A report of the
Department of Social Services
Commonwealth of Virginia

Child Care Automation

to the Governor and the
General Assembly of Virginia

October 2009

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Anthony Conyers, Jr.
COMMISSIONER

October 1, 2009

MEMORANDUM

TO: The Honorable Timothy M. Kaine
              Governor of Virginia

              The General Assembly of Virginia

FROM: Anthony Conyers, Jr.

SUBJECT: Child Care Automation

        I am pleased to submit the Department of Social Services' report on the progress toward a comprehensive automated system to support the Child Care Program prepared pursuant to Item 338 L of the 2009 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 Item 338 L of the 2009 Appropriation Act, which establishes the intent of the General Assembly that the Department of Social Services (DSS) automate the child care assistance programs:

> 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.

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Executive Summary

DSS has a vision for a comprehensive automated system for the Child Care Subsidy Program that will allow Virginia to meet federal mandates more efficiently and improve overall program management. The new system will assist the local departments of social services (LDSS) with management of their caseloads; provide timely information regarding children and families served, providers utilized, and costs associated with child care; analyze encumbrances and expenditures; and assess unmet child care needs.

Progress towards an automated child care system has been made, as evidenced by the following:

- Development of a project plan through weekly meetings with child care and information technology staffs;
- Appointment of an Information Systems Project Manager and a Business Analyst to provide technical leadership;
- Completion of baseline requirements in September of 2008 for the automated child care system;
- Provision of an automated transfer of information on licensed providers to the Virginia Child Care Resource and Referral Network (VACCRRN) for child care referral services;
- Automation and implementation of a waiting list for child care for LDSS;
- Automation of a financial report for LDSS that tracks monthly expenditures and projects surpluses and deficits; and
- Inclusion of research and evaluation of automating child care as a goal in DSS' Information Technology Strategic Plan.

In January of 2009, DSS issued a Request for Information (RFI) to determine if baseline requirements developed for the automated child care system could be met with existing technology and to discover new functionalities to make program management more efficient.

Information compiled from responses to the RFI was used to develop a Request for Proposal (RFP), which was posted in May of 2009. Vendor proposals submitted by the July 30, 2009 deadline are being evaluated. Presentations of proposals meeting the requirements of the Child Care Subsidy Program have been made. Negotiations and award of a contract are expected to take place in November of 2009.

Funds from the American Recovery and Reinvestment Act (ARRA) in the amount of $13.7 million have been approved for automation of the Child Care Subsidy Program. A case management module will be developed first, followed by a provider and a financial management module.

Automation of the data collection process for reviewing improper authorizations for child care subsidy payments and reporting the findings to the federal government was completed in State Fiscal Year (SFY) 09.

Child Care Automation

Background

The Child Care Program is one of the largest assistance programs administered by DSS. In SFY 09, approximately 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 89 to approximately $146 million in SFY 09. DSS is moving toward a comprehensive automated system to support the Child Care Subsidy Program. Without full automation, providing timely program data in an efficient manner is difficult.

DSS currently has two major case management systems: the Application Benefit Delivery Automation Project (ADAPT) and the On-line Automated Services Information System (OASIS). Neither system provides support for the Child Care Program. The ADAPT system supports the Temporary Assistance for Needy Families (TANF) program, the Supplemental Nutrition Assistance Program (SNAP), and other eligibility programs; OASIS supports the Foster Care and Child Protective Services programs.

Child care client information and expenditure data are currently accessed through various systems. The two primary systems utilized are the Virginia Client Information System (VACIS) and the Interim Child Care (ICC) system. Implemented in 1982, VACIS contains case and client information. VACIS maintains only current information and provides no case history. Expenditure data and counts of children and families served are stored in the ICC system, a MAPPER language based system that has been in production since 1996. The planned child care system will replace both the VACIS and the ICC systems.

The Office of Early Childhood Development is moving toward implementing an automated child care system, as evidenced by the following:

- In September of 2008, baseline requirements previously reviewed and updated by an expert panel of local, regional and state staff were finalized and prioritized.
- A Project Manager and a Business Analyst are dedicated to the project and are providing technical leadership in the development of the child care system.
- Data currently held in the Division of Licensing Programs' automated system (and available on the public and local agency web site) will interface with the child care system. This data is provided monthly to VACCRRN 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. DSS and LDSS can access the number of families and children awaiting fee child care subsidy assistance. The wait list functionality will be included in the new child care system.
- An automated monthly report has been developed to provide financial data to 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.

- A goal of DSS' Information Technology Strategic Plan is to research and evaluate automation of child care. The Child Care Automation Project is one of two major initiatives that have been promoted to VITA. DSS will pursue automation through its partnership with VITA.

Developments in 2009

On January 13, 2009, DSS posted a RFI on eVA. The purpose of the RFI was to validate that the requirements of the Child Care Program could be met with an existing automated child care system developed and implemented in another state. Additionally, the RFI provided an opportunity to look for new functionalities that could make case management and payment processing in the Commonwealth more efficient. A total of 18 vendors responded to the RFI.

Information obtained from the RFI was used to develop a RFP that was posted on May 22, 2009. The program and technical requirements established in September of 2008 were detailed in the Statement of Needs section of the RFP. Also included in the RFP was a vendor survey listing each requirement as high, medium, or low priority. Vendors were required to complete the survey, marking each requirement as "out of box" or as an "enhancement" to their proposed system. The deadline for vendors to submit proposals was July 30, 2009.

In August of 2009 a review panel was formed to evaluate the program and technical solutions offered in each vendor proposal. The panel consisted of local and state staff. Vendors were selected to make presentations based on whether their proposal met or exceeded DSS' requirements as outlined in the RFP's Statement of Needs and in DSS' responses to the Vendor Survey. Once the presentations were completed, the proposals were re-evaluated. Negotiations with the top vendors and award of the contract are expected to be completed in November of 2009.

It is anticipated that the design for the automated child care system will be used as a business model for enterprise-wide case management and utilized or adapted across other programs administered by the LDSS and partner agencies. It will also provide standardized data exchange between companion systems.

In addition to initiation of the procurement process for an automated child care program, DSS automated the data collection and reporting components of the federally mandated review of program authorization for child care services. With the enactment of the Improper Payments Information Act (IPIA) of 2002, states were mandated to implement procedures to measure, calculate, and report improper authorizations for child care subsidy payments. IPIA additionally requires states to estimate the amount of improper payments and identify strategies for reducing future improper payments. Utilizing the federal government's error rate methodology, Virginia was required to submit a plan to the Administration for Children and Families (ACF) for the review, and document improper authorizations for payment.

After ACF approved the plan, Child Care Program staff worked with DSS' Division of Information Systems to automate the data collection process, including a monthly random

sampling of 23 cases and eight replacement cases for review, the pre-filling of data fields in required worksheets, and system generated statistical reports and notices of findings to the LDSS.

Funding

Funds from the ARRA in the amount of $13.7 million have been approved by DSS for automation of the Child Care Subsidy Program. The evaluation process for the proposals and the selection of a vendor will be finalized by mid November of 2009. A case management module will be developed first, followed by a provider and a financial management module.

Conclusion

As one of the largest assistance programs in DSS, the Child Care Program does not have a comprehensive automated system for case, provider, and financial management. Child Care workers at LDSS must utilize multiple systems and manual processes to determine eligibility and perform their daily case management functions. Additionally, statistical information regarding the number of children and families receiving subsidy payments and expenditure data is not readily accessible to DSS and LDSS.

In SFY 09, the Child Care Program made significant advances toward automation of the Child Care Subsidy Program. Completion of the baseline requirements for the child care system and the posting of a RFI in January of 2009 and a RFP in May of 2009 resulted in DSS receiving several vendor proposals for review. A panel consisting of state, regional, and local staff is currently evaluating the proposals. Negotiations and the selection of a vendor are expected to be completed in November of 2009.

Appendix A

Study Mandate

Item 338 L of the 2009 Appropriation Act states:

It is the intent of the General Assembly that the Department of Social Services 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 the automation, system adequacy, and needed action.