Copy to Joint Legislative Auditing Committee

Agency for Workforce Innovation
Six (6) Month Follow-Up Response
Auditor General Report No. 2009-003
Voluntary Prekindergarten Education Program
January 15, 2009

Ms. Monesia T. Brown, Director
Agency for Workforce Innovation
Suite 212, Caldwell Building
107 East Madison Street
Tallahassee, Florida 32399-4120

Dear Director Brown:

As required by Section 20.055(5)(g), Florida Statutes, we have prepared the attached status of corrective actions as of January 15, 2009 taken by the Agency for Workforce Innovation to the findings and recommendations contained in the Auditor General Audit Report No. 2009-003. This report covered the Voluntary Prekindergarten Education Program administered by the Agency for Workforce Innovation for the time period of July 1, 2005 through February 28, 2007 and selected actions taken through February 2008.

In accordance with Section 20.055(5)(g), Florida Statutes, I am also copying the Joint Legislative Auditing Committee. If you have any questions, please call me at (850) 245-7141.

Sincerely,

James F. Mathews, C.I.G.
Inspector General

JFM/pa

cc: Joint Legislative Auditing Committee
Ms. Barbara Griffin
Dr. Brittany Birken
Mr. Matt Guse
Ms. Stephanie Gehres
Ms. Carolyn McGriff

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Finding No. 1: Data Accuracy and Analysis

Finding: AWI should enhance procedures to promote the accuracy and completeness of the VPK Program data maintained in the Enhanced Field System (EFS).

Auditor’s Recommendation: We recommend that AWI enhance procedures to promote the accuracy and completeness of VPK Program data in EFS. In addition, AWI should continue to periodically perform analyses of the EFS consolidated database and expand the analyses to include comparisons of data across coalitions.

AWI Response: The Agency concurs with the Auditor General’s recommendation to enhance procedures to promote the accuracy and completeness of VPK Program data in EFS. The EFS is a distributed system and while sufficient for the School Readiness program, such a system could not meet some of the new requirements imposed by the VPK program. Specifically, EFS could not track children across coalitions. Recognizing this, AWI created a consolidated database and initiated several processes to improve statewide VPK program data accuracy, completeness, and uniformity. These processes include guidance documents, edit reports, data verification procedures and system enhancements. These improvements have increased the Agency’s oversight of the statewide program since inception of the VPK Program. The Agency will continue to strengthen these processes and develop additional ones to address the Auditor General’s findings.

The Agency understands that information systems are critical to the quality of services, accountability, statewide collaboration and overall program development. In addition to enhancing procedures to promote the accuracy and completeness of the program data maintained in the Enhanced Field System (EFS), the most significant way to improve the administration of Florida’s early learning programs would be the development and implementation of a modern early learning information system. The current decentralized data system was developed in the 1980s when the School Readiness program was contracted out to Child Care Central Agencies. Chapter 411 and its requirements, Early Learning Coalitions, and Voluntary Prekindergarten did not exist when this current system was developed. It is both technologically and programmatically outdated.

A modern system would provide a wide-range of benefits including increased accountability, enhanced communication and cost savings. To this end, the Agency for Workforce Innovation has initiated the development of the Early Learning Information System (ELIS). Over the past year, system requirements have been identified and it was determined that the new information system will streamline administrative processes including attendance tracking, eligibility determination, and provider payments. It will provide parents with easy on-line access to child care resource and referral information along with a wealth of child development and early education information. Additionally, a new system will enhance data sharing capabilities enabling meaningful data exchange between and among agencies that provide services to the
same children and families. Finally, it will result in cost savings due to enhanced efficiencies in program operations.

**Six-month status: Complete.** As a means of promoting accuracy, completeness and uniformity in VPK audit processes, twelve technical guidance documents were developed and released during 2007. Additionally, during 2008, five guidance documents were developed and released, and one document is currently pending release at the time of this follow-up. As additional topics are identified associated technical guidance documents will be developed.

Seven edit reports were developed and released during 2008. The edit reports identify possible issues and allow the coalitions an opportunity to improve the data in the EFS. Two of the reports (VPK Dual Enrollment and Summer Dual Enrollment) are released monthly. The remaining reports are released quarterly. As additional edits are identified, the appropriate edit report will be developed.

The Agency also initiated two major EFS enhancements to address the VPK payment rate (related to penny-rounding) and VPK absence data problems. These two system enhancements will significantly improve the quality, consistency and accuracy of VPK information related to payment rates and absences.

When calculating the VPK hourly rate, the Agency rounded the rate down to the nearest cent to avoid expending more than the amount allocated for a FTE. Rounding the rate results in some providers being underpaid a fraction of a cent for each hour of service delivery. The penny rounding enhancement creates an additional process in EFS that corrects and processes the penny rounding adjustments like other payments. The VPK rate rounding enhancement process in EFS will consider both the hours paid and the amount paid when determining the rounding adjustment amount.

VPK absence information is used to determine the amount of time each student attends VPK instruction. This information is used by the Department of Education to determine if the child meets the 70% attendance threshold to be included in the provider’s kindergarten readiness rate calculation. For previous program years, coalitions collected total absences. The Agency then calculated which absences were paid and unpaid based on a defined methodology. However, the process allowed for a small margin of error in the attendance calculation. EFS was enhanced to capture paid, unpaid, and total absences. This information will be used to accurately determine a child’s attendance rate.

The Agency continues to work toward the development of the statewide Early Learning Information System (ELIS), which is expected to further streamline administrative processes and increase the accuracy and completeness of data related to early learning programs.
Finding No. 2: EFS VPK Calendars

Finding: AWI should continue to provide technical assistance to the coalitions regarding the establishment of VPK provider calendars in EFS. Such assistance is needed to ensure that the calendars contain the required number of instructional hours and that VPK provider payments are properly made.

Auditor’s Recommendation: To ensure that the required number of VPK instructional hours is scheduled to be provided and that VPK provider payments are made in accordance with VPK law, we recommend that AWI continue to provide technical assistance to the coalitions regarding EFS VPK calendar accuracy.

AWI Response: The Agency concurs with the Auditor’s recommendation and has substantially completed improvements in this area. The Agency has provided technical assistance to the coalitions regarding calendar accuracy in the EFS through multiple venues and different forms, including:

- The 2007 Data Conference partnered the Agency with EFS users and program managers to promote data quality, share best practices, identify areas of concern, and refine data management and reporting techniques.
- Technical improvements to EFS guarantee increased accuracy. Detailed guidance documents provide instructions that allow coalitions to improve accuracy and experience in using the improved EFS calendar features.
- Instructions and guidance to coalitions on the use of other EFS data management tools to ensure payment and accuracy allow coalitions flexibility in managing their own processes.

2007 Data Conference

The first Agency data conference brought together almost 200 participants from AWI-OEL, DOE-OEL, early learning coalitions, and early learning contracted service providers. Participants represented all facets of the early learning service delivery community, from frontline workers, fiscal agents, information technology system administrators, to early learning coalition executive directors. The two-day conference focused on how to use data for program planning, management, and accountability. Presentations provided detailed information on SR and VPK eligibility procedures, Kindergarten Readiness Rate and low performing providers, using and supporting the Enhanced Field System (EFS), common data problems, using data to support program decisions, and current and future demands for program-related data.

EFS VPK Calendar Enhancements, Instructions, and Reports

EFS has been enhanced so that a user cannot change a calendar once a provider on that calendar has been paid. The Agency released a VPK Calendar instruction explaining how to accurately set up a VPK calendar and deal with provider scheduling issues. The instruction also describes
reports available in EFS for tracking provider calendars and child payments, promoting accurate payments. The Agency releases the quarterly VPK Calendar Edit report, which identifies each calendar that does not equal the required program hours.

Guiding Data Management

- In addition to payment errors resulting from the set-up and mismanagement of VPK calendars in EFS, errors also occur due to provider scheduling issues, child transfers, and provider schedule changes. Instruction documents related to these topics address how a coalition may manage these situations to ensure providers are paid accurately; however, the flexibility of the VPK program and the current data system require coalitions to be inventive when creating provider calendars. This sometimes results in calendars not equaling the required program hours. The Agency has instructed coalitions on the use of other EFS data management tools to ensure payment and program accuracy.

Six-month status: Complete. EFS has been enhanced so that a user cannot change the scheduled instructional days on a provider’s calendar once any provider with that calendar has been paid. More than one provider can use the same calendar. In the past, a coalition could process one provider’s payment, modify the calendar and then process the second provider’s payment using the modified calendar. This prevented coalitions and the Agency from accurately determining the number of instructional hours on a calendar because the calendar could be changed at any time.

Finding No. 3: AWI Reconciliation of EFS and FLAIR

Finding: AWI should adopt procedures that require monthly reconciliations of the EFS and AWI financial records. To ensure the accuracy of the financial records, any differences noted during the reconciliation process should be timely investigated and resolved.

Auditor’s Recommendation: We recommend that AWI continue to resolve any outstanding differences noted in the comparison between EFS and FLAIR for the 2005-06 fiscal year. AWI should also formally adopt procedures that require a monthly reconciliation of the EFS and FLAIR data. Any differences noted during the reconciliation should be timely investigated and resolved.

AWI Response: Agency will continue to work with the Early Learning Coalitions to identify, explain, and resolve the remaining outstanding differences between EFS and FLAIR for the 2005-06. The Agency would like to note that during the 2005-06 fiscal years, EFS system changes were made in implementing the VPK Program. As each coalition updated their EFS system an interim reconciliation was conducted between December 2005 and March 2006. The
reconciliation inquiries that began in January 2007 also included the first 6 months of the 2006-07 fiscal year. For the remainder of the 2006-07 fiscal year reconciliations were completed quarterly. Effective July 2007, the Agency implemented a monthly EFS-to-FLAIR reconciliation process to increase the timeliness of our inquiries and resolution. All staff members completing the reconciliations received training. The Agency will develop formal written internal procedures to enhance this process.

Six-month status: Complete. Internal procedures have been developed as described in the Agency’s original response above. AWI’s staff has completed training on how to reconcile EFS-to-FLAIR. The reconciliation process has become more efficient and reconciliations are being completed monthly. All 2005-06 and 2006-07 fiscal year records were reconciled and any differences were identified.

Finding No. 4: VPK Program Records Transfer

Finding: AWI should develop procedures requiring that all VPK records be promptly and securely returned by the provider to the coalition should the provider’s contract be terminated for any reason.

Auditor’s Recommendation: We recommend that, AWI develop procedures requiring that all VPK records be promptly and securely returned to coalitions should a service provider contract terminate for any reason. In addition, we recommend that AWI include a similar provision in the revised Statewide Provider Agreement.

AWI Response: The Agency will provide guidance to the coalitions to recommend that they include a provision in their contracts with their service providers clarifying that VPK records are the property of the coalition and that requires the records to be promptly and securely returned to coalitions should a service provider contract terminate for any reason. The Agency has recently notified coalitions of this recommendation. The Agency has also added the following provision to the AWI-VPK 20 Statewide Provider Agreement to address records retained at the VPK provider:

The PROVIDER agrees that it must notify the COALITION of any plans or decision to close the business prior to the closure of the business. Prior to the PROVIDER ceasing to do business it must transfer all VPK records provided for in Paragraphs 30 and 51 to the COALITION in a manner and form to be determined by the COALITION. Additionally, the PROVIDER understands that it must retain all VPK records provided for in Paragraphs 30 and 51 for 2 years, regardless of whether the PROVIDER continues to offer a VPK program.

Six-month status: Estimated completion date August 2009. All Coalition Executive Directors were notified on June 25, 2008 that they should add the contract language found above
to their service provider contracts. The FY 2009-2010 VPK Provider Agreements, which also contains the language above, have been internally approved and the Agency has begun the formal rulemaking process in order to incorporate the new versions into rule. It is estimated that the rulemaking process will be completed by August 2009.

Finding No. 5: VPK Provider Profile Format

Finding: As required by VPK law, AWI should prescribe a provider profile format for coalition use and ensure that statutorily required information is included in the profiles and that the profiles are timely provided to parents.

Auditor’s Recommendation: To ensure that parents are provided all the information required to make an informed decision regarding their child’s placement with a VPK provider and to comply with the statutory requirements related to VPK provider profiles, we recommend that AWI prescribe a VPK provider profile format that addresses all the required information. AWI should require that any coalition desiring to deviate from the prescribed format submit an example profile for AWI approval prior to use. In addition, AWI should monitor the distribution of the VPK provider profiles by the coalitions to ensure that the profiles are made available to parents at the time of enrollment.

AWI Response: The Agency is working with the Department of Children & Families Services (DCF) to utilize their Child Care Information System as the prescribed format for all coalitions to use related to VPK provider profiles. DCF is currently making enhancements to their system to ensure that each VPK Provider Profile contains all of the statutorily required elements as well as adding reporting and print capabilities so that coalitions can ensure that VPK provider profiles are made available to parents at the time of enrollment. This will ensure consistent profiles across the state. The Agency monitored for the minimum elements of the VPK Provider Profile as part of the eligibility monitoring, this criteria was added in April 2007.

Six-month status: Estimated completion date May 2009. The Agency will continue to cooperate with the Department of Children and Families Services (DCF) to enhance the DCF’s Child Care Information System by including forms AWI-VPK 10 & AWI-VPK 11 electronically in the system so the VPK provider profile is automatically populated with all the statutorily mandated requirements to the extent funding is available for this project. If the Agency is not able to make the technical modifications, it will develop guidance for the coalitions prescribing a VPK provider profile format to be used within the already existing DCF provider database to ensure that the statutory information is being reported in a unified manner throughout the state.

The proposed ELIS requirements include a dynamic interface with the DCF’s provider site to allow for all relevant provider information to be accessed in a single web-based application.
Finding No. 6: Parental Certifications

Finding: AWI should take appropriate actions to ensure that coalitions timely obtain and properly retain the required parental certification naming the selected provider and directing that payments be made to that provider.

Auditor’s Recommendation: We recommend that AWI take appropriate actions to ensure that coalitions timely obtain and properly retain documentation of the required parental certification.

AWI Response: The Agency currently reviews the parental certification as part of the annual eligibility monitoring. The Agency will continue to monitor for the appropriate documentation and the timeliness of the certification. During monitoring visits, Agency staff will continue to provide technical assistance as appropriate.

Six-month status: Complete. See the Agency’s original response above.

Finding No. 7: Verification of VPK Program Provider Registration Information

Finding: AWI should establish procedures to assist coalitions in the verification of provider eligibility. In addition, AWI procedures should require that the coalitions document the provider’s eligibility before the provider is allowed to deliver VPK Program services.

Auditor’s Recommendation: We recommend that AWI establish procedures to assist coalitions in timely information verification and use of Forms AWI-VPK 10 and AWI-VPK 11. We also recommend that providers not be permitted to conduct VPK classes until all information is received and reviewed for compliance with VPK law.

AWI Response: The Agency concurs with the Audit’s recommendation and will establish procedures and provide instructions to the coalitions on their responsibilities for documenting the eligibility of VPK providers. The Agency agrees that providers should not be permitted to conduct VPK classes until all information is received and reviewed for compliance with VPK law.

Six-month status: Estimated completion date March 2009. The Agency has worked with DCF to create reports that certify the eligibility of each VPK instructor by county. Once the reports are issued to the public by the DCF, the Agency will create and release guidance to the early learning coalitions regarding the use of these reports. The estimated release date of the guidance documents is March 2009.

Six-month status: Estimated completion date June 2009. The Agency is considering amending rule language to provide that a private VPK provider may not begin instruction until it
is notified of its eligibility through the receipt of a signed provider agreement. The estimated completion date for amending the rule is June 2009.

Finding No. 8: VPK Provider Notification

Finding: To ensure that VPK providers are timely informed of their eligibility status in advance of their planned VPK start dates, AWI should require that coalitions adopt internal processing benchmarks that establish the timeframes within which the steps in the VPK provider application review process must be completed.

Auditor’s Recommendation: To ensure that VPK providers are timely informed of their eligibility status in advance of their planned VPK start dates, we recommend that AWI require the coalitions to adopt internal processing benchmarks that establish the timeframes within which different steps in the application review process must be completed.

AWI Response: The Agency agrees that it is critical for VPK providers to be informed timely of their eligibility status. As part of the annual eligibility monitoring, the Agency will ensure that coalitions review and approve provider applications prior to the start of classroom training. Agency staff also provides onsite technical assistance during the monitoring reviews, as needed.

Six-month status: Complete. See the Agency’s original response above.

Finding No. 9: Private Providers – VPK Instructor Requirements

Finding: AWI, in consultation with the Department of Education (DOE) and the Department of Children and Family Services (DCFS), should establish procedures and provide technical assistance to the coalitions regarding acceptable documentation for and review of private provider VPK instructor eligibility.

Auditor’s Recommendation: We recommend that AWI, in consultation with DOE and DCFS, establish procedures and provide technical assistance to the coalitions regarding acceptable documentation for and review of VPK instructor credentials, literacy training, good moral character, and level 2 screenings. We also recommend that AWI incorporate the requirement for local criminal records checks into the procedures.

AWI Response: The Agency is working with the Department of Children & Families (DCF) to receive a certified file from the Child Care Information System of every VPK instructor in the state who meets the background screening requirements and the VPK instructor credentials as required by statute. We will also provide program guidance on what is acceptable
documentation that would suffice for VPK instructor eligibility should they not have any information registered through the DCF. Agency staff included review for the accuracy and completeness of the instructor files in the eligibility monitoring since inception within the triennial performance review in December 2006 and in the annual eligibility review effective March 2007.

**Six-month status: Estimated completion date March 2009.** The Agency has worked with the DCF to create reports that certify the eligibility of each VPK instructor by county. Once the reports are issued to the public by the DCF, the Agency will create and release guidance by the estimated completion date of March 2009 to the coalitions as necessary regarding these reports.

**Finding No. 10: Public Schools – VPK Instructor Requirements**

**Finding:** AWI, in consultation with DOE, should provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented.

**Auditor’s Recommendation:** We recommend that AWI, in consultation with DOE, provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented prior to the delivery of VPK Program instruction by the public school.

**AWI Response:** The Agency concurs with the Auditor’s recommendation and will continue to work with the DOE to provide guidance to the coalitions and district school boards to ensure that public school VPK instructor eligibility is timely verified and appropriately documented. The DOE developed a checklist for teacher qualifications in January 2007. Eligibility criteria included in the triennial performance review, effective December 2006, and in the annual eligibility review, effective March 2007, require that each instructor’s file is reviewed for the accuracy and completeness.

**Six-month status: Estimated completion date May 2009.** The Agency has requested a meeting with the DOE to collaborate on preparing guidance to school districts and early learning coalitions on the requirements placed on school districts to verify the eligibility of VPK instructors in a timely fashion and to send necessary supporting documentation to the coalitions. It is estimated that these actions will be completed by May 2009.
Finding No. 11: Private Providers – License or Proof of Accreditation

Finding: AWI, in consultation with DCFS and DOE, should develop procedures and provide technical assistance to coalitions regarding timely verification of private VPK provider licenses or accreditations.

Auditor’s Recommendation: We recommend that AWI, in consultation with DCFS and DOE, develop procedures and provide technical assistance to the coalitions regarding verification of providers’ licenses or accreditations prior to the VPK start date. Any such procedures should require that provider licenses be in effect on the planned VPK start date and should also require coalitions to document the actions taken to verify the licenses and accreditations.

AWI Response: The Agency will work with the Department of Children and Families to provide guidance to coalitions regarding timely verification of private VPK provider licenses or accreditations. This guidance will include instructions requiring that a VPK provider’s license and accreditations are in effect prior to the provider’s planned VPK start date. Effective December 2006 eligibility criteria within the triennial performance review included review of licensing, criteria for accreditation was added to the annual eligibility review in June 2007.

Six-month status: Estimated completion date May 2009. The Agency is currently working with the accrediting associations to obtain information, copies of accreditation standards and sample accreditation certificates so coalitions can have a resource guide to facilitate determinations regarding religious exempt accredited providers.

The Agency is also working with the DCF to ensure that licensed provider information is available to coalitions in a timely manner in order to assist in the development of a resource book for coalitions when determining VPK eligibility.

Finding No. 12: VPK Accreditation Manual

Finding: To provide AWI and the coalitions with the guidance necessary to consistently and equitably determine the eligibility of potential VPK providers, AWI should seek legislative clarification regarding acceptable accreditations.

Auditor’s Recommendation: To provide AWI and the coalitions with the guidance necessary to consistently and equitably determine the eligibility of potential VPK providers, we recommend that AWI seek Legislative clarification regarding acceptable accreditations.
AWI Response: The Agency will work on providing guidance to the coalitions about accreditation to ensure that a VPK provider's eligibility is consistently and equitably determined. On June 17, 2008 the Governor signed HB 879 into legislation which provides that an accredited VPK provider must:

1. Be accredited by an accrediting association that is a member of the National Council for Private School Accreditation, the Commission on International and Trans-Regional Accreditation, or the Florida Association of Academic Nonpublic Schools and have written accreditation standards that meet or exceed the state's licensing requirements under s. 402.305, s.402.313, or s. 402.3131 and require at least one on-site visit to the provider or school before accreditation is granted;

This new language will help the agency more definitively define what accreditation means and what entities can provide accreditation under the VPK law.

Six-month status: Estimated completion date March 2009. The Agency has contacted accrediting agencies to obtain information, including copies of accreditation standards and a sample accreditation certificates, so that coalitions may have a resource guide when determining eligibility of religious-exempt accredited providers. The Agency plans to create guidance based on this information by the end of March 2009.

Finding No. 13: Procedures for Verifying VPK Provider Compliance

Finding: As the State agency responsible for administration of the operational requirements of the VPK Program, AWI should develop procedures for reviewing student attendance records and verifying provider compliance. So that interagency duplication of monitoring activities is minimized, AWI should ensure that the procedures require coordination between the coalitions, AWI, DOE, and DCFS.

Auditor's Recommendation: We recommend that, as the agency responsible for administration of the operational requirements of the VPK Program, AWI develop procedures for reviewing student attendance records and verifying provider compliance. In addition, so that interagency duplication of monitoring activities is minimized or prevented, AWI should ensure that the procedures for monitoring VPK providers require coordination between the coalitions, AWI, DOE, and DCFS.

AWI Response: The Agency is currently developing a standard statewide eligibility monitoring tool for use in 2008-09; this tool will include review of student attendance records and verification of provider compliance. The tool includes procedures to determine if each criterion is met. The Agency will work with DCFS, and DOE to ensure that procedures for monitoring VPK providers are coordinated.
As part of our annual eligibility monitoring, technical assistance is provided in areas where observations are noted. Review of VPK attendance in accordance with the uniform attendance policy was incorporated in the annual eligibility tool in September 2007. Provider compliance has been reviewed since December 2006. The Coalition Performance Review includes criteria to determine if the coalition has a monitoring process in place in accordance with the Coalition Plan.

The audit reports indicate that one coalition stated that they were verbally instructed by AWI to hold off on VPK monitoring. No member of the Agency’s current administration has knowledge of this statement. Coalitions have been made aware of monitoring requirements since the inception of VPK.

**Six-month status: Completion date June 30, 2009.** The Agency hosted a statewide workgroup meeting in August of 2008 to discuss and review the eligibility tool that is utilized to review student attendance records and verify provider compliance. The Agency is using the eligibility tool to conduct its annual process and provide training while onsite at the coalitions. The Agency will continue to use this tool for monitoring any coalition. When a coalition uses a subrecipient to perform VPK eligibility determinations to track attendance, it may use this tool to monitor its subrecipient and the Agency will review the results. This tool will be published prior to the start of FY 2009-10 and will be available for all coalitions to use. The tool will also be available for the DOE as well as those school districts that review VPK attendance and provider compliance.

**Finding No. 14: VPK Provider Payment Procedures and Documentation**

**Finding:** AWI should provide technical assistance to the coalitions to ensure that the coalitions comply with AWI-adopted procedures for VPK provider payments and for the maintenance of records. In addition, AWI should enhance procedures to provide detailed instructions to the coalitions for paying VPK providers.

**Auditor’s Recommendation:** We recommend that AWI provide technical assistance to the coalitions to ensure that coalitions comply with AWI-adopted procedures for VPK provider payments and for the maintenance of records. In addition, AWI should enhance procedures to provide detailed instructions to coalitions for paying VPK providers.

**AWI Response:** The Agency concurs that additional technical assistance should be provided to coalitions related to VPK provider payments and maintenance of records. The Agency staff is currently providing technical assistance during onsite monitoring visits; this has been in effect since March 2007. Additionally the Agency developed Rule 60BB-8.305, Florida Administrative Code in May 2007, this Rule rescinded OEL-PI-0030-05 (referenced by the Auditor General) and expanded the payment procedures to instruct coalitions to withhold the
next month's payment to the provider until the coalition receives a certified attendance for each child. The Rule also added a requirement for verification of the annual cumulative attendance before final payment is made.

The audit finding indicated that a lack of formal procedures contributed to the errors identified in the finding. The Agency would like to address the errors noted in the finding:

- Initial Advance Payment, the errors noted were due to lack of documentation to support that a minimum of 4 children were enrolled prior to the prepayment being provided to the provider. As stated in the finding procedures were adopted in June 2005 providing that to receive the initial advance payment for a VPK class, at least four VPK students must be enrolled for the class. The Agency also developed the VPK Class Check report (CC036) that identifies classes that have less than 4 or more than 18 enrollments at the request of the coalitions. This report was made available to the coalitions at the end of October 2005. A coalition would need to run the report before making the first prepayment to a new class to verify the class meets the minimum 4 child requirement.

- Monthly Payments: The procedures, adopted in September 2005, which are referenced in the finding, address documentation and certification of student attendance. Additionally, the original uniform attendance policy was adopted in June 2005; providers should be paid in accordance with the effective attendance policy. Effective September 2007, the annual eligibility monitoring tool included payment validation of VPK client attendance sheets, technical assistance is provided on site as needed.

The Agency maintains that procedures were in place for coalitions to make prepayments and pay in accordance with the uniform attendance policy; however the Agency does agree that on-going technical assistance should continue.

**Six-month status: Complete.** See the Agency's original response above.

**Finding No. 15: VPK Provider Overpayments**

**Finding:** AWI should implement procedures to analyze consolidated EFS data. In addition, AWI should adopt procedures requiring coalitions to periodically review EFS data for errors and potential fraud.

**Auditor's Recommendation:** We recommend that AWI implement procedures to analyze the consolidated EFS data and adopt formal procedures requiring coalitions to periodically review EFS data for errors and potential fraud.

**AWI Response:** The Agency has developed an edit report process that includes identifying potential data errors, creating and distributing data edit reports, informing coalitions of potential
data errors, requesting coalitions review and correct data errors, and publish support
documentation and instructions with each data edit report. The instruction documents provide
best practices for fixing any data errors and preventing data errors in the future. The Agency will
continue to improve this process to ensure that potential errors are reviewed and addressed.

Six-month status: Complete. The Agency releases edit reports on a monthly and quarterly
basis. Based on the edit report schedule, the automated edit report system builds and posts the
edit report. In addition, the Agency may release an edit report on an ad hoc basis. For example,
the 0708 Rounding Issues Report released in October 2008, identified child records with
potential over- and under-payment issues.

The edit reports give the coalitions an opportunity to improve the data in the EFS. In addition to
the detailed edit report, the Agency produces a statewide summary for each edit report that
includes the total number of records and the number of records with possible problems. Each
coaition is able to track the decrease in the number of possible issues as it improves its data and
can compare its performance with other coalitions across the state.

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<td>sources used to verify a child's continued eligibility for VPK services.</td>
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<td>The report identifies instructors of current classes where an instructor</td>
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<td>has one or more errors based on the criteria provided below. The report</td>
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<td>includes the following criteria:</td>
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<td>• Invalid instructor name.</td>
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<td></td>
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<td>• No value for instructor credential.</td>
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<td>• Non-standard or inactive code for instructor credential.</td>
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<td></td>
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<td>• No value for highest degree.</td>
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<td>• Non-standard or inactive code for highest degree.</td>
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<tr>
<td>Quarterly</td>
<td>Gold Seal Edit</td>
<td>The Gold Seal report includes detailed accreditation and Gold Seal</td>
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<td>information on school readiness providers who may need their</td>
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<td>accreditation information updated to remain in the Gold Seal category.</td>
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</table>

The Agency has established formal procedures that require coalitions to periodically review EFS
data for errors and potential fraud.
As of fiscal year 2007–2008, the Grant Agreement between the Agency for Workforce Innovation and each coalition requires the coalition to comply with data correction requests.

- The Agency has adopted Rule 60BB-8.305, F.A.C., which requires coalitions to withhold a VPK provider’s final payment for the program year until the provider verifies in writing the year’s attendance for each child enrolled in the provider’s VPK program.

- The Agency developed the AWI-VPK Provider Verification Process (DQ08.05 AWI-VPK Provider Verification Process) and a Readiness Rate Report package (EFS ad hoc CC070 report) to assist the coalitions in complying with Rule 60BB-8.305, F.A.C. Each VPK provider is required to review the monthly payments and attendance data for each child the provider served and verify the accuracy of the report in writing.

**Finding No. 16: Performance Monitoring of Coalitions**

**Finding:** AWI should continue to enhance its VPK Program annual eligibility and triennial performance monitoring processes.

**Auditor’s Recommendation:** We recommend that AWI continue to enhance its VPK Program annual eligibility and triennial performance monitoring processes to ensure that all coalitions have timely on-site monitoring performed. We also recommend that AWI ensure that all significant VPK Program requirements are included in the monitoring instruments.

**AWI Response:** The Agency concurs with the recommendation and has developed comprehensive monitoring of the VPK Program. However, the Agency would like to note that an implementation study of the VPK program was completed in the fall of 2005, which included eligibility file monitoring and child care provider site visits for the VPK program in seven coalition areas to provide feedback and technical assistance to the coalitions. This study helped the agency identify areas for monitoring and guidance.

Additionally, the report states that the eligibility monitoring instrument and schedule was not developed until the third quarter of 2006-2007. Although the eligibility was on a three year monitoring schedule with the triennial reviews, there was a schedule already published and a tool had been developed. The tool and schedule were modified during the third quarter to fit the new annual review process. The eligibility monitoring tool currently includes but is not limited to procedures for delayed enrollment, re-enrollments and class size.

**Six-month status:** Complete. See the Agency’s original response above.
Finding No. 17: Monitoring of District School Boards

Finding: AWI, in consultation with DOE, should develop policies and procedures describing the process to be used to verify public school provider and district school board compliance with the operational requirements of the VPK law.

Auditor’s Recommendation: As AWI is responsible for administering the operational requirements of the VPK Program, we recommend that AWI, in consultation with DOE, develop policies and procedures to be used to verify public school provider and district school board compliance with the operational requirements of the VPK law.

AWI Response: The Agency concurs with Auditor’s recommendation and has created a Statewide VPK School District Agreement and added clarifying language for the Coalition and the School District to agree upon the monitoring responsibility. While the Coalition Performance Monitoring Tool, implemented in 2006, reviews compliance with monitoring of contractors, including school districts, the Agency agrees that additional instruction should be provided to verify compliance with the operational requirements of VPK law. Currently, the annual eligibility team reviews the evidence demonstrating that VPK instructors with the school system were in compliance with the law when they entered the classroom. Additionally, the Agency is issuing a new Statewide Eligibility Monitoring tool which will provide instructions on determining compliance for VPK Providers and child eligibility. DOE is also committed to promulgating a rule which will define the responsibility for monitoring public school VPK programs. These procedures, defined in the rule, will provide local flexibility and consistent monitoring requirements. The Agency will work with DOE to determine criteria for monitoring.

Six-month status: Estimated completion date May 2009. The Agency has requested a meeting with the DOE to work toward the collaborative release of guidance to school districts and coalitions on the requirements of monitoring, including minimum monitoring elements in accordance with the VPK Provider Agreement, regardless of whether the school district or the coalition conducts the monitoring.