

A report of the
Department of Social Services
Commonwealth of Virginia

Child Care Automation

to the Governor and the
General Assembly of Virginia

July 2008



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Anthony Conyers, Jr.
COMMISSIONER

July 1, 2008

MEMORANDUM

TO: The Honorable Timothy M. Kaine
Governor of Virginia

The Honorable Lacey E Putney, Chair
House Appropriations Committee

and

The Honorable Charles J. Colgan, Chair
Senate Finance Committee

FROM: Anthony Conyers, Jr.

A handwritten signature in black ink, appearing to read "Anthony Conyers, Jr.", written over the printed name.

SUBJECT: Child Care Automation

I am pleased to submit the Department of Social Services' report on efforts toward a comprehensive automation system to support the \$185 million dollar child care program prepared pursuant to Items 338(L)(1) and 338(L)(2) of the 2008 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

AC/lrm

Preface

This report is submitted pursuant to the 2008 Appropriations Act, Item 338(L)(1), which establishes the intent of the General Assembly to automate the child care program and requires that:

The Virginia Department of Social Services shall automate child care assistance programs. The Department shall report to the Governor and the General Assembly by October 15 of each year regarding the status of such automation, system adequacy, and needed action.

In addition, Item 338(L)(2) mandates that:

The Virginia Department of Social Services shall appropriate \$750,000 the first year and \$750,000 the second year from the general fund to be used to create an automated child care management and payment system. The Department of Social Services shall provide an annual report on the system's progress by July 1 of each year to the Chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Health and Human Resources and the Department of Planning and Budget.

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Executive Summary

The Department of Social Services (Department) has a vision for a new business automation model that will enable child care providers to obtain assistance and manage their child care business with the Department and local departments of social services (LDSS) by phone, Internet, or in-person at LDSS, community action agencies, child support offices and other partner organizations.

The Department's vision anticipates that enterprise-wide case management will be utilized across programs by LDSS and partner agencies. Enterprise-wide case management will include an automated child care management and payment system to track providers and services, provide case-based financial management, maintain service plans and case notes, post alerts to workers and enable standardized data exchange with companion systems. The automated child care management and payment system will be a lead project for the Department's enterprise-wide case management effort.

Virginia will meet federal mandates more efficiently with a fully automated child care management and payment system. The automated system will improve program management by providing:

- Analysis of encumbrances and expenditures;
- Assessment of unmet child care needs; and
- Timely information regarding children and families served, providers utilized, and costs associated with child care.

Item 334(T) of the 2007 Appropriations Act provided \$750,000 in the first year and \$750,000 in the second year to create the child care management and payment system. The Department is working closely with the Virginia Information Technologies Agency (VITA) and state and local partners to promote the Child Care Automation Project and to implement the automated child care management and payment system.

The Department has progressed toward implementing the automated child care management and payment system by:

- Hiring a project manager to lead a case management and payment system analysis and to identify system requirements;
- Forming a committee of state and local staff and child care providers to identify policies that need revision to support automation;
- Analyzing an Interface Systems Repository (ISR) that will house child care provider data and obtain financial information; and
- Developing a project plan and holding weekly meetings with child care and information technology staffs to ensure timely progress toward implementation of the automated system.

The planning phase of the project with baseline requirements will be completed by September 30, 2008. Estimated project costs will likely exceed \$500,000 during this first year.

The focus of the second year - development and implementation of an enterprise-wide application for a vendor and fiscal management/payment system – should be completed by June 30, 2009. Program policy and procedure modifications necessary to complement automation should be implemented by October 1, 2009. The third year of the project will focus on development of the case management system in conjunction with the Department's goal for enterprise-wide solutions, with implementation expected by June 30, 2010.

Child Care Automation

Background

The child care program is one of the largest assistance programs administered by the Department of Social Services (Department). In State Fiscal Year (SFY) 2007, over 56,000 children received child care assistance. The child care program has grown significantly over the past decade. Expenditures have increased from approximately \$9 million in SFY 1989 to over \$185 million in SFY 2009. The Department is moving toward a comprehensive automated system to support the child care program. Without full automation, providing timely program data in an efficient manner is difficult.

To date, automation to support this major program has been limited. Case and client information is contained in the Virginia Client Information System (VACIS) which was developed in the early 1980s. The Department is studying the VACIS system to determine the most effective manner to migrate information contained in this system to newer technology. The present Interim Day Care System is a MAPPER-based application that obtains expenditures and counts of children and families served. The MAPPER system is also being analyzed to move the child care functions it currently provides to newer technology.

The Department's two major systems - Application Benefit Delivery Automation Project (ADAPT) and the On-line Automated Services Information System (OASIS) – do not provide support for the child care program. ADAPT supports TANF, Food Stamps, and other eligibility programs; OASIS supports foster care, adoptions, and child protective services programs.

The Department began publishing service-based VACIS reports to the local departments of social services' (LDSS) web site in May of 2004. The conversion from print to internet access provides immediate access to client information for local users and saves an estimated \$50,000 per year in printing costs for the state. The Department made the VACIS manual available to the LDSS web site in April of 2008, resulting in easier training of new users and more consistent data without the burdensome costs of maintaining a print document.

The Division of Child Care and Development is steadily moving toward implementing its own child care management and payment system, as evidenced by the following:

- An expert panel of local, regional and state staff is reviewing and updating previously developed user requirements for the system.
- A Project Manager and Business Analyst are dedicated to the project, are providing leadership in the development of the child care management and payment system, and are reviewing and gathering multiple user requirements.
- The Department has made progress in exploring a generic repository for provider and fiscal information as a component of the child care management and payment system. The repository will compile provider management information held in multiple databases for multiple programs. One repository for all provider and fiscal information will reduce data entry, improve data quality and increase

productivity. The generic repository will move the agency closer toward the goal of an integrated social services delivery system.

- Data currently held in the Division of Licensing Programs' automated system (and available on the public and local agency web site) will be incorporated into the child care management and payment system. This data is provided monthly to Virginia's Resource and Referral organization to assist them in providing child care referral services to callers throughout the Commonwealth.
- The waiting list for child care has been automated and implemented in LDSS. The Department and LDSS are easily able to obtain the number of families and children awaiting child care subsidy assistance and to manage this component of the child care program.
- An automated monthly report has been developed to provide financial data to the LDSS to assist them in the management of child care funds for their locality. This report is fiscal-year driven and provides an accounting of the funds expended and projected surpluses or deficits for each budget line.
- The research and documentation necessary to incorporate interfaces of all the state social services systems is progressing in collaboration with the Virginia Information Technologies Agency (VITA). VITA is providing system oversight, guidance and assistance in locating vendors to meet the system communication mandate, as well as providing a standard for state procurement.
- The Department's Information Technology Strategic Plan contains research and evaluation of the automation of child care as a goal. The Child Care Automation Project is one of two major initiatives that have been promoted to VITA. The Department will pursue automation through its partnership with VITA.
- Efforts are underway to review the Department's business needs as a whole and to consolidate and integrate similar business processes, which will lead to streamlined automation efforts.

Current Developments

Item 334(T) of the 2007 Appropriations Act appropriated \$750,000 for the second year of development of the automated child care management and payment system. The Department has moved forward in its automation efforts by hiring a project manager to lead case management and payment system analysis and requirements development. Two committees consisting of state and local staff and child care providers have met and identified policies that need to be revised or streamlined to support future automation requirements. Recommendations have been made for both policy and payment processing revisions.

An Interface Systems Repository (ISR) that will house pertinent child care provider data and obtain financial information is currently under analysis. A project plan for the completion of essential activities has been implemented and weekly meetings of Division of Child Care and Development and Division of Information Systems staff are being held.

Broad system requirements have been developed according to VITA requirements and an analysis of existing internal and external automation systems has been completed. The summary of this analysis will be presented to the Child Care Automation Team (CCAT) in June of 2008.

The automated child care management and payment system is a major Department project and must follow the process prescribed by VITA. The planning phase of the project with baseline requirements will be completed by September 30, 2008. Estimated project costs will likely exceed \$500,000 during this first year. The focus of the second year - development and implementation of an enterprise-wide application for a vendor and fiscal management/payment system – should be completed by June 30, 2009. Program policy and procedure modifications necessary to complement automation should be implemented by October 1, 2009. The third year of the project will focus on development of the case management system in conjunction with the Department's goal for enterprise-wide solutions, with implementation expected by June 30, 2010.

General fund monies in the amount of 1.5 million have been appropriated to the automated child care management and payment system for the next biennium. These monies will support continued development of the enterprise-wide vendor application. The cost of development will depend on the decisions made during the planning phase, such as in-house development versus purchase of a proprietary system. Leveraging the cost of the system with other Department programs utilizing the system will also be considered. Additional funding may be requested for the third year of the project.

Appendix A

Study Mandate

This report is submitted pursuant to the 2008 Appropriation Act, Item 338(L)(1), which sets forth the intent of the General Assembly to automate the child care program. Item 338 (L)(1) requires that:

The Virginia Department of Social Services shall automate child care assistance programs. The Department shall report to the Governor and the General Assembly by October 15 of each year regarding the status of such automation, system adequacy, and needed action.

In addition, Item 338(L)(2) requires that:

The Virginia Department of Social Services shall appropriate \$750,000 the first year and \$750,000 the second year from the general fund to be used to create an automated child care management and payment system. The Department of Social Services shall provide an annual report on the system's progress by July 1 of each year to the Chairmen of the House Appropriations and Senate Finance Committees, the Secretary of Health and Human Resources and the Department of Planning and Budget.