

**Office of Child Development and Early Learning  
Department of Public Welfare  
Request for Information  
August 10, 2011**

**PART I: GENERAL INFORMATION**

**A. PURPOSE OF THIS REQUEST FOR INFORMATION**

The Pennsylvania Department of Public Welfare's (Department) Office of Child Development and Early Learning (OCDEL) is issuing this Request for Information (RFI) to seek input and ideas for new efficiencies in order to achieve savings in the Child Care Information Services (CCIS) grant program, while continuing to provide high-quality services to Pennsylvania families. By soliciting the knowledge of existing and potential grantees, stakeholders, advocates and other leaders from Pennsylvania and throughout the United States, the Department seeks to broaden its perspective in this endeavor. The Department is interested in gathering as much information as possible to better understand the impact of our initial proposal and receive input to assist in the development of requirements for future procurements and grants.

To clarify, there is a difference between an RFI and an RFP:

- An **RFI** is a way to solicit creative ideas from the community. This method of gathering information is a tool used by the Department to receive feedback which can be considered in the development of an RFP.
- An **RFP** reflects very specific ideas for a project that the Department would like to see implemented and for which it will provide grants to applicants to provide specified services. The Department will be very specific about the areas to be addressed, methodologies, deadlines, desired outcomes and funding levels.

**B. TIMELINE FOR RESPONSE SUBMISSIONS**

Respondents must submit RFI responses no later than September 16, 2011. Responses may be submitted electronically or in writing to the following email account and address:

[RA-ocdelwebadmin@state.pa.us](mailto:RA-ocdelwebadmin@state.pa.us)

CCIS RFI Response  
Office of Child Development and Early Learning  
333 Market Street, 6<sup>th</sup> Floor  
Harrisburg, PA 17126

Questions may be submitted in writing to the above email account or by calling the following number: 717-265-8905

**C. RESPONSE SUBMISSION**

The Department encourages all interested parties, including all potential grantees, stakeholders,

advocates, and other leaders to submit responses. The feedback from this RFI will be considered in the development of a future procurement.

The Department shall own any response submitted in response to this RFI.

Respondents must submit their response in the format requested in Part III of this RFI.

Responses must be in 15 single spaced pages or less and in an Arial 11 font. Please include a cover letter and/or any attachments within the page limit. Please prepare responses simply and economically, providing straightforward and concise descriptions.

#### **D. DISCLAIMER**

This RFI is issued solely for information and planning purposes and does not constitute a procurement solicitation. Responses to this notice are not offers and cannot be accepted by Department or the Commonwealth of Pennsylvania to form a binding contract.

Respondents are solely responsible for all expenses associated with responding to this RFI.

Respondents requiring confidential treatment for any proprietary information they furnish must clearly identify that in their respective responses. All information received in response to this RFI that is marked "proprietary" will be handled in accordance with applicable laws including the Commonwealth's Right to Know Law, as amended.

Responses to this RFI will not be returned. Respondents will not be notified of the result of the review, nor will they be provided copies of it.

Respondents to this RFI shall not be deemed to be an advisor or consultant to the Department. The Department will evaluate the information presented and determine any subsequent course of action.

No specific cost or pricing information should be submitted in response to this RFI. However, information may be provided related to general cost savings concepts or efficiencies.

### **PART II: WORK STATEMENT**

#### **A. GOALS AND OBJECTIVES**

The primary mission of OCDEL for the CCIS Grantees is to provide efficient, effective and high-quality services to Pennsylvania families and child care providers related to child care subsidy and resource and referral services.

*RFI Goal* – Receive public input on the Department's proposal to achieve greater efficiencies in the CCIS system and any additional ideas from respondents related to this endeavor.

### ***RFI Objectives***

- Lower administrative costs by reducing the number of CCIS grantees.
- Create new efficiencies by consolidating non-eligibility services and operations.
- Keep satellite offices to continue face-to-face eligibility work and convenience to families.
- Maintain current functions of CCIS grantees and high-quality services provided.

### **B. BACKGROUND**

The Department is the state agency in the Commonwealth of Pennsylvania responsible for the subsidized child care program. Child care services funded by the federal and state government are provided by OCDEL in the Department. This RFI is concerned with subsidized child care and resource and referral services provided through the CCIS grantees. OCDEL's Bureau of Subsidized Child Care Services monitors the grant agreements with the CCIS grantees and works in partnership with grantees to provide services to Pennsylvania families.

The CCIS system has existed since the mid-1970s and the chief responsibility of the grantees was to determine eligibility for the low-income child care program since its inception. In 2007, the CCIS system assumed responsibility for all child care eligibility services, including those formerly completed by the Office of Income Maintenance for clients receiving Temporary Assistance for Needy Families (TANF). This "unification" of services allowed for a single, fully-coordinated child care subsidy and resource and referral system. Unification resulted in:

- \$42 million in savings during the first year.
- Increased accountability for public dollars due to
  - 1) Payments being processed to the provider rather than the parent
  - 2) The creation of a more integrated computerized system to better manage funds and waiting lists.
- More children attending high-quality child care programs due to the high-quality referral system. For instance, approximately 76 percent of TANF children receiving child care assistance were using regulated child care in 2009-10, which is 44 percent more since these families began receiving services through the CCIS grantees. In addition, approximately 53 percent of Child Care Works children in regulated child care are enrolled with Keystone STARS providers.<sup>1</sup>

In addition, the CCIS grantees moved from a 13 percent average administrative rate to the current 9 percent average.

#### **1. Overview of the Current CCIS Agency Configuration and Responsibilities**

There are currently 59 CCIS grantees, with county governments, non-profit entities and one for-profit entity holding the grants. CCIS grantees are responsible for the following functions: Eligibility Determination – reviewing and processing applications, following-up on missing documentation, determining eligibility, conducting face to face interviews, parent/ provider notifications, adverse actions, terminating services, maintaining case files, appeal processing and hearings and maintaining parent work schedules  
Provider Payments - invoicing for services, reviewing invoices, authorizing payments, check

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<sup>1</sup> Office of Child Development and Early Learning Annual Report 2009-2010

writing/direct deposit and accounting

Waiting List Management - managing list, notification for enrollment, managing available funds for authorizations from waiting list

Resource and Referral - helping parents locate quality child care or early learning programs, maintaining state information system with current provider data and performing online searches for parents

Provider Management - maintain provider agreements, collect and verify rate information, manage out-of-state provider certification, and process relative/neighbor providers including initiating background checks, meeting face-to-face with providers and verifying documentation.

Funds Management - budgets and budget revisions, referrals to the Office of Inspector General for fraud, final expenditure reporting and fiscal year end and start up activities in Pennsylvania's Enterprise to Link Information for Children Across Networks (PELICAN).

## **2. Findings**

Pennsylvania, like the rest of the nation, is facing difficult economic times. Recognizing Pennsylvanians' tax dollars pay for the services provided by the Department and its grantees and contractors, it is imperative to constantly be reviewing existing systems to find additional efficiencies and ensure as much funding as possible is spent on actual services, rather than overhead costs. This vigilance ensures that dollars are spent wisely and the children and families benefiting from Department services receive a high-quality product.

Upon consideration of the economic times and need to spend more wisely, the Department believes it is appropriate to build upon the past successes, such as unification, and reconfigure the current CCIS areas and make other changes to achieve administrative savings and efficiencies.

## **C. PROPOSED CCIS RECONFIGURATION AND OTHER SUGGESTED EFFICIENCIES**

### **CCIS Reconfiguration**

The Department intends to consolidate the 59 CCIS grantees to 30 grantees. Attachments 1-3 of this RFI should be reviewed by RFI responders to understand this proposal. Attachment 1 is a map of the existing configuration of CCIS grantees with the number of children served in each county noted (existing joiners are colored). Attachment 2 is a map of the proposed 30 CCIS service areas with the number of children served in each county noted (new combined service areas are colored). Attachment 3 is a written description of the proposed service areas.

The proposed reconfiguration was based on current administrative costs, number of children served and geographic considerations. A grantee is responsible for a service area.

If DPW conducts a procurement for 30 CCIS grantees, all existing grantees would be able to apply to provide services for their new CCIS service area, in addition to others, but would not be able to receive more than two grants, or in other words, be responsible for more than two service areas.

The Department intends to lower administrative costs through this configuration by:

- Limiting CCIS directors to one in each new CCIS service area.
- Consolidating administrative functions by each new service area, such as payroll.

It is important to note that the Department understands the need to maintain the current number of CCIS offices for face-to-face eligibility requirements and family access. The Department is considering a requirement that satellite offices be within a 5 mile radius of current CCIS locations.

### **Other Efficiencies**

The Department is considering the following efficiencies in addition to the CCIS reconfiguration:

- Capping CCIS director salaries.
- Capping maximum percent of benefits allowed to be charged to the grant.
- Setting a maximum administrative rate of 8 percent.
- Limiting indirect costs to 1.5 percent of budget.

### **PART III: REQUEST FOR INFORMATION FORMAT**

The Department is requesting assistance in determining whether implementing a reduced number of CCIS grantees and the additional efficiencies are viable strategies. The Department welcomes respondents' comments regarding these concepts and is also interested in suggestions for alternative approaches.

To the extent that respondents base their suggestions on a set of assumptions, respondents are encouraged to discuss and document those assumptions in their responses.

#### **A. COVER LETTER**

Respondents must provide a cover letter with the RFI response. Please include the following information:

- An introduction to the respondent's organization.
- The reason for the respondent's interest in this RFI.
- The name, agency, address, telephone number and e-mail address of the person to be contacted and others who are authorized to represent the responding entity relating to this RFI submission.

#### **B. RESPONSE TO NEW CCIS CONFIGURATION CONCEPT**

In this section, please provide comments related to:

- The reduction of CCIS grantees from 59 to 30.
- The suggested new CCIS service areas in Attachment 2.
- Other ideas related to the appropriate number of CCIS grantees and ways to configure the new service areas. Respondents may use the map of Commonwealth counties provided in Attachment 4 for this purpose.

### **C. RESPONSE TO OTHER EFFICIENCY SUGGESTIONS**

In this section, please provide comments related to:

- Capping CCIS director salaries.
- Capping maximum percent of benefits allowed to be charged to the grant.
- Setting a maximum administrative rate of 8 percent.
- Limiting indirect costs to 1.5 percent of budget.

### **D. ADDITIONAL FEEDBACK**

In this section, please provide answers to the following questions:

1. What are the respondent's recommendations for reducing administrative costs and streamlining services in the CCIS system, without harming quality and level of service?
2. What are the respondent's recommendations for ensuring smooth transitions should new CCIS service areas be implemented?
3. What are the respondent's recommendations with regard to the amount of time needed to ensure a smooth transition?
4. What are the respondent's recommendations for ensuring the current level of services provided by the CCIS grantees?
5. What are the respondent's recommendations for CCIS grantee performance measures and any necessary baseline data that the Department may consider using to evaluate program performance?
6. The Department recognizes that implementation of any program changes could pose potential challenges and barriers. What are the respondent's thoughts related to:
  - a. Potential challenges or barriers the respondent believes the Department may encounter in making the proposed changes?
  - b. Recommendations or strategies for overcoming the challenges and barriers?
7. What program data, if any, does the respondent recommend the Department provide in a solicitation to facilitate accurate cost proposal submissions?
8. Are there any other considerations or information relevant to this RFI that the respondent would like to provide?

Attachments 1-4