



Bryce Yokomizo
Director

October 6, 2003

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

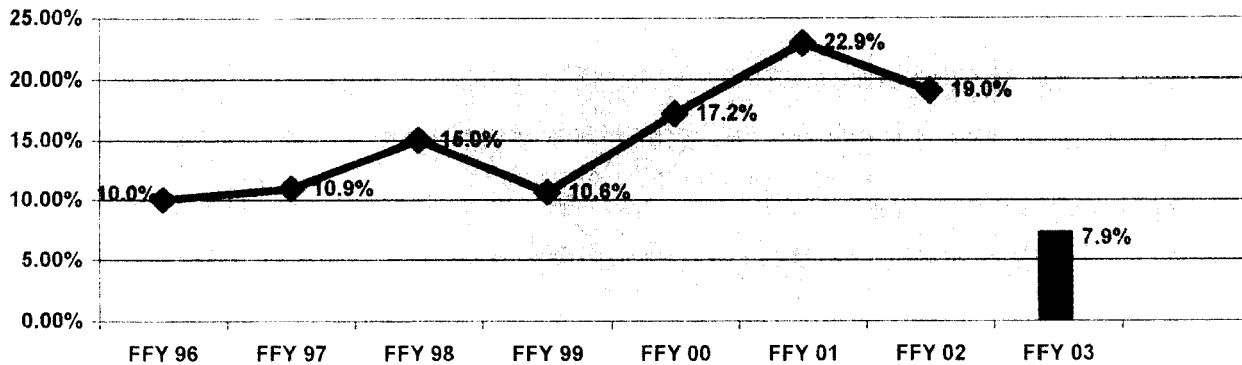
SUBJECT: **BOARD OF SUPERVISORS MOTION: L.A. COUNTY FOOD STAMP ERROR RATE PROGRESS REPORT**

This is to provide your Board with the departmental progress report on the Los Angeles County Food Stamp error rate. Representatives from the Office of the Chief Administrative Officer (CAO) have reviewed and concur with the information in this report.

ERROR RATE

I'm pleased to let you know that we're doing an excellent job of reducing our Food Stamp error rate. As indicated in the chart below, our error rate for Federal Fiscal Year (FFY) 2001 was **22.9%**, the highest of any large county in the nation. While we improved to **19%** for FFY 2002, it was well above our target of under 10%. Federal audits have been completed for the first eight months of the current FFY, and so far our error rate stands at **7.9%**.

TRENDS IN LOS ANGELES COUNTY ERROR RATE FFY 1996-2003



Source: CDSS Disposition Reports.

DPSS has made the Food Stamp error rate a top priority and we've worked hard to achieve these results. As indicated in Attachment I, we identified problem areas and made many operational changes to improve our performance. We conduct extensive internal error rate audits of approximately 3,500 Food Stamp cases each month to statistically measure performance in each of our offices.

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The performance of every office is ranked (see Attachment II) and discussed in monthly review meetings. Every one of our staff knows where their district ranks, and the importance of improving overall county performance. Our district managers are also held accountable for their error rates and appraisals are linked to the performance of their offices. The results of their efforts have far exceeded our expectations, and we hope to continue this downward trend in our error rate.

FOOD STAMP SANCTION UPDATE FOR FFY 2002

As mentioned in past reports, the most damaging consequences of a high error rate is the corresponding financial penalties imposed by the United States Department of Agriculture (USDA). Our 22.9% error rate from FFY 2001 carries an estimated sanction of \$87 million on Los Angeles County. The 19% error rate of FFY 2002 carries an estimated sanction of \$49 million for Los Angeles.

We are working with the California Department of Social Services and their outside counsel to appeal these sanctions. We feel it simply makes no sense to sanction us for money we don't have, especially when our performance has dramatically improved. We hope our improved performance can have a positive impact on the outcome of our appeals.

I will continue to provide your Board with regular progress reports on our Department's Food Stamp error rate.

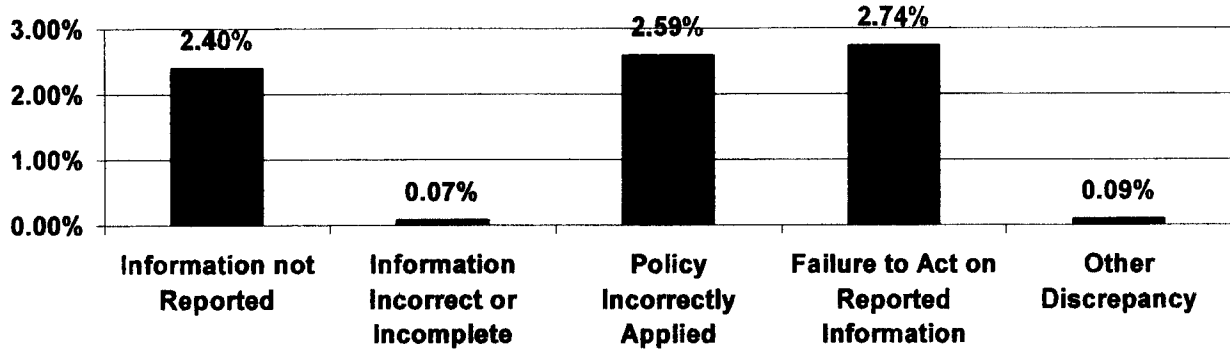
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Attachments

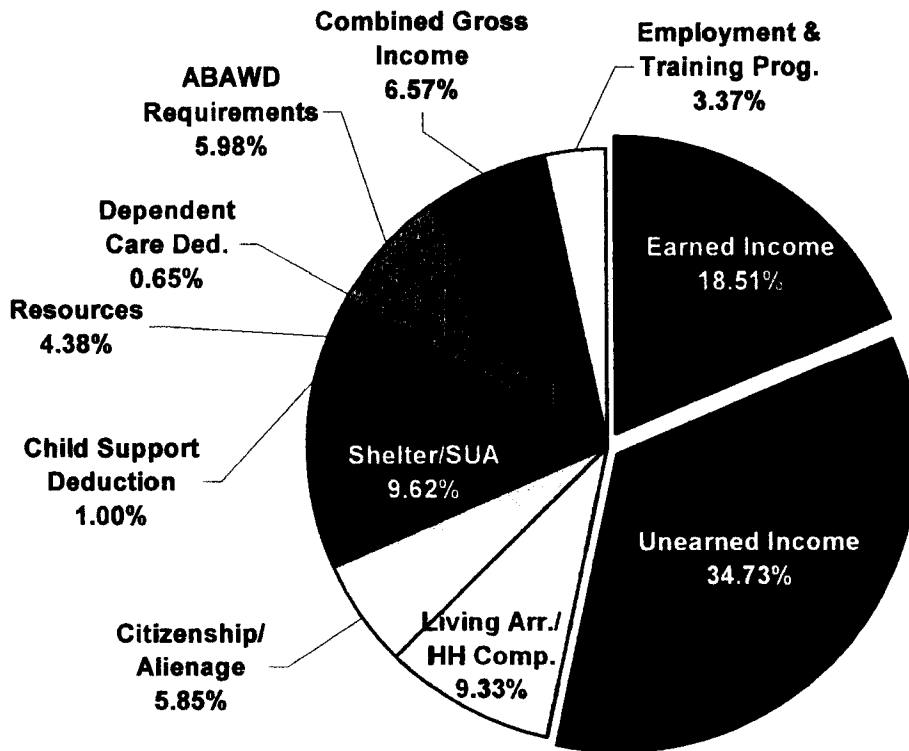
c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

Federal Quality Control Sample FFY 2003*
 Combined Error Rate: 7.89%

Payment Error Causes



Payment Error Classes



* October 2002 through May 2003.

	MAY 2003	JUNE 2003	JULY 2003	CUMULATIVE OCT-JUL 2003
GR SPECIALIZED DISTRICTS				
South Special	0.82%	0.14%	0.88%	0.68%
Civic Center	0.00%	1.57%	0.71%	0.84%
Rancho Park	0.75%	4.46%	0.00%	1.76%
Southwest Special	4.19%	1.20%	1.94%	2.30%
Metro Special	9.77%	7.05%	1.39%	3.31%
Wilshire Special	3.77%	3.63%	1.97%	4.05%
ALL OTHER DISTRICTS				
Glendale	1.96%	3.49%	1.74%	3.40%
Pasadena	2.45%	0.31%	1.17%	3.79%
West Valley	1.50%	3.56%	1.83%	4.13%
Florence	6.38%	7.04%	2.48%	4.63%
Metro Family	7.25%	3.23%	1.34%	4.73%
South Central	5.24%	4.32%	1.74%	4.81%
Paramount	3.61%	3.86%	5.28%	4.87%
Belvedere	2.68%	4.76%	4.74%	5.01%
Metro North	1.87%	2.36%	3.20%	5.26%
South Family	4.37%	6.57%	3.37%	5.43%
West Los Angeles	2.24%	3.46%	2.64%	5.61%
East Valley	4.80%	4.30%	1.91%	5.72%
El Monte	8.68%	3.58%	2.49%	5.75%
Exposition Park	1.43%	2.10%	2.09%	5.81%
Compton	1.90%	5.97%	4.57%	6.42%
Lancaster	6.95%	6.49%	6.39%	6.57%
Lincoln Heights	2.33%	2.08%	3.56%	6.95%
San Gabriel Valley	14.27%	6.33%	2.56%	6.96%
Cudahy	2.74%	2.51%	3.00%	6.97%
Metro East	6.09%	5.59%	4.28%	7.25%
Southwest Family	8.22%	4.54%	6.03%	7.55%
Norwalk	6.18%	2.81%	6.38%	7.79%
Pomona	8.65%	8.17%	4.91%	8.72%
TOTAL	4.83%	4.38%	3.19%	5.36%

Note: Agency Errors Only. Federal Quality Control Audits include Participants Errors also.