



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

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
ARIEL FORD • Director

April 29, 2024

Dear County Directors of Social Services and Local Purchasing Agencies

Letter Number: SCCA DCDL 2024 – #03

Attention: Directors of County Departments of Social Services
Directors of Other Local Purchasing Agencies
Child Care Coordinators
Other DSS Personnel who work with the Subsidized Child Care Assistance Program

Subject: **Program Compliance Monitoring Information for the 2025-2026 Cycle**

The purpose of this Dear County Director Letter is to provide county staff that work with the Subsidized Child Care Assistance (SCCA) program important information regarding changes to expect for SCCA program monitoring during the July 1, 2024-June 30, 2026, monitoring cycle. Monitoring is an essential process and practice for accountability in providing statewide services. Specifically, the Division of Child Development and Early Education (DCDEE) is required by Omni Circular and NCGS 143C.6.23 to conduct monitoring for all agencies that receive state and federal funds to administer the SCCA program. The DCDEE Subsidy Program Compliance Monitoring Team will continue to have responsibility for carrying out statewide program compliance functions for the SCCA program funded through the DCDEE and Smart Start during the new monitoring cycle. The DCDEE monitoring team looks forward to working with your staff through the monitoring process in the upcoming cycle and we thank you for your continued partnership in providing services for the children and families of North Carolina.

DCDEE staff met with representatives from five County Departments of Social Services three times during the spring of 2023 to gather information and recommendations for increasing the effectiveness and efficiency of the monitoring process from a local administration perspective. As a result of this collaboration and internal discussions amongst the Program Compliance Team, the DCDEE Management Team reviewed and approved several changes to streamline and strengthen SCCA program monitoring procedures for the 2025-2026 monitoring cycle. Your collaboration and cooperation from monitoring notification through the corrections process, to processing overpayments and underpayments for monitoring finalization helps to minimize audit findings, reduce improper payments, and improve the accessibility and implementation of the SCCA program. To assist counties and Local Purchasing Agencies (LPAs) in preparing for the new monitoring cycle, we outlined upcoming changes below.

Although there will be differences in the monitoring schedule, maximum sample size, items monitored, and monitoring documents, some things will remain unchanged in the upcoming monitoring cycle that begins on July 1, 2024. DCDEE has scheduled training on May 8, 2024, for county and LPA staff who work with the SCCA program to review monitoring processes in detail. DCDEE will send the Teams meeting invitation later this week.

You will notice that these items remain unchanged.

- Prior notification email timeframe remains at 45 days.
- Selection of a random sample of children served with a minimum of 5 case file reviews.
- Prior delivery of the sample and NC FAST checklist to prepare for monitoring.
- Monitoring Checklist in an Excel format.
- Availability of 2nd Party Review Forms (see attached).
- Due dates for the county/LPA initial response and frequency of correction updates.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- Compliance is determined by obtaining a 95% or higher accuracy score.
- Opportunity to submit rebuttals for errors.
- Availability of Program Compliance Consultants to assist in the process of completing monitoring corrections.

You will also notice that these items have changed.

- Two-year monitoring cycle.
- Advance release of the monitoring schedule semi-annually with case file reviews occurring during the month scheduled for monitoring without specified dates (see attached monitoring schedule for July-December 2024).
- Shortened timeframe for receipt of the Monitoring Checklist without an accompanying written report.
- Standard response form provided in Excel is known as the Corrective Action Plan (CAP) and Response Worksheet (attached).
- Maximum sample size of 75 children based on 2% of children served.
- Family centered vs. child centered. Overpayments collected regardless of which child has the parent fee assessed. This means that the parent fee may be attached to the child selected for the sample or another child on the case.
- Overpayments will be limited to four months, from service month monitored to the month the monitoring occurs.
- Optional monitoring office hour following receipt of the Monitoring Checklist during the month after monitoring occurs.
- Optional remediation monitoring may be requested if non-compliance is determined from the required monitoring. This option provides an opportunity that may result in achieving a higher accuracy score.

Beginning July 1, 2024, the Program Compliance Consultants will use a revised version of the Monitoring Checklist (see attached) to monitor state and federal requirements for the administration of the SCCA program.

- Inclusion of an Overview Tab to provide the purpose of monitoring, summary of compliance, and follow-up information.
- An enhanced sample information tab with notation of the type of expected case corrections.
- A Signed Documents monitoring category replaces the previous Eligibility Determination category.
- A Need for Care monitoring category replaces the previous Verifications category.
- The addition of a new Income monitoring category that separates out earned income, unearned income and self-employment income and expenses.
- Inclusion of a new item under the Evidence category for Pay by Enrollment or Pay by Attendance being correctly indicated.

In addition to the monitoring checklist changes, you will notice the following changes in the monitoring process during the next cycle:

- Directors sign and return an Acknowledgement of Receipt letter to confirm receipt of post monitoring documents (see attached).
- Agencies submit verification of completion for all monitoring corrections within eight (8) months following receipt of the Monitoring Checklist and finalization must occur within ten (10) months.
- County/LPA staff use an Attestation Form to verify correction of documentation and/or developmental screening information errors (see attached).

As always, DCDEE staff will send an email forty-five (45) days prior to the scheduled month for monitoring to provide information about what to expect and instructions to prepare case files. Other information you can expect to receive prior to the start of case file reviews includes the following:

- A revised and shortened LPA Monitoring Worksheet to be completed and returned prior to monitoring (see attached).
- An enhanced NC FAST Checklist to assist with the process of preparing case files and uploading documents relevant for the service month monitored (see attached).

You will find your assigned Program Compliance Consultant's contact information on the attached Contact and County Listing document. If you have questions about the information in this letter, please contact Wanda Hopkins, Program Compliance Lead Worker, at wanda.hopkins@dhhs.nc.gov, or Kim Miller, Senior Subsidy Compliance Manager, at kim.miller@dhhs.nc.gov. For policy consultation, technical assistance, and/or any other Subsidized Child Care Assistance Program questions, please contact dcdee.subsidy.policy.help@dhhs.nc.gov.

Thank you for your continued trust in our program and services.

Sincerely,

Ariel S. Ford

Ariel Ford

AF/WH

Attachments