

April 18, 2005

Dear CCDAA Members,

As most of you know there was an Error Rate Study conducted during the fall of 2004 in the Alternative Payment and CalWORKs programs. The study was undertaken by the State Department of Education/Child Development Division as directed by the Legislature in Senate Bill 1104. SB 1104 directed the Department of Education to select a statistically valid sample of child care cases in each of the State's four programs (CalWORKs Stage 1, Stage 2, and Stage 3 and Alternative Payment). The study performed an analysis of errors in four separate categories – eligibility, parent fee, need (hours of care), and provider payments. This analysis has been synthesized into an Error Rate Study with improvement recommendations that have been sent to the Governor, Chair of the Joint Legislative Budget Committee, the chairs of the fiscal committee of both houses of the Legislature, and the Department of Finance. This study is not to be confused with the Best Practices Report that CDD has had posted on its web site for the last two months.

The study's error rates appear to be comparable to other public assistance programs, although I believe we in the child development field would like the error rates to be lower. The major source of errors appears to be inadequate documentation in files – information provided by parents or providers. To reduce error rates, the department has recommended regulatory revisions and a new system of on-site program audits to clarify administrative requirements. Upon the implementation of both approaches, the Department is committed to working with the Governor's administration to set achievable error rate reduction targets. Your State Board and Public Policy Advisors are quickly developing a response to the study and the improvement recommendations for error reduction. Once this response is complete you will be sent a copy.

Some of the recommendations in the Error Rate Study Report would increase the workload of CalWORKs and AP programs, including requiring whole new tasks. CCDAA is taking a strong position that new tasks and workload must be funded, not required to be done within existing funding. Improved performance on existing requirements, or common good practice standards, may not require additional funding for agencies.

Importantly, some of the recommendations, and proposed changes in regulations, will apply to center based contracts and family child care home education networks (FCCHEN) as well as CalWORKs and AP programs. CCDAA State Board is concerned about the potential increased costs to these programs as well, and will advocate for additional funding for these programs for any new or expanded tasks. It is unclear if the new on-site audits and error reduction goals will apply to centers and FCCHEN agencies.

As CCDAA learns more about the recommendations, and which may apply to the different program types, CCDAA will provide updated information to members.

Sincerely,

Bruce Ramet
State President