



Governance and Administration Unit Informational Session

CAPPA Statewide Meeting July 2016

Presenters: Vanessa Saunders, Governance and Administration Unit B Manager
and Sandy Patitucci, Field Services Consultant



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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 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 Governance and Administration Unit, explain the changes, functions, mandates, resources and tasks.



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GAU Background

- The GAU began conducting reviews in December 2005
- Completed the baseline reviews in FY 2008-09
- As of today have completed 74 re-reviews
- Currently 6 Error Rate Reduction Plans in progress with the Alternative Payment Programs
- Completed three federal reviews
- APMU and CCTR staff merged and created the Governance and Administration Units A&B



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Governance and Administration Unit

Early Education and Support Division

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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Governance and Administration Unit

Early Education and Support Division

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

TBD, Manager

- Bounthay Bouttavong, Analyst
- Paul Saucedo, Analyst
- Magdalena Vela, Analyst
- Alice Ludwig, Analyst
- TBD, Analyst



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Introduction and Overview APMU and CMU

Alternative Payment Monitoring Unit

1. Monitors AP and CalWORKS contracts
2. Different review standards for contract eligibility, attendance, and provider reimbursement

Center-based Monitoring Unit

1. Monitors General Child Care, Migrant Child Care, and Full-day Preschool.
2. Identical review standards for eligibility, need, and family fee.



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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
 - 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

- A notification e-mail will be sent out no less than two (2) weeks before the review to confirm and provide the following information:
 - Review dates
 - Date and time of the Entrance Meeting
 - Month that will be reviewed
 - Instructions on how to prepare for the review
 - Request a staff person be present during the review
 - Sample list of the family files to be reviewed



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Review Process

During the week of the GAU review

- 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

Conclude the GAU review with:

- 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 alternative payment and full-day child care programs, estimate errors, and implement error rate reduction plans where needed.



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GAU Annual Report

California Department of Education, Early Education and Support Division is required to report statewide error rates for the child care programs annually to the Legislature and the Governor



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State Improper Payments Report Summary



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Common Errors Based on Fiscal Year (FY) 2014 State Improper Payments Report

- 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 triannual Federal Error Rate Review.
 - Planning currently in process
 - Review month are October 1, 2015 – 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 6 GAU (APMU) Reviews
 - Completed 75 GAU (Center-based) 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 5 CCR, Section 18084
 - *For example: The family data file did not have any of the regulatory documentation that was applicable to the family.*
- The basic data file lacked sufficient documentation to support the family size, particularly the presence or absence of the second parent per 5 CCR, Section 18100.
 - *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 Priliminary 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 Priliminary Summary

The most common errors:

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.*
- Occasionally, 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 Priliminary Summary

The most common errors:

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

Alternative Payment Review Guide



Early Education and Support Division

September 2014



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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 some guidance on best practices – 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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the different
sections of
the Review
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for the
corresponding
section

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¹The Tab numbers referenced in this Table of Contents correspond with the File Review Database.

Tab where
section of
Review
Guide can be
located.



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Certification and Recertification

APMU 2.1

Where you
can see
what will
cause an
error

Section

Question
Number

Question with
CCR Section

Certification and Recertification (Application for Services)		Findings
APMU 2.1	Is the Application for Services present (5 CCR, Section 18083)?	Material: If the Application for Services is not present in the family data file an error will be determined in eligibility. The error will equal the cost of services provided for the sample month or the portion of the month in which there was insufficient documentation, whichever is less.
APMU 2.2	Is the Application for Services complete (5 CCR, Section 18082[b])?	Material: If services are provided prior to the Application for Services being completed and not all supporting documentation is in the family data file, an error will be determined in eligibility. The error amount will be determined as in 2.1. File: If the Application for Services is incomplete, however the supporting documentation is present in the family data file, an error will be determined in eligibility.
	Was the application completed prior to serving the child (5 CCR, Section 18082[b])?	
APMU 2.3	If applicable, did the recertification occur within 12 months (5 CCR, Section 18103)?	Material: If the recertification date on the Application for Services exceeds the 12 month (3 months at risk) after the date of prior certification, an error will be determined in eligibility. The error amount will be determined as in 2.1. File: If the recertification date on the Application for Services exceeds 12 months (3 months at risk) after the date of the prior certification, however the certification is completed before the review month, an error will be determined in eligibility.

Type of
Error that
can be
assessed
with each
question



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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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Determining Sample Size

- Select a report month
 - For example the last fiscal quarterly report month (September, December, March, or June)
- Identify the number of families served (population size)
 - Print out a copy of the 801A listing all family files for the selected report month
- Determine the number of files to be reviewed
 - Using the Raosoft sample size calculator



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SELECTING A STATISTICALLY VALID SAMPLE SIZE

- Go to the Raosoft web site at <http://www.raosoft.com/samplesize.html>

Enter the following data:

- Margin = 7%
- Confidence Level = 90%
- Population size = the total number of children reported to CDD on the 801A data report for the selected sample month
- Response distribution = 15%
- See recommended sample size under Response distribution (If you have a population of 400 your recommended sample size will be 60)



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Sample Size Calculator by Raosoft, Inc. - Windows Internet Explorer

Sample Size Calculator by Raosoft, Inc.

Raosoft® Sample size calculator

What margin of error can you accept? %
5% is a common choice

What confidence level do you need? %
Typical choices are 90%, 95%, or 99%

What is the population size?
If you don't know, use 20000

What is the response distribution? %
Leave this as 50%

Your recommended sample size is **60**

The margin of error is the amount of error that you can tolerate. If 90% of respondents answer yes, while 10% answer no, you may be able to tolerate a larger amount of error than if the respondents are split 50-50 or 45-55.
 Lower margin of error requires a larger sample size.

The confidence level is the amount of uncertainty you can tolerate. Suppose that you have 20 yes-no questions in your survey. With a confidence level of 95%, you would expect that for one of the questions (1 in 20), the percentage of people who answer yes would be more than the margin of error away from the true answer. The true answer is the percentage you would get if you exhaustively interviewed everyone.
 Higher confidence level requires a larger sample size.

How many people are there to choose your random sample from? The sample size doesn't change much for populations larger than 20,000.

For each question, what do you expect the results will be? If the sample is skewed highly one way or the other the population probably is, too. If you don't know, use 50%, which gives the largest sample size. See below under **More information** if this is confusing.

This is the minimum recommended size of your survey. If you create a sample of this many people and get responses from everyone, you're more likely to get a correct answer than you would from a large sample where only a small percentage of the sample responds to your survey.

Online surveys with Vovici have completion rates of 66%!

Alternate scenarios

With a sample size of	<input type="text" value="100"/>	<input type="text" value="200"/>	<input type="text" value="300"/>	With a confidence level of	<input type="text" value="90"/>	<input type="text" value="95"/>	<input type="text" value="99"/>
Your margin of error would be	5.09%	2.94%	1.70%	Your sample size would need to be	60	81	121

Save effort, save time. Contact your survey online with Vovici.

More information

If 50% of all the people in a population of 20000 people drink coffee in the morning, and if you were repeat the survey of 377 people ("Did you drink coffee this morning?") many times, then 95% of the time, your survey would find that between 45% and 55% of the people in your sample answered "Yes".
 The remaining 5% of the time, or for 1 in 20 survey questions, you would expect the survey response to more than the margin of error away from the true answer.
 When you survey a sample of the population, you don't know that you've found the correct answer, but you do know that there's a 95% chance that you're within the margin of error of the correct answer.
 Try changing your sample size and watch what happens to the alternate scenarios. That tells you what happens if you don't use the recommended sample size, and how M.O.E and confidence level (that 95%) are related.
 To learn more if you're a beginner, read [Basic Statistics: A Modern Approach](#) and [The Cartoon Guide to Statistics](#). Otherwise, look at the more advanced books.

In terms of the numbers you selected above, the sample size n and margin of error E are given by

$$n = Z^2 \frac{r(100-r)}{E^2}$$

start | Weekly Pul Scan sta... | Inbox - Microsoft Out... | Microsoft PowerPoi... | WEBMAIL - Microsoft... | Sample Size Calcula... | 9:24 AM



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SELECTING THE FILES FOR REVIEW

Determining the interval counts:

- Divide the total number of children by the number of files to be sampled.
 - For example, 400 (total # of children/population) divided by 60 (sample size) = 6.67 (round up to 7)
- Pick any number from 1 to 100 to be the first child selected on the list (e.g., 24).
- Beginning with the first child to be reviewed (#24), count down 7 children to the 2nd child to be reviewed.
- Continue through the remainder of the list and cycle back to the beginning of the list until the sample size is reached (e.g., 60 family files to review).



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CDD-801A

CDD-801A Report by Child's Name
One Agency and One Month

Report Period: June 2011
All program codes
All Sub Agencies

Agency Name: _____
Vendor Number: _____

Child's Name	Birthday	Reason for Care	Program Codes
Parent #22		N	
Child #23 HOH: Parent #23	4/10/2007 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CSPP
Child #24 HOH: Parent #24	8/1/2007 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CCTR
Child #25 HOH: Parent #25	10/1/2006 92656	Licensed center-based care TANF: N Above 75% SMI? Employment	CSPP
Child #26 HOH: Parent #26	11/1/2006 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CCTR
Child #27 HOH: Parent #27	10/30/2008 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CCTR
Child #28 HOH: Parent #28	10/30/2006 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CSPP
Child #29 HOH: Parent #29	10/15/2006 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CSPP
Child #30 HOH: Parent #31	8/1/2008 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CCTR
Child #32 HOH: Parent #32	4/10/2007 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CSPP
Child #33 HOH: Parent #33	8/1/2007 92630	Licensed Large family child care home TANF: N Above 75% SMI? Employment	CCTR



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Monitoring Checklist

Alternative Payment Monitoring Checklist (Appendix A)

Child's Name:		Child's Age:	
Provider's Name:		Provider's Address:	
Review Month:		Reviewer's Name:	
File ID or Number:	Contract Type:	Date of Self Audit:	
Reimbursement Determined by:	Contractor	Reviewer	Eligibility Error Amount (\$):
Provider Reimbursement (\$):			Family Fee Error Amount (\$):
Family Fee (\$):			Need Error Amount (\$):
Gross Payment (\$):			Provider Reimbursement Amount (\$):
			Total Error Amount (\$):

Child Reported on the CDD 801A		N/A	Y	N	Material	File
1.1	Did the child receive services in the test month?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	

Certification and Recertification (Application for Services)		N/A	Y	N	Material	File
2.1	Is the Application for Services present and completed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	
2.2	If applicable, did the recertification occur within 12 months?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	
2.3	Does the family data file contain a Child Care Data Collection Privacy Notice and Consent Form (9600A)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	
2.4	Does the family data file contain all child health and current emergency information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	



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Error Rate Worksheet

To Calculate the error rate percentage, divide the Total Dollar Error column by the total Gross Payment. The contractor may break down the error rate percentage for each category (Eligibility, Need, Family Fee and Provider Reimbursement). To calculate, divide each individual column by the Gross Payment.

#	Child First Name	Child Last Name	Family Fee	Provider Reimbursement	Gross Payment	Eligibility Error Dollars	Need Error Dollars	Family Fee Error Dollars	Provider Reimbursement Error Dollars	Total Dollar Error
1	Child	One	0	250	250					0
2	Child	Two	50	300	350		50			50
3	Child	Three	0	450	450				75	75
	Review Month		\$50	\$1000	\$1050	\$0	\$50	\$0	\$75	\$125
	Error Rate Percentage					0%	5%	0%	7%	12%



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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 PLANS

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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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 CCTR contractors 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 – September 2016



QUESTIONS



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State Superintendent
of Public Instruction

CONTACT INFORMATION

Vanessa Saunders, Governance and
Administration Unit Manager

vsaunders@cde.ca.gov

Sandy Patitucci, Field Services Consultant

SPatituc@cde.ca.gov

Thank you for your participation