

**CHAPTER 21: ATTACHEMENT I - SUBSIDY QUESTIONS AND ANSWERS
RELATED TO THE *MORE AT FOUR* PRE-KINDERGARTEN
PROGRAM**

Payment Issues

1. What is the *More at Four* Pre-Kindergarten Program and how is it funded?

The *More at Four* Pre-Kindergarten Program builds on North Carolina's existing early childhood education systems, including public schools, Head Start programs, and private 4 and 5-star licensed child care centers and preschools. *More at Four* Programs may be operated in public schools or in licensed child care centers. The programs have to meet high quality education standards, which include maximum class size of 18 children, with a teacher and a teacher assistant; licensed birth to kindergarten teachers to teach pre-K; and an approved pre-K curricula. The full cost of a high quality pre-kindergarten program is estimated to cost approximately \$7,000 per year per child. The *More at Four* Pre-Kindergarten Program provides state funding (on average an amount of \$350 per child per month for 10 months), which must be supplemented at the local level with other funding sources, such as Smart Start, Head Start, Title I, child care subsidy funds or by other community sources. *More at Four* Programs typically operate for 6 to 6½ hours per day for 10 months. Children may need care beyond the 6 to 6½ hour *More at Four* day. The care offered before and after the *More at Four* portion of the day is referred to as wraparound care in this document.

2. Can subsidy funds administered by the county DSS or the local purchasing agency (LPA) be used to pay for child care in a *More at Four* Pre-Kindergarten Program or classroom? (The use of the acronym LPA throughout the rest of this document applies to the county DSS or the local purchasing agency that administers the Subsidized Child Care Program. In addition, the *More at Four* Pre-Kindergarten Program is referred to as the *More at Four* Program in the remainder of the document.)

Yes, subsidy funds can be paid for children in a *More at Four* Program if needed by the provider to meet the cost of the program and if the family meets the Subsidy Program eligibility guidelines. Subsidy funds can be applied to the *More at Four* portion of the day and/or for wraparound care that may be offered by the *More at Four* provider. When determining the allowable subsidy payment rate for each child, the \$350 per month of *More at Four* funding is not considered.

The provider must be approved for enrollment in the Subsidized Child Care Program in order to receive subsidy funds from the LPA. If the provider is not already enrolled, an Application for Enrollment must be completed and submitted to the LPA along with the rates charged for the *More at Four* portion of the day as well as wraparound care, if offered. The LPA will assist the provider in completing the other forms required for participation in the program such as the Provider Agreement.

The rate to be paid is based on the amount of time the child is enrolled in the program. If the child only receives care during the *More at Four* Program portion of the day, the subsidy payment rate is 75% of the rate charged by the provider or the market rate, whichever is less. If the provider offers wraparound care, that is care before and/or after the hours of the *More at Four* Program, and the family **qualifies** for care during those hours, subsidy funds can also be used to pay for the wraparound care. Parent fees are assessed according to the DCD Subsidy Services Policy and the fee is subtracted from the rate to be paid by the LPA. (Refer to Chapter 8 of the Subsidized Child Care Services Manual.)

Example 1: A five - star child care center in Cabarrus County serves 4 year old children and charges \$478 per month for full-time care. The center is now an approved *More at Four* provider. The *More at Four* Program hours are from 8:00 a.m. until 2:00 p.m.; however, the program will offer wraparound care for an additional three hours in the afternoon. The children who are identified to be served in the *More at Four* Program are referred to the LPA to apply for subsidy services.

Family A is eligible for subsidy services and needs care until 4:00 p.m. since the parent is working until 3:30 p.m., so the child is attending the program eight hours per day. Based on the policy requirements in the Subsidized Child Care Services Program regarding family size and income, the parent fee is \$100. The parent fee is subtracted from the full-time rate of \$478 (care is for 8 hours per day or 40 hours per week) and the LPA pays \$378 ($\$478 - \$100 = \378). Since the *More at Four* provider cannot collect a fee for the *More at Four* portion of the day, the LPA staff should make a notation on the voucher that clearly describes that only half the parent fee may be collected by the provider for the wraparound portion of the day.

Family B has a child who attends the same program but their 4 year old does not need care after 2:00 p.m. Based on subsidy policy requirements, the family's fee is determined to be a $\frac{3}{4}$ time fee of \$50 per month. Since care is needed only for the hours of the *More at Four* Program, the agency can pay the following: 75% of $\$478 = \$359 - \$50 = \309 . In this case, the parent fee cannot be collected from the parent by the *More at Four* provider in accordance with the *More at Four* Pre-Kindergarten Program Guidelines.

Example 2: A four-star child care center operated by the local public school has been approved as a *More at Four* Provider. The Program offers care until 5:00 p.m. each day. The center is not requesting that parents apply for subsidy funds for the *More at Four* day; however, families who need wraparound care are charged \$200 per month for part-time care. The families can apply for subsidy funds to pay for the wraparound care if they need help paying for child care. Each family's fee is determined based on subsidy policy guidelines and is subtracted from the rate the LPA can pay. In this case, the child care provider can collect the parent fee.

NOTE: The local Smart Start partnership may choose to designate Smart Start subsidy funds allocated to the LPA for children in *More at Four* Programs and may develop special criteria which may include serving the families without regard to income and without assessing a parent fee. If this is the decision of the local partnership, it is important that the specific use of the Smart Start funds for this purpose be clearly described in the Memorandum of Understanding signed by the local partnership and the LPA.

3. Are parent fees paid to *More at Four* providers for a child receiving subsidy services in a *More at Four* classroom?

Fees must be assessed in accordance with DCD policy to determine the subsidy payment to the child care provider; however, the *More at Four* Program Guidelines do not allow a *More at Four* Provider to collect a parent fee for services provided within the *More at Four* portion of the day. A fee amount is determined for these families based on the plan of care. The amount to be paid by the LPA is reduced by the parent fee amount and the difference is paid to the provider. If the program offers wraparound services, the *More at Four* Provider is allowed to collect the parent fee for the provision of wraparound care.

NOTE: Normally, the provision of a 6½ hour day for 5 days per week would require the LPA to pay a full-time rate for subsidy services and would require the assessment of a full-time parent fee. However, payment for care in *More at Four* Programs for care that is only for the *More at Four* portion of the day is limited to 75% of the private rate or market rate, whichever is less and the assessment of a ¾ parent fee. See examples that follow Question #2.

4. Is it necessary to pay for two separate plans of care for a child who is enrolled in a *More at Four* Program and wraparound care that is offered by the same provider after the end of the *More at Four* day?

No. When determining the subsidy payment for the individual child, consider the total number of hours the child is receiving care. If the child qualifies for child care subsidy services during the hours of the wraparound program in addition to the *More at Four* portion of the day, one payment for full-time care is made if the care is provided by the same provider and care averages 32 to 55 hours per week. This means that the payment is made at the 100% rate of the provider's allowable rate (private rate or the market rate, whichever is less). Based on subsidy policy guidelines, a parental fee for the full day is established for the family and the fee is subtracted from the 100% rate. The LPA pays the difference to the provider and makes a notation to the child care provider on the Voucher regarding the amount of the fee that can be collected by the provider. (Refer to Chapter 20 of the Subsidized Child Care Services Manual for information about payment policies.)

5. If a child is enrolled in a *More at Four* Program with one provider and receives services in the afternoon from another provider and subsidy assistance is

requested for both arrangements, can the total subsidy payment exceed the rate for full - time care for the child?

When two different providers are used, each provider is paid the rate appropriate for the established plan of care. The *More at Four* Program provider receives 75% of the rate charged for the *More at Four* portion of the day, not to exceed the market rate. The payment for the wraparound care is based on the number of hours that care is provided. (Refer to Chapter 20 of the Subsidized Child Care Services Manual for information about paying for more than one plan of care.)

6. What is required in order for the LPA to pay subsidy funds to a *More at Four* Provider?

If the provider is not already enrolled in the Subsidy Program and does not have an Approval Notice, it will be necessary to contact the LPA in order to complete the required paperwork, e.g., the Application for Enrollment, Provider Agreement, etc. (Refer to Chapter 16 of the Subsidized Child Care Services Manual for more information about the requirements for enrolling providers in the Subsidy Program.)

NOTE: Unlicensed preschool programs operated by the public school system are not eligible to receive subsidy funds unless the program has an existing letter of approval for DPI certification to receive subsidy funds.

7. What about payments for children with special needs?

Subsidy funds may be used to pay a supplemental rate above the provider's approved rate to pay for the additional expenses related to serving a child with special needs. The existing subsidy policy described in Chapter 21 applies to these supplemental payments.

8. Can subsidy funds be paid during the same hours the *More at Four* Program operates for those children not funded by the *More at Four* Program and who qualify for subsidy? For example, a private center may only have a few children who meet the *More at Four* Program criteria and the remainder of the classroom may be open to private paying parents.

Yes.

9. Will the local purchasing agencies receive additional subsidy funds to pay for children receiving care in the *More at Four* Program?

No. While we recognize that many counties are struggling to maintain sufficient funds to serve the families currently receiving services, there are no additional subsidy funds earmarked for serving children in *More at Four* Programs.

10. If the LPA approves a child enrolled in a *More at Four* Program for subsidy services to assist with the payment of wraparound services and that family requires only one hour of wraparound services, is the agency obligated to pay

the established subsidy rate for part-time care or is it possible to negotiate a lower rate?

Negotiation of rates from the county level is not allowed; however, the provider may choose to charge a reduced rate.

11. Is a parent who needs subsidy assistance for a child in a *More at Four* Program required to visit the office of the LPA to make application?

No. The local purchasing agency and the *More at Four* Program provider may work out an alternative plan that allows the parent to complete the application on site without requiring the parent to visit the LPA.

12. Will there be special coding to identify children in *More at Four* Programs who are receiving subsidy services?

Yes, the Division anticipates developing codes in the near future for both DCD and Smart Start funds for use in the Subsidy Reimbursement System and Smart Start Reporting System to identify children who are receiving subsidy services in *More at Four* Programs.

13. Will it be possible for providers serving children in a *More at Four* Program to request the \$1.00 food supplement with subsidy funds in order for the child to be eligible for the Child and Adult Care Food Program (CACFP)?

More at Four programs operated by a for-profit child care program could request the \$1.00 food supplement be paid to the program to indicate that the child(ren)'s family income is within the eligibility guidelines for Subsidized Child Care Program in accordance with DCD policy. Participation requires 25% capacity/enrollment of low income families, which can be met by meeting the income eligibility requirements for subsidy services. In order for the \$1.00 food supplement to be paid out of subsidy funds, the child will have to be determined eligible for subsidy services.

More at Four programs operated by a non-profit child care program would not need the \$1.00 food supplement because these programs do not have to meet the 25% capacity/enrollment requirement for participation in CACFP.

14. Will local Smart Start partnerships be allowed to pay a subsidy enhancement to the *More at Four* Programs in their county?

If the local Smart Start partnership board approves the payment of an enhancement for the *More at Four* Program provider, then this could be done. If the enhancement is to be paid by the LPA using Smart Start subsidy funds, the Memorandum of Understanding between the partnership and the LPA must clearly explain the criteria the providers have to meet to be eligible to receive an enhancement and the amount.

15. If a LPA currently pays Smart Start percentage bonuses for quality, would the payment for children in the *More at Four* Program who are receiving subsidy funding include a Smart Start bonus?

Yes, if the MOU between the LPA and the local Smart Start partnership indicates that a Smart Start bonus is to be paid to 4 and 5 star providers and that information has been entered into the Subsidy Reimbursement System, then a bonus payment will be applied to the payment made to the *More at Four* provider.

16. Should the LPA keep some type of report about children enrolled in *More at Four* programs and receiving subsidy funding during *More at Four* and/or wrap?

This would be a local decision. Once coding is developed to identify the children in the Subsidy Reimbursement System, it will be possible to create system-generated counts and reports.

Eligibility Issues

17. Will families with children enrolled in a *More at Four* Program who are receiving subsidy services need to report changes in income and would this effect their eligibility?

If the family is receiving DCD funded subsidy services, then the policies described in Chapter 11 apply which includes the timely reporting of changes. Any changes that impact the family would need to be reacted to accordingly.

18. What other requirements are there for families and are they all relevant and applicable to children enrolled in a *More at Four* Program?

There are no additional subsidy requirements for families participating in the *More at Four* Program who also receive subsidy services. For additional information specifically related to the *More at Four* Pre-kindergarten Program, please refer to the governor's website at: <http://www.governor.state.nc.us/>

19. Can Smart Start funds be used in a different way for children enrolled in *More at Four* Programs?

Smart Start funds can be used to pay for subsidy services provided in a *More at Four* classroom. The local partnership may choose to create separate eligibility criteria when Smart Start funds are used for this purpose or may request that the existing DCD subsidy policies apply. Special criteria that have been considered so far include serving families without regard to income and without assessing fees. If special policies do apply to the funds, they must be spelled out in the Memorandum of Understanding between the county DSS and the local partnership.

20. If a family resides in county A, which is close to the county line, and wants their child to attend a *More at Four* Program in County B, is this possible? Would the family be able to access subsidy funds, if needed? If so, from which county?

These decisions would need to be made on a case by case basis, and requests would need to be made to the agency in the county responsible for administering the *More at Four* Program. If child care subsidy services are needed, the family would apply in the county in which they reside, and subsidy funds could be used to pay for care in the program in another county.

21. Can a child whose only reason for care is to support developmental needs receive subsidy payment for the *More at Four* portion of the day?

Yes, as long as the family meets all the eligibility requirements for both the *More at Four Program* and the Subsidized Child Care Program. However, it is appropriate to deny wraparound care if the child's needs are met during the *More at Four* portion of the day.

22. How are payment/parent fees assessed when the *More at Four* Program is not in session (i.e., holidays, closings due to weather, teacher workdays, summer)?

If the site where the *More at Four* classroom is located chooses to offer child care services for holidays, snow days, and summer, parental fees for subsidy services are assessed according to current policy in the Subsidized Child Care Services manual. (See Chapter 8: Parental Fees for additional information.)

Priority Issues

23. Do children on the waiting list (i.e., children whose parents have requested subsidy services and are eligible but have not been served due to a lack of funds) qualify for the *More at Four* Program?

Yes, the fact that the children have not been served would allow them to qualify for participation in a *More at Four* Program if the age requirement and other at-risk eligibility criteria are met. Administrators of *More at Four* Programs and LPA staff should communicate about available spaces for four - year - old children who will be eligible for kindergarten services in the next school year. The LPA staff can then review existing waiting lists and contact the parents of the eligible children to inform them of the availability of the *More at Four* Pre-Kindergarten Program. If a request for subsidy services is then made by the child enrolled in the *More at Four* Program, the agency would follow their local waiting list policies to determine the priority for serving the family.

24. If the LPA has a waiting list for subsidy services and the parent of a child enrolled in a *More at Four* Pre-Kindergarten Program requests subsidy services and is not on the waiting list, can that child be given priority over other children on the waiting list?

If the child was not on the existing waiting list for services, the county has the option to develop a local policy to give priority to children enrolling in *More at Four*

Programs over other children on the waiting list. If the LPA chooses to do this, they must amend their local policies.

25. If the LPA does give priority to a child who is eligible for the *More at Four* Program, are they required to pay for subsidy services for any siblings who may not have been on the waiting list?

We would encourage the LPA to do this especially if child care is needed to support the parent's employment or education.

26. How will the LPA know that the child whose parent is requesting services is enrolled in a *More at Four* Pre-Kindergarten Program?

The list of *More at Four* Pre-Kindergarten Program contractors will be available in the future on the Division of Child Development's website <http://www.dhhs.state.nc.us/dcd/> for your reference. The *More at Four* contractor can also provide information about the sites in each county that are approved for the *More at Four* Program. In addition, if a program offers more than one classroom, and one is a *More at Four* classroom and the other is not, the LPA worker will need to obtain verification from the program as to which classroom the child attends. Additional information may also be obtained from the Governor's website <http://www.governor.state.nc.us/> or by calling the *More at Four* Pre-Kindergarten Program State Office at 919-715-0040.