



# SENATE BILL 105: 2021 Appropriations Act, Sec. 9C.5: Child Care Allocation Formula

2021-2022 General Assembly

<b>Committee:</b>		<b>Date:</b>	February 25, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Jessica Boney Staff Attorney
<b>Analysis of:</b>	Sec. 9C.5 of S.L. 2021-180		

**OVERVIEW:** *Section 9C.5.(a) of S.L. 2021-180 outlines the child care subsidy allocation formula. The base amount for each county's child care subsidy allocation is the mandatory 30% North Carolina Partnership for Children, Inc., subsidy allocation. In addition, the Department of Health and Human Services (DHHS) must allocate 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.*

*Section 9C.5.(a) of the act allows DHHS to withhold up to 2% of available funds from the allocation formula for preventing termination of services throughout the fiscal year and repayment of any federal funds identified by counties as overpayments, including overpayments due to fraud. Any funds not needed for the purposes described in this section must be allocated to counties. DHHS must submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division in each year of the 2021-2023 fiscal biennium 30 days after any funds withheld as allowed under this section are distributed, but no later than April 1 of each respective year. The report must include the following:*

- The amount of funds used for preventing termination of services and the repayment of any federal funds.*
- The date the remaining funds were distributed to counties.*
- As a result of funds withheld under this section and after funds have been distributed, any counties that did not receive at least the amount the county received the previous year and the amount by which funds were decreased.*

*Section 9C.5.(a) of the act requires DHHS to set aside 4% of child care subsidy allocations for vulnerable populations.*

*Section 9C.5.(b) of the act allows DHHS to reallocated unused child care subsidy voucher funds. Section 9C.5.(c) of the act places certain requirements on DHHS when implementing the formula under this section.*

*This section became effective July 1, 2021.*

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