



Child Care Assistance Program

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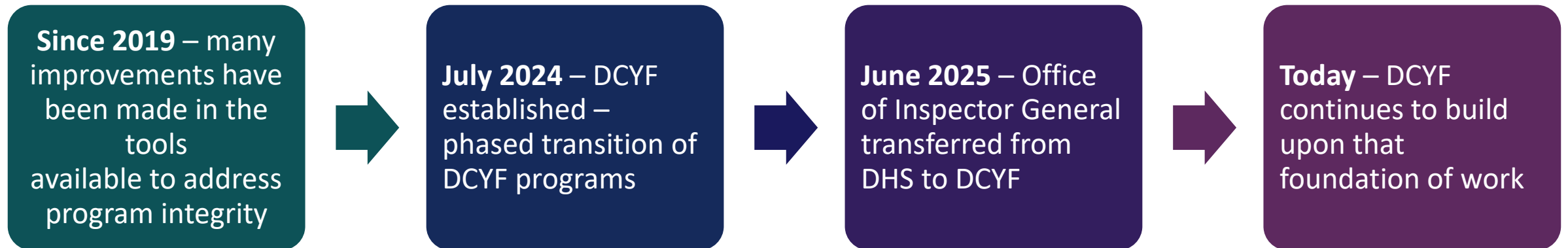
Program Integrity at DCYF

INFLUENCES:

- Culture
- Training
- Laws
- Media
- Policies
- Partners
- Counties
- Tribes
- Governor
- Legislature
- Federal Gov't
- OLA



Building Strong Program Integrity



Child Care Assistance Program (CCAP)

- **Purpose.** To help low-income families pay for quality child care while parents work, look for a job, go to school, or participate in activities within an employment plan.
- **Funding.** In SFY25, a total of \$386 million federal and state funding was allocated to CCAP.
- **Recipients.** In SFY25, supported over 23,000 children and 12,000 families.
- **Providers.** As of January 2026, there are 3,509 registered providers eligible to accept CCAP.

Administration and Oversight

Federal Government

- Funds CCAP through Child Care Development Fund (CCDF), overseen by Department of Health and Human Services
- Federal law and rules sets parameters and minimum guidelines to receive federal funding
- Reviews and approves CCDF Plan to illustrate compliance with federal rules and laws
- Conducts audits of states

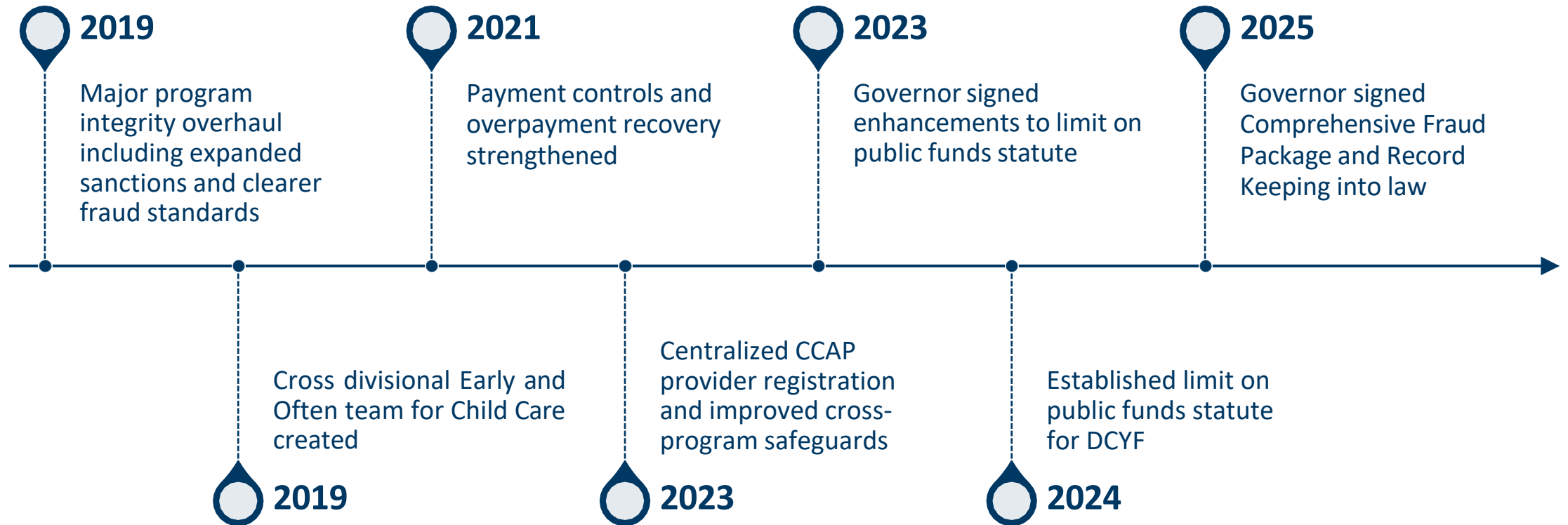
State Government

- Supervises local administration of CCAP including developing manuals, providing technical assistance and training, registering providers, and supporting compliance.
- Conducts CCAP case reviews to determine whether local agencies applied policies correctly.
- Oversees provider investigations and audits, and takes administrative action against providers when necessary.

Local Agencies

- Determines eligibility for families, process and verify applications, authorize care, and review and approve payments to providers.
- Assesses and collects overpayments from families.
- Conducts investigations and pursue fraud disqualifications for recipients.
- Responsible for family child care licensing and notifying State about compliance issues, including misuse of funds or potential fraud.

Program Integrity Enhancements



CCAP Program Integrity Legislation - 2019

2019 - Major Program Integrity Overhaul

- Expanded sanctions and exclusions across DHS programs
- Established clearer fraud standards, penalties, and administrative disqualification process
- Affirmed local authority to investigate provider fraud
- Improved provider accountability for billing and attendance records
- Reduced retroactive eligibility from 6 to 3 months
- Increased transparency & oversight through increased public access to data, cross-agency data sharing and expanded provider appeal rights.
- Invested in integrity infrastructure, registration, attendance, and billing software research, and new staff investigators and analysts.

CCAP Program Integrity Legislation - 2021

2021 – Payment Controls & Overpayment Recovery

- Limited retroactive authorizations/payments
 - Reduced to 3 months in most situations
- Expanded authority to stop or end payments based on non-compliance for certified centers
- Clarified overpayment rules
 - Required recovery of fraud overpayments
 - Prohibited overpayments based solely on agency error
 - Established 6-year lookback for non-fraud overpayments
- Forfeiture of held payments upon fraud determination

CCAP Program Integrity Legislation - 2024

2023 – Centralization & Cross-Program Safeguards

- Centralized CCAP provider registration to improve program integrity
- Stronger agency authority on the Limits on Receiving Public Funds statute
- Expanded corrective action rights
- Enhanced ownership/operation reporting requirements

2024 – Structural & Licensing Enhancements

- Conditional certification added for license-exempt centers needing closer monitoring
- DHS --> DCYF transition technical changes
 - Transitioned DHS' CCAP and investigative authority to DCYF
 - Established Limits on Receiving Public Funds statutory authority for DCYF

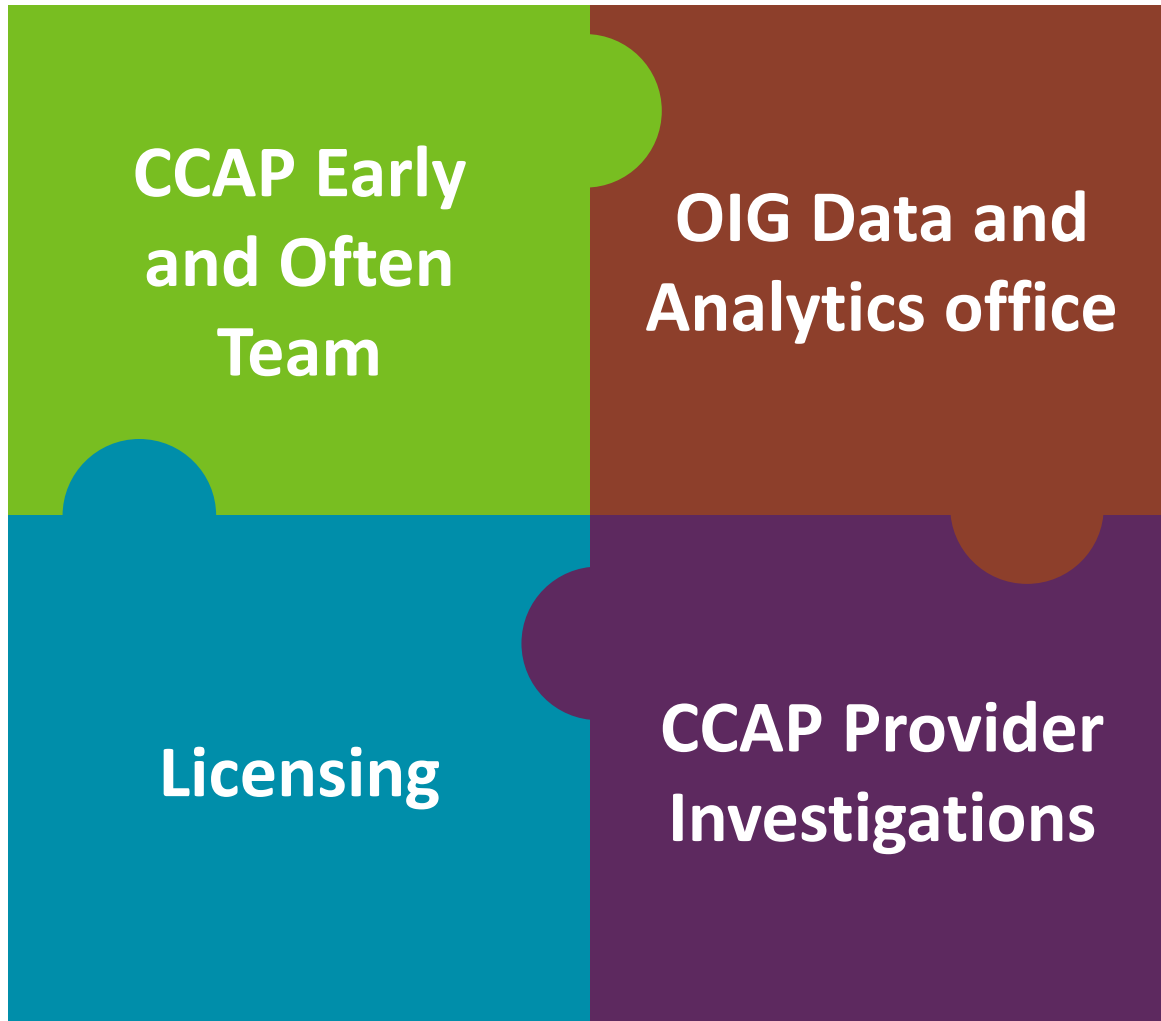
CCAP Program Integrity Legislation - 2025

2025 – Modernization & Fraud Deterrence

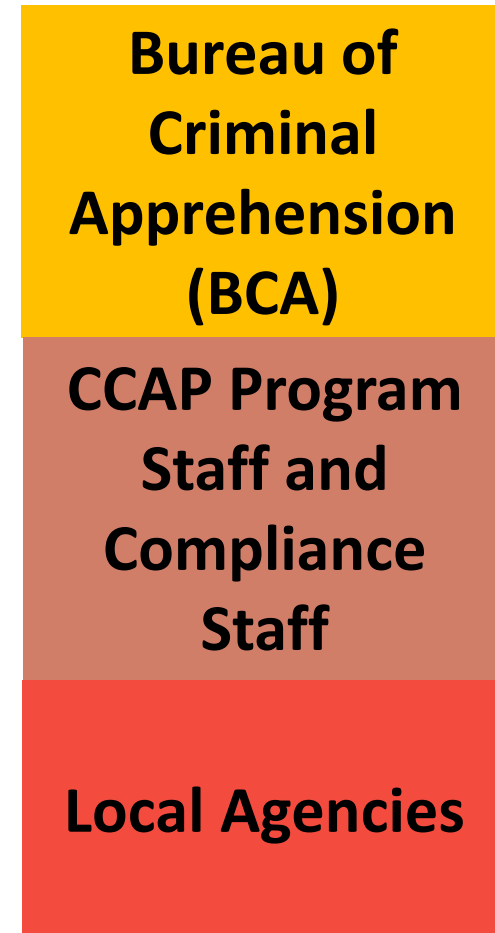
- Statewide electronic attendance requirement (effective June 2026)
- Banned kickbacks tied to CCAP access or provider steering
- Allowed limited disclosure of payment stops with Commissioner's approval
- Additional positions dedicated to limit on public funds and compliance

Program Integrity – Child Care Assistance Program

CCAP Program Integrity Tools



Partners



Steps to investigating CCAP fraud:



First, we identify concerning information about a program, leading to an administrative process to determine if concerns are warranted. Then investigation begins, leading to possible outcomes such as administrative actions, civil remedies, and criminal prosecution. Most of the time, our investigations result in findings related to **administrative and compliance issues**.

CCAP Program Integrity Administrative Actions

Through our investigation, DCYF can take actions such as:

- **Discontinue payment** – DCYF can act to immediately stop or end CCAP payments
- **Order of corrective action**– DCYF identifies practices that are violations of CCAP policies, laws, or regulations that must be corrected
- **Overpayment assessment** – DCYF recoups payments when it identifies improper payments
- **Administrative disqualification (DQ)** – DCYF disqualifies a provider from participation in the CCAP program

CCAP and E&O Investigations

CCAP and Early & Often Investigations Summary by Calendar Year

Metric	2019	2020	2021	2022	2023	2024	2025	2026 (YTD)
Cases Opened	95	240	60	176	123	99	149	189
Cases Closed	58	210	44	140	124	99	90	30
Administrative Sanctions (Total)*	21	94	28	82	47	59	107	28
Referrals to Law Enforcement	11	0	9	4	5	4	3	5
Criminal dismissal	1	—	—	—	—	—	—	—
Criminal Conviction	2	-	1	-	-	1	-	-

*Administrative sanctions can include, but is not limited to order of corrective action, payment stop, payment withhold, disqualification, and overpayment assessed.

Current Program Integrity Activities

- Increased compliance checks of child care providers receiving funds from the Child Care Assistance Program (CCAP)
 - Verify programs are operating
 - Verify compliance with program requirements
 - Collect historical attendance records for further analysis
- Add additional IT capabilities
- Expand use of administrative sanctions
- Explore gaps in policies in payment withholdings and other administrative actions
- Continued coordination with BCA and other state/federal agencies

DCYF 2026 Supplemental Budget Proposal

Investment
FY 2027:
\$3.3 million
FY 2028-29:
\$5.7 million

Expands state
and local
investigation
capacity

Increases
Proactive
anti-fraud
methods

- **Increases investigative capacity**
 - Adds an additional team of investigators to allow for more proactive and unannounced site visits
- **Expands data analytics**
 - Increases capacity to design and build new data pipelines and funds an end-to-end investigation case management system.
- **Increases local agency capacity**
 - Increases resources for the Fraud Prevention Investigation (FPI) grant program that support local agencies to increase their investigation capacity.
- **Requires program integrity training for providers receiving CCAP**
 - Expands training on CCAP administration requirements making the training required and enhancing the program integrity content.

Thank You