

North Carolina Department of Health and Human Services

Pat McCrory
Governor

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

September 30, 2013

Mark Trogdon, Director
Fiscal Research Division
North Carolina General Assembly
Legislative Office Building, Suite 619
300 N. Salisbury St.
Raleigh, NC 27603-5925

Dear Director Trogdon:

Section 4.7 of Session Law 2013-363 requires the Department of Health and Human Services, Division of Child Development and Early Education, to submit a report on the final adjustments to the allocations for administrative costs made in Session Law 2013-360. Based on information received from the counties, the total amount allocated for administration is \$15,882,428, an increase from the initial budgeted amount of \$13,274,413.

Please direct all questions concerning this report to Rob Kindsvatter, Director of the Division of Child Development and Early Education, at 919.662.4543 or rob.kindsvatter@dhhs.nc.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Aldona Z. Wos".

Aldona Z. Wos, M.D.
Secretary

cc: Rob Kindsvatter
Heather Laffler
Adam Sholar
Rod Davis
Jim Slate
Pam Kilpatrick
Susan Jacobs
Patricia Porter
Legislative Library (one hard copy)

Sarah Riser
Kristi Huff
Brandon Greife
Deborah Landry
Representative Mark Hollo
Representative Justin Burr
Senator Ralph Hise

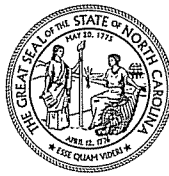
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The Honorable Justin Burr, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
Legislative Office Building, Room 307A
Raleigh, NC 27603-5925

The Honorable Mark Hollo, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
Legislative Office Building, Room 369
Raleigh, NC 27603-5925

The Honorable Ralph Hise, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
Legislative Office Building, Room 1026
Raleigh, NC 27601-2808

Dear Representatives Burr and Hollo and Senator Hise:

Section 4.7 of Session Law 2013-363 requires the Department of Health and Human Services, Division of Child Development and Early Education, to submit a report on the final adjustments to the allocations for administrative costs made in Session Law 2013-360. Based on information received from the counties, the total amount allocated for administration is \$15,882,428, an increase from the initial budgeted amount of \$13,274,413.

Please direct all questions concerning this report to Rob Kindsvatter, Director of the Division of Child Development and Early Education, at 919.662.4543 or rob.kindsvatter@dhhs.nc.gov.

Sincerely,

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Aldona Z. Wos, M.D.
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Session Law 2013-363, Section 4.7 provides:

SECTION 4.7. If Senate Bill 402, 2013 Regular Session, becomes law, then Section 12B.7 of that act reads as rewritten:

"ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES/USE OF SUBSIDY FUNDS FOR FRAUD DETECTION

"SECTION 12B.7.(a) The Department of Health and Human Services, Division of Child Development and Early Education, shall fund the allowance that county departments of social services may use for administrative costs at four percent (4%) of the county's total child care subsidy funds allocated in the Child Care and Development Fund Block Grant plan or eighty thousand dollars (\$80,000), whichever is greater.

"SECTION 12B.7.(b) Each county department of social services may use up to two percent (2%) of child care subsidy funds allocated to the county for fraud detection and investigation initiatives.

"SECTION 12B.7.(c) The Department of Health and Human Services, Division of Child Development and Early Education, shall submit a progress report on the amount allocated and the use of child care subsidy funds under subsection (b) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than May 1, 2014. The Division shall submit a follow-up report on the amount allocated and the use of those funds no later than January 1, 2015.

"SECTION 12B.7.(d) The Division of Child Development and Early Education may adjust the allocations in the Child Care and Development Fund Block Grant under Section 12J.1(a) of this act according to (i) the final allocations for local departments of social services under subsection (a) of this section and (ii) the funds allocated for fraud detection and investigation initiatives under subsection (b) of this section. The Division shall submit a report on the final adjustments to the allocations of the four percent (4%) administrative costs to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than September 30, 2013."

Child care subsidy allocations were released to counties on September 4, 2013. The Division of Child Development and Early Education (DCDEE) requested from counties a designation of the share of their subsidized child care allocations to be utilized for the administration of the program. As specified in Section 12B.7(a) of Session Law 2013-360, county departments of social services were eligible to utilize up to 4% of their allocation or \$80,000, whichever is greater, for administration. Counties were asked to report to DCDEE the share of their allocation that would be designated for the administrative cost of child care services.

Based upon responses from the counties, the total allocated amount for administration is \$15,882,428. A county specific breakdown of these amounts is provided in the attached chart titled "SFY 13-14 Non Smart Start Initial Allocations".

S.L. 2013-360 included an initial amount of \$13,274,413 budgeted for services support. Based upon the final allocation of administration funding, an additional \$2,608,015 in funds have been designated for administrative costs from overall subsidy availability.

SFY 13-14 Non Smart Start Initial Allocations

County	Services Support Maximum (4% or \$80,000)	Direct Services Allocations
Alamance	\$ 201,848	\$ 4,844,359
Alexander	\$ 80,000	\$ 873,338
Alleghany	\$ 80,000	\$ 324,916
Anson	\$ 80,000	\$ 805,275
Ashe	\$ 80,000	\$ 846,762
Avery	\$ 80,000	\$ 377,871
Beaufort	\$ 80,000	\$ 1,911,800
Bertie	\$ 80,000	\$ 833,983
Bladen	\$ 80,000	\$ 1,077,723
Brunswick	\$ 175,065	\$ 4,201,552
Buncombe	\$ 313,026	\$ 7,512,630
Burke	\$ 93,464	\$ 2,243,137
Cabarrus	\$ 196,147	\$ 4,707,519
Caldwell	\$ 101,084	\$ 2,547,597
Camden	\$ 80,000	\$ 130,920
Carteret	\$ 80,462	\$ 1,931,095
Caswell	\$ 80,000	\$ 554,629
Catawba	\$ 218,478	\$ 5,714,100
Chatham	\$ 83,108	\$ 1,994,583
Cherokee	\$ 80,000	\$ 1,089,856
Chowan	\$ 80,000	\$ 721,706
Clay	\$ 80,000	\$ 324,197
Cleveland	\$ 137,280	\$ 3,294,723
Columbus	\$ 88,260	\$ 2,118,247
Craven	\$ 187,682	\$ 4,504,380
Cumberland	\$ 598,965	\$ 14,375,150
Currituck	\$ 80,000	\$ 671,397
Dare	\$ 80,000	\$ 1,030,275
Davidson	\$ 202,076	\$ 4,849,816
Davie	\$ 80,000	\$ 905,126
Duplin	\$ 105,244	\$ 2,525,868
Durham	\$ 575,991	\$ 13,869,940
Edgecombe	\$ 110,648	\$ 2,655,557
Forsyth	\$ 533,201	\$ 12,796,819
Franklin	\$ 84,717	\$ 2,050,194
Gaston	\$ 256,979	\$ 6,169,002
Gates	\$ 80,000	\$ 304,301
Graham	\$ 80,000	\$ 546,166
Granville	\$ 80,000	\$ 1,671,114
Greene	\$ 80,000	\$ 619,770
Guilford	\$ 768,705	\$ 18,448,910
Halifax	\$ 80,000	\$ 1,853,141
Harnett	\$ 218,204	\$ 5,236,893
Haywood	\$ 86,459	\$ 2,271,829
Henderson	\$ 121,645	\$ 2,996,082
Hertford	\$ 80,000	\$ 862,671
Hoke	\$ 102,100	\$ 2,450,388
Hyde	\$ 80,000	\$ 169,614
Iredell	\$ 156,518	\$ 3,756,439
Jackson	\$ 80,000	\$ 1,641,777
Johnston	\$ 244,245	\$ 5,861,883
Jones	\$ 80,000	\$ 478,400
Lee	\$ 81,933	\$ 1,966,388

SFY 13-14 Non Smart Start Initial Allocations

County	Services Support Maximum (4% or \$80,000)	Direct Services Allocations
Lenoir	\$ 106,155	\$ 2,547,727
Lincoln	\$ 81,325	\$ 1,951,807
Macon	\$ 80,000	\$ 1,449,467
Madison	\$ 80,000	\$ 550,955
Martin	\$ 80,000	\$ 994,198
McDowell	\$ 80,000	\$ 1,319,531
Mecklenburg	\$ 1,445,152	\$ 35,089,536
Mitchell	\$ 80,000	\$ 385,692
Montgomery	\$ 80,000	\$ 977,734
Moore	\$ 99,950	\$ 2,398,808
Nash	\$ 99,297	\$ 2,383,128
New Hanover	\$ 287,653	\$ 6,903,684
Northampton	\$ 80,000	\$ 938,072
Onslow	\$ 409,708	\$ 8,050,699
Orange	\$ 163,164	\$ 4,176,051
Pamlico	\$ 80,000	\$ 480,703
Pasquotank	\$ 80,000	\$ 1,755,853
Pender	\$ 80,000	\$ 1,647,810
Perquimans	\$ 80,000	\$ 304,372
Person	\$ 80,000	\$ 1,248,513
Pitt	\$ 278,408	\$ 6,681,792
Polk	\$ 80,000	\$ 581,932
Randolph	\$ 187,676	\$ 4,504,217
Richmond	\$ 80,000	\$ 1,673,470
Robeson	\$ 242,449	\$ 5,818,764
Rockingham	\$ 106,307	\$ 2,551,371
Rowan	\$ 173,128	\$ 4,275,644
Rutherford	\$ 93,612	\$ 2,246,683
Sampson	\$ 87,690	\$ 2,104,548
Scotland	\$ 80,000	\$ 1,449,077
Stanly	\$ 80,000	\$ 1,913,243
Stokes	\$ 80,000	\$ 945,048
Surry	\$ 84,374	\$ 2,024,975
Swain	\$ 80,000	\$ 716,864
Transylvania	\$ 80,000	\$ 785,466
Tyrrell	\$ 80,000	\$ 104,028
Union	\$ 206,600	\$ 4,958,405
Vance	\$ 80,000	\$ 1,829,289
Wake	\$ 1,112,221	\$ 26,693,301
Warren	\$ 80,000	\$ 774,742
Washington	\$ 80,000	\$ 620,642
Watauga	\$ 80,000	\$ 845,934
Wayne	\$ 181,551	\$ 4,357,228
Wilkes	\$ 80,000	\$ 1,774,032
Wilson	\$ 152,474	\$ 3,659,365
Yadkin	\$ 80,000	\$ 907,155
Yancey	\$ 80,000	\$ 309,174
Totals	\$ 15,882,428	\$ 329,182,537