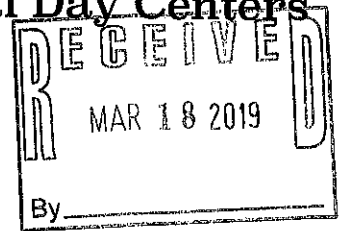


North Carolina Association
of
Directors of Developmental Day Centers



March 12, 2019

Dedra Alston
Rulemaking and Title VI Coordinator
Division of Child Development and Early Education
Administration Section/Policy Unit
NC Department of Health and Human Services
2201 Mail Service Center
Raleigh, NC 27699-2000

Dear Ms. Alston,

We are writing to you on behalf of the North Carolina Association of Directors of Developmental Day Centers (NC ADD) to request that a new subsidized child care rule be adopted by the Social Services Commission. Elizabeth Everette, Senior Subsidy Policy Manager, invited representatives from certified developmental day centers to consider alternative methodologies for the subsidized child care reimbursement rate setting process that are equitable, accurate and concise. Many concerns have been continually identified regarding application of the current cost study methodology including:

- Significant disparities and inequities among current rates in developmental day centers throughout the state of North Carolina determined by the cost study.
- Absence of a process for a newly certified developmental day center to participate in a cost study or establish a subsidized child care rate out of cycle as defined in the current rule.
- Lack of availability of the required financial history cost study data for newly certified centers.

North Carolina is very fortunate to have a state-wide system of certified developmental day centers to provide child day care services to children who have special developmental needs. These centers are a critical component of North Carolina's early childhood system. This system provides a high quality process for North Carolina to comply with the Special Needs requirements of the Federal Child Care Development Block Grant Program. Of particular importance to this service delivery system is the fact that the high majority of these programs provide inclusive settings through which typically developing children are served alongside children who have special developmental needs.

The NC ADD Subsidy Advisory Committee presented the following proposal to the full NC ADD membership who then voted by majority to move forward with the rule petition.

Rule 10A NCAC 10 .0203 Rates For Subsidized Child Care section (b) currently states:

(b) Centers, as defined in G.S. 110-86(3), which are certified as developmental day centers by the Division of Child Development and Early Education and serve children who meet the definition of special needs set forth in 10A

NCAC 10 .0910 are exempt from the provisions of Paragraph (a) of this Rule. The payment rates for special needs children served in developmental day centers are calculated by deducting the total revenues per child month from the total costs per child month. That rate is then multiplied by the current inflation percentage provided by the Office of State Budget and Management. For typically developing children enrolled in developmental day centers, the rates shall exclude those costs associated exclusively with serving children with special needs. The payment rates for special needs children and typically developing children served in developmental day centers are calculated every two years and are implemented as funding allows.

The proposed rule petition for **Rule 10A NCAC 10 .0203** is to replace the current rule with a new rule to state:
(b) Centers, as defined in G.S. 110-86(3), which are certified as developmental day centers by the Division of Child Development and Early Education and serve children who meet the definition of special needs set forth in 10A NCAC 10 .0910 are exempt from the provisions of Paragraph (a) of this Rule. The payment rates for special needs children serviced in developmental day centers are calculated by the market rate multiplied by 1.75. For typically developing children enrolled in developmental day centers, the payment rates are calculated by the market rate multiplied by 1.5. The payment rates for special needs children and typically developing children shall coincide with market rate revisions.

This proposal and rule petition were developed because rules for developmental day operation are more stringent than those for other licensed child care centers. Two key expense components are the required staff to child ratios and the required staff qualifications. All children in certified developmental day centers benefit from the required reduced ratios of 1:4, 1:5 and 1:6. Required staff qualifications are significantly higher than those for other child care centers as covered in **10A NCAC 09 .2903 Staff Qualifications**. Sections (a), (b), (c), and (d) define the NC Birth-through-Kindergarten (B-K) Continuing or Initial License, the NC Provisional Preschool Add-on License, and the NC Lateral Entry B-K License requirements issued by the North Carolina Department of Public Instruction.

Certified developmental day centers throughout North Carolina should have a market rate based multiplier system implemented as soon as possible in order to create and ensure equitable, consistent, and fair reimbursement for subsidized child care.

Thank you all for your consideration.

Sincerely,



The Membership of the North Carolina Association of Developmental Day Centers (NC ADD)
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