



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

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Robert W. Kindsvatter
Director

MEMORANDUM

To: Directors of County Departments of Social Services and Other Child Care Purchasing Agencies

From: Robert W. Kindsvatter

Re: Reversion and Reallocation of Child Care Subsidy Funds

Date: October 6, 2014

The purpose of this memo is to inform counties that the Division of Child Development and Early Education is completing an initial reversion and reallocation process in accordance with S.L. 2014-100 12B.4.(b). These reallocations are based upon subsidized child care services through the August service month (paid in September).

At this point in the SFY, there are still a number of variables that remain unknown with regard to spending and fund availability. For many counties, Smart Start Partnerships are still in process of finalizing allocations to agencies, so annualized Smart Start allocations are not yet reflected. Additionally, we typically see a significant reduction in statewide spending from the August to September service month which will significantly inform projections for statewide and county spending coefficients for the remainder of the SFY. Finally, we know that monthly spending will be adjusted throughout SFY 14-15 based upon the changes to income eligibility enacted in October as well as the market rate adjustments to be implemented in January.

Notwithstanding these unknowns, we have a number of counties who currently have spending coefficients that are well in excess of 100%. For this reason, we are moving forward with a limited and targeted reallocation of funds at this time. As has been the process in the past, we are targeting funds to help mitigate the need for the terminations of services wherever possible. As part of this reallocation, we gave first priority to counties who experienced reductions in overall funding of greater than 10% as a result of updates to the SFY 14-15 subsidy allocation formula. We also allocated funding to a limited number of additional counties who have a significant need to reduce service levels through attrition. For all counties who are in receipt of reallocation funding, we will be following up with each of you to review and update your existing business plans for managing service levels throughout the remainder of the year. It is critical that you continue to make adjustments in order to attain service levels that will be sustainable through the remainder of SFY 14-15 and into SFY 15-16.

In accordance with S.L. 2013-360, Section 12B.5, a 20% match will be required for counties receiving reallocations in excess of \$25,000. Funding sources which can be utilized for match include:

- o Smart Start funds above the required 30%
- o Local TANF funds
- o TANF MOE

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Location: 820 South Boylan Avenue • Raleigh, NC 27603
Mailing Address: 2201 Mail Service Center • Raleigh, NC 27699-2201
An Equal Opportunity / Affirmative Action Employer



- County Funds
- Other Local Resources

Counties must contact John Winstead at 919-527-6541 or via e-mail at John.Winstead@dhhs.nc.gov on or before October 13 with the amount and source of the matching funds.

In order to support these reallocations, we contacted a limited number of counties with the lowest spending coefficients to negotiate reversions. We truly appreciate the willingness of these counties to commit to these reversions at this time.

It is our expectation that we will follow up with at least one additional reallocation in November based upon the prevailing spending levels in October (for September services). First priority will be given to additional counties that were not covered in this first reallocation who made need additional resources to attrition service levels over time.

In the meantime, we encourage each of you to continue to evaluate current service and spending levels and to plan according to your existing fund availability. It is our hope that most counties will be able to manage throughout the year using attrition as necessary. However, if you believe that you are at risk for requiring service terminations, we ask that you please contact Kim Miller to discuss prior to taking this action.

Attached is a spreadsheet summarizing the reversion and reallocation amounts. Please share this information with all staff in your agency who work with the Subsidized Child Care Program. Thank you for your assistance in serving children in your county. If you have any questions regarding this memorandum, please contact Kim Miller at Kim.Miller@dhhs.nc.gov or via phone at 919-527-6594.

Attachment

RWK

CC: Child Care Coordinators

County	Combined Services Allocation 10/01/14	Non Smart Start (Reversion) Reallocation	Revised Combined Allocation 10/1/2014
Alamance	\$ 5,499,781	\$ -	\$ 5,499,781
Alexander	\$ 955,040	\$ 29,842	\$ 984,882
Alleghany	\$ 350,299	\$ 49,571	\$ 399,870
Anson	\$ 982,109	\$ -	\$ 982,109
Ashe	\$ 912,891	\$ -	\$ 912,891
Avery	\$ 436,321	\$ -	\$ 436,321
Beaufort	\$ 2,098,956	\$ -	\$ 2,098,956
Bertie	\$ 833,983	\$ -	\$ 833,983
Bladen	\$ 1,454,563	\$ (434,000)	\$ 1,020,563
Brunswick	\$ 4,349,359	\$ 535,867	\$ 4,885,226
Buncombe	\$ 8,321,497	\$ -	\$ 8,321,497
Burke	\$ 2,491,260	\$ 56,882	\$ 2,548,142
Cabarrus	\$ 4,623,616	\$ -	\$ 4,623,616
Caldwell	\$ 2,703,748	\$ 55,017	\$ 2,758,765
Camden	\$ 119,854	\$ -	\$ 119,854
Carteret	\$ 1,974,416	\$ -	\$ 1,974,416
Caswell	\$ 588,329	\$ -	\$ 588,329
Catawba	\$ 5,970,610	\$ 199,471	\$ 6,170,081
Chatham	\$ 2,052,441	\$ -	\$ 2,052,441
Cherokee	\$ 1,023,175	\$ 150,000	\$ 1,173,175
Chowan	\$ 721,706	\$ -	\$ 721,706
Clay	\$ 271,410	\$ 60,000	\$ 331,410
Cleveland	\$ 3,665,144	\$ (300,000)	\$ 3,365,144
Columbus	\$ 2,179,541	\$ -	\$ 2,179,541
Craven	\$ 4,696,061	\$ 25,779	\$ 4,721,840
Cumberland	\$ 15,487,745	\$ -	\$ 15,487,745
Currituck	\$ 597,819	\$ -	\$ 597,819
Dare	\$ 1,046,856	\$ -	\$ 1,046,856
Davidson	\$ 4,647,400	\$ 282,584	\$ 4,929,984
Davie	\$ 950,304	\$ -	\$ 950,304
Duplin	\$ 2,608,323	\$ -	\$ 2,608,323
Durham	\$ 14,962,675	\$ -	\$ 14,962,675
Edgecombe	\$ 2,660,009	\$ -	\$ 2,660,009
Forsyth	\$ 12,812,190	\$ -	\$ 12,812,190
Franklin	\$ 2,188,026	\$ 40,422	\$ 2,228,448
Gaston	\$ 7,050,065	\$ -	\$ 7,050,065
Gates	\$ 300,436	\$ -	\$ 300,436
Graham	\$ 586,932	\$ -	\$ 586,932
Granville	\$ 1,533,722	\$ -	\$ 1,533,722
Greene	\$ 631,884	\$ (88,000)	\$ 543,884
Guilford	\$ 19,871,230	\$ -	\$ 19,871,230
Halifax	\$ 2,073,530	\$ -	\$ 2,073,530
Harnett	\$ 5,481,114	\$ (800,000)	\$ 4,681,114
Haywood	\$ 2,076,364	\$ 480,000	\$ 2,556,364
Henderson	\$ 3,021,087	\$ 44,662	\$ 3,065,749

County	Combined Services Allocation 10/01/14	Non Smart Start (Reversion) Reallocation	Revised Combined Allocation 10/1/2014
Hertford	\$ 972,210	\$ -	\$ 972,210
Hoke	\$ 2,390,429	\$ -	\$ 2,390,429
Hyde	\$ 295,987	\$ (87,200)	\$ 208,787
Iredell	\$ 4,167,243	\$ -	\$ 4,167,243
Jackson	\$ 1,684,241	\$ 280,000	\$ 1,964,241
Johnston	\$ 6,623,154	\$ 183,938	\$ 6,807,092
Jones	\$ 467,192	\$ -	\$ 467,192
Lee	\$ 2,145,666	\$ -	\$ 2,145,666
Lenoir	\$ 2,608,480	\$ (400,000)	\$ 2,208,480
Lincoln	\$ 2,118,376	\$ -	\$ 2,118,376
Macon	\$ 1,497,348	\$ -	\$ 1,497,348
Madison	\$ 548,799	\$ -	\$ 548,799
Martin	\$ 1,131,661	\$ (86,380)	\$ 1,045,281
McDowell	\$ 1,441,626	\$ 67,851	\$ 1,509,477
Mecklenburg	\$ 41,259,967	\$ -	\$ 41,259,967
Mitchell	\$ 466,626	\$ 40,268	\$ 506,894
Montgomery	\$ 1,028,816	\$ (114,626)	\$ 914,190
Moore	\$ 2,498,335	\$ -	\$ 2,498,335
Nash	\$ 2,628,779	\$ -	\$ 2,628,779
New Hanover	\$ 7,491,529	\$ -	\$ 7,491,529
Northampton	\$ 995,002	\$ -	\$ 995,002
Onslow	\$ 9,544,750	\$ (1,600,000)	\$ 7,944,750
Orange	\$ 4,095,786	\$ 290,626	\$ 4,386,412
Pamlico	\$ 522,776	\$ -	\$ 522,776
Pasquotank	\$ 1,609,352	\$ 64,108	\$ 1,673,460
Pender	\$ 1,816,844	\$ -	\$ 1,816,844
Perquimans	\$ 396,997	\$ -	\$ 396,997
Person	\$ 1,348,408	\$ -	\$ 1,348,408
Pitt	\$ 7,693,508	\$ -	\$ 7,693,508
Polk	\$ 582,060	\$ -	\$ 582,060
Randolph	\$ 4,713,851	\$ -	\$ 4,713,851
Richmond	\$ 1,853,025	\$ -	\$ 1,853,025
Robeson	\$ 5,950,539	\$ -	\$ 5,950,539
Rockingham	\$ 2,940,174	\$ -	\$ 2,940,174
Rowan	\$ 3,998,664	\$ -	\$ 3,998,664
Rutherford	\$ 2,324,335	\$ 265,157	\$ 2,589,492
Sampson	\$ 2,148,234	\$ 76,221	\$ 2,224,455
Scotland	\$ 1,677,374	\$ -	\$ 1,677,374
Stanly	\$ 1,939,463	\$ -	\$ 1,939,463
Stokes	\$ 1,111,110	\$ -	\$ 1,111,110
Surry	\$ 2,256,248	\$ -	\$ 2,256,248
Swain	\$ 780,644	\$ 30,000	\$ 810,644
Transylvania	\$ 951,123	\$ -	\$ 951,123
Tyrrell	\$ 104,028	\$ 18,578	\$ 122,606
Union	\$ 5,069,278	\$ 383,490	\$ 5,452,768
Vance	\$ 2,199,449	\$ -	\$ 2,199,449
Wake	\$ 32,378,402	\$ 714,472	\$ 33,092,874
Warren	\$ 923,237	\$ (167,600)	\$ 755,637

County	Combined Services Allocation 10/01/14	Non Smart Start (Reversion) Reallocation	Revised Combined Allocation 10/1/2014
Washington	\$ 708,368	\$ -	\$ 708,368
Watauga	\$ 864,496	\$ -	\$ 864,496
Wayne	\$ 4,956,521	\$ -	\$ 4,956,521
Wilkes	\$ 2,182,712	\$ -	\$ 2,182,712
Wilson	\$ 3,599,258	\$ -	\$ 3,599,258
Yadkin	\$ 965,561	\$ (347,000)	\$ 618,561
Yancey	\$ 298,910	\$ -	\$ 298,910
North Carolina	\$ 358,830,770	\$ -	\$ 358,830,770