

PROGRAM AUDIT

1. Look at data vs. anecdotal
 - Site closures by priority
 - How long to process a claim
2. Focus on solutions to the current problem (How the Fund got here?)
 - Fee Collection
 - Eligibility
 - Payments
3. Determine how much Fund staff time is being used to review work already reviewed by a lead agency. Look for ways to eliminate this type of redundancy.
4. Take a look at the possibility of eliminating the Priority Class scheme
5. Become more transparent during the appeal and review process
6. Determine what has changed in the past year to slow down payment processing
7. Time and motion study for payment processing
8. Compare the amount requested for reimbursement with the actual amount being paid by the Fund
9. Look at why things are being done in the current manner
10. Dissect the concept of “reasonable and necessary”
 - How much money is being pended?

- What portion of these costs is ultimately being paid?
- How much staff time was spent to make the determination?

11. Look at the process for reviewing invoices

- Why are there differences between the Fund staffs' review?
- Make contact with the claimant/consultant prior to making costs ineligible

12. Look at the possibility of changing eligibility requirements

- Some users of the Fund have not paid into the Fund

13. Look to other states that have imposed limitations on the length of Cleanup (COST CAPS)

FINANCIAL AUDIT

1. Fee Collection – Is BOE collecting, and the Fund receiving, money from all entities required to report?
 - Delinquencies
 - Determine which entities are not paying the fee, but are receiving reimbursement from the Fund
 - Security of Funding

2. How did the Fund get into this situation? The Task Force would like to make sure recommendations made would not cause this situation to happen again.
 - 22% overhead – What constitutes this percentage? Which items are fixed and cannot be altered?
 - 10% reduction – If there is a reduction by this amount, what types of issues will be created?

3. Cash Projections – What is the amount of revenue vs. expenditures?
 - BOE collection – How much is being collected?
 - Semi-annual monitoring – How much will be saved with this change?
 - No new directives – How much will be saved with this change?

4. What is the current and future projected demand against the Fund?

ISSUES

- Understand the process and procedures of the Fund's payment process
- Look at the possibility of using a different site ranking system (i.e. risk-based)
- Establish more transparency (i.e. How the process effects cash flow?)
- Look at the possibility of lifting the LOC suspensions for claims because it is causing a disruption to industry
- Focus on the crisis now before tackling other issues
- Look at the financial security of the Fund. Work on obtaining bridge financing to help with funding situation.
- The Fund need to improve their communication with the claimants/consultants
- Look at the possibility of imposing time limits to reimburse open claims. The Fund will need to determine what could actually paid.
- Look to automate processes like other states have (i.e. TN, CT)
- Take a look at the deductibles being used by the Fund. California has a fairly low deductible in comparison to other states.
- The local agencies and the Fund seem to be disconnected when it comes to directives. Determine solutions to fix this disconnect.