

NCACDSS CHILD CARE COMMITTEE MEETING
August 9, 2006

Members, staff and guests in attendance:

NAME	COUNTY	NAME	COUNTY
Jerry Rhodes	Washington Co.	Jack Jones	Lenoir Co.
Al Wentzy	Northampton Co.	Vicki Jackson	Wayne Co.
Laura O'Neal	Nash Co.	Deena Woodruff	Nash Co.
Melinda Bradshaw	Pender Co.	Nancy Brandt	Rowan Co.
Sylvia Thomasson	DCD	Gloria Cook	Wake Co.
Bonnie Hyatt	Wake Co.	Darnella Warthen	Durham Co.'
Amy Pike	Buncombe CCS	Connie McAdams	Chatham CCN
Cathy Dillard	Vance Co.	Barbara Carter	DCD
Claudia Catlin	Catawba Co.	Aliesa Bowman	Iredell Co.
Betty Hamby	Craven Co.	Vicki Jackson	Wayne Co.
Daphne Wilson	Rockingham Co.	Barbara Bedsole	Bladen Co.
Junita Davis	Rockingham Co.	Elizabeth White	Forsyth Co.
Sherry Young	DCD	Trevon Lucas	DCD
Heather Thomas	Randolph Co.	Christine Clinton	Harnett Co.
Melessa Adams	Rockingham Co.	Regina Brooks	DCD
Amie Barham	Franklin Co.	Clifton Hardison	Martin Co.
Kellie McCarthy	DCD	Mary Stankus	DCD
Regina Watkins	DCD	Annie Brame	DCD
Jani Kozlowski	NCPC	Ron Byrd	DCD
Terry Keene	Johnston Co.	Celeste Pleasant	DCD
Algernon McKenzie	Columbus Co.	Tina Broadway	Orange Co.
Sandra Tillman	Moore Co.	Richard Everett	Columbus Co.
Diana Tini	Mecklenburg Co.	Amy Johnson	Mecklenburg Co.
Susana Villescasc	Mecklenburg Co.	Patti Stowe	Meck. CCRI
Mary Smith	Guilford Co.	Kathy Pope	Guilford Co.
Della Sweat	Cumberland Co.	Nancy Guy	DCD
Janice Fain	DCD		

OPENING AND REVIEW OF MINUTES

The August 9, 2006 of the NCACDSS Day Care Committee was called to order by co-chair Jerry Rhodes. Mr. Rhodes introduced the new co-chair, Jack Jones. Mr. Jones is the Director of Lenoir County DSS.

The committee voted to approve the minutes of the June 7, 2006 meeting as submitted.

Mr. Rhodes discussed the guidelines under which the committee will operate. Attached is a copy of the Information Guide for Committees within the North Carolina Association of County Directors of Social Services. Mr. Rhodes will present the committee's Scope of Work plan at the September meeting.

Mr. Rhodes invited all attendees to make suggestions for agenda items at the end of each meeting.

EXPENDITURE REPORT:

SFY 05-06

Janice Fain presented the final report expenditure report for SFY 05-06. Overall year end spending for Smart Start ended with about \$3,000 unspent and Non-Smart Start funds had \$5.9 million unspent. DCD was able to return \$2.9 million to the Department of Health and Human Services which replaced some of the funds redirected from DHHS to DCD by the Governor in December 05 to prevent reduction in child care subsidy services for children around the state.

SFY 06-07

Spending for June 06 service was down in comparison to June 05 for both Smart Start and Non-Smart Start funding. Ms. Fain did not calculate spending coefficients since there was only one month of expenditures available. The total number of children being served in June was 93,271 which was down from May (93,719). Waiting lists across the state continue to grow. There were 36,723 children waiting for child care subsidy at the end of June.

DIVISION REPORT:

Nancy Guy presented the Division's report.

Legislative Update: Additional Funding

The General Assembly approved an increase of about \$30 million in additional funding. The \$30 million included about \$14 million in state funding and about \$12 million in TANF funding. Also, Smart Start funding was increased by \$13.5 million and will result in about \$3.9 million in additional dollars spent on subsidy services due to the 30% requirement.

Market rates:

The General Assembly also approved an increase in market rates. DCD was unable to fully implement the rates as surveyed (based on budget) but were allowed to implement a percentage increase for 3-5 star child care programs. A portion of the \$14 million in state funding was earmarked to help off set the cost of the new rates.

Market rates for 3-5 star centers in Region 1 were adjusted to reflect a 20% increase in the difference between surveyed rates and current rates. Region 1 counties were: Chatham, Durham, Mecklenburg, New Hanover, Orange and Wake.

Market rates for all child care centers in other counties were adjusted to reflect a 35% increase in the difference.

Rates for family child care homes with 3 or more stars were adjusted to reflect a 20% increase across the state. Market rate tables reflecting the amount of the adjustments were sent out with the July 26th letter from the Division.

Local Match Requirement:

Legislation also included a local match requirement. Counties must provide a 15% local match for reallocated of funds beyond \$25,000. For example, if a county requested a reallocation of \$75,000 the following would apply.

Example:

1. Amount exceeding \$25,000 = \$50,000 (\$75,000-\$25,000)
2. County match amount = \$7,500 (\$50,000 x 15%)
3. DCD share = \$67,5000 (\$75,000 - \$7,500)

MOE County dollars can be counted toward match that may be from preexisting MOE county funds, donations, United Way funds, etc.

DCD is considering developing a separate fund source code for use in identifying local funds.

Study Commissions related to child care:

The General Assembly approved the establishment of two study commissions that may impact child care. One is Smart Start and Child Care Funding Study (sponsored by Senator Hagan). One of the 15 appointed members must be a DSS director along with local Smart Start partnership staff and child care providers. The Commission is charged with studying funding equity among counties and local partnerships. A report is due to the 2007 General Assembly.

The other Commission is entitled Study Commission on Day Care and Related Programs (sponsored by Senator Jenkins). Commission members will all be legislators. This commission is charged with studying shortfalls and benefits of the child care programs, considering adjustments, possible consolidations and how child care impacts economic development. Recommendations of this Commission are due to the General Assembly by December 31, 2006.

FY 2006-2007 Allocations and Distributions:

The SFY 06-07 allocations were sent to counties on July 26, 2006 via e-mail. Funding authorizations were mailed August 3 and 4th. As in past years, legislation allowed DCD to allocate some funding outside the formula. DCD allocated about \$2.7 million outside the formula.

Allocation amounts included the funds for market rate increases. The chart issued by DCD on 7/26/06 indicated how much was provided based on DCD projections; however, counties are being asked to manage their funds as a whole.

Last year DCD informed counties that they did not plan to conduct reallocations this year. DCD continues to project that there will be no funds available for reallocations. Counties are advised to carefully plan spending to assure they can maintain within their initial allocation.

DCD did not allocate about \$3 million which will be used to pay for subsidy services for certain active duty families associated with the military as explained in the DCD Administrative Letter No. 1-06 issued July 24, 2006.

Business Plans:

DCD has created individual reports to help counties complete their Subsidy Business Plan and to use in making projections for the year. The reports will be provided to counties by their Subsidy Services Consultant. The Business Plans are due by September 15, 2006.

Best Practices:

Ron Byrd distributed and discussed DCD's new Best Practices County Survey. This survey was developed with input from Subsidy Services Consultants about the practices they were observing in their assigned counties and is intended to be a self-assessment tool to help counties identify what practices they already have in place and what is any, they wish to add. Committee members asked about how the points would be used and what county input had been provided in the development of the document. Mr. Byrd explained that the points were a reflection of the number of practices already in place in a county and provided a baseline to the county, if they opted to add additional practices and wanted to measure their progress. Nancy Guy talked about the work that the Division has been doing with the Leading by Results Task Force to develop outcomes for the Subsidy Program and indicated that this document had been shared with the Task Force as a part of that work. Mr. Byrd explained that Subsidy Services Consultants will discuss the survey with each county and work with the county to develop strategy to help improve the county's child care subsidy program if the county is interested in doing so.

Following the discussion, the Committee voted to recommend that DCD allow SFY 06-07 to be considered a pilot for testing the Best Practices document.

ADJOURNMENT:

Mr. Rhodes asks committee members to contact him if they had agenda items for the September 13, 2006 meeting, which will meet at DCD.

Mr. Rhodes adjourned the meeting.

Respectfully submitted,

Patti Stowe