



PROGRAM POLICY & STRATEGY COMMITTEE MEETING
March 29, 2011 3:30 p.m.
ELC Board Room

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|-------|---------------------------------|--|
| I. | Welcome & Introductions | David Williams Jr., Co-Chair
The Hon. Cindy Lederman,
Co-Chair |
| II. | Approval of Agenda | David Williams Jr., Co-Chair
The Hon. Cindy Lederman,
Co-Chair |
| III. | Approval of February 22 Minutes | David Williams Jr., Co-Chair
The Hon. Cindy Lederman,
Co-Chair |
| IV. | CEO Update | Evelio Torres |
| V. | Monroe Performance Report | Mary Williams |
| VI. | Miami Performance Report | Jackye Russell |
| VII. | Provider Minimum Standards | Jackye Russell |
| VIII. | Enrollment Update | Edith Humes-Newbold |
| IX. | Provider Re-payment Update | Edith Humes-Newbold |
| X. | Old Business | |
| XI. | New Business | |
| XII. | Public Comment | |
| XIII. | Adjourn | |

Mission: To promote high-quality school readiness, voluntary pre-kindergarten and after school programs, thus increasing all children's chances of achieving future educational success and becoming productive members of society. The Coalition seeks to further the physical, social, emotional and intellectual needs of Miami-Dade and Monroe County children with a priority toward the ages before birth through age 5.



Minutes

Program Policy & Strategy Committee Meeting
February 22, 2011; 3:30 p.m. – 5:30 p.m.
Early Learning Coalition of Miami-Dade/Monroe
Board Room
2555 Ponce De Leon Blvd Suite 500
Coral Gables, FL 33134

Committee Attendees: The Hon. Cindy Lederman; Shaleen Fagundo; Ann Karen Weller (via conference call); Elizabeth Bezos; Roderick Beasley; Modesto Abety; Santiago Echemendia (Board Attorney)

Staff Attendees: Evelio Torres (CEO); Blythe Robinson; Tabatha Cullen, Jackye Russell; Sandra Gonzalez; Mary Williams (via conference call); Pamela Hollingsworth; Dr. Christine Hughes; Kristina Alonso; Leana Pena; Milton Silvera

General Attendees: Linda Carmona (AECE); Edith Humes-Newbold (Miami-Dade County); Maritza Alonso (Miami-Dade County); Bill De La Sierra (Kidworks USA); Jeff Hurst (Department of Children and Families); Ardene Estrada (Miami-Dade County); Marie Woodson (Miami-Dade County); Marla Alpizar (City of Hialeah); Dr. Demetrio Perez (Lincoln-Martí) (via conference call); Claudette Seymour-Lane (Department of Children and Families); Cyd Heyliger (MDCPS); Joann Farr (Miami-Dade County);

I. Welcome and Introductions

- C. Lederman welcomed the committee, staff and attendees.
- A quorum was established with five (5) voting members.

II. Approval of January 25th Minutes

- S. Fagundo moved to approve the January 25, 2011 minutes.
- R. Beasley seconded the motion.
- Motion was unanimously passed.

III. CEO Update

- E. Torres stated that the most pressing issue on the table is next year's budget. While there will not be a final budget until the session begins, there is good support of School Readiness (SR) in the Senate. However, we have met with individual members who have all expressed that we can expect a reduction to the SR budget. There was some discussion at the Senate Transportation and Tourism Economic Development Appropriations Committee last week where questions about VPK arose. Some expressed that VPK was akin to free babysitting. Two senators are trying to generate a constitutional amendment to make the VPK program income eligible. We are waiting to see if any bills that have an impact on early learning are introduced other than a consolidation bill that would move School Readiness and VPK to the Department of Education



(DOE) which is already in the works. The bill would consolidate all the functions into one, with the exception of licensing.

IV. Lincoln Marti

- C. Lederman introduced Dr. Demetrio Perez, Jr. of Lincoln Marti who attended via conference call.
- E. Torres stated that there were some concerns from committee members and contracted staff about having access to Lincoln-Marti sites.
- D. Perez, Jr. responded that Lincoln Marti is sensitive to the needs of the coalition and the services it provides. The intent is not to keep anyone out of the centers and Lincoln-Marti is more than willing to work with ELC to make sure access is given. The issue is that given the large number of different personnel that comes through the centers, Lincoln Marti has a policy that indicates that staff should stop and call if there is any doubt about the identity of an individual. Some of the contractors that visit the centers might not appreciate it so Lincoln Marti is willing to come up with a solution that would satisfy those needs.
- C. Lederman stated that sometimes safety is best preserved by letting staff and parents on site.
- E. Torres stated that the coalition will provide Lincoln Marti with a sample of coalition identification cards. E. Torres asked D. Perez, Jr. to distribute to his centers so that they are aware of what the identification looks like.
- D. Perez, Jr. stated that he would personally distribute to all of his centers.

V. City of Hialeah

- M. Alpizar, Director of Education and Community Services for the City of Hialeah, shared some concerns about the impact that policy changes might have on afterschool and summer camp programs operating in the city parks. The City of Hialeah currently operates 11 after school sites as well as 5 summer camp sites. The City of Hialeah is currently a license-exempt provider, whose facilities are not built to be childcare centers and have a staff to child ratio of 14:1. There are however, three employees who hold director credentials as well as several staff members who are certified teachers. M. Alpizar explained how this would affect children who receive SR services throughout the year that would normally attend one of City of Hialeah's summer camp programs. The licensing policy would cause children who attend a City of Hialeah summer program, to lose their eligibility, since School Readiness requires that they be enrolled in only approved centers. M. Alpizar asked the committee to reconsider the policy that would require their sites to be licensed in order to participate in the School Readiness program.
- M. Abety inquired about the Committee's legal ability to establish rules and policies that would exclude the City of Hialeah and other potentially high-quality programs.
- S. Echemendia responded that since coalitions are a statutorily created entity, the board only has the authority that is prescribed within the statutes of the program. It can be interpreted within the confines of the statutes, that they arguably have the authority to establish said exceptions.
- S. Fagundo stated that the licensing policy has already been put into place and the Board should be cautious about making exemptions. While the City of Hialeah may have certified individuals, there are other summer and afterschool programs that may have high school youth and other volunteers on their respective staffs.
- S. Echemendia added that the licensing policy, as it is, is legally sustainable.



- J. Russell stated that in reference to M. Alpizar’s statement about the City of Hialeah’s facilities not being designed to be child care centers, they are however, eligible to receive a school age license from the Department of Children and Families which differs from a child care facility license.

VI. Fourth Quarter Monitoring Report

- C. Garcia, partner at Goldstein, Schechter and Koch (GSK), presented highlights from the Fourth Quarter Monitoring report.
 - SR eligibility showed findings which included missing documentation, incomplete or incorrect income worksheets. Rights and Responsibility forms were not legible or properly completed and referral forms that were incomplete or incorrect in reporting hours of care or purpose of care.
 - There were no findings in regard to providing parents with information on the right to choose an approved provider and enroll child according to choice.
 - SR payment and financial management services showed a finding in regards to ensuring that required invoices, data and reports are delivered complete and on time that indicated that some attendance sign-in/sign-out forms were pre-filled.
 - There were no findings for fiscal monitoring of SR or VPK services, non-direct administrative expenses.
 - Resource and Referral services were deemed satisfactory.
 - VPK eligibility showed findings in regards to incomplete or incorrect parent registration forms as well as EFS client data and application variations and missing or incomplete documentation (i.e. birth certificates)
 - VPK provider eligibility showed findings in regards to provider agreements that were not properly completed as well as a missing Affidavit of Good Moral Character.
 - There were no findings with regards to provider payment processing for VPK.
 - There were no findings for compliance of Resource and Referral program requirements.
 - There were no findings for Wesley House, all areas.
- E. Torres stated that ELC staff did monitoring of subcontractors and there were no findings. The coalition uses the same tool as GSK to conduct its monitoring.

VII. Quality Counts Report

- P. Hollingsworth presented the Quality Counts Report.
 - 134 programs in the Quality Counts program have received a baseline rating, as well as at least one star rating. The majority of the baseline ratings fell in the 1, 2 and 3-star rating categories with very few providers falling into the 4 and 5-star categories.
 - Over the course of three years in the program, there have been significant gains and now the majority of providers fall into the 3 and 4-star categories and 7 new providers earned a 5-star rating.
 - 80% of programs who initially received a baseline rating of one star and 78% of 2-star programs have increased at least one star level. 48% of 3-star programs increased at least one star level.



- On the Infant/Toddler Environment Rating Scale (ITERS) there were gains in the areas of activities, listening and talking, program structure and space and furnishing.
- M. Abety asked how we can improve the consistently low rates in the area of personal care.
- P. Hollingsworth responded that the changing of ECERS hand washing guidelines is the essence of the struggle with this area. On the positive side, there is much more hand washing taking place. However, the washing of hands according to the criteria set forth is extremely challenging. The first year of Quality Counts, it was believed that hand washing could be perfected in a year, but there were disappointing results. Hand washing became less of the conversation and the program justifiably turned its attention to areas that matter most. Hand washing is still a focus but we are trying to find other ways to reach the providers with this issue.
- S. Fagundo stated that her center is now a participant of Quality Counts. S. Fagundo praised all of the Quality Counts contractors by saying that all interaction with them has been thoughtful, purposeful, and respectful and they have seemed very excited to help the center improve.

VIII. Child Safety Licensing Policy

- J. Russell stated that a subcommittee workgroup attended by S. Fagundo and L. Piñeiro, board members, met to discuss drafting different language into the Child Safety Licensing Policy. The current policy sets out to suspend providers with one Class I and two Class II violations in a twelve-month period. DCF licensing representatives attended the meeting and explained the process of licensing inspections. The workgroup discussed comparisons between the DCF licensing policy and the current Child Safety Licensing Policy. J. Russell presented a table comparing the DCF and ELC policies which outlined the frequency of violations and their respective resulting sanctions.
- S. Echemendia stated that the committee discussed recommending a motion to have two repeat Class II violations within the same sub-standard.
- S. Fagundo stated that the workgroup was very productive. The exercise of going through the standards was a dynamic discussion. There have been concerns whether some of the sub-standards could jeopardize the health of a child. A lot of these standards can be instances that are a one-time occurrence by a teacher. For instance, if a teacher commits a Class I violation, she would be fired at that moment. However, the owner or director would be the responsible party with a violation on record and in danger of potentially losing a license or School Readiness funding while the teacher is free to work at another center. The current Child Safety Licensing Policy would take action directly on the owner. Even centers who are striving for high quality, if an inspector looked hard enough, could be given two Class II violations. Then a center would lose its funding and result in an upheaval of children who are in a safe, quality center to a center that potentially might not have the same level of quality. The current policy also does include progressive enforcement.
- S. Fagundo stated that the workgroup recommends that the policy be more aligned with DCF in terms of fines and enforcement. S. Fagundo also recommended that the full Board review the standards and their respective real-life implications.
- E. Torres stated that once the coalition begins to consider imposing fines for violations, it takes on the role of a regulatory agency which is not what the



coalition is intended to be. It would require a very complex and expensive administrative structure as well as additional liability.

- E. Bezos suggested that the committee go forward with a policy that states two violations in the same substandard would result in the suspension of School Readiness. Once the provider goes through the appeal process with DCF and the violation is validated, then the ELC should move forward with suspension of School Readiness funding.
- S. Echemendia clarified that the current policy does not specifically state that the two violations would need to be in the same substandard. The current policy also does not defer to DCF nor wait for the licensing appeal process.
- E. Bezos suggested that the language in the policy be changed to state that School Readiness funding *may be* as opposed to *will* be suspended.
- S. Echemendia stated that changing the language would render it arbitrary. Leaving the language in the policy as is would still allow the provider to go through the ELC grievance process and be potentially exonerated by the committee.
- J. Russell reminded the committee that this change in language does not address those providers that are not regulated by DCF.
- R. Beasley moved to leave the current policy, with regards to Class I violations, as is and to change the policy, with regards to Class II violations, to three Class II violations in a one year period resulting in a one year suspension of School Readiness funding.
 - A. K. Weller seconded the motion
- S. Fagundo moved to amend the motion to reflect a six month suspension as opposed to a one year suspension of School Readiness funding for both Class I and II violations
- At the suggestion of R. Beasley, S. Fagundo modified the amendment to the motion to state that one Class I violation in a one year period would result in a suspension of up to one year, and 3 Class II violations of the same substandard in a one year period would result in suspension of up to six months.
 - M. Abety seconded the amended motion
 - Motion was unanimously passed.

IX. Enrollment Update

- E. Humes stated that around October, in an effort to be cautious about the budget, the enrollment target for School Readiness was lowered in order to ensure that the budget was not overextended. Managed enrollment efforts began in December. Between December and the first week of February there were close to 3,500 children enrolled. We have now reached our target and should now come very close to our budget parameters by the end of the fiscal year.

X. 2010–2011 Sliding Fee Scale

- J. Russell presented the updated Sliding Fee Scales for Miami-Dade County and Monroe counties.

XI. Public Comment

- B. De La Sierra stated that he represents 319 schools in Miami-Dade County; 246 of them accredited. One of his organization's schools in Palm Beach County, who had been in business for years and was an accredited center, had an incident where a child decided to stay on the bus that they use to transport children to afterschool care and hide. The driver did not see the child and proceeded to go to another school to pick up more children. The mother of the child was



contacted and informed of the occurrence. The mother admitted that her child does things like that and told the center not to worry. While the director did not self-report the incident, someone at the center did and the center was given a Class I violation as a result, and subsequently lost its Gold Seal status. There are many instances beyond a provider's control that can occur. Echoing S. Fagundo's statement about a teacher committing an error that results in a Class I violation, the teacher would be free to gain employment elsewhere but the provider is the one who is penalized. Suspending School Readiness funding could potentially take away the provider's ability to earn a living. While the policy has great intentions, given the purpose of improving safety and quality, he is concerned that it may put good centers out of business.

- L. Carmona asked for clarification on the sliding fee scale. The block grant allows eligibility to be based on the 85% of the median income for the state. The sliding fee scale uses the poverty level, which is quite different. Does this new sliding fee scale affect the parent copayment or provider reimbursement, and if so, what is the economic impact to the budget?
- J. Russell clarified that the reimbursement rate and the parent fees are not changing. The change lies in the poverty level criteria so that now more families are eligible to apply.
- E. Torres added that we can expect more families to be on the waitlist because of the new income criteria.

XII. Adjourn.

- C. Lederman adjourned the meeting.



Monroe County: 2010/2011 Performance Report – February 2011

Outcome	Indicator	Target	Y-T-D Actual (7/10 – 6/11)	%	Comments	Data Source
I. Eligible children birth to five with parental consent are screened using the Ages and Stages Developmental Screening Questionnaire (ASQ)	Completion of ASQs (based on the child's date of entry and/or birthdate)	600	514	86%		WHFS
	Percent of ASQs completed timely within 45 days of program entry	100%	90/220	41%		
	Percent of children with "red flags" who receive an Individual Improvement Plan	100%	46/46	100%		
	Percent of children with valid "red flags" (with parental consent) who receive Battelle screen	100%	30/46	65%		
	Disposition of children without parental consent for Battelle screen		16		7- already receiving services; 2- moved out of area; 7 direct referrals	
II. Eligible children birth to five years with agreement providers and parental consent are assessed at pre and post using Creative Curriculum Developmental Continuum Assessment (CCDA)	Completion of pre assessments (Sept – Nov)	450	355	79%	Pre assessment period is Sept – Nov	WHFS
	Completion of post assessments (March – May)	450	0	0%	Post assessment period is March – May	
III. Eligible children birth to five with parental consent received a comprehensive child health screening conducted by FKAHEC medical team	Completion of health screening results form	450	387	86%	96 Referrals: 36- Dental 17- Vision 16- Hearing 27- Physician	FKAHEC
IV. School Readiness providers have submitted signed Provider Agreements	Percent of Signed Provider Agreement Forms	100%	20 centers 34 fcchs 54	100%		ELC Monroe Office
V. Agreement providers, including centers and family child care homes, received a Coalition approved environmental assessment	Completion of environmental assessments	70%	8 center 23 fcchs 33	87%		WHFS
VI. Participating Monroe providers received available Coalition mentoring/inclusion services	Number of provider visits	600	377	63%	Upper Keys mentor on maternity leave Oct - Nov	ELC Monroe Office
	Number of provider trainings (individual, small or large group)	24	14	58%		
VII. Participating VPK providers received a monitoring visit to verify enrollment ratios;	Completion of VPK monitoring tool	24	9	38%	VPK monitoring began Jan. 2011	WHFS

<i>Outcome</i>	<i>Indicator</i>	<i>Target</i>	<i>Y-T-D Actual (7/10 - 6/11)</i>	<i>%</i>	<i>Comments</i>	<i>Data Source</i>
confirm the teacher of record on the Form 11 is the current teacher and providers are maintaining up to date parental choice certificates						
VIII. VPK enrollment increased 5% from the previous 09/10 school year enrollment (421 unduplicated count)	Generation of Enrollment Report from EFS (Aug '10 - May '11)	442	440	99%		WHFS

School Year 2010-2011 VPK Certificates Issued as of 2/28/11- 490
Percent School Year 2010-2011 VPK Children Enrolled as of 2/28/11- 90%

School Readiness Child Enrollment as of 2/28/11- 751
School Readiness Child Wait List as of 2/28/11- 0
CCEP Enrollment as of 2/28/11- 17



Miami-Dade County: 10/11 Performance Report - February 2011

<i>Outcome</i>	<i>Indicator</i>	<i>Target</i>	<i>Y-T-D Actual</i>	<i>Percentage/ Difference</i>	<i>Comments</i>	<i>Data Source</i>
I. Eligible children birth to five with parental consent are screened using the Ages and Stages Developmental Screening Questionnaire (ASQ)	Completion of ASQs (based on the child's date of entry and/or birth date)	20,000 (annual estimate)	9882	50%	On target to meet goal	Miami-Dade County monthly reports
	Number of children with "red flags" who receive an Individual Improvement Plan	100% up to *1700 is reference # (Contract)	Confirmed: 149 • IIP 125 • Declined 24 Unconfirmed: 893	9%		
	Number of referrals		42	On-going		
II. Random sample of children with parental consent are assessed at pre and post using Learning Accomplishment Profile-Diagnostic (LAP-D) or the Early Learning Accomplishment Profile (E-LAP) depending on the age of the child.	Completion of pre assessments (Sept - Nov)	450	479	106%	Exceeded goal	Miami-Dade County monthly reports
	Completion of post assessments (March - May)	450	N/A			
IV. Eligible children enrolled in services during managed open enrollment to meet enrollment target.	Number of children enrolled in care.	26,900	28,511	1611 over target.		Miami-Dade County Weekly Enrollment Report
V. Eligible children enrolled in CCEP billing category.	Number of children enrolled in CCEP	900	786	87%		ELC Weekly Report
VI School Readiness Providers have submitted	Signed Provider Agreement form	100%	1651	100%		ELC Provider Database

<i>Outcome</i>	<i>Indicator</i>	<i>Target</i>	<i>Y-T-D Actual</i>	<i>Percentage/ Difference</i>	<i>Comments</i>	<i>Data Source</i>
signed Provider Agreements						
VII Participating Quality Counts providers have completed Performance Improvement Plans	Baseline Rating awarded and QIP entered into WELs system	100%	447 Total Providers 397 baselines 389 QIP			WELs system
VIII Participating VPK providers who received a monitoring visit.	Completion of VPK monitoring tool	498	271 Private 56 MDCPS 327 Total	66%		
IX. VPK enrollment	EFS Enrollment Report from EFS (Aug '10 - June '11)	22,000	21,037	96%		

School Year 2010-2011 VPK Certificates Issued as of 2/28/11 - 22,168

School Readiness Child Wait List as of 3/21/2011 - 12,218

School Readiness Child Wait List- Ages Birth to 8 - 10,414 (85%)

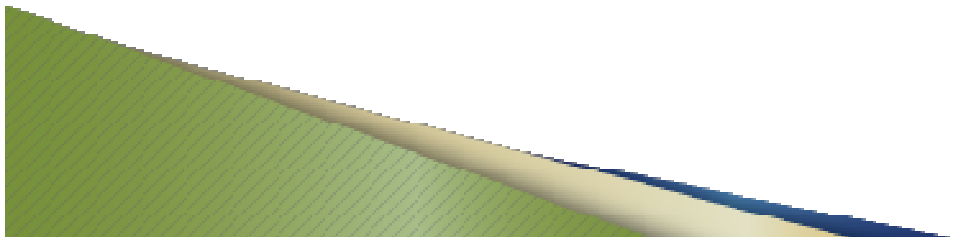


Provider SR Agreement Requirements

2011-2012



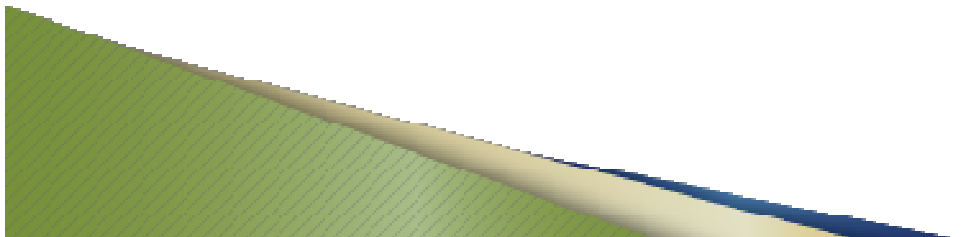
- Unlimited Access to the program and all records for ELC, its designees and AWI.
- Compliance with Level 2 background screening requirements
- Licensed programs must remain in substantial compliance with licensing requirements to include No Class I or repeat Class II Violations. License Exempt programs are required to meet regulatory requirements and adhere to the health and safety standards outlined in state licensing requirements.
- Accept direct deposit in order to receive SR reimbursement for services rendered.



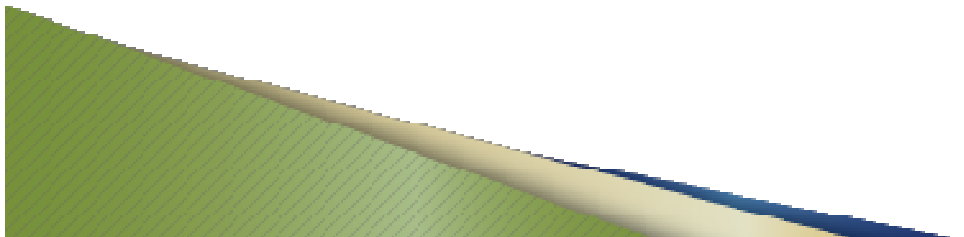
- Provide parents unlimited access to their child and to have a working telephone to make and/or receive phone calls at all times regarding SR children in its care.
- Maintain appropriate liability insurance.
- Obtain and maintain information regarding the child's age-appropriate immunizations, physical development and other health requirements as necessary, including age-appropriate vision and hearing screenings and examinations.
- Ensure staff meets all training and professional development requirements in accordance with Florida state statutes and administrative codes as applicable.



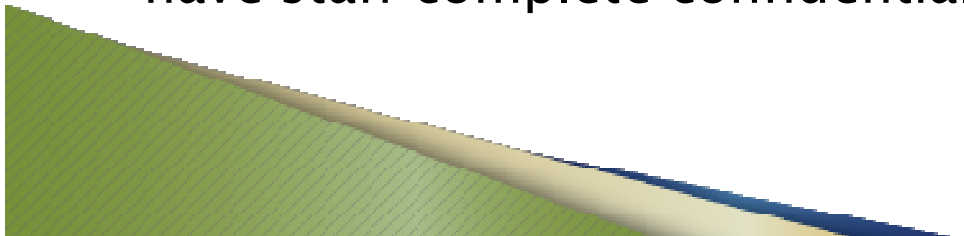
- Implement and use an ELC approved developmentally appropriate curriculum and character development program. (This does not apply to school age only programs).
- Provide children birth to five years of age scheduled activities and instruction that are designed to enhance the age-appropriate progress of each child in attaining the performance standards adopted by AWI.
- Participate in the SR child screening process for children birth to five years of age, including administering the Ages & Stages Questionnaires (ASQ), providing ASQ results to parents, implementing ELC approved interventions and following up with referrals for therapeutic services for children who are identified with special needs.



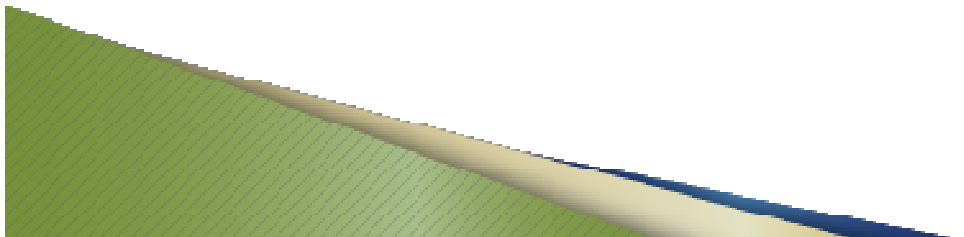
- Participate in SR child assessment process and allow Coalition designated agencies to conduct a pre and post assessment of selected children ages birth to five, during the fall and spring. The Provider agrees to share the screening and assessment results with the child's parents within 30 days of receipt of results.
- Ensure that minimum standards for child discipline practices are age-appropriate, that children are not subjected to discipline that is severe, humiliating or frightening and that discipline is not associated with food, rest or toileting. Prohibits spanking and other forms of physical punishment.
- Maintain daily sign-in/sign-out sheets that are not pre-signed by parents/guardians.



- Submit attendance electronically (not a requirement, but strongly encouraged).
- Notify central agency when a child is absent for five consecutive days with no contact from the parent. The central agency will determine the need for continued care, pursuant to Rule 60BB-4.500(2)(c), F.A.C.
- Follow mandated reporter requirements for the reporting of suspected child abuse and neglect.
- Protect the confidentiality of child and family information and have staff complete confidentiality agreements.



- Maintain all records for a period of five (5) years or until the resolution of any audit findings or any litigation related to the Contract, whichever occurs last.
- Transfer all SR records to the ELC if program ceases to operate before the conclusion of the retention period for SR records.
- Accept the reimbursement rate established by the Coalition and approved by AWI.
- Submit provider update form annually with information concerning the program's published private child care rates and refrain from charging parents/guardians receiving SR services a higher rate than that charged to private pay clients.



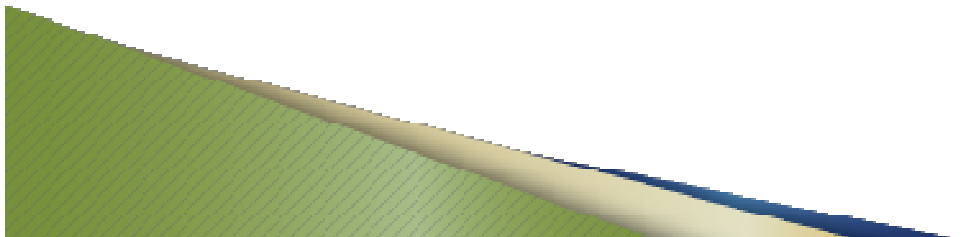
- Provide documentation to verify status as an accredited/gold seal provider and provide information regarding any change in accreditation/gold seal status.
- Collect the parent co-payment from parents/guardians and provide them with a receipt. Notify the central agency within 14 calendar days of nonpayment of parent co-payments.
- Submit all required attendance records to the central agency no later than the third business day of each month.
- Follow ELC approved holiday schedule.
- Report any payment discrepancies within 45 days from the date the reimbursement was deposited or mailed.



- Maintain an Emergency Operating Plan.
- Return to the Coalition any funds received as a result of error or overpayment or disallowed cost.
- Agrees not to discriminate against children on the basis of race, national origin, ethnic background, sex, religious affiliation, or disability and shall not discriminate against staff, on the basis of religion, in the employment of caregivers.
- Report any changes in contact or program information within 14 calendar days and report temporary emergency closings of the SR program within two (2) calendar days.
- Report unusual incidents to the Coalition within one (1) hour of learning of the incident and submit a written report to the Coalition within three (3) calendar days.

Additional potential requirements not currently in provider contract:

- Submit contract electronically
- Submit attendance electronically
- Obtain an identified Environmental Rating Scale Assessment score
- Obtain an identified CLASS score
- Obtain identified Star Rating Level
- Provide family literacy activities
- Provide proof of financial stability



ACF

Administration
for Children
and Families

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. Log No: CCDF-ACF-PI-2010-06

2. Issuance Date: August 26, 2010

3. Originating Office: Child Care Bureau, Office of Family Assistance

4. Key Words: Child Care and Development Fund (CCDF), Program Integrity, Financial Accountability, Access to Child Care

PROGRAM INSTRUCTION

- To:** Lead Agencies administering child care programs under the Child Care and Development Block Grant (CCDBG) Act of 1990, as amended, and other interested parties.
- References:** The CCDBG Act (42 USC § 9858 *et seq*); Section 418 of the Social Security Act (42 USC § 618); 45 CFR Parts 98 and 99; Executive Order 13520, *reprinted in* 74 Fed. Reg. 62201 (Nov. 25, 2009).
- Subject:** To remind Lead Agencies of program integrity and financial accountability provisions under the Child Care and Development Fund (CCDF) program and provide recommendations and resources for ways to strengthen program accountability.
- Background:** Lead Agencies administering the CCDF program must meet several regulatory requirements established to support program integrity and financial accountability. These requirements are aimed at reducing errors in payment and minimizing waste, fraud and abuse to ensure that funds are being used for allowable program purposes and for eligible beneficiaries. The purpose of this guidance is to remind Lead Agencies of their roles and responsibilities in preserving program integrity and provide recommendations to assist Lead Agencies in strengthening accountability while continuing to preserve access for eligible children and families.
- Program integrity efforts can help ensure that limited program dollars are going to low-income eligible families for which assistance is intended; however, it is important to ensure that integrity efforts do not inadvertently impair access for eligible families. The Administration has emphasized that efforts to reduce improper payments and fraud must be undertaken with consideration for impacts on eligible families seeking benefits. In November 2009, the President issued Executive Order 13520, which underscored the importance of reducing improper payments in Federal programs while

protecting access to programs by their intended beneficiaries. (74 Fed. Reg. 62201 (Nov. 25, 2009))

Guidance: The Child Care Bureau (CCB) defines program integrity comprehensively as mechanisms necessary to ensure provider and program quality, to meet the developmental needs of children, support parents in employment or education, and maintain financial accountability. This guidance is specific to the fiscal aspects of this larger view of program integrity and accountability. It is important to have a strategic and intentional planning process to formalize mechanisms to promote program integrity and financial accountability while balancing quality and access for eligible families. A foundation for accountability should be policies and procedures that help low-income parents access child care assistance to support their work and training and promote children's success in school. Once a Lead Agency has established policy and procedures in line with this mission, steps should be taken to implement the program with fidelity and to include a variety of checks to detect areas both where there may be vulnerability to error or fraud and areas in which the system is failing to serve families well. CCB recommends that Lead Agencies articulate planning and implementation practices as well as demonstration of infrastructure such as training, databases, and monitoring activities that will allow for effective enforcement in the biennial CCDF Plan.

Supporting Program Integrity and Financial Accountability

Lead Agency Responsibilities:

There are several Federal requirements outlining Lead Agency responsibilities for ensuring CCDF funds are spent in accordance with the CCDBG Act and regulations. These include the following:

- *CCDF Plan* – Submission of the biennial CCDF Plan (ACF-118) includes reporting of Lead Agency actions to prevent, measure, reduce and collect improper payments. Lead Agencies must have systems in place to document that CCDF funds have been spent in compliance with the law and the approved Plan.
- *Error Rate Reporting* – CCDF regulations at 45 CFR § 98.100 require Lead Agencies to conduct case records reviews to detect and reduce errors associated with eligibility determination to ensure that families receiving subsidies are eligible. Lead Agencies are required to submit error rate reports indicating percentage of cases with an error and estimated annual amount of improper authorizations for payments.
- *Audits* – Lead Agencies are required to have an audit conducted at the close of each program period in accordance with OMB Circular A-133 and CCDF regulations at 45 CFR § 98.65. The

Lead Agency must report findings to the HHS Office of the Inspector General (OIG).

- *Financial and Administrative Reporting* – Lead Agencies must submit quarterly ACF-696 Financial Reports indicating the status of expenditures and uses of funds. Lead Agencies also submit administrative data reports on the number of children served and the characteristics of services and recipients (ACF-801 & ACF-800). Regional grants staff review financial reports and confirm compliance with CCDF statutory and regulatory requirements, such as obligation and liquidations periods; minimum quality spending requirements; and limitations on administrative costs.
- *Record Retention* – CCDF regulations at 45 CFR § 98.90 require that Lead Agencies retain documentation showing they have expended funds in compliance with CCDF law for at least three years or until complete resolution of any litigation or similar legal action involving records and make documents available to the Federal government upon request.
- *Monitoring Subrecipients* – Lead Agencies that use other governmental or non-governmental subrecipients to administer the program must have written agreements in place outlining roles and responsibilities for meeting CCDF requirements. CCDF Regulations at 45 CFR § 98.11 require the Lead Agency to oversee the expenditure of funds by sub-grantees, monitor programs and services, and ensure that sub-grantees that determine individual eligibility operate according to rules established by the program.
- *Recovery in Cases of Fraud* – CCDF Regulations at 45 CFR § 98.60(i) require Lead Agencies to recover child care payments that are determined to be the result of fraud. Payments are to be recovered from the party responsible for the fraud.
- *Disallowances* – Expenditures not made in accordance with the CCDBG Act, implementing regulations, or the approved CCDF Plan are subject to disallowance, pursuant to CCDF Regulations at 45 CFR § 98.66(a). In accepting the CCDF grant award, the Lead Agency agrees to comply with the terms and conditions of the grant award, including administrative requirements, financial and program progress reporting, and requirements for sub-recipients and vendors. Failure to comply could result in the loss of Federal funds, penalties, and disqualification from receipt of further CCDF funding.

Lead Agency Roles:

CCDF provides Lead Agencies with significant flexibility to establish policies and procedures for administering the program within the above-stated responsibilities and requirements. Therefore, Lead Agencies have an important role to play to ensure policies appropriately support program integrity and financial accountability. These roles include:

Verifying and Documenting Child and Family Eligibility

Lead Agencies are responsible for ensuring that all children served in CCDF are eligible for the program and receiving care from eligible child care providers. This includes instituting procedures to ensure eligibility is appropriately verified, including monitoring State, local, and non-governmental agencies directly engaged in eligibility determination. CCDF requirements pertaining to child eligibility are found at 45 CFR § 98.20. In order to be eligible for services a child must be under 13 years of age (or at the option of the Lead Agency be under age 19 and physically or mentally incapable of caring for himself or herself, or under court supervision); reside with a family whose income does not exceed 85 percent of the State median income for a family of the same size; and reside with a parent or parents who are working or attending a job training or educational program, or receive or need to receive protective services.

Lead Agencies should, at a minimum, verify and maintain documentation of the child's age, family income, and require proof that parents are engaged in eligible activities. Income documentation may include pay stubs, tax records, child support enforcement documentation, alimony court records, government benefit letters, and receipts for self-employed applicants. Documentation of participation in eligible activities may include school registration records, class schedules, or job training forms. In addition, electronic recordkeeping practices can be utilized to reduce paperwork.

Monitoring Child Care Providers

Lead Agencies are responsible for ensuring that CCDF funds are used to access child care services with legally operating providers. CCDF regulations at 45 CFR § 98.40 require that States have in effect licensing requirements applicable to child care services provided within the State. CCDF regulations at 45 CFR § 98.41 also require that child care providers serving children who receive subsidies meet requirements pertaining to prevention and control of infectious diseases, building and physical premises safety, and basic health and safety training for providers. The Lead Agency or its subcontractors also must have procedures in place to ensure that child care providers serving subsidized children comply with all applicable State and local health and safety requirements.

Monitoring of child care providers may involve requiring background checks of providers and other adults in the child care setting, visiting the provider to check for health and safety compliance, or conducting mandatory health and safety training sessions a provider must complete before receiving CCDF funds. CCB recommends a combination of announced and unannounced on-site visits and encourages Lead Agencies to partner with State and local entities responsible for child care licensing to allow for information sharing regarding compliance with licensing regulations and proper use of CCDF funds. Enhanced communication and

information between licensing systems and subsidy systems can simultaneously improve child care quality and program integrity. For example, a linked database could be used to check that providers are not receiving subsidies for more children than they are licensed to serve and flag providers who are at risk for fraud or abuse.

Payments to Child Care Providers

Lead Agencies determine how to provide payment for child care services, including whether payments are processed by the Lead Agency or another entity, payment mechanism (electronic transfer, check, payment to the parent), and the type of documentation required for payments. In designing these policies and systems, Lead Agencies should consider how choices may impact the likelihood of waste, fraud, and abuse. For example, Lead Agencies and their subcontractors or grantees may find it easier to track electronic payments to parents and providers. Time and attendance systems can help to track and record children's attendance to ensure appropriate payment.

While Lead Agencies are required to recover payments resulting from fraud, they have discretion to devise the specific processes that will be used. CCB recommends that Lead Agencies implement strategies such as record matching and database linkages, regular staff trainings, and dedicated program integrity staff to both prevent and recover fraudulent payments. Lead Agencies may wish to use a unique identifier to crosscheck information provided by parents and providers across State and national data systems.¹ For example, income reported on the application for child care assistance may be checked with State quarterly wage databases or other benefit programs (i.e. Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Support Enforcement (CSE)). Many such data systems can be structured to automatically flag potential improper payments. States should also provide training to caseworkers responsible for eligibility determination and redetermination and make efforts to simplify forms. CCB also recommends that each Lead Agency include staff dedicated to program integrity efforts. These staff should partner with law enforcement as appropriate to address intentional and egregious fraud.

Preserving Access for Children and Families

Efforts to promote program integrity and financial accountability should not compromise child care access for eligible children and families. Once the Lead Agency develops child-centered and family-friendly policies that take into consideration both access to care and quality of care to promote children's health and well-being, the next step is implementation with fidelity to the established policies. Lead Agencies can promote program

¹ State law may restrict some disclosures of personal information. Lead Agencies should consult their State attorneys general and/or information officers to determine what kinds of information may be crosschecked across programs.

integrity by clearly communicating specific State policies to staff, parents, and providers. When policies are easily understood by the public and clearly communicated, parents and providers can better understand reporting requirements and deadlines. Lead Agencies should reconsider policies that are unnecessarily complex or that increase the risk of administrative errors and fraud.

Within the eligibility requirements identified in Federal law, Lead Agencies have broad flexibility in defining child eligibility and re-determination periods in the State Plan. Lead Agencies should carefully review their policies to ensure that they meet the needs of children and families and are easily enforceable to minimize the potential for fraudulent payments.

Technical Assistance and Resources

CCB has several technical assistance tools in place to assist Lead Agencies in assessing efforts to promote program integrity and financial accountability and build towards improvement. Regional offices are also available to provide technical assistance. The online tools below may be useful to improve Lead Agency program integrity efforts:

- State Risk Self Assessment Tool – This tool is based on the U.S. Government Accountability Office (GAO) Internal Control Management and Evaluation Tool² and assists Lead Agencies in assessing the adequacy of program governance and internal controls. The CCB tool is designed to help identify issues in overall program integrity including errors in the administration of CCDF and improper payments. The tool is available at: <http://www.acf.hhs.gov/programs/ccb/ccdf/ipi/saic/toc.htm>.
- Improper Payments Information Technology Guide – This tool identifies ways in which Lead Agencies can use IT and software to prevent improper payments. The tool is available at <http://www.acf.hhs.gov/programs/ccb/ccdf/ipi/it/toc.htm>.

PARIS – States may participate in the Public Assistance Reporting Information System (PARIS) project to crosscheck CCDF data with other benefit programs. Participating States use PARIS match results to validate client reported circumstances and identify possible erroneous payments based on data provided. All 50 States, the District of Columbia, and Puerto Rico participate in the PARIS match using data from TANF, Medicaid, and Food Stamps. Additional information is available at <http://www.acf.hhs.gov/programs/paris/>.

Effective Date: This Program Instruction is effective upon issuance.

² Available at <http://www.gao.gov/new.items/d011008g.pdf>

Questions: Direct all inquiries to the Child Care Program Manager in the appropriate [ACF Regional Office](#).

/s/

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STATE OF FLORIDA AGENCY FOR WORKFORCE INNOVATION
OFFICE OF INSPECTOR GENERAL
INSTRUCTION

Reporting Suspected Fraud in the Early Learning Programs

1.PURPOSE

To establish the procedures for reporting allegations of possible fraud, misfeasance, misapplication of funds, gross mismanagement and employee/participant misconduct in the Early Learning Programs. (School Readiness and Voluntary Pre- Kindergarten)

2.BACKGROUND

In the normal course of their work, Early Learning managers, supervisors, team members and partners may become aware of instances of actual, potential, or suspected fraud and abuse in the operation of any program funded by State of Federal funds administered through the Agency for Workforce Innovation (AWI). Included in this category are instances of actual, potential, or suspected fraud and abuse in the operation of programs administered by grantees, contractors and partners.

3.POLICY

The Inspector General of AWI is designated the coordinator of all suspected fraud referrals to the Florida Department of Law Enforcement, Public Assistance Fraud Unit. Early Learning Partners are responsible for immediately reporting all such actual or suspected violations they or their supervisors and employees uncover to the AWI Office of Inspector General, the Florida Department of Law Enforcement Public Assistance Fraud Unit and the Office of Early Learning (OEL).

4.PROCEDURE

The Suspected Fraud Referral Record form is designed for promptly reporting to the AWI Inspector General, the Florida Department of Law Enforcement, Public Assistance Unit and the Office of Early Learning that an actual or suspected violation has occurred. **Any activity or incident that poses a danger to the health, safety or welfare of any individual or individuals should be reported immediately to local law enforcement or emergency management.** All allegations, those judged to be of an emergency nature, those receiving public exposure and those related to suspicions should also be reported immediately to the Office of Inspector General (OIG) by telephone; (850)245-7135. However, all telephone reports should be followed by prompt written or electronic notification to OIG, using the Suspected Fraud Referral Record form or other suitable means. In completing the Suspected Fraud Referral Record form, Case Identification number field, use the social security number if the subject is an individual or leave blank if the subject is a business entity. Provide the business entity information in the Comments section of the form.

Coalitions and their contractors should submit the form via the OEL Fraud Referral System at <https://oelfrs.flaawi.com/> to OEL who will notify the Inspector General and FDLE Public Assistance Fraud Unit electronically. Citizens may report suspected fraud to the OIG at (850) 245-7135.

5.DEFINITIONS

- a. **Fraud, Misfeasance, Nonfeasance, or Malfeasance:** In the operation of any program funded by State or Federal funds administered by the Agency for Workforce Innovation, actions which constitute the omission of an act a person ought to do, the improper performance of an act a person might lawfully do, or the performance of an act a person ought not to do. This category includes, but is not limited to, indications of

bribery, forgery, extortion, embezzlement, theft of participant checks, kickbacks from participants, and intentional payments to a contractor without the expectation of receiving services.

- b. Misapplication of Funds: Misapplication of funds should be considered as any alleged use of funds, assets or property not authorized or provided for in the grant or contract. This category includes, but is not limited to, nepotism, political patronage, use of participants for political activities, ineligible enrollees, conflict of interest, not reporting income from Federal funds, violation of contract procedures, maintenance of effort violations, and the use of funds for other than their designated purposes.
- c. Gross Mismanagement: Actions or situations arising out of the intentional failure to perform one's duties or responsibilities in reckless disregard of the consequences, which lead to major violations of contract provisions and/or which severely hamper the Agency's ability to fulfill its mission.
- d. Employee/Participant Misconduct: Employee/participant misconduct should be considered as occupational or professional actions occurring during or outside work hours, that reflect negatively on the Agency or its mission, and may include, but are not limited to, conflict of interest or the appearance of conflict of interest involving outside employment business and professional activities; the receipt or giving of gifts, fees, entertainment, and favors; misuse of Federal/State property; misuse of official information; and such other activities as might adversely affect the confidence of the public in the integrity of the Government as well as serious violations of Federal and State laws.

6.CONTACT

Further information on reporting suspected fraud may be obtained by calling the Office of Inspector General at (850)245-7135.

Attachment I: Suspected Fraud Referral Record Form