

**NCACDSS Child Care Committee Meeting**  
**Wednesday, 01/10/07 (10:00 –11:30 AM)**  
**Co-Chairs: Jerry Rhodes and Jack Jones**

**Attendance**

Nancy Brandt	Rowan County	Sandra Tillman	Moore County
Gloria Cook	Wake County	Trevon Lucas	DCD
Jerry Rhodes	Washington County	Jack Jones	Lenoir County
Nancy Guy	DCD	Janice Fain	DCD
Annie Brame	DCD	Sherry Young	DCD
Denise Hill	Guilford County	Lula Jackson	Anson County
Terry Keene	Johnston County	Mary Smith	Guilford County
Amy Johnson	Mecklenburg County	Kathy Pope	Guilford County
Della Sweat	Cumberland County	Sandra Sargent	Lee County
Ron Byrd	DCD	Gaye Freeman	Lee County
Heather Thomas	Randolph County	Aliesa Bowman	Iredell County
Lisa Worley	Pender County	Kim Miller	DCD
Celeste Pleasant	DCD	Vickie Jackson	Wayne County
Melinda Bradshaw	Pender County	Gale Wilson	NCPC
Adrienne Barnwell	Alamance County	Annie Barham	Franklin County
Joyce Gardner	Beaufort County	Betty Hamby	Craven County
Claudia Catlin	Catawba County	Linda Leggett	Robeson County
Connie McAdams	CCN-Chatham	Cathy Dillard	Vance County
Cindy Tharrington	Franklin County	Tonya Hester	Robeson County
Beverly Spaulding	Bladen County	Teresa Canady	Martin County
Christine Clinton	Harnett County	Wanda Smith	Durham County
Liz White	Forsyth County	Babee Thompson	Onslow County
Darnella Warthen	Durham County		
Fay Lewis	DCD		

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

The agenda was approved as printed with no additions or deletions. The minutes were also reviewed and accepted as recorded.

**Expenditure Report**

Janice Fain reviewed the spending report and the year-to-date expenditures. She indicated that the overall spending co-efficient has increased to 90%. She reported that spending is up along with children being served and that the number of children on the waiting list has decreased. She noted “children removed not served” is high. She also noted that the Katrina evacuee spending has increased and the spending on military families has decreased.

**DCD Report**

Nancy Guy reported that a new market rate survey is now at the point where follow up calls are being made to child care providers. She noted that the market rate contractor stated that some child care providers misunderstood the purpose of the market rate survey and were puzzled by the timing of a new survey. Nancy explained that the State is required to survey licensed providers every two years. Once the data collection has been completed, the analysis of the data

will begin. The Division anticipates having information available to share with legislators before the end of the 2007 Legislative Session.

Nancy reported that the subsidy fact sheets were available on the Division's web site and are available to download. She encouraged counties to personalize or update their own facts sheet as needed to share with their community partners and legislators.

Nancy then addressed the current spending situation. She stated that many counties are under spending their allocations. She stated that the Division had speculated that many counties were reluctant to serve parents from their waiting lists until the impact of the market rate increases could be determined. She indicated that next fiscal year's allocation estimates would be available soon. She advised counties to look at their estimates and take note of sustainable levels of spending. A graph was distributed that demonstrated spending history in past years and reflected that the affects of "one time" money. Nancy noted the additional subsidy funding counties received this year was recurring funding.

Questions were asked by the committee members about reverting funding at the end of this fiscal year. Nancy reminded members that federal funding left over at the end of the fiscal year can be carried over to the next fiscal year. She also stated that Smart Start funds must be spent by the end of the year so that partnerships are not faced with reversion penalties. Committee members were concerned about "leaving money on the table" and how that would appear to legislators. Nancy explained that the receipt of one-time money earmarked to address the waiting list had contributed to the ups and downs we have experienced in service levels in past years. The solution would be a stable level of recurring funding so that so many families would not have to wait long periods of time for services.

Nancy then reported that the set aside military funding is not being spent at the levels originally anticipated. Some of the money will be allocated to counties once those counties are identified. Staff from Cumberland County indicated that military expenditures in their county were not as high as anticipated because of the redeployment of members of the military. Nancy stated that the Division would take into account anticipated spending when deciding how to allocate the funds. She also explained that the allocation of these funds would not require a local match since the funds had not been previously allocated.

Janice Fain then noted that the budget estimates for next year were funds that were run strictly through the allocation formula. The funds did not include any carry forward federal funding and any funds that may be allocated outside of the formula.

### **Child Support Proposal**

Nancy Guy stated she has been asked to meet with DHHS staff about the proposal to require cooperation with Child Support. She asked the Committee for verification of the purpose of the request which was to increase the income of the family and fraud prevention. She stated that DHHS was concerned about the fiscal impact.

### **Review of Waiting List Update:**

Fay Lewis reported the results of the waiting list surveys had been compiled and provided a handout which summarized the results. She noted that parents reported that while they were waiting for subsidy services they had obtained second jobs, let bills become overdue, reduced

hours, and their work attendance had suffered. Parents enrolled in school indicated a decline in grades. The next survey will be conducted in March and April 2007.

**Best Practices Update:**

Ron Byrd reported that 77 counties are participating in the Best Practices assessment. The results indicate that many counties are going above and beyond the required policies. The Subsidy Services Consultants will be reviewing the reports of each of their participating counties to update the Best Practices summary.

**Committee Work Plan:**

Jerry Rhodes and Jack Jones led the discussion on this month's policy issues.

***Provider payments for absences and holidays:***

There was discussion about limiting the number of days paid for absences and holidays.

Points discussed:

- Many counties are paying for up to 30 days of absences regularly and consider it a waste of funds.
- Some providers are waiting until the 10<sup>th</sup> day to report 5 days of absences. If the services are then terminated, the provider receives a 10 day of notice which results in 20 days of absences being paid.
- Providers are not reimbursed their full rates, so the extra days help offset the loss.
- LPA's are limiting numbers of days in their local policies.

*Conclusion:* The Committee agreed they would not recommend any changes to this policy that would limit local control.

**Specify number of months to be used for calculating self employment to obtain representative average:**

This topic generated a lot of discussion because of the nature of some of the self employment.

Points discussed:

- Current policy is vague.
- Coordinators feel as though they have to be accountants to figure out net income in many of the applications for assistance.
- Applicants' situations are getting more complicated. Many counties are having to determine eligibility for partnerships, small corporations, businesses with assets and other types of self employment that the manual does not seem to address.

*Conclusion:* Nancy Guy agreed to meet with Division staff to develop policies that will be easier to determine income.

**Determine number of months for calculation child support, contributions, and other non-earned income.**

Committee members expressed frustration with the current policy and the possibility of errors. Kim Miller, Program Compliance Supervisor was consulted. Ms. Miller stated that counties were not cited as long as it was clear in the narrative what was being used. She also added that the many counties' local policies state how many months are used in calculating child support income. *Conclusion:* The Committee agreed to leave under local policy.

Jerry Rhodes questioned committee members if there were other issues to be discussed. With no other issues the meeting was adjourned.

Respectfully submitted,  
Denise Hill