

**Testimony to the U.S. Department of Agriculture
August 6, 2008**

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Note: The sections of this testimony in brackets [] and/or highlighted in yellow is included for the written testimony. Time restrictions preclude presenting all the testimony orally.

Good morning. My name is Jerry Bowers and I am the Executive Director of FRAMAX. FRAMAX is a Child and Adult Care Food Program sponsor for Family Child Care Homes. [We operate in 13 counties in the California Central Valley.] Currently, we have [an average of] 1150 active claiming providers. [I have been in this program for over 15 years. I serve on the Child Care Food Program Roundtable Advisory Committee here in California, and the board of the National CACFP Forum. I appreciate the department's proactive effort to gather comments and recommendation from Child Nutrition stakeholder in preparation for the upcoming Child Nutrition Reauthorization process. I would like to thank the Department of Agriculture for the opportunity to speak here today.]

Today I would like discuss two of the integrity improvement items contained in the Second Interim Integrity Rule, specifically the 5 Day Reconciliation and the Block Claim. [I applaud the USDA hard work to improve the integrity of the CACFP on all levels. However, when a process has demonstrated that it is ineffective at achieving its stated goals, the process should be reviewed and necessary changes made.]

Block Claiming

In the present form the Block Claiming checks have proven to be virtually useless in identifying actual provider over claims. State and National CACFP organization have found that less than 1% of identified block claims could not be easily validated. The present definition of a block claim does not take into account that many Family Child Care Home providers care for a small number of children, from only one or two families. The possibility that the provider would have all those children in care for 15 consecutive days, at least for one meal, is very great, but sponsors must treat those providers the same as a provider that shows perfect attendance each day for a larger number of children. We spend a lot of unnecessary time and effort to validate the former type of block claim. FRAMAX uses CACFP software⁽¹⁾ to identify providers that have block claims, therefore only those claims that meet the specific block claim definition are identified. [Therefore, a provider that wants to avoid additional unannounced visits, will “adjust” their claiming pattern to avoid the trigger.] So, a provider that claims perfect attendance for 10 children, for every meal Monday through Friday, for the entire month, but also cares for one or two children every other Saturday will not meet the definition of a block claim and will not be identified.

I feel that more work is required to come up with a better definition for a block claim and a better process to use the block claim information. [A process that is more effective at detecting potential provider over claims and makes the best use of limited sponsor resources to protect the integrity of this program.]

5 Day Reconciliation

The underlying purpose of the 5 Day Reconciliation, as stated in 7 CFR 226.16(d)(4)(ii) is to, "...determine if the establishment of an over claim is necessary." Based on my experience it is not meeting that purpose, in part because USDA has not issued clear, precise policy on how to conduct the 5 Day Reconciliation for CACFP home sponsors. Also for that reason [and due to its complexity] the 5 Day Reconciliation has not been evenly implemented across the country adding to its ineffectiveness in preventing or discovering provider over claims. In California the State Agency has issued a Management Bulletin ⁽²⁾ for CACFP Center sponsors on how to conduct the 5 Day Reconciliation, but has not issued a similar Management Bulletin for CACFP Home sponsors. The State Agency, used specific USDA guidance provided in a Question and Answer paper on the subject as the governing policy for Centers, but did not have similar USDA guidance for CACFP Home sponsors. Instead the State Agency is using an exercise titled "Sponsor Tools - Handout #2", that was part of a USDA CACFP Integrity Training [(dated July 2005)] as the "authoritative USDA source" ⁽³⁾, when "telling" Home sponsors how they are to conduct the 5 Day Reconciliation. All though the 5 Day Reconciliation requirements for both CACFP Center and Home sponsors come from the same section of 7 CFR 226 cited previously, the requirements imposed on CACFP Home sponsors by the State Agency are vastly different and more draconian than those for Centers. [In my opinion this problem is not due to lack of effort on the part of the State Agency, but on the lack of a specific policy by USDA in this matter. The State agency is trying to do the best with what they have available in this matter. The lack of specific guidance leads to other conflicts with the way CDE wants CACFP Home sponsors to conduct the 5 Day Reconciliation. The most glaring is that CDE wants sponsors to reconcile the children being claimed to the days and hours on their Enrollment Forms, even though by USDA regulations the Enrollment information is only required to be

updated annually and could therefore be inaccurate at the time of the 5 Day Reconciliation. The 5 Day Reconciliation for CACFP Center sponsors only requires that the total number of enrolled children be compared with the attendance and number of meals claimed.]

What can be done?

In my experience the very best method to detect potential provider over claims is to follow the guidance given by the USDA OIG in their 1995 CACFP Day Care Homes Nationwide Audit Report.⁽⁴⁾ In that report they stated, “We noted that several DCH’s routinely claimed the maximum number of meals and attendance every day month after month, but sponsors did not identify this meal count pattern as a potential over claim for follow up action. We found that comparing meal claims to enrollment data, to attendance observed during DCH visits, and to attendance patterns [(perfect attendance)] was useful in identifying potential meal over claims.

FRAMAX has found that this basis philosophy, coupled with making all three required visits unannounced, can be an effective method to detect providers that are over claiming.

[I look forward to the possibility of working with USDA and other CACFP organization on the next Child Nutrition Reauthorization to ensuring the program integrity improvements are the very best possible.]

Thank you for the opportunity to speak to you today.

- (1) FRAMAX uses the Minute Menu System software. Per discussion with Mike Morath of Minute Menu approximately 300 CACFP Home sponsors, with 95,000 to 100,000 enrolled children utilize the Minute Menu System. This equates to roughly $\frac{1}{3}$ of all CACFP Home Sponsors and $\frac{2}{3}$ of the licensed Family Child Care home providers in the U.S.
- (2) California Department of Education Management Bulletin 05-219 Dated December 2005. Enclosed as part of my written remarks
- (3) California Department of Education letter to Jerry Bowers, FRAMAX, dated July 18, 2008. Enclosed as part of my written remarks.
- (4) Food and Consumer Service Child and Adult Care Food Program Nationwide Audit Report No. 27600 – At, dated March 1995.