

Item Title: Accept and Appropriate Additional Funds from the NC Division of Child Development and Early Education and Establish (4) Full Time Positions for the Administration of the Subsidized Child Care Assistance Program

Specific Action Requested:
That the Board of Commissioners:

- 1. Accepts and appropriates \$446,629 of revenues and expenditures into the General Fund from the North Carolina Department of Health and Human Services, Division of Child Development and Early Education, and**
- 2. Establishes (4) full-time positions to support the administration of the Subsidized Child Care Assistance Program.**

Item Summary:

Purpose: In accordance with the North Carolina Local Government Budget and Fiscal Control Act, the Board of Commissioners must approve all amendments that increase the budget for a fund.

Background: The NC General Assembly enacted House Bill 103, Session Law 2022-74, to modify current grant appropriations. These changes impacted the subsidized childcare allocation formula for the Subsidized Child Care Assistance Program.

As a result of these changes Wake County received an additional \$10.7 million for its Child Care Subsidy program which will enable us to serve an additional 1,985 children per month. The State applies a formula to allocated available funds to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage.

The entire \$10.7 million allocation does not come directly to Wake County. The State issues childcare payments directly to providers so only the administrative portion of the allocation, \$446,629, goes directly into the Wake County budget. These funds will be used to hire additional staff to manage the additional caseload.

Board Goal: The action supports Education Goal 1: Support early childhood care and education programs that prepare young children for life-long learning and overall well-being; and Community Health and Vitality Goal 3: Support a higher quality of life for vulnerable residents and communities.

Fiscal Impact: This allocation provides an additional \$446,629 of ongoing revenues and expenditures in the Health and Human Services General Fund Budget. The increased funding will establish and fund (4) additional positions to determine eligibility and provide case management for the Subsidized Child Care Assistance Program. The positions are 100% State funded requiring no increase in county funds. If funding levels decrease, staff will evaluate funding needs and continuation of the program as part of the budget development process.

Additional Information:

The Wake County Subsidized Child Care Assistance program received additional funding to serve more children. As a result, an increase in the Child Care Subsidy Administrative allocation was granted to support staff who conduct eligibility determination and provide case management services to families. The allocation will be used to create the following positions: two Caseworkers, one Supervisor and one Team Lead. These positions will allow us to effectively manage the new cases and reduce the case load sizes per worker across the program.

An optimal case load size for childcare subsidy is between 330-375 children per case manager. Adding 1,985 children will make current caseload size 7,424. The addition of two case manager positions results in a caseload size of 412 children per caseworker. Team Leads will take on cases to lower the number for the case managers to the optimal caseload size.

This will establish a third Child Care Subsidy team with a Supervisor and a Team Lead. The Caseworkers will be realigned for each team to have a Lead Worker and 6 Caseworkers. Caseworkers are responsible for both applications and reviews plus all reported changes. The Supervisor and Team Leads are responsible for supervision, quality assurance activities, troubleshooting cases and handling client escalations.

Child Care Subsidy staff are operating with a minimal wait list. All families contacting the agency are contacted within 1-month with cases assigned out monthly. For example, for September 2022, all 141 families with 188 children were pulled from the waitlist and caseworkers are assigned families to contact and obtain applications in October. On the horizon, HHS is increasing the frequency that families are contacted for applications with initial goal to be 2 times per month to decrease the application time for families.

The chart below depicts the number of children served for the past five years and the FY 2023 target resulting from the new allocations and positions requested:

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 with additional allocation
Ave # Children Served/Month	4,855	5,293	5,508	5,865	5,434	5,157	7,424
Number of Case Workers	16	16	16	16	16	16	18
Ave # of Children/ Worker	303	331	344	366	340	322	412*
# of Children on the Wait List at Year End	1,510	3,353	1,812	1,871	1,990	747	

*Team Leads will take on cases to lower the number for the case managers to the optimal caseload size.

With the additional funding, a total of 7,424 children/month can be served resulting in a net increase of 1,985 children.

DCDEE Allocation	Funding Allocation	# of Children Per Month
Current	44,067,456	5,439
Adjustment	10,719,094	1,985
Total Projected	54,786,550	7,424

Wake County Health and Human Services, Division of Economic Services, intends to allocate these funds as follows:

Budget Category	Amount
Staffing	\$333,202.00
Temporary Services	\$75,367.00
Equipment and Phone Costs	\$27,668.00
Supplies, materials, and training	\$10,392.00
TOTAL	\$446,629.00

The positions are 100% State funded requiring no increase in county funds.

The table below displays the funding amounts the HHS Child Care Subsidy Program has been awarded from NC DHHS to provide childcare subsidy services over the last five fiscal years.

Fiscal Year	2018	2019	2020	2021	2022	2023
Direct Services	35,729,374	39,133,099	46,840,954	44,067,456	44,067,456	54,786,550
Support Services	1,343,374	1,690,367	1,660,092	1,836,144	1,836,144	2,282,773
Total	37,072,747	40,823,466	48,501,046	45,903,600	45,903,600	57,069,323

Attachments:

1. Child Care Subsidy Funding Allocation
2. Child Care Subsidy SFY 22-23 Fund Authorization Master File
3. Budget Memo FY23 – Human Services
4. Budget Memo FY23 – Personnel Ordinance Memo