

October 17, 2019

To: Contra Costa Board of Supervisors

Fr: Camilla Rand, Community Services Bureau Director

Re: Response to 10/2/19 GAO Report on Fraud and Improper Payment Risks in Head Start

This memo is in response to the recent report released by the Government Accountability Office (GAO) regarding concerns related to determining Head Start eligibility. According to the report, the GAO conducted 15 covert tests at a selection of Head Start grantee centers in New York, Los Angeles, Detroit, Chicago and Boston in which they found vulnerabilities in centers' controls for eligibility screening and detecting potential fraud. The tests concluded concerns in the following areas:

- **The Office of Head Start process for monitoring grantee enrollment (eligibility).** The GAO conducted covert control tests in which 15 fictitious families were created along with incomplete or ineligible family documentation. While the results cannot be generalized, the results show staff at selected centers did not always properly verify eligibility.
- **False enrollment reports and attendance tracking.** The second area of the GAO report addressed payments based on self-reported enrollment. The GAO raised concern over the accuracy of the enrollment and indicated a more accurate indicator of enrollment would be daily attendance. To prove this, the GAO reviewed attendance records from nine centers for the month of March 2018, they found that each center had children enrolled that had not attended for 30 or more days. The GAO found that the Office of Head Start (OHS) has the expectation that after 30 days of non-attendance a slot should be considered vacant, however, that expectation had not been relayed to the grantees.

Community Services Bureau Systems. The Community Services Bureau (CSB) is the largest Head Start provider in this county and has strong procedures and policies in place that address the GAO concerns at the grantee level. Through a series of checks and balances we are able to ensure that all families enrolled in our programs are eligible and documentation is verified and maintained electronically in our Child Location Observation Utilization Data System (CLOUDS) database.

CSB ensures the accuracy of enrollment/eligibility through the following systems:

- CLOUDS database which prioritizes children based on a selection criteria, and ranks the children with the highest priority first.
- The establishment of a central enrollment unit with specialized staff that are well trained on all eligibility requirements.

- Several Layers of Checks and Balances:
 - Prior to enrollment, eligibility documentation goes through a second review and is approved by a Comprehensive Services Assistant Manager.
 - Any family with an income over 100% of the federal income guideline is reviewed a third time by the Enrollment Unit Analyst prior to enrollment.
 - All over income families are tracked to ensure CSB does not exceed the allowable number of over-income children.
- On-Going Monitoring:
 - CSB has an on-going monitoring team that randomly selects 30% of newly enrolled children's files each year for review. Trends and root causes are identified and corrective actions taken.
 - An annual State Child Development Audit is conducted where 30% of child files are reviewed for eligibility documentation and accuracy. 95% of CSB programs are Head Start and State blended, and State regulations are more stringent also ensuring Head Start mandates are followed. CSB has not received a finding in over 10 years as it relates to eligibility.
- Strong Attendance Policies:
 - To ensure the accuracy of the enrollment numbers that are self-reported each month to OHS, CSB utilizes our CLOUDS database automated reports.
 - Attendance policies ensure children served are attending regularly:
 - In 2014 our CLOUDS systems was approved by the CDE for electronic filing and document maintenance.
 - Through electronic sign-in, we are able to capture the time, date and signature of the caregiver as they leave their child in our care.
 - Our policy requires the teaching staff to review the attendance at least weekly for accuracy.
 - Site Supervisors are also required to review the attendance several times per week for accuracy.
 - Monthly, Site Supervisors review and approve attendance records.
 - Monthly, the Analyst reviews the attendance records for accuracy and notifies site staff of any children with excessive absences.
 - Our current policy is if a child misses 10 consecutive unexcused/uninformed days their slot will be considered vacant.
 - On a case by case basis, a child may be allowed to miss up to 30 days, if the family informs center staff in advance of the expected absences such as hospitalization or prolonged illness.