



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

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

April 22, 2026

Dear County Directors of Social Services and Local Purchasing Agencies

Letter Number: SCCA DCDL 2026 - #04

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

Subject: **Program Compliance Monitoring Information for the 2027-2028 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, 2026 - June 30, 2028, 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.

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, 2026.

You will notice that these items remain unchanged.

- Prior notification email timeframe remains at 45 days.
- Prior delivery of the sample and NC FAST checklist to prepare for monitoring.
- Monitoring Checklist in an Excel format.
- Two-year monitoring cycle.
- Availability of 2nd Party Review Forms (see attached).
- Due dates for the county/LPA initial response and frequency of correction updates.
- Compliance is determined by obtaining a 95% or higher accuracy score.
- Opportunity to submit rebuttals for errors.
- Overpayments will be limited to four months, from service month monitored to the month the monitoring occurs.
- 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).
- Availability of Program Compliance Consultants to assist in the process of completing monitoring corrections.

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

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You will also notice that these items have changed.

- Minimum sample size of 5 and maximum sample size of 100 children based on 4% of children served.
- Regular office hour scheduled with county/LPA staff 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. If a Remediation Monitoring is requested, the Finalization Score is determined based on an average of the Initial Monitoring Score and the Remediation Monitoring Score
- No financial responsibility for errors cited in a Remediation Monitoring

Beginning July 1, 2026, 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. An updated Sample Second Party Form is provided that aligns with the items that will be monitored on the SCCA Monitoring Checklist.

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.

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 Lindsey Rogers, Program Compliance Supervisor, at lindsey.rogers@dhhs.nc.gov or Kim Miller, Senior Subsidy Compliance Manager, at kim.miller@dhhs.nc.gov.

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

Sincerely,



Candace Witherspoon

CW/LR

Attachments