

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and a Plan of Care

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

I. CHAPTER OVERVIEW

This chapter covers the Plan of Care (POC) and will highlight the reasons that families may receive child care assistance. This includes the requirements related to each reason for care, steps to follow when evaluating each family's circumstance, and how to determine the level of care. Additionally, some families may need an alternate Plan of Care which is also covered in this chapter.

II. MANDATORY CHILD CARE ASSISTANCE

Child care is a critical supportive service for many children and families. The provision of subsidized child care funding plays an important role in helping families maintain economic self-sufficiency and ensuring that children receive high quality child care. Therefore, a reasonable approach must be taken to establish a Plan of Care. The child care worker and the recipient must work together to develop a plan that best meets the needs of the family. Child care workers must:

- Consider factors such as hours care is needed
- Allow travel time
- Indicate hours/days that care is authorized
- Provide information on choosing child care that can accommodate family's needs.

If funds and resources are available, Department of Social Services (DSS) and Local Purchasing Agencies (LPAs) **must** provide child care assistance for children whose parents, foster parents, or other responsible adults who are responsible for the care of the child meet income, need and all other eligibility requirements. Child care can be provided for one of the following reasons:

- To support employment, seeking employment and job training for employment; however, seeking employment is not considered an acceptable need for new applicants unless the applicant is an active Work First recipient with a MRA (DSS 6963B).

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

- To support education;
- To support developmental needs of children whose emotional, cognitive, social, or physical development is delayed or at risk of delay;
- To support Child Protective Services (CPS) in order for the child to remain in their own home;
- To support Child Welfare Services (CWS) to prevent or remedy problems that may result in the neglect or abuse of children, prevent foster care placement, support family reunification, and provide support in times of crisis.

NOTE: Foster care and special needs are **not** one of the five (5) need categories listed above and therefore it is not a reason for child care assistance. A child may be evaluated for developmental needs if the family does not meet any other need category. Additionally volunteer services are not considered employment and are not considered as a need for care.

III. AUTHORIZING CARE ACCORDING TO THE NEED FOR CARE

When the family identifies the specific reason that child care assistance is needed, the child care worker must determine if the family qualifies. In situations where an applicant/recipient or family meets both the education and employment categories, the need category is assigned based on the activity in which the individual spends most of the number of hours.

If a recipient is working and attending school, and one Need Type has more priority than the other, select the Need Type with more hours.

If a recipient attends school 20 hours per week and works 16 hours per week, the Need Type would be education. If a recipient has the two Need Types of education and employment that have the same priority, select employment as the Need Type.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

If a recipient attends school 20 hours per week and works 20 hours per week, the Need Type would be employment. For an individual to be determined eligible to receive Subsidized Child Care Assistance to support employment it must be established that they are eligible based on income.

When there is a two-parent household where one parent works 40 hours per week and the other parent attends school for 20 hours per week, the Need Type would be employment. However, Student Evidence must be entered for the parent who needs child care to support education.

There are occasions when an applicant/recipient is eligible for child care but, there is no need for child care because the other parent/responsible adult is available to provide care, or another adult who resides in the household is willing and able to provide child care for the child. When there are two (2) parents/responsible adults in a household, both parents/responsible adults must meet the need criteria. However, the DSS/LPA must not deny child care assistance outside the home if an adult **other** than the parent/responsible adult resides in the household but is unwilling or unable to care for the child.

NOTE: The non-income unit adult household member cannot be approved as a non-licensed home provider.

A. Need Eligibility

The need for child care assistance of the parents, foster parents, or other responsible adults must be verified in order to provide care. When both recipients/responsible adults are in the same household, both parents/responsible adults must have a need for care. Child care to support employment may be provided only if both parents/responsible adults are working; or if one (1) parent/responsible adult is employed, and the other parent/responsible adult needs child care to support education; or the parent/responsible adult remaining in the home must be incapable of providing care for the child(ren) because of a physical or mental disability, advanced age or extreme youth, a history of child maltreatment, or must otherwise be incapable of providing appropriate care to the child/children. The basis on which this determination is made must be clearly documented in the case narrative.

The SCCA Program can pay for child care assistance for recipients that the

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

DSS/LPA determines are unable to work or to participate in training leading to employment, and who are also incapable of providing care for the child. The Local Purchasing Agency must **verify** and document the reasons for this determination in the recipient's record, include such as but not limited to:

- illness,
- disability,
- complications related to pregnancy,
- hospitalization,
- substance abuse treatment, or
- that the recipient is elderly.

If the DSS/LPA determines that a parent/responsible adult is unable to work or participate in training leading to employment and is also incapable of providing care for the child, the child care worker must assess the most appropriate Need Type for the child, such as CWS or Developmental Needs. See III.D. and III.F below for more information. If one parent/responsible adult is able to work and the other parent/responsible adult in the home is determined unable to work and unable to provide care for the child, the Need Type would be employment, and the child care worker must thoroughly document the circumstances of the other parent/responsible adult being unable to work and provide care for the child.

B. Child Care to Support Employment, Seeking Employment, and Job Training for Employment

1. Guidelines for Full-Time Employment

Full-time employment is considered an average of thirty hours or more per week. When determining the hours of child care needed, several factors must be considered, including the actual hours at the job, travel time, mealtimes, etc. The hours that child care is needed may not always coincide with the work hours of the recipient. For example, a recipient who works a third shift needs to sleep during the day. Therefore, child care may be approved during the day to help support the family.

When a recipient works more than one shift and selects one child care

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

facility to provide child care services, one Plan of Care is needed for the total number of hours care that is needed. If the recipient that works more than one shift selects more than one child care facility to provide child care services, then two Plans of Care evidence are needed, one for each child care facility.

The goal is to use a reasonable approach that supports the family's efforts to be self-sufficient.

2. Guidelines for Part-Time Employment

Part-time employment is considered any number of hours less than full-time. Part-time child care is often difficult to arrange.

Full-Time pay for Part-Time care must only be utilized when Part-Time care is either not available or the available care would not meet the needs of the child.

Examples of these types of situations are:

- i. Transportation challenges which would be a hardship on the family such as excessive distance between the family's home, work, and/or child care facility. Also, if the family does not have transportation and relies on a provider to transport the child to and from the facility and the provider is unable to accommodate the need for transportation due to excessive distance.
- ii. Child has specific needs and the provider that could meet those needs does not offer part-time care.

The parental fee for families who receive part-time care with full-time pay must remain at 75% of the parental fee.

If the recipient chooses to stay at a facility that does not offer Part-Time care, then it is between the recipient and provider regarding responsibility for payment differences. The authorized Plan of Care must be followed, and the recipient must seek a program that accommodates the authorized Plan of Care.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

NOTE: The level of care during the certification period cannot be lowered if the client does not increase the number of employment hours.

3. Guidelines for Per Diem Employment

Per Diem employment describes a work arrangement where the employee works as needed and often has an unpredictable work schedule. Examples of per diem employment include substitute teachers and PRN nursing jobs.

- i. For new per diem employment, child care workers must verify anticipated work hours. The level of care is based on the average hours anticipated. If the employer is unable to verify the anticipated work hours, a part-time (50%) level of care is authorized. If the recipient later requests a higher level of care, the Plan of Care must be updated with verification of the increased work hours.
- ii. For established employment, child care workers must review the base period and determine the average hours worked to determine the level of care. If the regular base period is not representative, the child care worker must explore alternative budgeting methods, such as a three or six month base period to capture the income that is expected to be received during the 12-month eligibility period. Refer to Chapter 7 Family Definition and Determining Income Eligibility.

4. Guidelines for Self-Employment

The work schedule and income of individuals who are self-employed often varies. Self-employed recipients must provide a written statement of the days and hours that child care is needed to support their self-employment. Established self-employed individuals are subject to gainful employment policies.

- i. Guidelines for New Self-Employment

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

Newly self-employed individuals (who have been in business less than 12 months) receive 12 months to allow time to establish gainful employment. During the time that the newly self-employed recipient is establishing gainful employment, the recipient may request the days and hours that care is needed to support self-employment. The recipient's statement of hours needed is acceptable. Refer to Chapter 7 for additional guidance regarding gainful employment.

ii. Guidelines for Gainful Employment

When families are self-employed, gainful employment is defined as making at least minimum wage. Gainful employment is determined by dividing the gross self-employment earnings by the number of hours the self-employed individual states they work. If the result equals the minimum wage amount or higher, the recipient is gainfully employed. If the recipient is determined to be gainfully employed, the number of hours that the recipient states they work is allowable in determining the level of care.

If the recipient is not gainfully employed, the number of allowable child care hours will be determined by dividing the gross income by the current minimum wage. The resulting hours are the allowable amount in determining the level of care. Refer to Chapter 7 Family Definition and Determining income Eligibility for more information.

5. Guidelines for Work First

Recipients engaged in employment as an approved activity through the Work First Program, Food Stamp Employment and Training Program or other approved employment programs can receive child care assistance as part of an approved employment/training plan.

The goal of Work First is to move participants into full-time

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

employment. Work First active participants are required to participate in work or a combination of work and work-related activities.

Successful implementation of the program will depend, to a large extent, on each county's efforts to deliver suitable child care for those participants who have preschool and school-age children. LPAs must assign high priority to providing child care to active Work First participants. The child care worker must have a written referral (Copy of the DSS 6369B Mutual Responsibility Agreement (MRA)) from the Work First Employment Services worker that justifies that child care is a necessary part of the family's employment/training plan. Child care assistance is also provided for activities leading to employment such as substance abuse, mental health treatment, or other activities that support job readiness. These activities must be included in the MRA.

Changes in the participant's status that impact the provision of child care assistance must be communicated by one of the following:

- a copy of an updated and signed DSS 6369B (MRA)
- a Work First transmittal form or agency referral form;
- or verbal or electronic communication from the Work First worker.

The child care worker must include the written communication in the family's child care case record. Job search limitations do not apply to Work First Employment Services participants who have a current signed DSS 6369B Mutual Responsibility Agreement (MRA).

C. Child Care to Support Education

Assistance is provided when an individual is engaged in education or skills training leading to employment.

1. Child Care Limited to 20 Months

Child care services are limited to 20 months when the recipient is engaged in certain types of education. If a recipient's 20-month time clock expires prior to the certification end date, services must continue through the end of the certification period. Child care services are

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

limited to a cumulative total of twenty (20) months when the recipient is engaged in the following educational activities:

i. Post-Secondary Education

Assistance is provided when a recipient is engaged in a post-secondary education program in the following situations:

- a) When a recipient is enrolled to obtain an associate degree, care can be authorized to support education, or
- b) When a recipient is enrolled to obtain a bachelor's degree.

NOTE: Services are not authorized to support education when the recipient is participating in graduate or postgraduate studies.

ii. Skills training (e.g. welding certification, plumbing certification, nurse assistant certification)

NC FAST tracks the number of months that a recipient uses while participating in post-secondary education or skills training. Recorded months are counted towards the total 20 months allowed. NC FAST will count the 20 months when the following School Types are selected in NC FAST: Equivalent Vocational/Tech, Technical, Undergraduate or Vocational. The education time clock in NC FAST will continue to count months beyond the 20th month if the 20th month occurs during the certification period. A task will be generated and sent 2 months prior to the certification period ending to inform the case owner to review the case to determine if there is another Need Type at recertification. Refer to the SCCA Job Aid: Education Time Limit.

The 20-month time-clock can be stopped for breaks and the recipient is responsible for reporting breaks. If the recipient does not report that care is not needed during breaks, i.e., summer, the 20-month time-clock will continue to count.

Child care workers should encourage recipients to review their

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

educational plan and set goals to complete educational and skills training programs in the allotted time frame. Recipients must be prepared to make alternate arrangements to accommodate child care expenses for the remaining time needed to complete their program.

NOTE: When there are two parents/responsible adults in the household that have education as the need for care, each individual will have a 20-month time clock and the education time clock will count for each individual.

2. Child Care Not Limited to 20 Months

Child care services are not limited to 20 months when the individual is engaged in the following educational activities:

- i. Continuation of elementary or high school within the local school system which must be verified at recertification.
- ii. Basic education or a high school education or its equivalent (e.g. GED, Adult Basic Education (ABE) certificate programs) in community colleges or technical institutions, at recertification continuation of enrollment should be verified.
- iii. Work First Employment Services training-related activities (such as job readiness, substance abuse or mental health treatment classes).

3. Education as a Need Type in Foster Care

Foster parents must have a need for child care (such as employment or education) that has been verified by the foster care worker. When a child is placed in foster care and the identified need for child care is post-secondary education, the 20-month limit is to follow the foster parent and not the child.

Because a foster parent is not included on the application for foster care, the system cannot track the 20-month time limit when the Education Need Type is selected. If the Need Type is Education in a foster care case, select Developmental Needs as the Need Type and

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

keep track of the 20-month time clock outside of NC FAST.

Some foster parents may have multiple foster children who are not siblings and therefore have separate child care cases. In this type of situation, the foster parent would still receive 20-months of care regardless of the number of foster children in the home. If a child is removed from the foster parent's home while the foster parent is attending school, the 20-month period will stop and begin again when the foster parent accepts another foster child and wishes to continue their education.

Refer to the SCCA- Foster Care Job Aid and SCCA - Education Time Limits Job Aid

D. Child Care to Support Developmental Needs

Assistance is provided to an eligible child who does not meet any other eligibility criteria category and whose social, emotional, physical, or cognitive development is delayed or is at risk of delay. Developmental delays may include a problem that can generally be corrected or prevented with proper treatment and early intervention.

While the child must qualify based on his or her developmental needs, the family must be income eligible for the child to receive services. Child care to support the developmental needs of the child is not provided if the recipient needs care for another reason.

The type of developmental delay or risk of delay must be documented in the case narrative. The narrative must state evidence that the child's development is delayed in some way, that the child's behavior indicates a developmental problem, or that the child's circumstances create a substantial risk of atypical development. This information can be provided by the recipient, health department, doctor, developmental evaluation center, child care director, teacher, social worker, doctor, or other medical professional.

The child care worker may use available information from their own

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

observations, from department records, or from other agencies and individuals to determine need eligibility. Documentation may come from the local health department, physician, developmental evaluation center, child care facility, etc. However, medical or psychological reports to determine this eligibility are not necessary and DSS/LPAs may not routinely require such reports from applicants/recipients. Documentation must be provided at recertification also.

Child care may be provided to support normal development for a child who lives in a situation which inhibits his or her ability to develop normally, such as a child living with elderly or disabled adults who are not physically or mentally able to care for the child. While this category may be used for severely disabled children or children with special needs, it is intended to be used for those children who, with early intervention and a good child care experience, might be prevented from having more serious or ongoing problems later in life.

The need for full-time child care must be documented. Some preschool age children with developmental delays will receive adequate benefit from part-time care. Full-time child care may be authorized when the child needs full-time care or when it is the only care available to meet the child's needs. The case narrative must contain a brief statement as to why full-time care is authorized. It is the responsibility of the recipient to choose an approved child care arrangement that meets the needs of the child.

Special attention should be given to choosing a program that best meets the developmental needs of the child. Some children with more severe problems may need to be placed in certified developmental day centers that serve children with special needs, while others may better benefit by being mainstreamed into regular child care centers with typically developing children.

A local child care resource and referral agency may be helpful to recipients in locating an appropriate program. In some situations, referral to a local school system, Head Start or Early Head Start agency that offers services for children with special needs at no cost to the family may be

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

appropriate.

The child care worker must have a written referral from the foster care worker to support the need for care based on developmental needs of the foster child, indicating placement of the child in a licensed foster home or in the home of a relative and the developmental needs of the child. The worker must document the case narrative including:

- Foster Care written referrals.
- Information from the recipient, Health department, doctor, developmental evaluation center, social worker, child care facility, other medical professionals, etc.
- Explanation of how the child will benefit from child care assistance.
- At recertification must document on going continued need.

E. Child Care to Support Child Protective Services (CPS)

Assistance is provided to children receiving Child Protective Services is without regard to the family's income and parental fees are not assessed. The recipient will be given 12-months of eligibility. The child must be receiving Child Protective Services and need care to remain in their home. A CPS Referral is required. Applications and vouchers for children in Child Protective Services (CPS) will be signed by the parent.

The DSS/LPA case record for families receiving child care to support child protective services must include:

- Application for child care assistance
- CPS referral form
- Child Care Voucher
- Case narrative
- Recipient Rights and Responsibilities

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

When a CPS application is being processed, the child care worker must collect and verify the income of the family and enter the information in NC FAST up front in case the CPS service closes. The information is already in the system and the worker can assess the parental fee at that time. The parental fee is then waived until the need for CPS ends. Once the CPS need ends, the parental fee can be assessed to the family. If the income information is not collected from the family at the time of eligibility determination, services should still be authorized. A parental fee cannot be assessed to the family until the next recertification at the end of the 12-month certification period.

The written referral from the Child Protective Services worker justifies that child care is a necessary part of the “Safety Assessment” safety response or “Family Services Agreement” for the child to remain in his/her home. The referral must include the date of the CPS report, the date child care should begin, a statement regarding why child care is needed and the hours that child care must be provided. In addition, the referral must be dated and signed by the CPS worker. DSS/LPA’s may develop their own referral form; however, DSS/LPA’s may use the DCDEE-0465 Foster Care, CPS, CWS Referral form as an option.

Only the need for child care as related to the provision of Child Protective Services, not the details of the CPS case, is shared with the child care worker. Documentation related to the CPS report, assessment, and case decision is kept in the Child Protective Services record. If protective services are terminated prior to the end of the 12-month eligibility period, or the report is not substantiated or there is not a finding of services needed, child care assistance can continue until end of certification period.

There may be situations where the family’s county of residence initiates a CPS case but has a conflict of interest, for example, the child is related to a staff member of the initiating DSS/LPA. In these situations, another county Department of Social Services may manage the child’s CPS case, such as conducting visits with the child. The county which manages and conducts the child’s CPS case will be responsible for payment of the SCCA case.

Child care assistance may be authorized for full-time or part-time care

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

depending on the family's circumstances. The child may need to be away from the parent only part-time. The CPS worker must provide a written referral for the child care case record documenting the need for child care and the hours that child care must be provided. The Plan of Care is based on the requested hours listed on the referral from the CPS worker.

When the protective services Family Services Agreement includes removal of the child from his/her home, the child can no longer receive care under this need category. If the child is to continue receiving child care assistance, it must be under one of the other need criteria.

If care was being provided under any other need category prior to the opening of a CPS case, a new application must be completed to reflect CPS as the reason child care is needed. A new period of eligibility will begin, and child care should be provided to support CPS with recertification to occur at the end of 12 months. The provision of care under CPS and the exemption from paying a fee for the care may offer some relief from financial stress for the family.

If the child does not remain in his own home and child care is needed, the child must meet one of the other need type categories. Communication between the CPS and child care worker is critical so that changes can be made in the child care case if the family no longer receives CPS.

If the CPS case closes during the 12-month eligibility period and the recipient has another need for child care besides CPS, the child care case must be updated, and care must continue through the end of the recipient's certification period. New income cannot be added to the case to increase the parent fee until the next recertification at the end of the 12-month certification period.

If the recipient does not have another need for child care when the CPS case closes, the recipient wishes to continue services, services must continue through the end of the certification period. If the recipient declines services, the Plan of Care is end-dated and the case remains open through the end of the 12-month eligibility period.

Refer to Chapter 4: Application, Eligibility Determination and Documentation

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

and Chapter 11: Responding to Eligibility Changes and Recertification

F. Child Care to Support Child Welfare Services (CWS)

When a CWS application is being processed, the child care worker must obtain the income information of the family up front in case the CWS case closes and in order to establish a parental fee. The parental fee is then waived until the need for CWS ends. Once the CWS need ends, the parental fee can be assessed to the family. If the income information is not collected from the family at the time of eligibility determination, a parental fee cannot be assessed to the family until the next recertification at the end of the 12-month certification period. If the income information cannot be obtained, the application and subsequent services must continue without the income information.

The need for child care assistance must be provided to support the well-being of a child in the following situations:

1. To prevent foster care placement. Child care may be provided as an alternative to placing a child in foster care. The child must be placed outside of the home. For example, in kinship care.
2. To reunify families or achieve other permanent placements. Child care may be provided when family unification or reunification activities are underway on behalf of a child and child care is necessary to facilitate implementation of a permanent placement plan for a child.
3. To aid families in crisis. Child care may be provided to assist families in crisis situations to prevent the unnecessary separation of children from their families or to help prevent child maltreatment, exploitation, or delinquency. CWS is to prevent or remedy problems that may result in the neglect or abuse of children, to prevent foster care placement, to support family reunification, and to provide support in times of crisis. Examples of using Crisis as a need:
 - i. When a recipient is too sick to care for their child and child care is needed to provide for the needs of the child and to maintain family stability until the recipient has recovered.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

- ii. Families of domestic violence can be served under CWS without verification but with good documentation unless the DSS/LPA suspects the family is not being up front about their situation.

Cases with a need to support a crisis are allowed to continue as "crisis" until the family is no longer in the crisis. There is no time limit even though it is not meant to be long term. A case must not necessarily close if the family is no longer in a crisis, and the child care worker must determine another need. The need can be changed during a certification period or at the next recertification; however, the family must receive the full 12-months of eligibility. These situations must be handled on a case-by-case basis because every situation is different. The child care worker must enter the Need Type in NC FAST as Crisis. A description of the circumstances that justify eligibility must be documented in the case narrative. Child care to support Child Welfare Services is not time limited, however, it is not intended for long-term use. For additional information refer to SCCA Evidence Reference Guide Job Aid

For situations where a referral for child care to support CWS is received, there may be situations where the family's county of residence initiates a CWS case but has a conflict of interest, for example, the child is related to a staff member of the initiating DSS/LPA. In these situations, another county Department of Social Services may manage the child's CWS case, such as conducting visits with the child. The county which manages and conducts the child's CWS case will be responsible for payment of the SCCA case.

IV. FOSTER CARE

When child care assistance is needed for a foster child, the child care worker must have a written referral from the foster care worker to support the need for care, indicating whether placement of the child is in a licensed foster home or in the home of a relative. Foster parents must have a need for child care such as employment or education that has been verified by the foster

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

care worker. When the need for care supports employment whether there are one or two foster parents in the licensed foster home, employment information, including name of employer and days and hours of employment, must be verified for each foster parent. When a foster child is receiving child care due to his or her foster parents' need of employment or education and that child transitions to a new foster family, the new foster family's need for care must be assessed. If the new foster family has a need for care, the child care will continue with no interruption.

- If the new foster family has a need for care, the child care will continue with no interruption.
- If the new foster family does not have a need, the child care worker must confirm with the new foster family as to whether they would like to receive child care through the end of the current certification period. If the foster family confirms they want to continue care, the child care worker must allow services to continue through the current certification period. The child care worker must adjust the need for care accordingly based on the new foster family's request. At recertification, the foster family is required to have a need for care to receive continued eligibility.
- If the new foster family declines child care, the Plan of Care must be terminated with 10-day notice and the case must remain open through the end of the 12-month certification period.

Refer to Chapter 11: Responding to Eligibility Changes and Recertification.

V. JOINT CUSTODY

When the Plan of Care involves joint custody, each applicant/recipient must apply separately in the county where they reside. There are two separate applications with the corresponding parental fee even if the child is with the same child care provider. The joint custody application is largely similar to a traditional application with the exception of changes to the Plan of Care evidence.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

During the application process, child care workers are encouraged to do front end investigations to screen clients to determine whether the case will be a joint custody situation. When one parent applies for SCCA who has a joint custody arrangement, it is important to determine if the other parent already has an active case or has a pending application.

Joint custody arrangements may be every other week, two weeks with one parent and two weeks with the other parent, every other month, or an arrangement with a varied schedule. These examples are not all inclusive.

A. Determine Monthly Care Hours Needed

Determine the average number of hours per week for which care is needed. Do this for each parent if both are applying for or have been approved for SCCA. When joint custody arrangements vary over a month, start by calculating the total hours of care needed for the month then divide by 4 to get the weekly number of hours used in assessing the level of care.

Each application should reflect only the period during which the child resides with the applying parent. The child care worker is responsible for determining the number of hours of care needed during the time the child is in the applicant's household.

For example, if the child is with the mother for two weeks each month and care is needed Monday through Friday from 8:00 a.m. to 5:00 p.m. (45 hours per week), the monthly total is calculated as follows:

- **$45 \text{ hours/week} \times 2 \text{ weeks} = 90 \text{ hours/month}$**
- **$90 \text{ hours} \div 4 \text{ weeks} = 22.5 \text{ average hours/week}$**

Based on this average, the worker must enter a "Schedule Varies" with a weekly range of 18–31 hours, which corresponds to 75% of full-time care. This ensures that the provider receives appropriate payment based on the child's actual attendance during the month.

B. Both Parents Use the Same Provider

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

When both parents are approved for SCCA and use the same provider, the Plan of Care in each parent's case must not exceed a 50% level of care as to not exceed a 100% payment to the provider. Schedule Varies can be used in this scenario with documentation in the comments regarding the joint custody arrangement and care schedule. The exception to this would be when each parent works different shifts and needs child care during a different shift than the other. When both parents are approved for SCCA and use different providers, the Plan of Care hours should be determined in V.1. above.

The Level of Care cannot be reduced on an existing voucher in order to adjust payments unless it is voluntary. If one joint custody parent already has a case and then the second parent applies, the Level of Care cannot be reduced on the existing case unless the recipient requests it.

Refer to Chapter 16: Payment Policies for more information regarding Joint Custody payment policies. For additional information regarding Joint Custody refer to Chapter 7 Family Definition and Determining Eligibility and the SCCA - Joint Custody Job Aid

VI. DEVELOPING THE PLAN OF CARE

When developing the Plan of Care, child care workers should ask questions that will assist them with choosing child care that can accommodate the need.

A. Child Care Workers Should Consider:

1. Actual care hours that support employment or education based on the family's situation/response,
2. The hours requested on the referral form to support CPS and in some cases CWS,
3. The hours documented to support the child's developmental needs,
4. The hours documented to support the family in crisis,
5. Travel time needed to commute between the child care facility to

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

work, school or other approved activity

6. If the Plan of Care will be full or part-time, before and/or after school, blended or joint custody, or
7. If the Plan of Care should be approved for two Plans of Care or alternate Plan of Care.

Plan of Care evidence is in the Household section of the Evidence Dashboard. Some of the information collected during the Guided Interview transfers to Plan of Care evidence. Child Care workers can modify Plan of Care evidence after the guided interview has been completed.

B. Determining the Need for Care

When a recipient applies for child care assistance, the child care worker must carefully determine the appropriate Need Type. For instance, during the application process, an applicant confirms she is employed full time, working an average of 37 hours per week M-F between 8:30am – 5:00pm and is a student enrolled in evening classes M – Th 6pm-9pm for 12 hours per week. The recipient is requesting child care hours from M-F 8:00am – 5:30pm.

The appropriate need for care is employment because care is needed for the hours that the recipient is employed. The child care worker must have a conversation with the applicant to ensure the Need Type and must document that the recipient is a student but does not need child care hours to support education.

VII. CALCULATING THE LEVEL AND PLAN OF CARE

When calculating the Plan of Care, child care workers need to review the need for care and determine the days, hours and travel time that are needed. The Subsidized Child Care Assistance Program will only pay for the level of care that is needed. Payment for Subsidized Child Care Assistance is typically based on enrollment but in some instances may be based on attendance.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

- I. When the child is enrolled in the same child care arrangement and care averages 1 to 17 hours a week, the appropriate monthly 50% rate for half- time care is paid to the facility.
- II. When the child is enrolled in the same child care arrangement and care averages 18 to 31 hours per week, the appropriate monthly 75% rate for three-fourths care is paid to the facility.
- III. When the child is enrolled in the same child care arrangement and care averages 32 to 55 hours per week, the appropriate monthly 100% rate for full-time care is paid to the facility.

NOTE: When determining the number of weekly care hours to be approved, if the total falls between two care levels, the child care worker must round up to the next level. For example, if the calculated weekly care hours including travel time amount to 31.99, the child care worker must round up to 32 hours, thereby approving a 100% level of care.

There are times when a child has a need for care above 55 hours per week. If a child has a need for care above 55 hours per week and the child attends the same provider for all hours of care, the child will have one Plan of Care at 150%, 175% or 200 % instead of two plans of care. NC FAST will automatically create one Plan of Care and one voucher in these situations.

If a child has a need for care above 55 hours/week and the child does not attend the same provider for all hours of care, a Plan of Care and voucher will be needed for each provider.

Level of Care Chart

| Level of Care | Range of Hours |
|---------------|----------------|
| 50% | 1-17 |
| 75% | 18-31 |
| 100% | 32-55 |
| 150% | 56-72 |
| 175% | 73-86 |
| 200% | 87-110 |

A. Calculating the Level of Care for Employment

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

When calculating the level of care hours to support employment, the child care worker must determine the average number of hours the parent works weekly. To do this, the child care worker must add all the hours worked and then divide by the appropriate number to determine the weekly number of hours. This will help the child care worker provide the appropriate level of care hours to support the needs of the parent. This does not include travel time.

A parent works and is paid weekly. Check stubs reflect hours of 40, 38, 32, 29. Average hours would be: $40+38+32+29= 139 / 4 = 34.75$ average hours worked. This results in a level of care of 100%. The child care worker must also remember to include travel time.

A parent works an average of 30 to 40 hours weekly, paid bi- weekly. Average hours would be $30+40= 70/2= 35$ average hours weekly. The level of care would be 100%. The child care worker must also remember to include travel time.

Child care may be authorized for both third shift (while the recipient works) and first shift (to allow the recipient adequate rest). If the same provider is used for both shifts, only one Plan of Care is required. The reason for authorizing first shift care must be clearly documented in the case record.

For recipients with variable work schedules—such as working 80 hours per week for two weeks and 40 hours per week for the other two weeks, the total monthly hours (e.g., 240) must be averaged over four weeks to determine weekly hours (e.g., $240 \div 4 = 60$). Based on the Level of Care Chart, 60 hours per week qualifies the family for a 150% Plan of Care. The calculated average and selected level of care must also be documented in the case record.

In determining the beginning and end times for the Plan of Care it is important to take into consideration that NC FAST does not use .25 hours. The child care worker must allow for the .25 hour increase in time. If a recipient reports Plan of Care needed is M-F 7:45 – 5:15, the child care worker must enter the Plan of Care as M-F 7:30 – 5:30 and document the reason for the deviation.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

B. Calculating the Level of Care for Education

The child care worker must have a conversation with the recipient to determine the hours needed to support their education. The child care worker must consider the recipient's credit hours, class schedule, study time and travel time. The child care worker can ask clarifying questions such as but not limited to:

- How many credit hours is the recipient enrolled in?
- How many hours does the recipient spend seated in class?
- Does the applicant have more difficult classes that may require additional study time?
- How many hours are needed for online class participation?

Based on the responses, the child care worker can better assess the needs of the family. Hours to support education include the number of credit hours that a recipient is enrolled in or the number of hours that a recipient actively participates in online classes or is seated in class each week. Additionally, study time must be given for recipients who need child care to support education (see VII.B.1 below). Travel time must also be considered, including recipients who are enrolled in online courses.

1. Self-Paced Curriculum

Self-paced learning is a form of online learning which allows students to work on their own schedule and at their own speed. When an applicant/recipient is enrolled in a self-paced study program, it is difficult to approve the level of care since there is not a current class schedule. Therefore, the applicant/recipient must provide supporting documentation to validate the level of care for a self-paced curriculum.

Documentation may include a letter of support stating that the applicant/recipient is required to log in 2-3 days a week or that they log in for a certain amount of hours per day. A schedule is needed to determine the level of care necessary. Documentation must indicate the days and times of classes. Documentation is essential. The child care worker must document the case explaining why the hours approved were determined.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

2. Calculating Plan of Care Hours to Include Study Time

- i. When a recipient needs child care to support post-secondary education or skills training, three hours of child care per credit hour is used to calculate study time.

For example: The recipient is enrolled in college to pursue an associate's degree. Classes are M, W, F 10:00am – 12:00pm and Tu, Th 9:00am – 11:00am. Total credit hours are 3. Travel time is 30 minutes each way. Calculate Plan of Care hours as shown:

Class time – 10 hours

Travel time - 5 hours

Study time - $3 \times 3 = 9$

Total approved hours for the Plan of Care = 24 hours.

- ii. If a recipient needs child care to support high school education, two hours per day of enrollment is used to calculate study time.

For example: The recipient is enrolled in high school, class schedule is M – F 8:30am – 1:00pm. Travel time is 30 minutes each way. Calculate Plan of Care hours as shown:

Class time – 4.5 hours $\times 5 = 22.50$ hrs.

Study time – $2 \times 5 = 10.00$ hrs.

Travel Time – 5.00 hrs.

Total approved Plan of Care hours = 37.50 hours.

If a recipient requests additional study time, the child care worker must thoroughly document why additional study time was approved.

VIII. SCHEDULE VARIES VS. SET SCHEDULE

Schedule varies on the Plan of Care must only be used when a recipient has

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

a true fluctuating schedule. This would mean that the schedule is subject to change daily and weekly without any knowledge of what they may work the next week. For example, Schedule Varies is used for varying schedules such as when a recipient has a child at a facility with 1st and 2nd shift and the hours the recipient could have to work include 8am-11pm M-F but they only work 24 hours (75%) within the hours they have to be available. When a recipient has different hours each day but the hours remain the same for the life of the employment, a set schedule with different daily hours and must be recorded as the actual hours in the Plan of Care evidence. Any decision to use a varying schedule for a set schedule must result in thorough documentation of the hardship to the parent and the provider, for monitoring purposes.

Child care workers must only use Schedule Varies if the parent/responsible adult does not have a set schedule. If the parent has a true work schedule, the days and hours care is authorized must be entered.

When parents do not have set workdays and hours, select the range that includes the average hours of care needed per week. Schedule Varies and a schedule of daily start and stop times cannot both be entered.

Documentation is key when child care workers authorize Schedule Varies. The child care worker must be able to explain why Schedule Varies was used.

Refer to the SCCA – Plan of Care Evidence Reference Guide Job Aid.

IX. ALTERNATE PLAN OF CARE

An alternate Plan of Care is chosen when the primary provider is closed, and the recipient needs care during the period of time the primary provider is closed. An alternate Plan of Care cannot provide services for more than 30 calendar days. The alternate provider must be attached to the primary provider's Plan of Care in NC FAST.

When the primary child care provider is not able to provide care for less than 30 calendar days, the recipient can choose to have care provided by a provider at an alternate facility. The facility chosen as the alternate facility must be approved to receive subsidy payments and enrolled in the NC

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

FAST Provider Portal. Alternate facilities or providers cannot provide services for more than 30 calendar days.

After the recipient has chosen an alternate facility, payment for the primary facility will be suspended in NC FAST. An action notice will be sent for the period of time that the alternate facility will be providing care, which will be the same period of time as the suspension for the primary facility.

Alternate Plan of Care evidence is used, and the alternate facility must be attached to the primary facility's Plan of Care in NC FAST. During the period of time that the primary facility is closed, the primary facility would select "Provider Closure" or "Not Scheduled" in the NC FAST Provider Portal. The alternate facility will record attendance for the period of time that they provide child care for the child. Alternate facilities will only be paid by attendance.

Start dates for care and end dates for care will be printed on the Action Notice that is sent to the primary facility indicating the period of time that care will be needed. At the end of the closure of the primary facility, the child care worker will ensure that the primary facility is not available, the voucher for the alternate facility can be extended if less than 30 calendar days. If the primary facility's time of closure exceeds 30 calendar days, the 10-day notice policy would apply. The notice must be sent on the last day and the recipient must select a new facility. The recipient may or may not choose the alternate facility as their new primary facility. Once the recipient has selected a new facility, a new voucher will be issued in NC FAST.

X. VERIFICATIONS

Verification is required at application, annual recertification and if there is a reported change.

A. Plan of care hours

The worker must verify the requested Plan of Care hours when approving the level of care.

B. Need for child care

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

When the specific reason that child care assistance is needed is identified, the child care worker must verify the need for employment, education, developmental need, CPS, or CWS.

1. Acceptable sources of verification

i. Employment

a) Pay stubs

b) Deemed Employment from FNS

- When income is deemed from FNS, the applicant/recipient's statement of work hours is acceptable unless questionable. The child care worker must determine if earnings deemed are representative of current employment and hours. If not representative, the child care worker must request current employment verification.

For Example: The recipient reports working 40 hours per week at \$10.00 per hour. The income deemed from FNS is \$275.00 per week. These earnings do not support the client's statement of 40 hours worked per week.

c) Wage verification form

ii. Self-Employment

a) Income tax return. If the income is received annually or from self-employment, the base period is 12 months.

b) If the tax return is not available, verification must include:

- business records, including but not limited to accounting records,

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

- ledger books and lease agreements that are maintained by the applicant/recipient,
- signed statement of a responsible financial institution, bank, or real estate agent.

c) Income and expense forms

iii. Education Verification

a) Enrollment letter

b) Class schedule

NOTE: Verifications provided must display the recipient's name and the employer or the educational institution to be accepted.

iv. CPS/CWS

The child care worker must verify if the need is CPS/CWS. Examples of verification include:

- a) Written referral (required for CPS)
- b) Safety assessment
- c) Custody order to support the need
- d) Recipient's statement of the crisis

NOTE: The child care worker must not let the need to verify impede child safety. Therefore, child care workers must not deny services if unable to obtain income verification. Not all CWS cases will have a referral. In this instance, child care workers must have documentation to support the need.

v. Developmental Need

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

Verification of the developmental delay can be provided by:

- a) the recipient,
- b) child care director,
- c) teacher,
- d) social worker,
- e) the child care worker's own observations,
- f) doctor or other medical professional, or
- g) recognized specialist.

It is the applicant/recipient's responsibility to obtain documentation. The child care worker must document the case narrative well.

For additional information regarding Verifications refer to Chapter 7 Family Definition and Determining Eligibility.

Subsidized Child Care Assistance Program Policy Manual

Chapter 5. Establishing Need, Level, and A Plan of Care

REVISED 06/30/2025

For additional information on policy discussed in this chapter please refer to:

SCCA Manual

Chapter 4: Application, Eligibility Determination and Documentation

Chapter 6: Serving Children with Special Needs

Chapter 7: Family Definition and Determining Income Eligibility

Chapter 16: Payment Policies

Forms:

DCDEE-0465 Foster Care, CPS, CWS Referral

SCCA Child Care Rules

10A NCAC 10 .0905 (a) and (f)

10A NCAC 10 .0906 (a) and b)

10A NCAC 10 .0907

NC FAST Help Job Aids

SCCA- Alternate Plan of Care evidence

SCCA- Applications for work first recipients

SCCA- CPS, CWS, and Foster Care referrals

SCCA- Education time limits

SCCA- Evidence Reference Guide

SCCA- Foster Care

SCCA- Joint Custody

SCCA- Plan of Care evidence