



North Carolina Department of Health and Human Services  
**Division of Child Development and Early Education**

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Beverly Eaves Perdue, Governor

Albert A. Delia, Acting Secretary

Deborah J. Cassidy, Director

**Subsidized Child Care Administrative Letter No. 02 - 12**

**To:** Local Departments of Social Services  
Other Local Purchasing Agencies

**From:** Deborah J. Cassidy, Ph.D. / *Deb Cassidy*

**Subject:** Time Limited Vouchers for Expending the Remaining Balance of SFY 11-12 Non-Smart Start Allocations  
Explanation of Reversion of Under Spending Counties Allocation Process

**Issue Date:** March 9, 2012

The purpose of this letter is to inform you that the Division of Child Development and Early Education (DCDEE) is authorizing local purchasing agencies to issue time-limited vouchers through May 31, 2012 in order to spend down the balance of their SFY 11-12 Non-Smart Start allocations. This action is authorized to provide services to as many children and families as possible for the remaining service months in SFY 11-12.

Also under spending counties are being notified at this time of the need to revert allocations. This reversion is to support the \$9.3 million in funds required to serve the additional 2000 NC Pre-K children. All counties may use the time limited vouchers to spend the remaining balance of their allocation.

While statewide expenditures for the subsidized child care program have increased for the past two service months, the statewide spending coefficient remains under 100%. Local purchasing agencies whose spending coefficients are less than 100% may understandably be cautious in removing children from their waiting lists with three service months remaining in the year, since this would increase service levels if continued into SFY 12-13. However, the statewide waiting list of over 42,000 children demonstrates the great need for families to receive services.

Local purchasing agencies are authorized to use time-limited vouchers to serve children from the waiting list through the May 31, 2012 deadline date. Priority must be given to siblings of kindergarten eligible four and five year olds who are receiving services as instructed by DCDEE's previous Memorandum dated February 16, 2012. Time-limited vouchers may also be used to serve all other children from the waiting list based on the county's service priority groups as specified in your approved local policy until all funds are exhausted. Revisions to your waiting list policies are not required.

All kindergarten eligible four and five years olds who are removed from the waiting list should be issued a voucher using the 12-month eligibility period as specified in the February 16, 2012 memorandum to local purchasing agencies and should be coded to Fund Source 25. All children served with a time-limited voucher should be coded to Fund Source 65 non-Smart Start to identify the number of children served and the cost associated with these time-limited vouchers. Time-limited vouchers cannot be extended beyond the May 31, 2012 deadline date. Children served using time-limited vouchers must retain their current placement on the waiting list. Time-limited vouchers must contain the following:

- the eligibility begin date is the time of issuance and the end date is May 31, 2012, and a
- Statement of Understanding in the comment section of the voucher indicating that the parents have been notified that services will end effective May 31, 2012. Parents must initial this statement.

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A separate termination notice must be sent to providers at least ten days prior to the May 31, 2012 effective date. No additional services support dollars are available to administer these time-limited vouchers.

If your spending coefficient is currently at 100% or greater, issuing time-limited vouchers may still be possible; however, please contact your services consultant before issuing any time-limited vouchers. The funding to support this effort may be reallocated from those under spending counties who cannot expend their entire allocations.

For under spending counties that are able to spend their entire allocation by the end of the year through issuing time-limited vouchers, it may be possible to absorb some or all of the cost to continue these services with regular vouchers based on your allocation next year. Please contact your services consultant for assistance in planning for SFY 12-13.

Local purchasing agencies are also reminded that all Smart Start allocations expended for services support through the DSS 1571 system should be completely expended in the April service month/May payment month. More information on state close-out and Smart Start direct service funds will be shared soon.

Please share this information with all staff in your agency working with the Subsidized Child Care Program. Thank you for your assistance in serving additional children this year. If you have any questions about the information in this memorandum, please contact your Subsidy Services Consultant.

DC:AB

cc: Child Care Coordinators  
Subsidy Service Consultants