



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

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
ARIEL FORD • Director

December 3, 2021

Dear County Directors of Social Services and Local Purchasing Agencies

Letter Number: SCCA DCDL 2021-#13

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: **SCCA Reversion/Reallocation**

The purpose of this letter is to provide information about subsidized child care funding and the reversion/reallocation based on October 2021 services paid in November 2021. The two attachments include the SFY 21-22 ESTIMATE Updated Fund Authorization – November 2021 and the revised Preliminary Expenditure Report (October 2021 Services November 2021 Payment).

For the reversion and reallocation process, DCDEE reviewed spending of each county and the latest waiting list information available across the State. The reversion was managed so that no county would be above 97% spending coefficient at the end of October 2021 in order to allow for additional children to be served. The remaining amount of reversion was spread across all counties based on each county's waiting list total multiplied by the average cost of care per child/per month.

At this time, DCDEE is asking all counties to continue to work their waiting lists and serve children and families to the greatest extent possible. We are asking counties to do this regardless of their current spending coefficient as DCDEE is confident that there are enough funds to cover any overspending that may occur across the State. If DCDEE needs to make changes to this guidance, we will send out an additional Dear County Director letter with updated guidance.

There were some changes made in legislation during the 2021 session in Session Law 2021-180 that impact the Subsidized Child Care Assistance Program and details of these changes will be included in a future allocation letter along with a final fund authorization. In the meantime, all counties should be aware that the previous provision requiring a county to end the state fiscal year with a spending coefficient of 92% or greater in order to be eligible for the same allocation or additional funds the next year has been removed in Session Law 2021-180.

If you have questions about the information in this letter, or other Subsidized Child Care Assistance Program questions, please contact dcdee.subsidy.policy.help@dhhs.nc.gov or your Technical Assistance Consultant to reach technical assistance and policy consultation.

Sincerely,

Ariel Ford, Director
AF/EE

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

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