

Public Benefit Integrity Report

Child Care Assistance Program

February 2024

Background

Children who participate in high-quality early childhood programs are more likely to enter kindergarten ready to learn. Short-term benefits of this participation include better academic and social performance in school and lower retention rates. Long-term benefits are higher graduation rates, increased learning potential, and increased participation in the labor force. In order to improve kindergarten readiness across a then fragmented early childhood system, the Louisiana legislature passed [Act 3](#) of the 2012 Regular Legislative Session.

In 2012, the Louisiana Department of Education (LDOE) administered only one state-funded early childhood program - the Cecil J. Picard LA 4 program. The state-funded Nonpublic Schools Early Childhood Development (NSECD) program was under the Governor's Office, and the federal Child Care Development Fund (CCDF) grant and Head Start Collaboration Office were under the Department of Children and Family Services (DCFS). Due to the fact that each agency had different criteria and standards for each program, efforts to increase the quality and access of early childhood care and education were extremely challenging to implement. In 2013, the NSECD program transferred to the LDOE, and the Head Start Collaboration Office and the quality portion of CCDF functionally transferred via an agreement between LDOE and DCFS.

In order to continue unifying all of early childhood care and education, [Act 868](#) of the 2014 Regular Legislative Session was passed, which directed the complete transition of the CCDF grant from DCFS to LDOE. At that time, the LDOE began administering the Child Care Assistance Program (CCAP).

CCAP is a critical component of the LDOE strategy to increase access to high-quality early childhood care and education in Louisiana. Total public funding for early childhood care and education is currently coordinated through multiple federal, state, and local sources. Federal funding includes the Early Head Start program, Head Start program, Title I, Preschool Development Grant, and CCAP. State funding sources include the Cecil J. Picard LA 4 program, 8(g) program, NSECD program, and the Early Childhood Education Fund. Locally-generated funding sources include donations and local taxes.

Act 542 of the 2022 Regular Session of the Louisiana Legislature requires LDOE to report to the legislature annually regarding the agency's policies and process for identifying and eliminating fraud, waste, and abuse in CCAP and the results of the application of those policies and processes.

Programmatic Information

CCAP is the largest public funding source for early childhood care and education in Louisiana. Eliminating waste, fraud, and abuse of the program is very important to the LDOE, and the agency has put in place processes and procedures to manage the program and minimize the risk of waste, fraud, and abuse. The CCAP team works to be efficient and accurate in the work of determining eligibility and in the payment of benefits. Additionally, the team works closely with federal partners and state auditors on a recurring basis to review all aspects of the program and to identify all possible weaknesses. This report will identify the eligibility requirements and verification processes for participation in the CCAP program, demonstrating the ways the agency is working to identify and eliminate fraudulent activities and provide program data.

Funds Dedicated to Program Integrity

CCAP enlists multiple programmatic procedures to reduce fraud, waste, and abuse of program benefits, which can be grouped into internal procedures for all staff. Approximately \$2 million, or approximately 2% of the CCAP budget, is allocated for program integrity and eliminating fraud, waste, and abuse. This amount includes the salaries for the CCAP Fraud Management Unit (FMU), estimated training time, attendance tracking software, and fraud management software.

The FMU was developed to reduce the risk of, identify, and investigate fraud. Clients (families), child care providers, and stakeholders, both internal and external, have access to the FMU to report any suspected fraudulent CCAP activity. FMU investigates all referred fraudulent circumstances as well as suspected fraud based on review of CCAP data. FMU staff review past and current activities of the providers and participants according to current CCAP policies. These audits may include review of time and attendance records, payment records, eligibility documentation, and eligibility determination. FMU staff will document information of the monitoring, including discrepancies. Information from these circumstances is then used to determine what additional procedures might be needed to further deter fraudulent activity.

Determining Eligibility for CCAP

CCAP Staff Training and Conflict of Interest Policy

All CCAP staff undergo annual training, and any additional as-needed training, in determining eligibility for CCAP, in order to recognize and report suspected fraud. This is a preventive control to ensure staff are fully equipped to participate in the administration of the program. Procedures all require that staff must also sign a conflict of interest policy and are forbidden in this policy from working on cases with which they have a connection.

Eligibility Verification Routines

Determining eligibility for the CCAP program includes a rigorous review process. CCAP eligibility staff are trained annually and receive additional as-needed training throughout the year. Procedures to address possible scenarios are stored in a policy database, reviewed by staff, and used in staff training. The CCAP case sampling process is also designed to identify possible fraud and waste as the data analyses reveal trends that help identify points of concern for further review. These case samples are carefully reviewed and analyzed to verify integrity in the eligibility process.

On the eligibility team, case readings are completed by supervisory staff and program specialists. Social service analyst supervisors conduct formal, quarterly, case readings per analyst and program specialists. These random case readings can also take place when a case is questioned by an external source.

On the payments team, the program and quality specialists continue to run 403 reviews to prevent payment errors. The Administration for Children and Families (ACF) 403 review provides a standardized format, using the Record Review Worksheet (RRW), to assess the case record to evaluate whether eligibility was correctly determined and whether the subsidy payment was made in the correct amount. This is completed in accordance with the federal register and continues outside of the federal review period. The RRW serves as a continued audit of payments during non-federal review years to identify payment errors and consequently provides analysts individualized training on payment errors. To prevent errors, each analyst has a payment error rate that is tracked by supervisors and management and encompasses both payment and administrative errors. Analysts with a 0% error rate are acknowledged, and additional training is provided to analysts with an error rate greater than 10%. Any errors are also reviewed for trends, and large-group training is conducted based on these trends.

Households can either be “categorically eligible” for CCAP or “non-categorically eligible.” Household members who are recipients of the Family Independence Temporary Assistance Program (FITAP) participating in the Strategies to Empower People (STEP) program, children in foster care, special needs children, and children actively participating in an Early Head Start-Child Care Partnership (EHS-CCP) are categorically eligible for CCAP. Additionally, these families are prioritized for funding and exempt from any CCAP waiting list.

To be certified as a non-categorically eligible CCAP household, families must meet the following requirements:

1. Include at least one child under the age of 13 or a child who is 13-17 and disabled or special needs and is in need of child care
2. Reside in Louisiana
3. The child needing care is age-appropriately immunized or is in the process of receiving all age-appropriate immunizations
4. Have a household income that does not exceed 85% of the state median income (SMI). The household income is the gross earned and unearned income of the head of household, the person’s legal or non-legal spouse, and any Minor Unmarried Parent who is not legally emancipated and whose children are in need of care.
5. Be employed or attending a job training or educational program for a minimum average of 20 hours per week or enrolled as a full-time student at an accredited education or training program. All countable employment hours must be paid at least at the federal minimum wage.
 - a. Exception: The education and training requirement may be waived for households that are experiencing homelessness and demonstrate they are seeking employment, by registering with the Louisiana Workforce Commission and creating and maintaining an active HiRE (Helping Individuals Reach Employment) account or participating in a transitional living program.
 - b. The education and training requirement is reduced to an average of 15 hours per week for households that have a qualifying special needs child needing care.

The following includes a list of verifications that may be used to determine eligibility:

1. Age and Relationship
 - a. Birth Certificate
 - b. Baptismal Certificate
 - c. Hospital Birth Records
 - d. Guardianship/Custodial Documents
2. LINKS (Louisiana Immunization Network for Kids Statewide) may be used to verify the date of birth for children when a birth certificate is not available

3. Alien Status, if not U.S. Citizen, USCIS documents to prove legal alien status are needed
4. Proof of earnings
 - a. Work Number
 - b. Four consecutive pay stubs less than 45 days old
 - c. Employer's Statement
5. Employment Termination–The required information is needed for all income ending within the last three (3) months:
 - a. Pink Slip
 - b. Termination Notice
 - c. Letter or statement of separation on company letterhead
6. School Attendance or Job Training
 - a. Detailed school schedule indicating days and times of attendance and the anticipated program completion date
 - b. Letter or statement of enrollment status from an accredited school
7. Self-Employment, if applicable
 - a. Income Tax Returns
 - b. Sales Records
 - c. Quarterly Tax Record
 - d. Personal Wage Records
8. Other income
 - a. Child Support
 - b. Contributions
 - c. Alimony
 - d. Social Security Benefits
 - e. VA Benefits
 - f. Retirement
 - g. Unemployment Compensation (UCB)
 - h. Supplemental Security Income (SSI)
9. Special Needs
 - a. Individual Education Plan (IEP)
 - b. Individualized Family Services Plan (IFSP)
 - c. SSI
10. Immunizations
 - a. Immunization Record
 - b. School Records
 - c. Doctor's Record – MD Statement
 - d. LDOE Statement of Exemption
 - e. Written dissent from parent or guardian for religious or personal reasons

Identifying Individuals Who Are No Longer Eligible for Benefits or No Longer Need Benefits

Households are required to submit an application to redetermine their eligibility every 12-24 months depending on their eligibility criteria and the length of their certification period. However, there are

circumstances that result in an immediate disqualification of eligibility, termination of CCAP benefits, or recovery of funds circumstance. The following require immediate disqualification, termination of CCAP benefits, or recovery of funds:

- a. The case is closed due to an intentional program violation
- b. Gross monthly household income exceeds 85% of the state median income (SMI)
- c. There is no longer a need for child care assistance

Verification of Work and Work Search

To be eligible for CCAP household members who are Training and Employment Mandatory Participants (TEMP) must be employed or attending school/training a minimum average of 20 hours per week. LDOE may verify income and employment information through The Work Number online database. If current work history is not available via The Work Number, LDOE requests that each TEMP submit verification of employment and/or training hours.

In regard to verification of work search, if the head of household or the TEMP is Actively Seeking Employment and/or training, the education and training requirement for certification may be waived for 90 days. All required verification must be submitted, including the documentation establishing that a Training and Employment Mandatory Participant is actively seeking employment, by registering with the Louisiana Workforce Commission and creating and maintaining an active Helping Individuals Reach Employment (HiRE) account. The household will be certified for 90 days from the date that all verification is received. After 90 days, if documentation is submitted establishing employment and/or training meeting the required 20 hours, then the household may continue to be certified without interruption. A household can be certified under this exception once every 24 months.

Improper Payments and Recoupment of Funds

The Department works to prevent improper payments from occurring by conducting case sampling reviews that identify future mistakes that could cause improper payments and providing additional training to staff on any mistakes identified. After identifying any circumstance where funds should be recouped, the FMU works with the provider and/or family to establish repayment. A repayment agreement is sent to the provider and/or family. Active providers may select to provide recoupment through future CCAP payments if the funds can be recouped within the same federal fiscal year. The provider or family may elect to pay in full or submit monthly manual payments. During 2023, 176 individuals were identified as improperly receiving CCAP benefits, which represents \$344,607.69 to be recouped; this recoupment is in process.

Appeals Process

In order to provide support to Louisianans throughout the CCAP process, LDOE has developed an appeals process. Following an LDOE decision regarding program eligibility, a client/family or provider can appeal to an LDOE supervisor or program manager to better understand the eligibility circumstances of a case. Staff will then investigate and research the eligibility factors. Meetings with the applicant are then conducted via phone or Zoom to discuss the eligibility findings. In special circumstances, provider visits are conducted or provider training is completed after the review of eligibility factors is completed.

Possible Barriers to Implementation of Program Integrity

The LDOE is working to build new data systems that will improve the management of the CCAP process and house the CCAP data. CCAP data has been housed in antiquated mainframe data systems since before the program's transition to LDOE. These systems limit the ability to manage, move, and approve

cases efficiently. Additionally, the required maintenance due to the age of the systems has created an impediment to data accuracy. It is anticipated that the modernized data systems, when complete, will reduce the staff capacity needed to move cases, provide many efficiencies, and produce more sound data.

Metrics and Data Points

Below are some metrics that help the LDOE measure the success of the program, focusing on CCAP Eligibility processing as well as Call Center processing. While the Call Center does respond to CCAP inquiries, the Call Center also responds to all LDOE inquiries.

Monthly CCAP Eligibility Processing Performance Metrics

Average Cases per Worker: 140 cases per month

Month	Applications Received	Applications Processed	Applications Denied	% of Applications Denied
January	1,144	2,045	1,476	72%
February	1,776	1,304	646	50%
March	2,320	2,338	1,763	75%
April	2,150	1,987	1,219	61%
May	2,606	1,765	1,470	83%
June	2,326	1,342	1,105	82%
July	2,760	863	523	61%
August	3,211	1,350	1,005	74%
September	2,244	2,217	1,690	76%
October	1,547	2,970	2,417	81%
November	1,125	2,735	2,291	84%
December	1,085	2,396	1,650	69%

Monthly Call Center Performance Metrics:

Month	Calls Received	Average Wait Time (in minutes)
January	2,397	6.5
February	6,771	7.1
March	9,147	2.3
April	7,455	2.2
May	10,327	1.4
June	9,942	2.3
July	9,910	3.2
August	11,841	4.6
September	7,919	3.5
October	7,467	1.4
November	6,021	0.5
December	4,505	0.3

Conclusion

Early childhood care and education is vital not only for families but also for the economy. As such, it is critical to ensure the program is administered with integrity. The LDOE will continue to take seriously the responsibility of eliminating waste, fraud, and abuse of the program by maintaining its existing processes and procedures and continuing to dedicate staff time and energy to the continuous improvement of the program's administration.

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