



COMMONWEALTH of VIRGINIA

DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

Martin D. Brown
COMMISSIONER

October 15, 2011

MEMORANDUM

TO: The Honorable Robert F. McDonnell
Governor of Virginia

The General Assembly of Virginia

FROM: Martin D. Brown
Commissioner

SUBJECT: Child Care Automation

A handwritten signature in blue ink, appearing to read "Martin D. Brown", written over the printed name of the Commissioner.

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 2011 Appropriation Act. If you have questions or need additional information concerning this report, please contact me.

MB/kc

A report of the
Department of Social Services
Commonwealth of Virginia

Child Care Assistance Automation

to the Governor and the
General Assembly of Virginia

October 2011

Preface

This report is submitted pursuant to Item 327 L of the 2011 Appropriation Act (Appendix A), which 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.

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Executive Summary

The Department of Social Services (DSS) developed a comprehensive automated system for the Child Care Subsidy Program (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 determining eligibility and management of caseloads; the timely provision of services to families; the provision of accurate and timely information regarding children and families served; accurate and timely payments to providers, the costs associated with child care, analysis of encumbrances and expenditures; and the assessment of 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 2010 to implement a comprehensive automated child care case management system, based on transfer systems from other states;
- Signing of a Statement of Work with a vendor to provide a time and attendance tracking system;
- Creation of a users' group of state and local staff to articulate business processes, validate requirements, and assist in design of the system functionality;
- Development of the Virginia Case Management System (VaCMS), the Electronic Child Care system (ECC), the Third Party Reconciliation (TPR) system, and an interface with the Division of Licensing Programs tracking system; and,
- Pilot initiation of the VaCMS.

With basic system requirements articulated by state and local department program staff, the time-limited funding made available through the American Recovery and Reinvestment Act (ARRA) was used to develop and implement the \$13.7 million project that will provide case management, provider management and financial management components.

Child Care Assistance Automation

Background

The Child Care Subsidy Program (Program) is one of the larger assistance programs administered by DSS. More than 54,000 children received child care assistance in State Fiscal Year (SFY) 2011. The Program has grown significantly over the past decade. Expenditures have increased from approximately \$9 million in SFY89 to approximately \$124 million in SFY11. For the past two years, the Department has been working toward implementation of a comprehensive automated system for the Program. The Virginia Case Management System (VaCMS) and the Electronic Child Care (ECC) system together will provide a comprehensive automated system to support the Program and to provide timely program data in an efficient manner. The ECC will provide accurate time and attendance data upon which payments will be calculated.

Prior to implementation of the new VaCMS, client and expenditure data for the Program have been accessed through various systems, including the Virginia Client Information System (VACIS) and the Interim Child Care System (ICCS). Implemented in 1982, VACIS contains current case and client information without retaining case history. Expenditure data and counts of children and families served are currently stored in ICCS, which is MAPPER-based and has been in production for many years. The VaCMS will replace VACIS and ICCS. Once full implementation is accomplished, the ICCS will be retired. Removing Program data from VACIS will also move that system closer to retirement through more advanced technologies.

Since executing a contract with Deloitte Consulting, LLP in February 2010, work has continued on the development of a comprehensive automated child care system that includes functionality for online applications, eligibility determination, case management, vendor management and financial management. The system, based on transfer eligibility systems from other states, has been customized for Virginia's needs. Progress on automation is evidenced by:

- Continuation of the 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) that 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, from a service and fiscal perspective; and,
 - collaborate with other workgroups or committees as required or needed.

- A users' group, consisting of local departments of social services (LDSS) child care and state program staff, was established. This group, whose responsibilities included articulating business processes, validating requirements, and assisting in

design of the system functionality, served as the core business group for the life of the project. Requirements validation sessions and joint application design sessions were held with local and state subject matter experts to customize requirements to meet the specific needs of Virginia's Child Care Subsidy Program.

- In June 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 also the DSS service vendor for SNAP and TANF electronic benefit services. The ECC 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.
- A six week review of the design specification documents was conducted by the local users group, state program staff and state Information Systems (IS) staff.
- Information systems staff from DSS developed the Third Party Reconciliation (TPR) program to assure that payments calculated by the VaCMS reconcile with the time and attendance recorded in ECC.
- An interface was created with DOLPHIN, the Division of Licensing Programs system that records approvals of licensed and registered child care providers. This interface will provide timely information on the legal operating status of many providers who participate as vendors for the Child Care Subsidy Program.
- Systems integration testing was conducted April through June 2010 to test the transfer of data among the three systems: VaCMS, ECC, and TPR.
- Six LDSS, including Montgomery County, Roanoke County, Hanover County, Prince William County, James City County, and the City of Charlottesville, were selected to participate as pilot agencies for the systems. The pilot LDSS volunteered to participate and were selected to provide statewide representation and to assure a mix of large and small agencies.

The VaCMS provides the following essential functionality:

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

One additional benefit of the automated system will be the implementation of online applications for DSS customers. Families will be able to file applications electronically,

reducing the need for paper applications and providing families with the opportunity to submit applications from home, work, a public library, or wherever internet is accessible.

Finally, with the automation of the program, LDSS will be relieved of the responsibility of issuing payments to child care vendors, as payments will be made via direct deposit to vendors' bank accounts through the state system twice a month. Vendors who cannot obtain bank accounts will be issued debit cards on which payments will be loaded according to the same payment schedule as direct deposits.

Developments in 2011

In March 2011, Program and Deloitte staff conducted a business process change workshop with the pilot LDSS to review procedural changes that will result from automation of the Program. The workshop provided the pilot agencies with an in-depth review of the system processes and requirements. Changes identified during the workshop were then incorporated into the program guidance document for statewide distribution and training.

Between March and April 2011, the users' group created more than 800 test scripts that were used to test all functionality of the VaCMS. An additional 200 test scripts were prepared to test the ECC system. The user acceptance testing process occurred between June 6 and August 4, 2011. All recorded system defects were corrected according to the agreed upon level of severity and timeframes for corrections.

The VaCMS pilot is scheduled to run from August 10 through October 2, and the ECC pilot to follow, beginning September 1. Weekly preparation conference calls were held with the pilot localities.

The statewide roll-out of the VaCMS will be accomplished through three "waves" of implementation, with Fairfax County implementing independent of the waves:

- Wave One – October 3 – LDSS in the Western and Piedmont sections of Virginia
- Wave Two – November 7 – LDSS in the Eastern and a portion of Central Virginia
- Wave Three – December 5 – LDSS in Northern Virginia and the remainder of Central Virginia
- Fairfax County, which currently has an automated child care system, will implement in June 2012.

Activation of ECC will follow each wave by two months, allowing two months implementation of the case management system prior to issuing swipe cards and tracking time and attendance through ECC activation. Full statewide implementation of all systems is expected by August 2012.

A successful kick-off of the VaCMS pilot was launched on August 10, 2011, with only minor technical issues. On the first couple of days, state, users' group and Deloitte staff were stationed at the pilot LDSS offices to provide on-site technical assistance to local workers. The

pilot continues to provide valuable feedback that will be used to guide a smooth roll-out of the system statewide.

Funding

The time-limited funding made available through the American Recovery and Reinvestment Act (ARRA) was used to develop and implement the \$13.7 million project that will provide case management, provider management and financial management components. Funds from the Child Care and Development Fund (CCDF) block grant will be used to implement the ECC components and any necessary system enhancements.

Conclusion

As one of the larger assistance programs in DSS, the Child Care Subsidy Program is beginning implementation of a comprehensive system that will provide case management, time and attendance tracking and vendor payments. Additionally, statistical information regarding the number of children and families receiving subsidy payments and expenditure data will be more readily accessible to DSS and LDSS to assist with funds management, vendor oversight, and reporting. It will also allow the state to provide full program statistical reporting and eliminate the need to sample local department case records each month to meet federal reporting requirements.

In SFY11, the Program made significant progress toward full automation of the Child Care Subsidy Program. Systems were developed, tested, and are now being piloted, with full implementation scheduled to complete in calendar year 2012.

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.

