

MEMORANDUM OF UNDERSTANDING #2

This Memorandum of Understanding (MOU) is between Wake County Smart Start, Inc. (hereinafter called the Partnership) and Wake County Human Services (hereinafter called LPA). The purpose of the MOU is to define the responsibilities of each agency regarding the use of Smart Start funds for subsidy services and administrative costs for FY18-19 (July 1 2018 – June 30, 2019).

I. LPA agrees to:

- A. Screen all applicants for subsidy services and certify eligible those who meet the current DCDEE established criteria for income and need for subsidized care and specific criteria as determined by the Partnership board.

Assure that Smart Start funds are used only for children who have not yet reached school age, specifically children birth through 5 not yet enrolled in kindergarten.

While TANF and CCDF eligibility criteria are different, for Smart Start purposes the broader CCDF eligibility is used.

CCDF eligibility is defined as families who are income eligible AND who are “need code” eligible.

In accordance with the current CCDF State Plan, the following income eligibility criteria apply:

- Families with income less than or equal to 85% of State Median Income (SMI) by family size.

Need codes that qualify as CCDF eligible include:

- Employed
- Employed + Post Secondary Education/Training (primary reason is Employment)
- Seeking Employment
- Seeking Employment, Extended Benefits
- High School Education/GED
- Post Secondary Education/Training
- Post Secondary Education/Training + Employment (primary reason is Education)

Smart Start funds for TANF/CCDF eligible children **MAY NOT BE USED for Child Protective Services (CPS), Child Welfare Services (CWS), or Developmental Needs need codes.**

NO Smart Start funds may be used for new placements of children in facilities operating with provisional, special provisional, or 1 or 2 star licenses. The NC General Assembly has restricted the use of subsidy funding in facilities with 1 or 2 star licenses and Smart Start prohibits the placement of new subsidized children in facilities with provisional or special provisional licenses.

Funds to be spent on **TANF/CCDF eligible** children MAY INCLUDE:

- Purchase of care in 4 and 5 star licensed facilities
- Payments to support wraparound care for children who are placed in a NC PreK classroom in Wake County and families eligible for child care subsidy.

Partnership funds may NOT be spent on non-eligible TANF/CCDF children.

- B. For payments processed via NC FAST, ensure that fund source ranking is correctly set in NC FAST, and that the transfer of funding obligations is managed as needed to ensure Smart Start spending in accordance with the budget. For payments processed in SCCRS or manually, if applicable, make payments to child care providers in the amount specified by the Partnership as long as funding is available.
- C. For discrepancies in payments issued via NC FAST, comply with instructions from DCDEE to facilitate correction of such errors. If applicable, make prior month corrections in the Subsidy Child Care Reporting System (SCCRS) within 2 weeks of written notification from the Partnership and notify Partnership once corrections have been entered.
- D. Permit the Partnership staff to have access to the subsidy services records at the LPA office of families who received Smart Start funded services to ensure that funds are expended for the purpose intended.
- E. Work with the Partnership staff to develop outreach efforts to inform parents about the star rated licensing system and the availability of subsidy services.
- F. Provide information about overhead and indirect cost to the Partnership at the start of the funding period if funds are provided for administration of the Subsidy Program.

II. Partnership agrees to:

- A. Provide funding in the amount of \$5,368,710 (an increase of \$588,157) for TANF/CCDF eligible children and \$214,748 (an increase of \$26,491) for administrative services to support the Subsidy Program; effective September 30, 2018.
- B. Provide Smart Start subsidy funding which can be used for the purposes described in Section I.
- C. Provide written notice of any changes to this agreement.
- D. Ensure that Smart Start funds are being used for subsidy services according to Partnership criteria. This may include periodically reviewing Smart Start subsidy records at the LPA or using the information provided by DCDEE staff regarding their reviews of LPA records and results of monitoring.
- E. Provide advance notice of visits to the LPA for the purpose of reviewing Smart Start records.
- F. Ensure that Partnership staff who review subsidy records at the LPA observe confidentiality policies regarding information contained in client files.
- G. Provide information needed to address payment corrections, if available, where applicable.

Pamela J. Dowdy, Executive Director
Wake County Smart Start, Inc.

Regina Y. Petteway, MSPH, Director
Wake County Human Services

Date

Date