

Child Development and Care (CDC)



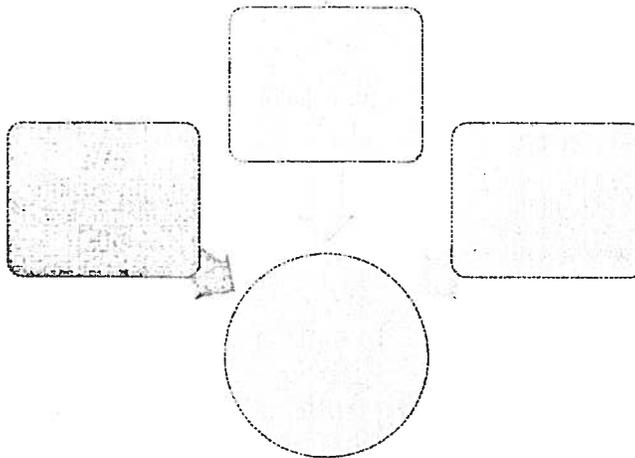
PRESENTATION TO THE HOUSE OVERSIGHT COMMITTEE

OCTOBER 1, 2013



Office of Great Start (MDE)

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Child Development and Care Program

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- Federal and State funded program specifically designed to:
 - ✦ Support employment, education and training for low-income families by providing child care assistance to qualified Michigan children.
 - ✦ Promote safe, affordable, accessible, quality child care.
 - ✦ Promote the ongoing professional development of child care providers and other mechanisms to improve the quality of care.

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Child Care Providers

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Each parent who is eligible for CDC can choose the provider and care setting that best meets the family's & child's needs from the four types below:

- 1) Licensed Child Care Centers- Licensed to provide care in facility other than a private residence.
 - ✦ Includes Head Start and Great Start Readiness Programs
 - ✦ 4,332 Licensed Child Care Centers in Michigan. 1,881 receive CDC reimbursement annually.
- 2) Licensed Group Child Care Homes- Licensed to provide care for up to 12 children at one time in a private residence.
 - ✦ 2,152 Licensed Group Child Care Homes in Michigan. 1,393 receive CDC reimbursement annually.
- 3) Registered Family Homes- Registered to provide care for up to 6 children at one time in a private residence.
 - ✦ 4,262 Registered Family Child Care Homes in Michigan. 1,638 receive CDC reimbursement annually.
- 4) Unlicensed Child Care Providers (often referred to as Family, Friend, and Neighbor Care)- Can provide care for up to 4 children at one time in the child's home or, if related, in the provider's home.
 - ✦ 9,990 Unlicensed Child Care Providers receive CDC subsidy annually.

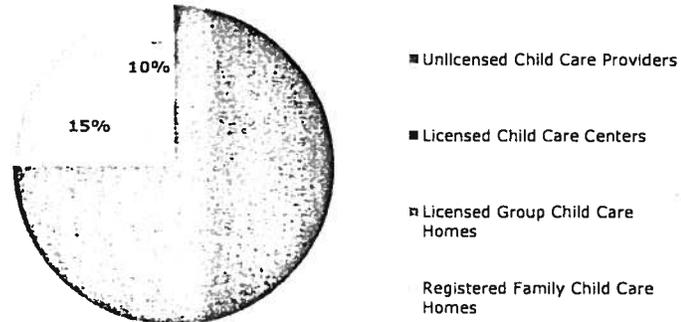
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Child Care Settings

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**FY12 CDC Children by Care Setting
(Monthly Average)**



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MICHIGAN
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Education

CDC Performance Audit

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- Audit objective: To assess the effectiveness of DHS efforts to detect unsuitable individuals and prevent them from providing child care services.
- Original Audit period: October 5, 2003 through March 4, 2006.
- Audit Release: July 2008

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Education

CDC Performance Audit

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- In the original audit there were 116,585 child care providers who had been authorized to care for 273,364 CDC Program children.
- Through various criminal history and background information checks, the OAG identified approximately 1,900 unsuitable child care providers that DHS had authorized to provide child care services.

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CDC Performance Audit-Findings

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- Findings included:
 - Reliance of self-reported criminal histories at time of provider enrollment.
 - Limited and infrequent recurring matches.
 - Weak matching criteria used in automated recurring matches.
 - Insufficient information sharing with DHS local office staff responsible for completing background clearances.
 - Exclusion of adult household members in the criminal history clearance process.

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CDC Performance Audit-Agency Response

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- DHS agreed with all of the OAG's recommendations and began working immediately to remedy many of the gaps identified.
- By the time the audit was released:
 - Pre-enrollment criminal history clearances were required.
 - Public Sex Offender Registry (PSOR) and Offender Tracking Information System (OTIS) matches were added- pre-enrollment and recurring monthly.
 - Inactive providers had been added to the recurring, monthly matches to ensure earlier detection/prevention of enrollment.
- A short time after the audit's release, the Central Registry match was expanded to include name and date of birth matches, as well as Social Security Number matches.

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CDC Follow Up Report

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- Follow up objective: To determine whether DHS and MDE had taken appropriate and effective corrective measures in response to the 9 material conditions and 13 corresponding recommendations from the July 2008 audit report
- Review period: May 1, 2011 through April 30, 2012.
- Audit Release: July 2013

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CDC Follow Up Report

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- In the follow-up report period, there were 22,908 child care providers who had been authorized to care for 114,079 CDC Program children.
- Auditor General utilized fieldwork, interviews, review of corrective action plans, and review of policies and procedures to conduct review during May through August 2012.

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CDC Follow Up Report

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- Finding 1: Central Registry records check processes were not effective in identifying individuals with substantiated histories as perpetrators of child abuse and/or neglect and preventing them from providing child care services.
- Actions Taken:
 - Automated Bridges interface for all required clearances (Central Registry, ICHAT, OTIS and PSOR)
 - Expanded match process to enhance accuracy of matches
 - Automated ongoing match process
- Determination:

Corrective Action	Follow Up
428 providers (caring for 1,018 CDC program children) were found to be listed on Central Registry as perpetrators of child abuse and neglect.	44 providers (caring for 180 CDC program children) were found to be listed on Central Registry as perpetrators of child abuse and neglect.

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CDC Follow Up Report

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- Finding 2: DHS had not implemented effective controls to detect unlicensed provider applicants with unsuitable criminal histories and prevent their enrollment as child care providers.
- Actions taken:
 - Automated Bridges interface for all required clearances (Central Registry, ICHAT, OTIS and PSOR)
 - Completed as part of the enrollment process, so information only has to be entered once.
 - System will not allow enrollment without clearances being conducted and automatically denies providers identified to have unsuitable criminal histories.

712 providers (caring for 1,566 CDC program children) were found to have unsuitable criminal conviction histories recorded in the Internet Criminal History Access Tool (ICHAT).	78 providers (caring for 374 CDC program children) were found to have unsuitable criminal conviction histories recorded in the Internet Criminal History Access Tool (ICHAT).
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CDC Follow Up Report

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- Finding 3: DHS did not include a review of the Public Sex Offender Registry (PSOR) in its criminal history check procedures for child care providers to help detect publicly registered sex offenders and prevent them from providing child care services.
- Actions taken:
 - Automated Bridges interface for all required clearances (Central Registry, ICHAT, OTIS and PSOR)
 - Automated monthly PSOR match process
- Determination:

31 providers who were publicly registered sex offenders were found to be authorized to provide child care services for CDC program.	1 provider who was a publicly registered sex offender was found to be authorized to provide child care services for CDC program.
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CDC Follow Up Report

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- Finding 4: DHS did not consistently perform monthly ICHAT records checks to identify active child care providers with unsuitable criminal convictions. DHS did not include inactive child care providers in its monthly ICHAT records check process. Further, DHS did not identify inactive child care providers with terminable criminal convictions and take the appropriate measures to help prevent further reenrollment as a child care provider.
- Actions taken:
 - Automated Bridges interface for all required clearances (Central Registry, ICHAT, OTIS and PSOR)
 - Automated monthly match process for recurring checks
- Determination:

235 providers were found to have unsuitable criminal conviction histories that were not detected in the monthly ICHAT match.	111 providers were found to have unsuitable criminal conviction histories that were not detected in the monthly ICHAT match.
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CDC Follow Up Report

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- Finding 5: DHS had not implemented effective controls to help ensure that its terminable crimes and codes list was complete and included the crime description and conviction coding information necessary to identify unsuitable child care providers that could potentially pose harm to a child and prevent them from providing child care services.
- Actions taken:
 - MDE/DHS conducted reviews of the terminable crimes and codes list twice during the audit period to determine if codes were directly related to health and safety.
 - CDC Policy was modified to include instructions for DHS local office staff to request direction when a crime code is identified during the enrollment process that is not on the terminable crimes and code list yet is believed to impact child health and safety.
- Determination:

2008-2011 findings: 641 providers (caring for 1,755 children) were found to have unsuitable Individuals convicted of serious and/or dangerous crimes.	2012 CDC follow up findings: 44 unlicensed providers with convictions of crimes included in the 736 crimes not included in the list.
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CDC Follow Up Report

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- Finding 6: DHS controls were not effective in ensuring that updated terminable crimes and code lists were distributed to DHS local offices in a timely manner and contained complete information.
- Actions taken:
 - Distribution of terminable crimes and code list via DHS intranet.
 - Regular review of list conducted and updates made accordingly.
- Determination: Full compliance with 2008 recommendations.

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CDC Follow Up Report

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- Finding 7a: DHS had not implemented controls to help ensure that it obtained criminal history background information for adult household members that unlicensed providers, who care for children in their own homes, reported were living in their homes or updated criminal history background information for adult household members that family and group child care providers reported were living in their homes.
- Actions taken:
 - Automated Bridges interface for all required clearances (Central Registry, ICHAT, OTIS and PSOR)
 - Automated monthly match process for recurring checks
- Determination: Partial compliance with 2008 recommendation

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CDC Follow Up Report

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- Finding 7b: DHS had not implemented controls to help ensure that it periodically evaluated the Central Registry status of adult household members that unlicensed providers who care for children in their own homes reported were living in their homes.
- Actions taken:
 - Automated interface between Bridges and Central Registry (initial)
 - Automated ongoing match process
- Determination: Partial compliance with 2008 recommendation

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CDC Follow Up Report

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- Finding 7c: DHS did not utilize internal and publicly available information to help identify unreported adult household members of unlicensed providers who care for children in their own home.
- Actions taken:
 - Background checks conducted whenever an unlicensed provider reports an adult household member had moved into the provider's home.
 - Beginning January 1, 2013- Address clearances to ensure all adults receiving DHS assistance at the provider's residence were disclosed/cleared.
- Determination: Non-compliance with 2008 recommendation
 - MDE and DHS did not agree with OAG on this finding.
 - Due to resource constraints and reliability of publicly available information, implementation of the OAG's 2008 recommendation was not feasible.

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CDC Follow Up Report

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- Finding 8: DHS had not implemented effective controls to help ensure that it periodically obtained updated criminal histories of child care center licensees, licensee designees, and program directors during the two-year period between licensure and renewal.
- Actions taken:
 - Fingerprint clearance for provider prior to enrollment
 - Immediate rap-back for offenses committed prior to enrollment
- Determination: Full compliance with 2008 recommendations.

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CDC Follow Up Report

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- Finding 9: DHS did not conduct checks of Department of Corrections OTIS records prior to enrolling unlicensed providers to help detect unsuitable individuals and prevent them from providing child care services. As a result, DHS enrolled, as child care providers, incarcerated individuals, individuals convicted of terminable crimes, and parolees and probationers with CDC supervision conditions that restricted contact with children.
- Actions taken:
 - Automated Bridges interface for all required clearances (Central Registry, ICHAT, OTIS and PSOR)
 - Automated monthly match process for recurring checks
- Determination: Full compliance with 2008 recommendations.

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Discussion and Questions



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