

A report of the
Department of Social Services
Commonwealth of Virginia

Child Care Automation

to the Governor and the
General Assembly of Virginia

October 2010



COMMONWEALTH of VIRGINIA
DEPARTMENT OF SOCIAL SERVICES
Office of the Commissioner

Martin D. Brown
COMMISSIONER

October 1, 2010

MEMORANDUM

TO: The Honorable Robert F. McDonnell
Governor of Virginia

The General Assembly of Virginia

FROM: Martin D. Brown

A handwritten signature in black ink that reads "Martin D. Brown".

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 327 L of the 2010 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

MDB/jms

Preface

This report is submitted pursuant to Item 327 L of the 2010 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 intends to develop a comprehensive automated system for the Child Care Subsidy Program that will allow Virginia to meet federal mandates more efficiently, provide greater accuracy in payments to providers, and improve overall program management. The new system will assist local departments of social services (LDSS) with the 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:

- Selection of a vendor in February of 2010 to implement a comprehensive automated child care system, based on transfer systems from other states;
- Approval by the Commonwealth Chief Information Officer (CIO) for development of a major automation project;
- Execution of project planning tasks through weekly leadership meetings with child care and information technology staffs; and,
- Appointment of dedicated program and technical staffs to provide project management and leadership.

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 were evaluated and presentations of proposals meeting the requirements of the Child Care Subsidy Program were made. Negotiations were held and a contract was signed with Deloitte Consulting, LLP in February of 2010.

Funds from the American Recovery and Reinvestment Act of 2009 (ARRA) in the amount of \$13.7 million have been approved for automation of the Child Care Subsidy Program. Case management, provider management and financial management components will be developed that will interface with a time and attendance tracking system to provide a comprehensive child care system.

Child Care Automation

Background

The Child Care Program is one of the largest assistance programs administered by DSS. Approximately 55,000 children received child care assistance in State Fiscal Year (SFY) 2010. The Child Care Program has grown significantly over the past decade. Expenditures have increased from approximately \$9 million in SFY 89 to approximately \$155 million in SFY 10. DSS 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.

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 Medicaid programs; OASIS supports the Foster Care and Child Protective Services programs.

Client information and expenditure data for the Child Care Program 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 current case and client information without retaining 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 the ICC system. It will also remove the Child Care Program from VACIS, moving that system closer to total replacement by more advanced technologies and systems.

The Division of Child Care and Early Childhood Development has been working toward implementation of an automated child care system, as evidenced by the following:

- The waiting list for child care was automated and implemented in LDSS, allowing DSS and LDSS to 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 with the addition of a fiscal component that will assist LDSS with wait list management.
- An automated monthly report was developed to provide financial data to LDSS to assist in the management of Child Care funds for each locality. This report is fiscal-year driven and provides an accounting of the funds expended and projected surpluses or deficits for each budget line.
- Automation of data collection and reporting components of the federally mandated review of child care services has been developed. With the enactment of the federal Improper Payments Information Act of 2002, states were mandated to implement procedures to measure, calculate, and report improper authorizations for child care subsidy payments.
- Data currently held in the Division of Licensing Programs' automated system (and available on the public and local agency web site) is provided monthly to the

statewide child care resource and referral network to assist in providing child care referral services to callers throughout the Commonwealth.

- In September of 2008, baseline requirements previously reviewed and updated by an expert panel of local, regional and state staff were finalized and prioritized.
- In January of 2009, DSS posted a Request for Information (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 Request for Proposal (RFP) that was posted in May of 2009. The program and technical requirements established in September of 2008 were detailed in the Statement of Needs section of the RFP. Vendors were required to complete a 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 evaluated the program and technical solutions offered in each vendor proposal. The panel consisted of local and state program and technical 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 the Vendor Survey. Once the presentations were completed, the proposals were re-evaluated.
- In February of 2010, a contract was executed with Deloitte Consulting, LLP for a comprehensive automated child care system. The system, based on transfer eligibility systems from other states, will be customized for Virginia’s needs.

Developments in 2010

Negotiations with the top vendors identified through the RFP process were conducted and a contract for the child care case management system was awarded to Deloitte Consulting, LLP. The contract was signed on February 12, 2010 and on February 16, 2010 planning tasks began for development efforts. The contract includes implementation of the system in SFY 12, a one year system warranty, and an option for five additional years for enhancements and maintenance.

An oversight committee comprised of state and local social services staff and representatives from the Auditor of Public Accounts and the Virginia Information Technology Agency (VITA) was established to:

- Ensure successful completion of the Child Care Automation Project;
- Ensure that adequate funding and Business and IT resources are made available to support the Child Care Automation Project;
- Ensure that project decisions include active, adequate input from local/end users who will use the child care application;
- Endeavor to maximize the return on investment (ROI), from a service and fiscal perspective; and,

- Collaborate with other workgroups or committees as required or needed.

A Users' Group consisting of LDSS child care and state program staff was established. This group, whose responsibilities include articulating business processes, validating requirements, and assisting in design of the system functionality, serves as the core business group for the life of the project. Requirement validation sessions were held to determine which system requirements could be met without modifying the vendor's existing base solution and which requirements would require development. Joint application design sessions were then held with local and state subject matter experts to customize remaining requirements to meet the specific needs of Virginia's Child Care Subsidy Program.

The case management system under development will provide the following functionalities:

- On-line applications;
- Eligibility determination;
- On-going case management;
- Allocation/Fiscal management;
- Reports and Forms;
- Wait List management; and
- Vendor management.

In June of 2010, a Statement of Work was signed with Affiliated Computer Service, Inc. (ACS) to provide electronic child care (ECC) services to track time and attendance information for child care subsidy recipients. ACS is the DSS service vendor for SNAP and TANF electronic benefit services. The component will interface with the case management system to create a payment and financial system for authorized services. This automated payment system will allow for more accurate and timely payments to child care providers.

In support of the contract with the selected vendor, DSS has partnered with VITA/ Northrop Grumman Partnership to provide project oversight, technical support, services and equipment required in developing the child care system. VITA has reviewed the project charter and plans, approved the project for development, and its Project Management Division continues to provide project oversight.

Funding

Funds from ARRA in the amount of \$13.7 million have been approved by DSS for the case management component of the Child Care Program.

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 10 the Child Care Program made significant progress toward automation of the Child Care Subsidy Program. Negotiations and the selection of a vendor were completed, and a contract was awarded to Deloitte Consulting, LLP in February. Project management planning for the system development began that same month.

Appendix A

Study Mandate

Item 327 L of the 2010 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.