

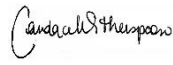


NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Child Development and Early
Education

JOSH STEIN • Governor
DEVPUTTA SANGVAI • Secretary
CANDACE WITHERSPOON • Director

SUBSIDIZED CHILD CARE ASSISTANCE PROGRAM POLICY MANUAL – CHANGE NOTICE # 26-03

TO: County Departments of Social Services Other Local Purchasing Agencies

FROM: Candace Witherspoon, Director, Division of Child Development and Early


Education SUBJECT: Revisions to the Subsidized Child Care Assistance Program Policy Manual

ISSUE DATE: April 30, 2026

The purpose of this Change Notice is to communicate changes in the Subsidized Child Care Assistance (SCCA) Program Policy Manual regarding:

1. **Parent Fee Defined**
2. **Certification Extension Clarification**
3. **Eligibility Start Date**

1. **Parent Fee Defined**

The SCCA Policy below is effective **04/30/2026**.

SCCA Policy Chapter 8, Section III., on page 2, has been revised to the following:

III. WHEN PARENT FEES ARE ASSESSED

Applicants/recipients who qualify for child care assistance based on their countable income must pay a portion of their child care costs. This parent fee is set at 10% of the family's gross monthly income, when applicable. If an applicant/recipient wants to check whether they meet the financial eligibility criteria and estimate their potential parent fee, they can use the [SCCA FPL/SMI/Parent Fee Table](#) available on the division's website.

All applicants/recipients who are required to pay a parent fee will pay 10% of their gross monthly income. Once the parent fee is assessed, the applicant/recipient is responsible for paying the parent fee directly to the child care provider. Parent fees for new applicants are effective on the first day the child attends care. Any decrease in a parent fee is to be effective on the first day of the month when the decrease is reported. The parent fee is assigned to the youngest child on the child care case when there is more than one child receiving child care.

2. **Certification Extension Clarification**

The SCCA Policy below is effective **04/30/2026**.

SCCA Policy Chapter 11, Section III, C. 2. iii. **d) and e)**, on pages 8 and 9, has been revised to the following:

d) When adding a child to an active case, determine the child's initial income eligibility by comparing income to the child's FPL

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limit. If the child is income-eligible, allow 12 months of eligibility for the child by extending the existing case eligibility for another 12-month certification period, starting with the date the child was added to the case. If the household's income initially exceeds the child's FPL limit, the child is determined to be ineligible.

When adding a new child to an existing case, it is not necessary to establish initial need-eligibility for the new child. Additionally, care must be authorized at the same level as other children in the household unless the applicant/recipient requests a lower level of care.

If the applicant/recipient requests a higher level of care than the other children in the household receive, the child care worker must document, in the case record, the reason for the increase in level of care and justification for approving an increased level of care.

e) If a child is part of the household at the time of application or recertification but is not initially income eligible and later becomes eligible during the certification period, the child must be granted a full 12month eligibility period. Once a Plan of Care is established for the child, allow 12 months of eligibility for the child by extending the existing case eligibility for another 12-month certification period, starting with the date the child became eligible. This includes situations such as but not limited to a school-age child who was initially ineligible because household income exceeded 133% FPL but becomes eligible later in the certification period when household income decreases below that threshold.

SCCA Policy Chapter 11, Section III, C. 2. iii. **f) and g)**, on pages 9 and 10, has been revised to the following:

f) If a child is added to an active case in Graduated Phase Out, compare the household income to the new child's FPL limit to determine the child's initial eligibility. If the child is income-eligible, allow 12 months of eligibility for the new child by extending the existing case eligibility for another 12-month certification period. The Graduated Phase Out period will also be extended by 12 months for any child remaining in Graduated Phase Out. If adding a new child causes all children to no longer be in Graduated Phase Out, all children will receive regular subsidy for the next 12 months and a recertification packet will be sent for all children. Refer to section VI.F. below for more information on Graduated Phase Out.

If a recipient requests to add a child to an active case during the month of recertification, the child care worker must advise the recipient to complete and submit the recertification first. The child cannot be added until a complete recertification is received. The child care worker may complete the recertification by phone, but a signature is still required. Telephonic signatures may be accepted if the DSS/LPA has the capability; otherwise, a wet signature is required. Refer to Chapter 4 XII.B. regarding telephonic signature policies.

Child care workers must follow the steps below in the following order to add a new child:

- Add child and update household evidence, refer to SCCA Job Aid: Add Client to Case*
- Process recertification*
- Enter Plan of Care evidence for new child*

g) If a child is listed on a submitted recertification packet but was not previously added to the case, workers must follow the steps in the following order below to add a new child:

- Add child and update household evidence, refer to SCCA Job Aid: Add Client to Case*
- Process recertification*
- Enter Plan of Care evidence for new child*

3. Eligibility Start Date

The SCCA policy below and NC FAST system functionality will be implemented and effective **05/24/2026**.

To align with provisions in the Child Care and Development Fund Act of 2014, this policy will provide clarification regarding the start date of 12-month eligibility.

The NC FAST system functionality will be updated to start the 12-month certification period on the date the application is approved and the household is determined eligible for SCCA services. The SCCA policy below in Chapter 4, XI.A. page 12 has been revised to the following:

The 12-month eligibility period will start on the date the application is approved, and the applicant/recipient is determined eligible for the SCCA program. This will ensure that every recipient receives a full 12 months of eligibility.

Additionally, Chapter 4 XII.A.1., XII.A.2. and XII.A.3. on page 16-17 the following language has been removed: "~~the first day of the certification period and~~".

1. Mailed Applications

When an application is submitted by mail, the date the agency receives the application will be ~~the first day of the certification period and~~ the date entered in NC FAST as the application date regardless of when the application was signed and dated.

2. Faxed or Emailed Applications

When an application is submitted by fax or email and the documents are legible, the application shall be accepted. The date the agency receives the application by fax or email will be ~~the first day of the certification period and~~ the date entered in NC FAST as the application date regardless of when the application was signed and dated.

If a faxed or emailed application is not legible, the county worker must contact the applicant and request that the application be resubmitted in a legible format. The date the application is resubmitted and legible will be ~~the first day of the certification period and~~ the date entered in NC FAST as the application date regardless of when the application was signed and dated. If a faxed or emailed application is not accepted via fax or email, the county worker must document the reason for declining the application and notify the applicant.

3. Face-to-Face Application

When an application is completed during a face-to-face appointment, the date of the face-to-face appointment will be ~~the first day of the certification period and~~ the date entered in NC FAST as the application date.

Revised policies are identified in red text and will remain red for 30 calendar days following the issuance of this change notice. After the 30th calendar day, the revised policy language will revert to black text.

This Change Notice and revised policies are available on the Department's website at <https://policies.ncdhhs.gov/divisional/child-development/child-care-subsidy-services/policies>. It is the responsibility of the DSS/LPA to ensure that all staff is aware of the revised policy in the SCCA Program Policy Manual. If you have questions regarding the SCCA Program Policy Manual, please address these questions to your Subsidy Technical Assistance Consultant

Thank you,

Attachments

CW/LD