



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

October 4, 2019

Ann Edwards
Director
Sacramento County Department of Human Assistance
1825 Bell Street, Suite 200
Sacramento, CA 95825-1020

SUBJECT: MANAGEMENT EVALUATION FINDINGS

Dear Director Edwards:

We would like to thank you and your staff for your cooperation and assistance in the completion of the Federal Fiscal Year (FFY) 2018 CalFresh Employment and Training (E&T) Management Evaluation (ME) review, which was conducted on June 25th-27th, 2019 in Sacramento County. This letter communicates ME findings, observations, and program highlights from the California Department of Social Services (CDSS). We would like to extend a special thanks and express appreciation to Angelica Atkinson and Kathy Gaines-Le for facilitating the review process.

The focus of the FFY 2018 ME review was to determine county compliance with E&T program rules, regulations, and the county's approved annual E&T plan, as well as to identify and document effective practices. The ME review was conducted by the following CDSS staff: CalFresh E&T Section Chief, Kristina Meza, CalFresh E&T ME Manager, Muranda Sams, CalFresh E&T Program Analyst, Kristina Duthler, CalFresh E&T Analyst, Ebonye Davis and CalFresh E&T Program Analyst, Jennifer Fuls.

An overview of the findings, recommendations, and program highlights were discussed with your county staff at the exit conference on June 27th, 2019. The ME was concluded on August 12th, 2019 upon submission of requested documentation by Sacramento County DHA to the CDSS. The exit conference was intended to provide the county with information necessary to initiate corrective action changes prior to receiving this final report. The CDSS requests that a Corrective Action Plan (CAP) be submitted by December 3rd, 2019, to address the findings and recommendations included in this report. Please include a description of activities designed to address each finding and the expected implementation and completion date for each activity. In addition, please provide verification when available, such as policy memos or written procedures, in support of items identified in the county CAP.

We would like to commend Sacramento County for their commitment to providing CalFresh E&T services to individuals receiving CalFresh in your community. We would also like to recognize the significant program knowledge held by county staff and the positive impact that has had on the program locally, as well as the key role this expertise will play in carrying out future expansion plans.

Once again, we thank you and the members of your staff for your full cooperation and participation in this review. If you have any questions or require additional information, please contact Kristina Duthler by telephone at (916) 653-5528 or via email at calfreshe&tme@dss.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alexis Fernandez', is positioned above the typed name.

ALEXIS FERNÁNDEZ
Acting Branch Chief
CalFresh & Nutrition Branch
California Department of Social Services

Attachments

c: Ethan Dye
Kathy Gaines-Le



CALFRESH EMPLOYMENT AND TRAINING MANAGEMENT EVALUATION REPORT FOR SACRAMENTO COUNTY

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Introduction

Between June 25th and June 27th, 2019, the California Department of Social Services (CDSS) conducted a CalFresh Employment and Training (E&T) Management Evaluation (ME) of Sacramento County's CalFresh E&T program, which is administered by the Sacramento County Department of Human Assistance (DHA).

An entrance conference was held on Tuesday, June 25th, 2019. The on-site review was conducted over three days at the following locations: Sacramento County's DHA Administrative Office, located at 1825 Bell Street, Sacramento, CA; Sacramento County's Human Assistance Office, located at 1725 28th Street, Sacramento, CA; Volunteers of America (VOA), located at 10626 Schirra Avenue, Mather, CA; and Bach Viet Association (BVA), located at 1050 Fulton Avenue, Sacramento, CA. This report is based on facility visits, on-site file reviews, and interviews with members of the Sacramento County DHA staff, VOA staff, BVA staff, and CalFresh E&T participants.



An exit conference was held on Thursday, June 27th, 2019, to provide a summary of the review performed and to discuss any additional documentation needed, anticipated findings, observations, and highlights. The ME was concluded on August 12th, 2019 upon submission of requested documentation by Sacramento County DHA to the CDSS.

The following table identifies CDSS review team members:

Name	Title	Organization
Ebonye Davis	CalFresh E&T Policy Analyst	CDSS
Kristi Duthler	CalFresh E&T Policy Analyst	CDSS
Jennifer Fuls	CalFresh E&T Policy Analyst	CDSS
Kristina Meza	CalFresh E&T Section Chief	CDSS
Muranda Sams	CalFresh E&T Manager	CDSS

The following table identifies Sacramento County agency staff in attendance:

Name	Title	Organization
Angelica Atkinson	Administrative Services Officer II	DHA
Paula Burris	Chief Financial Manager	DHA
JoAnn Castillo	Senior Accountant	DHA
Michael Clevenger	Human Services Program Manager	DHA
Ethan Dye	Deputy Director	DHA
Linh Do	Human Services Program Specialist	DHA
Svetlana Fomichev	Eligibility Supervisor	DHA
Kathy Gains-Le	Human Services Program Planner	DHA
Sarah Gruber	Eligibility Supervisor	DHA
Kyle Hammon	Senior Accountant	DHA
Eva Masegian	Human Services Program Specialist	DHA
Paulette Petty	Human Services Supervisor	DHA
Nikki Sowumni	Accounting Manager	DHA
Rick Wright	Senior Administrative Analyst	DHA

Objective

The main objective of the CalFresh E&T ME was to determine Sacramento County's compliance with CalFresh E&T rules and regulations, identify and document effective practices, and identify technical assistance needs, as well as provide an opportunity for feedback to the CDSS on areas for continuous improvement.



Scope

The CalFresh E&T ME focused on Sacramento County's approved CalFresh E&T Plan for Federal Fiscal Year (FFY) 2018 and overall program operations and regulatory compliance, including fiscal management. The CDSS review team also interviewed members of the Sacramento County agency staff to better understand overall program operations, ensure compliance, conduct case reviews, and review fiscal practices.

In addition, the CDSS reviewed Sacramento County's data collection and validation methodologies for the *Non-Assistance CalFresh Work Registrants, Able-Bodied Adults Without Dependents (ABAWD)*, and *CalFresh Employment and Training (E&T) Quarterly Statistical Report (STAT 47)* and the *Annual CalFresh E&T Outcome Metrics Report*.

Methodology

The CalFresh E&T ME was conducted in accordance with Federal Nutrition Services (FNS) and Supplemental Nutrition Assistance Program (SNAP) E&T ME Guidance and utilized procedures and requirements set forth in the SNAP ME review guide for CalFresh E&T MEs.

Specific information gathering practices used during the CalFresh E&T ME include:

Interviews

The CDSS review team conducted interviews with Sacramento County DHA staff, VOA staff, BVA staff, and CalFresh E&T participants. The questions specifically addressed CalFresh E&T components as specified in the 2018 County Plan, program and fiscal compliance, data trends, and validation methodologies. The interviews with participants focused on assessing the effectiveness of services provided from the participant's perspective and the clarity of information provided by Sacramento County DHA, VOA, and BVA staff.

The following table identifies staff and participant interviews:

Name	Title	Organization
Arjemand Ahmadi	CalFresh E&T Participant	BVA
Robin Batuhan	Senior Financial Analyst	VOA
JoAnn Castillo	Senior Accountant	DHA
Jill Fox	Director	VOA
Sherman Haggerty	Division Director	VOA
Renee Harvey	CalFresh E&T Participant	VOA
Chia Ly	Information Technology Analyst	DHA
Kim Mack	Administrative Services Officer	DHA
Heather Mai	Chief Financial Officer	BVA



Name	Title	Organization
Marlo Miller	Case Manager	VOA
Angela Ortega	Senior Account Clerk	DHA
Paulette Petty	Human Services Supervisor	DHA
Mimi Pham	Human Services Specialist	DHA
Joel Rusco	Chief Financial Officer	VOA
Kayleigh Swetland	Licensed Clinical Social Worker (LCSW)- Program Manager	VOA
Tou Thao	Job Developer	BVA

Policy and Training Materials Review

Prior to the on-site review, the CDSS review team requested various CalFresh E&T policy and training materials. The purpose of the policy and training materials review was to identify program and policy practices in place relative to compliance, as well as to determine how staff are instructed and trained on CalFresh E&T.

The table below identifies the documents requested by the CDSS review team prior to the CalFresh ME that were received on May 28th, 2019 and used as part of this review.

Item Requested	Item Received
County handbook Certification manual Training material, or other instructional material	<ul style="list-style-type: none"> • Sacramento County CalFresh E&T Provider Handbook
Copies of notices provided to participants	<ul style="list-style-type: none"> • CalFresh Employment and Training Providers (CF 1017_34F) • CalFresh Employment and Training Services Funding Information (CF 1201_34F) • Option to Participate (SAC 1019_34F) • Employment Services Plan (SAC 1026_34F) • Informational Notice: Work Registration for CalFresh (SC 502)
Documents/reference materials used to produce the STAT 47	<ul style="list-style-type: none"> • STAT 47 Quarterly Instructions • CalWIN STAT 47 Roadmap
County organizational chart	<ul style="list-style-type: none"> • Sacramento County DHA Employment and Training Team Chart



Item Requested	Item Received
List of CalFresh E&T participants	<ul style="list-style-type: none"> • General Assistance Employment Services Participant List • BVA Participant List • VOA Participant List
Copies of contracts between the County and organizations performing CalFresh E&T functions	Copies of partner contracts: <ul style="list-style-type: none"> • Asian Resources, Inc • BVA, Inc. • Sacramento Food Bank and Family Services • Sacramento Regional Conservation Corps • Voluntary Legal Services Program of Northern California • VOA

Additional Documentation Requested

During the on-site ME review, the CDSS review team determined that additional documentation was needed to validate fiscal practices in relation to CalFresh E&T. The CDSS review team requested additional documentation from Sacramento County DHA to conclude the ME. The documents were formally requested from Sacramento County DHA on July 23rd, 2019 by the CDSS and were received on August 12th, 2019.

The table below identifies the documents requested and received by the CDSS review team.

Item Requested	Item Received
Cost Allocation Plan/Methodology for General Assistance Training and Employment (GATE) Program	<ul style="list-style-type: none"> • Cost Allocation Plan/Methodology for GATE Program
Documentation to validate Sacramento County General Funds awarded to VOA are being reimbursed prior to seeking the 50% CalFresh E&T reimbursement	<ul style="list-style-type: none"> • Copies of payment records from Sacramento County Accounting System

Item Requested	Item Received
Documentation to support 100% funds were not awarded and invoiced to VOA	<ul style="list-style-type: none"> • VOA invoices/spreadsheets
Documentation to validate bulk bus passes were tied to an individual enrolled in an allowable CalFresh E&T component	<ul style="list-style-type: none"> • Documentation for validation not provided. • Revised Regional Transit Authorization Forms Provided.
Narrative on VOA's approved Cost Per Participant Methodology	<ul style="list-style-type: none"> • Narrative for VOA's approved Cost Per Participant Methodology

Case File Review

The CDSS review team reviewed thirty FFY 2018 case files selected at random to determine compliance. The team utilized a case file review protocol to ensure each case file was reviewed in a consistent manner and that all areas of federal requirements were reviewed. The purpose of the case file review was to determine whether Sacramento County and their partners maintain case files in compliance with federal requirements.

Fiscal Policy and Document Review

The CDSS review team reviewed fiscal policies and documentation from Sacramento County and sub-recipients for FFY 2018. Additionally, the CDSS review team evaluated fiscal systems in place to ensure fiscal integrity. The purpose of the fiscal policy and document review was to determine if costs charged to CalFresh E&T matched the approved budget and were allowable, reasonable, necessary, and allocable.

Program Highlights

One of the main objectives of the CalFresh E&T ME was to identify, describe, and document effective practices that Sacramento County has in place. These best-practices may inform future program development across the State. Sacramento County demonstrated well-developed program elements with many successful practices. Recognized practices are listed as highlights below:

Highlight #1: CalFresh E&T services were offered to a diverse population of CalFresh recipients

Through Sacramento County's partnerships, CalFresh E&T services were provided to a diverse population within the county, including refugees, asylees, victims of human trafficking, former



foster youth, and veterans. Dedicating services and staff to support the success of these diverse individuals is crucial as many may face significant barriers to employment.

Highlight #2: Comprehensive participant tracking system

Sacramento County implemented a comprehensive tracking system that effectively captured key CalFresh E&T participant information. The internally-developed CalFresh Employment & Training (CFET) web application allowed partners to capture CalFresh E&T participant information in a centralized system, including tracking of allowable components, participant reimbursements, and monthly CalFresh E&T eligibility verification. The CFET web application allowed Sacramento County and partner staff immediate access to participant data in real time.

Highlight #3: Wraparound services

Through Sacramento County's partnerships, a variety of wraparound services were offered to CalFresh E&T participants which were funded through alternative means. Services such as, life-skills training, problem solving, public speaking, parenting and life skills classes, nutrition education, as well as referrals to outside vocational training and education programs were offered to CalFresh E&T participants. These additional wraparound services demonstrated an effective leveraging of existing resources in the county to ensure that participants could effectively address barriers to employment that may be outside the scope of CalFresh E&T, but critical to their employment success.

Observations

Observation #1: Non-federal funding sources for partners are validated only at time of Request for Proposal (RFP).

Recommendation #1: The CDSS recommends that Sacramento County validate their partners' non-federal funding sources on an ongoing basis. The validation process can be implemented into the formal programmatic and fiscal monitoring process as required in finding #2.

Observation #2: Sacramento County does not have controls in place to prevent duplication of CalFresh E&T services and participant reimbursements across all partners.

Recommendation #2: The CDSS recommends that Sacramento County develop processes and procedures to ensure controls are in place to prevent participants from receiving duplicative services and participant reimbursements across multiple partners.

Observation #3: VOA participant case files did not clearly identify component start and end dates.



Recommendation #3: In order to clearly identify the component in which each participant is enrolled and the start and end date of enrollment, the CDSS recommends that each participant case file include the component name in which the individual is enrolled along with the start and end date. The CDSS recommends that Sacramento County instruct partners on how to effectively capture component start and end dates. In addition, once Sacramento County has implemented a formal programmatic and fiscal monitoring process as required in finding #2, the county can incorporate the validation of component start and end dates.

Findings and Corrective Actions

Finding #1: Sacramento County's FFY 2018 CalFresh E&T Plan is not reflective of the actual services provided.

Citation: 7 CFR 273.7, 7 CFR 272.2(e)

Background: The CalFresh E&T County Plan is an agreement between the county and the CDSS. The CalFresh E&T County Plan must identify the E&T component(s) the county offers and a detailed description for each component(s) offered as outlined in the CalFresh E&T County Plan Template and Instructions. Once the CalFresh E&T County Plan is approved by the CDSS then the county must offer services to eligible participants as outlined in the approved CalFresh E&T County Plan.

Required Corrective Action #1: Sacramento County must ensure all components listed in the FFY 2020 CalFresh E&T County Plan will be offered to eligible CalFresh E&T participants. Sacramento County will need to remove on-the-job training as a component on the FFY 2020 CalFresh E&T County Plan if it will not be offered in FFY 2020. Sacramento County will also need to include internships under the Work Experience component, if offered in FFY 2020.

Finding #2: Sacramento County is not conducting programmatic and fiscal reviews of their CalFresh E&T partner programs.

Citation: 7 CFR 275.5, 2 CFR § 200.504

Background: To ensure compliance with program requirements, each county which operates a CalFresh E&T program must conduct a programmatic and fiscal review of their partner(s) to measure compliance with the provisions of FNS regulations at minimum once annually.

Required Corrective Action #2: Sacramento County must ensure that programmatic and fiscal reviews of CalFresh E&T partner(s) are conducted at minimum once annually. Sacramento



County is required to conduct programmatic and fiscal reviews to ensure that their partner(s) are operating CalFresh E&T in accordance with federal and state policy and regulations.

Finding #3: Costs charged to CalFresh E&T were questionable, unallowable, or unreasonable. Sacramento County reimbursed their partner, VOA, for administrative expenses that included unallowable costs, such as staffing costs not directly tied to the provision of CalFresh E&T and/or its components, including a credit specialist and therapist. In addition, staff were charged to CalFresh E&T based on projected staffing needs and not actual staff time dedicated to CalFresh E&T.

Citation: 2 CFR 200.84; 2 CFR 200.404; 2 CFR 200.405(a)

Background: All costs charged to E&T must be reasonable, allowable, necessary and directly related to the provision of CalFresh E&T.

Required Corrective Action #3: Sacramento County must ensure that they have effective controls in place to determine whether costs are reasonable, necessary, and directly related to the provision of CalFresh E&T prior to providing reimbursements to partners. Sacramento County must develop a mechanism to reconcile staff charges to CalFresh E&T based on actual staff time dedicated to CalFresh E&T.

Finding #4: The methodology used to establish the cost-per-participant (CPP) rate is not reflective of the actual cost to serve an eligible CalFresh E&T participant. VOA developed a CPP rate for CalFresh E&T participants that was not consistent with CPP rates for non-CalFresh E&T participants receiving the same services.

Citation: 2 CFR 200.413, SNAP E&T Toolkit

Background: Costs incurred for the same purpose in like circumstances must be treated consistently. CalFresh E&T must be charged at the same rate as other grants and the CPP rate must be reflective of the actual costs of providing CalFresh E&T services to eligible participants.

Required Corrective Action #4: Sacramento County must ensure that partners have a methodology in place that clearly establishes costs according to actual services provided to all individuals participating in CalFresh E&T. A CPP rate can then be developed based on the actual cost of serving eligible participants.

Finding #5: Sacramento County DHA reimbursed BVA for CalFresh E&T services without verifying sufficient non-federal funding. BVA used a blend of federal and non-federal funds to seek the 50% federal reimbursement to administer CalFresh E&T. CalFresh E&T requires that only non-federal funds be used to seek the 50% federal reimbursement.

Citation: 7 CFR 273.7, SNAP E&T Toolkit



Background: State or local grants and donations from private or non-profit organizations are appropriate sources of non-federal funding to meet the 50% federal reimbursement requirement. Federal sources of funding used on expenses related to CalFresh E&T are not eligible for reimbursement as a third-party partner. An organization must be able to administer CalFresh E&T using non-federal funds in order to seek the 50% federal reimbursement.

Required Corrective Action #5: Sacramento County must ensure their partners have adequate non-federal funds to administer CalFresh E&T. With the implementation of Sacramento County's formal programmatic and fiscal monitoring process as required in finding #2, the county can incorporate the process of validating partner non-federal funds.

Finding #6: Sacramento County reimbursed BVA for individuals that were enrolled in the Job Retention component without first receiving other employment or training services under CalFresh E&T. Individuals were enrolled and received participant reimbursements under the Job Retention component when they had not been employed for more than 30 days and without prior enrollment in an allowable CalFresh E&T component.

Citation: 7 CFR 273.7(e)(1), SNAP E&T Toolkit

Background: In order to be eligible to receive job retention services, a CalFresh E&T participant must have obtained unsubsidized employment within 30 days of component completion and must have been enrolled in or actively participating in an allowable CalFresh E&T component other than Job Retention before receiving Job Retention services.

Required Corrective Action #6: Sacramento County must implement a procedure to ensure that partners are following guidelines in relation to the allowable sequence of services. Individuals must have enrolled in an allowable CalFresh E&T component prior to enrollment in the Job Retention component. Sacramento County must develop controls to ensure partners are not reimbursed for disallowed costs.

Finding #7: Reimbursement for bus passes were claimed prior to being distributed and tied to an individual participant actively engaged in an allowable CalFresh E&T component.

Citation: 7 CFR 273.7, 2 CFR 200.333

Background: Participant reimbursements must be reasonable, necessary and directly related to participation in CalFresh E&T. Bus passes purchased in bulk can only be claimed for reimbursement upon distribution to an individual.

Required Corrective Action #7: Sacramento County must implement procedures to ensure that participant reimbursements are tied directly to an individual enrolled in an allowable CalFresh



E&T component prior to seeking reimbursement. Proper backup documentation must be maintained and available for review for up to three years.

Corrective Action Response

As stipulated in 7 CFR 275.16, Sacramento County is required to provide a written response identifying its corrective actions to findings outlined in this ME report. The corrective action response (CAR) is due within **60 calendar days** after receipt of this ME report. The CAR must address all findings and must show evidence of the following:

- Evaluation of the finding(s),
- Identification of the root cause(s) of the finding(s),
- Magnitude and geographic extent of deficiency,
- Determination of the corrective action(s) necessary to address the root cause(s) and correct the finding in a sustainable manner,
- Identification of the timeframes related to each corrective action (i.e. major milestone dates, target completion date),
- Identification of the county agency officials responsible or the point of contact for each corrective action,
- Basis for management decisions on planning, implementing, and evaluating corrective actions, and
- Description of how Sacramento County will monitor the corrective action,
- Description of how Sacramento County will determine whether the corrective action is successful in addressing the root causes, and;
- Documentation/evidence for any corrective action that has been implemented.



Definitions

Corrective Action Response (CAR): Actions that are proposed or taken by a County to respond to a finding of noncompliance with Federal regulations, FNS instruction, and/or policy memoranda. The term “Required Corrective Action” is the element of the ME report that conveys the action(s) that must be taken by the county to correct the noncompliance with Federal regulations, FNS instructions, and/or policy memoranda and prescribed by FNS for the County to move into compliance with Federal requirements and policy.

Finding: Identification of non-compliance with federal and or state regulations, FNS instructions, and/or policy memoranda, and/or other authoritative documents that must be corrected by the county. Each finding is associated with a required corrective action.

ME Report: Formal, comprehensive report of the ME review that typically includes findings, required actions, observations, suggestions and program highlights.

Observation: Identification of a weakness in program operations or management that is not in violation of program regulations, FNS instructions, and/or policy memoranda, and/or authoritative documents.

Open Finding: A finding in which corrective action has not been implemented by the county and/or validated by the CDSS.

Repeat Finding: A finding that is identical to a previously cited, that is discovered at the same county in at least one of the reviews conducted within the continuous six-year period immediately preceding the ME.

Required Corrective Action: A statement in the ME report that conveys the action(s) that must be taken by the county to correct noncompliance with federal regulations, FNS instructions, and/or policy memoranda. Required corrective actions are prescribed by FNS but may have input by the CDSS. The county is required to provide a Corrective Action Response to the CDSS. All required corrective actions must be validated by the CDSS to ensure the county has implemented the corrective action prior to closing the applicable finding(s).

Recommendation: A statement of action that should be considered by the county to correct an observation of a weakness.

Human Assistance
Ann Edwards, Director



Branches
Customer Service Operations
Finance and Administration
Community and Program Support
County Veterans Services Office

County of Sacramento

December 3, 2019

Alexis Fernández, Acting Chief
CalFresh and Nutrition Branch
California Department of Social Services
744 P Street
Sacramento, CA 95814

SUBJECT: CalFresh E&T ME Responses

Dear Ms. Fernández:

I am writing to provide responses to the Federal Fiscal Year 2018 CalFresh Employment and Training (E&T) Management Evaluation (ME) review that was conducted from June 27, 2019, through August 12, 2019, in Sacramento County.

Sacramento County will continue to work with the California Department of Social Services to implement CalFresh E&T rules and regulations with accuracy, consistency and integrity.

If you have any questions concerning the attached responses, please contact Kristin Gibbons, Division Manager, by telephone at (916) 875-8494, or by email at GibbonsK@saccounty.net. You may also contact Kathy Gaines-Le, Program Planner, by telephone at (916) 876-1212, or by email at gaineska@saccounty.net.

Sincerely,

Ann Edwards
Director

c: Cherlyn Davis, Deputy Director, Finance and Administration
Ethan Dye, Deputy Director, Community Services, Customer Service and Operations
Kristin Gibbons, Division Manager, Community Services, Policy and Training
Paula Burris, Chief, Departmental Administration
Kathy Gaines-Le, Program Planner, Policy

CalFresh Employment and Training (CFET)

Management Evaluation for FFY 2018 – County of Sacramento

Corrective Action Responses - Observations:

Observation #1: Non-federal funding sources for partners are validated only at time of Request for Proposal (RFP).

Recommendation #1: The CDSS recommends that Sacramento County validate their partners' non-federal funding sources on an ongoing basis. The validation process can be implemented into the formal programmatic and fiscal monitoring process as required in finding #2.

Response #1: Policies and procedures related to programmatic and fiscal monitoring are in the course of being developed, approved, and adopted by Sacramento County to enhance our monitoring process. The requirement to evaluate and determine the provider's funding sources, cost allocation plan and any respective match requirements will be included in the fiscal and program monitoring process. This will include outlining the requirement in the RFP process as well as monthly during the claim review process.

Observation #2: Sacramento County does not have controls in place to prevent duplication of CalFresh E&T services and participant reimbursements across all partners.

Recommendation #2: The CDSS recommends that Sacramento County develop processes and procedures to ensure controls are in place to prevent participants from receiving duplicative services and participant reimbursements across multiple partners.

Response #2: Sacramento County has controls in place to prevent duplication of CalFresh E&T services and participant reimbursements across all partners. When more than one provider enters the same participant into the CFET web, that participant appears on the Multiple Providers Report. This report is reviewed monthly. Staff verify that each participant listed is being offered different services by each provider. If there are duplicate services, staff contacts the provider who entered the information last and notifies them regarding the participant's ineligibility. The provider is also informed that the participant will be removed from under their agency. In addition to this report, Sacramento County is pursuing further automation within the Web to flag duplicate entries.

Observation #3: VOA participant case files did not clearly identify component start and end dates.

Recommendation #3: In order to clearly identify the component in which each participant is enrolled and the start and end date of enrollment, the CDSS recommends that each participant case file include the component name in which the individual is enrolled along with the start and end date. The CDSS recommends that Sacramento County instruct partners on how to effectively capture component start and end dates. In addition, once Sacramento County has implemented a formal programmatic and fiscal monitoring process as required in Finding #2, the county can incorporate the validation of component start and end dates.

Response #3: The CFET web application is designed to capture the component, the start date and end date of each activity for the participant's case file. A provider cannot move forward in the system without entering this information. In addition, the county mandates that each provider upload an assessment and individual employment plan at the time a participant is registered in CFET. This action generates a "Task" for staff to review the documents to ensure that the plan consists of an allowable component and includes a start date and approximate end date that matches what they have entered into the web. If these are present, the provider can move forward in the system. This ensures that the requirement of a start and end date are entered. Providers have been instructed that they must include a start and approximate end date when enrolling a participant into a component. Sacramento County will incorporate the review of participant's case files as recommended into the policies and procedures related to programmatic and fiscal monitoring that are in the course of being developed, approved, and adopted by Sacramento County to enhance our monitoring process.

Corrective Action Responses - Findings

Finding #1: Sacramento County's FFY 2018 CalFresh E&T Plan is not reflective of the actual services provided.

Required Corrective Action #1: Sacramento County must ensure all components listed in the FFY 2020 CalFresh E&T County Plan will be offered in FFY 2020. Sacramento County will need to remove on-the-job training as a component in the FFY 2020 CalFresh E&T County Plan if it will not be offered in FFY 2020. Sacramento County will also need to include internships under Work Experience component.

Response #1: Sacramento County concurs with this finding. CDSS found that a component offered by Volunteers of America (VOA) as On-the-Job Training (OJT) was, by Food and Nutrition Services' (FNS) definition, Work Experience. Sacramento County has reviewed its 2020 CFET plan to ensure that the components offered meet the definition ascribed by FNS. To avoid this error in the future, the County commits to proactive communication with CDSS including participation in the preparation webinars that are offered by CDSS to ensure that expectations and definitions are clear for the process of developing the CFET Plan. Also, as requested, internship programs have been moved under the Work Experience component in the FFY 2020 plan. This corrective action plan was developed in response to the ME and by consulting program professionals within the county.

Point of contact for this corrective action: Kathy Gaines-Le, Program Planner

Finding # 2: Sacramento County is not conducting programmatic and fiscal reviews of their CalFresh E&T partner programs.

Required Corrective Action #2: Sacramento County must ensure that programmatic and fiscal reviews of CalFresh E&T partner(s) are conducted at a minimum once annually. Sacramento County is required to conduct programmatic and fiscal reviews to ensure that their partner(s) are operating CalFresh E&T in accordance with federal and state policy and regulations.

Response #2:

Sacramento County acknowledges the finding and is committed to working with CDSS to structure an effective monitoring process. Sacramento County will conduct a minimum of one annual fiscal and program site review of each CalFresh E&T (CFET) provider. Regular annual reviews will enable Sacramento County to ensure the provider's compliance with applicable federal and state requirements and ascertain that expectations are being achieved. Currently, Sacramento County is performing a full scope fiscal and program monitoring review of one of our CFET providers. The progress of this review will be examined by the department's fiscal and program staff to strengthen the foundation of current and future corrective action plans. It will also serve as a guide to standardize our department's contract monitoring process. Policies and procedures related to programmatic and fiscal monitoring are in the course of being developed, approved, and adopted by Sacramento County to enhance our monitoring process.

Point of Contacts: Kathy Gaines-Le, Program Planner and Nancy Lee, Contract Monitor

Finding #3: Costs charged to CalFresh E&T were questionable, unallowable, or unreasonable. VOA was reimbursed for administrative expenses that included unallowable costs, such as staffing costs not directly tied to the provision of CFET and/or its components, including credit specialist and therapist. In addition, staff were charged to CFET based on projected staffing needs and not actual staff time dedicated to CFET.

Required corrective action #3: Sacramento must ensure that they have effective controls in place to determine whether costs are reasonable, necessary, and directly related to the provision of CalFresh E&T prior to providing reimbursements to partners. Sacramento County must develop a mechanism to reconcile staff charges to CalFresh E&T based on actual staff time dedicated to CalFresh E&T.

Response #3:

Sacramento County concurs with this finding. To ensure effective controls are in place to avoid this error in the future with other CFET providers, Sacramento County will implement the following:

- The cost-per-participant (CPP) rates will be established and developed using historical actual costs instead of projected costs for more accurate and reasonable reimbursements.
- Only allowable costs will be included in the development of future CPP rates to mitigate risk of audit disallowances.
- Utilize the review of VOA to structure and establish fiscal monitoring and formal cost settlement processes to reimburse actual and allowable costs.

Sacramento County notified VOA that a fiscal monitoring for FFY 18/19 will be performed on its CFET contract. Attached is a copy of Sacramento County's letter to VOA dated October 16, 2019. Evaluation of all costs charged to the CFET program and determination of total allowable expenditures for the contract period will be completed and compared to the amounts reimbursed by Sacramento County. Unallowable expenses and reimbursements exceeding the provider's actual and allowable costs will be recouped by Sacramento County. This fiscal monitoring is in progress with a target completion date of January 31, 2019. Sacramento County will review and evaluate the progress of this fiscal monitoring on an ongoing basis to ensure the goals and objectives are met. Progress reports will also be provided to executive management bi-weekly.

Point of Contacts: Kathy Gaines-Le, Program Planner and Nancy Lee, Contract Monitor

Finding #4: The methodology used to establish the cost-per-participant (CPP) rate is not reflective of the actual cost to serve an eligible CalFresh E&T participant. VOA developed a CPP rate for CalFresh E&T participants that was not consistent with CPP rates for non-CalFresh E&T participants receiving the same services.

Sacramento County must ensure that partners have a methodology in place that clearly establishes costs according to actual services provided to all individuals participating in CalFresh E&T. A CPP rate can then be developed based on the actual cost of serving eligible participants.

Required Corrective Action #4: Sacramento County must ensure that partners have a methodology in place that clearly establishes costs according to actual services provided to all individuals participating in CalFresh E&T. A CPP rate can then be developed based on the actual cost of serving eligible participants.

Response #4:

Sacramento County concurs with the finding and will ensure that the methodology used to develop cost-per-participant (CPP) rates are based on actual costs of serving program participants. Going forward, historical actual costs will be used to calculate the CPP rate. Sacramento County will apply this methodology to all CFET providers and develop a consistent and revised methodology of developing CPP rates for providers that have both CFET and non-CFET participants.

Point of Contacts: Kathy Gaines-Le, Program Planner and Nancy Lee, Contract Monitor

Finding #5: Sacramento County reimbursed BVA for CalFresh E&T services without verifying sufficient non-federal funding. BVA used a blend of federal and non-federal funds to seek the 50% federal reimbursement to administer CalFresh E&T. CalFresh E&T requires that only non-federal funds be used to seek the 50% federal reimbursement.

Required Corrective Action #5: Sacramento County must ensure their partners have adequate non-federal funds to administer CalFresh E&T. With the implementation of Sacramento County's formal programmatic and fiscal monitoring process as required in finding #2, the county can incorporate the process of validating partner non-federal funds.

Response #5:

Sacramento County concurs with the finding. Sacramento County is structuring fiscal monitoring processes that meet CDSS requirements. The corrective action plan for Finding Number 2 will also address and prevent this error. The requirement to evaluate and determine the provider's funding sources, cost allocation plan and any respective match requirements will be included in the fiscal and program monitoring process.

Note: As of October 1, 2019, BVA is no longer a CalFresh E&T provider with Sacramento County.

Point of Contacts: Kathy Gaines-Le, Program Planner and Nancy Lee, Contract Monitor

Finding #6: Sacramento County reimbursed BVA individuals that were enrolled in the job retention component without first receiving other employment or training service under CalFresh E&T. Individuals were enrolled and received participant reimbursements under the Job Retention component when they had not been employed for more than 30 days without prior enrollment in an allowable CalFresh E&T component.

Required Corrective Action #6: Sacramento must implement a procedure to ensure that partners are following guidelines in relation to the allowable sequence of services. Individuals must have enrolled in an allowable CalFresh E&T component prior to enrollment in the Job Retention component. Sacramento County must develop controls to ensure partners are not reimbursed for disallowed costs.

Response #6: Sacramento County concurs with this finding. Please note, Bach Viet Association (BVA) is no longer a CFET contractor with Sacramento County.

In January of 2018, the county launched the CFET web application which providers are required to use to track participant's activities. The CFET web application is used by staff who review CFET invoices. They can view a participant's component history, which includes start and end dates, before authorizing payment. This allows staff to determine if a participant has been enrolled in Job Retention in accordance with CFET regulations prior to approving reimbursements. The CFET web and this procedure ensures that partners are following the guidelines in relation to the allowable sequence of services.

The degree by which providers became comfortable and proficient in using the CFET web varied, but all providers were on-board by August 2018.

Additionally, the county issued a notification to providers outlining the allowable sequence of services in October 2019. Please see attached.

Point of contact: Kathy Gaines-Le, Program Planner

Finding #7: Reimbursement for bus passes were claimed prior to being distributed and tied to an individual participant actively engaged in an allowable CalFresh E&T component.

Background: Participant reimbursements must be reasonable, necessary and directly related to an individual participant actively engaged in an allowable CalFresh E&T component.

Required Corrective Action #7: Sacramento County must implement procedures to ensure that participant reimbursements are tied directly to an individual enrolled in an allowable CalFresh E&T component prior to seeking reimbursement. Proper backup documentation must be maintained and available for review for up to three years.

Response #7:

Sacramento County concurs with this finding. The County has taken steps to correct this error and ensure it does not occur in the future.

First, the form used by Financial Management for bus ticket claiming purposes, SC 245 Regional Transit Authorization, has been modified to ensure that reimbursements are tied directly to an individual enrolled in an allowable CalFresh E&T component. The modified form requires staff to verify if a customer receiving a ticket is a CFET participant. See attached.

Secondly, participant reimbursements claimed on CFET invoices are reviewed and matched against the registered activity in the CFET Web application. This application gives County staff complete real time information to ensure the reimbursements claimed corresponds to an allowable registered activity.

In response to the retention of backup documentation, Sacramento County has notified providers of this requirement (please see attached). This requirement is in our current and future contracts.

Point of contact: Kathy Gaines-Le, Program Planner