MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania
Governor's Office

Subject: Commonwealth Child Care Program	***Number:*** 205.21 Amended
Date: April 8, 2013	***By Direction of:*** Kelly Powell Logan, Secretary of Administration

Contact Agency:
Office of Administration, Office for Human Resources Management (OA/HRM), Bureau of Employee Benefits and Services (BEBS), Telephone 717.787.8575

This directive establishes policy, responsibilities, and procedures for administering child care centers in commonwealth agencies. Marginal dots are excluded due to major changes.

1. **PURPOSE.** To establish policy, responsibilities, and procedures for administering child care centers in commonwealth agencies.

2. **SCOPE.** This directive applies to all department, boards, commissions, and councils (hereinafter referred to as "commonwealth agencies") under the Governor's jurisdiction.

3. **OBJECTIVE.** To provide safe, high quality child care services in selected agencies for eligible children of commonwealth employees.

4. **DEFINITIONS.**

   a. **Agency Liaison.** A commonwealth employee, designated by the agency head, who functions as a liaison between the agency head, other agency and commonwealth management officials, and the Parents' Association.

   b. **Agency Steering Committee.** A selected group of individuals associated with opening a Child Care Center who work to organize a Parents' Association.

   c. **Child Care Center.** A day care center located where commonwealth employees work that is sponsored by an agency under the Governor's jurisdiction.

d. Commonwealth Employee. A person who is currently employed by an agency subject to *The Administrative Code of 1929 (71 P. S. §§51-732),* the General Assembly, the state judiciary, or an independent agency, and who anticipates working more than 750 hours per year.

e. Eligible Child. Any child between six weeks and five years of age meeting any one of the following criteria:

(1) A blood descendent of the first degree of a commonwealth employee.

(2) A legally adopted child of a commonwealth employee (including a child living with a commonwealth employee during the probation period).

(3) A stepchild living with a commonwealth employee.

(4) A child who is living with and being solely supported by a commonwealth employee and who is related to the employee by blood or marriage.

(5) A child who is living with and being solely supported by a commonwealth employee and whose legal guardian is also a commonwealth employee.

(6) A child being supported by a commonwealth employee under a court order as a result of a divorce decree.

(7) A grandchild or step-grandchild of a commonwealth employee.

(8) A niece or nephew of a commonwealth employee.

(9) A child of a staff person employed by the provider in the respective child care center.

f. Landlord Expenses. The provision of exclusive space, utilities, and maintenance for approved child care centers. This includes, with agency and/or Department of General Services (DGS) approval, modifications and repair/replacement of space, major equipment, and appliances needed to ensure safe and secure operation.

g. Lead Agency. In buildings that contain more than one commonwealth agency, the agency chosen or designated to act as the lead in fulfilling agency responsibilities.

h. Parents' Association. A legally recognized, incorporated, nonprofit organization, comprised of Commonwealth employees with enrolled children and any other Commonwealth employee who wishes to be a member, that will govern the operations of the child care center.

i. Probationary Period. The six to 12 month period after a provider's employee (caregiver or staff) begins work for the provider at the child care center during which period the provider conducts an evaluation of the employee's work performance and at the end of which the provider assesses whether to consider the employee non-probationary.

j. Probationary Wages. An amount paid to a provider's employee for work at the child care center, which, for the probationary period, must be no less than 90 percent of the wage otherwise required to be paid pursuant to this directive.

k. Provider. A third party vendor that is hired by a Parents' Association to provide child care services in an approved child care center.

l. Request for Proposals (RFP). A document which provides potential contractors with sufficient information to prepare and submit proposals for consideration by the specific Parents' Association. It addresses requirements, work plan, cost and price analysis, equipment and personnel, and supplies.

m. Sponsoring Agency. The Commonwealth agency that agrees to accept responsibility for the "landlord" expenses for an approved child care center.

n. Start-up Costs. Costs for services, supplies, and equipment to establish a functional child care center and prepare it for operation.

o. System of Probation, Evaluation, and Promotion. A system which: requires newly hired employees of the provider who will serve at the child care center to serve a probationary period and to receive probationary wages during this period; provides for evaluation of the performance of probationary employees; and provides for the raise in wages of probationary employees commensurate with this evaluation.

p. Wages. A wage sufficient to attract and retain a high quality care-giving staff at the child care center which, except in the case of probationary wages paid to employees during the probationary period, shall be at least equal to the starting salary of the commonwealth's Temporary Clerical Pool.

5. POLICY.

a. The commonwealth recognizes the need of commonwealth employees to have access to child care services at a convenient location close to their place of employment.

b. On-site child care services assist employers in attracting and retaining employees, enhancing employee commitment and productivity, and reducing replacement and training costs.

c. The Commonwealth agencies, unions, providers, and Commonwealth employees, through Parents' Associations, shall be partners in implementing the program.

d. Practices shall be nondiscriminatory and will be in accordance with commonwealth contract procedures, and *Management Directive 205.14, Prohibition of Activities Not Specifically or Directly Connected With the Official Business of the Commonwealth on Commonwealth Property.*

e. Child care centers are to be self supporting, except for the designated landlord services and expenses provided in this directive.

f. Agencies with established child care centers, in conjunction with DGS, are to function as landlords for the child care centers and are to establish a budget for their respective child care center to meet the landlord expenses.

g. Established child care fees are to be applied consistently for all eligible children of commonwealth employees and child care provider employees. Exceptions to this policy may be made only if all parents within the child care center are polled by written ballot and 90 percent or more are in agreement to a discounted rate for children of child care provider employees.

6. RESPONSIBILITIES.

a. Office of Administration, Office for Human Resources Management (OA/HRM), Bureau of Employee Benefits and Services (BEBS) shall:

(1) Monitor and evaluate all child care centers established pursuant to this directive, including review of the financial and performance audits and budgets for landlord expenses; examine the books and records of accounts, financial documents, and other records to ensure that a child care center meets the requirements of this directive.

(2) Resolve issues involving commonwealth human resource policies, implementation of this directive, and provider evaluation issues.

(3) Advise and consult with the lead agency head regarding the designation of the agency liaison, monitor the performance of agency liaisons and recommend removal of an agency liaison not fully or properly performing the liaison duties.

(4) Review agency reports and audits and address areas of noncompliance, including determination of action(s) to be taken if noncompliance exists or continues.

(5) Advise and assist agencies in the preparation of proposals to establish new child care centers, ensure that new child centers have been endorsed by the appropriate agency heads, and that floor plans and cost estimates for the center are reviewed by DGS.

(6) Review and approve proposals developed by Parents' Associations for selection of a child care provider.

(7) Serve as the coordinator between agencies and providers where the child care center will serve employees of more than one agency and designate a lead agency for purposes of development and management of the child care center.

(8) Resolve disputes between the provider and the Parents' Association and, if a resolution is not possible, issue a written decision on the matter under dispute.

b. Office of the Budget, Office of Comptroller's Operations shall conduct financial reviews of the Parents' Associations and periodic performance audits of the child care centers' operations, including the Parents' Associations and providers, in accordance with the Annual Audit Plan, and shall provide written reports to BEBS.

c. Agencies shall:

(1) Designate exclusive use space, utilities, and maintenance for approved child care centers and, upon request from and after consultation with the agency liaison, DGS and OA/HRM, approve modifications, alterations, or other changes needed to ensure the safe and efficient operation of the child care centers.

(2) Develop a budget for the landlord expenses of their respective child care centers and incorporate it into their agency budget.

(3) Coordinate, develop, and process necessary budget and appropriation information, presentations, understandings, agreements, and requests to ensure that all agencies which may be involved comply with applicable budget and appropriation requirements as well as with this directive.

(4) Designate an agency liaison. If the agency supports more than one center, ensure a liaison is designated for each local center and one overall agency child care liaison is designated to coordinate child care center activities for the agency.

(5) Ensure that agency liaisons properly perform their responsibilities and review and act upon recommendations for agency liaison removal.

(6) Ensure that agency liaisons associated with a multiple agency center work cooperatively.

(7) Ensure that expenditures for start up and operation related to the child care center comply with appropriate budgetary and appropriation requirements.

(8) Monitor and review the operation of the child care center to ensure compliance with this directive; coordinate with the Parents' Association to resolve identified problems; report continued noncompliance to OA/HRM; and recommend actions to OA/HRM if noncompliance exists or continues.

(9) Oversee the provider contracting process, including approving the Parents' Association RFP and accompanying letter, and the selection of provider.

d. Agency Liaison shall:

(1) Serve as a member of the following Parents' Associations committees: Agency Steering, Provider Screening, Evaluation and Budget.

(2) Keep the agency head, executive and management staff of the agency, and appropriate union representatives appraised on the child care center's operations.

(3) Where the agency supports more than one child care center, provide overall guidance and coordination to local field sites and function as the main point of contact for those centers.

(4) Work closely with the Parents' Association to ensure proper operation of the child care center and compliance with provisions of this directive.

(5) Coordinate with agency management and the Parents' Association regarding the establishment of a child care center budget to meet designated landlord expenses, including coordination with DGS as needed.

(6) Assist in the selection and contract process for a provider, including reviewing the RFP, approving the selection of the provider in consultation with the agency, and assisting in the annual evaluation of the provider.

(7) Coordinate and communicate, on a continuing basis, with other agency liaisons where the center serves more than one agency.

(8) Review bylaws and changes to the bylaws of the Parents' Association; review financial records, minutes, and all other documents related to the child care center.

(9) Regularly attend Parents' Association meetings to keep current on issues/problems, offer advice and assistance for their resolution, and alert OA/HRM of significant issues/problems.

(10) Regularly visit the child care center and observe the operations of the child care center.

(11) Approve modifications, as needed, to the premises, after consultation with the lead agency head or designee, and coordinate with appropriate agencies, DGS, and other commonwealth officials.

(12) Monitor and review the actions of the Parents' Association and any contracted provider to ensure compliance with this directive and *Management Directive 205.14, Prohibition of Activities Not Specifically or Directly Connected with the Official Business of the Commonwealth on Commonwealth Property.* Fund- raising activities for the child care centers that occur during non-work hours are considered to be in compliance with *Management Directive 205.14, Prohibition of Activities Not Specifically or Directly Connected with the Official Business of the Commonwealth on Commonwealth Property*.

(13) Provide requested information for financial and performance audits.

(14) Function as the liaison between the agency and OA/HRM.

e. Parents' Association shall ensure the following functions are performed, through either the following established committees, or through other means.

(1) Agency Steering Committee shall:

(a) Follow the requirements of *Act No. 1982-46* and register with the Department of State, Corporation Bureau, as a nonprofit agency before beginning operations and notify the Corporation Bureau of any changes in its officers and adhere to any prescribed regulations and reporting requirements.

(b) Write and approve bylaws and conduct elections for the selection of association officers.

(c) Ensure that the Parents' Association is incorporated with appropriate bylaws and the treasurer, individual(s) handling fund-raising activities, and others involved with the receipt and disbursement of association funds are bonded.

(d) Develop written job descriptions and procedures for association officers.

(2) The Provider Screening Committee shall:

(a) Contract to provide safe, high quality, child care at the designated agency location and ensure the contract provides for compliance with the provisions of this directive.

(b) Develop the RFP for the provision of child care at a center and ensure that the RFP is distributed to a wide variety of established providers to encourage diversity.

(c) Develop a fact sheet to be used for the evaluation of proposals.

(d) Schedule pre-proposal conferences within ten days after the RFP is distributed to potential providers.

(e) Convene a committee meeting to open, review and evaluate proposals. As needed, schedule oral presentations and summaries from providers and, if appropriate, schedule on-site visits to observe potential providers in a child care setting prior to making provider selection.

(f) Select and contract with a provider.

(g) Ensure that formally executed agreements comply with this directive and are completed between the:

1 Lead agency and Parents' Association; and

2 Parents' Association and provider. These agreements shall be one year in length, shall be renewable for a maximum of four years, and must be re-bid after five years.

(h) Perform an annual evaluation of the provider's performance and make a recommendation to renew the contract or to re-bid the project.

(3) Application, Enrollment, and Marketing Committee shall:

(a) Determine the eligibility of each child through verification of commonwealth employment status of each applicant.

(b) Monitor the ongoing eligibility of enrolled children on at least an annual basis.

(c) Market the child care center among the commonwealth agencies.

(4) Handbook Committee shall compile, update, publish, and distribute the association's handbook with bylaws, officers, and financial statements at least annually. The handbook is subject to review by OA/HRM.

(5) Fundraising Committee shall develop fundraising projects in compliance with *Management Directive 205.14*, *Prohibition of Activities Not Specifically or Directly Connected with the Official Business of the Commonwealth on Commonwealth Property.* Fundraising activities for the child care centers that occur during non-work hours are considered to be in compliance with *Management Directive 205.14*, *Prohibition of Activities Not Specifically or Directly Connected with the Official Business of the Commonwealth on Commonwealth Property*.

(6) Supplemental Purchase and Equipment Committee shall:

(a) Select and purchase equipment to supplement that owned/supplied by the provider.

(b) Conduct an annual inventory of Parents' Association and commonwealth equipment in the child care center.

(c) In instances when a child care center closes, distribute equipment owned by the Parents' Association and money remaining in its accounts to the remaining Parents' Associations on a pro rata basis by number of enrollees in the remaining child care centers or on the basis of need as determined by OA/HRM.

(7) Grievance Committee shall:

(a) Act as a liaison between the Parents' Association and the provider to assist in resolving problems which originate with the provider and/or the children who are enrolled at the center and/or the sponsors of the children.

(b) Hold meetings when necessary with the child care provider and interested parties to resolve grievances and other concerns.

(c) Have the right to terminate the enrollment of sponsor(s)/child(ren), if the grievance committee procedures have found that a sponsor or a child hinders the effective operation of a center. If a child's enrollment is terminated by the Parents' Association, the sponsor may seek a review of this decision from OA/HRM.

(8) Caregiver Recognition Committee shall develop and organize activities which recognize provider staff, foster positive relationships between commonwealth employees whose eligible children are enrolled at the center and the center's staff, and promote an environment of cooperation.

(9) Parent Education Committee shall implement programs to ensure that adequate parent education and interaction is established.

(10) Evaluation Committee shall:

(a) Ensure that all practices of the contracted provider are in accordance with the objectives of the center.

(b) Supply information for the center's periodic financial review and performance audit.

(c) Review monthly financial statements with the Parents' Association Treasurer and resolve any discrepancies and/or inappropriate/excessive expenditures.

(11) Budget Committee shall establish an annual budget for the Parents' Association.

(12) Certification Committee shall develop a plan for the child care center to secure and implement certification from the National Association for the Education of Young Children (NAEYC).

(13) All Committees shall maintain accurate records, minutes, and appropriate documents of all financial meetings held. These documents are subject to review by OA/HRM and/or the Office of the Budget. Copies of Parents' Association minutes of monthly meetings shall be forwarded to OA/HRM.

f. Provider shall:

(1) Ensure indemnification of the commonwealth and the Parents' Association.

(2) Provide all staffing, equipment, and necessary insurance for the center's operation.

(3) Administer the center, including management of enrollment, consistent with this directive, which commitment will be incorporated into the contract with the Parents' Association.

(4) Collect fees and assume legal and financial responsibility as provided in their contract with the Parents' Association.

(5) Ensure that programs at the center include the following:

(a) Security and well-being of eligible children enrolled at the center.

(b) Activities involving participation of parents or sponsoring employees of children enrolled in the center.

(c) Sound nutrition.

(d) Wide selection of recommended literature and books.

(e) Communicable disease awareness.

(f) Positive reinforcement in discipline.

(6) Ensure adequate arrangements for eligible children enrolled at the center who become ill at the center.

(7) Develop program handbooks and distribute to commonwealth employees whose eligible children are enrolled at the center.

(8) Provide regular progress reports to the commonwealth employee whose eligible child is enrolled at the center.

(9) Work toward NAEYC accreditation in conjunction with the plan developed by the Parents' Association.

(10) In exchange for space, utilities, and maintenance, ensure that the amounts paid to the center's caregivers and staff are wages and probationary wages which will be sufficient to attract and retain the highest quality personnel at the center and that a system of probation, evaluation, and promotion is applied to the center's caregivers and staff.

(11) Ensure that provider practices are in compliance with applicable laws, rules, and ordinances, including but not limited to Department of Public Welfare regulatory requirements, Department of Labor and Industry fire and safety requirements, the *Child Protective Services Law* regarding background checks, and the provisions of this directive.

g. Department of General Services shall:

(1) Coordinate with lead agencies in the development of DGS and agency budgets to meet the landlord expenses associated with the child care centers.

(2) Perform or coordinate the purchase, repair, modification, or maintenance of appropriate landlord space and equipment associated with the child care centers in buildings under DGS jurisdiction.

7. PROCEDURES.

a. The lead agency will: ensure that all budget and appropriation requirements necessary to effect the opening and continued operation of the center are met; ensure that contracts related to the center require that the provisions of this directive be met; and continue to monitor compliance with same while the center is in operation. Reports of noncompliance will be presented to OA/HRM.

b. Agency requests for the opening of new centers must receive OA/HRM and Office of the Budget, Office of Comptroller Operations approval before proceeding with the establishment of a center.

c. The agency liaison will work with the Parents' Association, agency management, DGS, and OA/HRM to ensure that responsibilities outlined in this directive are met. Where multiple agencies sponsor a child care center, agency liaisons will coordinate efforts to effectively and efficiently oversee and assist the Parents' Association and provide appropriate information to respective agency management.

d. The agency liaison, the Parents' Association, and the provider will coordinate with the Departments of Labor and Industry and Public Welfare to ensure licensing regulations are met.

e. The Parents' Association will ensure that its responsibilities are met and that appropriate oversight and evaluation of the provider is conducted.

f. To ensure the centers' desired effectiveness and compliance with this directive, periodic financial reviews and performance audits of the centers will be conducted by OA/HRM and the Office of the Budget, Office of Comptroller Operations, based on the Annual Audit Plan.

g. Continued noncompliance with this directive may result in withdrawal of approval of the centers.

This directive replaces, in its entirety, *Management Directive 205.21,* dated September 12, 2001 and *Revision No. 1*, dated August 6, 2003.