

AGENDA ITEM #25  
March 16, 2010

**Public Hearing and Action**

**MEMORANDUM**

March 12, 2010

TO: County Council

FROM: Vivian Yao, Legislative Analyst 

SUBJECT: **Public Hearing and Action** – Resolution to Extend the Designation of the Collaboration Council for Children, Youth, and Families as the County's Local Management Board

Today the County Council will hold a public hearing and take action on a resolution to extend the designation of the Montgomery County Collaboration Council for Children, Youth, and Families (Collaboration Council) as the County's Local Management Board for Children, Youth and Families. The resolution would extend the current designation through December 7, 2010, unless the Council designates an organization as the County's Local Management Board (LMB) before that date. A draft resolution is attached at ©1-2.

The Council introduced the resolution on March 2, 2010. A public hearing has been scheduled immediately preceding the Council's action on the resolution. **Council staff recommends approving the resolution to extend the designation of the Collaboration Council as the County's Local Management Board.**

**Background**

In 1993, the State mandated that each jurisdiction establish an LMB to ensure the implementation of a local, interagency service delivery system for children, youth, and families. Under State law, the County may designate a quasi-public, non-profit corporation that is not an instrumentality of the County to act as the County's LMB. The Council authorized the designation of a quasi-public non-profit corporation as the County's LMB in September 2003.

The Collaboration Council incorporated as a non-profit corporation and requested designation as the Local Management Board submitting articles of incorporation and by-laws as required. The Council approved this designation in adopting Resolution 15-599 on May 4, 2004.

The County Code provides for a three-year designation period unless the Council extends a designation by resolution. On March 20, 2007, the Council adopted Resolution 16-76, re-designating the Collaboration Council as the County's LMB for a second three-year period. **The current designation will expire on March 20, 2010 in the absence of Council action.**

## **Office of Legislative Oversight (OLO) Report and Proposed Funding Changes**

At the request of the Council, OLO prepared a report on the background, structure, programs and funding of the Collaboration Council. Excerpts of the report are attached at ©3-14. OLO's review found that the Collaboration Council successfully performs its LMB responsibilities (see ©3 and 9). The report highlighted comments from individuals that emphasized "the organization's effectiveness as a neutral convener of agencies, service providers and families" and its staff's "knowledge and commitment to improving service delivery in the County."

As the OLO report describes, the Governor has proposed changes to the State's approach to funding for early intervention and prevention services by shifting the control of funds from local stakeholders to the Governor's Office for Children. The changes, if implemented, would dramatically reduce the function of LMBs throughout the State. The Governor also proposed a large reduction of almost 70% to the Collaboration Council's administrative funding, which supports the organization's staffing and general operations.

Council staff notes that the organization has experienced changes in the leadership. Kathy Lally recently resigned as the Executive Director of the Collaboration Council. Carol Walsh, the former Chief of Planning, Policy and Programs for the organization has assumed the role of interim executive director. The proposed reductions coupled with key staffing changes leave the potential for an organization with dramatically different structures and functions going into FY11.

### **Designation Extension**

The OLO report recommends extending the designation of the Collaboration Council as the County's LMB until December of this year and returning after budget deliberations to discuss the future role of the Collaboration Council.

Extending the current designation is appropriate because the Collaboration Council has successfully performed its LMB duties and its partners and grantees are pleased with the quality and consistency of its work. Because funding for the Collaboration Council is uncertain, OLO recommends providing a nine-month extension to allow the organization time to respond to changes in funding and staffing. The nine-month period will also allow sufficient time for the Council to evaluate the impact of state funding shifts on local services to children, youth, and families before designating the organization for another three years.

OLO also recommends that the Council return after budget decisions have been finalized for the State and the County to discuss the future role of the Collaboration Council. The discussion would also include the topic of LMB redesignation.

**Council staff concurs with the OLO's recommendations to extend the designation of the Collaboration Council as the County's LMB and to return after budget decisions have been finalized to discuss redesignation and the future role of the organization.**

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: County Council

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Subject: Resolution to Extend the Designation of the Montgomery County Collaboration Council for Children, Youth, and Families as the County's Local Management Board for Children, Youth and Families

Background

1. State law requires the County to establish or designate a local management board to ensure the implementation of a local, interagency service delivery system for children, youth, and families. Under State law, the County may designate a quasi-public, nonprofit corporation that is not an instrumentality of the County to act as the County's local management board.
2. Section 2-119 of the County Code establishes a process to designate a quasi-public corporation as the local management board. It also establishes certain criteria that a quasi-public corporation must meet to be designated as the local management board.
3. On April 26, 2004, the Montgomery County Collaboration Council for Children, Youth, and Families submitted its articles of incorporation and by-laws to the County Council and formally requested to be designated as Montgomery County's Local Management Board. The Council approved this designation in Resolution 15-599 on May 4, 2004.
4. By law, the Council's designation of a local management board expires three years after the designating resolution is adopted unless the Council extends the designation by adopting another resolution.
5. On March 20, 2007, the Council adopted Resolution 16-76, re-designating the Montgomery County Collaboration Council for Children, Youth, and Families as the Montgomery County's Local Management Board for a second three year period. The current designation will expire on March 20, 2010 in the absence of Council action.
6. The Governor has proposed deep funding cuts to administrative and program funding to local management boards throughout the State. These proposed reductions coupled with key staffing changes at the Montgomery County Collaboration Council for Children,

Youth, and Families leave the potential for an organization with dramatically different structures and functions.

7. Extending the current designation through December 7, 2010 will give the organization time to respond to changes in State funding and mandates and allow the Council sufficient time to review the organization's past performance and future plans.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council hereby extends the designation of the Montgomery County Collaboration Council for Children, Youth, and Families as the County's Local Management Board for Children, Youth, and Families pursuant to County Code Section 2-119. The extended designation will remain in effect until the earlier of:

- (1) The Council designation of an organization as the County's Local Management Board for Children, Youth, and Families; or
- (2) December 7, 2010.

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council

Office of Legislative Oversight  
**MEMORANDUM REPORT**

March 9, 2010

**TO:** County Council

**FROM:** Sarah Downie, Research Associate  
Patrick Miller, Intern  
Office of Legislative Oversight

**SUBJECT: OLO Memorandum Report 2010-8:  
History and Current Status of the Collaboration Council for Children, Youth  
and Families**

This memorandum report responds to the County Council's request for information on the background, structure, programs, and funding of the Montgomery County Collaboration Council for Children, Youth, and Families, Inc. Councilmember Navarro recommended that this overview of the Collaboration Council be placed on the Office of Legislative Oversight's FY10 Work Program.

The Collaboration Council is a quasi-public nonprofit corporation that is currently designated as Montgomery County's Local Management Board (LMB) to implement a local interagency service delivery system for children, youth, and families. The current designation of the Collaboration Council as the County's LMB expires on March 20, 2010.

OLO's review found that the Collaboration Council successfully performs the functions of a Local Management Board, as specified by state and county law. Further support for the quality of the Collaboration Council's work was voiced by the individuals who were interviewed for this report. Specifically, the Collaboration Council is appreciated for its effectiveness as a neutral convener of agencies, service providers, and families; and the Collaboration Council staff is lauded for their knowledge and commitment to improving service delivery in the County.

As of this writing, the future of funding for the Collaboration Council's activities in FY11 and future years is uncertain. Since its inception, the Collaboration Council budget (like other Local Management Boards in Maryland) has relied heavily upon resources provided by the Governor's Office for Children. Following a round of reductions taken during FY10, the Governor's proposed FY11 budget recommends substantial changes to funding for Local Management Boards throughout the State; if adopted by the General Assembly, these changes would significantly reduce the funds available to directly support the work of the Collaboration Council.

In sum, OLO recommends that the Council approve the extension of the Collaboration Council's designation as the County's Local Management Board until December 1, 2010. OLO also recommends that the Council return in June 2010 to a discussion of the future of the Collaboration Council. At that time, there should be a much clearer picture of the state and county resources that will be available in FY11 to support the Collaboration Council's activities. In addition, this will provide time for the Collaboration Council to develop its own proposal for moving ahead as the County's designated LMB.

OLO would like to thank the staff of the Collaboration Council for their high level of cooperation during the course of compiling the information for this memorandum report. We would also like to thank members of the Collaboration Council's Board of Directors and partners of the Collaboration Council who took the time to speak to us for this report.

This memorandum report is organized into seven chapters as follows:

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## **Chapter I. Background**

This chapter provides an overview of the history of Local Management Boards (LMB) in Maryland and the Montgomery County Collaboration Council for Children, Youth and Families, Inc., which serves as the LMB for Montgomery County. This chapter is presented in three parts:

- **Part A, Mission of Local Management Boards**, describes the rationale, mission, and state action that lead to the formation of the LMBs.
- **Part B, Designation of the Collaboration Council as the Montgomery County LMB**, describes the creation of the Collaboration Council in 1993 and its designation as the County's Local Management Board in 1997.
- **Part C, Current Structure of the Collaboration Council**, describes the transition of the Collaboration Council from a government entity to a quasi-public nonprofit corporation in 2003.

### **A. Mission of Local Management Boards**

Local Management Boards (LMBs) were established by the State as a way to bring children with special needs in out-of-state placements back to their local communities and to prevent other special needs children from being placed out-of-state. In 1993, the Maryland General Assembly enacted legislation mandating that each local jurisdiction establish an LMB to ensure the effective coordination and implementation of local service delivery systems that improve the well-being of children, youth, and families.

The effort to serve these children in local communities rather than out-of-state placements was known as the System Reform Initiative. Reduced costs and improved services were perceived benefits of this community-based approach to serving high needs children.<sup>1</sup> When established in 1993, the primary mission of LMBs was local service delivery to eligible children and families funded via the System Reform Initiative. The Maryland Office for Children, Youth and Families would direct funds to the LMBs, which would then coordinate services for eligible children with local agencies and providers.

To determine eligibility for and the intensity of services delivered to children, youth, and families, each LMB is mandated to administer a Local Coordinating Council (LCC) that meets regularly to coordinate care and services for these groups. The LCC is a body made up of representatives from the local board of education, juvenile justice, health department, and other local social service agencies. State law requires that the LMB, "subject to the availability of funding, ...provide administrative staff and support" to the LCC.<sup>2</sup>

In 1996, the Maryland Office for Children, Youth and Families expanded the mission and scope of LMBs by adding prevention and early intervention to their responsibilities. In 2002, this scope expanded again when the Office of Crime Control and Prevention began to send funds to communities via the LMBs.

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<sup>1</sup> These children typically have severe behavioral or emotional needs that require intensive intervention.

<sup>2</sup> Annotated Code of Maryland, Human Services, § 8-407

In some localities, including Montgomery County, the LMB also works to inform public policy and to advocate for improved services to the jurisdiction's children and families. For example, representatives of the Collaboration Council were recently asked to testify before the County Council regarding the issue of truancy.

**B. Designation of the Collaboration Council as Montgomery County's Local Management Board**

In 1997, a joint resolution by the County Executive, County Council, and Board of Education endorsed designation of the Collaboration Council for Children, Youth and Families as Montgomery County's LMB. This resolution recognized that the Collaboration Council had functioned in this capacity since its inception in 1993.

From 1993 to 1997, the Collaboration Council administered state funding for the System Reform Initiative and provided oversight of the County's Infants and Toddlers Program. The 1997 resolution designating the Collaboration Council as the LMB, expanded its charge to include engaging "the community in developing a comprehensive agenda that defines the core results/outcomes that are critical to improving the well-being of children and families in Montgomery County."<sup>3</sup>

The expanded scope of the Collaboration Council was articulated in "The Children's Agenda," which was published by the Collaboration Council in 1998. The Children's Agenda defines the following goals as critical to improving the well-being of children and families locally:

- Healthy Children
- Children Safe in Their Home, School and Community
- Young Children Ready for School
- Success for Every Student
- Young People Prepared for the Workplace
- Communities and Support Family Life
- Young People Making Smart Choices, and
- Stable and Economically Secure Families

These goals continue to be referenced in every major publication produced by the Collaboration Council. Additionally, the Collaboration Council drafted "Principles to Guide Collaborative Governance," designed to "build bridges across institutional lines." These eight principles were subsequently adopted by the County Council.<sup>4</sup>

The Children's Agenda and these collaborative principles outlined a broad scope and mission for the Collaboration Council. The activities and programs designed to meet these goals are described in Chapter III.

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<sup>3</sup> Council Resolution 13-986

<sup>4</sup> Council Resolution 13-1445

### **C. Current Structure of the Collaboration Council**

State law allows a local jurisdiction's LMB to operate as a government entity or as a nonprofit entity outside of government.<sup>5</sup> As constituted in 1993, the Collaboration Council acted as both a government entity and a nonprofit. For example, Collaboration Council employees were county employees and the County Government functioned as the fiscal agent for the Collaboration Council. However, unlike a traditional entity of County Government, the Collaboration Council contracted with county agencies to deliver services.

In 2001, the State audited the Collaboration Council and found that there was a need to clarify the separation of authority and responsibility between the Collaboration Council and the Department of Health and Human Services (DHHS), which was a vendor for a number of programs administered by the Collaboration Council. County Government and Collaboration Council staff also identified a need for clarity in Collaboration Council staffing because its staffing structure had evolved from an exclusive reliance on county employees in 1993 to a mix of county and nonprofit employees in 2003.

In 2003, the administrative staff of the Collaboration Council consisted of: 14 employees of the Family Services Agency of Montgomery County (a private nonprofit agency); 2 MCPS merit employees; and 5 county merit employees employed through DHHS. On the service side, which was outside the Collaboration Council itself, 24 DHHS merit system employees were funded with Collaboration Council funds.

As an entity of County Government, the Collaboration Council was also required to go through the County's procurement process as it administered its funds. According to Collaboration Council staff, sometimes this process created a backlog of contracts and prevented efficient distribution of funds to a variety of programs. In one instance, a county-required RFP process prevented funds from being distributed to after-school providers until six months after the start of the school year.

In early 2003, the County Council and leaders of the Collaboration Council began discussing ways to revise and clarify the Collaboration Council's role as the County's LMB. Opinions at the time differed as to whether the Collaboration Council should focus only on state-funded programs, or whether its mission should be to advocate for children, youth, and families across a broader spectrum of programs and issues.<sup>6</sup>

Discussions over the next several months led to a consensus that the Collaboration Council should be restructured as a quasi-public nonprofit corporation<sup>7</sup> with a simplified staff structure, new by-laws, and a more directed scope of work. The Board of Education, the League of Women Voters, and the Collaboration Council itself all supported this approach.<sup>8</sup>

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<sup>5</sup> Annotated Code of Maryland, Human Services, § 8-301. This section of the Code is included as Attachment A.

<sup>6</sup> Memo from Joan Planell (Senior Legislative Analyst) to the Health and Human Services Committee; February 27, 2003; pg 5.

<sup>7</sup> The language of "quasi-public nonprofit corporation" comes from the state statute establishing LMBs.

<sup>8</sup> Testimony for public hearing on Bill 28-03; September 9, 2003.

Those working on the restructuring also agreed to regular audits and annual reports to be submitted to the County Council in an effort to ensure accountability. Structuring the Collaboration Council as a quasi-public nonprofit corporation also opened up the opportunity to pursue funding from outside entities, such as private foundations and other philanthropic ventures that only fund nonprofit organizations.

On September 23, 2003, the County Council passed Bill 28-03, codified as County Code § 2-117, which states, “The County Council finds that...designating a quasi-public, non-profit corporation as the local management board will best enable the County to implement a local, interagency service delivery system for children, youth, and families.”<sup>9</sup> The law also established a process for the Council to designate a quasi-public nonprofit corporation as the LMB by adopting a resolution approved by the County Executive. Each designation expires after three years unless the Council adopts another resolution.<sup>10</sup>

The Collaboration Council submitted its articles of incorporation as a nonprofit entity and by-laws to the County Council on April 26, 2004, and formally requested to be designated as Montgomery County’s LMB. On May 4, 2004 the County Council approved this designation by adopting Resolution 15-599.

In March of 2007, the County Council passed Resolution 16-76, which re-designated the Collaboration Council as Montgomery County’s LMB. This resolution passed without the in-depth discussion and reexamination of the structures and responsibilities of the Collaboration Council that had occurred in 2003. This most recent designation expires on March 20, 2010. Resolution 16-76 is included in this memorandum report as Attachment C.

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<sup>9</sup> This section of the County Code is included as Attachment B. The law explains that to qualify as a quasi-public corporation, “the corporation’s board of directors must be appointed by the County Executive and confirmed by the County Council” and “its articles of incorporation must provide that the corporation is nonprofit; not an instrumentality of the county; and incorporated for the sole purpose of serving as the County’s local management board.” [County Code § 2-120(a) and § 2-121(a)].

<sup>10</sup> Montgomery County Code § 2-119

## **Chapter VI. Findings and Recommendations**

This chapter presents the Office of Legislative Oversight's findings and recommendations for County Council action related to the re-designation of the Collaboration Council as Montgomery County's Local Management Board.

### **A. Findings**

In sum, OLO found that the Collaboration Council fulfills its obligations under state and county law as the Local Management Board for Montgomery County. The Collaboration Council funds programs for children, youth, and families, works to improve these programs, and actively works to identify and fill gaps in service.

The State is the largest source of funding for the Collaboration Council, providing more than three-fourths of the Collaboration Council's FY10 \$6.6 million in revenue. The Governor's FY11 Operating Budget proposes substantial reductions to direct funding of Local Management Boards across the State; if enacted by the General Assembly, these funding reductions would make it difficult for the Collaboration Council to continue functioning as it is currently structured.

#### **Finding #1: The Collaboration Council fulfills its obligations under state and county law as the Local Management Board (LMB) for Montgomery County.**

The structure, activities, and results of the Collaboration Council evidence that the organization performs the following six functions of a Local Management Board, as specified by state law:<sup>27</sup>

- Create an effective system of services, supports, and opportunities that improve outcomes for all children, youth, and families;
- Strengthen the decision making capacity at the local level;
- Design and implement strategies that achieve clearly defined results for children, youth, and families as articulated in a local 5-year strategic plan for children, youth, and families;
- Maintain standards of accountability for locally agreed upon results for children, youth, and families;
- Influence the allocation of resources across the systems as necessary to accomplish the desired results; and
- Build local partnerships to coordinate children, youth, and family services within the County to eliminate fragmentation and duplication of services.

In addition, the Collaboration Council performs the three functions of the LMB which are outlined in the County Code:<sup>28</sup>

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<sup>27</sup> Annotated Code of Maryland, Human Services, § 8-303

<sup>28</sup> Montgomery County Code § 2-118

- Administer state funds for certain children's services, and plan and coordinate those state funded services;
- Participate in community planning for children's services related to the state-funded programs; and
- Apply for and administer funds for children's programs.

Further support for the quality of the Collaboration Council's work was voiced by the individuals who were interviewed for this report. In particular, the Collaboration Council is appreciated for its effectiveness as a neutral convener of agencies, service providers, and families; and the Collaboration Council staff is lauded for their knowledge and commitment to their mission.

**Finding #2: The Collaboration Council's FY09 expenditures totaled \$8.9 million, 93% of which supported direct services spread over five program areas; the other 7% was spent on management and administrative costs.**

In FY09, \$8.2 million (93%) of the Collaboration Council's expenditures went toward contracts with direct service providers and Collaboration Council staff who directly support the program areas listed on the following page. The remaining \$657,000 (7%) was spent on management and administrative services that support the entire organization, rather than any specific program area.

In FY09, the Collaboration Council contracted with 52 public and private organizations, which served over 3,000 children and approximately 400 additional families.<sup>29</sup> Examples of tangible results identified by the Collaboration Council as FY09 accomplishments include:

- Trainings for 1,348 professional youth service providers;
- Maintaining the InfoMontgomery Web site, which hosted more than 22,500 visitors;
- Referral of 187 new cases involving children with intensive needs to the Local Coordinating Council, which reviewed a total of 263 cases;
- Successful handling of 467 calls to the Local Access Mechanism office, 74% of which were referred to community resources.

The table on the next page summarizes the five program areas of the Collaboration Council, lists the associated target populations, examples of specific activities, and FY09 funding levels.

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<sup>29</sup> *Progress on Building Brighter Futures*, 2009 Annual Report of the Montgomery County Collaboration Council for Children, Youth, and Families.

**Collaboration Council: Target Populations, Activities, and FY09 Funding by Program Area**

<b>Program Area</b>	<b>Target Populations</b>	<b>Activities</b>	<b>Funding (\$ in 000s)</b>
<b>Children with Intensive Needs</b>	Children and youth (and their families) who have complex special needs, specifically children who are at risk of placement in residential, group home, or detention facilities	<ul style="list-style-type: none"> <li>• Administer the Local Access Mechanism</li> <li>• Lead and provide support for the Local Coordinating Council</li> <li>• Oversee the County wraparound care management system</li> <li>• Assist and support families to navigate the appropriate child serving systems</li> <li>• Collect data from service providers and families, and track well-being indicators</li> </ul>	\$5,279
<b>Youth Development</b>	School-age youth – with focus on increasing participation (across ethnic, economic, and geographic lines) in out-of-school time activities	<ul style="list-style-type: none"> <li>• Fund 28 out-of-school time providers</li> <li>• Train youth development workers to increase program quality</li> <li>• Analyze out-of-school time programs across the County and identify gaps</li> </ul>	\$1,676
<b>Early Care and Education</b>	At-risk parents who have been screened for multiple stressors and linguistic or social isolation	<ul style="list-style-type: none"> <li>• Provide funding for home visits to families with identified special needs</li> <li>• Lead the Early Care and Education Congress</li> <li>• Facilitate the training of early care providers in cultural and linguistic competence</li> </ul>	\$669
<b>Equal Justice for All Youth</b>	<p>Minority youth who come into contact with the juvenile justice system</p> <p>Officials and officers of the juvenile justice system</p>	<ul style="list-style-type: none"> <li>• Collect and analyze data on minority involvement in the juvenile justice system</li> <li>• Fund services that divert youth from the juvenile justice system</li> <li>• Assist and support families to navigate the juvenile justice system</li> </ul>	\$296*
<b>Making Services Better</b>	Service providers and county agencies that are working to address the needs of children, youth, and families in Montgomery County	<ul style="list-style-type: none"> <li>• Support performance management systems for service providers</li> <li>• Provide information and mapping resources through InfoMontgomery</li> <li>• Offer technical assistance and training in program areas and technology</li> <li>• Work to establish diverse funding streams</li> <li>• Advocate for improved services on behalf of children, youth, and families with special needs</li> </ul>	\$604

\* Funds for activities in the Equal Justice for All Youth focus area are also included in the totals reported for three other focus areas: Children with Intensive Needs, Youth Development, and Making Services Better.

**Finding #3: Since its inception, the largest share of the Collaboration Council's funding has come from the State. Between FY08 and FY10, the Collaboration Council's total revenue fell from \$9.9 million to \$6.6 million.**

In FY05, the first year that the Collaboration Council was a quasi-public nonprofit corporation, 99% of its \$6.3 million in revenue came from the State of Maryland. With the addition of county funding and increases in state funding, the Collaboration Council's revenue increased by 57% from \$6.3 million in FY05 to \$9.9 million in FY08.

This upward trajectory was reversed between FY08 to FY10, as the Collaboration Council's total revenue has decreased by one-third during this time period. In FY10, the Collaboration Council expects to receive \$6.6 million in revenue, of which 77% (\$5.1 million) is from the State of Maryland and 21% (\$1.4 million) is from Montgomery County. Non-governmental sources of revenue (i.e., private foundations and other miscellaneous revenue) account for the remaining 2%.

Of the \$1.4 million in county revenue for the Collaboration Council, \$1.0 million funds care coordination and wraparound services for children and youth with complex needs who need individualized, multi-agency support services. The County also funds out-of-school time activities in the Germantown area and training for youth workers.

**Finding #4: Proposed changes in FY11 funding from the Governor's Office for Children would significantly impair the ability of the Collaboration Council to support its administrative functions and current program areas.**

Changes that already occurred in FY10 and proposed changes in the Governor's FY11 Operating Budget indicate a shift in the State's approach to funding services for children, youth, and families in each Maryland county. Specifically, the shift is from providing funds to be managed by Local Management Boards to a system that is more centralized at the state level.

In mid-FY10, the State shifted funding for wraparound and other services for children with intensive needs from management by the Local Management Boards to the Governor's Office for Children. Changes proposed in the Governor's FY11 budget would similarly shift control of funds for early intervention and prevention to the Governor's Office for Children, which would directly select service providers.

Accompanying this shift of funds away from LMBs is a large proposed cut in funding for LMB administration. In the Governor's proposed FY11 budget, the Collaboration Council's administrative funding would be cut by at least 50%. This administrative funding from the Governor's Office for Children is the Collaboration Council's largest source of funding for staff and general operations (e.g., rent, insurance).

Overall, from FY10 to FY11, the Collaboration Council would lose approximately \$2.25 million in funding, 34% of its total revenue. State law still requires the existence of Local Management Boards; however, the proposed reductions in state funding would necessitate changes in how LMBs operate throughout the State.

## **B. Recommendations**

The Collaboration Council successfully has performed its duties as Montgomery County's Local Management Board. This fact combined with the uncertainty associated with the future funding for the Collaboration Council lead OLO to recommend that the County Council:

- Extend the current designation of the Collaboration Council as Montgomery County's Local Management Board (LMB) until December 1, 2010; and
- Return in June 2010 to a discussion of the Collaboration Council's future role and longer-term designation as the County's LMB; by that time, there will be a much clearer picture of the FY11 funding picture for the Collaboration Council.

These two recommendations are further outlined below.

### **Recommendation #1: Extend the designation of the Collaboration Council as Montgomery County's Local Management Board until December 1, 2010.**

The current designation of Collaboration Council for Children, Youth, and Families as Montgomery County's Local Management Board (LMB) expires on March 20, 2010. Consistent with local law, March 20, 2010 is three years from the Council's previous designation of the Collaboration Council as the County's LMB.

As outlined above, OLO found that the Collaboration Council has successfully performed the duties as the County's Local Management Board, as specified both in state and local law. Further, OLO found that the Collaboration Council's partners and grantees are pleased with the quality and consistency of the Collaboration Council's work. Individuals within County Government, as well as those working as direct service providers described the Collaboration Council staff as knowledgeable, efficient, and as a valuable resource for technical assistance with their programs. The relationships that the staff and board of the Collaboration Council have developed with agencies and service providers was frequently cited as a critical component to an effective coordination of services for children, youth, and families across the County.

Despite this evidence of effective performance, the uncertainty of future funding for the Collaboration Council leads OLO to recommend that the Council extend the current designation until December 1, 2010. This nine-month extension will allow the Collaboration Council time to develop a plan for their own future, and before extending designation of the Collaboration Council for another three years, provide the County Council sufficient time to evaluate the impact of state funding shifts on services available to children, youth, and families in Montgomery County.

**Recommendation #2: Return in June 2010 to discuss the future role of the Collaboration Council, to include a decision about re-designation as the County's LMB beyond December 1, 2010.**

By June 2010, there will be a much clearer understanding of how funding changes at the state and local level will affect the operations of the Collaboration Council going forward. As a follow-up to this memorandum report, OLO will prepare an addendum that provides the Council with an update that includes:

- Information about how final FY11 budget actions at the state and local level affect the Collaboration Council's funding for the coming fiscal year; and
- A status report on the Collaboration Council's own plans for moving forward as the designated Local Management Board for the Council.

As part of this addendum, OLO will recommend specific discussion issues to frame the Council's review and decision on future designation of the Collaboration Council as the County's LMB; and related decisions concerning how much-needed services are provided to the County's children, youth, and families.

## ADDENDUM

AGENDA ITEM #25

March 16, 2010

**Public Hearing and Action**

## MEMORANDUM

March 15, 2010

TO: County Council

FROM: Vivian Yao, Legislative Analyst 

SUBJECT: **Public Hearing and Action** – Resolution to Extend the Designation of the Collaboration Council for Children, Youth, and Families as the County's Local Management Board

The County Council will hold a public hearing and take action on a resolution to extend the designation of the Montgomery County Collaboration Council for Children, Youth, and Families (Collaboration Council) as the County's Local Management Board for Children, Youth and Families (LMB).

After the initial packet for this item was published, the Collaboration Council requested that the Council consider a further extension of its designation as the County's LMB through the end of FY11 instead of the nine-month period provided in the resolution that was introduced on March 2, 2010. **HHS Committee Chair Leventhal is requesting that the Council approve the revised resolution attached at ©1-2, which further extends the Collaboration Council's designation through FY11.**

The Executive's Recommended FY11 Operating Budget includes additional funding for the Collaboration Council to allow it to continue to perform certain functions affected by proposed State funding reductions. The recommended increase in County funding would not make up for all of the proposed State reductions, were they to go through, but signals that the organization would continue to provide some core programming. Moreover, extending the organization's designation through the fiscal year would also signal the ongoing viability of the organization to the community, including potential funders.

The additional time would allow the organization to respond to funding and staffing changes. It would also allow the Council to evaluate the impact of State funding shifts on local services to children, youth, and families before designating the organization for another three years.

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: County Council

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Subject: Resolution to Extend the Designation of the Montgomery County Collaboration Council for Children, Youth, and Families as the County's Local Management Board for Children, Youth and Families

Background

1. State law requires the County to establish or designate a local management board to ensure the implementation of a local, interagency service delivery system for children, youth, and families. Under State law, the County may designate a quasi-public, nonprofit corporation that is not an instrumentality of the County to act as the County's local management board.
2. Section 2-119 of the County Code establishes a process to designate a quasi-public corporation as the local management board. It also establishes certain criteria that a quasi-public corporation must meet to be designated as the local management board.
3. On April 26, 2004, the Montgomery County Collaboration Council for Children, Youth, and Families submitted its articles of incorporation and by-laws to the County Council and formally requested to be designated as Montgomery County's Local Management Board. The Council approved this designation in Resolution 15-599 on May 4, 2004.
4. By law, the Council's designation of a local management board expires three years after the designating resolution is adopted unless the Council extends the designation by adopting another resolution.
5. On March 20, 2007, the Council adopted Resolution 16-76, re-designating the Montgomery County Collaboration Council for Children, Youth, and Families as the Montgomery County's Local Management Board for a second three year period. The current designation will expire on March 20, 2010 in the absence of Council action.
6. The Governor has proposed deep funding cuts to administrative and program funding to local management boards throughout the State. These proposed reductions coupled with key staffing changes at the Montgomery County Collaboration Council for Children,

Youth, and Families leave the potential for an organization with dramatically different structures and functions.

7. Extending the current designation through [December 7, 2010] June 30, 2011 will give the organization time to respond to changes in State funding and mandates and allow the Council sufficient time to review the organization's past performance and future plans.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council hereby extends the designation of the Montgomery County Collaboration Council for Children, Youth, and Families as the County's Local Management Board for Children, Youth, and Families pursuant to County Code Section 2-119. The extended designation will remain in effect until the earlier of:

- (1) The Council designation of an organization as the County's Local Management Board for Children, Youth, and Families; or
- (2) [December 7, 2010] June 30, 2011.

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council