

## **NEXT CALL: FRIDAY, OCTOBER 3<sup>RD</sup> AT 1:30 PM**

***School districts from across the state were part of the meeting. Below are minutes. Pass these on and let others know they can join in the calls. New Conference call number is: 1-800-914-8405; code is: 1785191#.***

### **Survey –**

- One of the LECs asked to be part of the calls that we convene on issues. We would like to know what you think since some districts feel the LECs meet without input from districts so districts should have an ability to share information amongst themselves without involvement from LECs. Others feel we have nothing to hide so there is no reason not to open the meetings. There are other options as well. This might include allowing the first half hour of the meeting to include anyone who wants to listen in, including the LECs then meeting separately.

### **RTC –**

Hellan spoke with John Mendoza (DHCS) regarding what was discussed during the webinar. She relayed that NEA has asked for a meeting with CMS/HHS. John said that DHCS will be meeting with CMS on the proposed settlement. Below are some of the issues that John was asked to raise:

- How will back casting work?
- Can all districts be paid at least 75% now and 25% later through back casting
- NEA has asked for another San Francisco meeting with CMS/HHS. Is there information about inclusion on the participant list of teachers? Is there more general information On the participant list and changes

### **These are some of the issues raised during the call on RTC:**

- Questions being sent through the SMAA website seem to be going into a black hole and are not being answered. Possible solutions: Encourage DHCS to use the website for two way communication. It was also noted that since negotiations are still going on, the state may not have definitive answers to post.
- Are the reimbursement tiers that DHCS provided being proposed on a school fiscal year basis (summary of all invoices for the four quarters of the school fiscal year) or on an individual quarterly invoice basis?
  - Answer: Quarterly claims
- While the settlement is good news for districts who receive 75-100% of their claims, this is on a quarter by quarter basis and may be complicated to figure out. With a few dollars difference for example, one quarter you could receive 75% funding the next, 40%. The other issue is districts receiving 40% to 25% of claims. What are the factors to look at in terms of these districts? It seems that size and number of employees, percent of poverty, number of Special Ed may

determine claim size. Districts were asked to send in some of their invoices so a small group could review to see if there is a pattern. 30% of districts will get 40% or less and these tend to be the big urban districts, or districts with family resource centers. Other factors may also play a part during this period of time:

- The state has taken over \$20 billion from the schools thus far
- Proposition 63 – checks for mental health services brought an influx of some mental health funding
- Letters have been sent by NEA/CTA to HHS & CMS to meet face to face and discuss the program and it's factors (since the call the request was denied based upon the fact that DHCS and CMS are still in negotiations)
- Worker logs were used for 2012-13 using RTC directives. How can districts generate an authentic invoice since RTC is abandoned? Applying back casting to these worker logs is penalizing the invoices twice.
- Comment: If school districts have to continue justifying ourselves can it just be an audit? Why do districts have to continue justifying our actions when they are the ones being penalized?

Response was:

- CMS operates under a “everyone should be scrutinized” policy
  - However, it wasn't a random audit that determined fraud – they chose to look at those specific districts because they were outliers
- It was noted that school districts in other states have sued their states and CMS. In California, the lack of consistent training and a manual that did not comply with CMS guidelines may be the basis for a suit.
- Another comment was the group should meet with the CA Democratic Caucus (Zoe Lofgren from San Jose is Chair) , and with Senators Boxer & Feinstein and ask them to intercede with the Obama administration

**What LEAs can do:**

- Meet with your administration and encourage them to go to your individual congress members since they are in their districts before the election.
  - SMAA LEA Workgroup will give input to a rewrite the congressional letter from May 2014 and ask the education groups to sign on again so we are all delivering the same message. Districts can use this letter plus an addendum about the amount your district will lose under the current settlement. Be sure to talk about the impact of the loss on your programs

**Question: Are LECs being paid during all of this?**

We've asked DHCS to respond to the information from CMS (from a FOIA request) on what has been claimed by California and who has received any portion of the amounts listed during the period of deferral. The exact inquiry is below:

*Below is the revised CA SB ADM net claimed amount for 2003 through 2013:*

*TOTAL FFP CLAIMED DURING THE YEAR*

*2003: \$ 20,570,438.00*

*2004: \$ 61,245,063.00*

*2005: \$ 88,709,466.00*

*2006: \$ 89,762,647.00*

*2007: \$ 99,020,831.00*

*2008: \$ 190,725,164.00*

*2009: \$ 146,965,981.00*

*2010: \$ 161,772,700.00*

*2011: \$ 254,056,980.00*

*2012: \$ 124,899,838.00*

*2013: \$ 99,914,055.00*

*There are certain caveats from CMS on this data. It may depend on whether the expenditures are based on date of service or based on the year when the net expenditures being claimed and the amount can be significantly different. The information below from CMS is based on the net expenditure claimed during the year that the state reported in the CMS-64. This amount likely includes expenditures incurred from prior years.*

*CMS said they thought the amount may be too low for 2010 and 2011 since CA may have reported the amount on other lines than the SB ADM line. Since CA school districts haven't been paid, the question is any money coming in to California and if so, where is it going?*

*According to DHCS, LECs are exempt from the deferral. See page 4 RTC question 6 (below), it's the DHCS response to the LEC questions. It is also on the SMAA website in the update section "Local Educational Consortia Questions for DHCS" posted 11-22-13.*

<http://www.dhcs.ca.gov/provgovpart/Documents/ACLSS/SMAA/LEC%20QUESTIONS%20%>

**6. What about my LEC invoice and where is the category for that?**

**Answer to RTC Question #6:** If this refers to direct charge LECs, they were exempt from the Deferral.

**RMETS –**

- **Methodology**
  - o A report from the NAME conference relayed that there is already discussion of audits by OIG since the RMETS may not provide a valid statistical sample. This could very well be an issue to deal with in the upcoming years
- **Training and contracts:**
  - o No information has been received on contracts with LECs or LGAs
  - o Some training with LECs is scheduled.(since the call, LACOE met with districts and told them they must contract with them for all services if they wanted to do MAA claiming and that they could not get reimbursed if they used other contractors to help with their invoices)

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