DENVER PRESCHOOL PROGRAM

Release Date: June 25, 2012

DENVER PRESCHOOL PROGRAM
QUALITY ASSURANCE CONSULTANT

The Denver Preschool Program (DPP) wishes to retain the services of a qualified organization/individual to assist in the implementation of its Quality Assurance Program (QAP).

Denver Preschool Program Overview –

The Denver Preschool Program is the result of a voter-approved initiative to increase access to high-quality preschool for all families living in the City and County of Denver. Based on income and family size, families are eligible to receive tuition credits for children in their last year of preschool before kindergarten. Additionally, grant funds are provided to preschool programs to enhance the quality of preschool. DPP is helping to prepare our youngest students for a lifetime of learning.

Quality Assurance Program Overview –

The mission of the DPP Quality Assurance Program (QAP) is to provide independent, third-party review of stakeholder compliance with DPP program policies. The overarching objective of the QAP is to apply a systematic approach to evaluate and continuously improve the effectiveness of established DPP program policies. The program emphasizes partnership, collaboration and accountability to ensure positive programmatic outcomes for Denver's children and effective use of tax dollars to its citizens.

Scope of Work –

The general scope of work for the QAP follows a random sample of the DPP student population from the application process through the payment of tuition credits to preschool providers. To achieve this objective, the QAP reviews documentation for student attendance, proof of residency, program participation levels, and payment amounts; from DPP to providers, and from providers to parents.

The scope of work of the QA Consultant is to determine whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- DPP, provider and contractor actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Program policies are adhered to.
- Quality and continuous improvement are fostered in the organization's control process.
- Opportunities for improving management control, compliance, and achieving the organization's objectives are identified during reviews (when applicable).
- Review findings are communicated to the appropriate level of management and governance.

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Currently, the QAP cycle recurs every other month throughout the school year (September, November, January, March, May); at two preschools per cycle and three children per preschool, this amounts to the review of roughly 10 preschools and 30 students per school year. Please see attached for a both a sample QAP report as well as the current QAP standard operating procedures.

Contract Duration –

The initial term of this agreement will be for approximately ten (10) months commencing in August, 2012, and running through June, 2013. The contract is eligible to be renewed annually – and at the Denver Preschool Program's sole discretion – for a period of up to five (5) total years.

Proposal Format (not to exceed 5 pages) –

- A brief Executive Summary which includes why Offeror is interested in working with DPP generally and in working on this project specifically
- Corporate information including history, financial stability, length of time in business, areas of specialty, etc.
- Qualifications and experience including previous clients and similar project examples with contact information
- Proposed staffing to include biographies/experience of project lead
- Work plan to outline how Offeror intends to effectively execute the scope of work
- Line-item budget detailing one-time costs, ongoing costs, and any required infrastructure Costs

Proposal/Contract Timeline –

Proposals will be accepted and reviewed on a rolling basis, with the contract to be awarded to the first organization/individual that satisfactorily meets the specifications of the Denver Preschool Program.

The intent is to have the contract in place by early to mid-August so that the first QAP cycle can take place concurrent to the beginning of the 2012-13 school year in September.

Standard Operating Procedure

A. Purpose

The mission of the Denver Preschool Program (DPP) Quality Assurance Program (QAP) is to provide independent, third-party review of stakeholder compliance with DPP program policies. The overarching objective of the QAP is to apply a systematic approach to evaluate and continuously improve the effectiveness of established DPP program policies. The program will emphasize partnership, collaboration and accountability to insure positive programmatic outcomes for Denver's children and effective use of tax dollars to its citizens.

The general scope of work for the internal audit will follow a random sample of the DPP population from the application process through the payment of tuition credits to providers. To achieve this objective, the audit will review documentation for student attendance, proof of residency, program participation levels, and payment amounts; from DPP to providers, and from providers to parents.

B. Scope

The scope of work of the QA Consultant is to determine whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- DPP, provider and contractor actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Program policies are adhered to.
- Quality and continuous improvement are fostered in the organization's control process.
- Opportunities for improving management control, compliance, and achieving the organization's objectives are identified during reviews (when applicable).
- Review findings are communicated to the appropriate level of management and governance.

C. Prerequisites

Approved Quality Assurance Program Charter.

D. Responsibilities

Quality Assurance Committee – Responsible for Quality Assurance Program governance.

Chief Executive Officer – Responsible for approving remedy/cure recommendations and ongoing program oversight.

Program Manager – Responsible for QA Report review and remedy/cure recommendations.

Quality Assurance Consultant – Responsible for process implementation

E. Procedure

Step	Action
1.	Select random sample of students for quality assurance review.
2.	Selected students are entered into QA Review Tracking Tool.
3.	Document request is distributed for selected random sample. *What is included* 1. Introductory letter from DPP 2. Procedure description from QA Consultant including deadline for action and response 3. Checklist for required documents *(unique for each organization)* *Who receives request* 1. Customer Service Provider (ACS) 2. Ratings agency (Qualistar) 3. ECE Provider

4.	Request documents are returned to QA Consultant via mail or fax from relevant organizations. Required documents are: *ACS* 1. Submitted attendance 2. Proof of income 3. Proof of residency 4. Completed application 5. Enrollment letter 6. Copy of payment notification e-mail *Providers* 1. Daily schedule 2. Attendance sheets 3. Copy of parents bill 4. Proof of star rating *(copy of page xx from rating report)* 5. Current address for child *Qualistar* 1. Provider agreement 2. Copy of current insurance certificate 3. Tuition rates 4. Current star rating 5. Daily schedule
5.	Data compilation 5.1 Information is organized and compiled by QA Consultant. 5.2 Information is review for completeness and understanding. 5.3 Determines if sufficient information provided to complete QA Review.
6.	*If data is NOT sufficient:* 1. QA Consultant notifies DPP of deficiency. 2. DPP issues follow-up letter. 3. DPP place follow-up phone call. 4. DPP issues 'final notice' for compliance. 5. Legal notice issued by counsel. 6. Payment withheld until compliance. *If data is sufficient:* 1. Move to Step 5
7.	Quality Assurance Review is initiated 7.1 See QA Review sub-process for specific analytical approach. 7.2 Clarification questions are issued, if applicable. 7.3 Parent verification is requested, if applicable.
8.	Quality Assurance Report submitted. 8.1 Electronic submittal to PM and CEO.

End of QA Consultant role in Quality Assurance Review

9.	DPP Program Manager reviews QA Report.

10.	DPP Program Manager submits *Quality Improvement Recommendation* to CEO for approval. Recommendations are: *No Action* 1. PM report review concludes that selected student is in compliance with all DPP program policies. *Schedule Informational Meeting* 1. PM report review concludes that minor compliance issues exist with selected student. *More Information Needed* 1. PM concludes that compliance issues exist with selected student, but cannot identify root cause without additional information.
11.	CEO reviews PM Quality Improvement Recommendation and either approves or denies recommendation. *If Denied:* 1. CEO provides reason for denial to PM. 2. PM addresses CEO concern and resubmits recommendation. *If Approved:* 1. Move to Step 12.
12.	PM Implements recommendation as outlined below: *No Action* 1. PM report review concludes that selected student is in compliance with all DPP program policies. 2. DPP issues letter of commendation to all review participants noting unqualified QA Review. *Schedule Informational Meeting* 1. PM report review concludes that minor compliance issues exist with selected student. 2. DPP requests meeting with QA Review participant(s) to review findings and clarify DPP program policies. 3. DPP issues letter acknowledging QA Review findings, quality improvement meeting, and review *closure.* *More Information Needed* 1. PM review concludes that compliance issues exist with selected student, but cannot identify root cause without additional information. 2. DPP issues request for additional information to discern root cause and identify response timeline. 3. Depending on review of additional information and root cause conclusions, outcome *may* result in withheld tuition credit payments and legal termination.

13.	CEO submits QA Review Tracking Tool quarterly to Quality Assurance Committee for review and comment.
14.	QA Committee reports to full DPP Board of Directors on an as needed basis.

METRIX ADVISORS, LLC

DENVER PRESCHOOL PROGRAM QUALITY ASSURANCE REPORT:

[redacted]

[redacted]

Prepared for:

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ACCURACY STATEMENT: Metrix Advisors, LLC is committed to quality and has made every reasonable attempt to ensure the accuracy and reliability of information contained in this report. All methods, processes and concepts have been discussed and approved by the Denver Preschool Program Quality Assurance Committee. As the conclusions derived in this report are dependent upon third parties. Accordingly, there is no expressed or assumed guarantee that the information contained herein is without error or omission.

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Summary

Based on random selection criteria, [redacted] was selected on December 22, 2011 to participate in the DPP Quality Assurance Program. [redacted] was informed of their selection via e-mail on January 4, 2012, along with a request for documentation, which is contained in Appendix I - *Documentation Request Correspondence*.

This report summarizes the spectrum of the DPP eligibility, enrollment process, and payment accuracy - including document retention and contractor compliance with the quality assurance document request. Through an objective analysis, the report attempts to highlight any inconstancies and/or areas for further research in the aspects of the program mentioned above. It concludes with a discussion of any deficiencies and/or potential opportunities for improvement discovered through the quality assurance review process.

Provider Background

[redacted] operates two early childhood education centers in the DPP system [redacted]. During the 2010/11 school year [redacted] enrolled approximately 55 DPP eligible children and received $18,636 in tuition credits. It is important to note, however, that the 2010/11 tuition credit calculation methodology significantly reduced payment amounts for [redacted] when compared to prior program years.

Through the random selection process, [redacted] was selected to participate in the DPP Quality Assurance Program.

- [redacted] is rated a 3-star provider by Qualistar through June 30, 2012.
- [redacted] is located in Denver's [redacted] neighborhood.
- During the 2010/11 program year, [redacted] received approximately $11,000 in tuition credits and had an average of 36 children enrolled in DPP.
- The provider agreement for the 2011/12 school year was signed by [redacted] on June 13, 2011, and was in effect through June 30, 2012.
- The provider agreement amendment for the 2011/12 school year was signed by [redacted] on August 24, 2011, and is also in effect through June 30, 2012.
- [redacted] had all required insurance coverage in place for the 2011/12 program year.

All supporting provider documentation submitted to Metrix is included in Appendix II – *Supporting Provider Documentation*.

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Document Request Compliance

[redacted], ACS and Qualistar all responded to the document request by the January 18, 2012 deadline. **Table 1** details the documents requested- and subsequently submitted - by each organization for the specified children.

As denoted in Table 1 with an "X", [redacted] did not submit monthly parent bills for any of the student records under review. [redacted] did submit a letter stating that they do not provide parent bills to any parents since they are a Head Start provider serving low income children. The supporting documentation affirms that every student under review is a Tier 1 income level and qualifies for 100% tuition subsidy.

Table 1

Review Month: September *2011*	Application #: *32430*			Application #: *34670*			Application #: *34712*		
	ACS	Qualistar	[redacted]	ACS	Qualistar	[redacted]	ACS	Qualistar	[redacted]
Attendance Sheets [1]	✓	n/a	✓	✓	n/a	✓	✓	n/a	✓
Sign-in Sheets	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a	✓
Participation [2]	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a
Star Rating Certificate [3]	n/a	✓	n/a	n/a	✓	n/a	n/a	✓	n/a
Provider Tuition Rates	n/a	✓	n/a	n/a	✓	n/a	n/a	✓	n/a
Signed Provider Agreement(s)	n/a	✓	n/a	n/a	✓	n/a	n/a	✓	n/a
Provider Insurance Certificate	n/a	✓	n/a	n/a	✓	n/a	n/a	✓	n/a
Daily Schedule - Provider [4]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Daily Schedule - Student	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a	✓
Copy of Parents Monthly Bill	n/a	n/a	X	n/a	n/a	X	n/a	n/a	X
Current Address	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a	✓
Proof of Income	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a
Proof of Residency	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a
Proof of Age	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a
Database Screenshot	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a
Completed & Signed Application	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a
Acceptance Letter [5]	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a
Payment Notification [6]	✓	n/a	n/a	✓	n/a	n/a	✓	n/a	n/a

[1] *Attendance reports for DPS children are contained in the DPS billing statement.*

[2] *Included in application, acceptance letter, monthly payment file and daily schedule.*

[3] *Also included in acceptance letter and monthly payment file.*

[4] *Only applicable for Qualistar for faith-based providers.*

[5] *For DPS children, enrollment letters are sent by DPS*

[6] *Payment reports for DPS children are contained in the DPS billing statement.*

Eligibility

COMPLETED APPLICATION – A completed and signed application must be submitted to DPP in order to begin the application process. The major information categories are listed below. This is not intended as a complete list for every application field, only a summary listing of the primary information needed to process an application.

It is important to note that as long as an application has enough information to contact the parent or guardian, the customer service provider is required to make reasonable efforts to contact the parent to request additional information to complete the application.

Metrix reviewed the applications for three students from [redacted]. As Table 2 details, all three applications are deemed complete. Parent/guardian signatures also match the parent/guardian listed in the application. Appendix III contains a scanned copy of the student applications.

Table 2

Application #	Child Name	Parent Name	Sex	Birth Date	Address	Affirm Study	Provider	Signed
32430	✓	✓	✓	✓	✓	✓	✓	✓
34670	✓	✓	✓	✓	✓	✓	✓	✓
34712	✓	✓	✓	✓	✓	✓	✓	✓

RESIDENCY - Per ordinance, all children receiving DPP tuition credit payments must be City & County of Denver residents. DPP enforces this mandate by requiring applicant families to submit proof of residency that "may" include any of the following documents:

- Copy of current lease
- Proof of home ownership
- Gas bill
- Water bill
- Electric bill
- Cable bill

These documents are typically submitted along with the application packet. The residency document is then validated at www.denvergov.org. In the event that adequate proof of residency is not provided, the customer service vendor (currently ACS) will contact the family and attempt to obtain appropriate documentation. If ACS is unable to do so, the child will not be approved for the program.

One important exception to this requirement is when a [redacted] Head Start child is applying for DPP benefits. Since proof of residency is

also required for Head Start program, DPP has opted to use the [redacted] Head Start enrollment report in lieu of document submittal to minimize the administrative burden on families applying to the program. This report is provided to ACS electronically by [redacted] for all of its sites via an Excel spreadsheet.

As presented in Table 3, the records for all three [redacted] students reviewed by Metrix show that they are classified as Denver Residents. The relevant residency documents are included for each student in Appendix III.

Table 3

Application #	Document Type	Address
32430	Head Start Report	1372 Zenobia, Apt. B, Denver, CO 80204
34670	Head Start Report	90 South Vrain St., Denver, CO 80219
34712	Head Start Report	246 Quitman Street, Denver, CO 80219

AGE REQUIREMENT – As with residency, city ordinance stipulates that DPP tuition credits may only be issued to children in their final year of school prior to kindergarten. Accordingly, most DPP-eligible children are four years old.

Parental choice, however, does play a role and in some cases children may be either three or five years old. In these cases a letter from the provider is required to validate the situation. Regardless of age, DPP tuition credits are only available to any given child for one school year.

Typical forms of documentation accepted by DPP as proof of age are:

- Birth certificate
- Passport
- Baptismal record
- Hospital birth record

Consistent with the residency requirement, DPP also accepts the [redacted] enrollment report as valid proof of age.

As shown in Table 4, all three [redacted] students reviewed by Metrix were 4 years of age prior to the October 1st "cut-off" date. The supporting age documentation is included for each [redacted] student in Appendix III.

Table 4

Application #	Document Type	Birthday	Age
32430	Head Start Report	August 22, 2007	4 years, 1 months
34670	Head Start Report	August 14, 2007	4 years, 1 months
34712	Head Start Report	September 29, 2007	4 years, 0 months

PROOF OF INCOME – While not required for program eligibility, DPP is mandated to means test all children applying for DPP tuition credits. Consequently, there is a significant financial incentive for families to provide proof of income since low income families receive a larger benefit than high income families. If no documentation is submitted, the family will qualify for the lowest income category (Opt Out).

The means test utilized by DPP to determine the Income Tier Level is a function of income and family size. The scale has six total tier levels (including Opt Out), with Tier 1 applying to the lowest income children. To calculate which Tier a family falls into, proof of income for one month must be provided along with household size, which is self-reported on the DPP application. Acceptable income verification includes:

- Current pay stubs
- Wage or earnings statement
- Tax return
- Income Affidavit

As with age and residency requirements, the [redacted] Head Start enrollment report is allowable proof of income. Unlike the other eligibility areas, however, the Head Start report does not provide family income. While income tier is provided in the report, there is no supporting documentation, aside from the family's self-reported income amounts included in the application.

Since the [redacted] Head Start Enrollment Report does not indicate family income, Metrix could not validate if the assigned tier level was accurate for the students reviewed.

As a secondary means test, Metrix reviewed the self-reported income levels from each student application. In two cases the calculation validated the reported income tier. In the case of application #34670, however, the family reported $1,860 in monthly income with a family size of four. Assuming this is the correct information, this student should be classified at a Tier 2 income level, not Tier 1.

These amounts were also displayed in the ACS database screenshot. It and the [redacted] Head Start Enrollment Report is included for each student in Appendix III.

Table 5

Application #	Document Type	Household Size	Stated Income	Documented Income	Tier Level
32430	Head Start Report	4	$1,694.00	unknown	1
34670	Head Start Report	4	$1,860.00	unknown	1
34712	Head Start Report	5	$1,366.00	unknown	1

Enrollment Process

ENROLLMENT NOTIFICATION – Once a prospective DPP student's application is complete the customer service vendor verifies all of the information and calculates the estimated monthly tuition credit for the child. The customer service vendor then generates an acceptance letter for the child and sends it via USPS to the address of record.

Table 6 highlights the key dates as identified in the DPP application and supporting documentation, as well as the number of days between when an application was signed and when the student was formally notified of program acceptance. The signed application is included in Appendix III.

Table 6

Key Dates	#32430	#34670	#34712
Received complete application?	YES	YES	YES
Application Signed by Parent	8/29/2011	8/30/2011	8/30/2011
Acceptance Letter sent by ACS	9/13/2011	9/13/2011	9/15/2011
Days to Acceptance	15	14	16

As highlighted in Table 6, relevant application dates for all students reviewed are chronologically consistent and were received complete by ACS. Given available information it is not clear when [redacted] submitted the application to ACS, but the approximate time to acceptance for all students reviewed was about two weeks.

DATA CONSISTENCY & COMPLETENESS – A critical underlying factor in the accuracy and efficiency of DPP transactions is complete information that is consistent across the spectrum of

the DPP process owners. **Table 7** highlights the information that is contained in seven of the critical process documents collected for the quality assurance review. Copies of the supplied documents are contained in Appendix IV.

As noted earlier, DPP policy allows for the Head Start Enrollment file to be used in lieu of supporting documentation for key enrollment factors such as age, income, and residency. Although this file validates other data points, it presents an inherent audit challenge as the provider receiving the DPP program benefit are also those providing the only source of supporting documentation for the student's eligibility.

Table 7

	Application #34712							Application #32430							Student ID #34670						
	Application	Acceptance Letter	Income	Residency	Age	Current Address	Daily Schedule	Application	Acceptance Letter	Income	Residency	Age	Current Address	Daily Schedule	Application	Acceptance Letter	Income	Residency	Age	Current Address	Daily Schedule
Child's Name	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
Guardian Name	✓		✓	✓	✓			✓		✓	✓	✓			✓		✓	✓	✓		
Gender	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓			✓	✓	✓	✓	✓		
Birth date	✓		✓	✓	✓			✓		✓	✓	✓			✓		✓	✓	✓		
Address	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
Star Rating		✓							✓							✓					
Research Study	✓		✓	✓	✓			✓		✓	✓	✓			✓		✓	✓	✓		
Provider	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓
Signature	✓							✓							✓						
Ethnicity	✓		✓	✓	✓			✓		✓	✓	✓			✓		✓	✓	✓		
Language	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓			✓	✓	✓	✓	✓		
Household Size	✓							✓							✓						
Participation	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓
Tier Level		✓	✓	✓	✓				✓	✓	✓	✓				✓	✓	✓	✓		

Attendance & Payment

ATTENDENCE – DPP policy allows a student to miss seven days of school before there is any adjustment to the tuition credit scale. For any absences greater than seven days, the tuition credit for the month is pro-rated based on the following formula:

{Scheduled Days – [(Absences > 7) – 7]} / Scheduled Days

A related adjustment is also made in the event that a student enrolls or terminates mid-month, or changes provider site. In these cases the attendance policy does not apply, and the following formula is used to calculate the pro-rated adjustment to the monthly tuition credit:

Start/End date adjustment amount [1] = (termination date/days in month) * (monthly tuition credit rate) * (days attended/days scheduled)

[1] *For end date adjustment, do not add 1 to days in month.*

As summarized in Table 8, all reviewed students were enrolled for a partial month as supported by the enrollment letter and pay file. Consequently the attendance rule did not apply to any tuition credit calculations. However, the Scheduled Days listed in the pay file for application #32430 was incorrect in the payment file submitted to DPP by the customer service vendor. As stated in the supporting documentation, [redacted] submitted 16 as the scheduled days and 8 absences for the child. Subsequently the Mid-month adjustment amount and monthly tuition credit payment are incorrect. Supporting documentation is included with Appendix V- Payment & Attendance Documentation.

Table 8

Application #	Payment File Absences	Sign-in Sheet Absences	Absence Adjustment	Mid-Month Enroll/Term	Mid-Month Adjustment
32430	7	8	$0.00	Yes	($93.37)
34670	0	0	$0.00	Yes	($62.86)
34712	2	2	$0.00	Yes	($51.70)

PAYMENT CALCULATION – In PY 2011/12, the DPP methodology for calculating monthly student tuition credits are based on paying the ***lesser*** of either the Provider Tuition Rate, or the Net Provider Payment amount, which is derived as follows:

Awarded Tuition Credit – Absence Adjustment, or start/end date adjustment = Net Provider Payment

As discussed earlier in the report, the Awarded Tuition Credit is a function of family size, income level, participation level, and provider quality rating.

Table 9 details the Tuition Credit Award calculation for the selected students. As detailed in the Proof of Income section of this report, the self-reported family income (*) for application #34670 implies that that student should be in the Tier 2 income bracket, not Tier 1. Subsequently this student was awarded a monthly tuition credit of $141.00 as opposed to the Tier 2 level of $127.00. Supporting documentation is contained in Appendix III.

Table 9

Application #	Household Size	Monthly Income *	Star Rating	Participation Level	Tuition Credit Award
32430	4	$1,694.00	3	Part Day	$141.00
34670	4	$1,860.00	3	Part Day	$141.00
34712	5	$1,366.00	3	Part Day	$141.00

Table 10 captures the payment calculation for each student based on DPP policy. Although the tuition credit baseline may be incorrect (as indicated in Table 9), all payment calculations were correct and in agreement with the final September 2011 payment file. Accordingly all student tuition credit payments were distributed correctly. Supporting documentation is included in Appendix V.

Table 10

Application #	Provider Rate		Tuition Credit Award		Absence Adjustment		Start/End Date Adjustment		Net Provider Payment
32430	**$450**	(or)	$141	(-)	$0.00	(-)	$93.37	(=)	**$47.63**
34670	**$450**		$141		$0.00		$62.86		**$78.14**
34712	**$450**		$141		$0.00		$51.70		**$89.30**

PROVIDER REPORTS – DPP policy requires the customer service provider to send a monthly report to every provider to complete the information loop and provide supporting documentation for tuition credit payments made the prior month.

As shown in Table 11 below, the payment report provided to [redacted] agrees precisely with September payment records. Supporting documentation is included in Appendix V.

Table 11

Application #	Payment Report Amount	Payment File Amount	Difference (if any)
32430	$47.63	$47.63	$0.00
34670	$78.14	$78.14	$0.00
34712	$89.30	$89.30	$0.00

Conclusion

The DPP Quality Assurance program was implemented with the overarching goal of conducting a cross-functional assessment of the Denver Preschool Program to evaluate its effectiveness in fulfilling its statutory mission of helping Denver's children access high-quality early childhood education. With that in mind, the sample review of [redacted] objectively demonstrates that DPP and its affiliates are largely achieving this mission.

In keeping with DPP's commitment to continuous improvement, the development of this report yielded the following observations for DPP to consider as it evaluates program policy:

- Consistent with prior Quality Assurance Reviews performed by Metrix, [redacted] does not send parents a monthly billing statement. In the case of [redacted], the center director submitted a letter (included in *Appendix IV*) affirming that they do not send statements to any parents since they serve a low income Head Start population. As a result of this practice, parents are not regularly notified of the DPP tuition credit and do not have an ongoing tool to quality check their DPP benefit. DPP may want to consider this fact in its evaluation of other program tools that empower parent choice through information and communicate program value.
- The incorrect Mid-month Adjustment for application #32430 in the payment file is likely a function of the significant amount of manual data entry required for monthly attendance by ACS. DPP may want to review the quality assurance processes in place at ACS for data entry, and consider offering as many electronic enrollment alternatives to providers as possible to help minimize the volume of manual data entry.
- In the case of application #34670, the customer service vendor deferred to the Head Start report as the document of record for family income and assigned a Tier 1 income level. The family application, however, clearly indicates an income level commensurate with a Tier 2 level. This implies an overpayment to this family. As the provider is responsible for submitting an accurate Head Start Enrollment Report, Metrix recommends that DPP review the root cause of this discrepancy with the provider. Secondarily, DPP may want to consider a quality control cross-check process be

implemented with the customer service vendor on all applications to insure the most accurate information is utilized in the calculation of tuition credit payments. Particularly since the customer service vendor reflects the self-reported family income level in its database.

- More generally, DPP - along with its key stakeholders - may want to review the current DPP policy of allowing the Head Start Enrollment Report to supplant standard document requirements. While program ease/access is an important consideration, it should be balanced carefully against financial and operational accountability as the current policy may have the net effect of placing Head Start providers in an unintended conflict of interest situation.

NEXT STEPS

DPP staff agrees with the conclusion that [redacted] is in compliance with DPP policies and procedures. DPP also recommends the follow-up activities listed below to promote continuous improvement across the DPP system.

Item	DPP Follow-up Activity	Date Completed
1.	*Staff follows up with ACS in regards to bullets 2 & 3 on p.11 (What might account for the difference in reporting on the number of absences for app #32430? Do we still feel the Head Start Enrollment Report is a satisfactory means of verifying such factors as tier level and residency?)*	
OUTCOME:		
2.	*Staff follows up with [redacted] in regards to bullet 3 on p.11 (What led the provider to place app #34670 in Tier 1 as opposed to Tier 2?)*	
OUTCOME:		