meantime, Sherry Young or the Data Management team members are willing to help counties design and run queries.

Kim Miller distributed and discussed a handout that explains a pilot program entitled Subsidy Loan Fund. Kim explained that DCD is proposing to create a loan fund to provide funds to counties to cover corrections made due to fraud. Currently any overpayments of federal funds must be paid out of state and county funds. With this pilot loan program, DCD will set aside an initial amount of \$500,000 to cover the reimbursement to the counties for the improper payment. The counties will then recoup the money from the client or provider and return the funds to the loan fund. Codes for this program are currently under development to identify types of corrections. Counties who are interested in participating in this pilot should contact Kim or Nancy within the next few weeks.

Policy Issues:

Verification of child support was discussed. The DCD Monitoring Team found that indirect child support is not always properly verified by a statement from the absent parent. The Manual states that all income must be verified. Currently a statement from the custodial parent is not considered verification. It was noted that the absent parent may have refused to sign; therefore, the committee asked that a statement from the custodial parent be accepted. Best practice is to receive verification from another source if possible and thoroughly document investigations about how the support is being paid. The decision was reached to accept a statement if there is no other option and that notarization of the statement is not necessary.

A question was asked about the status of the request to mandate child support cooperation for child care subsidy applicants. It was reported that the proposal to mandate compliance with child support was scheduled for discussion at the NCACDSS Child Support Committee on this date. It was noted that this mandate could be a staffing issue for county and state operated child support offices and could require hiring additional staff in some agencies.

The subsidy application process for foster care children was also discussed. Some counties require the foster parent to sign the application and vouchers. Members of the

Committee gave examples of current procedures and reasoning for those procedures. This is not a local policy option and DCD recommends that DSS staff sign the application for all children in DSS custody.

Program Enhancements:

Jerry led the discussion of the program enhancements. Regarding the quarterly review process, the Committee noted that these could reduce overpayments and fraud, would impact staff, and that the intensity levels of the reviews vary from county to county. Ron Byrd commented that errors have been noted by his staff for some counties because quarterly reviews were included in local policy but were not completed. The decision was reached to leave policy as it is but recommend quarterly reviews as a best practice. In the interest of time, the other enhancements slated for discussion were tabled until June.

Cumberland County staff requested discussion about payment for ten days of absences. Various committee members provided examples of their policies and procedures. DCD staff noted that the intent behind the policy is to determine why absences occur. This issue may need more discussion and clarification in the Manual.

There was no feedback on the monitoring questionnaire sent out by email several weeks ago. Nancy stated that county staff have asked for more advance notice of a monitoring visit. She indicated that Division staff have discussed this issue and have decided that the schedule for the state fiscal year can be released prior to the start of the year. She cautioned that sometimes adjustments are made in the schedule at the request of county or state staff.

No further issues were presented and the meeting was adjourned.

The Committee will not meet in May. The next meeting is scheduled for June 13th at 10:00 a.m. at the Division of Child Development.

Submitted by,

Claudia Catlin, Catawba County DSS