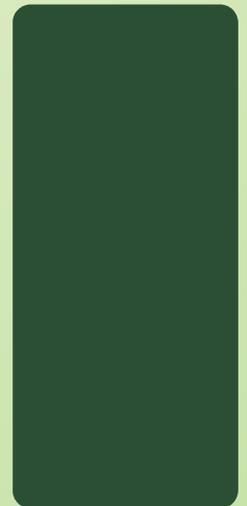
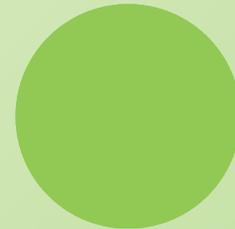
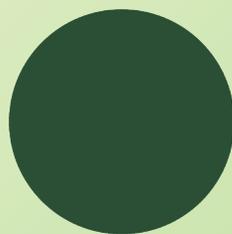




Strengthening CCDF Program Integrity

A Practical Framework for States

January 15, 2026



740 E 52nd Street, Ste 7
Indianapolis, IN 46205
www.tccsolutions.com
PHONE 1.866.563.6767
FAX 1.877.448.9989
EMAIL info@tccsolutions.com



Table of Contents

Strengthening CCDF Program Integrity: A Practical Framework for States	3
Why Does Program Integrity Matter in CCDF?	4
The CCDF Program Integrity Risk Landscape	4
A Practical Integrity Framework: People • Process • Technology	5
Strengthening CCDF Program Integrity	6
Putting People, Process, and Technology into Action	7
Independent Audit & Monitoring	7
Data Foundation & Reporting	9
Technology Tools	11
Program Integrity: A Planning Checklist	13
What Success Looks Like (KPIs)	14
TCC Solutions Meets Agencies Where They Are	15
About the Contributors	17



Strengthening CCDF Program Integrity: A Practical Framework for States

Child Care and Development Fund (CCDF) program integrity is fundamental to fiscal stewardship and public trust. States face persistent risks, from eligibility errors and falsified documentation to provider non-compliance and data silos, that can drive improper payments and undermine confidence in the program.

Program integrity refers to the systems, processes, and controls that ensure child care assistance is administered accurately, fairly, and in accordance with federal and state requirements. This includes preventing and detecting both unintentional errors, such as mistakes in data entry, incomplete documentation, or misunderstandings of policy, and intentional program violations, which may involve deliberate misrepresentation of eligibility, falsification of records, or provider fraud. Effective program integrity frameworks address the full spectrum of risks, from inadvertent mistakes to purposeful abuse, by combining prevention, monitoring, and responsive action.

Improper Payments are any payment of CCDF grant funds that should not have been made or that was made in an incorrect amount. Improper Payments can occur as a result of: fraud, intentional program violation, unintentional program violation, and agency error.

This white paper presents a practical integrity framework and a set of services designed for state early childhood agencies to measurably reduce error rates, streamline federal reporting, and strengthen oversight without adding undue burden to agency staff.

What you'll learn:

- ✓ The types of risks that most often impact CCDF integrity and payment accuracy.
- ✓ How to use onsite and remote monitoring strategically.
- ✓ How data mapping, analytics, and AI-assisted review may reduce manual effort and catch more anomalies.
- ✓ How data system interoperability is key to protecting program integrity and giving administrators a single view of risk.
- ✓ A pragmatic implementation roadmap and KPIs to track progress.



Why Does Program Integrity Matter in CCDF?

Program integrity is a cornerstone of effective CCDF administration, shaping how resources are managed and distributed. It safeguards the program's financial health, supports provider engagement, and ensures that assistance reaches the children and families who need it most. By maintaining transparent and consistent oversight, states not only comply with federal requirements but also foster trust among all stakeholders - families, providers, and policymakers alike.

- ✔ **Fiscal stewardship:** Reducing improper payments protects limited resources and ensures compliance with federal requirements.
- ✔ **Provider confidence:** Clear and fair oversight supports provider participation and quality improvement.
- ✔ **Equity & access:** Integrity ensures funds reach eligible children and families, supporting work participation and child development.
- ✔ **Public trust:** Consistent, transparent controls build confidence among families, providers, and policymakers.

Transparent and consistent oversight builds trust among families, providers, and policymakers.

The CCDF Program Integrity Risk Landscape

Effective program integrity begins with understanding where risks and vulnerabilities most commonly arise in CCDF administration. Certain patterns - sometimes called "red flags"- can signal potential errors, inconsistencies, or even fraud within program operations. By identifying and monitoring these risk vectors, agencies can proactively address issues before they result in improper payments or undermine program goals. Recognizing these scenarios is the first step toward building a resilient and accountable child care assistance system.

Common risk vectors include:

- **Eligibility misstatements:** Household composition, income, employment/training status, or activity hours that don't match verification sources.



- **Documentation anomalies:** Pay stubs, employment letters, household composition, or residency documents with modifications or inconsistencies.
- **Eligibility errors:** Assigning families to ineligible providers, incorrect income or service need calculations.
- **Provider issues:** Attendance reporting anomalies, changes in licensing and quality status.
- **Data silos:** Disconnects between eligibility systems, licensing, QRIS/quality ratings, and independent verification sources, such as work force databases and income verification systems. Data silos result in gaps in data needed to prevent and detect errors that lead to improper payments.
- **Operational bottlenecks:** Limited staff capacity for data analysis, program monitoring, eligibility case reviews, and quality assurance efforts, leading to backlogs and missed opportunities to identify errors.

A Practical Integrity Framework: People • Process • Technology

Strong program integrity requires tight coordination across key CCDF Lead Agency departments - **Policy, Operations, Finance, Audit, and Legal** - because eligibility rules, payment practices, monitoring, and corrective actions are inseparable parts of one accountability system. When these departments work in lockstep, states can translate policy into consistent operations, ensure accurate payments, document defensible decisions, and respond swiftly to findings—building transparency and trust with stakeholders. Program integrity isn't a siloed task for program staff; it's an enterprise effort where every department's expertise is essential to success

A comprehensive approach to CCDF program integrity requires more than just isolated controls - it demands a coordinated framework that brings together people, process, and technology. By aligning skilled teams, standardized procedures, and advanced tools, states can more effectively prevent, detect, and address risks throughout the program lifecycle. This integrated strategy ensures that oversight is both thorough and adaptable to evolving challenges.

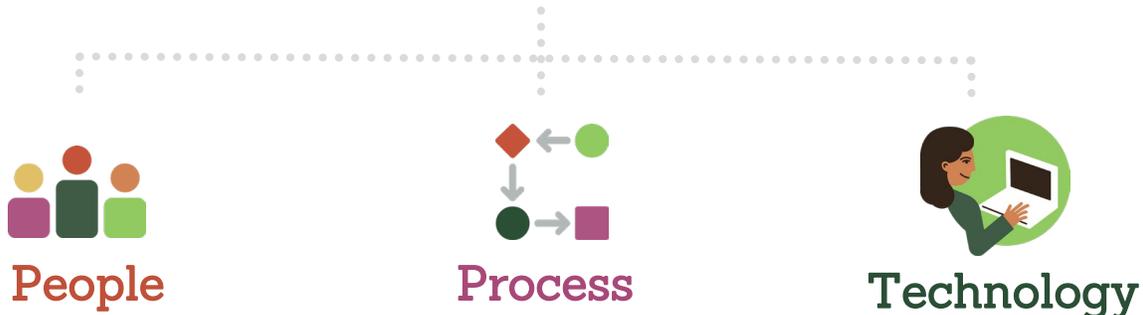
The framework below highlights key components of the People, Process and Technology needed to ensure strong internal controls needed to strengthen program integrity.



Strengthening CCDF Program Integrity

People • Process • Technology

Key Components



People

- CCDF Policy Experts
- Program Integrity Experts
- Data Analysts
- Monitoring & Audit Staff
- Staff Augmentation

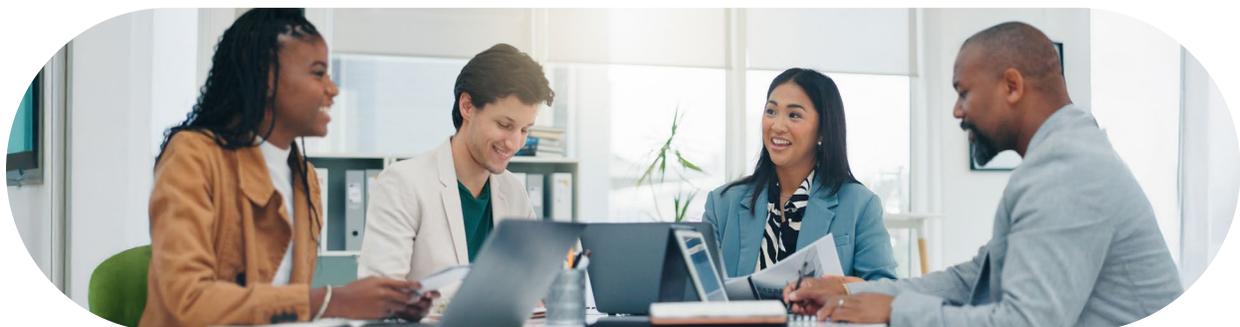
Process

- Risk Assessment
- Data Analysis & Red Flag Reporting
- Case Eligibility Audits
- Attendance & Payment Audits
- Document Verification

Technology

- Electronic Time and Attendance
- Real-Time Data Interfaces
- Data Warehouse
- Dashboard Reporting
- AI-Assisted Advanced Data Analytics
- OCR Document Scanning
- AI-Assisted Detection

State Agency Partners





Putting People, Process, and Technology into Action

As states consider how to strengthen monitoring and oversight, common questions arise:

- Where are our highest program integrity risks today?
- Where do we have gaps, such as relying heavily on manual efforts?
- How do we balance onsite monitoring with scalable remote approaches?
- What capacity constraints limit our ability to act on what we already know?
- What documentation is needed by the federal HHS/Administration for Children and Families to justify drawdown of child care payments?

Below, we outline the essential tools, processes, and expert supports that empower agencies to prevent, detect, and respond to risks across every aspect of child care assistance administration. By leveraging targeted monitoring, advanced analytics, integrated data systems, and specialized consultation, states can build resilient programs that meet federal requirements, reduce improper payments, and ensure equitable access for families and providers. The following components represent the foundation for a modern, proactive approach to program integrity.

Independent Audit & Monitoring

Effective monitoring and independent audits are essential for maintaining CCDF program integrity and ensuring compliance with both state and federal requirements. By combining onsite independent audits, remote monitoring, expert consultation, and flexible staff augmentation, states can proactively identify risks, address compliance issues, and keep program operations running smoothly.

Onsite Independent Audits

What it is:

Structured, onsite family and provider eligibility audits; child attendance audits.

Examples:

Targeted sampling plans; standardized checklists; evidence collection; corrective action plans; training on findings.

Why it matters:

Onsite engagement validates compliance in real settings, reduces improper payments tied to attendance reporting and fraudulent activity.



Remote Monitoring

What it is:

Virtual reviews using secure digital document submissions, system logs, AI- assisted advanced data analytics, and dashboard reporting.

Examples:

Continuous oversight between onsite audit cycles; automated red flag alerts; prioritized case review queues.

Why it matters:

Extends coverage cost-effectively, accelerates detection of anomalies, and reduces backlogs without sacrificing rigor.

Improper Payments Error Rate Monitoring

What it is:

Methodology and tooling to calculate error rates, classify improper payment sources, and track remediation.

Examples:

Sampling strategy; calculation frameworks; reporting templates; trend dashboards; corrective action playbooks.

Why it matters:

Provides defensible metrics, supports federal compliance, and focuses resources on the most impactful fixes.

Expert Consultation

What it is:

Policy, process, and technology consulting from CCDF subject matter experts.

Examples:

Gap analyses; gather data and package reports for the federal government, risk assessments; monitoring program design; sampling methodologies; corrective action frameworks; training.

Why it matters:

Moves integrity work from reactive to proactive, ensuring controls align with regulations and your specific operating context.

Staff Augmentation

What it is:

Expanded staffing capacity to handle program integrity work such as monitoring cycles, QA sampling, backlogged case reviews, or federal reporting preparation.

Examples:

Trained analysts, reviewers, and coordinators who plug into your workflows and systems.

Why it matters:

Clears backlogs and stabilizes operations during peak demand—without long-term hiring commitment.



Data Foundation & Reporting

Data and reporting capabilities evolve as programs mature—starting with foundational visibility and expanding to integrated, role-based analytics over time.

A strong data foundation is essential for effective program integrity, enabling agencies to connect, analyze, and act on information from across the child care system. Through comprehensive data mapping, robust reporting, and advanced analytics, states can transform fragmented data into actionable insights that drive continuous improvement and support compliance with oversight requirements.



Data Mapping

What it is:

Structured mapping across eligibility, licensing, quality, payments, attendance, and external verification sources.

Examples:

A data dictionary; entity and relationship modeling; lineage and transformation documentation.

Why it matters:

Creates a single source of truth, enabling reliable analytics and interoperability, which are all critical for accurate monitoring and reporting.

Data Reporting & Analysis

What it is:

Dashboards and analytical reports for program integrity, payment accuracy, monitoring trends, and red flags.

Examples:

Red flag reporting, trend reporting with flexible drill downs into attendance audits, eligibility case reviews, and improper payments monitoring.

Why it matters:

Turns siloed data into actionable insight that guides monitoring priorities and corrective actions.



Quality Assurance (QA) Reporting

What it is:

Standardized QA sampling plans and periodic integrity reports (e.g., monthly/quarterly).

Examples:

Defect taxonomy; error trend analyses; root cause insights; corrective action tracking; before/after impact measures.

Why it matters:

Institutionalizes continuous improvement and demonstrates effectiveness to federal and state oversight bodies.

AI-Assisted Advanced Data Analytics

What it is:

Advanced analyses (outlier detection, cohort analyses, time-series, geospatial risk).

Examples:

Provider risk scoring; anomaly clusters; predictive signals of eligibility or attendance inconsistencies.

Why it matters:

Prioritizes scarce monitoring resources toward the highest risk cases and providers.

Federal Report Submission

What it is:

End-to-end support to assemble required integrity and payment accuracy data for federal submissions.

Examples:

Data extraction, validation, analysis, formatting, narrative development, and submission-ready packages.

Why it matters:

Reduces staff burden, shortens cycle times, and improves completeness/accuracy of submissions.



Technology Tools

Technology tools support program integrity at every phase, from ensuring accurate payments, digitizing documentation and improving data quality to enabling advanced analytics as readiness increases.

Advanced technology tools are transforming program integrity efforts by automating detection, streamlining document intake, and integrating critical data sources. Leveraging AI, Optical Character Recognition (OCR), and interoperability, states can efficiently identify anomalies, validate eligibility, and ensure payments are made only to qualified providers, strengthening oversight while reducing manual workload.

Electronic Time & Attendance

What it is:

Capture attendance of CCDF children via password protected, electronic submission.

Examples:

Mobile apps, web-based application, biometrics (fingerprint, face ID), POS device; may include program integrity tools such as geo-location and image capture of person entering attendance

Why it matters:

Payment accuracy, policy compliance, fraud prevention, audit readiness.

Integration of Eligibility with Licensing & Quality Data

What it is:

Unified view of family eligibility decisions with provider licensing status and quality ratings.

Examples:

Dynamic eligibility rules that reference current provider status; alerts when license changes or ratings drop; payment holds for flagged providers per policy.

Why it matters:

Eliminates blind spots by ensuring payments flow only to compliant, appropriately rated providers and supports families' access to quality care.



Interoperability with Independent Verification Sources

What it is:

Data connections to third-party or state systems (e.g., wage/employment databases, TANF/SNAP/Medicaid, PARIS, vital records, licensing systems, quality ratings).

Examples:

Automated cross-checks; configurable business rules; reconciliation reports; exception queues.

Why it matters:

Independently validates eligibility elements and provider status, reducing error and fraud risk.

OCR Document Scanning

What it is:

Optical Character Recognition (OCR) to digitize and structure incoming documents (pay stubs, employment letters, residency proofs).

Examples:

Faster intake, standardized fields, reduced keystroke errors, and immediate analytics readiness.

Why it matters:

Speeds processing and enables reliable cross-checking against verification sources and historical data.

AI-Assisted Detection

What it is:

AI models that score documents and transactions for anomalies—e.g., inconsistent fonts/metadata on pay stubs, improbable activity hours, or repeated patterns across different families.

Examples:

Risk scoring integrated into case-review queues; human-in-the-loop workflow; explainable alerts; audit trails.

Why it matters:

Increases detection sensitivity while reducing manual burden; preserves fairness by requiring human validation before action.



Program Integrity: A Planning Checklist

Implementing a robust program integrity framework requires a clear, actionable roadmap. The following 90 Day Checklist provides state agencies with a phased approach to rapidly strengthen oversight, improve data quality, and meet federal reporting requirements. By breaking the process into foundational, integration, and scaling phases, agencies can achieve early wins, address high-priority risks, and build sustainable systems for ongoing compliance and improvement. This structured timeline ensures that critical activities, such as risk assessment, data mapping, monitoring, and reporting are completed efficiently and effectively.



Print this page to stay on task and track your progress.

Foundation & Prioritization

- Rapid risk assessment and data inventory
- Gather data needed to support program integrity reporting to the federal government and other key stakeholders, such as state agency finance, audit, and legal departments
- Define red flag catalogue and sampling plan
- Launch onsite independent audit for a subset of providers/family cases

Early Wins

- Data mapping across eligibility, licensing, quality, attendance, payments, and key external verification systems
- Analyze program integrity data to be submitted to the federal government
- Stand up OCR for core document types
- Robust reviews and independent audits Staff augmentation to reduce any existing review backlogs or increase

Scale & Sustain

- Federal report submission packaging support and lessons learned
- AI-assisted anomaly detection with human-in-the-loop workflows
- Onsite monitoring in high-risk regions/providers
- Formal QA reporting cadence with corrective action tracking



What Success Looks Like (KPIs)

- ✓ **Improper payment rate:** ⬇️ within 12 months (baseline-dependent)
- ✓ **Time-to-review:** ⬇️ with OCR + AI augmentation + remote monitoring
- ✓ **Monitoring coverage:** ⬆️ with risk-based sampling and staff augmentation
- ✓ **Backlog reduction:** ⬇️ within first two quarters
- ✓ **Time required to prepare each federal submission cycle:** ⬇️ with packaging support

These targets can be tailored to each state’s baseline and operating constraints.

Understanding State Readiness

While every state’s CCDF program operates in a unique policy and system environment, program integrity efforts often strengthen over time in recognizable ways. The table below outlines a practical view of how states commonly approach program integrity across phases, starting with stabilizing core controls and capacity, moving toward greater integration and standardization, and ultimately focusing on optimization and sustainability. These phases are not prescriptive or sequential; states may emphasize different phases at the same time across program areas.

Phase	Primary Focus
Stabilize & Establish	Reducing immediate risk and supporting staff capacity
Integrate & Standardize	Improving consistency and efficiency across systems and processes
Optimize & Sustain	Continuous improvement and long-term resilience

States may operate in more than one phase at the same time, depending on program area, staffing, and system maturity. The supports described in the sections that follow, such as monitoring and oversight, data and reporting capabilities, technology tools, and payment integrity practices, can be applied at any phase of program integrity strengthening. States typically emphasize different supports depending on their priorities, capacity, and maturity, as illustrated above.

TCC Solutions Meets Agencies Where They Are

Regardless of the phase your agency is in, we stand ready to strengthen CCDF program integrity with measurable results - without overwhelming agency staff.



Our People

We bring experienced subject matter experts, including former CCDF State Administrators and policy staff who have deep insight into program integrity approaches and implementation.



Our Processes

We have over 20 years of experience in CCDF program monitoring and fraud investigations, as well as quality assurance and improper payments monitoring protocols.



Our Technology

Our flagship product, Ascend®, integrates CCDF eligibility with child care licensing, quality and workforce data. Additionally, Ascend is highly interoperable and can be easily connected for data validation and verification with external systems.



Focused Solutions for Program Integrity

Our powerful combination of people, processes, and technology equips your agency to draw down federal and state funding, strengthen CCDF program integrity, and build stakeholder confidence through transparency.

Our portfolio of products and services include:

- Staff augmentation and consultation with experienced child care experts.
- Onsite and remote independent audits of child care data including family and provider eligibility, attendance, and payment accuracy.
- Advanced AI-supported data analytics and red flag reporting including attendance data and family and provider eligibility reviews.
- Robust reporting including data dashboards to support federal and state compliance, transparency and stakeholder engagement.
- Proven child care data systems for licensing, child care assistance program eligibility, electronic time and attendance recording, payment calculation and processing, budget and waitlist management, registry and quality.
- Data system integrations to allow real time data sharing to help validate and provide visibility eligibility documentation (such as employment and income), provider eligibility, child participation in multiple programs.



TCC has partnered with Carahsoft to make our products and services available to state and local customers through the NASPO ValuePoint Cloud Solutions Master Agreement and participating state addenda.





About the Contributors

This framework was developed by industry leaders with deep experience in CCDF policy, operations, and technology.



Melanie Brizzi

Vice President, Chief Growth Officer

Melanie brings more than 25 years of leadership in early childhood education, including experience as a licensed child care provider, Indiana State Child Care Administrator, and senior director of the national Child Care State Capacity Building Center. She led the design and implementation of Indiana's QRIS and the state's first pre-K program, a mixed-delivery system serving low-income 4-year-olds.



Dawn Downer

Early Childhood Project Manager / Thought Leader, TCC Solutions

With more than 30 years in health and human services, Dawn has served as Indiana's State Director for early intervention and as Chief of Staff for the Division of Disabilities and Rehabilitation Services. She specializes in building local systems that support individual growth and effective outcomes.



Lacey Kottkamp

Vice President, Government Solutions and Partnerships, TCC Solutions

Lacey leads engagement and growth strategies with government agencies, bringing over a decade of experience in early childhood policy and public sector leadership. She has served as a State Systems Specialist with the Child Care State Capacity Building Center and Indiana's Director of Child Care Policy, among other leadership roles that focused on interagency collaboration and data-driven systems.



Krystal Robinson

Early Childhood Subject Matter Expert, TCC Solutions

Krystal is a seasoned leader in early education and child care systems with 20 years of experience spanning direct service, policy, program quality, and data-informed improvement. Her most recent roles include Director of Child Care Policy for Indiana and Project Manager for the Data and Information System Consultation Center, where she supported CCDF Lead Agencies in enhancing data and IT systems.



Michelle Hight-Thomas

Vice President, Strategy and Marketing, TCC Solutions

Michelle leads strategy and marketing with deep experience translating evolving early childhood policy, funding, and legislative requirements into organizational and client-facing solutions. A former teacher and Indiana State Child Care Administrator, she has led major statewide data system implementations, including Indiana's first QRIS, and served as deputy chief of Child Care Aware of America and technical assistance consultant to Early Learning Challenge Grant recipients.