



Early Education and Support Division

Governance and Administration 101

Presenters:

Paul Saucedo, Manager, GAU A
Vanessa Saunders, Manager, GAU B



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Agenda

- Purpose
- Overview of Governance and Administration Unit (GAU) Background and Staff
- GAU Review Process
- Overview of the 2014 Federal Review Report
- Tentative Summary of the GAU Fiscal Year (FY) 2015–16 Legislative Report
- Overview of the GAU Review Guide
- Next for the GAU
- Questions



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Purpose

The purpose of this brief background is to better acquaint participants with the Early Education and Support Division (EESD), Field Services Office's (FSO), Governance and Administration Unit (GAU); explain the changes, functions, mandates, resources, and tasks.



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Governance and Administration Background

- APMU and CMU staff merged in 2016 and created the Governance and Administration Units A & B
- Error rate reviews for Alternative Payment Program began December 2005
- Completed AP baseline reviews in FY 2008–09
- Still working on Center-based baseline
- Approximately 56 Error Rate Reduction Plans are in progress
 - 5 Alternative Payment
 - 51 Center-based
- Completed three federal reviews



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Governance and Administration Unit Staffing

Governance and Administration Unit A (formerly Center-based Monitoring Unit)

Paul Saucedo, Manager

- Bounthay Bouttavong, Analyst
- Magdalena Vela, Analyst
- Alice Ludwig, Analyst
- Vacant, Analyst
- Vacant, Analyst



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Governance and Administration Unit Staffing (cont.)

Governance and Administration Unit B (formerly Alternative Payment Monitoring Unit)

Vanessa Saunders, Manager

- Esmeralda Ramirez, Analyst
- Jumaane Cowan, Analyst
- Miguel Zuloaga, Analyst
- Amber Jones, Analyst
- Michelle Clavecilla, Analyst
- Marcia Smith, Analyst



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Introduction and Overview

Governance and Administration Unit

- Monitors General Child Care, Migrant Child Care, Full-day Preschool, Alternative Payment (AP), and CalWORKS contracts.
- All contracts have identical review standards for eligibility, need, and family fee.
- There are different review standards for contract eligibility for AP and CalWORKS.



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Field Services Office Review Process

- Pre-notification:
 - Initial notification to contractors of the upcoming FY 2016–17 review schedule completed by September 1, 2016.
 - At least 45 days prior to the scheduled review the contractor will receive notification via letter/e-mail from their Field Services Consultant regarding the date and time of the upcoming review.



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Review Process

As part of the FSO Review, most agencies will also receive a GAU Review. The focus of a GAU review is to determine an error rate.

A letter will be sent out two (2) weeks before the review to confirm the review date and provide the following information:

- Month that will be reviewed
- Sample list of the family data files to be reviewed
- Instructions on how to prepare the family data files for the review



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Review Process

During the week of the review, staff will:

- Conduct an Entrance meeting
- Review Family Data Files for administrative errors in the areas of:
 - Eligibility
 - Need
 - Family Fee
 - Provider Reimbursement
- Answer questions
- Provide technical assistance
- If applicable, when an error is determined, discuss with agency staff and have them initial the data cover sheet.



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Review Process

- **Pre-exit Meeting**
 - At the end of each day or the day before the Exit Meeting
 - Summarize the findings to date
- **Exit Meeting**
 - Summary of Findings
 - Error Calculations Report
 - Data Input coversheet for any file cited with an error (the form contains the citation with detailed error notes and when applicable copies of the documents from the file that support the error citation)



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Federal Review Summary

Error Rate Reviews are required by Federal Regulations:

- Federal target for California is 9%
- States above 10% have to complete a statewide error reduction plan
- States too far above 10% receive a visit from federal auditors

California's current State Error Rate is 5.82%

California's system for meeting these federal targets is to conduct reviews of AP and full-day programs (except CHAN and CSPP's operated by LEA's), estimate errors, and implement error rate reduction plans where needed.



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GAU Annual Legislative Report

California Department of Education, EESD is required to report statewide error rates for the child care and development programs annually to the Legislature and the Governor.

<http://www.cde.ca.gov/sp/cd/re/adminerrorreports.asp>



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State Improper Payments Report Summary

Common Errors Based on FY 2014 State Improper Payments Report



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- Recertification not completed within 12 months.
- Inadequate documentation to determine need for services.
- Incorrect Regional Market Rate ceiling being chosen based on certified need.
- Incorrect calculation of the monthly subsidy based on days and hours used.



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Federal Error Rate Review 2017

FY 2016–17 EESD will again be conducting the tri-annual Federal Error Rate Review.

- Planning currently in process
- Review months are October 1, 2015, through September 30, 2016
- Tentative Federal Review dates January and February 2017
- Report due June 2017



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GAU FY 2015–16 Preliminary Summary

Completed 114 reviews

- 108 Center-based reviews
- 6 Alternative Payment reviews

Overall Error Rate Percentage is unavailable at this time as the data is still being reviewed



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GAU FY 2015–16 Preliminary Summary

The most common errors:

Eligibility

- There was insufficient documentation of the family's total countable income and/or the contractor did not verify the income documentation received per *California Code of Regulations, Title 5 (5 CCR) Section 18084*
 - *For example: The family data file did not have any of the regulatory documentation that was applicable to the family.*



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GAU FY 2015–16 Preliminary Summary

The most common errors (cont.):

Need

- In the area of Vocational Training, the files lacked documentation indicating the parent's vocational goal per 5 CCR, Section 18087.
 - *For example: The family data file did not have a statement of the parent's vocational goal or the goal indicated "to get an AA".*
- Additionally, in other files there was insufficient documentation in the file to support the family's need per 5 CCR, Section 18086.
 - *For example: The family data file did not have sufficient documentation to determine the need certified.*



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GAU FY 2015–16 Preliminary Summary

The most common errors (cont.):

Provider Reimbursements

- Utilizing the incorrect Regional Market Rate ceiling per 5 CCR, Section 18074.2.
 - *For example: A child is 4 years old and is certified for full-time care, but the agency uses the school-age, full-time care RMR ceiling.*
- The contractor did not use the appropriate adjustment factor when reimbursing for evening and weekend care per 5 CCR, Section 18075.1.
 - *For example: The contractor used the adjustment factor of 1.25 when 1.125 should have been used.*



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GAU FY 2015–16 Preliminary Summary

The most common errors (cont.):

Family Fee

- Family Fee assessed was inaccurate due to the miscalculation of monthly income per 5 CCR, Section 18096.
 - *For example: The income is calculated at bi-monthly when it should be bi-weekly, this will cause a miscalculation of income which might generate into an inaccurate family fee assessment or the family being over income.*
- The contractor did not assess the correct family fee based on Management Bulletin 14-03a.
 - *For example: The child was certified for a variable schedule up to 40 hours and was assessed a full-time family fee, however in averaging the prior four months the family fee should have been assessed a part-time family fee.*



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Governance and Administration Review Guide



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Introduction and Overview of the GAU Review Guide

1. To clearly describe standards and procedures for doing a review – to make our process transparent.
2. To empower contractors to do their own reviews – replicate what we do.
3. To distinguish between errors:
 - material error (federal term is “improper payment”) and
 - file error (federal term is “administrative error”)
4. To provide guidance and examples – to make implementation of regulations easier when we can.



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Types of Errors

Two types of Errors: Material and File Error

Material Error

- A material error is an error that results in the improper reimbursement of services. A material error occurs when the requirements in statutes or regulations are either misapplied and/or when there is insufficient or conflicting documentation

File Error

- A file error occurs when federal and state requirements are not met, but do not result in an improper reimbursement of services. However, a systemic issue may result in a noncompliance finding



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Resource Tools

- Process to Select Sample Size
- Governance and Administration Monitoring Checklist
- Method to Determine Error Amount and Error Rate Worksheet
- Error Rate Reduction Plan
- File Error Determination



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Error Rate Reduction Plan

Based on the 2013 Federal Improper Payments Elimination and Recovery Act Report, if a contractor receives an estimated error rate of 10 percent or above they will be required to complete an Error Rate Reduction Plan (ERRP).

The expectations of the ERRP:

- Contractors are expected to address findings that affected their error rate.
- Enhance or develop a quality assurance system.
- Work collaboratively with EESD staff.
- Finally, improve administrative error rates during the follow-up review.



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Error Rate Reduction Plan

The GAU ERRP procedure includes:

- Assisting contractors in reducing their error rate percentage.
- Working in collaboration with the assigned EESD consultant.
- Communicating with contractors by e-mail and phone.
- When necessary, provide 1–2 days of training and technical assistance to follow-up on their ERRP.



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Error Rate Reduction Plan Template

California Department of Education
 Early Education and Support Division



Governance and Administration Review Error Rate Reduction Plan Fiscal Year 2016-17

Agency: Sample Agency
 CDE/CDD Reviewer(s): Rhonda Reviewer
 Review Date(s): June 6-10, 2017
 Agency Rep. Signature: _____ Title: _____
 Consultant Signature: _____ Date: _____
 Manager Signature: _____ Date: _____
 Error Rate Reduction Plan Due Date: July 25, 2017

Error / Description	Current Practice:		Proposed End Date:
Pursuant to the <i>California Code of Regulations</i> , Title 5 (5 CCR) Section 18100 (a)(2) when only one parent has signed the application and the information provided indicates that the child (<u>ren</u>) in the family has another parent whose name does not appear on the application, then the presence or absence of that parent shall be documented.	System Change: <input type="checkbox"/> Corrective Action: <input type="checkbox"/>		Timelines: Implementation date: Progress check dates:
	Proposed Practice: <input type="checkbox"/>		Person(s) Responsible:

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File Error Determination

When a file error occurs, the contractor will develop a Corrective Action Plan. The plan assists the contractor by strategically analyzing, correcting, and validating the processes necessary to ensure compliance.



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Next for the GAU

- Continue re-reviews of AP's and reviews of full-day programs in California.
- Provide technical assistance and/or trainings for all contractors that have an ERRP.
- Prepare for the upcoming Error Rate Review (Federal Review).
 - Review dates tentatively January - February 2017.
 - Months being reviewed October 2015, through September 2016



QUESTIONS





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Thank you for your participation.