

Montgomery County, Maryland
Office of the County Executive
Office of Internal Audit



Program Assessment of Community Use of Public Facilities
Before and After School Childcare Programs in Public Schools

September 2, 2016

Highlights

Why MCIA Did this Audit

The accounting firm of SC&H, under contract with the County's Office of Internal Audit (MCIA), performed a Program Assessment focusing on two primary functions performed by the County's Community Use of Public Facilities (CUPF). In addition to other responsibilities, CUPF provides community users and public agencies with access to public facilities (including schools and other public facilities) for services, programs, and events; and administers this process while managing the placement of Before and After School Childcare Programs in Montgomery County Public Schools (MCPS) facilities, as defined by Montgomery County Executive Regulation 15-14 AMIII (the Regulation; subsequently revised and approved as 15-14AMV, December 8, 2015). The current report focuses on findings and recommendations related to CUPF's administration of the Before and After School Childcare Programs, consistent with the Regulation. A separate report focuses on CUPF's responsibilities for the scheduling of community use in public schools, regional centers, libraries, and other public spaces. These areas were selected for review because they both support critical services provided to County residents, and have been the subject of stakeholder and client feedback. This program assessment was conducted in two phases: interviews with various stakeholders (including the Inter-Agency Coordinating Board (ICB) and various officials within Montgomery County) and with CUPF process owners; and limited testing of processes and controls to assess their efficiency and effectiveness.

What MCIA Recommends

MCIA is making 10 recommendations to CUPF to further improve internal processes, as well as enhancing client service delivery and transparency with stakeholders.

September 2016

Program Assessment of Community Use of Public Facilities - Before and After School Childcare Programs in Public Schools

What MCIA Found

Community Use of Public Facilities (CUPF) was determined to be compliant in all major aspects of their role in administering the Before and After School Childcare Programs in Public Schools per Montgomery County Executive Regulation number 15-14 AMIII ("the Regulation"). As a result of lessons learned from its first year (2015) under the Regulation, CUPF made numerous improvements in training materials and forms utilized to score applicants, and internal processes to monitor the selection process. However, CUPF would benefit from strengthening existing controls and implementing additional controls to address the residual and inherent risks.

MCIA identified the following opportunities for improvement within the current Before and After School Childcare Programs in Public Schools processes:

- The involvement of Child Care Subject Matter Experts in the orientation of Principals and selection committee members;
- Improvement of internal documentation of CUPF processes and procedures;
- Increased cross-training within CUPF of Before and After School Child Care Programs processes and procedures;
- Improvement of formal documentation related to Regulation-related decisions

MCIA also identified opportunities for CUPF to enhance existing relations with key stakeholders and clients, including Montgomery County Public Schools (MCPS) and childcare providers. While the Regulation does not explicitly require CUPF to implement these process improvements, CUPF's implementation of the recommended improvements is expected to improve customer service and enhance stakeholder/client relations.

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Objectives

This report summarizes the review performed by SC&H Group under contract with the Montgomery County (County) Office of Internal Audit (MCIA) for a program assessment of Community Use of Public Facilities (CUPF) to identify opportunities for potential enhancements that would improve their efficiency and effectiveness in executing CUPF's responsibilities for the Before and After School Child Care Program (Child Care Program) in Public Schools as defined by the Regulation. Additionally, this program assessment was to assist the County in understanding current challenges facing CUPF, current processes and procedures CUPF has implemented to address these challenges, and recommended improvements that CUPF could implement to help optimize performance.

This internal audit was performed in accordance with the Statement on Standards for Consulting Services (SSCS) issued by the American Institute of Certified Public Accountants (AICPA). We also ensured that the audit performance was consistent with standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the U.S. Government Accountability Office (GAO-14-704G), as applicable. SC&H Group's procedures were developed to meet the objectives stated above, and were reviewed and approved in advance by MCIA. The interviews of relevant parties, review of pertinent documentation, and field work testing was conducted from October 2015 to March 2016.

Background

Montgomery County's Community Use of Public Facilities provides community users and public agencies with access to public facilities (including schools and other public facilities) for services, programs, and events. Pursuant to a delegation from the Board of Education of Montgomery County, CUPF also provides administrative support to the Board of Education which, under state law, is charged with placing Before and After School Childcare Programs in Montgomery County Public Schools (MCPS) facilities. Under CUPF's administration, over one million hours are reserved annually at public facilities to more than 5,000 user groups (in more than 550 public facilities), with approximately 20 percent of the reserved hours being for before and after school childcare programs. CUPF's mission is to maximize the community's use of these facilities, and identify and facilitate activities and programs that respond to the community's needs without disrupting the instructional program of the Montgomery County Public Schools or County operations. In fulfilling its mission responsibilities, CUPF faces numerous challenges, including negotiating among diverse groups of stakeholders, issuing permits for facilities owned by others, holding individuals and entities that do not report to CUPF accountable, assessing fees to groups (98% of which CUPF has identified as non-profits) to cover costs of operations, and enforcing ICB policies and guidelines related to fair access. CUPF is supported by an enterprise fund and does not receive tax dollars to support its operations. CUPF has three functions:

1. Facilitate the use of Montgomery County Public Schools, including scheduling of Before and After School Childcare Programs in MCPS facilities as outlined in Executive Regulation 15-14 AMV;

2. Facilitate the use of Government Facilities, including Maryland-National Capital Parks and Planning Commission (M-NCPPC) and Recreation Department fields, and the Silver Spring Civic Building;
3. Support ICB Activities.

The program assessment focused on the first two functions mentioned above, resulting in two reports: one focusing on CUPF's administration of the Before and After School Childcare Programs in Public Schools (herein) and the other focusing on CUPF's Reservation Processes for MCPS, M-NCPPC and Recreation fields, Libraries, and other County Government Facilities (under a separate cover).

Chapter 44 (specifically Article I, *School Facilities Utilization Act*), §44-3. Interagency coordinating board¹) of the Montgomery County Code establishes the Interagency Coordinating Board for Community Use of Public Facilities (ICB) and sets forth the ICB's responsibilities for reviewing and coordinating activities associated with maximizing the use of Montgomery County Public Schools facilities. Among these responsibilities under §44.3, ICB is required to

- review CUPF budget request and make recommendations about the requests to the County's Chief Administrative Officer (§(a)(1)),
- recommend fee schedules that the Council may adopt after receiving the County Executive's recommendations (§(a)(2)),
- adopt regulations necessary to implement Article I (§(a)(5)), and
- resolve interagency differences and problems in implementing Article I and promote coordination between programs and activities conducted under Article I (§(a)(6)).

In 1986, the ICB approved a process to assist schools in selecting childcare providers to provide before and after school childcare programs ("Program"), and delegated to CUPF the responsibility to administer this Program, including administering the childcare provider selection process, issuing permits to providers, and reimbursing MCPS for costs associated with this use. In 2007, the ICB implemented, through resolution, a competitive re-bidding process for selecting childcare providers in order to promote fair and equal access to shared space. In response to a 2012 lawsuit

¹ Section 7-109 of the Maryland code authorizes local school boards to allow childcare programs to operate in public school facilities and requires the local school boards to adopt rules and regulations to implement the childcare placement program. Section 7-109(a)(1) requires that the local school boards give priority to nonprofit childcare programs in the use of school facilities before and after school hours.

Section §44.3(b) (*Membership*) of the Montgomery County Code defines the voting members of the ICB as the County's Chief Administrative Officer, the Superintendent of Schools, the President of Montgomery College, a member of the Maryland-National Capital Park and Planning Commission, a Councilmember (or the Council Administrator or a senior staff member of the County Council), one resident appointed by the Superintendent and confirmed by the Board of Education, and three residents appointed by the Executive and confirmed by the Council. Non-voting, *ex officio* members are a member of the Board of Education designated by the Board of Education, a person designated by the Montgomery County Association of Administrators and Principals to represent secondary school administrators and confirmed by the Council, and a person designated by the Montgomery County Association of Administrators and Principals to represent elementary school administrators and confirmed by the Council.

challenging the re-bidding process being followed by the ICB/CUPF, the Montgomery County Circuit Court held that the County was required to issue a regulation.

In January 2013, Montgomery County's School Board approved Resolution 19-13, delegating authority to the ICB and CUPF to administer the Program under a Regulation approved by the ICB and the Board of Education. The County Council approved Executive Regulation 15-14AMIII² on December 2, 2014.

Following the approval of the Regulation, CUPF implemented a compressed re-bid process between February and May 2015 for nine schools: three schools that did not have childcare services available and six schools with providers in place for 14 years or more. The first full re-bid process began in September 2015 and concluded May 2016. There are approximately 120 before and after school childcare programs in MCPS. These programs are scheduled to be re-bid every seven years (with 15-20 programs being re-competed annually) to ensure fair and equal access to shared space in schools. CUPF is scheduled to complete twenty-two re-bids in 2016.

OVERVIEW OF THE REGULATION

Key provisions of the Regulation³, which is posted on CUPF's Childcare website, include the selection process (§5), the space reservation process (§6), appeals/remedies process (§7), and a miscellaneous section for conflict resolution after selection (§8). These provisions are summarized below.

Selection Process

The Regulation establishes the process that CUPF is to follow to administer the process for selection of before and after school childcare providers. Key provisions include the following:

- CUPF must establish and update annually a re-bid schedule designating when each school designated by MCPS for use by a childcare service provider ("Provider") will be subject to re-bid.
- Each agreement with a Provider at a designated school must be re-competed at least once every seven years.
- CUPF may also include a school in the competitive process if (a) there is no current Provider at the school; or (b) if the current Provider is no longer able to provide services in a manner acceptable to MCPS, has not complied with the provisions of the County's agreement with the Provider, is no longer licensed as a Child Care Service Provider by the State, or plans to discontinue providing services.
- In administering the selection process, CUPF must coordinate with the County's Department of Health and Human Services and MCPS.

² Executive Regulation 15-14AMIII contained a one-year sunset provision. Executive Regulation 15-14 AMIV was subsequently approved (effective December 8, 2015) extending the sunset date to July 31, 2017.

³ "Executive Regulation 15-14 AMIII", CUPF, <http://www.montgomerycountymd.gov/CUPF/Resources/Files/childcare-Regulation.pdf> (Accessed April 14, 2016)

- Based on the re-bid schedule, CUPF must notify each school principal (“Principal”) and current Provider 45 days in advance of CUPF’s posting a request for applications that the school’s childcare program will be re-bid.
- At the time of notification of intent to advertise a bid (or re-bid), CUPF must send a current account status report to all incumbent childcare service providers – to allow providers to avoid exclusion from consideration based on an overdue account balance.
- The Principal must make a public announcement to staff, parents and the school community providing notice that the re-bid process has begun; and provide an opportunity for parents of the school to provide feedback regarding the incumbent Provider’s services, and program features or services they would like to see in the future, as well as similar information they are requesting be considered in the evaluation criteria. The Principal (or other school official designated by the Principal) must distribute feedback received during the six months prior to the re-bid announcement to the selection committee members for their consideration.
- Similarly, the incumbent Provider must notify parents of the children using the Provider’s services at the school that the re-bid process has begun.
- The Principal (or other school official designated by the Principal) must form a selection committee, whose responsibilities include evaluation of Provider applications, conduct of Provider interviews, and selection of the next Provider at the school. The selection committee may be comprised of any combination of staff, parents or other responsible individuals chosen by the Principal; the committee should have a minimum of 5 and a maximum of 9 members.
- Selection committee members must affirm in writing that they will exercise fair and impartial judgment, and must disclose any conflict of interest or prior/current relationship with any of the applicants. [CUPF is required to develop a conflict of interest policy to be administered consistently across all schools during the re-bid process, and is to assist the Principal in determining whether conflicts of interest disclosed by a committee member requires disqualification of the member.]
- Selection committee members must also participate in an orientation conducted by the Principal with the assistance of CUPF about the selection process.
- The Principal (or designee) must provide to CUPF 30 days in advance of the request for applications any site-specific program requirements that must be met by the Provider.
- The selection criteria to be used by the selection committee must include the following criteria:
 - Non-profit status of the applicant;
 - Applicant’s organizational experience;
 - Demonstrated ability of the applicant’s staff to deliver quality services;
 - Applicant’s proposed program and services;
 - Applicant’s proposed fees and policies;
 - Opportunities for parent involvement and approach to conflict mediation;
 - References from parents of children who used the services of the applicant;
 - Any feedback provided from the school community within the previous six months;
 and

- Any other criteria approved by the Superintendent (or designee) relevant to that school.

While CUPF's express responsibilities are clearly laid out in the Regulation, it was determined that CUPF performs multiple duties beyond their required responsibilities.

- CUPF holds a Principal orientation meeting for schools that are being re-bid. The orientation provides an overview of the Regulation; the application review, interview, and provider selection process; conflicts of interest policy; roles and responsibilities of each involved party (i.e. CUPF, Principals, selection committees); timelines; resources; and next steps.
- While it is the Principal's responsibility to create the selection committee, CUPF usually has to initiate and follow-up to obtain the committee members contact information. Following the orientation session, CUPF sends an email to each Principal requiring the Principal to select the members of the selection committee for their school, and to submit to CUPF the Selection Committee Contact Sheet identifying the selection committee members.
- CUPF creates a secure website for each school. Selection committee members are given access only after (1) they have attended an orientation meeting, and signed and handed in all forms; and (2) those forms (including the conflict of interest form) have been reviewed and approved by CUPF (or the Principal, in the case of the conflict of interest form). The website will contain all responsive applications, which the committee members are responsible for downloading and reviewing, as well as a copy of the request for applications. CUPF also created and/or provided the following resources on the website to aid committee members in their scoring of applicants:
 - A copy of the Committee Orientation
 - Reviewer Instructions
 - Rating Form Guidance
 - Rating Forms
 - MD Excels⁴ Flyer
 - MD Excels Standards
 - Sample Interview Questions and Forms
 - Summary Score Sheet (for Chairperson)
 - Link to Committee Survey and other resources

⁴ Maryland EXCELS is a Quality Rating and Improvement System (QRIS). A QRIS is a program that awards ratings to registered family child care providers, licensed child care centers (Head Start, Letter of compliance facilities, school-age only child care), and public pre-K programs that meet increasingly higher standards of quality in key areas. Maryland EXCELS is a voluntary program designed to increase parent and provider awareness of the elements of high quality early care and education, to recognize and support providers who are meeting those standards, and to educate families and the community about the importance of high quality child care. Maryland EXCELS has three major goals: • To recognize early care and school age education programs for their level of quality • To encourage providers to increase the level of quality provided in their programs • To provide parents with information and choices about quality child care. See: <http://marylandexcels.org/data/ck/sites/217/files/Maryland%20EXCELS%20FAQ.pdf>.

- The Regulation requires that CUPF assist the Principal in conducting the selection committee orientations; however, it appears that CUPF has taken over this responsibility as CUPF prepares and presents the slides, forms, etc. and schedules the meetings.
- The Regulation requires that the Principal notify CUPF of the provider chosen by the selection committee; however, CUPF has taken on the responsibility of validating the calculations on the application rating forms, interview scoring sheets, and the summary score sheet⁵. Ratings are recorded by the CUPF representative into a formatted Excel file after the Application Review and again after the Interview Scoring. The Excel file performs the mathematic calculations (including average score, deviation from average, and total scores). CUPF does not rate any application. Each interviewee's combined scores are summed and transferred to the Summary Score Sheet by CUPF.
- The Regulation only requires the calculation of the summary sheet at the conclusion of the process; including the calculation of the average score and 25-point deviation. However; CUPF performs these calculations both at the end of the application review phase and at the conclusion of the process after the interview scoring phase.
- If an incumbent provider is not selected, CUPF will ask the incumbent (non-selected) provider to notify parents and staff of the transition plan.

Space Reservation

While the re-bid selection process is similar to a procurement process, a facility use license/permit⁶ (i.e. not a contract) for the following school year is issued to the provider selected as a result of the re-bid process. The Principal designates the space for the provider's program to operate; this space must meet the requirements of the Maryland Board of Education's Child Care Licensing Division. The providers must sign a Facility Use License Agreement (FULA), provided to them by CUPF, and acknowledge all conditions of use. Providers receive the advantage of priority guaranteed placement in all-purpose rooms, which are highly sought after. They also receive discounted fees for the use of the space as well as a built-in customer base of that school's community of parents and children. As needed, CUPF advocates on behalf of the selected provider to avoid unannounced displacement from its licensed space.

Appeals/Remedies Process

The Regulation provides for a review process by which "an applicant may seek review of CUPF's compliance with its responsibilities under [the] Regulation." Requests for review of CUPF's compliance with the Regulation must be submitted in writing to CUPF within five days after the selection committee's decision is posted. The review request must include:

- An identification of the solicitation and school
- Applicant's name and contact information
- A statement supporting their claim that CUPF did not comply with the Regulation

⁵ As noted in the Findings and Recommendations section below, after problems were noted during the 2015 compressed re-bid process, CUPF modified its process and took on this validation step.

⁶ Referred to as a "permit" on CUPF's website/materials.

- A description of all grounds for the request for review (i.e. including submission of facts, documents, citations of the law, Regulation, or solicitation relied upon, etc.)
- Affidavits based on personal knowledge for allegations regarding other information not included in the Regulation or solicitation)

Upon receipt of the request for review, CUPF must notify MCPS and the other applicants who may be affected by the review.

The ICB makes the final decision on a request for review. However, the ICB may designate a Hearing Officer to receive evidence and testimony and make a recommendation to the ICB (or its designated subgroup). In response to a request for review, CUPF will submit a response to the request to the ICB, or the designated Hearing Officer. The ICB, or designated subgroup, will review the request and CUPF's response (and if applicable, the Hearing Officer's recommendation and other evidence submitted). If determined appropriate by the ICB, the ICB or a subgroup may hold a conference with all interested parties to facilitate a resolution of the matter. After review of records and evidence received, the ICB will make a determination and finding. The finding will be mailed to the applicant seeking review, other impacted applicants, and posted on CUPF's website. The ICB decision is final and no further right to administrative appeal is available.

Potential remedies depend on whether the license has been issued/awarded. If a license has not been awarded, the solicitation could be cancelled; and/or a new solicitation could be issued. If a license has already been awarded, the remedy is limited to the protesting applicant being awarded the cost of preparing its application.

Miscellaneous/Conflict Resolution:

The type of issue determines who is responsible for the resolution:

- Issues between the childcare provider and the parents are to be resolved by the childcare provider.
- Issues involving safety, security, or compliance with laws and Regulations are to be resolved with the appropriate authorities (i.e. police, MSDE).
- Issues involving terms of the shared space permit are to be resolved by CUPF.
- Issues involving quality or satisfaction of the childcare program are to be resolved by the Principal.

Scope and Methodology

To satisfy the stated objectives for this review, the audit was conducted during the period of October 2015 to March 2016. We completed the following tasks:

- Evaluation of CUPF's current role and their compliance with the Regulation
- Assessment of the adequacy of the existing County Regulation with regards to CUPF's current role and responsibility

- Evaluation of CUPF's efficiency and effectiveness in administering their responsibilities, as set forth in the Regulation, for the Before and After School Child Care Program
- Assessment of CUPF's communication, guidance, and training provided to Before and After-School Childcare Providers and Montgomery County Public School (MCPS) Principals and Selection Committee Members.

Given the inherent diversity of customers and stakeholders for this program that CUPF supports, a diverse information collection was conducted through interview with various provider and stakeholder representatives (including representatives from MCPS, Montgomery County Government and the County Council) in order to effectively assess the current challenges faced by CUPF, across all CUPF program areas.⁷ In addition, interviews with CUPF management and staff in the selected program areas were conducted.

We also reviewed the current Regulation and observed documentation provided via CUPF's website for Childcare Providers, MCPS, and other stakeholders. Additionally, we reviewed internal policies, procedures, and processes utilized by CUPF to administer the re-bid of the Before and After School Childcare Program. This assessment also included testing through inquiry, observation, inspection, and re-performance, of CUPF's compliance with the current Regulation as well as the adequacy of the current Regulation in defining CUPF's role and responsibilities. At the beginning of fieldwork, 2015 re-bids had been completed, and the 2016 re-bid process and procedures were in place. During our fieldwork, we reviewed a total of 11 re-bids to assess CUPF's compliance with the Regulation:

- The nine completed 2015 re-bids; and
- Two 2016 re-bids that were completed at the time of our fieldwork.

With the knowledge gained through the above interviews, observations, and testing, we assessed CUPF's efficiency and effectiveness in administering the Before and After School Childcare Program based on the Regulation and current policies and procedures, processes, and tools utilized. Finally, based on feedback received during interviews from providers/stakeholders, we reviewed the CUPF's Child Care website and training/orientation documentation provided to Principals, selection committee members and childcare providers (i.e. incumbent and those applying to provide services) to assess the communication and guidance provided by CUPF. Since this audit was primarily a compliance audit (i.e., compliance with the Regulation and associated internal processes and procedures), benchmarking with other jurisdictions was conducted only on selected issues discussed later in the report. We conducted a cursory (paper) review of the selection process used by the County's Department of Health and Human Services for early childhood (infant to pre-school) programs; but did not identify any specific practice improvements that were applicable to the selection process used for before and after school childcare programs.

⁷ These interviews were not designed to be a statistically valid sample of all customer and stakeholder groups. They were designed to obtain initial feedback from customers and stakeholders to gain a sense of the areas of concerns and perceived challenges CUPF faces in performing their program responsibilities.

In instances where it appeared there was a risk that did not appear to be mitigated by a control, a gap or process improvement opportunity was noted, and we provided the risk and a recommendation to mitigate the risk below.

Findings and Recommendations

OVERALL

CUPF implemented process improvements between the compressed 2015 re-bid process and the 2016 re-bid process to improve CUPF's compliance with the Regulation requirements and enhance its monitoring of the selection committees' applicant evaluation. During the 2015 re-bid process, there was one formal protest by a provider who was not re-selected, and several requests to review the rating forms. CUPF investigated and provided responses for each allegation of non-compliance reported by the provider and determined that the protest did not have merit. The ICB reviewed the ICB appeal subcommittee's recommendation⁸ and the provider's request for review and the ICB agreed that the selection made by the committee was appropriate. However, CUPF did a self-audit of all re-bids completed and noted multiple mathematical errors in calculations by school selection committee members including instances of non-profits not being given the five-point bonus. CUPF identified two schools that the miscalculations could have impacted the final selection. Therefore, CUPF reported these findings to the ICB subcommittee who directed CUPF to re-perform the selection processes for the two impacted schools beginning with the interview process (i.e. only the interview scores would count). In both cases, the original winning provider won after the second interview process.

CUPF had been relying on the selection committees and Principals to ensure their math was accurate on all forms. As a result of CUPF's self-audit findings from the 2015 re-bids, CUPF instituted the following improvements:

- CUPF performs quality control data checks of mathematic calculations after the Application/Technical Review and after the Interview Scoring prior to posting the selection committee's selection decision.
- CUPF inputs the scores into an excel file for each school that automatically calculates the sums, averages, and deviation from average. If a selection committee member's score for an applicant deviates from the committee's average score for that applicant by greater than 25 points, CUPF will discuss the deviation with the committee member and the rest of the committee.
- Application/Technical Review forms were re-formatted to be clearer and easier to add.
 - Score entry was moved from the beginning of the box, to the end of the box.
 - Maximum points per section were input into each scoring box to make it more clear the basis for their scoring (e.g. Organizational Experience: X/20 points; Parent Involvement: X/15 points)

⁸ The Regulation permits the ICB to consider as the entire Board the protest and CUPF's response, or to appoint a subcommittee of the ICB to consider the protest (and CUPF's response) to consider the matter on behalf of the Board. In the case of the protest referenced, the ICB designated a subcommittee to consider the matter on its behalf.

- The not-for-profit additional five points was made more obvious and clear by putting it in bold and showing X/5 points lined up on the right with the other boxes. [The Application/Technical Review Rating Guide was also updated to reflect this change in the form.]
- Improvements to the Interview phase included change to the Interview Rating Form to reflect the maximum number of points per question (with CUPF also providing sample interview questions), allowing the provider ten minutes to discuss their company and the of childcare service they could provide, and posting results shortly after completion of the interviews.

Due to the timing of this program assessment, significant time was spent understanding the current processes in place for 2016 re-bids. However, the majority of compliance testing was performed on the nine re-bids that were executed in 2015. While we found many mathematical errors in the 2015 re-bids, we were able to confirm CUPF's own findings that the re-bids that were impacted by the mathematical errors were appropriately identified and addressed by CUPF. In Table 1 below, we have separately noted the relevant compliance attributes that were affected by these mathematical errors; we do not repeat the explanation that these errors were identified by CUPF as a result of their self-audit, and were appropriately addressed by CUPF.

As noted earlier, two 2016 re-bids were completed as of the period covered by our audit testing. We found no compliance issues with these 2016 re-bids; and validated that CUPF had made numerous changes in its processes designed to increase CUPF's real-time monitoring and quality control processes. We selected key attributes of the Regulation to test for compliance. When determining what attributes to test, we considered which attributes that would be most impactful to the outcome of a fair selection process and those attributes that were identified from stakeholder/customer feedback regarding perceived transparency or fairness. See **Table 1 – Regulation Compliance Results** (below) for attributes tested and the results of testing performed for the 2015 and 2016 re-bids.

Table 1 – Regulation Compliance Results

Compliance Attribute		Compliant? 2015 2016		Results of Testing Performed
1	CUPF must establish a schedule that designates when each facility that MCPS designates will be subject to competitive selection process. The schedule will require each facility be subject to a re-bid at least once every seven years and be updated annually.	Y	Y	CUPF created the re-bid schedule by having each childcare provider certify their year of initial placement in each school, signing and returning the certification. Each childcare provider was input into the schedule based on their start date at each school. The re-bid schedule was not posted on the CUPF's website for the 2015 re-bids, but it was posted on CUPF's website for the 2016 re-bids. The re-bid schedule meets the seven-year requirement for each school.
2	CUPF must notify each Principal and childcare provider that the childcare program will be subject to re-bid a minimum of 45 days in advance to the posting of request for applications.	Y	Y	CUPF sends a notification letter to each Principal and childcare provider on the re-bid schedule annually. The letters explain the Regulation and that the schools with programs covered by a CUPF permit for the greatest length of time were selected for the re-bid. CUPF met the minimum requirements for notification in both 2015 and 2016.
3	The Principal or designee must form a selection committee with a minimum of five members and maximum of nine members. The selection committee must be comprised of any combination of staff, parents, or other responsible individuals chosen by the Principal. Ultimately, it is the Principal's discretion on the selection committee.	Y	Y	While we were able to test the number of members, the Regulation provides significant flexibility in the intended makeup of the selection committees. Since this is ultimately the Principal or designee's responsibility, selection committees tested were determined to be compliant in terms of minimum/maximum members.
4	The Principal or designee must provide an opportunity for parents to provide feedback on the current provider regarding satisfaction, program features/services they would like to see, or similar information they would like to be considered for inclusion in the evaluation criteria.	Y	Y	While this is the Principal or designee's responsibility (not CUPF's), we did test to ensure that this has occurred. Re-bid folders consistently had documentation confirming that feedback was solicited.

Compliance Attribute		Compliant? 2015 2016		Results of Testing Performed
5	Committee member must affirm in writing that he/she will exercise fair and impartial judgment in evaluating each applicant.	Y	Y	Each re-bid folder contained signed Confidentiality and Non-disclosure forms, requiring members to acknowledge they would be fair and impartial in their evaluation of providers.
6	Committee member must disclose conflicts of interest or prior/current relationship with any of the applicants. Those who fail to disclose a conflict of interest must be dismissed from the committee. CUPF will assist the Principal in determining if a conflict of interest disclosed requires disqualification.	Y	Y	CUPF was determined to be compliant as each re-bid folder contained signed Conflict of Interest forms from each committee member. However, we noted forms where members disclosed conflicts of interest, but we did not note how these conflicts were determined to be acceptable or at the level of disqualification. See Finding #2 below.
7	Selection committee is required to participate in an orientation about the selection process. CUPF will assist the Principal in conducting the orientation that will include information about the selection process, timelines, responsibilities of members, conflicts of interest, and elements of quality care.	Y	Y	Reviewed selection committee orientation materials and ensured required topics were adequately covered. Committee members are required to attend orientation before they can have access to the Re-bid website where applications and required materials are stored. Completion of orientation is evidenced by signature of the Conflict of Interest and Non-Disclosure forms.
8a	CUPF will be involved in all selection committee meetings	Y	Y	A CUPF representative attends all meetings, from orientations to application review to provider interviews.
8b	And provide administrative support to the selection committee for the Principal and MCPS staff.	N	Y	Administrative support was deemed inadequate in 2015 due to the mathematic errors by selection committee members noted above in calculation of scoring for applicants. For the 2016 re-bid process, CUPF increased their oversight/quality control and recalculated each mathematic calculation at each meeting. No mathematic errors in scoring noted in 2016 re-bids and process improvements deemed to be adequate to detect such errors.

Compliance Attribute		Compliant? 2015 2016		Results of Testing Performed
9	Selection committee must consider the required criteria as well as any site specific information provided by the school community prior to the bid announcement.	Y	Y	The required criteria from the Regulation was accurately included on each Application/Technical Review Rating Form, including site specific needs. Further, CUPF provides members with a Rating Form Guide which outlines each criteria on the rating form and provides additional details to consider when determining ratings.
10	CUPF must notify the public that it seeks applications for qualified, licensed entities to provide before and after school childcare services. CUPF must include the evaluation criteria and insurance requirements. The advertisement will include at least one newspaper circulated in the County and must be posted on CUPF's website. The notification period will be a minimum of 30 days and maximum of 45 days.	Y	Y	Reviewed Request for Applications and verified required evaluation criteria and insurance requirements were included. For 2015 and 2016, verified Request for Applications were posted in the newspaper and on CUPF's website. The minimum notification period requirement of 30 days was achieved in both years without exceeding the maximum number of days.
11	The selection committee must come to a decision as to which providers will be interviewed after each member has reviewed and rated each application. The providers with the highest ratings will receive an interview.	N	Y	Scores from the rating forms are transferred to the Summary Scoring Sheets to determine the highest rated applicants. However, as noted above, the math behind those calculations in 2015 was inaccurate in multiple re-bids tested. CUPF improved their forms and their oversight to assist in the detection of such errors in 2016. There were no such errors found in the 2016 re-bids.
12	Guidelines must be followed determining the number of providers to interview. At least three providers must be interviewed, unless fewer than three are deemed responsive. If fewer than five applications are received, all responsive applicants must be interviewed. If only one provider applies or is deemed responsive, the selection committee must review application to ensure requirements are met.	Y	Y	Based on these requirements, the appropriate number of applicants were interviewed in 2015 and 2016.

Compliance Attribute		Compliant? 2015 2016		Results of Testing Performed
13	Not-for-profit entities must be given at least a five percent bonus in awarding of total points on the application review. Not-for-profits should also be given priority in the case of tie in ratings between a not-for-profit and a for-profit entity.	N	Y	2015 re-bids had multiple rating forms that did not adequately include the additional five points. The forms were improved for 2016 to make the additional five points more clear. CUPF increased oversight of the scoring calculations to ensure the extra five points was properly added. No errors were noted in the 2016 folders and process improvements deemed adequate to detect such errors.
14	The selection committee must develop the interview questions. The selection committee must ask each applicant the same questions in the same order and be given the opportunity to answer.	Y	Y	The Interview Scoring Sheet was reviewed for each 2015 and 2016 re-bid tested noting each form had the same questions in the same order.
15a	Each committee member will individually rate the interview. Individual ratings will be anonymous and scores will only be reported in the aggregate. And	Y	Y	Scorers' names were not provided on the rating forms, only numbers so that they remained anonymous. Only aggregate scores were reported.
15b	The application review and interview scores will be added. The provider with the highest aggregate score will be selected.	N	Y	Mathematic scoring issues noted for interview scores as well in 2015. No such errors identified in the 2016 re-bids and process improvements deemed adequate to detect such errors.
16	If the range of scores deviates more than 25 points above or below average, a notation should be made on the form by the Principal indicating these deviations were discussed by the group and supported by rater. Raters cannot be forced to change their scores.	Y	Y	This information is provided and noted on the Summary Score Sheet. We recalculated the average score and deviation noting that deviations of greater than 25 points were properly marked on the form. However, further audit evidence should be provided to improve consistency and documentation. See Finding #3 below.

Compliance Attribute		Compliant? 2015 2016		Results of Testing Performed
17	CUPF will be present to provide administrative support to the committee at the request of the Principal, but will not participate in the selection of any applicant.	Y	Y	During our review of the 2015 and 2016 re-bids, we found no evidence that CUPF participated in the scoring of applicants.
18	At the conclusion of the rating process, a summary of the scores will be prepared. The summary form will list for each applicant the combined score of the raters on each application and interview, and the scoring range and any additional comments. Applicants can review the summary sheet at the conclusion of the process.	Y	Y	A Summary Scoring Sheet was performed for each re-bid tested in 2015 and 2016. However, opportunities for improvement were identified to improve this process. See Finding #4 below.

The results of this program assessment found that CUPF made improvements in their processes (as noted above) between the compressed 2015 re-bid process⁹ and the 2016 process, and was administering the 2016 process in a manner compliant with the Regulation as noted above.

We did identify a number of areas where opportunities exist for CUPF to further improve its processes and controls, and further enhance the transparency and relations with provider and stakeholder groups, limit the current vulnerability to complaints and protests, and improve the quality of documentation and audit evidence – thereby strengthening CUPF’s administration of the Before and After School Child Care Program. The findings presented below are particularly relevant, in part, because there are multiple parties who perform roles in the Program and in the scheduling of space in school facilities for child care programs. MCPS’ Principals have lead responsibility for defining program needs at their respective schools, and the actual provider selection decisions through the selection committee process. MCPS has responsibility for addressing effectively site access, security and condition issues.¹⁰ In addition, MCPS administers its own selection process for childcare programs in a limited set of schools, under MCPS’ “joint occupancy” policies.¹¹ The County’s Department of Health and Human Services is responsible for

⁹ CUPF advised us that the 2015 compressed process was made particularly challenging given the compressed schedule between the Regulation being finalized and the re-bid process being conducted: a total of five months.

¹⁰ CUPF advised us that it often views itself in a unique – relative to other jurisdictions where the school system administers similar programs – position of playing a “middle-man” role: between the provider community, parents, and MCPS.

¹¹ For relevant MCPS policies, see:

<http://www.montgomeryschoolsmd.org/departments/policy/detail.aspx?recID=102&policyID=ECM§ionID=5>; <http://www.montgomeryschoolsmd.org/departments/policy/detail.aspx?recID=103&policyID=ECM-RA§ionID=5>; <http://www.montgomeryschoolsmd.org/departments/policy/detail.aspx?recID=324&policyID=KGC§ionID=11>; <http://www.montgomeryschoolsmd.org/departments/policy/detail.aspx?recID=325&policyID=KGC-RA§ionID=11>

managing the selection process for early childhood programs. Given this “web” of different programs, responsibilities, and organizations – and given CUPF’s fundamental role as a customer-service delivery organization – enhancements to improve transparency and understandability, and to improve customer relations are keys to the organizational success of CUPF and its programs.

Specific findings and recommendations for improvement are summarized below. We recognize that many of the recommendations below will require close coordination with (and, in some cases, approval by) the ICB and other organizations. Implicit in the recommendations is an assumption that CUPF will coordinate with appropriate organizations (including the ICB) and obtain ICB approval and support where appropriate.

Finding #1: The Regulation states that “CUPF will coordinate with Department of Health and Human Services (DHHS) and MCPS to administer the selection process.” During the development of the criteria for the Regulation, DHHS and MCPS were consulted and their existing documentation was utilized as the starting point for the current process, including orientation materials currently used. Further, DHHS is asked to comment on changes to the current process. However, with the enactment of Bill 13-15 and the establishment of the Child Care and Early Education Officer position in DHHS, there are additional opportunities for CUPF to coordinate with DHHS in CUPF’s administration of the Before and After School Childcare Program selection process.

Risk: Clarifying the relationship between the recently established Child Care and Early Education Officer position in DHHS and CUPF, and the role this position will perform in the future consistent with the duties set forth in Bill 13-15 will be important to minimize confusion among all parties (CUPF, DHHS, MCPS, providers).

Recommendation #1: Once the Child Care and Early Education Officer position in DHHS is filled¹², CUPF should meet with DHHS, and the two organizations should establish an agreement that would delineate the role this position will perform in the Before and After School Childcare Program.

Finding #2: The Regulation states, “CUPF will assist the Principal in determining whether a conflict of interest disclosed by the selection committee members requires disqualification. CUPF will develop a conflict of interest policy that will be applied consistently across all MCPS schools during the childcare selection process.” Based on discussions with CUPF, CUPF reviews these Conflict of Interest forms with the Principal to come to a decision with whether the committee

¹² Bill 13-15 established the position of Child Care and Early Education Officer, with one of the duties for this position being to “monitor and support the coordination between the Department of Health and Human Services and the Office of Community Use of Public Facilities to administer the selection of providers in public space, including in Montgomery County Public School facilities, to the extent authorized by State law.” We were advised by DHHS that this position was filled on May 2, 2016.

member should be disqualified. However, there is no written policy requiring documentation to be maintained of those conversations to evidence what was discussed and the decision that was made. CUPF's "Guide for Administration of the Before and After School Child Care Program Selection Process in Public Schools (the Guide)" Appendix A simply states: "The determination will be made by CUPF in consultation with the Principal." Therefore, when testing the compliance with the Regulation, there was no documentation to confirm that the conflicts of interest noted were discussed or how they were resolved/adjudicated.¹³

Further, in review of feedback received, it was noted that stakeholders cited concerns regarding perceived bias in the selection committees, specifically surrounding parents with children using or have used a specific childcare provider. Some feedback stated that a parent really liked a provider and scored them too high, and some feedback stated that a parent had a bad relationship with a childcare provider and scored them too low. The Guide states "having been a customer or a current customer of any of the applicants is not grounds for such a determination [i.e., that a conflict of interest exists] in the absence of other conditions indicating a possible conflict or vested interest."

Risk: Without a policy/process requiring formal documentation be maintained regarding conflicts of interest that were discussed and the agreed upon actions, there is a risk that conflicts of interest will not be handled consistently or fairly; and there would be no documentation available to validate how a potential conflict situation was handled should this issue be the subject of a request for review. Given the need to ensure as objective and transparent a selection process as possible, and the concerns expressed by providers regarding ensuring that parents' personal experiences with a provider do not influence the objectivity of the selection process, the absence of such a policy (and the resulting documentation) could negatively impact CUPF's reputation and perception of fairness/objectivity in the selection process.

Recommendation #2: Enhance the Conflicts of Interest policy to clarify/define how conflicts of interest will be handled (e.g. via email, phone call, or meeting), examples of allowable and unallowable conflicts of interest, factors used to determine of disqualification of a selection member, formal documentation of decisions made, and the proper format for documentation to be maintained. Further, the policy should explore options to alleviate bias by parents who currently have children utilizing services with an applicant childcare provider (or have used their services in the past). For example, consider an additional section on the Conflict of Interest form to flush out potential biases or additional disclosures for parents. Further, these discussions and decisions should be formally documented in an email or memo to the Principal, with the Principal acknowledging receipt and agreement with decisions made via email reply or signature. This documentation should be maintained by CUPF to evidence compliance with the Regulation and provide an audit trail for any protests/inquiries.

¹³ We were advised that CUPF such discussions are often via email or verbally; but no documentation was found in the files reviewed.

Finding #3: The Regulation requires “At the conclusion of the rating process, a summary of scores will be prepared. The summary form will list for each applicant the combined scores of the raters on each application and interview (as applies), and scoring range, and any additional comments recorded by the selection committee. (1) When a range of scores significantly deviates more than 25 points above or below the average, a notation should be made on the form by the Principal indicating that these deviations were discussed by the group and supported by the rater.” Based on review of CUPF’s current processes, it does appear that CUPF is calculating the average score, score ranges, and deviations real-time after both the application review meeting and immediately following the interview meeting, and discussing them with selection committee members. However, this process is not documented in their procedures. Under “Application Review” on the Summary Score Sheet there is a line of text that reads, “I affirm that the variation of X points on the application step was discussed by the committee and justification was provided,” followed by a spot for the Principal/designee’s initials. There is similar language for the interview step as well. However, there may be multiple 25-point deviations within each school’s re-bid process. For example, if six scorers had 25 point deviations for the various applications that were reviewed, the Principal signs their initials only once on that line stating that all deviations were discussed. However, this line of text may not be adequate documentation as it does not tie back to each deviation discussed or even the number of deviations discussed. Further, per our inspection of summary sheets, the average score and deviation calculations used are not shown on the face of the summary sheet. Additionally, the outcome of the discussion is also not documented (i.e. if the committee member decided to change their score or if they provided relevant information regarding their scoring decision). These discussions could be audit evidence if a committee member is accused of being biased or unfair.

Risk: If the timing of the calculations (i.e. average score, deviation from average, etc.) is not defined by the Regulation or CUPF’s internal procedures, there is a risk that errors made during the application review stage that could impact the childcare provider(s) which were selected for interview would not be identified. Further, CUPF is at risk of having inadequate audit evidence for a protest if there were more than one deviation from the average on the summary score sheet.

Recommendation #3: CUPF should document an internal policy as it relates to the preparation of the summary score sheets to be fair, consistent, and timely to ensure no errors or miscommunications were made by selection committee members. Furthermore, the following should be considered for inclusion in the formalized summary score sheet policy:

- How the averages and deviations are to be calculated and displayed on the summary score sheet
- What should be documented (i.e. which committee member’s scores were discussed, timing, whether scores were changed, etc.)
- Where these discussions should be documented (i.e. internally in CUPF’s calculation tool and/or in an internal memo),
- What will be communicated and provided to childcare providers

Further documentation will ensure consistent handling of summary score sheet, greater transparency, and an audit trail.

Finding #4: Feedback received from providers identified a perception of a lack of transparency in the evaluation and selection process. The Regulation is clear on the appeal process (§7(a)-(d)); however, it does not define what information childcare providers can or should receive and what CUPF is allowed to provide up to the submission of their written request for review. We identified several areas that could be viewed as lacking transparency during our testing.

- The Regulation states, “Applicants may review the summary sheet at the conclusion of the process.” However, as stated in Finding #3, the summary sheet does not contain the average score or the deviation points from the average for providers to assess whether scoring was accurate or in compliance with Regulation guidelines.
- The handling of a committee member quitting or being disqualified after they have provided scores during the application review is not addressed by the Regulation but is mentioned in CUPF’s policies; which states “the same committee members that rated the applications will participate in the interview panel. If for any reason a member of the selection committee cannot participate in the interview, the remaining committee members will proceed with the interview process. The scores of the departing rater will not be included.” During our testing of the 2015 re-bids, we noted one re-bid that had more application review sheets than interview score sheets. The sum of the scores was accurately reported on the Summary Score Sheet when backing out the departing committee member’s application review scores. However, there was no documentation in the record/folder to document when and why this rater departed, which could also lead to complaints or a perception that the process lacks transparency.

Risk: Without specific guidelines within CUPF’s internal policies defining these grey areas, the lack of transparency could result in a biased selection, increased complaints, and/or a negative perception of CUPF’s reliability and objectivity. Further, without formal documentation of what CUPF is allowed to share with childcare providers, there is a risk that childcare providers could have different experiences when requesting information from CUPF that could result in perceived preferential treatment.

Recommendation #4: CUPF’s policies should be updated for improved clarity regarding what information is relevant and necessary for the childcare provider to have access to as well as what format this information/documentation should be shared with childcare providers. The specific document/s that can be provided should be defined and consistently applied to ensure providers are receiving consistent levels of information. Further, CUPF should ensure that providers receive the non-privileged documentation they need to be able to assess whether the process was fair and compliant. These areas need to be defined to appropriately balance the childcare provider’s need for transparency, protection of applicants’ proprietary information, and CUPF’s needs for efficiency. CUPF should also consider documenting and offering a formal de-briefing to any requesting unsuccessful childcare providers. As an example, the debriefing information could include the overall evaluated technical rating of the successful respondent and the debriefed respondent; any relevant past performance information on the debriefed respondent, the overall ranking of all respondents, and a summary of the rationale for the award.

Finding #5: Several aspects of the protest process defined by the Regulation do not correspond with common competitive bid appeal/protest practices.

- Per the Regulation, applicants can only seek a review of CUPF's compliance with its responsibilities thereby potentially disallowing other relevant, appropriate bases. For example, as CUPF is excluded from participating in the scoring of applicants, an applicant would not be able to protest on the basis of unfair or inaccurate scoring. Further, it is common practice to allow protests based on an alleged violation of county regulations, state, and/or federal laws which would appear to also be precluded.
- The window to submit a protest is only five days; while Montgomery County, MD, the State of Virginia, and the District of Columbia all allow 10 business days for procurement-related protests/appeals. Further, if a child care provider is submitting applications to multiple schools to provide services, five days might not be adequate time to compile and submit their request for review as they may have to attend multiple interviews at various schools.

Risk: A process that focuses the basis for an appeal solely on whether CUPF complied with its responsibilities under the Regulation does not allow providers to submit an appeal based on factors directly relevant to the selection process – since CUPF does not participate in the evaluation/interview/scoring process. Without an appeals process that allows providers to file appeals based on factors specifically relevant to the childcare provider selection, providers may not be able to seek redress of issues relevant to the selection. Since the current Regulation limits the remedy following award of the license to only the unsuccessful applicant's application preparation costs, a successful challenge to a selection does not allow other remedies generally found in appeals under other competitive bid processes.

Recommendation #5: The County, in conjunction with other stakeholders, should re-evaluate the current Regulation appeal process (§7. Review of CUPF Process and Remedies) and consider revising the Regulation to be consistent with other competitive bid appeals processes; for example, stating that an applicant may seek review of their non-selection under a solicitation.¹⁴

Finding #6: There is currently one full time employee responsible for administering the majority of the key aspects of the Before and After School Childcare Program in Public Schools. The workload to execute upwards of twenty re-bids per year is cumbersome and time-consuming especially their required attendance at the various meetings (i.e. the Principal orientations, selection committee orientations, each application review meeting, and each on-site interview meeting). In 2016, the CUPF Before and After School Childcare Program Manager was able to attend each meeting; however, it required overtime and working odd hours as committee members frequently had to meet after school or after work. Further, since only one employee was

¹⁴ This recommendation acknowledges that if the Regulation is subsequently revised to permit a review on the merits of a provider's non-selection – and not just a review of "CUPF's compliance with its responsibilities under this regulation" [§7. Review of CUPF Process and Remedies], the appropriate organization to receive and respond to such requests for review would need to be MCPS, which is responsible for the selection decisions made under the Regulation.

responsible for the majority of the administration, he has a lot of institutional knowledge into the process that is not adequately documented. Calculations are done within an iPad that has formulas built in for the various calculations that are required. However, the use of the excel document, the various inputs, formulas, and meaning of the output is not documented.

Risk: Without adequately trained backups for key positions and without adequate documentation of key business processes and tools utilized, the loss of a critical employee could negatively impact CUPF's business, their ability to meet key deadlines, and their perception to the community.

Recommendation #6: CUPF should ensure there are multiple cross-trained employees to assist with the administration of the Before and After School Child Care Program in Public Schools. This will serve to improve employees' skill sets thereby enhancing CUPF's capacity to respond with more flexibility to fluctuating workflows. Also, step by step documentation should be created and maintained by the individual responsible for administration of the Program to ensure transparency, consistency, and to aid in cross-training of employees.

Finding #7: There is no timely quality control review of the work performed by the CUPF employee responsible for administering the Before and After School Childcare Program. Based on discussions with CUPF Management, all re-bids are reviewed by a CUPF Manager at the end of the cycle. While the calculations on the Summary Score Sheets are not complex, they are cumbersome and time-consuming. They require multiple inputs and from various committee members which may be difficult to read or understand. Since this task is very manually intensive, data entry errors could occur.

Risk: Without timely review of re-bids process by a second person, errors could go unnoticed resulting in the improper childcare providers making it to the interview stage and/or improper re-bid awards.

Recommendation #7: Before the childcare providers are notified that they have been selected for interview and before the childcare provider has been notified that they won/lost the re-bid, calculations should be re-performed by a different CUPF staff person or manager to check the math and decisions. Further, at the completion of the re-bid packet, a self-audit/compliance checklist should be made to ensure all key documents were obtained, signed, checked, and reviewed. This self-audit/checklist should then be reviewed by CUPF Management during their review at the end of the selection process.

Finding #8: No program plan currently exists for the Before and After School Childcare Program, identifying strategic goals/objectives, gap analysis and needs, strategies to address needs, or

performance metrics that will be used to formally track/report progress in accomplishing program objectives and success.¹⁵

Risk: Without a clearly defined and communicated program plan and focused performance measures, it is difficult to assess whether resources and efforts are properly allocated to accomplish goals and achieve success. The absence of such a program plan also creates the opportunity for confusion within the stakeholder/user community about the direction of the Program and current state/progress.

Recommendation #8: CUPF should consider establishment of a process involving stakeholders/users to develop a Program Plan, approved by the ICB and MCPS (given MCPS' responsibility under State law for the Before and After School Child Care Program), identifying short term and long term goals and objectives for the Before and After School Program, such as improving customer service scores, increasing new providers. Establishing such a process offers the opportunity for CUPF to improve current customer/stakeholder relations and to address concerns about transparency and accountability. The Program Plan, with specific goals/objectives and performance metrics can serve as a way to clearly communicate the program's objectives, successes and challenges, and to drive employee behavior in a consistent, focused manner. Timelines should be shared on CUPF's website including estimated completion dates to improve transparency. Key information related to the achievement of timelines should be tracked and reported to evidence efficiency and effectiveness.

Finding #9: CUPF's responsibilities in regards to disputes and issue resolution are clearly laid out in the Regulation §8. Further, we reviewed two key documents provided by CUPF to childcare providers; "Tips for Successfully Sharing Space in Schools for Childcare Programs" and a brochure, "A Place for Everything and Everything in its Place?" Both documents were helpful and encouraged childcare providers to request regular meetings with Principals and building service staff. However, feedback was received that childcare providers were often confused on how to resolve various issues and are sometimes unable to get issues resolved timely. Further, childcare providers provided feedback that it could be difficult to approach the Principal or building service worker to resolve issues because they didn't want to cause problems and be viewed badly by their school.

Risk: If issues are not resolved timely or appropriately, public perception about the responsiveness of the County could be negatively impacted. Given CUPF's responsibilities under the Regulation for administration of the Before and After School Childcare Program, this could reflect poorly on CUPF's effectiveness and public perception.

¹⁵ CUPF advised us that they provide detailed quarterly reports to the ICB on process and outcomes relative to the ICB goal to encourage participation of new and minority/female-owned providers. CUPF also provides certain performance metrics to the County's Office of Management and Budget and CountyStat (see <https://reports.data.montgomerycountymd.gov/stat/goals/pezk-gxia/s7wg-ijww/9ywi-vtmf>). The performance metrics referenced in Finding/Recommendation #8 would be in addition to these existing metrics.

Recommendation #9: CUPF should consider alternatives for improving the current issue reporting, tracking and resolution process for childcare providers. One alternative would be to have all complaints submitted go to one organization, to eliminate confusion, who would own the intake of complaints. Complaints would be logged and then assigned to the appropriate individual (e.g., within CUPF or at MCPS) to investigate and address consistent with their respective responsibilities under the Program. Once the investigation is completed, a resolution should be agreed upon with the childcare provider. The resolution and closing of the complaint should be documented and time-stamped. This information can be used for trending of common issues and timeliness of issue resolution by both CUPF and MCPS.

Finding #10: Based on feedback received, it appears that providers/stakeholders do not adequately understand CUPF's role, vis-à-vis MCPS (the Principals). Given CUPF's responsibilities under the Regulation for administration of the Before and After School Childcare Program, CUPF could improve their website and customer service to clarify their role and improve relationships. For example, the website contains links to the Regulation and CUPF's administrative procedures. While these documents are informative, they may not be easily understood by childcare providers, parents, or school administrators. Further, it would be time-consuming to read through these documents in their entirety to understand CUPF's roles and responsibilities.

Risk: Due to the lack of understanding of CUPF's role and their organization structure, CUPF's reputation and perception could be negatively impacted by misinterpretations.

Recommendation #10: CUPF should consider making updates to the website to be more clear, concise and understandable for key stakeholders. A frequently asked questions section and a concise introduction to CUPF's role may aid in improving transparency and comprehension. Explaining their role in more simple terms may alleviate the confusion and frustration faced by parties submitting complaints about CUPF. Also, whenever there is a key process change, these should be clearly communicated on their website (e.g. a "What's Changed" section) to ease frustrations and improve perception.

[NOTE: Some suggestions/examples of steps CUPF could take to improve customer/stakeholder relations and service include:

- Create a survey for both childcare providers and principals to obtain feedback that could determine the root cause of issues and potentially improve relationships, communication, and perceptions.
- Consider facilitating quarterly or bi-annual meetings (beginning of school year, mid-school year) to bring stakeholder groups together to discuss processes, best practices, and issues.
- Provide feedback to childcare providers regarding how to improve their applications or interviews to improve their likelihood of success.

- Seek feedback from childcare providers that have been through a re-bid (successful and unsuccessful) to obtain commentary that could improve internal processes and further impact positive changes in the childcare community.

Many of these actions may already be under consideration or implemented by CUPF as of the writing of this report.]

Department and ICB Comments and MCIA Evaluation

We provided the Community Use of Public Facilities and the Interagency Coordinating Board with a draft of this report for formal review and comment on June 22, 2016. CUPF responded in a memorandum on July 7, 2016 (see Appendix A), emphasizing the unique role CUPF performs in administering the Before and After School Child Care Program and the challenges they face in performing this role, as well as sharing perspectives regarding limitations they perceived in the assessment and the resulting report. While CUPF does not dispute any specific findings or recommendations, they state that several of the recommendations may be outside the scope of their authority, may require legislative changes or require the input of other organizations. CUPF does not dispute any specific findings or recommendations, and indicates they will evaluate the recommendations in the context of resources, and state and local regulations and policies.

The ICB responded in a memorandum on July 18, 2016 (see Appendix B), providing their comments on both this report and the report prepared concerning the Reservation of Public Facilities Process. The ICB's response similarly emphasizes the unique role CUPF performs in administering the two programs and the challenges they face in performing this role. The ICB's comments also share the duality of perspectives within the ICB regarding the reports: both the opportunities identified in the reports to further strengthen current CUPF operations, as well as perspectives concerning perceived limitations of the assessments and the resulting reports.

Internal Audit has reviewed both the CUPF and ICB comments, and while we do not believe that substantive changes to the findings and recommendations contained in the reports are warranted, we want to note the following:

- The initial interviews conducted with selected stakeholders and customers were used both to refine the scope of the program assessment (i.e., to focus on the Before and After School Child Care Program, and the Reservation of Public Facilities Process) and to gain perspectives on the perceived challenges faced by CUPF and the concerns these customer/stakeholder groups had based on their experience with CUPF. No statements of fact are contained in the reports based solely on comments received during the interviews; if the audit firm's assessment confirmed that a risk existed, the risk was expressed and explained in the report, along with recommendation(s) on steps that could potentially be taken to address the risk. Interviewees were promised anonymity and non-attribution in order to encourage open and candid sharing of perspectives.
- We have attempted to acknowledge the unique role CUPF performs in administering these programs. Whether one characterizes CUPF's role as a "broker" of services or as a "middleman," the salient point is that CUPF performs its responsibilities for these programs in a challenging environment: where there are "winners" and "losers" from the provider community in competing for Before and After School Child Care program sites; where there are high expectations on the part of parents, community users and stakeholders regarding the level/quality of services to be provided; and where the majority of the parties key to the success of these programs are not under the direct control/supervision of CUPF. We have tried to acknowledge these challenges in the

reports, particularly reflecting the information and perspectives CUPF provided during the assessments.

- The reports provide background on the organizational and regulatory/legal framework within which CUPF administers these programs, and acknowledge the challenges CUPF faces and the improvements CUPF has already taken to enhance their administration of the programs. The reports are fundamentally an analysis of CUPF current processes and operations, and how improvements are possible that would enhance CUPF's mission success. It was not the intention of the reports to provide, however, an extensive historical perspective on how the programs have evolved over time; except where necessary to provide recent historical context for a program/policy change.
- Given the scale of the programs and the challenges faced, any program assessment of this nature will identify areas and activities that can be improved and some areas that require additional analysis and an improved approach. This program assessment is no different; the reports identify those areas where we believe CUPF should consider focusing additional attention to make improvements that could enhance customer service and relations, provide greater transparency, and improve overall program management and mission success.

Appendix A



COMMUNITY USE OF PUBLIC FACILITIES

Isiah Leggett
County Executive

Ginny Gong
Director

July 7, 2016

TO: William Broglie, Manager, Office of Internal Audit

FROM: Ginny Gong, Director, Interagency Coordinating Board/Community Use of Public Facilities

SUBJECT: Community Use of Public Facilities Formal Comments Regarding the Program Assessment of the CUPF Before and After School Childcare (BASC) Programs in Public Schools (Executive Regulation No. 15-14 AMV)

Community Use of Public Facilities (CUPF) appreciates the opportunity to respond to the program assessment and incorporate the many technical edits suggested by staff. We recognize the significant dedication of time by both members of the Interagency Coordinating Board (ICB), and CUPF staff in the assessments over the nine-month duration as they participated in multiple days of interviews and provided voluminous documentation to the audit firm. The narrow scope of the report does not fully reflect the limited staff resources with which the office books over one million hours of community use each year to more than 5,000 user groups. Nor does it acknowledge our challenges as the “middle-man” in negotiating among diverse groups of stakeholders, issuing permits for facilities owned by others, holding individuals and entities accountable whom we do not supervise, assessing fees of groups (98% of which are non-profits) to cover costs as an Enterprise Fund, and enforcing ICB’s policies and guidelines related to fair access. Nonetheless, we believe the overall generally positive outcome of the report illustrates these points.

It is significant that the report did not fully acknowledge CUPF’s unique layer of accountability that other County departments do not have – oversight of operations by the ICB, comprised of key County decision makers. The Board, created by State law (Education/Title 7- Public Schools/Subtitle 1, General Provisions) approves policies, fee changes and recommendations regarding the Enterprise Fund Balance. CUPF staff reports quarterly to the ICB and provides in depth research/analysis on issues/fee changes and gives updates on all programmatic activities, including the childcare bid process.

The focus of the audit appears to have changed over the course of the assessment. The September 2015 scope of the audit was to understand the current challenges facing CUPF, identify the process CUPF developed to meet those challenges, and recommend improvements which will include an explanation as to how the recommendation will remediate/reduce the performance gaps as determined by interviews with key stakeholders, data gathering, benchmarks and root cause analysis. Instead, the focus of the assessment was predominately on the key provisions of the BASC bid regulation. Unfortunately, the opportunity to shed light on the root causes for the continued complaints of a few providers, contributing to the decision to audit this program, and challenges inherent in administering the before and after school childcare program, was missed. Insight into the context within which the before and after school childcare program operates, and why and how the regulation came to be, is critical to a good understanding of the issues.



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We also note that a number of recommendations address changes already being made or planned and were shared with SC&H, without attribution.

CUPF has concerns about the audit methodology, which, appears to have only included review of documents and a very limited number of interviews. Many studies indicate the category of stakeholders interviewed, if not the actual participants. Since the names/positions of stakeholders were not included, it is not possible to determine if the interview feedback was representative and balanced. Many of the findings and recommendations suggest even more documentation of the process to address complaints and mitigate risks CUPF faces (but not the Board of Education which is ultimately responsible for the process) and sharing of information that is not typical even in a formal procurement. CUPF was disappointed that the study did not include benchmarking of other similar processes, surveys, focus groups or even interviews with principals or committee members. No accurate conclusion can be made as to CUPF's efficiency and effectiveness in the absence of this level of analysis. CUPF's own benchmarking indicates that our partnership with the BOE and administration of the bid process to support the school principals is very unique and innovative. In other jurisdictions, the local boards of education are responsible for both managing community use and selecting childcare service providers.

We acknowledge that providers do not want to periodically compete for continuation of their businesses in low cost public spaces (estimated at 5-7% of the average tuition paid). The impact to their revenue is significant if not re-selected (estimated \$250,000+ per site with an enrollment of 50 youth). A number of providers also offer services to the public for infants and/or toddlers/school age students under leases bid by MCPS and DHHS located in or on school grounds that could be impacted as well. While a change in providers may be disruptive, especially to pre-school age children, the ICB and the County have a responsibility to balance the needs of multiple stakeholders in the use of public space. In actuality, before and after school childcare providers are using public facilities to operate businesses and it is government's responsibility to ensure that such opportunities are fair and open to others.

It is unfortunate that the scope of the study did not address a general lack of understanding about who is responsible for childcare in the County stemming from the operation of the programs differing by type of space, role of the childcare licensing agent (Maryland State Department of Education) and limitations to CUPF's ability to intervene in non-space related childcare issues as suggested in the recommendations. Nothing in the study addresses the ongoing requests to the County Council by many to consolidate oversight of the process to DHHS or acknowledge the significant staff resources needed to defend the bid process, respond to public information requests, letters from parents, etc.

CUPF has been consistently forthcoming in the development and implementation of the process. From the initial inception in 2007 to implementation of a periodic bid process with regular updates to the ICB Childcare Advisory Committee, to the development of the Regulation itself, providers have been intricately involved. The continued focus on transparency, likely reflecting the concerns of providers as to the school selection committee's ability to be professional and objective, may also stem from providers looking for more of a competitive edge in the process. These concerns, while not addressed as root causes in the report, have been seriously considered by CUPF in its efforts to support the committees while also ensuring that the interests of the providers are accommodated to the extent reasonable.

Missing in the study is a sense of the full collaboration between ICB/CUPF, BOE/MCPS, and stakeholders in implementation of ICB goals for the bid process. Before 1986 when CUPF and MCPS began this collaboration, the selection decision for a childcare provider, as is still the case in many jurisdictions, was made solely by the principal. Ongoing complaints regarding dissatisfaction with providers (some of whom had been in place since the late 1970s) and lack of access for new providers prompted the ICB to implement a scheduled bid process in 2009. Over time, and with feedback from the selection committees and providers, CUPF's bid process was streamlined and continually automated, eventually becoming the nearly paperless process it is today.

We know of no other childcare bid process that would be considered as “green,” convenient for committee members who could access the secure school website on their mobile devices and cost effective for applicants. Benchmarking would have definitely confirmed this assertion.

The ICB goals for parent choice and an open accessible process have been met. Committees are free to re-select an incumbent, but some parents expressed unawareness of their options until they participated on the committee. Similarly, some vendors said the process motivated them to be more responsive. Over 80% of selection committees responded to post selection surveys indicating that they were able to select a provider that would meet the needs of their school community. Lastly, as a result of the bid process several new providers (including minority owned) have been selected.

The first bid conducted under the newly established regulation in 2015 was completed under a significantly compressed, but not abbreviated, schedule. Much is made of the addition errors by the school committees in 2015. This leaves an erroneous impression that some providers were not treated fairly or that the problem was not immediately addressed or that a significant percent had problems. In recognition of previous erroneous claims that CUPF was improperly impacting the decision, a “hands-off” approach was taken by staff. When the addition errors were noted during an internal staff audit, CUPF immediately took action so that no vendor was denied consideration. The disproportionate emphasis on holding CUPF accountable for the committees’ responsibility without recognition of corrective steps taken in 2015 and the many steps that went right despite the restrictive timeline and resources, seems unwarranted given the big picture.

Although CUPF has no problem with, and has sought input from DHHS as a partner in providing services to the community, this audit fails to recognize the expertise of principals, teachers, and other MCPS staff that oversee the education and developmental needs of school age children when it suggests that a childcare subject matter expert be involved in the orientation of principals and committee members. The materials developed and the training sessions provided by CUPF staff incorporated quality benchmarks used in accreditation of after school childcare programs, Maryland EXCELS, COMAR regulations governing childcare and characteristics of quality care promoted by MCPS. Parents, who also serve on the committees, routinely select childcare services and can be relied on to make decisions that are in the best interests of their own and other children.

The study was unclear as to CUPF’s administrative role with regard to the “procurement” bid process; some of the recommendations were contradictory. CUPF makes every attempt to adhere to sound procurement practices, but recognizes that this effort is not a procurement since neither the County nor BOE issues the selected provider a contract and providers, as potential bidders, were intricately involved in development of the Regulation. CUPF’s role is to administer the bid process, issue permits for use of the space, and resolve conflicts related to space use. In a true procurement, there are limits as to the relationship between a bidder and the administrator of the bid, which CUPF observes. The report recommends an expanded procurement appeal process; the County cannot assume liability for actions over which it has no control.

Furthermore, CUPF is not the “Program Administrator” for the delivery of services. The contract for services is between the provider and the families of the participants. Recommendations suggest that CUPF provide parents with feedback opportunities, help with transitions to new providers, or resolve conflicts related to service delivery. Yet, CUPF has no contact with customers of the providers and is not in a position to address issues related to the relationships between providers and parents.

Implementation of a number of recommendations is outside the scope of CUPF’s authority, may require legislative changes or require the input of other entities not involved or contacted in the assessment such as the Board of Education, Office of the County Attorney and school principals. Creation of a strategic plan, while a good idea, will have to wait until a decision is made regarding CUPF’s continued role as administrator. Executive Regulation 15-14AMV sunsets again in less than one year (July 2017). In the absence of this Regulation, the responsibility of administering the bid process will revert to the Montgomery County Board of Education as is specified by law.

One could ask why ICB/CUPF took on the responsibility to administer and self-fund a process that is clearly assigned to the BOE in light of the many challenges. Now, as was the case many years ago, the partnership between the ICB and BOE is to promote access to schools in a fair manner, not subject to the interests of a particular school administrator, and create a higher level of accountability. ICB/CUPF's support of childcare in schools over the decades includes a discounted rate for childcare providers below the actual costs for providing the scheduling service and reimbursing MCPS. For the childcare bid process in particular, CUPF provides support to the school community in securing the services of a provider that would meet the needs of the majority of parents and provide affordable, quality licensed care.

Appendix B



COMMUNITY USE OF PUBLIC FACILITIES


Isiah Leggett
County Executive

Ginny Gong
Director

MEMORANDUM

July 18, 2016

TO: William Broglie, Manager, Montgomery County Office of Internal Audit (MCIA)

FROM: Dr. Henry Lee, Chair 
Interagency Coordinating Board for Community Use of Public Facilities

SUBJECT: Comments on Two MCIA Program Assessments: Before and After School Childcare Programs in Public Schools, and Reservation of Public Facilities Process

The Interagency Coordinating Board (ICB) is composed of 12 members who represent County agencies and community users of school and other public facilities. We set the policies and procedures for the staff of the Office of Community Use of Public Facilities (CUPF) to implement. We are one of the nation's first such boards. The record achieved by the ICB and CUPF, in collaboration with County agencies, to make school and other public facilities available for community use is second to none.

The two subject MCIA program assessments represent a significant commitment of time and County resources. The detailed comments transmitted to you by CUPF Director Ginny Gong raise many important points. We strongly commend them to your attention. We note in particular the global observation made at the outset of CUPF's comments on both assessments:

The narrow scope of the report does not fully reflect the limited staff resources with which the office books over one million hours of community use each year to more than 5,000 user groups [in more than 550 public facilities]. Nor does it acknowledge our challenges as the "middle-man" in negotiating among diverse groups of stakeholders, issuing permits for facilities owned by others, holding individuals and entities accountable whom we do not supervise, assessing fees of groups (98% of which are non-profits) to cover costs as an Enterprise Fund, and enforcing ICB's policies and guidelines related to fair access.

Our comments as the policy-making entity for community use reflect two different perspectives on the MCIA program assessments. For some ICB members, the assessments generate several ideas that could help strengthen CUPF's excellent operations. For other ICB members, the assessments are flawed and fail to produce recommendations that are relevant or actionable.



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Comments in the first category highlight areas where additional resources could produce beneficial results. For example:

- Additional staff resources could provide greater depth for CUPF's work on management of the child care selection process, reservations, knowledge retention, and succession planning.
- Additional resources for and training in customer service could lead to higher skill levels and improved service.
- Additional marketing and public education, developed in conjunction with the Office of Public Information, could expand public awareness of CUPF's services and facilities.

Comments in the second category reinforce the global observation from CUPF noted above. For example:

- Both assessments seem largely complaint-driven. They do not address whether the complaints are valid in the first place and whether CUPF's current operating practices are sound, particularly when compared with those of other departments and agencies.
- The assessments do not specify the number and perspectives of the groups and individuals who were interviewed and what survey instruments, if any, were used to obtain reliable data. Nor do they quantify the costs of recommended improvements in staffing and other resources.
- The assessments do not delineate the duties – and the comments – of other key stakeholders, including the County Attorney's Office, DHHS, and especially the Board of Education/MCPS.

Outside assessments can be a valuable tool for any organization. These assessments of CUPF's operations make some useful points – for example, regarding enhancement of the conflict of interest policy in the child care selection process. Overall, however, the assessments do not seem adequately grounded in the history and complexity of the issues they address. Nor do they adequately reflect actions that CUPF and ICB have already undertaken, such as a consistent focus on the fund balance and ways to streamline the fund structure.

On behalf of the ICB, I appreciate the opportunity to comment on these assessments.