

**MEMORANDUM**

October 20, 2016

TO: HHS/ED Committee

FROM: Elaine Bonner-Tompkins, Senior Legislative Analyst *EBT*  
Natalia Carrizosa, Legislative Analyst *NC*  
Office of Legislative Oversight

SUBJECT: **Worksession on OLO Memorandum Report 2016-11: *Out of School Time and Children's Trusts***

On October 24th, the joint HHS/ED Committee will hold a worksession on Office of Legislative Oversight Report 2016-11, which the Council received and released on September 20, 2016. Councilmembers are asked to bring their copies of this report to the worksession. This report is also accessible on-line at [www.montgomerycountymd.gov/olo](http://www.montgomerycountymd.gov/olo).

Staff recommends the following worksession agenda:

- Overview of the report by OLO staff;
- Comments and presentation(s) from agency representatives; and
- Committee worksession on report and OLO recommendations for Council action.

The Executive Summary of OLO's report is attached on © 1. Written comments from representatives of Montgomery County Public Schools, Montgomery County Government, the Montgomery County Collaboration Council for Children, Youth and Families, and the Children's Opportunity Fund are attached beginning on © 7.

OLO anticipates that the following agency and organization representatives or their designees will attend the HHS/ED Committee worksession:

- Maria Navarro, Chief Academic Officer, MCPS
- Lori Christina Webb, Executive Director, Office of the Chief Academic Officer, MCPS
- Gabe Albornoz, Director, Department of Recreation, MCG
- Uma Ahluwalia, Director, Department of Health and Human Services, MCG
- April Kaplan, Executive Director, Montgomery County Collaboration Council
- Lynn Sobolov, Director, Education and Youth Development, Montgomery County Collaboration Council
- Mala Thakur, Executive Director, Children's Opportunity Fund

## **A. Overview**

Out-of-School Time (OOST) programs refers to before- and after-school programs, summer school, Saturday school, and extracurricular activities such as sports and clubs for school-aged children. This OLO project seeks to improve the County Council's understanding OOST programs, opportunity gaps in local programs, and how Children's Trusts and other public finance approaches could be used to expand OOST programs in the County.

As noted in the OLO report, the objectives of the Children's Opportunity Fund (COF) are broader than expanding OOST opportunities in the County. As noted in the letter from the COF Executive Director included the report, the COF is considering a number of priorities to improve the lives of children and families in the County, including early childhood education and community schools. As such, this report delves into one of the potential priority areas for the COF.

## **B. Project Findings**

To prepare this report, OLO gathered information on local OOST programs and those in other jurisdictions through a review of relevant documents supplemented by interviews with local subject matter experts. Six sets of findings emerged that are summarized below.

### **Finding #1: Out of school time activities can improve student performance and help narrow the achievement gap in conjunction with other initiatives.**

Research suggests that OOST activities, including extracurricular activities such as after-school clubs and sports, can impact a wide range of youth outcomes. These include improving student engagement, social-emotional development and educational outcomes such as attendance, on-time grade promotion and mastery of academic skills and content. Yet, it is important to recognize that OOST and extracurricular programs "are at best one part of a much larger, multi-faceted approach toward closing the achievement gap."

### **Finding #2: There is an opportunity gap in OOST and extracurricular activities by income.**

For many low-income families, the cost of participating in extracurricular and enrichment activities is too high. Nationally, the number of upper middle class students active in school clubs and sports teams has increased since the 1970's, while participation rates for working class students have plummeted. This translates into a widening spending gap between the top and bottom decile of families. State and local data suggests that an OOST opportunity gap by income, race, and ethnicity for extracurricular participation persists in Montgomery County as well.

### **Finding #3: In FY2016, about \$31.1 million was expended in Montgomery County on publicly subsidized OOST programs for 42,740 school year slots and 12,717 summer slots.**

Most publicly supported OOST slots targeted services to secondary and non-poor students with:

- MCPS' extracurricular activities and summer school programs accounting for over half of OOST slots and costs.
- Less than two-percent of publicly subsidized OOST programs offering comprehensive after school programs.
- Less than eight percent of school year OOST programs serving elementary students or students across the K-12 grade span.

- Targeted publicly subsidized school year slots offering the capacity to serve 17% of low-income students enrolled in MCPS and 13% of students in high-poverty schools.

**Finding #4: Funding and student engagement are challenges to scaling up high quality OOST programs for low-income youth.**

The costs of operating high-quality OOST programs are substantial, averaging \$4,600 per school year for after-school programs and from \$1,100 to \$2,800 per child for high-quality summer learning programs. OOST programs are typically covered by four revenue sources: parent fees, private funds, public funds, and in-kind contributions. Since low-income parents typically can only cover nominal fees, OOST efforts targeting low-income children often face funding obstacles.

Other potential barriers to OOST participation among low-income youth include conflicting obligations (e.g. sibling care or employment), personal preferences, and attitudinal barriers such as disinterest. Youth engagement is especially challenging for voluntary programs, although feasible if school systems partner with community-based providers to also offer enrichment options.

**Finding #5: Other jurisdictions have used a variety of public finance approaches to generate revenue for OOST and other children’s services.**

These public finance approaches often depend on the will of voters or changes to state law to permit increased taxation. These include:

- Special Taxing Districts that raised \$100 million for Miami-Dade’s Children’s Trust;
- Special Property Taxes that raised \$32 million for Seattle and \$15 million for Portland;
- Property Tax and Budget Set Asides that allocated \$15 million to Oakland’s Fund for Youth and Children; and \$59 million for San Francisco’s Children’s Investment Fund; and
- Fees and Narrow Taxes that generated \$13 million from beer taxes for preschools in Arkansas; and is anticipated to raise \$91 million in soda taxes for pre-K in Philadelphia.

**Finding #6: New property taxes or “sin taxes” analogous to other jurisdictions could raise tens of millions in new revenue to fund OOST and other children’s programs.**

Adopting a new property tax like Miami-Dade’s Children’s Trust or a soft-drink tax like Philadelphia’s would raise between \$83 and \$84 million in new revenue for Montgomery County, while more modest increases in property taxes implemented elsewhere could generate \$27 to \$66 million in additional revenue. Conversely, if the County implemented guaranteed property or budget set-asides analogous to other jurisdictions, it would be required to reallocate \$66 to \$97 million from current purposes to local children’s programs.

**C. Extracurricular Fees and Estimated OOST Expansion Costs**

Following this report’s release, Councilmembers tasked OLO to describe two additional data points to improve their understanding and oversight of local OOST programs:

- Extracurricular Activity (ECA) fee payments to MCPS by school and school level to discern opportunity gaps in extracurricular participation among schools; and
- The anticipated costs of expanding OOST programming to meet the needs of FARMS eligible students in the County.

**ECA Opportunity Gap by FARMS:** An analysis of MCPS data on ECA payments in FY16 shows that low-income students are disproportionately under-represented among students participating in MCPS extracurricular activities despite the lower ECA fees assigned to low-income families (\$15 for students who families earn less than \$35,000 annually v. \$32.50 per student). More specifically:

- At the middle school level, low-income students paying the reduced ECA fee accounted for 4 percent of ECA participants compared to a third of middle school enrollment. Of the 8,718 middle school students paying any ECA fee, 320 paid the reduced fee.
- At the high school level, low-income students paying the reduced ECA fee accounted for 7 percent of ECA participants compared to 28 percent of high school enrollment. Of the 15,402 high school students paying any ECA fee, 602 paid the reduced fee.

**Estimated Costs of Expanding OOST K-8:** The chart below shows that annual costs of expanding OOST programs to meet the needs of all low-income students in the elementary and middle grades or for K-8 students enrolled in the highest poverty schools within MCPS are significant. Assuming a cost of \$1,000 per student and a 50 percent utilization rate, increasing publicly subsidized OOST programs during the school year could cost between \$18 and \$22 million annually and another \$17 to \$21 million for summer programs. These cost estimates are on par with what is allocated annually to support Pre-K programs and the Housing Incentive Fund in the County.

K-8 Students	MCPS Enrollment	Targeted K-8 OOST Slots	Gap in OOST Slots	Estimated Costs \$1,000 PPE and 50% Utilization
<u>School Year Slots</u>				
Receiving FARMS	41,921	5,781	36,140	\$18.1 million
Enrolled in 85 Highest Poverty Elementary and Middle Schools	49,230	5,781	43,449	\$21.7 million
<u>Summer Slots</u>				
Receiving FARMS	41,921	7,665	34,256	\$17.1 million
Enrolled in 85 Highest Poverty Elementary and Middle Schools	49,230	7,665	41,565	\$20.8 million

#### D. Recommendations

In the report, OLO offers three recommendations for next steps:

- Conduct a needs assessment of current OOST programs to map available options and identify service and quality gaps across the County;
- Coordinate existing OOST programs in the County to identify opportunities for expansion and collaboration among current OOST service providers; and
- Conduct needs assessments and reviews of best practices for other potential COF investments that may favorably impact the achievement gap, such as early childhood education, children’s behavioral health, and workforce development for youth.

As noted in their agency letters, MCPS, MCG, and the Collaboration Council concur that a needs assessment of current OOST programs is warranted and the Collaboration Council is likely best suited to conduct this needs assessment. There also appears to be both interest and consensus among each of the agencies, including the Children’s Opportunity Fund, that the Collaboration Council is best suited to coordinate existing OOST programs and to serve as a program intermediary should the Council decide to expand OOST programming in the County.

ATTACHMENTS	BEGINS AT
Executive Summary of OLO Report 2016-11	© 1
Table 1, Publicly Funded OOST School Year Programs, FY 2016 (OLO Report 2016-11, page 16)	© 3
Table 2, Publicly Funded OOST Summer Programs in Montgomery County (OLO Report 2016-11, page 18)	© 4
Table 4, Public Finance Approaches and Revenue Raised in Other Jurisdictions (OLO Report 2016-11, page 24)	© 5
Table 7, Potential Revenue for OOST and Other Children’s Services in Montgomery County (OLO Report 2016-11, page 31)	© 6
Comments from MCG Chief Administrative Officer, September 15, 2016	© 7
Comments from MCPS Chief Academic Officer, September 16, 2016	© 9
Comments from Collaboration Council Executive Director, September 15, 2016	© 11
Comments from Children’s Opportunity Fund Executive Director, September 15, 2016	© 13

# Out of School Time and Children's Trusts

Executive Summary of OLO Memorandum Report 2016-11

September 20, 2016

Out of school time (OOST) refers to before- and after-school programs, summer school, Saturday school, and extracurricular activities such as sports. To help the Council understand the opportunity gap in OOST and strategies for narrowing this gap, this Office of Legislative Oversight (OLO) memorandum report describes local demand and practices in other jurisdictions to expand OOST opportunities. This report also provides an overview of the strategies used in other jurisdictions to fund OOST and other services for children, including the use of Children's Trusts and other public finance approaches that provide dedicated revenue for children's services. Six summary findings and three recommendations for action follow.

**Finding #1: Out of school time activities, including after-school clubs and sports, can improve student performance and help narrow the achievement gap in conjunction with other initiatives.**

Research suggests that OOST activities, including extracurricular activities such as after-school clubs and sports, can impact a wide range of youth outcomes. These include improving students':

- Engagement that includes program attendance and year-to-year retention;
- Positive skills and beliefs that include critical thinking, growth mindset, persistence, self-regulation, collaboration, and communication;
- Educational outcomes that include high school day attendance, on-time grade promotion, and progress toward mastery of academic skills and content.

Yet, it is important to recognize that OOST and extracurricular programs "are at best one part of a much larger, multi-faceted approach toward closing the achievement gap." Overall, participation in OOST programs generally leads to small gains in academic outcomes.

**Finding #2: There is an opportunity gap in OOST and extracurricular activities by income.**

For many low-income families, the cost of participating in extracurricular and enrichment activities is too high. Nationally, the number of upper middle class students active in school clubs and sports teams has increased since the 1970's, while participation rates for working class students have plummeted. This translates into a widening spending gap: there was \$2,000 per child spending gap on enrichment activities between the top and bottom decile of families in 1972 (\$600 v. \$2,800) compared to a more than \$5,000 per child enrichment gap between these families in 2007 (\$800 v. \$6,500). State and local data suggests that an OOST opportunity gap by income, race, and ethnicity for extracurricular participation persists in Montgomery County as well.

**Finding #3: In FY2016, about \$31.1 million was expended in Montgomery County on publicly subsidized OOST programs for 42,740 school year slots and 12,717 summer slots.**

Most publicly supported OOST slots targeted services to secondary and non-poor students.

- **MCPS' extracurricular activities and summer school programs account for over half of OOST slots and costs.** Low-income students have diminished access to these programs due to their reliance on parent fees and MCPS' academic eligibility requirements for extracurricular participation.
- **Less than 2% of publicly subsidized OOST programs offer comprehensive after school programs** that operate on a regular basis, offer multiple activities, have adult supervision, and other children.

## Out of School Time and Children's Trusts

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- *Less than 8% of school year OOST programs serve elementary students or students across the K-12 grade span; 39,000+ of 42,740 school year slots exclusively serve secondary students.*
- *Publicly subsidized school year slots targeting the economically disadvantaged had the capacity to serve 17% of low-income students enrolled in MCPS and 13% of students in high-poverty schools.*

**Finding #4: Funding and student engagement are challenges to scaling up high quality OOST programs for low-income youth.**

The costs of operating high-quality OOST programs are substantial, averaging \$4,600 per school year for after-school programs and from \$1,100 to \$2,800 per child for high-quality summer learning programs. OOST programs are typically covered by four revenue sources: parent fees, private funds, public funds, and in-kind contributions. Since low-income parents typically can only cover nominal fees, OOST efforts targeting low-income children often face funding obstacles.

Other potential barriers to OOST participation among low-income youth include conflicting obligations (e.g. sibling care or employment), personal preferences, and attitudinal barriers such as disinterest or negative attitudes. Youth engagement is especially challenging for voluntary summer learning programs, although feasible if school systems partner with community-based providers to also offer enrichment options.

**Finding #5: Other jurisdictions have used a variety of public finance approaches to generate revenue for OOST and other children's services.**

These public finance approaches often depend on the will of voters or changes to state law to permit increased taxation. These include:

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**Finding #6: New property taxes or "sin taxes" analogous to other jurisdictions could raise tens of millions in new revenue to fund OOST and other children's programs.**

Adopting a new property tax like Miami-Dade's Children's Trust or a soft-drink tax like Philadelphia's would raise between \$83 and \$84 million in new revenue for Montgomery County while more modest increases in property taxes implemented elsewhere could generate \$27 to \$66 million in additional revenue. Conversely, if the County implemented guaranteed property or budget set-asides analogous to other jurisdictions, it would be required to reallocate \$66 to \$97 million from current purposes to local children's programs.

### **OLO Recommendations for County Council and/or Children's Opportunity Fund (COF):**

- *Conduct a needs assessment of current OOST programs to map available options and identify service and quality gaps across the County;*
- *Coordinate existing OOST programs in the County to identify opportunities for expansion and collaboration among current OOST service providers; and*
- *Conduct needs assessments and reviews of best practices for other potential COF investments that may favorably impact the achievement gap, such as early childhood education, children's behavioral health, and workforce development for youth.*

**Out of School Time and Children's Trusts**

**Table 1: Publicly Funded OOST School Year Programs, FY 2016**

School Year OOST Programs	Funding Source	Enrollment	Funding	PPE	Grades
<b>Available to Any Student</b>					
<b>Extracurricular activities</b>	MCPS and activity fees	23,739	\$14,612,339	\$616	6-12
<b>High School Intervention</b>	MCPS	4,821	\$1,199,734	\$249	9-12
<b>George B. Thomas Academy</b>	DHHS, MCPS, and fees	2,552	\$1,147,342	\$450	K-12
<b>Teen Café and Teen Events</b>	Recreation	1,979	\$222,800	\$113	6-12
<b>Teen Leadership</b>	Recreation	452	\$139,260	\$308	6-12
<b>Any Student SUBTOTAL</b>		<b>33,543</b>	<b>\$17,321,475</b>	<b>\$516</b>	
<b>Targeted Programs based on FARMS and Other Criteria</b>					
<b>Excel Beyond the Bell</b>	Rec., MCPS & Collab. Council	1,714	\$1,587,861	\$926	6-8
<b>Rec Zone</b>	Recreation	3,173	\$1,117,738	\$352	9-12
<b>Teen Works</b>	Recreation	103	\$818,757	\$7,949	9-12
<b>Middle School Extended Day`</b>	MCPS	1,934	\$729,118	\$377	6-8
<b>Wheaton High Schl. Knight Time</b>	MCPS, Federal 21 <sup>st</sup> CCLC	60	\$268,406	\$4,473	9-12
<b>Rec Extra</b>	Recreation		\$336,440		6-8
<b>ACE Academy, Collab. Council</b>	Federal – 21 <sup>st</sup> CCLC	55	\$274,277	\$4,987	1-5
<b>Identity (After School, Youth Soccer, &amp; 21<sup>st</sup> Century CLC)</b>	DHHS	106	\$337,161	\$3,181	6-12
	Community Grant	261	\$90,000	\$354	9-12
	Federal - 21 <sup>st</sup> CCLC*	140	\$674,664	\$4,819	6-9
<b>Housing Opport. Commission*</b>	Local Funding	111	\$247,972	\$2,234	K-12
<b>Montgomery Housing Partners (GATOR &amp; Homework Club)</b>	Federal – 21 <sup>st</sup> CCLC	120	\$348,575	\$2,904	K-5
	Local & federal funding	98	\$303,190	\$3,093	K-12
<b>Community Bridges</b>	DHHS	100	\$169,335	\$1,693	K-12
	Community Grant	59	\$45,000	\$763	K-12
<b>LAYC/MMYC</b>	DHHS	202	\$146,706	\$726	6-12
<b>Asian American LEAD</b>	DHHS	169	\$124,514	\$737	6-12
	Community Grant	85	\$50,000	\$588	6-12
<b>Gap Busters</b>	Community Grant	n/a	\$100,000	n/a	9-12
<b>MD Vietnamese Association</b>	DHHS	45	\$69,724	\$1,549	K-12
<b>Washington Youth Foundation (Mentoring, Afterschool ESOL)</b>	DHHS	136	\$69,724	\$513	K-12
	DHHS	111	\$47,104	\$424	K-12
<b>Florence Crittenden (SNEAKERS, 4C'ING the Future)</b>	Community Grant	91	\$55,000	\$604	6-12
	Community Grant	33	\$35,000	\$1,061	6-8
<b>Liberty's Promise</b>	Community Grant	n/a	\$60,000	n/a	9-12
<b>Family Learning Solutions</b>	DHHS	80	\$54,458	\$681	9-12
<b>Family Services Inc.</b>	DHHS	93	\$40,000	\$430	6-8
<b>Unity Christian Fellowship</b>	Community Grant	n/a	\$37,220	n/a	6-12
<b>Gandhi Brigade</b>	Community Grant	n/a	\$35,000	n/a	6-12
<b>Hispanic Business Foundation</b>	Community Grant	n/a	\$35,000	n/a	9-12
<b>African Immigrant &amp; Ref. Fdtn.</b>	Community Grant	23	\$10,400	\$452	6-12
<b>Mo. Co. Muslim Foundation</b>	Community Grant	95	\$5,000	\$53	6-12
<b>Targeted Slots SUBTOTAL</b>		<b>9,197</b>	<b>\$8,323,344</b>	<b>\$905</b>	
<b>School Year OOST TOTAL</b>		<b>42,740</b>	<b>\$25,644,819</b>	<b>\$600</b>	
<i>* Programs also serve summer learners</i>					

## Out of School Time and Children's Trusts

- Identity's federally funded 21<sup>st</sup> Century Community Learning Center (21<sup>st</sup> CCLC) served 140 students in year round programs at an average cost of \$4,819 per student and its After School Program served 106 students at an average cost of \$3,181 per student;
- MCPS' Wheaton High School Knights Program, funded by the federal 21<sup>st</sup> CCLC program, served 60 older ESOL students in after school programs at an average cost of \$4,473 per student;
- Montgomery Housing Partners served 218 programs across two programs – GATOR funded with federal 21<sup>st</sup> CCLC dollars and the Homework Club funded with local and federal support – at an average cost of about \$3,000 per student; and
- The Housing Opportunity Commission served 111 students in year round programs (including the summer) at an average cost of \$2,234 per student.

With the exception of Recreation's Teen Works program that provides year round employment and training for 103 County youth at an average cost of \$7,900 per youth, the average cost of the remaining school year OOST programs in the County ranged from a low of \$53 per student (Montgomery County Muslim Foundation) to a high of \$1,693 per student (Community Bridges OOST program).

Of note, some local OOST programs with low per pupil expenditures may receive in-kind support not reflected in their budgeted per pupil expenditures. Some of the smaller OOST programs may also offer academic and enrichment components that have not been noted in this report. A more thorough review of the budgeted and in-kind costs of local OOST programs and their program components is warranted to fully discern their respective alignment with best practices.

Finally, while the largest OOST program in the County, MCPS Extracurricular Activities, does not include an academic component, it's important to note the research demonstrating the value of extracurricular activities on student outcomes (see pages 5-6) irrespective of their alignment with best practices.

**Table 2: Publicly Funding OOST Summer Programs in Montgomery County**

Summer OOST Programs	Funding Source	Enrollment	Funding	PPE	Grades
<b>Available to All Students</b>					
Summer School	MCPS & parent fees	5,052	\$2,042,567	\$404	K-5, 9-12
<b>Targeted OOST Based Programs on FARMS</b>					
Extended Learning Opportunities Summer Adventures in Learning	MCPS	4,004	\$1,688,629	\$422	K-2
Building Education Leaders for Life	DHHS	1,045	\$750,750	\$718	2-3
Middle School Extended Year	MCPS & parent fees	2,476	\$933,452	\$377	6-8
Summer Excel Beyond the Bell	Recreation	140	\$94,140	\$672	6-8
<b>SUBTOTAL</b>		<b>7,665</b>	<b>\$3,466,971</b>	<b>\$450</b>	
<b>TOTAL</b>					
		<b>12,717</b>	<b>\$5,509,538</b>	<b>\$433</b>	

**Publicly Funded Summer Programs.** As noted in Table 2 above, *Summer School accounts for the largest public investment in summer OOST slots in Montgomery County.* The budget for Summer School totaled \$2 million in FY16 and served about 5,000 students. However, it is estimated that parent fees, ranging from \$140 per ESOL class to \$300-\$335 per elementary and high school class, accounted for \$1.5 million or three-quarters of MCPS' total summer school budget in FY16.

Two additional findings emerge from an analysis of the data on summer OOST slots:

**B. Financing in Other Jurisdictions**

Many jurisdictions seeking to expand their OOST offerings and create systems to meet the needs of children, families, and communities cobble together a portfolio of public and private resources to fund programs for low-income children. Philanthropies have been essential to several municipalities scaling up large scale efforts. For example, several philanthropies have contributed to Baltimore's after school programs, including the Annie E. Casey Foundation, the Harry and Jeanette Weinberg Foundation, and the Open Society Institute.<sup>50</sup> Similarly, New York's City's OOST initiative has received support from the Atlantic Philanthropies, the Citigroup Foundation, and the Charles Stewart Mott Foundation.<sup>51</sup>

Despite the availability of some federal funding sources and philanthropic support, there still exists a chasm between the demand and supply for low and no-cost OOST programs nationally. This chasm undermines the long term quality of OOST programs and their ability to help narrow the achievement gap as too few OOST programs have the resources they need to help children reach their potential.

To address the funding conundrum for high quality OOST programs, some jurisdictions have created dedicated local revenue sources to expand OOST and other child serving programs in their communities. Table 4 provides a summary of the different funding approaches utilized in other jurisdictions to support OOST and other child serving programs and the amount a revenue generated by each approach.<sup>52</sup> A description of each funding approach with examples of how they have been implemented follow.

**Table 4: Public Finance Approaches and Revenue Raised in Other Jurisdictions**

<b>Revenue Strategy</b>	<b>Jurisdictions and Financing Assumptions</b>	<b>Revenue</b>
<b><i>Special Taxing Districts</i></b>	<u>Miami-Dade</u> Children's Trust relies on a 50 cents tax per \$1,000 in assessed property.	<b><i>\$100 million</i></b>
<b><i>Special Taxes or Levies</i></b>	<u>Seattle</u> Families and Children Levy applies a 27 cents per \$1,000 tax on assessed property; <u>Portland's</u> Children's Levy taxes 40 cents per \$1,000 in assessed property.	<b><i>\$32 million</i></b> <b><i>\$15 million</i></b>
<b><i>Guaranteed Set-Asides</i></b>	<u>Oakland</u> Fund for Youth and Children relies on a budget set aside of 3% of unrestricted general revenue. <u>San Francisco</u> Children's Investment Fund relies on a set aside of 40 cents per \$1,000 in assessed property.	<b><i>\$15 million</i></b> <b><i>\$59 million</i></b>
<b><i>Fees and Narrow Taxes</i></b>	<u>Arkansas</u> Beer Tax for Preschools applies a 3 cents tax on every six-pack of beer; <u>Philadelphia</u> Soda Tax for Pre-K applies a 1.5 cents tax per ounce of soft drinks/sweetened beverages.	<b><i>\$13 million</i></b> <b><i>\$91 million</i></b>
<b><i>Children's Trust Funds</i></b>	<u>Maryland</u> Cigarette Fund Restitution based on annual funding from the Tobacco Master Settlement	<b><i>\$160 million</i></b>

<sup>50</sup> <http://www.afterschoolsystems.org/section/build/funding/baltimore>

<sup>51</sup> [http://www.afterschoolsystems.org/section/build/funding/new\\_york](http://www.afterschoolsystems.org/section/build/funding/new_york)

<sup>52</sup> A key source for this section is Creating Dedicated Local and State Revenue Sources for Youth Programs (Rachel Sherman, Sharon Deich, and Barbara Langford) - The Finance Project, January 2007 - <http://files.eric.ed.gov/fulltext/ED499568.pdf>

**Out of School Time and Children's Trusts**

**Table 7: Potential Revenue for OOST and Other Children's Services in Montgomery County**

<b>Public Finance Approach</b>	<b>Financing Assumptions</b>	<b>Potential Revenue</b>
<b>Special Taxing Districts</b>	50 cents tax per \$1,000 in assessed property <i>Like Miami Dade's Children Trust</i>	<b>\$82.8 million</b>
<b>Special Taxes or Levies</b>	27 cents per \$1,000 in assessed property <i>Like Portland's Special Property Tax</i>	<b>\$44.7 million</b>
	40 cents per \$1,000 in assessed property <i>Like Seattle's Special Property Tax</i>	<b>\$66.3 million</b>
<b>Guaranteed Set-Asides</b>	3% of unrestricted general revenue <i>Like Oakland's Budget Set-Aside</i>	<b>\$97.0 million</b>
	4 cents per \$100 in assessed property <i>Like San Francisco's Property Tax Set-Aside</i>	<b>\$66.3 million</b>
<b>Fees and Narrow Taxes</b>	3 cents tax on every six-pack of beer <i>Like Arkansas Beer Tax for Preschool</i>	<b>\$0.5 million</b>
	1.5 cent tax per ounce of soft drinks <i>Like Philadelphia Soft Drink Tax for Pre-K</i>	<b>\$84.0 million</b>
<b>Children's Trust Funds</b>	2.5% of local property tax revenue <i>Like Montgomery County Housing Initiative Fund</i>	<b>\$27.2 million</b>

The remaining four finance approaches used in other jurisdictions would yield minimal new funding for OOST programs in Montgomery County or require the diversion of resources spent elsewhere:

- **Fees and Narrow Taxes** based on a three cents tax on every six-pack of beer (like the Arkansas Beer Tax) would yield **\$500,000** in new revenue;
- **A Guaranteed Set-Aside** based on three percent of unrestricted general revenue (like Oakland's Fund for Youth and Children) would reallocate **\$97 million** in existing revenue to OOST and other child serving programs; if based on four percent of property tax revenue (like San Francisco's Children and Youth Fund) would reallocate **\$66.3 million** in existing revenue to OOST and other children's services; and
- **A Children's Trust Fund** based on 2.5 percent of local property tax revenue (like the allocation for the Montgomery County Housing Initiative Fund) would reallocate **\$27.2 million** in existing revenue to OOST and other child serving programs.

The number of OOST slots supported with additional revenue would depend on whether new resources were allocated to improving the quality of current OOST slots and their alignment with best practices (e.g. more hours and days, including academic and enrichment components), or increasing the number of school year and summer OOST slots overall. The number of OOST slots supported would also depend on what share of new/redirected revenue were allocated to OOST as compared to other child-serving programs such as mental health services, quality child care, and full-day pre-K programs.

As the County Council and the Children's Opportunity Fund consider strategies for expanding OOST and other children's services aimed at narrowing achievement gaps, having a sense of how much additional revenue could be raised under alternative public finance approaches and assumptions could be useful toward helping them consider next steps in expanding opportunities for the County's children.





OFFICE OF THE COUNTY EXECUTIVE

Isiah Leggett  
County Executive

Timothy L. Firestine  
Chief Administrative Officer

MEMORANDUM

September 15, 2016

To: Chris Cihlar, Director, Office of Legislative Oversight

From: Timothy L. Firestine, Chief Administrative Officer *Timothy L. Firestine*

Subject: OLO Memorandum Report 2016-11: Out of School Time and Children's Trusts

Thank you for the opportunity to comment on OLO Memorandum Report 2016-11: Out of School Time and Children's Trusts. We agree that well organized and executed out-of-school time (OOST) programs can contribute greatly to child and youth development by narrowing the opportunity gap between low- and high-income children and that there is a greater demand for these opportunities than there is supply.

We also concur that high quality OOST programs contribute to the narrowing of the achievement gap, but that it is at best one component of a much larger approach; and, that this larger approach must incorporate many stakeholders from the public, private, and non-profit sectors to carry out a comprehensive plan, including OOST.

The report suggests three approaches, in addition to the Children's Trust Fund, to enhance programming for OOST: taxes, set asides, and fees. While these are all possible sources of revenue, the new and/or updated taxation policies necessary to implement these changes and generate this revenue could be a challenge in the face of competing priorities in the continuing tight fiscal picture. The County would need to engage in robust discourse and perform detailed risk/benefit analysis before endorsing such a policy.

Following are the answers to the Memorandum's specific recommendations:

**OLO Recommendation A: Conduct a needs assessment of current OOST programs to identify service and quality gaps.**

**CAO Response:** We agree with this recommendation. It is possible that the Collaboration Council, with cooperation from the County, MCPS, non-profit organizations, etc., could conduct

Chris Cihlar, Office of Legislative Oversight  
September 15, 2016  
Page 2

a more comprehensive analysis, similar to assessments performed in the past, to determine the need for OOST programming among families at all income levels and to best position strategic expansion of these programs in the County.

**OLO Recommendation B: Coordinate existing OOST programs in the County to identify opportunities for expansion and collaboration.**

**CAO Response:** We agree there is the need to empower an intermediary organization to have the authority to help oversee all OOST programming and assessments in the County. We propose expanding the Excel Beyond the Bell (EBB) steering committee model that includes MCPS leadership at all levels as well as providers, Department of Recreation staff, and the Collaboration Council.

**OLO Recommendation C: Conduct needs assessments and reviews of best practices for other potential Children's Opportunity Fund investments that impact the achievement gap.**

**CAO Response:** The Children's Opportunity Fund is working on establishing recommendations for other potential investments that positively impact the achievement gap. Upon receipt of these recommendations, we will review and assess them to ensure they are in line with best practices proven to minimize the achievement gap.

Thank you again for your work on this report. If you have any questions, please contact Fariba Kassiri, Assistant Chief Administrative Officer, at (240) 777-2512 or [Fariba.Kassiri@montgomerycountymd.gov](mailto:Fariba.Kassiri@montgomerycountymd.gov).

cc: Fariba Kassiri, Assistant Chief Administrative Officer  
Bonnie Kirkland, Assistant Chief Administrative Officer  
Uma Ahluwalia, Director, Department of Health and Human Services  
Gabriel Albornoz, Director, Department of Recreation  
Jennifer Hughes, Director, Office of Management and Budget  
Alexander A. Espinosa, Director, Department of Finance



**MONTGOMERY COUNTY PUBLIC SCHOOLS**  
MARYLAND  
www.montgomeryschoolsmd.org

September 16, 2016



Dr. Elaine Bonner-Tompkins, Senior Legislative Analyst  
Montgomery County Office of Legislative Oversight  
Stella B. Werner Council Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

Dear Dr. Bonner-Tompkins:

Thank you for the opportunity to provide comments on the Office of Legislative Oversight (OLO) Memorandum Report 2016-11: Out of School Time and Children's Trust. Montgomery County Public Schools (MCPS) shares the County Council's belief that the use of out of school time is critical to closing achievement disparities between student groups. MCPS believes that providing multiple and varied out of school learning and enrichment opportunities, including extended learning, after school, before school, summer school, Saturday school and extracurricular activities, is essential to closing disparities. In particular, MCPS believes that the report identified some key areas where families impacted by poverty face financial barriers to participation in out of school programs and activities that would help close achievement disparities.

The role evaluation plays in any effort to address these areas is pivotal. Extended Learning Opportunities Summer Adventures in Learning, the MCPS summer program for students impacted by poverty is a prime example of the importance of ongoing program evaluation. Subsequent to an evaluation of the program and findings related to student achievement and attendance, a number of changes were made to improve program outcomes and better serve students impacted by poverty. Ongoing program evaluation supports the iterative continuous improvement process. This commitment to evaluation extends to our partnership programs such as Excel Beyond the Bell and Building Educated Leaders for Life. By setting clear expectations for outcomes, ongoing program evaluation and collaborative problem solving Out of School Time (OOST) programs may help mitigate academic disparities by helping to equalize learning opportunities.

The finding that less than a third of school year and summer OOST slots target low-income students is of significant concern given the growth in families impacted by poverty within the county. It is worth noting that although there are fees for extracurricular and summer school those fees are reduced for students demonstrating need. These subsidies aside, the finding that publicly subsidized OOST programs remain out of reach for most low-income families in Montgomery County is a difficult reality for many MCPS families.

Office of the Chief Academic Officer

850 Hungerford Drive, Room 129 ♦ Rockville, Maryland 20850 ♦ 301-279-3127

The report recommendation the following:

**a) Conduct a needs assessment of current OOST programs to identify service and quality gaps.** The data reviewed in the report suggests a sizable gap between the demand for low-cost, high quality OOST programs in the County for low-income families and the supply of such programs. There may also be a gap between the demand and need for OOST programs among non-poor families. To strategically expand OOST programs in the County, a more thorough assessment of the supply and demand for OOST programs among families at all income levels is warranted.

There is merit in the recommendations to gain a greater understanding of the level of unmet need in Montgomery County for OOST programs. Surveying the landscape of both publicly subsidized and privately funded OOST programs would provide a baseline for the development of a strategic approach to meeting the demand for quality OOST programs.

A continued commitment to quality OOST programs is an important component in closing the opportunity gap in learning that exists in Montgomery County. There are a variety of ways to manifest that commitment in a strategy and having a coordinating entity is one way.

Thank you for your work on this report and for providing MCPS with the opportunity to provide input. We look forward to our continued collaboration. If you have any questions, please contact me at 301-279-3127.

Sincerely,

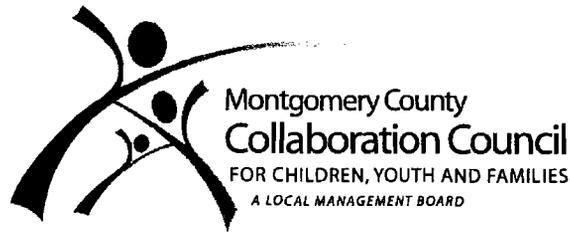


Maria V. Navarro, Ed.D.  
Chief Academic Officer

MVN:lcw

Copy to:

Mr. Leggett  
Mr. Rice  
Members of the Board of Education  
Dr. Smith  
Dr. Statham  
Dr. Zuckerman  
Dr. Johnson  
Dr. Brice  
Mr. Ikheola



September 15, 2016

Dr. Elaine Bonner-Tompkins  
Senior Legislative Analyst Montgomery County Office of Legislative Oversight  
Stella B. Werner Council Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

Dear Dr. Bonner-Tompkins:

We have reviewed your thoughtful report on the status of out-of-school time (OOST) in Montgomery County and the identification of potential funding sources and effective elements of a comprehensive OOST system. Since the OOST System Building Task Force was convened in 2006, the Montgomery County Collaboration Council for Children, Youth and Families (Collaboration Council) has demonstrated its willingness and capacity to serve as the intermediary to convene stakeholders, provide program oversight, education the community on effective practices, and promote quality standards and the accountability of OOST programs in Montgomery County.

The main work of the Collaboration Council is to engage leaders and partners to assure the well-being of children and youth in Montgomery County. We achieve this across the continuum of services by coordinating and funding programs, assessing community needs, developing their target outcomes, providing training and technical assistance, and promoting program quality and performance through validated tools.

The Collaboration Council is one of three major partners working to expand OOST programs at the middle school level through the Excel Beyond the Bell initiative. The initial pilot program was designed from current research related to essential elements of effective OOST coordinated systems including shared decision-making, frequent communication with stakeholders, adoption of a validated instrument to support continuous program improvement, and a common set of measures for all programs. Our staff has extensive experience in these areas and has developed additional successful pilot programs, including one current 21<sup>st</sup> Century Community Learning Center program at the elementary level. The City of Takoma Park has expressed interest in expanding the model, located in an affordable housing community, to include additional sites in its jurisdiction.

While the original 2006 OOST Task Force report noted that at that time "there is no universal consensus among funders, providers, and participants on what constitutes standards to measure and ensure quality in OOST programs", the wider field of OOST has been examining

the issue of program quality and developing common standards over the past decade. The Youth Program Quality Intervention system ([www.cypq.org](http://www.cypq.org)), required of all programs funded through Collaboration Council, provides a rubric with specifics on elements of high-quality OOST programs as well as workshops related to each of the components. These workshops are offered to all youth development practitioners in the County through the Collaboration Council; last year over 100 organizations sent staff to trainings we have offered.

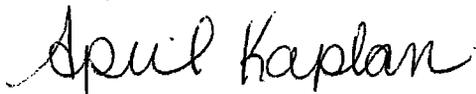
In addition to in-person learning opportunities, the Excel Beyond the Bell website, maintained by the Collaboration Council, provides access to current resources, information, training opportunity, links, and news for organization leaders and practitioners ([www.excelbeyondthebell.org](http://www.excelbeyondthebell.org)). The Governor's Office for Children (GOC) has recently provided funding to the Collaboration Council to expand our work in this area and establish a broader Community of Practice for professionals working with children, youth and young adults. This will provide additional avenues for learning, sharing collaborative and best practices, and expand our capabilities to link with other youth-serving professionals through on-line learning connections.

The Collaboration Council has also developed a comprehensive set of Core Competencies for OOST professionals, and tools for organizations to develop professional development plans for their staff. For the middle school pilot and the 21<sup>st</sup> Century program, the Collaboration Council maintains a data system for tracking engagement and monitoring outcomes. The next step in this process is to educate funders and the broader community about the importance of investing in professional development as well as program evaluation and to require these components for all funded OOST projects in Montgomery County.

There are several roles for an intermediary to take. The Collaboration Council is poised to conduct an updated community-wide needs assessment on the status of OOST programs. As noted in the OLO report, this is an undertaking the Collaboration Council has completed in the past for OOST. More recently, in FY16, our organization completed community-wide needs assessments focusing on mentoring programs as well as services, supports and programming for disconnected youth.

We also stand ready to raise public awareness, enhance program outcomes through professional development and evaluation, and lead a partnership of entities toward the common goal to enhance and expand OOST options. We believe that our organization is ready to expand our role in OOST for Montgomery County and look forward to discussing this opportunity with leaders and funders in our community.

Sincerely,



April Kaplan  
Executive Director



September 15, 2016

Dr. Elaine Bonner-Tompkins  
Senior Legislative Analyst  
Montgomery County Office of Legislative Oversight  
Stella B. Werner Council Office Building  
100 Maryland Avenue  
Rockville, Maryland 20850

Dear Dr. Bonner-Tompkins:

Thank you for the opportunity to review and comment on the Office of Legislative Oversight (OLO) report 2016-11 on Out of School Time and Children's Trusts. We appreciate OLO's analysis and recommendations pertaining to these topics. Below are our general comments on the recommendations for your review.

The Children's Opportunity Fund (COF) brings together top government leadership and dedicated community partners to plan, advocate for, review, and fund strategic investments that improve the lives of children and families in Montgomery County. Toward this end, the COF seeks to coordinate funding to support a policy agenda that promotes comprehensive strategies to align public and private resources to ensure that all children have access to the essential services and growth opportunities they need to thrive.

COF is in the early stages of development, building its infrastructure and considering investments in the following priority areas: early childhood education; closing opportunity gaps in Middle School; expansion of the community schools initiative; and youth transitioning to adulthood. COF is also exploring opportunities to establish a dedicated funding stream to sustain these investments in the long term.

We are concerned about the recommendation in the report that COF coordinate existing OOST programs in the County to identify opportunities for expansion and collaboration. COF may be best suited to function as a "funding" intermediary that coordinates a set of strategic evidenced-based investments for OOST and other priority areas, rather than in an operational, research and/or programmatic capacity as suggested in the report. It was always envisioned that the Montgomery County Collaboration Council for Children, Youth and Families would be the evaluation and measurement arm of the Children's Opportunity Fund. The Collaboration Council could conduct needs assessments on OOST and programs in other COF priority areas; coordinate existing OOST programs; and help to identify best practices for potential COF

investments that impact the achievement gap. In this way, COF will be able to support investments that are aligned with its broader policy agenda and assign research, operational and programmatic implementation of these investments to other organizations.

We also appreciate that the report recognizes that “after-school programs are at best one part of a much larger, multi- faceted approach toward closing the achievement gap,” and that, “Overall, participation in after-school programs, inclusive of both youth development activities and an academic component, lead to small gains in academic outcomes.” We understand that reports on best practices and financing options for expanding Pre-K and other children’s services are underway. These reports will help to inform COF’s investment strategy and policy agenda.

Again, thank you for the opportunity to provide input to this report. We look forward to collaborating with you and your colleagues on next steps and future reports focused on closing the achievement gap. Should you have any questions, please feel free to contact me at [mthakur@cfncr.org](mailto:mthakur@cfncr.org) or at 301-495-3036x170.

Sincerely,



Mala B. Thakur, Executive Director  
Children’s Opportunity Fund  
Housed by the Community Foundation for the National Capital Region  
In Montgomery County

cc: Children’s Opportunity Fund, Steering Committee

- Uma Ahluwalia, Director, Department of Health and Human Services
- Dr. Maria Navarro, Chief Academic Officer, Montgomery County Public Schools
- Anna Hargrave, Executive Director, Community Foundation for the National Capital Region in Montgomery County
- April Kaplan, Executive Director, Montgomery County Collaboration Council for Children, Youth and Families
- Gabriel Albornoz, Director, Department of Recreation
- Kevin Beverly, President/CEO, Social and Scientific Systems
- Agnes Leshner, Founder/Board Member, Montgomery’s Kids
- Dr. David Asai, Senior Director, Science Education, Howard Hughes Medical Institute