

Mississippi Secretary of State
 700 North Street P. O. Box 136, Jackson, MS 39205-0136

ADMINISTRATIVE PROCEDURES NOTICE FILING

AGENCY NAME Mississippi Department of Human Services		CONTACT PERSON Earl Scales, Esq.	TELEPHONE NUMBER 601-359-4237	
ADDRESS 750 North State Street		CITY Jackson	STATE MS	ZIP 39202
EMAIL escal@ago.state.ms.us	SUBMIT DATE 01/07/2013	Name or number of rule(s): Mississippi Child Care Payment Program Policy Manual		

Short explanation of rule/amendment/repeal and reason(s) for proposing rule/amendment/repeal: The purpose of this proposed rule is to update and clarify policies for the Mississippi Child Care Payment Program.

Specific legal authority authorizing the promulgation of rule: Sec 43-1-2 et. sec.

List all rules repealed, amended, or suspended by the proposed rule: This proposed rule replaces the current Mississippi Child Care Payment Program Policy Manual FFY 2013.

ORAL PROCEEDING:

An oral proceeding is scheduled for this rule on Date: January 29, 2014 Time: 11:00 AM-1:00 PM Place: Hinds County Extension Service Office at 1735 Wilson Boulevard, Jackson, MS 39204.

Presently, an oral proceeding is not scheduled on this rule.


If an oral proceeding is not scheduled, an oral proceeding must be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) or more persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address, email address, and telephone number of the person(s) making the request; and, if you are an agent or attorney, the name, address, email address, and telephone number of the party or parties you represent. At any time within the twenty-five (25) day public comment period, written submissions including arguments, data, and views on the proposed rule/amendment/repeal may be submitted to the filing agency.


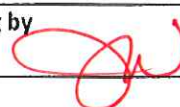
ECONOMIC IMPACT STATEMENT:

Economic impact statement not required for this rule. Concise summary of economic impact statement attached.

TEMPORARY RULES	PROPOSED ACTION ON RULES	FINAL ACTION ON RULES
<input type="checkbox"/> Original filing <input type="checkbox"/> Renewal of effectiveness To be in effect in _____ days Effective date: <input type="checkbox"/> Immediately upon filing <input type="checkbox"/> Other (specify): _____	Action proposed: <input type="checkbox"/> New rule(s) <input checked="" type="checkbox"/> Amendment to existing rule(s) <input type="checkbox"/> Repeal of existing rule(s) <input type="checkbox"/> Adoption by reference Proposed final effective date: <input type="checkbox"/> 30 days after filing <input checked="" type="checkbox"/> Other (specify): <u>March 7, 2014</u>	Date Proposed Rule Filed: _____ Action taken: <input type="checkbox"/> Adopted with no changes in text <input type="checkbox"/> Adopted with changes <input type="checkbox"/> Adopted by reference <input type="checkbox"/> Withdrawn <input type="checkbox"/> Repeal adopted as proposed Effective date: <input type="checkbox"/> 30 days after filing <input type="checkbox"/> Other (specify): _____

Printed name and Title of person authorized to file rules: Earl Scales, Esq.

Signature of person authorized to file rules: 

OFFICIAL FILING STAMP	DO NOT WRITE BELOW THIS LINE OFFICIAL FILING STAMP	OFFICIAL FILING STAMP
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DELBERT HOSEMANN
Secretary of State

CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. This is a Concise Summary of the Economic Impact Statement which must be filed with the Secretary of State's Office.

AGENCY NAME Department of Human Services	CONTACT PERSON Earl Scales	TELEPHONE NUMBER 601-359-4237	
ADDRESS 750 N. State Street	CITY Jackson	STATE MS	ZIP 39202
EMAIL escal@ago.state.ms.us	DESCRIPTIVE TITLE OF PROPOSED RULE CCDF Policy Manual FFY2014		
Specific Legal Authority Authorizing the promulgation of Rule: Eec.43-1-2 et. sec.	Reference to Rules repealed, amended or suspended by the Proposed Rule: CCDF Policy Manual FFY 2013		

A. Estimated Costs and Benefits

1. Briefly summarize the benefits that may result from this regulation and who will benefit:

DECCD intends to use the Mississippi eChildcare system, provided by The Vendor (the Vendor) to improve its ability to provide service to families. The possibility of adding more children to the Child Care Payment Program from the waiting list is a large benefit for parents, providers, DECCD, and state and local economies. More accurate reporting of attendance allows for increased fiscal oversight and management of funds through the reduction of improper payments. This reduction in improper payments will support DECCD in expanding the number of individuals that can be served. Providers will receive payments being made electronically via direct deposit twice a month. Because providers volunteer to participate in this program, DECCD wants to support them in receiving payment for their services quickly and efficiently. Another benefit identified by DECCD is increased parental involvement with the attendance and payment process. Parents and providers will receive instant information regarding the availability of their certificates/funds. This real time information sharing allows them an opportunity to resolve problems faster, and with increased knowledge regarding the problem. When parents check the children in and out it will encourage interaction with their child's teacher to understand the developmental milestones their child is achieving through regular opportunities for conversation. This allows for parents to play a greater role in the service they are receiving. See Results of statewide implementation of the in home child care outcomes for June 1, 2013-August 15, 2013 on page 3 for additional outcomes information.

Below is a list of benefits for DECCD, Parents and Providers:

DECCD:

- Clear, accurate audit trails;
- Attendance verification – both real-time and historical;
- Audit record of who picked up and dropped off child and when;
- Ability to send messages to providers or parents through the POS machine using its messaging capability (licensed providers only);
- Increased number of providers accepting subsidized child care certificates;
- Real-time check of eligibility assures accuracy of payment;
- Provider portal decreases administrative time taking provider calls;
- Customer service support from the Vendor for providers (i.e., equipment; payment/attendance; etc.) and state staff;
- Reducing overpayments through improved monitoring and verification of attendance;
- Reducing paperwork and administrative costs required of check issuance and banking processes (i.e., cancelling of checks and reissuing checks);
- Elimination of postage costs for mailing checks, an average monthly cost of \$1,400;
- Improves the Agency's ability to monitor certificate utilization;
- Insuring staff, providers, and parents are accountable for the services provided, including accurate attendance reporting; and
- Getting parents involved in their children's child care needs and environment.

Parents:

- Regular access to providers to discuss child progress and behavior;
- Increased participation in their child's care setting;
- Faster service with placement of care; and
- Reduction in service gaps through the elimination of paper-based processes.

Providers:

- Increased cash flow with fast, accurate and timely payments (semi-monthly);
- Real-time notification of child eligibility and provider status;
- Increased time to spend with children;
- Regular access to parents to discuss child progress and behavior;
- Real-time notifications from DECCD via the POS machine (licensed providers only);
- Customer service support from the Vendor The Vendor(i.e., equipment; payment/attendance; etc.); and
- Access to attendance, approved certificates, and payment information via provider portal.

Results of Statewide Implementation of Mississippi In-home Provider Childcare Outcomes for June 1, 2013-August 15, 2013

As a result of this implementation, 2,144 in-home providers chose not to participate and were closed in the system. DECCD notified parents that a change in provider would be necessary on five separate occasions to ensure that child care services could be continued without interruption. 1,756 children never returned to utilization of the certificate. To date, the Agency has not heard from the parents or providers concerning the child care needs of these children. These are the outcomes that the Agency anticipated due to the implementation of the Mississippi eChildcare System.

Pre implementation number of in-home providers:	2,300
Post implementation number of in-home providers:	671
Pre implementation number of children:	3,106
Post implementation number of children:	1,277
In-home providers closed:	2,144
Un-duplicated child care certificates terminated:	1,756

Actual numbers from the Child Care Payment System (CCPS) on September 12, 2013.

Based on these results, DECCD identified child care certificates that were not being utilized. This identification will result in additional children served.

2. Briefly describe the need for the proposed rule:

The mission of the Division of Early Childhood Care and Development (DECCD) is to provide subsidized child care assistance to eligible, low-income parent(s) that will enable them to become and remain employed, and to empower parent(s) to select quality child care that meets the needs of their family.

DECCD administers the federal Child Care and Development Fund (CCDF), which provides subsidized child care to income-eligible Mississippi parent(s) who seek out this assistance. This service is primarily accomplished through the issuance of child care certificates for parent(s) to take to their provider of choice.

DECCD previously administered the Child Care Payment Program (CCPP) using contracted resources, with a large percentage of those resources being needed to manage the attendance tracking and payment distribution processes. These processes were manually driven and paper-based, which were labor intensive and included a high risk of improper payment due to human error or false attendance claims (fraud). The payment distribution process was also largely paper-based via a monthly check generated to a provider for the prior months' attendance claim(s). These administrative processes were extremely expensive to administer and manage.

DECCD has identified Mississippi eChildcare as a process that captures the child's time and attendance electronically at the location of care.

Parent(s) and their designees (i.e. Household Designees) will use their finger image registered in the Mississippi eChildcare system to record their child(ren)'s attendance at licensed providers each care day at drop off and pick up. The Mississippi eChildcare biometric Point of Service (POS) machine has two pieces. One piece is a key pad with a display screen for information and the other piece connected is a biometric finger image scanner. Parent(s) and their designees will

record child attendance at unlicensed centers using an Interactive Voice Response (IVR) system. They will access the IVR with a land line phone. The Mississippi eChildcare system is not connected to any other system. It is a stand-alone system used only for capturing child care attendance records.

1. Estimated Cost of implementing proposed action:
 - a. To the agency
 Nothing Minimal Moderate Substantial Excessive
 - b. To other state or local government entities
 Nothing Minimal Moderate Substantial Excessive
2. Estimated Cost and/or economic benefit to all persons directly affected by the proposed rule:
 - c. Cost:
 Nothing Minimal Moderate Substantial Excessive
 - d. Economic Benefit:
 Nothing Minimal Moderate Substantial Excessive
3. Estimated impact on small businesses:
 Nothing Minimal Moderate Substantial Excessive
4. The cost of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):
 substantially less than moderately less than minimally less than
 the same as minimally more than moderately more than
 substantially more than excessively more than
5. The benefit of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):
 substantially less than moderately less than minimally less than
 the same as minimally more than moderately more than
 substantially more than excessively more than

B. Reasonable Alternative Methods

1. Other than adopting this rule, are there less costly or less intrusive methods for achieving the purpose of the proposed rule?
 yes no
2. If yes, please briefly describe available, reasonable alternative(s) and the reasons for rejecting those alternatives in favor of the proposed rule.

In the planning period, MDHS did not discover an alternate method for a more cost effective and fiscally responsible way of operating this program that benefits the parents and child care providers.

The Kiplinger Report published on October 5, 2012 stated, "it is noted that there is a nationwide trend toward biometric technology to improve security, prevent fraud, reduce payroll errors and lower liability. Options for biometrics include fingerprinting, palm vein and iris scans, gait and hand-wave recognition." MDHS selected biometric finger imaging because this process provides a reliable and affordable method for tracking time and attendance payments.

A card scanning method is an alternative that requires parents to slide a card through a machine to record child attendance. DECCD did consider this method in its information gathering phase. Ultimately DECCD decided against this process because some states where the system was previously implemented reported a common source of fraud was identified when parents left the cards at the centers and providers were free to enter child attendance themselves. In some

instances, providers continued to check the children in and out even if the children were not in attendance. Investing in the card system would have been a waste of funding due to its inability to prevent this type of fraud. The card system did not support the goal of more efficient fiscal management of the Mississippi CCPP.

C. Data and Methodology

1. Please briefly describe the data and methodology you used in making the estimates required by this form.

In March 2007, then State Auditor Phil Bryant conducted an audit of the Child Care Development Fund Certificate Program. Through the audit, one of the findings was reported as follows: "OCY has been making many fiscal and management changes in the last two years to increase the numbers of certificates provided to eligible children and to improve consistency in the program. However, OSA noted problems related to data collection and maintenance. Recommendation: OSA recommends that MDHS continue considering the use of an electronic payment card system as an option to enhance the operating efficiency and effectiveness of the different programs administered by the agency. Furthermore, using such a system will allow MDHS to implement a contingency backup payment delivery system in the event of a disaster. This would move the State a step closer to its initiative to become an e-government State. Overall, this program would offer to the State: Efficient and effective data reporting; reduction of fraud; comprehensive accountability of data reporting and fund expenditures in the program; and perhaps most importantly, if it works as well as it has worked for other programs in the State, it could offer millions of dollars in cost-savings each year through efficiency gains. Using an electronic payment card system would also provide payments that are faster and more consistent to the child care providers, as well as free up OCY Designated Agents to do more assistance work for providers and parents and less financial reporting and check writing." It is important to note that in 2007, the EBT card was the only electronic payment option that was offered to the public for electronic attendance and payment systems for child care services.

Beginning in 2010 the division was tasked by the Agency Executive Director to establish cost saving methods for the Mississippi CCPP. This was critical due to the impending expiration of the American Recovery and Reinvestment Act (ARRA) funding creating a significant loss of dollars available for the program. In addition, the federal government notified the agency that funding allocations would be drastically reduced for the Federal Fiscal Year 2011. With this in mind, Agency administration developed an evaluation team to explore cost saving options.

Decision Making Methodology:

- 1) Gathering information and e-attendance options;
- 2) Meet with states that are implementing options for additional information;
- 3) Assessment of information from other states to determine feasibility for Mississippi;
- 4) Develop cost benefit analysis for implementation ;
- 5) Present information to MDHS Executive Director for approval; and
- 6) Identification of vendors.

1. Gathering Information and e-Attendance Options:

The evaluation team began researching information about how best to achieve the cost savings and determine how an electronic system would benefit the Mississippi CCPP and

its participants (i.e., families; children; providers; etc.). In 2010, there was national attention related to electronic time and attendance tracking for child care services; and DECCD began to engage in national discussions with other states to explore all available options. In April 2010, Child Care Administrators List Serve (Administration of Children and Families, Office of Child Care (OCC)) initiated conversations between state administrators regarding the utilization of automated systems for time and attendance. Through research, the team discovered there were two electronic options, card swiping and biometrics. In March 2011, the team began meeting regularly to further evaluate these electronic time and attendance options.

Information from the Administration of Children and Families, Office of Child Care

The Administration of Children and Families, Office of Child Care (OCC) held a webinar in March 2011, describing ways to combat fraud and address CCDF improper payments. Information regarding the benefits of child care system automation information was presented to State CCDF Administrators:

- Automation improves accessibility;
- Expands access for families to needed childcare resources (providers);
- Ensures eligible parents find, obtain, and maintain needed services;
- Improves staff efficiency, timeliness, consistency, and responsiveness to family needs and changes in circumstance;
- Prevents and identifies errors and fraud;
- Minimizes errors in data entry, calculation, and documentation;
- Ensures decisions are based on State rules and standards;
- Ensures accurate authorizations; and
- Provides aids for error and fraud identification.

2. Meet with States that are Implementing Options for Additional Information:

Louisiana Data

MDHS contacted the State of Louisiana to discuss their experience surrounding the implementation and operation of their biometric system (LA TOTS). In April 2011, the team traveled to Louisiana to learn about the state's lessons learned from the biometrics implementation. Topics that were discussed were:

- The Louisiana process before automated attendance tracking (i.e., eligibility; attendance tracking, provider payment process, monitoring, federal reporting; etc.);
- The Louisiana child care policy changes implemented with automated attendance tracking and the reason for changes (i.e., any new policies or revisions to existing policies.);
- The Louisiana child care process with automated attendance tracking (i.e., eligibility; attendance tracking, provider payment process, monitoring, federal reporting; etc.);
- The Louisiana payment process, including validation and reconciliation;
- The Louisiana child care system environment, including software platform utilized, connectivity to the ACS system and how the ACS system is used by state staff (parish and state office staff.);and
- Any challenges or lessons learned during your project (i.e., clients; providers; state staff; technology; etc.).

The data and methodology used to decide on this system was a case study of Louisiana's experiences with the program. The following information was quoted from www.exoduspaymentsystems.com.

Louisiana Cost Savings:

7/1/09 - 1/31/10	\$65,385,356 (Cost before eChildcare)
7/1/10 - 1/31/11	\$48,776,798 (Cost after eChildcare)
DIFFERENCE:	\$16,608,558

Note: Savings are in part due to these policy changes:
Job Search was eliminated effective Jan 10 representing \$7,430,301 savings
Other policy changes effective on July 1 included:

- Method of calculation for part-time payment,
- No payment for part-time absences,
- Half the daily rate is paid if a full-time child attends fewer than four hours, and Parent/Provider must use approved method for capturing the time and attendance of child in care in order for care to be paid.

The Summer of 2010 marked the beginning of a biometric program in Louisiana aimed at preventing phantom-billing fraud in the state child-care system. The Louisiana TOTS program is estimated to cost \$13 million over five years, but the program has already saved \$16.6 million in 7 months primarily by preventing phantom billing. Kim Matherne, the pilot project director in Louisiana for the roll out of the TOTS biometric program stated, "at least half of those savings could be contributed solely to the use of biometrics and the additional savings came from changes in the program rules."

Therefore, the state is seeing an ongoing savings of at least \$2 million per month, but may equal up to \$3 million. This is a savings of 25% of their budget from the previous year.

The number of CCAP children pre-TOTS (June 2010):

Total = 36,723

The number of CCAP children immediately following TOTS implementation (September 2010):

Total = 33,874

The reduction after three months of implementation is 2,849 children.

The number of CCAP providers pre-TOTS (June 2010):

Total = 3,272

The number of CCAP providers immediately following TOTS implementation (September 2010):

Total = 2,806

The reduction after three months of implementation is 466 providers.

In consideration of the information from Louisiana, the evaluation team decided that it would not adopt the attendance policy changes that Louisiana adopted at implementation of the biometrics

program. The team decided that the payment policies could negatively affect families and children in the state.

Oklahoma Data

In addition, MDHS participated in web-based meetings with the State Administrator and Policy Director in Oklahoma to glean information about lessons learned from implementing the card swipe system technology in their state. Oklahoma's providers have reported an 89% satisfaction rate with using the electronic child attendance system. As of 2013, Oklahoma is currently considering upgrading to the biometrics option for attendance tracking. Oklahoma was able to implement an electronic system with little adjustment to policy. Mississippi has elected to adopt a similar policy process.

Oklahoma was also consulted regarding their experiences and savings with this technology. MDHS used estimates of the system development costs to derive the cost benefit analysis.

Goals and Accomplishments for Automated Attendance System in Oklahoma:

- Reduced overpayments by 10%;
- Improving quality of child care received by eliminating/reducing paperwork required by providers;
- Ensuring OK DHS staff, providers, and clients were accountable for services provided;
- Improving cash flow for providers;
- Getting parents involved in their children's child care needs and environment; and
- Reducing administrative costs.

Pre Implementation 2000

- 4,600 providers
- \$11.6M in payments
- 47,000 children
- 27,570 families
- Cost per child \$249.06

Post Implementation 2012

- 2,700 providers
- \$10.3M in payments
- 33,000 children
- 27,300 families
- Cost per child \$317.00

This data was derived from the hearing on the *Use of Technology to Improve Public Benefit Programs* before the Subcommittee on Human Resources on the Committee on Ways and Means in the U.S. House of Representatives of the One Hundred Ninth Congress, second session, on April 5, 2006.

3. Assessment of Information from other States to Determine Feasibility for Mississippi:

In the research compiled from the state studies it was determined that the biometrics system was the best solution for the state to achieve its goals. MDHS learned from Louisiana that while the biometric system would meet the state's needs, the policy changes that Louisiana adopted would not work for Mississippi. MDHS learned from Oklahoma that the card system was a cheaper method but would not reach the goal to reduce fraud and would duplicate a self-reporting system already in place.

Table E provides an initial comparison of costs between the biometric and card system methods.

Table E: Initial Comparison of Costs for Biometric and Card Methods:

	Biometric Method	Card Method
Machine Costs	\$1,612,000 (licensed providers)	\$712,000 (licensed providers)
CPCPM	\$5.90	\$5.14

DECCD considered the following options of purchasing POS machines:

- o A one-time expense; or
- o Amortizing the equipment cost over the contract period.

The decision was made to purchase equipment upfront due to transferred funding from the Governor's discretionary funds and to reduce the long term expense being included in CPCPM.

MDHS discounted using the EBT cards for the electronic attendance system because other states that were utilizing the cards discovered fraudulent activity at the provider location. Oklahoma is now seriously considering converting to using the biometric systems. Although this option was investigated and considered, it would not give the State the same level of fraud prevention because parents could give the cards to the providers to keep at the center.

4. Develop Cost Benefit Analysis for Implementation:

The evaluation team developed a methodical plan to move to an electronic system for child care payments. Implementation was set up to occur in stages. The first stage of the plan required moving from paper ledgers to electronic ledgers and getting providers accustomed to reporting attendance electronically. The second stage was to pilot biometrics, evaluate biometric functionality and performance, and review client/provider feedback. Identified sources of provider feedback were the DECCD Provider Advisory Committee and regular meetings of the pilot providers enrolled in the Allies for Quality Care Program. Once feedback was reviewed and incorporated the team intended to implement improvements to the biometric system. The last stage was to implement biometrics statewide. Through these stages, the evaluation team engaged an intentional systematic approach to reaching utilization of biometrics statewide.

Table F provides the initial cost benefit analysis in phase I and phase II of implementation.

Table F: Phase I- Conducted in 2010 Preliminary Cost Estimate for Child Care – FFY 2012 (October 2011 - September 2012)

Category	PDD Cost	MDHS Cost	Estimated Administrative Savings (PDD Cost – MDHS Cost)
SALARIES	\$ 2,612,899	\$ 201,269	\$ 2,411,630
FRINGE BENEFITS	\$ 889,449	\$ 70,444	\$ 819,005
INDIRECT COSTS	\$ 950,860	\$ -	\$ 950,860
TRAVEL	\$ 58,821	\$ 25,000	\$ 33,821
COMMODITIES	\$ 60,395	\$ 195,200	\$ (134,805)
CONTRACTUAL SERVICES	\$ 238,826	\$ 1,000,000	\$ (761,174)
EQUIPMENT	\$ 14,500	\$ 1,800,000**	\$ (1,785,500)
TOTAL:	\$ 4,825,750	\$ 3,291,913	\$ 1,533,837

Assumptions:

PDD Cost is based on the FFY 2010 (October 2009 - September 2010).

MDHS Cost - Commodities includes certificates, checks and postage.

MDHS Cost - Contractual Services includes ITS CCIS Support and automation; MIS automation.

**MDHS Cost - Equipment includes new Server Environment and associated software; Biometric Equipment (one time cost).

Estimated Administrative Savings can be used to serve more children (approximately 639).

*Outcome: Consolidated Child Care Program that serves more children, positions the Agency for Biometric Automation and saves approximately \$1.53M for the FFY (approximately 32% Savings in Administrative Costs).

**Phase II: Conducted in 2010 Preliminary Cost Estimate for Child Care
FFY 2013 (October 2012 - September 2013)**

Category	PDD Cost	MDHS Cost	Estimated Administrative Savings (PDD Cost – MDHS Cost)
SALARIES	\$2,612,899	\$201,269	\$2,411,630
FRINGE BENEFITS	\$889,449	\$70,444	\$819,005
INDIRECT COSTS	\$950,860	\$0.00	\$950,860
TRAVEL	\$58,821	\$25,000	\$33,821
COMMODITIES	\$60,395	\$85,000	\$(24,605)
CONTRACTUAL SERVICES	\$238,826	\$2,199,140	\$(1,960,314)
EQUIPMENT	\$14,500	\$0.00	\$14,500
TOTAL:	\$4,825,750	\$2,580,853	\$2,244,897

Assumptions:

PDD Cost is based on the FFY 2010 (October 2009 - September 2010).

MDHS Cost - Commodities includes certificates and postage.

MDHS Cost - Contractual Services includes ITS CCIS Support and ACS cost for Biometric Automation.

Biometric Automation is projected to reduce overall Child Care costs by 25-30% by reducing fraud which can be used to serve more children (approximately 6,250 – 7,500), reducing the waiting list.

Estimated Administrative Savings can be used to serve more children (approximately 935).

*Outcome: Very efficient program that reduces fraud, serves more children and saves approximately \$2.24M/FFY (approximately 47% Savings in Administrative Costs).

The Agency estimated a 25-30% savings due to reducing erroneous and fraudulent payments as a conservative estimate. This estimated savings is based on Louisiana's actual savings of at least 50% due to the implementation of biometrics. Louisiana reported \$33.2 million dollars of saving in the first year of implementation. Mississippi estimated a conservative savings of 25-30% due to the fact that no attendance-based payment policy changes would take place.

The Electronic Child Care (ECC) automation, known as the Mississippi eChildcare System, will allow the DECCD to consolidate the Mississippi CCPP, reduce improper payments, reduce fraud, improve overall efficiency and increase the number of children being served. As an expected outcome, DECCD is estimating a 40-45% savings in overall administrative cost due to automation efficiencies (approximately \$1.6M - \$2.2M annually) along with a 25-30% savings in overall child care cost due to the elimination of false attendance claims by child care providers (approximately \$15M - \$18M annually). The DECCD plans to use the savings to serve more

children (estimated to be an additional 7,000 to 9,000 children), by reducing the current waiting list of children in need of assistance.

5. Present Information to MDHS Executive Director for Approval:

All information was presented to the MDHS Executive Director for approval to move forward with the project. Great consideration was made for the impact that all aspects would have on MDHS, parents and providers. The Executive Director endorsed the phased approach to automate the Child Care Payment Program. Another consideration was how much this change would benefit families and children through program efficiency. The Agency's goals were to reduce fraud and improve program integrity, account for the child's attendance at the provider, reduce the overall administrative expense of the program, provide services to more children, and provide improved cash flow for child care providers.

6. Identification of Vendors:

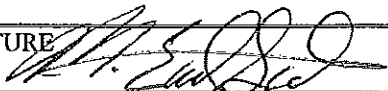
The State of Mississippi had an existing contract with the Vendor to perform services for SNAP, foster care payments, child support, adoption subsidy, and TANF benefits. The existing contract contained a provision to add additional services including eChildcare. DECCD contacted the Vendor to gain more information about how states were utilizing this technology. At the time the evaluation team was referred to Oklahoma, who was using the card swipe system, and Louisiana, who was using biometrics. DECCD decided to leverage the existing the Vendor contract. This decision allowed the agency to take advantage of the latest child care technology while not incurring any additional procurement related expenses (\$40,000-\$50,000).

D. Public Notice

1. Where may someone obtain copies of the full text of the economic impact statement?

www.childcareinfo.ms

2. Where, when, and how may someone present their views on the proposed rule and demand an oral proceeding on the proposed rule if one is not already provided? A public hearing will be held January 29, 2014 at the Hinds County Extension Office located at 1735 Wilson Boulevard, Jackson, MS 39204 from 11:00am-1:00pm.

SIGNATURE 	TITLE Asst. Attorney General
DATE 01/07/2014	PROPOSED EFFECTIVE DATE OF RULE 03/07/14