

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.

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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:

- 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.

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.***

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September 20, 2016

To: County Council

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Office of Legislative Oversight

Subject: Out of School Time and Children's Trusts

"Are summer 'camps' the next frontier in helping disadvantaged students catch up?"¹

This recent Washington Post headline illustrates the County Council's concern about how out of school time (OOST)², including access to summer camps, impacts the achievement gap in Montgomery County. The high cost of summer camp and after school activities puts many programs that could enhance student achievement out of reach for most low-income families.

To help the Council understand the consequences of the opportunity gap in OOST and strategies for narrowing this gap, this Office of Legislative Oversight 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 financing streams that provide dedicated revenue for children's services.

Background: County Council resolution 18-223 establishing the FY16 Work Program for the Office of Legislative Oversight tasked OLO to prepare a study describing how Children's Trusts operated in other jurisdictions. In FY16, Montgomery County Government and Montgomery County Public Schools also established the Children's Opportunity Fund (COF) as a public/private partnership to provide services aimed at diminishing opportunity and achievement gaps in the County.

The achievement gap refers to disparities in educational performance between student subgroups. Measures of the gap typically compare the performance of white, Asian, and higher income students to black, Latino, and lower income students and to a lesser extent, performance gaps by English language proficiency and disability status. OLO Report 2013-4 found that while MCPS made some progress in narrowing the achievement gap on grade level measures such as proficiency on standardized state exams since 2008, significant achievement gaps persists. And in some cases these gaps have widened on at-risk and college-readiness measures of performance.

¹ https://www.washingtonpost.com/local/education/are-summer-camps-the-next-frontier-in-helping-disadvantaged-students-catch-up/2016/07/24/2faa334e-4cf7-11e6-a7d8-13d06b37f256_story.html

² Out of school time, extended learning, and after school programs are used interchangeably in this report. Out of school time includes before and after care, summer school, Saturday school, and extracurricular activities.

Researchers have found that the achievement gap often reflects the opportunity gap in in-school and outside-of-school resources that support student achievement. The in-school opportunity gaps include differences in teacher experience and expectations by student income, race, and ethnicity; the out of school opportunity gap includes differential access to health care, housing, early childhood education, and OOST opportunities between affluent and low-income children.

To address the opportunity gap in summer learning, the Children's Opportunity Fund recently launched the Building Educated Leaders for Life (BELL) Program to provide summer learning and recreational programming for 1,000 children enrolled in high-poverty elementary schools. The intent of this OLO memorandum report is to help the COF build off of its launch of the BELL program by providing an overview of the local demand for OOST and public finance options for expanding OOST programs.

Although children's services beyond OOST are within the scope of the COF³, a review of child serving programs beyond OOST is beyond the scope of this current report. An OLO report describing best practices and financing options for expanding Pre-K programs is underway. And if directed by the Council, OLO will complete one or more follow-up reports to describe best practices and local demand for other children's services in FY17.

Overall, this OLO memorandum report seeks to address two questions:

- What is the best way to structure OOST programs to narrow the achievement gap?
- How can the County garner sufficient public resources to expand OOST opportunities?

To address these questions, this report is presented in four parts:

- Section 1 describes the benefits of OOST programs and best practices (pages 4-10);
- Section 2 describes the administration, supply and demand for OOST programs (pages 10-21);
- Section 3 describes public finance lessons from other jurisdictions (pages 21-31); and
- Section 4 offers recommendations for next steps for the County Council and COF to pursue to expand OOST and other child serving programs in the County (pages 32-33).
- Section 5 offers agency comments from Montgomery County Government, Montgomery County Public Schools, the Collaboration Council, and the Children's Opportunity Fund (pages 34-42).

Summary of Findings: This report's findings and recommendations include the following:

- **OOST programs can be effective at narrowing the opportunity gap between low- and high-income children and in turn narrow academic achievement gap.** Extracurricular and academic OOST programs can also be effective at improving students' socio-emotional skills and long-term education and employment outcomes. Yet, it is important to note that such programs are at best one part of a much larger approach to closing the achievement gap since the impact of OOST typically yield only small gains in academic outcomes.

³ According to March 1, 2016 packet to HHS and ED Committee's, the three priority areas of the Children's Opportunity Fund are: early childhood focus so children reading on grade level by the end of third grade; closing opportunity gaps in middle schools so that every middle school student has access to quality hands-on learning experiences outside the school day; and expansion of the Community Schools Initiative.

- **About \$31.1 million was expended locally on publicly subsidized OOST programs for 42,740 school year slots and 12,717 summer slots.** MCPS' Extracurricular and Summer School programs accounted for more than half of all OOST slots and expenditures in FY16 while OOST programs targeting low-income and/or immigrant students and high-poverty schools accounted for only a third of OOST slots and expenditures.
- **Few publicly funded OOST programs in Montgomery County offer comprehensive after school programs.** Comprehensive after school programs operate on a regular basis during the school year, offer more than one activity, have adult supervision, and include other children. Less than two percent of the publicly subsidized OOST slots in the County fit this description. The local OOST programs that fit this profile include Excel Beyond the Bell; 21st Century Community Learning Centers (21st CCLC), and after school programs operated by the Housing Opportunities Commission. Excel Beyond the Bell and the 21st CCLCs also align with best practices because they include academic and enrichment components to engage students.
- **Less than a third of school year and summer OOST slots target low-income students.** Low-income families rely on publicly subsidized OOST options due to the high cost of private programs. Yet, less than 17,000 of the 55,500 publicly supported OOST slots in the County target services to students or schools based on their FARMS eligibility or other criteria that align with student need, such as English language proficiency. Moreover, the largest publicly supported OOST programs – MCPS' extracurricular activities and summer school – charges fees, and academically ineligible students, who are disproportionately low-income and of color, are prohibited from participating in extracurricular activities including athletics.
- **Publicly subsidized OOST programs remain out of reach for most low-income families in Montgomery County.** Publicly funded OOST programs operating during the school year that targeted services to disadvantaged students had the capacity to serve about 17 percent of all low-income students enrolled in MCPS and 13 percent of all students enrolled in high-poverty schools. There were 9,200 tax-payer supported OOST school year slots targeting low-income students, English language learners, immigrants, and girls compared to 71,000 students enrolled in MCPS' 98 campuses with the highest rates of poverty.
- **The vast majority of publically funded OOST slots available during the school year exclusively serve middle and high school students.** Less than 8 percent of OOST programs offered during the school year serve elementary students or students across the K-12 grade span. More than 39,000 of the 42,740 school year OOST slots exclusively serve secondary students. While this distribution of OOST slots aligns with the priorities of the Positive Youth Development Initiative to prevent juvenile delinquency and to promote positive youth engagement, it may not align with the County's priorities for narrowing opportunity gaps that impact the achievement gap.
- **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. The most effective strategies in other jurisdictions have raised between \$13 million and \$100 million annually.

- **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 while more modest increases in property taxes implemented elsewhere could generate \$27 to \$66 million in additional revenue for Montgomery County.

To expand OOST programming in Montgomery County that targets the achievement gap, OLO offers **three recommendations for the Children’s Opportunity Fund:**

- Conduct a needs assessment of OOST programs locally to identify service and quality gaps,
- Coordinate existing OOST programs in the County to identify opportunities for expansion and collaboration; and
- Conduct needs assessments and reviews of best practices for other potential Children’s Opportunity Fund investments that impact the achievement gap (e.g. child care, pre-K).

Methodology: To prepare this report, OLO gathered information on local OOST programs and those in other jurisdictions through a review of available documents supplemented by interviews with subject matter experts and staff employed by Montgomery County Government, Montgomery County Public Schools, and the Montgomery County Collaboration Council for Children, Youth and Families.

Acknowledgments: OLO received a high level of cooperation from everyone involved in this study. OLO appreciates the information shared and the insights provided by:

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1. Benefits of Out of School Time Programs and Best Practices

As an opportunity to supplement learning from the school day and to provide targeted assistance to struggling learners, OOST (also referred to as “extended learning”) serves as a programming priority for the Children’s Opportunity Fund (COF). This section is presented in four parts to improve the County Council’s understanding of the benefits of OOST and program best practices:

- Impact of extended learning programs and extracurricular activities on youth outcomes;
- Opportunity gaps in OOST activities by student income;
- Promising practices for extended learning programs and systems; and
- Challenges in scaling up effective OOST programs.

A. Impact of OOST Activities on Youth Outcomes

Research suggests that OOST activities can impact a wide range of youth outcomes. These include improving students'.⁴

- Engagement that includes program attendance, year-to-year retention, and high levels of program engagement;
- 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 “after-school programs are at best one part of a much larger, multi-faceted approach toward closing the achievement gap.”⁵ Overall, participation in after-school programs, inclusive of both youth development activities and an academic component, lead to small gains in academic outcomes.

Summer programs. Participation in summer programs specifically has also been shown to improve academic outcomes. During the summer, many students lose knowledge and skills, particularly low-income students with limited access to enrichment opportunities.⁶ While all students lose some ground in mathematics over the summer, low-income students lose more ground in reading, while their higher-income peers make gains.⁷ Summer learning loss is also cumulative with the difference between summer learning rates between low- and higher-income students contributing substantially to the achievement gap.⁸ Students who attend summer programs have better outcomes than similar peers who do not attend these programs.⁹

Extracurricular activities. A growing body of research shows that extracurricular activities serve as a critical pathway to success in school and adult life. Organized activities outside of class help cultivate skills, habits, connections and knowledge that prepare children for lifelong success.¹⁰ Even after controlling for family background and cognitive ability, involvement in extracurricular activities predict:¹¹

- Higher grades;
- Higher college aspirations, enrollment and completion;
- Greater self-esteem and resilience;
- Lower levels of risky behaviors such as drug use, delinquency, and sexual activity; and
- Lower truancy rates.

⁴ See “Understanding Key Elements, Processes, and Outcomes of Expanded Learning Systems: A Review of the Research by Every Hour Counts, April 2014

⁵ Gardner, et al. 2009

⁶ See RAND: Making Summer Count: How Summer Programs Can Boost Children's Learning, 2011

⁷ Ibid

⁸ Ibid

⁹ RAND, 2011

¹⁰ Snellman et. al 2015

¹¹ Zaff et al. 2003

Extracurricular activities also help to develop soft skills that include working with others, leadership, grit, self-discipline, and endurance.¹² Researchers have found that these non-cognitive traits are at least as important as cognitive abilities in predicting educational attainment and income, even after taking into account family background. Extracurricular activities also help youth connect to adult mentors outside the immediate family who can positively influence in a young person's life.

Middle-class parents often understand the benefits of extracurricular activities and groom their children from an early age to excel in competitive afterschool activities like soccer, chess, and dance.¹³ Low-income parents often understand the benefits of extracurricular activities as well and it is plausible that low income youth could especially benefit from them since they are more likely to experience risk factors for low school performance and dropping out (e.g. divorced or separated parents, repeated a grade, witnessed violence, or have a learning disability).¹⁴ But for many low-income families, the cost of participating in extracurricular and enrichment activities is too high.

STEM Programs. STEM learning in after-school programs such as robotics clubs can also be effective at enhancing student outcomes and improving access to STEM fields and careers, particularly among Latinos, African Americans, and girls. In their review of evaluations for high-quality afterschool STEM programs, the Afterschool Alliance documented three sets of benefits from these programs:¹⁵

- Improved attitudes toward STEM fields and careers,
- Increased STEM knowledge and skills, and
- Higher likelihood of graduation and pursuing a STEM career.

B. Opportunity Gaps in OOST Activities by Student Income

Available data suggests that rates of participation in after-school programs (defined as operating on a regular basis during the school year, offering more than one activity, with adult supervision and other children) are generally low for all youth, including low-income students, ranging from 10-20 percent.¹⁶ In Maryland, 17% of children participated in after-school programs in 2009 compared to 28% of children who spent time in self-care.¹⁷ The low rates of after-school participation across income groups, however, may arise for different reasons: affluent youth may opt out because they have access to other enriching activities while low-income youth do not participate due to a lack of access to affordable programs.

While participation in after-school programs are generally low across all subgroups, students of color are more likely to participate in this category of OOST programs. As summarized by the Afterschool Alliance, of the 8.4 million children in afterschool programs, children of color were more likely to participate. Nationally, 15 percent of all children participate in these programs compared to:¹⁸

¹² Snellman et al, 2015

¹³ Friedman, 2013 (<http://www.ucpress.edu/book.php?isbn=9780520276765>)

¹⁴ <http://www.childtrends.org/?indicators=adverse-experiences>

¹⁵ STEM Learning in Afterschool: An Analysis of Impact and Outcomes, Afterschool Alliance, September 2011

¹⁶ See Gardner, Roth, and Brooks-Gunn, Can After-School Programs Help Level the Playing Field for Disadvantaged Youth, Teachers College, October 2009

¹⁷ See Maryland After 3pm.

¹⁸ Afterschool Alliance, 2009 American After 3pm cited by Afterschool Alliance in STEM Learning in Afterschool: An Analysis of Impact and Outcomes, 2011

- 25 percent of Asian students
- 24 percent of Black students
- 21 percent of Latino students, and
- 16 percent of Native American students.

Thus, the After School Alliance finds that afterschool programs are especially well-placed to help close the opportunity gap by race and ethnicity.

Conversely, researchers have found that students' access to extracurricular activities vary by family income. Since the 1970's, the number of upper middle class students active in school clubs and sports teams has increased, while participation rates for working class students have plummeted.¹⁹ This translates into a widening spending gap where there was a \$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).²⁰

What accounts for the growing class gap in extracurricular involvement? Researchers note that while both affluent and high-poverty school systems have had to trim their budgets, parents have responded in different ways. When affluent school systems make these cuts, their parents often have the means to subsidize school activities by paying for extracurricular participation fees, private lessons, and other curricular costs.²¹ Poorer school districts, however, often simply cut their extracurricular offerings.²²

C. Promising Practices for OOST Programs and Systems

Policy researchers generally identify two sets of promising practices for improving OOST programs: (a) practices for enhancing quality and participation in individual programs, and (b) practices for expanding and supporting systems of OOST. These promising practices refer to before- and after-school programs and summer learning programs rather than extracurricular activities such as clubs and athletics.

Promising Practices for OOST/Extended Learning Program Quality: The U.S. Department of Education's What Works Clearinghouse and the RAND Corporation²³ identify similar promising practices for ensuring quality among OOST/extended learning programs. Recognizing that effective programs must maximize enrollment and attendance to ensure that students benefit from OOST efforts, they list the following as promising practices for individual programs:

- **Academically align extended learning programs with the school day** by having OOST and school staffs communicate and collaborate on developing the academic component of OOST programs.

¹⁹ See Snellman, Silva, and Putnam – Inequality Outside the Classroom: Growing Class Differences in Participation in Extracurricular Activities – VUE, 2015, No. 40 (Annenberg Institute for School Reform) or <http://www.theatlantic.com/education/archive/2015/01/the-activity-gap/384961/>

²⁰ Kornrich, S. & Furstenberg, F. (2013), Investing in children: changes in parental spending on children, 1972-2007

²¹ No national data sets on pay-to-play fees exist. But a 2012 survey by the University of Michigan C.S. Mott Children's Hospital found that 61 percent of middle and high school students nationwide were charged a pay-to-play fee. While the average fee was \$93, 21% of parents were charged a participation fee of \$150 or more – and these numbers do not include the cost of equipment, uniforms, and additional fees like travel.

²² Stearns and Glennie (2010, cited in Snellman et. al) found that among North Carolina high schools, the percent of students receiving free and or reduced price lunches was negatively associated with total number of extracurricular activities, sports teams, and service opportunities offered by the school.

²³ Reports available at http://ies.ed.gov/ncee/wwc/pdf/practice_guides/ost_pg_072109.pdf

- **Maximize participation and attendance** by engaging parents early, having an attendance policy for participation, providing transportation, and aligning OOST offerings with parents' work schedules (e.g. full day summer programs and two to three hour after school programs).
- **Individualize instruction** by providing small classes, at least two levels of instruction, supports for students with special needs, and one-to-one tutoring if feasible.
- **Provide engaging experiences** in part by offering enrichment in addition to academic programming, making use of enrichment providers, and selecting enrichment providers with well-qualified staff who have experience in behavior management.
- **Access program quality** by developing an evaluation plan, collecting and analyzing performance data for program improvement, and conducting a summative evaluation.

Overall, effective OOST programs include both an academic component linked to the school day that differentiates instruction and an enrichment component that maximizes student engagement and attendance. Effective OOST programs also assess program quality to support continuous improvement.

Promising Practices for OOST/Extended Learning Systems: As described below, Every Hour Counts, formerly known as the Collaborative for Building After-School Systems, offers a list of promising practices for creating and sustaining systems of effective extended learning programs across three levels - systems, programs, and youth.²⁴

Systems: Every Hour Counts finds that having a shared vision across stakeholders and buy-in from key leaders led by a strong *intermediary organization* are essential features of effective OOST systems. Additional factors that influence the success of these systems include leadership with strong engagement of public officials, diverse funding sources, effective coordination, and a data management strategy. These systems level promising practices fall into three categories:

- **Access** – Exemplary systems constantly focus on improving access. They use surveys and public opinion polls to better understand what attracts youth and their caregivers to afterschool programs and what the community's needs are. Exemplary systems also conduct mapping exercises to understand where programs currently exist and where programs are still needed.
- **Infrastructure** – Intermediaries are essential to building OOST infrastructure that enables assessments of how the system is functioning and supports planning efforts. Core infrastructure elements include adoption and use of data for improvement; diverse and sustainable funding support, a coordinating entity, public and private partners, and a shared vision among partners.
- **System supports for continuous improvement** – Adopting standards and standards-aligned assessment tools, managing a continuous improvement process, and providing coordinated training and technical assistance are key to supporting quality OOST systems.

Program Management: Every Hour Counts also finds that there are key management and program quality practices that support effective OOST programs.

- **Management practices** – Effective management practices include processes to support orientation, training, and staff development; intentionality in program design; and explicit connections between program design and the school day. Additional effective practices include ensuring family satisfaction with the program; community outreach to inform the design and delivery of programming; and opportunities for meaningful youth input and leadership.

²⁴ http://www.afterschoolsystems.org/files/4061_file_Every_Hour_Counts_Literature_Review_FINAL.pdf

- **Program quality practices** – Program quality practices that support youth development and learning in afterschool programs include positive climate and supportive relationships; active, hands-on, inquiry-based learning, and the sequencing of activities to support skill building.

Youth Outcomes: Every Hour Counts also identifies three clusters of domains that reflect key youth-level outcomes of effective afterschool and expanded learning systems.

- **Engagement** as reflected by attendance, year-to-year program retention, high levels of program engagement, motivation, and interest.
- **Development of positive skills and beliefs** as reflected by the development of a growth mindset, persistence, self-regulation, critical thinking, communication skills, and collaboration.
- **Educational outcomes** as reflected by high school day attendance, on-time grade promotion, low levels of disciplinary incidents, progress toward mastery of academic skills and content.

In sum, effective extended learning systems develop and sustain effective OOST practices by creating a shared vision across stakeholders, using strong intermediary organizations to monitor the demand, supply, and quality of extended learning programs, aligning standards for program quality to management and program practices that support youth development, and monitoring youth outcomes on engagement, skills, beliefs, and educational outcomes to support continuous improvement.

Of note, while Every Hour Counts endorses that the use of intermediary organizations to scale up OOST systems, local jurisdictions have used a variety of governance approaches to develop OOST systems. For example, both Seattle and San Francisco rely on offices within their Executive Branch to manage and coordinate OOST programs. More specifically, Seattle's Department of Education and Learning works with the Seattle School District to coordinate OOST programs;²⁵ and in San Francisco, the local public school system and the City and County Department of Children, Youth and their Families administers their OOST programs.²⁶

D. Challenges in Scaling up Effective OOST Programs

Policy researchers have identified two common challenges in scaling up effective OOST programs: funding and sustaining youth engagement. These two challenges are described in detail below.

Funding. The cost of operating 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 a six-hour, five week summer learning program.²⁷ OOST programs are typically covered by some combination of four revenue sources: fees paid by parents, funds from private sources, funds from public sources, and in-kind contributions. Since low-income parents typically can only cover nominal fees, OOST efforts seeking to provide low-income children with greater access to high-quality OOST programs often face funding obstacles.

²⁵ <http://www.seattle.gov/education>

²⁶ <http://www.dcyf.org/index.aspx?page=32>

²⁷ See Gardner, Roth, and Brooks-Gunn, 2009; and RAND, 2011

Public funding for OOST programs can be used to support both childcare and educational oriented programs. The federal Department of Health and Human Services subsidizes the costs of childcare for select low-income families (including the cost of after-care) via its Child Care and Development Fund and Temporary Assistance for Needy Families. The Department of Education's 21st Century Community Learning Centers Program also allocates funds to states for academically oriented after-school programs for low-income students. Additional federal sources of funding for OOST are described on pages 23-24.

Some states and localities also provide funding for OOST programs yet total public funding typically covers only a fraction of the demand for OOST programs. In Maryland, this is evidenced by the advisory board of the Maryland After School and Summer Opportunity Fund recommendation that there should be "consistent and reliable funding available to reach the scale and scope of need and demand for quality OOST programs."²⁸

Beyond insufficient public funding, advocates and policy researchers have identified three funding-related obstacles that may interfere with efforts to expand affordable high-quality OOST programs.

- Many current funding mechanisms do not facilitate the development of sustainable programs.
- The administrative burdens faced by OOST program providers are considerable. Efforts to combine funds from varied public and private sources may detract from time and resources that could be spent of the provision of direct service.
- Funding priorities that focus only on programming to the exclusion of staff training and quality improvement make it difficult to provide low-income youth with access to high quality programming.

Youth engagement. Beyond family costs, 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.²⁹ As such, some current OOST programs, even with nominal or no costs, are under-enrolled due to these barriers. Youth engagement is especially challenging for district-based voluntary summer learning programs, although feasible if school systems partner with community-based providers to also offer enrichment options.³⁰

2. OOST in Montgomery County

This section summarizes available information on the organization of local OOST programs and access to publicly funded OOST programs among low-income students. In particular, this section compares the average cost of OOST programs in the County for before and after-school care to the federal recommendations for how much families should expend on child care to discern the gap between program costs and affordability for low-income families. This section is presented in three parts to offer the County Council a general overview of OOST programs in Montgomery County.

- Local OOST administration and organization
- Local OOST programs, costs, affordability, and access

²⁸ See page 18 of

http://mdoutofschooltime.org/penn_station/folders/resources__links/research_data_and_recommendations/MA_SOF_2014_Comprehensive_Plan_and_Recommendations_-_FINAL.pdf

²⁹ See Lauver, Little, and Weis (2004) cited in <http://www.childtrends.org/wp-content/uploads/2014/03/2014-13OutofSchoolActivities1.pdf>

³⁰ RAND, 2011`

- Local extracurricular programs and access

Of note, this section does not offer a comprehensive analysis comparing OOST demand to supply recommended as a best practice to improve access to OOST programs. As noted in the prior section, best practices recommend that intermediary organizations charged with developing and sustaining OOST systems conduct public opinion polling, surveys of parents and youth, and mapping exercises to understand where OOST programs currently exist, where programs are still needed, and what programs will be of interest and engage parents and youth. To plan and expand OOST programs to strategically meet unmet need, a more detailed description of OOST programs in the County is necessary.

Nevertheless, four key findings emerge from the data and information analyzed in this section:

- Despite the increased attention devoted to OOST over the past decade, the administration of OOST programs in the County remains highly decentralized.
- An analysis of available data suggests an OOST gap by income due to program costs and the limited number of publicly funded slots compared to the need for such slots.
- An analysis of available data also suggests that few publicly funded OOST programs in County align with the best practice of including both academic and enrichment components.
- There may also be a gap in access to extracurricular activities by income due to the costs of participation and higher levels of academic ineligibility among low-income students to participate in extracurricular activities.

Of note, Montgomery County also invests in other child-serving, anti-poverty programs that help to directly or indirectly address the opportunity gap by family income that contributes to the academic achievement gap. These including funding to support:

- Montgomery Cares/Care for Kids to address disparities in health care access (\$14.2 mil)³¹
- Pre-K (\$17.7)³² and subsidies for child care (\$4.8 mil)³³ to enhance early childhood education opportunities
- DHHS' Positive Youth Development programs for children and youth (\$4.7 mil)³⁴
- The Earned Income Tax Credit for low-income working families to mitigate the impact of poverty (\$21 mil)³⁵
- Housing Incentive Fund to support affordable housing (\$19.3 mil)³⁶

Together, these investments totaled \$82 million in FY16. This compares to \$31 million on OOST programs in FY16 described in detail beginning on page 14. Most of these anti-poverty initiatives are funded annually as part of the appropriations process, but some rely on dedicated local revenue sources and taxes (e.g. the Housing Incentive Fund). As COF considers strategies for expanding OOST programming and other child-serving programs, it may benefit from exploring lessons learned from how each of the current programs were initiated, how they have been sustained, and how they have been expanded under existing pressures in the County's operating and capital improvement budgets.

³¹ http://www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/fy17/psprec/MCG_FY17_REC_BUDGET.pdf

³² Ibid; http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2016/160428/20160428_HHS2.pdf (\$11.7 million for Pre-K and \$6 million in Head Start)

³³ Ibid

³⁴ Ibid

³⁵ http://www2.montgomerycountymd.gov/mcgportalapps/Press_Detail.aspx?Item_ID=14069

³⁶ http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2016/160420/20160420_PHEDHHS1.pdf

A. Local OOST Administration and Organization

This subsection provides an overview of how OOST programs are organized and delivered throughout the County. Since there is no one single entity responsible for the licensing, funding, or delivery of OOST programs, this subsection compiles and synthesizes available data from several sources. This section is organized to describe three key findings that emerged from the information reviewed.

1. The administration of local OOST programs is varied and highly decentralized.
2. With Excel Beyond the Bell, OOST program improvement efforts have focused on improving the quality of youth workers and expanding programs in high-poverty middle schools.
3. No organization in the County serves as intermediary to coordinate OOST programs outside of Excel Beyond the Bell.

Decentralized administration of OOST programs. There are a variety of OOST programs that operate in Montgomery County. As noted by the League of Women Voters in 2007³⁷, there were:

- Licensed school-age child care in schools or day-care centers
- School-sponsored after-school programs
- PTA-sponsored after-school programs
- Recreation center programs
- Youth activities in cultural arts centers such as Strathmore and Black Rock
- Faith-based organizations that sponsor youth activities
- Youth activities provided by specialized organizations such as CASA, St. Luke's House and Arts on the Block
- Saturday and after-school tutoring programs such as George B. Thomas Academy
- Local units of national organizations such as the YMCA, Boy Scouts, Girl Scouts, 4-H Clubs, Camp Fire Girls, Junior Achievement
- Parent-run groups with specific focus such as soccer, chess, martial arts, etc.
- Individuals or business that offer classes such as music lessons, karate, or SAT participation.

Except for before- and after-school programs, these programs are usually offered once a week and most commonly after school. Summer school, camps, and programs provide additional OOST programming that operates within the County. According to Maryland After 3pm Survey Results, the top five activities offered by after-school programs are physical activity, homework assistance, reading or writing, beverages or snacks/meals, and music or art.

The delivery and funding of OOST programs generally varies by grade span. As noted by the Finances and Resources Workgroup of the Montgomery County OOST System Building Task Force in 2006:

- **Elementary school** licensed OOST programs (before- and after-care) are funded primarily by parent fees and may rely on supplementary public and private support to cover program costs.
- **Middle school** programs are often a mix of licensed programs supported by parent fees, MCPS extracurricular activities, Recreation Department-sponsored programs (some of which include parent/user fees), and private organizations using a combination of public funding and private support, including parent fees and fundraising.

³⁷ Out-of-School Time Programs Fact Sheet, League of Women Voters of Montgomery County, MD, Inc. June, 2007

- **High school** programs are primarily MCPS extracurricular activities with some services provided directly by Recreation (that may require fees) and private organizations using a combination of public funding and private support, including parent fees and fundraising.

A myriad of private and public organizations administer OOST programs in the County. The LWV noted that in 2007, eight county agencies delivered or funded OOST services:

- Montgomery County Public Schools;
- Departments of Recreation, Economic Development, Housing and Community Affairs, Police, Public Libraries, and Health and Human Services; and
- The Housing Opportunities Commission.

Additionally, the Collaboration Council supports a number of OOST services with funds from the Maryland Governor's Office for Children, with a focus on secondary students in high-need areas. In addition to several local agencies and the state funding OOST programs in Montgomery County, private providers seeking public funds to operate OOST programs locally can utilize one of three avenues to secure County funding: the procurement process, the County Executive's Community Collaboration Grants, and the County Council Grants. The latter funds are marketed as grants, but when they are awarded to nonprofits they effectively become contracts.

Taken together, there are a number of OOST services that are offered in Montgomery County that rely on a variety of funding mechanisms to operate. In turn, the administration of OOST programs in the County is highly decentralized such that there is no singular entity that possesses centralized knowledge of OOST programs in the County. For the most part, each OOST program operates independently although there is some coordination between MCPS and Recreation on some specific programs. As such, there is no system of out of school-time in the County.

Enhancing OOST staff quality and access to secondary students has been a priority. In 2006, the Collaboration Council convened the Out of School Time System Building Task Force with the assistance of the National Institute on Out of School Time at Wellesley College. Their task was two-fold: to conduct a needs assessment describing the status of OOST programs and to develop a strategic plan for action.

As part of their scan, the OOST Task Force reviewed local demand and capacity for OOST programs and surveyed more than 1,000 parents, adults, caregivers, and secondary students. Several findings emerged from their review, including the following:

- There is no coordination at a school community level around programs that may exist outside the school setting serving the community.
- More parents would send their youth to programs if information, location and transportation barriers were removed and the activities were of interest to the youth.
- There is no universal consensus among funders, providers, and participants on what constitutes standards to measure and ensure quality in out of school time programs.
- There is no identified set of core competences for youth workers or a local youth worker professional development system that trains, compensates, and retains this workforce.
- Space and transportation gaps challenge the expansion of out of school time capacity.

- There is no collaborative governance or management of OOST funding and resources to ensure their distribution to high need areas without duplication. Nor is there a county-wide accountability system to ensure public or private funders that investments in Montgomery County's OOST programs will bring the desired impact for youth.
- Efforts toward further expansion of local capacity should first be focused on supporting and strengthening existing programs to ensure that program focus and content are aligned with the interests of parents and youth.

As noted in the Collaboration Council's 2007 Annual Report, to address the above findings, the Task Force recommended the following approaches:

- Create ongoing mapping and data collection as well as analysis to identify gaps between demand and supply.
- Increase engagement of parents, youth, and community members in the identification of gaps, program design, and system building.
- Establish OOST standards with an implementation plan that aligns with an organization and professional development system focusing on youth worker competences, training, and technical assistance.
- Involve the school system, higher education, and other current and potential sources of professional development.
- Establish a governance structure for policy setting and capacity building, to increase and sustain public and private funding, resolve space and transportation barriers and ensure that community providers are partners.
- Establish an evaluation function that can determine what works to justify long-term funding.

OLO Report 2015-14, *Excel Beyond the Bell: Montgomery County's After School Program*, describes how the Excel Beyond the Bell (EBB) initiative was launched in 2008, with the Collaboration Council serving as the intermediary, "to inspire children and youth to realize their full potential by building a sustainable system offering safe, quality and accessible out of school time programs."

According to NIOST, EBB's accomplishments have included increased awareness among policymakers regarding the value of OOST, the launch of Advanced Youth Development training, a 30-hour training curriculum developed by the National Training Institute for Community Youth Work, and the use of the Efforts to Outcomes software system by OOST programs funded by the Collaboration Council to track participant demographics and attendance. In 2011, the Collaboration Council, MCPS, and the Department of Recreation jointly launched the EBB "middle school pilot" which provides after school recreational and social programming at select middle schools.

No single organization serves as an intermediary for all OOST programs in the County. The Collaboration Council has been the designated intermediary for EBB, but does not serve a similar function with OOST programs in the County overall or for publicly funded programs in particular. Moreover, according to the OOST Task Force, the role of CUPF/ICB in coordinating before- and after-care programs at MCPS school sites, and other OOST efforts shifted from a focus on programming to logistics more than a decade ago.³⁸ After-school coordinators at each middle school funded by Recreation lack the authority to coordinate OOST programs at their schools.³⁹

³⁸ See page 32 of http://www.ibrarian.net/navon/paper/Final_Report_incl_Brd_Action_doc.pdf?paperid=6078330

³⁹ Ibid

The absence of an OOST intermediary limits the County's ability to coordinate programs, assess gaps in quality and access, and to support program improvements among the highly decentralized system of public and private OOST providers described in the next section. The Collaboration Council may be best suited to play this role given their historic role in scaling up OOST best practices in the County.

B. Overview of Local OOST Programs

This subsection describes publicly funded OOST programs and privately operated before- and after-school programs in MCPS schools. This subsection also compares data on the number of low-cost OOST slots in the County to the number of families eligible for free and reduced priced meals. Finally, this subsection describes the alignment between taxpayer-supported OOST programs and best practices.

Local OOST Supply and Demand. As noted by the League of Women Voters in 2007⁴⁰, OOST programs are a desirable resource for many children and their families. For families that can afford math tutoring, karate or violin lessons for the children and can provide the transportation, there is little problem. However, low-income families have limited choices for free or low-cost programs.

To compare the need for no and low-cost OOST slots with the supply of publicly subsidized OOST slots, OLO compared enrollment data from MCPS to school year and summer OOST programs that rely in whole or in part on public funding. For this analysis, OLO relied on the following data points compiled in MCPS' School at a Glance report and OLO Report 2015-15:⁴¹

- K-8 enrollment of 110,040 students and FARMS enrollment of 41,921 students, 2015-16;
- K-12 enrollment of 156,162 students and FARMS enrollment of 54,516 students, 2015-16;
- K-8 enrollment of 49,230 students for 85 highest poverty elementary & middle schools, 2014-15;
- K-12 enrollment of 70,758 students for 98 highest poverty elementary, middle, and high schools, 2014-15; and
- OOST program enrollment data for FY16 provided by agencies that deliver or monitor contracts for OOST services in the County.

To compile data on local publicly funded OOST programs, OLO reviewed documents and conducted interviews with agency staff. However, OLO acknowledges that the OOST programs listed in this section may not offer a complete list of publicly funded OOST programs in the County. For example, there may be federally or state funded OOST programs whose funding does not flow through local agencies. This is the case for three federally funded 21st Century Community Learning Centers operated by the Collaboration Council, Identity, and the Montgomery Housing Partnership (although these are listed in Table 1). Despite this data limitation, OLO is confident that most of the programs listed in this section account for the bulk of publicly funded OOST programs in operation in the County.

Table 1 on the next page lists the publicly financed programs that provide OOST slots during the school year. Overall, \$25.6 million was expended on 42,740 school year OOST slots during FY16. Table 2 on page 18 lists the publicly financed programs that provided OOST slots during the summer. In FY16 about \$5.5 million was expended to fund nearly 13,000 summer OOST slots. In sum, a total of \$31.1 million was expended during the 2015-16 school year to support a combined 55,500 school year and summer OOST slots with tax payer dollars and parental fees.

⁴⁰ Out-of-School Time Programs Fact Sheet, League of Women Voters of Montgomery County, MD, Inc. June, 2007

⁴¹ http://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/OLOReport2015-15ResourcesAndStaffingAmongMCPSSchools.pdf

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

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

Publicly Funded School Year Programs. Several findings emerge from an analysis of the data.

- **MCPS' Extracurricular Activities and Athletics accounted for a majority of publicly funded school year OOST slots in FY16.** MCPS' Extracurricular Activities accounted for 56 percent of school year slots and 57 percent of school year OOST program costs.⁴² Only academically eligible secondary students (students with a 2.0 grade point average or above) who can pay a nominal extracurricular fee of \$32.50 per student (or \$15 per student if families have an annual income of \$35,000 or less) can participate in MCPS extracurricular activities.
- **High School Intervention and the George B. Thomas Saturday Academy comprised the next two largest school year OOST programs.** Both programs offer extended learning time for students to master grade level coursework. Together, these two programs accounted for another 19 percent of school year slots and 10 percent of OOST school year costs.⁴³
- **School year OOST slots targeting low-income students, high poverty schools, and immigrants accounted for a fifth of total OOST slots in FY16.** Many of these school year OOST programs were funded by DHHS via its operating budget and as community grants.
- **The vast majority of OOST slots available during the school year exclusively serve middle and high school students.** Less than 8 percent of OOST programs offered during the school year serve elementary students or students across the K-12 grade span. More than 39,000 of the 42,740 slots are only available to students in the secondary grades.
- **Publicly funded OOST programs that were accessible to all students had the capacity to serve about a fifth of MCPS' total enrollment.** During the 2015-16 school year, there were 33,500 publicly supported OOST slots that were available to any student in the County compared to 156,000 MCPS students.
- **Publicly funded OOST programs operating during the school year that targeted services to disadvantaged students had the capacity to serve about 17 percent of all low-income students enrolled in MCPS and 13 percent of all students enrolled in high-poverty schools.** There were 9,200 publicly supported OOST slots targeting students participating in FARMS, students in high-poverty schools, English language learners, immigrants, and girls compared to 71,000 students enrolled on the MCPS' campuses with the highest rates of poverty.

Publicly Funded School Year OOST Costs and Quality. Comparing data on per student OOST costs locally and the estimated per student costs of high quality OOST programs (see page 8), suggests that few publicly subsidized programs can be characterized as high quality and/or align with best practices.

Best practices recommend that high quality OOST programs include academic and enrichment components. The largest school year OOST programs focus exclusively on enrichment (MCPS extracurricular activities and athletics) or academics (High School Intervention and George B. Thomas) but not on both program components. Moreover, only a few small-sized programs locally have per pupil expenditures (PPE) that rival the \$4,600 per student average cost of high quality OOST programs:

- ACE Academy served 55 students at an average cost of \$4,987 per student;

⁴² Fees accounted for about \$800,000 of the \$14.6 million budget for MCPS' extracurricular activities.

⁴³ Fees accounted for about \$125,000 of the \$1.15 million budget for the George B. Thomas Saturday Academy.

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- Identity's federally funded 21st Century Community Learning Center (21st 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 21st 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 21st 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
Available to All Students					
Summer School	MCPS & parent fees	5,052	\$2,042,567	\$404	K-5, 9-12
Targeted OOST Based Programs on FARMS					
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
SUBTOTAL		7,665	\$3,466,971	\$450	
TOTAL		12,717	\$5,509,538	\$433	

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:

- **Most publicly funded summer OOST programs target low-income K-8 students.** Of the 12,717 publicly financed summer OOST slots in 2016, 7,665 or 60% targeted K-8 students based on their FARM's eligibility or their school's FARMS rate.
- **Publicly funded summer OOST programs for disadvantaged students had the capacity to serve about 18 percent of all low-income students in grades K-8.** During the 2015-16 school year, there were 7,665 K-8 summer OOST slots for economically disadvantaged students compared to K-8 FARMS enrollment of nearly 42,000 students.
- **Publicly funded summer OOST programs for disadvantaged students had the capacity to serve about 14 percent of students enrolled in high poverty elementary and middle schools.** During the 2015-16 school year, there were 7,665 K-8 summer OOST slots for economically disadvantaged students compared to about 54,000 students enrolled in the highest poverty elementary and middle schools in 2014-15.

Publicly Funded Summer OOST Costs and Quality. The low average per pupil cost of local publicly financed OOST programs (\$450 per student) compared to the average costs of high quality programs (\$1,100 to \$2,800 per student) suggests that local summer programs are low in quality. Two local programs, however, align well with best practices: the BELL Summer Program operates for a longer day and includes both academic and enrichment components; and Recreation partners with MCPS' Middle School Extended Year to offer an afternoon enrichment component to this primarily academic program.

It's also important to note that researchers have found a favorable benefit of summer programs (perhaps of any quality) on student outcomes compared to students who did not participate in such programs (see page 5).

Child Care Subsidies. Additionally, low-income Montgomery County families received another \$7.3 million in federal, state, and local child care subsidies in FY15, some of which was used to defray the costs of OOST programs for children between the ages of 6 and 12. A total of 1,627 low-income children received child care subsidies in the County. Yet, as noted in OLO Report 2016-3, only 1 out of 19 children age 0-11 whose family incomes qualify them for FARMS received child care subsidies on a monthly basis.

Private School-Based Before and After Care in Montgomery County. In Maryland, 64% of after-school programs are located in a public school building. In Montgomery County, private for-profit and non-profit vendors provide before- and/or after-care in most elementary schools and in a few middle schools. CUFPI/ICB coordinates the logistics of vendors and community based organizations renting space in MCPS schools. The following ten providers together provide before- and after-care services in more than half of MCPS' elementary schools:

- Bar-T: 30 sites (<http://www.bar-t.com/school-year/>)
- Kids Co: 20 sites (website <http://www.kidscoonline.com/before-after-school-locations/>)
- Kids After Hours: 20 sites (<http://www.kidsafterhours.com/kidsafterhours/school-year>)
- Global Children's Center: 10+ sites <http://www.globalchildrenscenter.com/pages/hours-location.htm>)
- Kids Adventures: 6-8 sites, including Teen Adventures (<http://www.kidsadventures.com/contact/>)
- Rockville Day Care Association: 5 sites (<http://www.rockvilledaycare.org/programs/school-age/>)
- Academy Child Development Center: 5 sites (<https://academychild.com/our-programs/kave-club/>)
- Montgomery Child Care Association: 4 sites (<http://www.mccaedu.org>)

- Wonders Child Care Center: 4 sites (<http://wonderslearning.org/>)
- Horizon Childcare: 3 sites (<http://www.horizonchildcare.org/home.html>)

Mainly parent fees that average about \$500 per month fund these school-based programs.⁴⁴ For a single parent or couple with one school-age child earning \$3,000 a month (which is the income limit for FARMS eligibility for a family of three), the average expense of before- and after-care during the school year accounts for 17% of income, exceeding the U.S. Department of Health and Human Services recommendation that child care costs not exceed 10% of family income. For a single parent with two school-age children earning \$30,000 annually, the costs of before- and after-care during the school year would exceed a third of their income.

Moreover, many of OOST providers in the County offer day summer camp programs for school-age children. According to the Maryland After 3pm survey from the After School Alliance,⁴⁵ parents who paid for summer learning paid an average of \$306 per week.⁴⁶ Not surprisingly, cost rated as the most prominent reason why parents could not find childcare in Montgomery County, before- and after-care and summers included.⁴⁷ Many if not most OOST programs that rely on parent fees to cover program costs are not affordable to families eligible for FARMS.

Beyond the scope of this memorandum report is a description of the OOST programs administered by other private providers, at-times in coordination with local PTSA or booster clubs, as well as those administered by faith-based, cultural, and other non-profit institutions. A survey of these institutions would be essential to understanding current OOST programming in the County.

C. Local Extracurricular Programs

Extracurricular Participation. This section takes a closer look at MCPS' extracurricular programs since they account for more than half of publicly funded OOST slots and the budget for school year programs.

State and local data suggests that an opportunity gap persists in extracurricular participation by income, race, and ethnicity. For example, while the 2014 Youth Risk Behavior Survey shows that two thirds of middle school students in Montgomery County participated in extracurricular activities at school such as sports, band, drama, clubs, or student government:

- Latinos has the lowest rates of extracurricular participation in Montgomery County compared to other student subgroups (58.0% compared to 68.0% of white, 70.4% of other races, and 69.0% of black students);
- More affluent school systems had higher rates of extracurricular participation (73% in Howard) and less affluent systems had lower rates of participation (51.4% in Prince George's); and
- 67.0% male and 66.1% female students participated.

⁴⁴ According to the Maryland Child Care Resource Network, 2015 Child Care Demographics – Montgomery County Report (Maryland Family Report), the average weekly cost of full-time care in for school age before and after school care - \$120 for family child care programs; \$136 for child care centers.

⁴⁵ For this survey, 252 households and 1,036 children were screened for this survey.

⁴⁶ http://www.afterschoolalliance.org/AA3PM/detail.html#s/MD/summer/p_of_children_in_programs_2014

⁴⁷ See page 207 of http://www.marylandfamilynetwork.org/wp-content/uploads/2015/03/MFN_Demographics_all.pdf

As previously noted, MCPS relies on general funds and participation fees to fund extracurricular programs. Fees are \$32.50 per child with a reduced rate of \$15 per child for students whose families earn \$30,000 or less annually. Although student fees for extracurricular activities are fairly small in Montgomery County and are also prorated by income, they can be a hardship for the lowest income families, particularly for FARMS eligible families with multiple children.

Academic Ineligibility. In addition to the fees for extracurricular participation, MCPS' policies regarding academic eligibility may contribute to the extracurricular opportunity gap as well. MCPS bars students with less than a 2.0 grade average in the previous marking period and more than one failing grade from participating in most after-school activities where teachers earn stipends.⁴⁸ These include most team sports, drama, and music.

During the 2013-14 school year, 85 percent of all MCPS Grade 9 students were academically eligible for two or more quarters during the school year. However, lower-income students, students with disabilities, and black and Latino students evidenced lower rates of academic eligibility. More specifically:

- 97% of Asian students were eligible
- 96% of White students
- 90% of multiple race students
- 77% of English language learners
- 76% of Black students
- 72% of Latino students
- 70% of FARMS students
- 66% of students with disabilities.

Additionally, as noted in OLO Report 2014-7, an academic eligibility gap exists between higher- and lower-poverty high schools overall and among student subgroups where:

- 82% of students in low-poverty high schools were eligible for extracurricular activities for the entire school year compared to 62% of students in high-poverty high schools in 2012.
- Among all high schools, only 53% of students eligible for FARMS were eligible for the entire school year compared to 81% of non-FARMS students in 2012.
- Among all students eligible for FARMS, 59% were eligible in high-poverty high schools v. 51% of their peers in low-poverty high schools.

As noted by the League of Women Voters in 2007, the question has been raised: should low-achieving students be barred from activities which might foster valuable skills, self-esteem, and motivation for enhanced efforts? And if extracurricular activities improve student engagement and success, why penalize students (and disproportionately student subgroups) who could benefit most from extracurricular participation?

⁴⁸ MCPS Policy IQD, Academic Eligibility for Extracurricular Activities

3. Lessons on Financing OOST Programs from Other Jurisdictions

As noted in Section 1, funding is one of the most significant challenges to scaling up effective OOST programs that can narrow the achievement gap. High quality OOST programs can average \$4,600 per student for after school programs and \$1,100 to \$2,800 per student for summer slots. Although the average per student costs of publicly subsidized OOST programs in Montgomery County are far lower than the national averages for high quality OOST programs, only a small fraction of low income children have access to publicly subsidized OOST programs of any quality in the County.

To expand local OOST slots and their impact on the achievement gap, the County would need to supplement the \$31.3 million currently spent on publicly supported OOST programs with additional revenue. This section describes the federal resources available to support OOST programs, public finance strategies in other jurisdictions that fund OOST and other children's services, and the potential revenue Montgomery County could raise with different public finance options. This section also describes the benefits and drawbacks of different OOST financing options, including differences between dedicated public funding sources and public and private partnerships.

Overall, several findings emerge from the data and information analyzed in this section:

- **Federal funding for OOST programs is limited.** There is only one program dedicated to OOST programs that support student achievement – 21st Century Community Learning Centers.
- **Other jurisdictions have used a variety of public finance approaches to generate revenue for OOST and other children services.** These public finance approaches that generate new revenue by expanding property or sin taxes, as well as approaches that reallocate existing public revenue to OOST and other children services, such as budget asides, often depend on the will of voters or changes to state law to permit increased taxation.
- **New property taxes or sin taxes analogous to other jurisdictions could raise up to an additional \$83-\$84 million in revenue** to fund OOST and other children's programs.

A. Federal Funding for OOST Programs

One federal program provides dedicated funding for OOST programs: 21st Century Community Learning Centers (21st CCLC) funded through the U.S. Department of Education. Authorized under the Elementary and Secondary Education Act (ESEA), 21st Center Community Learning Centers funds are allocated to state educational agencies under formula grants based on the size of their low-income enrollment to allocate competitively to local school districts, community-based organizations, and other entities. The focus on the 21st CCLC is to fund OOST programs that support student achievement.

Beyond 21st CCLC, there are other federally funded programs whose revenue streams can be used to fund OOST programs as part of their overall strategy of serving children and families. Table 3 on the next page lists these federal programs and how their flexible funding streams can be used to fund after school and summer learning programs.⁴⁹

⁴⁹ Mott Foundation, Moving Summer Learning Forward: A Strategic Roadmap for Funding Streams in Tough Times https://c.ymcdn.com/sites/summerlearning.siteym.com/resource/resmgr/mott_/3.12.13_nsla_moving_summer_l.pdf

Table 3: Federal Funding Streams Beyond 21st CCLC that Support OOST

Programs	How Funding is Allocated	Eligible Use of Funds for OOST
Elementary and Secondary Education Act (ESEA) Title I, Part A	Formula grants to SEAs and then LEAs to schools with highest percentages of low-income students	Funding can be used to support OOST (<i>e.g. like MCPS' ELO SAIL</i>)
ESEA School Improvement Grants	Competitive grants to SEAs and LEAs for school interventions.	Two of the intervention models authorized require OOST
ESEA Title II, Part A	Formula grants to recruit, retain, and train teachers and principals	Can be used to train OOST staff
ESEA Title I, Part C Education of Migratory Students	Formula funding to states based on their number of migrant students	OOST funds must be used to educate migrant children
ED – Promise Neighborhoods	Competitive grants to eligible entities that include non-profits, IHE, and Native American Tribes.	Applicants must partner with at least one low-performing target school and implement a school intervention model that includes increasing OOST
HHS – Temporary Assistance to Needy Families	Funds are allocated to states	Funding can be used for OOST for students while their parents who are eligible for TANF work
HUD – Community Development Block Grant	Formula grant to local governments and states	At local discretion, can be used to support OOST
Corporation for National and Community Service – AmeriCorps	Competitive grants awarded to national, state, and local organizations and institutions	Service activities supported with AmeriCorps volunteers can include OOST
DOL – Workforce Investment Act	Formula grants to states and local areas	Can support teen summer employment and OOST focused on academics and occupations
USDA – National School Lunch Program	Reimbursements to approved sponsors through state agencies –	Can reimburse OOST programs that provide healthy snacks
NASA – Summer of Innovation Initiative and other STEM Opportunities	Grants to CBO that serve middle school students and teachers in STEM content	Can support summer OOST programs focused on STEM

Of note, several of these streams are used to fund OOST programs in Montgomery County. For example, MCPS uses ESEA Title I funds to support the ELO SAIL program, a summer OOST opportunity for elementary students enrolled in MCPS' Title I (highest-poverty) schools. Schools and community based OOST providers also seek reimbursements for providing healthy snacks and meals to OOST participants via the U.S. Department of Agriculture's National School Lunch Program. Some TANF recipients in the County also receive federal and state support to offset the costs of after hour child care for school age children to enable them to acquire and maintain employment outside of their homes.

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.⁵⁰ Similarly, New York's City's OOST initiative has received support from the Atlantic Philanthropies, the Citigroup Foundation, and the Charles Stewart Mott Foundation.⁵¹

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.⁵² 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

Revenue Strategy	Jurisdictions and Financing Assumptions	Revenue
<i>Special Taxing Districts</i>	<u>Miami-Dade</u> Children's Trust relies on a 50 cents tax per \$1,000 in assessed property.	<i>\$100 million</i>
<i>Special Taxes or Levies</i>	<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.	<i>\$32 million</i> <i>\$15 million</i>
<i>Guaranteed Set-Asides</i>	<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.	<i>\$15 million</i> <i>\$59 million</i>
<i>Fees and Narrow Taxes</i>	<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.	<i>\$13 million</i> <i>\$91 million</i>
<i>Children's Trust Funds</i>	<u>Maryland</u> Cigarette Fund Restitution based on annual funding from the Tobacco Master Settlement	<i>\$160 million</i>

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

⁵¹ http://www.afterschoolsystems.org/section/build/funding/new_york

⁵² 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>

Special Taxing Districts. These are independent units of local government separate from county or municipal government that require state authorization. Revenue generated from the levying of property taxes through a special taxing district is generally dedicated to a single purpose. Typically, special taxing districts are used to support public education, but some jurisdictions have used them to support youth services, including OOST. These include:

- **Fort Worth, Texas Crime Control Prevention District** – ½ cent sales tax approved by the public in 1999 that generated \$86 million in revenue in FY16, of which \$3.8 million was expended on afterschool programs in partnership with local school systems.⁵³
- **Children Service Councils in Florida** funded with revenue generated by County referendums to create special taxing districts and to levy an additional property tax to fund services for children and youth. The **Miami-Dade Children's Trust** was authorized under this authority.

In 2002, Miami-Dade voters approved a 50 cents tax per \$100 in assessed property value to fund programs that improve the lives of children and families. The Trust was reauthorized in 2009 and for FY15, it raised \$100 million for children's programs. Currently, the Trust focuses on four areas: children's health, safe communities, school readiness, and children's success in school and society. The Trust's investment in OOST programs, accounting for 26 percent of its total expenditures, accounts for the largest categorical share of the Trust's annual budget. A sunset provision requires that voters reauthorize the special taxing district funding the Children's Trust every five years.⁵⁴

Special Taxes and Levies. State and local governments can increase existing taxes by implementing special tax levies to meet specific purposes. These are add-ons to an existing tax (property, income, sales, or business taxes) that result in an increased tax rate. New revenue generated is earmarked for a specific purpose that can include OOST programs and other children's services. For example:

- **Seattle Families and Education Levy**, first passed in 1990, provides funding for early childcare, out of school time, youth development and health programs. Voters must renew this levy every seven years; this levy increased from 14 to 27 cents per \$1,000 in property taxes in 2011. In FY14, the levy raised \$32 million, with \$28 million budgeted for programs and half (\$14 million) for OOST, summer learning, sports, and OOST transportation services for students K-12.⁵⁵
- **Portland Children's Levy**, first passed in 2002 as an increase in property taxes by 40 cents per \$1,000 in assessed property value. Voters have renewed the levy every five years for its continuation. In FY16, the levy raised \$14.6 million with \$2.4 million allocated to OOST programs.⁵⁶

⁵³ <https://www.fortworthpd.com/CCPD/>

⁵⁴ <https://www.thechildrenstrust.org/about;>

https://www.thechildrenstrust.org/uploads/images/publications/ann_reports/2015_Annual_Report_011916.pdf

⁵⁵ [http://www.seattle.gov/financedepartment/14adoptedbudget/documents/EDLEVY.pdf;](http://www.seattle.gov/financedepartment/14adoptedbudget/documents/EDLEVY.pdf)

[https://ballotpedia.org/Seattle_Education_Levy_Increase_\(November_2011\)](https://ballotpedia.org/Seattle_Education_Levy_Increase_(November_2011))

⁵⁶ [http://www.portlandchildrenslevy.org/about-us/financial;](http://www.portlandchildrenslevy.org/about-us/financial) <http://www.portlandchildrenslevy.org/about-us/performance-and-results>

- **St. Charles and St. Louis Counties, Missouri, Community Children's Service Funds** use property and sales taxes to provide mental health and substance abuse treatment for children and youth. State-level enabling legislation allows local jurisdictions to create ballot initiatives for voters to allocate a property tax levy of up to 25 cents for every \$100 of property value or up to a quarter cent sales tax for the Community Children's Service Fund. In 2004, St. Charles County voters passed an eight cents sales tax that generates \$5.4 to \$6.8 million in revenue annually for their Children's Service Fund. In 2008, St. Louis County voters passed a quarter cent sales tax that generates about \$40 million annually for theirs. Neither levy has a sunset provision or reauthorization process.

Guaranteed Set Asides. These set a floor below which public spending for specified programs and/or services cannot fall and acts as an earmark. It can be created in a number of ways: as a specific dollar amount (e.g. San Francisco Proposition J), as percentage of a revenue stream (e.g. unrestricted revenue or lottery revenue) or as a percentage of a budget stream (DHHS budget).

- **California, Proposition 49.** The After School Education and Safety Act (ASES) passed in 2002, requires guaranteed general fund appropriations for education to be funded first before new before and after school programs are funded. It maintains existing funding for afterschool programs, provides grants ranging from \$50,000 to \$70,000 to eligible school programs that submit "quality" applications, and requires a local funding match equal to at least a third of the ASES grant. The current funding level is \$550 million.
- **San Francisco Children and Youth Fund,** was created via a Children's Amendment to the City Charter setting aside three cents for every \$100 in assessed property value to support early childcare, OOST, family support, violence prevention, and youth development. Established in 1991, the Children's Fund was reauthorized by voters for another 24 years in 2014 and increased the property tax set aside from 3 cents to 4 cents per \$100 of assessed property value (by 2018) and expanded to serve disconnected youth adults up to age 25.⁵⁷ In FY14, the Children's Fund raised \$50 million in revenue; in FY16 it raised \$59 million and in FY20 it is expected to raise \$86 million.⁵⁸
- **Oakland Fund for Children and Youth,** established in 1996 as an amendment to the City Charter and reauthorized for 12 years in 2009, the Fund sets aside 3% of the City's unrestricted general revenue funds to direct services to youth under the age of 21. In FY17, the Fund generated \$14.8 million of revenue, with 33% allocated to school based OOST, and 23% for year-round youth development and empowerment.⁵⁹

⁵⁷ Proposition C that reauthorized the Children's Fund also reauthorized the Public Education Enrichment Fund created in 2004 to provide additional revenue to pre-school and public education through annual contributions from the city's budget. The 2013 city contribution to PEEF was \$77.1 million. PEEF money was designed to be split three ways, with a third going to the [San Francisco Unified School District's](#) art, music, sports and library programs, a third going to the First Five Commission, which runs pre-school programs, and a third earmarked for the school district's general education fund. Proposition C renewed PEEF for 26 years.

⁵⁸ <http://www.dcyf.org/modules/showdocument.aspx?documentid=1853>

http://sfmayor.org/ftp/uploadedfiles/mayor/budget/SF_Budget_Book_FY_2015_16_and_2016_17_Final_WEB.pdf

⁵⁹ <http://www.ofcy.org>; <http://www.ofcy.org/assets/Uploads/OFCY-Strategic-Plan-2016-2019.pdf> ;

<http://www.ofcy.org/assets/Evaluation/2014-2015-Evaluation-Reports/FY14-15-Final-Report-2.pdf>

Fees and Narrowly Based Taxes. Local governments can assess fees and levy narrowly based taxes that are targeted for a specific purpose. For example, fees can be charged for use of public facilities that are used to fund recreation programs. The revenue stream for fees will be less stable and robust than say special taxing districts, special taxes or levies, or set asides because customers can avoid fees by avoiding goods/services. Some fees can also be used to supplement general revenues or support unrelated services. For example:

- **Arkansas**, three-cent excise tax on every six-pack of beer that benefits early childhood education programs. The tax was initially passed in 2001 by legislators as a temporary measure to offset budget cuts for preschool programs, but has been renewed every two years since. Annually, the tax raised about \$13 million in revenue.⁶⁰
- **Philadelphia's** recently enacted 1.5 cent per ounce tax on sugary and artificially sweetened drinks is estimated to raise \$91 million in its first year will be used to pay for expanding pre-K as well as improving parks, libraries and recreation centers⁶¹

Income Tax Checkoffs. Many states offer programs that allow taxpayers to allocate or redirect a nominal amount of their income tax returns to designated charitable and social programs. Some states administer checkoffs to fund children's programs.⁶² These include Alabama which offers an income tax checkoff for its state 4-H program. 4-H provides afterschool programs for youth in both rural and urban areas. In FY05, Alabama 4-H received nearly \$20,000 in funds from the state's income tax checkoff.

Children's Trust Funds. A trust fund is a separate, designated account in the public treasury that has special rules for managing its funds. Many states have created children's trust funds, most often to fund child abuse and prevention programs. Currently, trust funds are popular repositories for Tobacco Master Settlement Agreement revenues. For example:

- North Carolina's general assembly created the **North Carolina Health and Wellness Trust Fund** as one of three entities to invest the state's funds from the Tobacco Master Settlement Agreement that helps to fund the Teen Tobacco Use Prevention and Cessation Initiative that provides resources to grantees to communicate with youth.
- Maryland also receives funding annually from the Tobacco Master Settlement Agreement of about \$160 million that goes into **Maryland Cigarette Fund Restitution** Fund. In FY11, 60% was expended on Medicaid, 12% was spent on substance abuse, 9% on cervical and breast cancer programs, 8% on cancer prevention and treatment, and the remainder on smoking prevention and cessation, crop conversion, and education.⁶³

⁶⁰ <http://nieer.org/publications/more-states-find-virtue-%E2%80%98sin-taxes%E2%80%99-new-way-pay-early-education>; <http://www.dfa.arkansas.gov/offices/exciseTax/MiscTax/Documents/beerRevenueFYE2016.pdf>

⁶¹ <https://www.theguardian.com/business/2016/jun/20/philadelphia-soda-tax-pre-k-funding-obesity-health>; http://www.nytimes.com/2016/06/17/upshot/soda-tax-passes-in-philadelphia-advocates-ask-whos-next.html?_r=0

⁶² For example, as cited in "Creating Dedicated Local and State Revenue Sources for Youth Programs" by the Finance Project (January 2007), Colorado offers a state income tax checkoff for Family Resource Centers and Dropout Prevention Activity Funds.

⁶³ <https://www.oag.state.md.us/tobacco/FAQ.htm>; http://dlslibrary.state.md.us/publications/OPA/I/OCRF_2010.pdf

Of note, the trust fund approach combined with property tax set-aside has also been used in Montgomery County to support affordable housing programming. Established in 1988, the Housing Initiative Fund (HIF) is a locally funded housing trust that receives resources from the County's general fund based on a suggested 2.5% set aside of the County's property tax revenue, loan repayments, and other sources.⁶⁴

Annually, the County Council appropriates funds to the HIF that can be used to renovate affordable properties, build new units, and create housing units for residents with special needs. Between FY08 and FY16, General Fund transfers to the HIF have typically been less than 2.5% property tax set-aside envisioned, but have ranged from \$9.6 to \$21.8 million annually. During this time frame, revenue from the Capital Improvement Program to the HIF has ranged from \$500,000 to \$25 million.⁶⁵ In FY16, nearly \$46.9 million was available in the HIF to support affordable housing investments.⁶⁶

Specific OOST Expenditures in Other Jurisdictions. Five of the jurisdictions that have implemented alternative public financing systems to expand services for children have targeted additional funding to expand OOST programs. A summary of OOST expenditures among these jurisdictions follows with a description of the number of OOST slots funded, if available.

- ***Miami-Dade's Special Taxing District:*** \$26 million allocated to 14,000 after-school slots and 12,800 summer camp slots in FY15.
- ***Seattle's Special Property Tax:*** \$14 million allocated for OOST, summer learning, sports, and OOST transportation services in FY14. In FY10, nearly 16,000 OOST slots were funded.⁶⁷
- ***Portland's Special Property Tax:*** \$2.4 million allocated to afterschool programs that served 4,284 youth in FY15.
- ***San Francisco's Property Tax Set Aside:*** most of the \$59 million in revenue generated from the Children's Fund in FY16 was allocated to OOST to serve 14,000 children.
- ***Oakland's Budget Set Aside:*** \$5.7 million will be allocated to school based OOST and student engagement programs (serving about 7,000 youth) in FY17 and another \$3.8 million for year-round youth development and empowerment programs (serving about 5,600 youth).

C. Benefits and Drawbacks of Different Funding Approaches

Securing stable sources of funding for OOST and other child serving programs is a key benefit of jurisdictions adopting public finance structures to garner additional revenue. However, not all public finance approaches generate equal types of revenue.

⁶⁴ http://montgomerycountymd.gov/DHCA/resources/files/HIF_AR_06-07_FINAL.pdf

⁶⁵ The increase in the Recordation Tax Premium will add about \$5 million a year to the HIF.

⁶⁶ http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=6&clip_id=9393&meta_id=82810

⁶⁷ <http://www.nlc.org/documents/Find%20City%20Solutions/IYEF/Early%20Childhood/educational-alignment-for-youth-children-case-studies-seattle-april-2012.pdf>

Out of School Time and Children's Trusts

Approaches that rely on stable revenue sources, such as property taxes, can generate reliable and high levels of revenue, but in an environment anathema to new taxes, they may be politically unfeasible. At the other end of the spectrum, "sin taxes" on non-essential goods or income tax checkoffs may be more politically palatable, but generate lower levels and unstable sources of revenue. Table 5 summarizes these public finance considerations.

Table 5: Public Revenue Sources for Youth Programs Considerations ⁶⁸

Revenue Source	Benefits	Drawbacks
Special Taxing Districts (e.g. Miami-Dade Children's Trust)	<ul style="list-style-type: none"> - Stable and reliable funding - Difficult to eliminate - Produce the most revenue in areas with the highest taxable property values 	<ul style="list-style-type: none"> - Local attitudes on new taxes - Requires campaign and voter approval - May need change in state law - May reduce local/state appropriations - May reduce private support
Special Taxes or Levies (e.g. Portland, Seattle)	<ul style="list-style-type: none"> - Stable revenue over time if based on property tax - Special tax could be progressive if based on property or income taxes - Flexible funding source 	<ul style="list-style-type: none"> - Unstable revenue if based on sales or income taxes - May require a referendum or ballot initiative - Could be regressive if based on sales taxes
Guaranteed Set-Asides (e.g. San Francisco, Oakland)	<ul style="list-style-type: none"> - Stable funding for services specified - A phase in period can be an effective strategy for passing the referendum - Can include a mechanism for adjusting the minimum over time to account for inflation, population shifts 	<ul style="list-style-type: none"> - May require a referendum or ballot initiative - May create tensions with other programs funded by the budget (this was one of the arguments for the Mayor of Baltimore rejecting this approach)
Fees and Narrow Taxes (e.g. "sin taxes")	<ul style="list-style-type: none"> - If taxing essential goods and services, creates a stable revenue stream 	<ul style="list-style-type: none"> - Regressive If based on essential goods - Tax revenue will decline over time if taxing non-essential goods and services
Income Tax Checkoffs	<ul style="list-style-type: none"> - Easier to sell to the public because contributions are voluntary - Compared to other fundraising strategies, checkoffs require little taxpayer effort 	<ul style="list-style-type: none"> - Revenue tends to be low due to low participation rates and the nominal amount of funds that can be raised - Typically the amount of revenue generated declines over time
Children's Trust Funds	<ul style="list-style-type: none"> - Funds allocated through a trust fund may be easier to control - Depending on their structure, can be used to accept private sector resources - If its sufficient in size, expenditures can be limited to the interest that accrues 	<ul style="list-style-type: none"> - Requires an infusion of resources at their inception

There are also differences between dedicated public funding streams and public/private partnerships that policymakers and service providers should consider when deciding which revenue sources they should pursue to expand OOST and other child services. Naomi Szekeres of the Pensarus Group offered the following chart to the County's Children's Opportunity Fund in April 2016 to describe the relative benefits and drawbacks of each funding approach.

⁶⁸ Adapted from 2007 Finance Project report and April 2016 communication with Naomi Szekeres, Pensarus Group

Table 6: Key Features of Dedicated Public Funding and Public/Private Partnerships

Program Features	Dedicated Public Funding	Public/Private Partnership or Community Fund
Funding	Guaranteed and likely greater funding	Unknown amount of funding
Representation	Greater community engagement	Optional community partnership
Ownership	An extension of government	More distinct from government
Leadership	Requires strong leadership	More flexibility in leadership
Donations	Fewer in general – funded by taxes	More significant, funded by donors
Rules and Regulations	More attention to rules and regulations	More flexibility with rules and regulations
Accountability and Transparency	Demands more transparency and greater accountability	Can be more privately and independently operated
Risk of Loss	All funding goes at once	Donors and funding may be managed individually
Infrastructure	Can leverage government infrastructure	More dependent upon paid services
Politics	Must carefully separate politics	Must follow legal guidelines
Failure	Is a public issue	Is a private issue
Staffing	More staffing to support operations: about 10 percent of total costs	Less staffing to support operations: five percent or less of total costs

D. Implications for Potential Local Funding

How much revenue for OOST and other child serving programs could Montgomery County raise/reallocate if it adopted one of the public financing approaches used in other jurisdictions?

This section describes the amount of revenue that Montgomery County could generate for OOST and other child services if it adopted one of the eight public financing approaches undertaken in other jurisdictions. Table 7 on the next page describes the potential revenue generated or reallocated from each public finance approach. The Appendix describes the assumptions used to calculate these estimates.

Of note, four of the eight public finance approaches would generate significant amounts of new revenue for OOST and other child serving programs in Montgomery County:

- **A Special Taxing District** based on 50 cents tax per \$1,000 in assessed property (like the Miami-Dade Trust) would generate **\$82.8 million** in new revenue;
- **Special Taxes or Levies** based on 27 cents tax per \$1,000 in assessed property (like the Seattle Families and Children Levy) would generate **\$44.7 million**; if based on 40 cents tax per \$1,000 in assessed value (like Portland's Children's Levy) would yield **\$66.3 million** in new revenue; and
- **Fees and Narrow Taxes** based on a tax of 1.5 cents per ounce of sweetened soft drinks (like Philadelphia's Soda Tax for Pre-K) would initially yield **\$84 million** in revenue.

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

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

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.

4. Recommended Next Steps

This report finds that high quality OOST programs that focus on academics and engagement can be effective at narrowing the achievement gap between low- and high-income students. Yet, low-income families have few affordable opportunities in the County to enroll their children in high quality OOST programs. For example, there were 9,200 publicly supported OOST slots targeting high-needs students in the County compared to 71,000 students enrolled in the highest poverty schools in FY16; and less than 8 percent of OOST programs offered during the school year serve elementary aged students. As such, the \$31.1 million spent on publicly supported OOST programs in Montgomery County remains insufficient for meeting the OOST needs of low-income children in the County.

The financing of OOST and other children's services in other jurisdictions offers lessons on how Montgomery County could generate additional public revenue to enhance and expand OOST options. For example, tens of millions of dollars for local programs could be raised for Montgomery County if it adopted a special taxing district analogous to Miami-Dade's Children's Trust approach or taxed soft drinks like Philadelphia to expand pre-K programs.

Beyond advocating for enhanced public financing, OLO recommends three additional tasks for the Children's Opportunity Fund to pursue and/or endorse to expand local programs that narrow opportunity and achievement gaps in the County.

- 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.

OLO's FY17 Work Program includes a project to conduct a detailed assessment of the supply and demand for OOST activities in the County. Toward this end, OLO plans to partner with the Children's Opportunity Fund, the Collaboration Council, and other interested entities to survey OOST providers and parents and to map available options to improve the community's understanding of where additional OOST services might be needed.

- b) **Coordinate existing OOST programs in the County to identify opportunities for expansion and collaboration.** Better coordination among existing OOST programs should be a key feature of future efforts aimed at enhancing the quality and scope of OOST programs. As noted in the report, the current delivery of OOST activities in the County is highly decentralized with a number of public and private OOST providers. There is no single entity within the County that is familiar with all of the OOST services offered in the County. Moreover, the capacity of current providers to expand high quality OOST programs if additional revenue for such programs were generated remains unknown.

OLO recommends that the Children's Opportunity Fund invest in efforts aimed at fostering its understanding of existing OOST programs and opportunities for collaboration to address service and quality gaps in OOST options across the County. Given their role in training OOST workers and history of supporting OOST programs, the COF may want to partner with the Collaboration Council toward this end. Completion of a needs assessment of current OOST programs in the County would assist with this recommendation.

- c) **Conduct needs assessments and reviews of best practices for other potential Children's Opportunity Fund investments that impact the achievement gap.** OOST is but one of several strategies the Children's Opportunity Fund intends to support to narrow the opportunity gaps that contribute to the academic achievement gap in the County. Other children's services that will likely receive COF support include early childhood education, children's behavioral health, and workforce development for youth.

To help the Children's Opportunity Fund strategically consider how to expand its portfolio of programs and services for children to narrow the achievement gap, OLO's FY17 Work Program includes a project to (a) synthesize best practices in additional child-serving areas and (2) conduct an initial analysis of the demand and supply for these children's services in the County. OLO will work in partnership with the COF to identify the specific child service areas to be reviewed for this follow-up report.

5. Agency Comments

The written comments received from the Chief Administrative Officer of Montgomery County Government, the Chief Academic Officer of Montgomery County Public Schools, and the Executive Directors of the Montgomery County Collaboration Council for Children, Youth and Families and the Children's Opportunity Fund housed at the Community Foundation for the National Capital Region in Montgomery County are attached.

This final OLO report incorporates technical corrections and comments provided by the staffs at each agency that submitted written comments. As always, OLO greatly appreciates the time taken by staff to review our draft report and provide feedback.



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

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.

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:

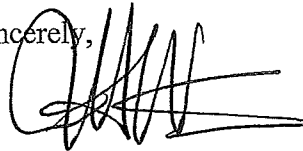
a) Conduct a needs assessment of current OOST programs to identify service and quality gaps. The data reviewed in the report suggests a sizable gap between the demand for low-cost, high quality OOST programs in the County for low-income families and the supply of such programs. There may also be a gap 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. Ikheloa



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 21st 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), 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.

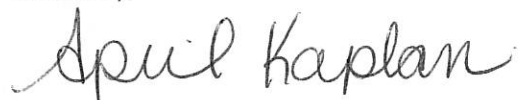
In addition to in-person learning opportunities, the Excel Beyond the Bell website, maintained by the Collaboration Council, provides access to current resources, information, training opportunity, links, and news for organization leaders and practitioners (www.excelbeyondthebell.org). The Governor's 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 21st 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,

A handwritten signature in cursive script that reads "April Kaplan". The ink is dark and the signature is fluid, with a large initial 'A'.

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 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

Appendix

Calculations for Revenue Estimates for Montgomery County from Varying Public Finance Options

- **Assessed property tax base.** The assessable property tax base in Montgomery County budgeted for FY15 was \$165.668 billion.¹
 - If applied a 50 cents tax per \$1,000 in assessed property value (like Miami-Dade's Special Taxing District for Children's Trust), this would have raised \$82.8 million in FY15.
 - If applied a 27 cents tax per \$1,000 in assessed property value (like Seattle's Families and Children Levy), this would have generated \$44.7 million in FY15.
 - If applied a 40 cents tax per \$1,000 tax in assessed property (like Portland's Children's Levy) or 4 cents tax per \$100 in assessed property (like San Francisco's property tax set-aside), this would have generated \$66.3 million in FY15.
- **Unrestricted general revenue.** Based on the 2014 CARF, Montgomery County generated \$3.232 billion in property, income, and other taxes and gains on the sale of capital assets.²
 - If applied a 3 percent tax set-aside on unrestricted general revenue (like Oakland's set aside for its Fund for Youth and Children), this would have raised \$97 million in FY13.
- **Beer consumption.** In FY14, DLC sold 3.8 million cases of beer and 90,000 kegs of beer.³
 - If applied 3 cents per six-pack of beer tax (like Arkansas for Pre-K programs) or a tax of 12 cents per case and 83 cents per keg, this would have generated \$530,700 in FY14.
- **Soft drink consumption.** In 2013, it is estimated that the average American drank 44 gallons of soda.⁴ Applying this average to Montgomery County, in FY13, 5.6 billion ounces of soft drinks consumed in the County (5,632 ounces * 1 million residents).
 - If applied a 1.5 cents per ounce tax on soft drinks (like recently authorized in Philadelphia), this would have generated \$84 million in revenue in FY13.
- **Property tax revenue.** According to the FY14 CAFR, Montgomery County generated \$1.474 billion in property tax revenue in FY13.
 - If applied the 2.5 percent set aside from actual property taxes paid in FY15 (used as a reference point for the County's annual general fund contributions to the HIF)⁵, this would have generated \$27.2 million in FY15.

¹ https://reports.data.montgomerycountymd.gov/api/file_data/zrGNiFL-9Pk6KBTm6pZJQujcNhMEP85iDoS3V855W7I?filename=SCHED-E1.pdf

² https://www.montgomerycountymd.gov/finance/resources/files/data/financial/cafr/FY2014_CAFR_web.pdf

³ http://www.montgomerycountymd.gov/OLO/Resources/Files/2015_Reports/OLOReport2015-6.pdf

⁴ <http://abcnews.go.com/Business/soda-losing-grip-america/story?id=23151625>.

⁵ http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2016/160428/20160428_HHS2.pdf