



## Legislation Text

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File #: 18-4685, Version: 1

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### **Title:**

**Budget Amendment - DSS (Revenue Increase/Decrease)**

### **Summary**

#### **ACTION:**

- A. Reduce Low-Income Energy Assistance Program (LIEAP) federal revenue in the amount of \$1,894,116**
- B. Reduce Smart Start Child Care Subsidy Program state revenue in the amount of \$2,883,373**
- C. Reduce Child Day Care Subsidy Program federal and state revenue in the total amount of \$25,201,373**
- D. Recognize, receive, and appropriate Smart Start Subsidy Administration state revenue in the amount of \$40,102**

**Staff Contact:** Peggy Eagan, Director, Department of Social Services

**Presentation:** No

#### **BACKGROUND/JUSTIFICATION:**

- A. The North Carolina Division of Social Services (NC DSS) allocates federal revenue to assist eligible low-income households with one lump sum payment to apply toward heating expenses. Households may apply for this benefit until March 31. The current budget of \$3,294,116 will be reduced by \$1,894,116.**
- B. The Division of Child Development and Early Education has moved to a direct pay system for the subsidized child care component of NC FAST as of November 2017. Child Care Resources, Inc. (CCRI) contractually administers the program on behalf of DSS and was distributing payments to child care providers. This is a payment process change and does not affect the level, amount, or access of services provided to clients. The current budget of \$4,583,057 will be reduced by \$2,883,373.**
- C. The Division of Child Development and Early Education has moved to a direct pay**

system for the subsidized child care component of NC FAST as of November 2017. Child Care Resources, Inc. (CCRI) contractually administers the program on behalf of DSS and was distributing payments to child care providers. This is a payment process change and does not affect the level, amount or access of services provided to clients. The current budget of \$42,581,533 will be reduced by \$25,201,373, of which \$21,673,181 is federal and \$3,528,192 is state.

- D. The state revenue for the Smart Start Subsidy Administration was increased by \$40,102. These funds cover administrative expenses related to running the Smart Start child care subsidy program via a contract with Child Care Resources, Inc. (CCRI). The current budget of \$120,305 will increase to \$160,407.

**PROCUREMENT BACKGROUND:**

N/A

**POLICY IMPACT:**

N/A

**FISCAL IMPACT:**

- A. Decrease of \$1,894,116 in general fund (0001) federal revenue and associated expense in the Low-Income Energy Assistance Program (LIEAP)
- B. Decrease of \$2,883,373 in general fund (0001) state revenue and associated expense in the Smart Start Child Care Subsidy Program.
- C. Decrease of \$3,528,192 in general fund (0001) state revenue and associated expense and a decrease of \$21,673,181 in federal revenue and associated expense in the Child Care Subsidy Program.
- D. Increase of \$40,102 in general fund (0001) state revenue and associated expense in the Smart Start Subsidy Administration.