

**M E M O R A N D U M**

March 13, 2023

TO: Health and Human Services Committee  
Education and Culture Committee

FROM: Vivian Yao, Legislative Analyst

SUBJECT: Update on the Children's Opportunity Alliance

PURPOSE: Receive a progress update on the Children's Opportunity Alliance (COA)

**Expected Participants:**

- Kevin Beverly, Board Chair, COA
- Patricia Ruppert, Board Vice-Chair, COA
- Tiffany Jones, Board Secretary, COA
- William Hegwood, Board Treasurer, COA
- Kimberly Rusnak, Acting Executive Director, COA

The Joint Committee received a progress update from COA in October. At that time, the Joint Committee expressed interest in receiving an update prior to FY24 budget discussions to better understand the organization fiscal outlook with additional information about the organization's staffing and strategic direction.

COA's presentation to the Joint Committee is attached at ©1-5.

**BACKGROUND**

On February 15, 2022, the County Council enacted Bill No. 42-21, Child Care – Early Care and Education Coordinating Entity – Established. The bill recognized that ECE is an essential service and economic imperative for the well-being of the County's children, families, employers, and the greater community. The legislation requires the Council to designate a single nonprofit corporation as the County's Early Care and Education Coordinating Entity and establishes guidelines for the designation. The legislation also establishes the role of the Coordinating Entity convening stakeholders, developing priorities, and supporting the development of an equitable, robust system of high quality, accessible and sustainable ECE focused on children from birth to 5 years old.

Pursuant to Bill No. 42-21, the Council designated the nonprofit Montgomery County Children's Opportunity Alliance Incorporated as the County's ECE Coordinating Entity by resolution on July 12, 2022. The Executive subsequently approved this resolution.

## COA UPDATE

The March 10 memorandum from the COA Executive Committee and the Acting Executive Director is attached at ©6-8. Some of the key efforts and activities of the COA board and staff include the following:

- **Staffing:** The organization is actively in the recruitment process for the Executive Director and Early Care and Education (ECE) Specialist.
- **Board Development:** A Board Retreat is scheduled for April 15 that will include teambuilding and trainings on topics including diversity, equity and inclusion, fundraising, and open meetings act. Board Committees, including Executive, Finance, Governance and Fundraising/Resource Development, are in the process of being established.
- **Strategic Planning and Grantmaking:** The Board will begin strategic planning efforts at its April retreat. COA is the process of selecting a consultant to assist the Board with these efforts. Presumably, grantmaking priorities will be a part of the strategic planning efforts.

The Joint Committee may be interested in understanding to what extent Children's Opportunity Fund grantees fall within the COA's scope of focus on children ages 0-5. Will the Board's strategic plan guide grantmaking priorities? Will the ECE specialist and Executive Director be on board to provide guidance on ECE priorities for grantmaking? How will COA factor in community input in developing priorities for grantmaking?

- **Fundraising:** COA is working with fundraising consultant, Amy Selco, through Capacity Partners, to build and cultivate relationships with local philanthropists and foundations. COA submitted a grant application to the Cafritz Foundation in the fall and expects to hear a decision this spring.
- **Stakeholder and Community Engagement:** The COA held a convening with Montgomery Moving Forward/Nonprofit Montgomery to bring together community systems building groups to gain a deeper understanding of the role of the ECE Coordinating Entity and the opportunities and barriers to ECE coordination and collaboration among systems building groups. See ©11-36.

COA also convened a small group of childcare providers who posed questions about PreK expansion through the Blueprint for Maryland's Future, how the community can contribute to a plan for PreK 2 expansion, and workforce challenges. The group noted the inadequacy of existing avenues for expressing their concerns about the ECE system.

- **Other Efforts:** COA reports that it is in conversation with the Children’s Funding Project to update the fiscal mapping that it performed for Montgomery Moving Forward (MMF) in 2018 and pursue a strategy around a potential future dedicated funding stream for ECE. COA notes that this work is consistent with the mandate to measure the progress of the ECE system improvements, including tracking changes in public and private investment. COA is also discussing the transition the work of the ECE Workforce Coalition from MMF to COA.

### ***Fiscal Status***

The spreadsheet attached to the packet at ©5 summarizes COA’s cash flow through the beginning of next fiscal year. COA predicts a \$200,000 shortfall by mid-June without an additional commitment of funds by March or April. If this funding is not provided, COA anticipates that it will have to postpone planned work. If the Joint Committee is interested in exploring the possibility of appropriating funding to make up this shortfall, it may want to understand the extent to which the organizations strategic planning process will inform organizational activities like grantmaking. In addition, the Joint Committee may want to hear how the organization is working with key public and private stakeholders in developing its workplan to ensure effective use of resources and prevent duplication.

COA reports that its contract with MCPS for FY23 funding of \$125,000 is in negotiation. The Joint Committee should request an update from key parties about the status of and any barriers to completing the contracting process.

The packet contains the following attachments:

	<u>Circle #</u>
COA March 16 Presentation to the Joint Committee	1-5
March 10 COA Progress Update Memo	6-8
COA Work Plan – February to July 2023	9-10
Materials on Systems Building Organization Convening	11-36



# County Council Progress Summary

March 16, 2023 - Joint Committee

# Progress

- Approved FY23 budget
- Working on FY24 budget approval by Board
- Board Retreat scheduled for April 15th
- Establishing Committees: Executive, Finance, Governance and Fundraising/Resource Development
- Hiring process underway for Executive Director & ECE staff
- Held first convening on Feb. 23 with MMF/NM
- Preparing to kick off strategic planning in April
- Building strategy around grantmaking priorities
- Met with COF grantee portfolio
- Met with Council Members to get everyone up to speed



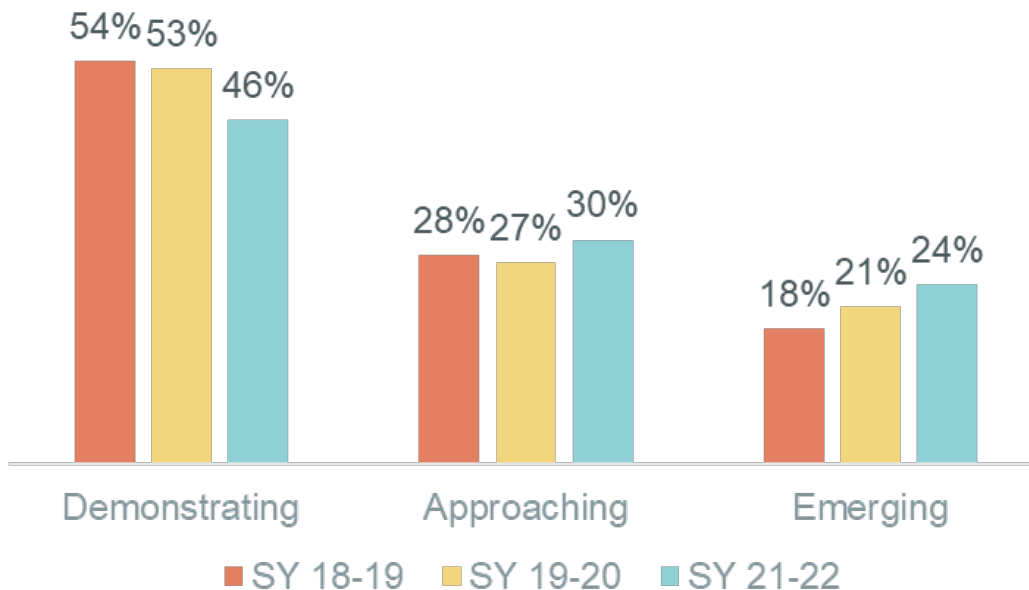
# Planned Activities

- Hiring staff
- Grantmaking
- Intentional stakeholder & community engagement
- Strategic & action planning
- Fiscal Mapping & Cost Modeling
- Landscape Mapping
- Data collection & analysis



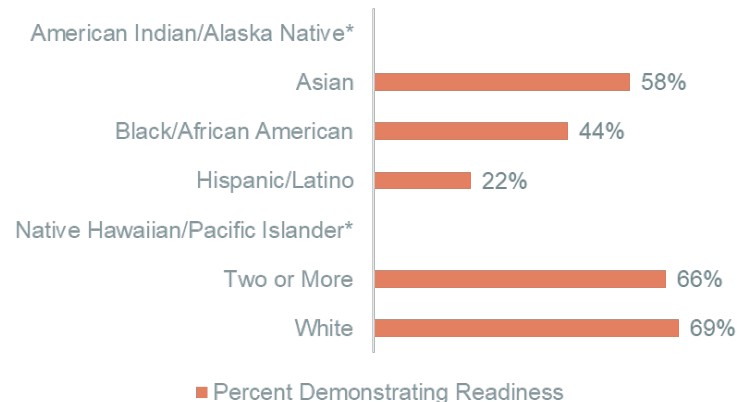
# Kindergarten Readiness Data

## Changes in Readiness Over Time



Data taken from Ready at Five Report. For more detailed charts see <https://www.readyatfive.org/kindergarten-readiness-assessment>

## Percent Demonstrating Readiness



## Special Populations Demonstrating Readiness

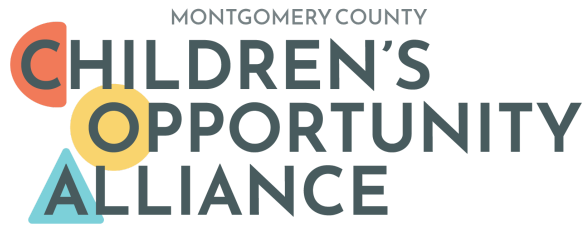
Children who are English learners: 17%  
Children with disabilities: 17%  
Children who Direct Certified (low income): 24%  
(4)

# Financials

	July 2022- Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Total
Cash on hand (beginning of month)	\$0	\$508,040	\$470,381	\$390,634	\$281,325	\$306,305	-\$40,391	-\$156,533	-\$268,694	
Revenues										
Private Philanthropy	\$50,000	\$20,000	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$95,000
Grant Revenues			\$0							-
HHS Grant Receipts	\$710,451								\$711,000	\$1,421,451
MCPs Grant Receipts					\$125,000					\$125,000
Total cash receipts	\$760,451	\$20,000	\$0	\$0	\$150,000	\$0	\$0	\$0	\$711,000	\$ 1,641,451
Total cash available	\$760,451	\$528,040	\$470,381	\$390,634	\$431,325	\$306,305	-\$40,391	-\$156,533	\$442,306	
Expenses										
Total Staff July - January + Fringe	\$137,742	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$137,741.6
Total Staff (7 positions)	\$10,212	\$36,667	\$37,667	\$40,833	\$42,833	\$44,666	\$44,666	\$45,499	\$46,749	\$349,792.0
Fringe Benefits		\$3,208	\$3,208	\$3,208	\$6,738	\$6,738	\$12,283	\$12,512	\$12,856	\$60,751.6
Office and Program Supplies (includes IT & Rent)	\$263	\$4,593	\$14,043	\$10,643	\$11,572	\$10,143	\$11,043	\$8,143	\$8,143	\$78,321.9
Continuing Education				\$1,000	\$1,000	\$1,500	\$2,000	\$2,500	\$1,429	\$9,428.6
Grants and Donations	\$23,350					\$225,000				\$248,350.0
Finance and Audit		\$4,240	\$1,500	\$1,500	\$3,000	\$2,000	\$2,000	\$1,500	\$1,500	\$17,240.0
HR Benefits, Payroll Fees	\$0	\$5,000	\$7,500	\$8,000	\$8,500	\$8,250	\$750	\$750	\$750	\$39,500.0
Children's Funding Project			\$2,000	\$13,000	\$15,000	\$15,000	\$15,000	\$15,000	\$20,000	\$95,000.0
Consultants-Admin	\$23,554	\$3,000	\$3,000	\$28,000	\$23,000	\$28,000	\$23,000	\$23,000	\$20,000	\$174,553.5
Legal Fees		\$0	\$1,000	\$2,500	\$2,857	\$5,000	\$5,000	\$2,857	\$2,857	\$22,071.4
Travel, transportation, parking	\$12	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$412.0
Insurance			\$9,429							\$9,429.0
Admin Fee	\$57,267				\$10,000					\$67,267.0
Conferences & Memberships	\$12	\$900	\$350	\$575	\$470	\$350	\$350	\$350	\$350	\$3,707.0
Total cash paid out	\$252,411	\$57,658	\$79,747	\$109,309	\$125,020	\$346,696	\$116,142	\$112,161	\$114,684	\$1,313,828.8
Cash on hand (end of month)	\$508,040	\$470,381	\$390,634	\$281,325	\$306,305	-\$40,391	-\$156,533	-\$268,694	\$327,622	(5)







## COUNTY COUNCIL MEMO

To: County Council Joint Committee (Education & Culture and HHS)

Council Member Will Jawando (Education & Culture Committee Chair)

Council Member Gabe Albornoz (HHS Committee Chair)

Council Member Kristin Mink

Council Member Dawn Luedtke

Council Member Laurie-Anne Sayles

From: Kevin Beverly, Pat Ruppert, Tiffany Jones, William Hegwood and Kimberly Rusnak

Date: March 10, 2023

---

We appreciate the opportunity to present for you the progress we have made since October 2022. Over the past few months our team and board have been engaging in a wide variety of activities to move the operations planning forward, board governance and the strategic work. Attached to this memo, you will find a work plan through July and updates around all the different tasks we are working on.

Below, I will include updates on general operations, board governance, and the coordination, strategic work and community engagement.

### General Operations & Board Governance:

- There are currently two positions still posted on our website and other recruiting venues. We have received almost 400 applications for the ECE position. First round interviews have begun and we will be working with an HR Specialist to help with the full interview and selection process. The ED Search committee, being led by Tiffany Jones and Pat Ruppert, is currently receiving applications.
- We have received 10 applications for the Strategic Planning process. We will be working with a handful of board members to review the applications. We hope to kick off the process during the April 15<sup>th</sup> Board Retreat.



- As shown in our updated cashflow document, we still predict a \$200,000 shortfall that will hit come mid-June. If we do not receive additional commitment of funds by March or April, we will have to postpone important work.
- The Board Retreat has been scheduled for April 15<sup>th</sup>. We plan to have some teambuilding and get to know you time, and trainings on topics such as diversity, equity and inclusion, fundraising, open meetings act, and Board Member 101.
- We have received the \$710,000 through DHHS and the County Executive's office for FY23. We are still working to negotiate the contract with MCPS to receive the \$125,000 for FY23.
- Kevin Beverly , Pat Ruppert, Tiffany Jones and Kimberly Rusnak met with the County Executive and his team (BB Otero and Deborah Lambert) on Tuesday, March 7.
- A fiscal sponsorship agreement has been signed with the Greater Washington Community Foundation and we are working with them to disaggregate the funds that remain in the Children's Opportunity Fund at The Community Foundation.
- The Board met in December 2022, and unanimously approved our budget, with a \$200,000 deficit. The Board met again on February 1, 2023 and will meet again on March 16, 2023.
- COA submitted a grant proposal to the Cafritz Foundation in the fall. We will be notified this spring if we will receive a grant or not. .
- We are working with a fundraising consultant, Amy Selco, through Capacity Partners. Amy is helping us to continue to build and cultivate relationships with local philanthropists and foundations, and support the work of our Fundraising/Resource Development board committee.

## Coordination, Strategic Work and Community Engagement:

On Feb. 23 from 1-3pm COA held a convening with Montgomery Moving Forward/Nonprofit Montgomery to bring together a variety of community system building groups. MMF sent out a set of questions to 18 of organizations that have been engaged in the collective impact work that MMF has been leading for the past few years. The goals of the convening were: to gain a deeper understanding of the role and potential of the ECE Coordinating Entity, contribute to a discussion of opportunities and barriers to ECE coordination and collaboration among systems building groups and to brainstorm an initial list of possible action steps to move the work forward. The convening was well attended with about 30-40 people in attendance (in-person and via zoom). Attached to this memo are the notes from the small group conversations, the slide deck that was used and the email that was sent as follow-up to all the attendees and invitees.

In addition, COA staff convened a small group of childcare providers to hear from them about what's happening in the field currently. There have been many questions posed about the BluePrint PreK expansion, how the community is working together to develop a plan for PreK



expansion, and workforce challenges. It was noted by the group that historically childcare educators and parents have been kept out of the planning process regarding how to strengthen our system of early care and education in Montgomery County. They all expressed that the current avenues set up for them to express their concerns are inadequate.

A small group of 5 board members and myself met on February 27<sup>th</sup> to brainstorm a strategy for grantmaking from COA this spring. Some areas of interest that came up were: advocacy around early care and education, supporting family needs, creative and innovative solutions to address equitable and affordable access to childcare and prekindergarten programs in Montgomery County, supporting the early care and education workforce with scholarships, credentialing support or other workforce needs. Since COA has \$150,000 available, we discussed having grants range from \$10-50,000 and we are still finalizing the timeline of when the grant application will be available. The goal is to have the grants disbursed by June 2023.

The first e-newsletter went out on March 1. Thank you to Laura, Brittany, Gretchen and her team at Oh Buoy and MMF/NM for helping us to gather the information and get the first newsletter written and sent. We plan to have this be quarterly for now, and we will reevaluate that this summer. Our e-newsletter had an open rate of 55% which is significantly higher than an industry standard average of 30%. We have begun our social media presence with LinkedIn and are preparing to launch Facebook and Twitter accounts in the coming weeks. We are also planning additional content for our website.

MMF currently coordinates a group called the ECE Workforce Coalition which brought together ECE partners and advocates from around the state to advocate and follow legislation that is implemented at the state level which impacts ECE in Montgomery County. Conversations have begun between COA and MMF/NM to develop a plan to transition that coalition work from MMF/NM to COA.

Lastly, COA has begun to have conversations with the [Children's Funding Project](#); it is a nonprofit social impact organization that helps communities and states expand equitable opportunities for children and youth through strategic public financing. In 2018, the Children's Funding Project worked with MMF to do a fiscal mapping of early care and education. Attached to this memo is a copy of the report from 2018. One of the recommendations from 2018 was the creation of a coordinating entity, so this work is a part of our history. The financing coordinator position, which is posted on our website, would work directly with the Children's Funding Project to update our fiscal map for Montgomery County, and work to build the movement around a potential future dedicated funding stream. They will present at the Board meeting on March 16<sup>th</sup>. In Bill 42-21, which created the Children's Opportunity Alliance, one of the reports we are required to submit annually is: "outcomes data that measures the progress of early care and education system improvements, including changes in the level of public and private investment." Therefore, working with the Children's Funding Project will help us meet our legislative mandate.



## COA Organizational Work Plan #2 February 2023 - July 2023

as of 1/27/2023

*This workplan provides a framework for the next six months and has heavy emphasis on the many aspects related to the standup of the Children's Opportunity Alliance as a new nonprofit. The workplan also emphasizes the COA's role in coordination of and engagement with community stakeholders, including the convening of ECE systems building organization.*

Task	Feb.	March	April	May	June	July
<b>Board Governance</b>						
<i>February Board Meeting – 2/1/2023</i>						
<i>March Board Meeting – 3/16/2023</i>						
<i>Board Trainings: Governance--Roles and Responsibilities of the Board; Public Meetings Act; Racial Equity and Social Justice; Results Based Accountability, etc.</i>						
<i>Schedule and Implement Board Retreat</i>						
<i>Schedule and Calendar all Board Meetings for FY23</i>						
<i>Schedule and Calendar all Board Meetings for FY24</i>						
<i>May Board Meeting – 5/17/23</i>						
<b>Organizational Operations and Business</b>						
<i>Create budget for FY24</i>						
<i>Budget tracking and presentation to the Board of Directors for FY23</i>						
<i>Start Directors &amp; Officers Insurance for COA Board</i>						
<i>Set up Human Resources options for benefits, etc. for COA</i>						
<i>Transition DHHS contract from COF to COA or start new contract</i>						
<i>Transition MCSP contract from COF to COA or start new contract</i>						
<i>Clarification of COF/COA transition issues to include funding and GWCF Role</i>						
<i>Define board protocols and procedures</i>						
<i>Define organizational structure, policies and procedures</i>						
<i>Hire additional critical staff and consultants</i>						

<i>ED search and selection process</i>						
<i>Fundraising plan developed</i>						
<i>Strategic Planning</i> <ul style="list-style-type: none"> <li><i>Interview and select strategic planning consultant</i></li> <li><i>Hire consultant(s) and schedule meetings</i></li> </ul>						
<i>Grantmaking/Innovation strategy (based upon strategic plan)</i>						
<b><i>Coordination and Community Engagement</i></b>						
<i>Ongoing communication with stakeholders, partners, ECE organizations, Council, CE etc (includes email, website, social media etc.)</i>						
<i>Present update to County Council E&amp;C/HHS Committees February 2023</i>						
<i>Outreach to funders and requests for additional support.</i>						
<i>Define ECE landscape to include systems building organizations, providers, parents, and other stakeholders.</i>						
<i>Coordinate with MMF to refine matrix of ECE systems building organizations and hold Feb. 23 convening to promote cross pollination</i>						
<i>Convene meetings with other stakeholders as appropriate</i>						
<i>Determine how to integrate community feedback into strategic planning process</i>						



# Early Care and Education Systems Building Organizations Convening

February 23, 2023

## Early Care and Education Systems Building Organizations Convening

### Agenda

- Welcome & Introductions
- Defining the Early Care and Education System and Services
- Making the Case for Coordination
- Coordination Brainstorming
- Forward Movement Brainstorming
- Closing & Next Steps

### Convening Goal

As a result of this convening:

- participants will have a deeper understanding of the role and potential of the Early Care and Education (ECE) Coordinating Entity in Montgomery County;
- participants will have contributed to a discussion of opportunities and barriers to ECE coordination and collaboration among systems building groups; and
- an initial list of possible action steps will be brainstormed to move the work forward.



# Welcome

*Kevin Beverly, Chair*







# Welcome

*Will Jawando, County Council*



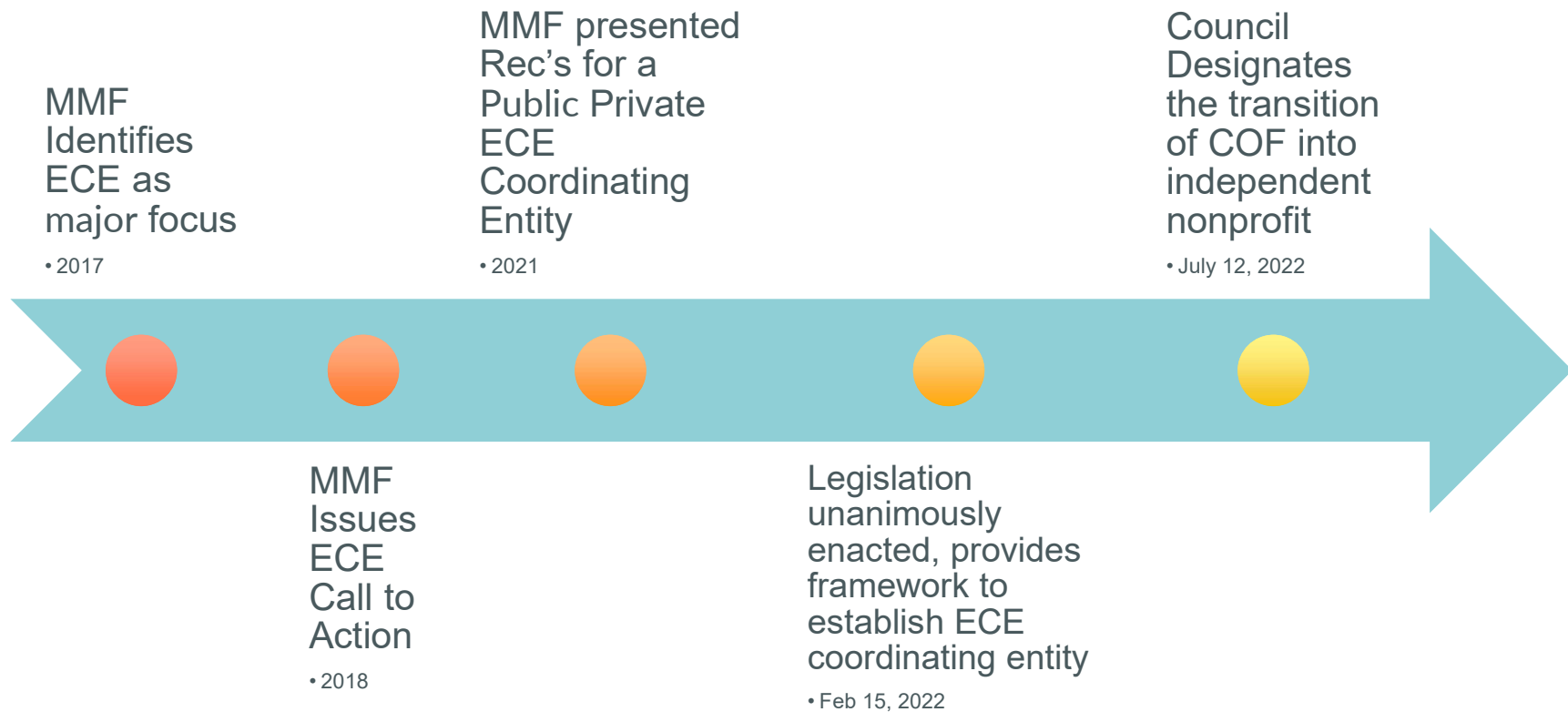


# Welcome

*Kimberly Rusnak, Interim  
Executive Director*



# How did we get here?



## Role of the Alliance

*Duties.* In developing an equitable system of high quality, accessible, sustainable early care and education and eliminating systemic racism and structures that created access barriers for vulnerable, racially and ethnically diverse populations, the Early Care and Education Coordinating Entity must:

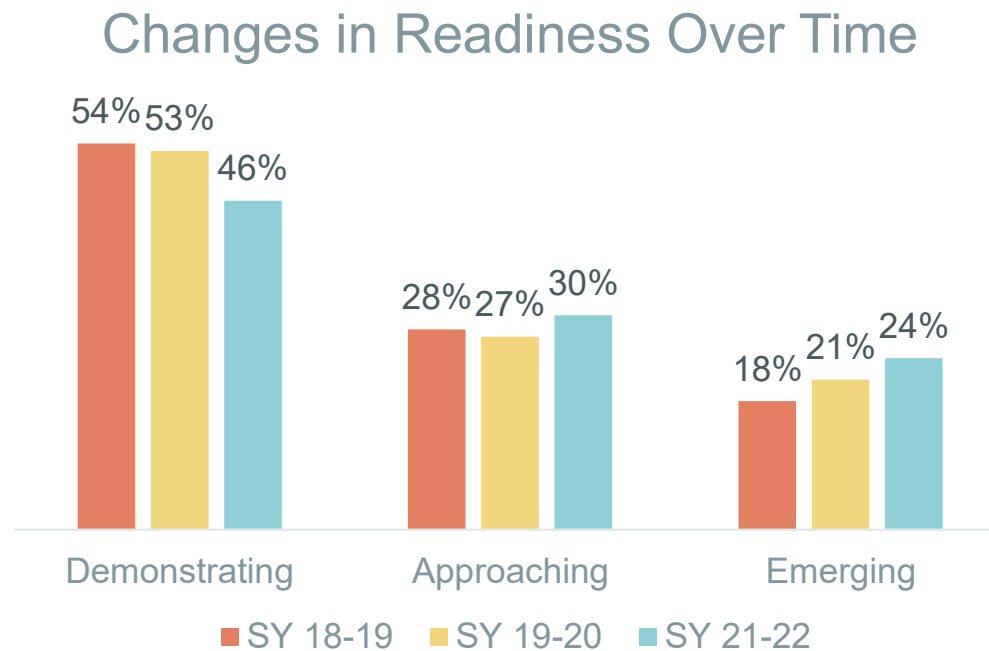


# Role of the Alliance

1. Develop recommendations
2. Convene and solicit input from stakeholders
3. Solicit board members and create advisory bodies
4. Engage and educate families
5. Advocate at the federal state and local level for greater public and private investment
6. Research and facilitate innovative service models & strategies to improve the system
7. Identify community needs through periodic mapping and needs assessments
8. Secure and administer private sector funding
9. Measure and report on the efforts to improve the system
10. Address current inequities
11. Create, as a neutral convener, a common early childhood education agenda based on community consensus that all major stakeholders commit to and maintain a 360-degree view of all aspects of the County's early childhood education sector



# School Readiness In Montgomery County





© CITA



## Glossary

<b>FUNDING</b>	What are your sources of funding? If you are able, please provide rough percentages for County/state/federal government, MCPS, foundations, individual donors, other. What level of control does each of these funders have on how its funds are spent? Are you willing to work on a systems level to coordinate and account for the cost-effective allocation of ECE resources?
<b>AUTHORITY</b>	Are you formally tasked with clear decision-making authority and oversight for 0-5 systems building in order to enable better systems alignment? This includes the authority to determine how funds must be used to achieve goals.
<b>GOVERNANCE</b>	How is your ECE initiative governed? Is there a clear mandate as to how your group interacts with other entities? Who are your members and how are they chosen/appointed?
<b>MULTI-SECTOR INTEGRATION</b>	Does your organization engage a wide array of stakeholders and partners from multiple sectors (e.g., parents, providers, nonprofits, businesses, education, philanthropy)? If so, how do you engage in “connecting” the different parts and programs of the system?
<b>MONITORING AND OUTCOMES</b>	Does your organization have regular monitoring/reporting authority for any aspect (or related aspect) of the Early Care and Education system in Montgomery County? Do you have agreed upon measures of success? What child and family wellbeing indicators and outcomes do you track for your initiative?
<b>ADVOCACY</b>	Does your organization/agency/ECE initiative advocate on behalf of established priorities related to Early Care and Education? If so, do you bring cross sector stakeholders together to advocate?
<b>CURRENT FISCAL YEAR PRIORITIES AND ACTIVITIES</b>	How are your group’s priorities and activities determined? What are your current priorities and activities for this fiscal year? (2022-2023) What are the staffing patterns and capabilities that enable you to carry out your activities?
<b>STUDIES AND RESEARCH</b>	Has your organization conducted studies or commissioned any research or reports to enable a better understanding of any Early Care and Education issues? Please provide links or attach these studies. Do you have plans in place to conduct any studies in the coming year?
<b>TOP PRIORITY FOR COA</b>	Based on your current understanding of the duties of the newly formed Children’s Opportunity Alliance, what do you think is the most urgent aspect of their work?

# **The Early Care and Education System and Services**





# Defining the Early Care and Education System & Services



- Early care and education (ECE) is an essential service and economic imperative for the well-being of children, families, employers, and the greater community.
- High quality ECE services prepare young children to enter school ready to learn and start on a pathway of success in life.
- A strong system of high quality, accessible, sustainable ECE is needed to support the well-being of children and families in the County and eliminate systemic racism and structures that have been barriers for vulnerable, racially and ethnically diverse populations.

- Findings, Bill 42-21

# How are you connected to the early childhood system?



Share:

- What services do you provide directly to young children and/or their families?
- What services are provided by organizations that you support?

# The case for COORDINATION



### **An early childhood system contains:**

- Interdependent policies, programs, services, and infrastructure.
- All child- and family-serving systems—such as early learning, health, housing, economic development, and transportation.
- Connections of each of these elements to each other.



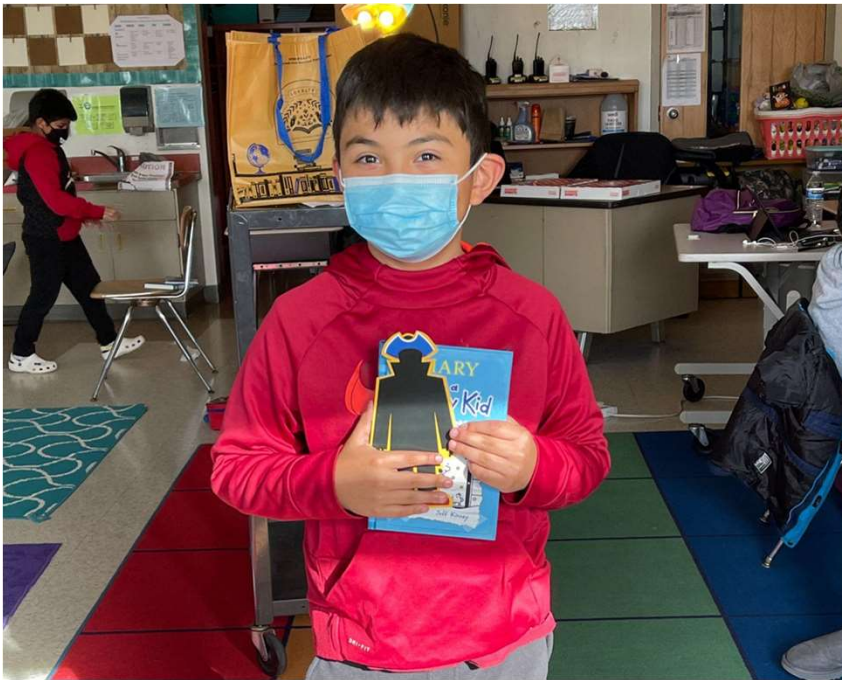


Current Fiscal Year Priorities

Organization	Early Education	Workforce supports	Mental health, behavioral health	Equity	\$\$	Partnerships	Family Supports	Health & Economy	Organizational capacity building
Black & Brown Coalition									
Greater Washington Community Foundation									
Montgomery Coaliton for Adult Education Literacy									
Montgomery College									
MoCo Collaboration Council for Children, Youth, and Families									
MoCo Commission on Childcare									
MoCo Community Action Agency									
MoCo DHHS Early Childhood Div									
MoCo Early Childhood Coordinating Council (ECCC)									
MoCo Early Care and Education Initiative (ECEI)									
Montgomery County Economic Development Corporation									
MoCo Food Council									
MoCo Public Schools Early Childhood Services									
Montgomery Moving Forward									
Primary Care Coalition									
WorkSource Montgomery									



Turn to your neighbor...



How would Montgomery County benefit from coordinating this ECE System more intentionally?

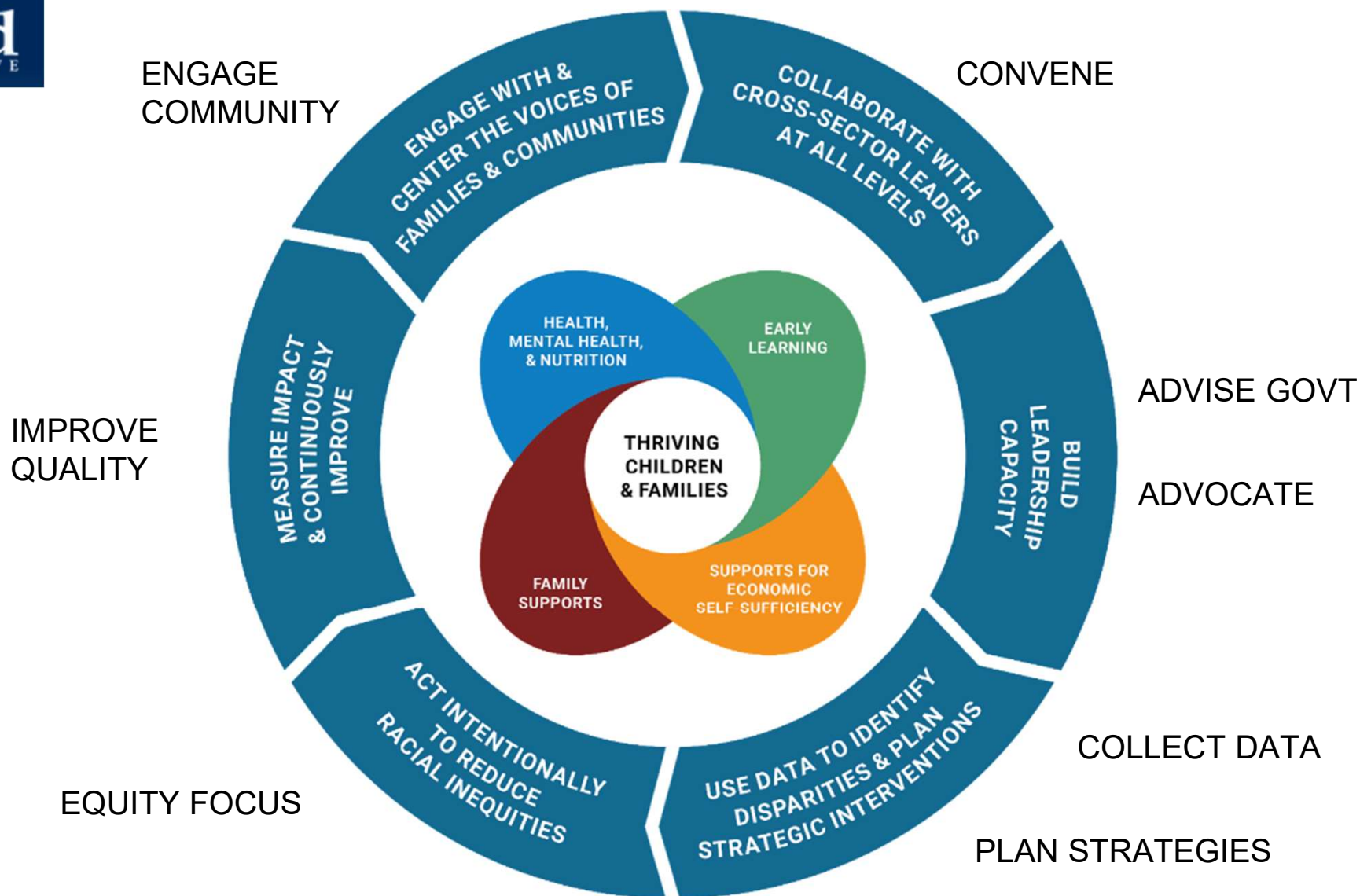


# Why Coordinate? How Coordination Produces Results:

- **Context:** Improve the political environment that surrounds the early childhood system so it produces the policy and funding changes needed to create and sustain it.
- **Components:** Establish high-performing early learning programs and services within the system that produce equitable results for system beneficiaries (e.g., children, families).
- **Connections:** Create strong and effective linkages across early childhood system components that further improve results for system beneficiaries.
- **Infrastructure:** Develop the ongoing supports that systems need to function effectively and equitably, and with quality.
- **Scale:** Ensure a comprehensive system is equitably available to all intended beneficiaries to produce broad and inclusive results for system beneficiaries.







# BREAK



Recommended Priorities for COA

Organization	Early Education	Workforce supports	Mental health, behavioral health	Equity	\$\$	Partnerships	Family Supports	Health & Economy	Organizational capacity building
Black & Brown Coalition									
Greater Washington Community Foundation									
Montgomery Coalition for Adult Education Literacy									
Montgomery College									
MoCo Collaboration Council for Children, Youth, and Families									
MoCo Commission on Childcare									
MoCo Community Action Agency									
MoCo DHHS Early Childhood Div									
MoCo Early Childhood Coordinating Council (ECCC)									
MoCo Early Care and Education Initiative (ECEI)									
Montgomery County Economic Development Corporation									
MoCo Food Council									
MoCo Public Schools Early Childhood Services									
Montgomery Moving Forward									
Primary Care Coalition									
WorkSource Montgomery									

## Table Discussion

**What do you see as the opportunities and barriers to Early Care and Education system-level coordination amongst systems building groups?**

On one piece of flip chart paper, write your top opportunity and top barrier.



## Table Discussion



**What concrete action steps would you suggest could help us move towards a coordinated system?**

On your flip chart, write your favorite 2-3 action steps.



# Next Steps



**Thank you**  
**For more info:**  
**<https://mocochildren.org/>**



The Montgomery County Children's Opportunity Alliance is the Early Care and Education  
Coordinating Entity for Montgomery County, MD.

**From:** Kimberly Rusnak  
**To:** [ljahromiconsulting@gmail.com](mailto:ljahromiconsulting@gmail.com)  
**Cc:** [khbeverly56@gmail.com](mailto:khbeverly56@gmail.com)  
**Bcc:** Lavontte Chatmon; [franca@nonprofitmoco.org](mailto:franca@nonprofitmoco.org); Farah Nageer-Kanthor; Anna Hargrave; [ljahromiconsulting@gmail.com](mailto:ljahromiconsulting@gmail.com); [elijah.wheeler@collaborationcouncil.org](mailto:elijah.wheeler@collaborationcouncil.org); [meredith.bowers@collaborationcouncil.org](mailto:meredith.bowers@collaborationcouncil.org); [monifa\\_b\\_Mcknight@mcpsmd.org](mailto:monifa_b_Mcknight@mcpsmd.org); Owens, Nichelle D; Cropp, Amy S; Washington, Verna L; Bacquie, Janine G; Treadvance, Dira; [Jennifer.Armaiz@montgomerycountymd.gov](mailto:Jennifer.Armaiz@montgomerycountymd.gov); [sharon.strauss@montgomerycountymd.gov](mailto:sharon.strauss@montgomerycountymd.gov); [Charlene.Muhammad@montgomerycountymd.gov](mailto:Charlene.Muhammad@montgomerycountymd.gov); [kstevens@mcael.org](mailto:kstevens@mcael.org); Anthony Featherstone; Bill Tompkins; Stacey Hardy; [leslie\\_graham@primarycarecoalition.org](mailto:leslie_graham@primarycarecoalition.org); Heather Bruskin; [duriburu@identity-youth.org](mailto:duriburu@identity-youth.org); [bajusa@yahoo.com](mailto:bajusa@yahoo.com); Shirley Brandman; [nmorales@identity-youth.org](mailto:nmorales@identity-youth.org); Pruneda-Hernandez, Sonia G; [khbeverly56@gmail.com](mailto:khbeverly56@gmail.com); The Nurturey; [tiffanyjones411@gmail.com](mailto:tiffanyjones411@gmail.com); Mora, Sonia; Taniesha Woods Myles; [BB.Otero@montgomerycountymd.gov](mailto:BB.Otero@montgomerycountymd.gov); Pat Ruppert; Yao, Vivian; [sharon@friedmanstrategiesllc.com](mailto:sharon@friedmanstrategiesllc.com); Sandra L Napoli; [mcpsmd.org](mailto:mcpsmd.org); Bell, Jenai A; [leguino@identity-youth.org](mailto:leguino@identity-youth.org); [annmarie@mocofoodcouncil.org](mailto:annmarie@mocofoodcouncil.org); Massa Cressall; McDonald, Alani K; Elba M. Garcia; [ralphmorales202@gmail.com](mailto:ralphmorales202@gmail.com); Brittany Owens; [kristen\\_a\\_callisto@mcpsmd.org](mailto:kristen_a_callisto@mcpsmd.org); Stilwell, Erin P.; [hellomarilyn@outlook.com](mailto:hellomarilyn@outlook.com); [jessica\\_m\\_blastic@mcpsmd.org](mailto:jessica_m_blastic@mcpsmd.org); [jimmassoc@verizon.net](mailto:jimmassoc@verizon.net); Sobia Qureshi; [jreilly@monarchcommunityresources.com](mailto:jreilly@monarchcommunityresources.com); [maya\\_s\\_cashcarpenter@mcpsmd.org](mailto:maya_s_cashcarpenter@mcpsmd.org); [jolene.mutchler@gmail.com](mailto:jolene.mutchler@gmail.com); Joan Schaffer; [sharon@friedmanstrategiesllc.com](mailto:sharon@friedmanstrategiesllc.com)  
**Subject:** COA Systems Building Follow-up  
**Date:** Thursday, March 2, 2023 3:07:00 PM  
**Attachments:** [image001.png](#)  
[COA MMF Systems Building Organizations Feb23 Convening\\_Slide deck.pdf](#)  
[COA-MMF ECE Systems Building Organizations Feb23 Convening\\_small group convo theme analysis.pdf](#)

---

Dear partners -

Thank you to everyone who was able to attend last week's Early Care and Education Systems Building Organizations Convening that we hosted in cooperation with Nonprofit Montgomery/Montgomery Moving Forward. We were delighted with the turnout, the enthusiastic participation that was palpable in the room, and the sheer number of suggested ideas we received through the brainstorming conversations.

In follow up, I'm sending along the slides that were used during the meeting (attached) and this link to learn more about the early childhood systems building graphic that was used via the Build Initiative: <https://buildinitiative.org/approach/early-childhood-system/>

We heard loud and clear that the Matrix survey conducted this past fall does not go deep enough to truly articulate the systems building activities already in place in our county. We are committed to digging deeper into this landscape analysis, in alignment with our strategic planning efforts. To this end, please stay tuned for me or a member of the Alliance team to reach out to you to follow up on this.

We are spending time to thoughtfully analyze the input we received during the convening. For now, please see the initial summary of themes we've pulled from the table discussions attached. The recording of the meeting is available on our [website](#). As always, please don't hesitate to reach out with any thoughts or suggestions.

Best,  
Kimberly Rusnak



**Donate Now**

**Kimberly Rusnak**  
Interim Executive Director, Children's Opportunity Alliance  
Project Director, Children's Opportunity Fund  
*She/Her/Hers*

☎ (301) 526-9989  
✉ [krusnak@thecommunityfoundation.org](mailto:krusnak@thecommunityfoundation.org)  
🌐 [www.thecommunityfoundation.org](http://www.thecommunityfoundation.org)



## Early Care and Education Systems Building Organizations Convening

February 23, 2023 | 1:00pm – 3:00pm

### Small Group Conversation Theme Analysis

Small groups brainstormed....

**Opportunities** related to coordination with an equity mindset – reduce disparity by working across sectors, making data informed decisions, mapping assets and filling gaps, and creating room at the table for all voices – especially those that are not currently represented in decision making (parents, many providers, etc.).

**Barriers** related to duplication and inefficiency to address real disparity and needs in the sector – competing interests and agendas, lack of trust, too many siloes and competition, history & politics getting in the way, and a need for significant funding to address high needs related to workforce parity.

#### Summarized **Action Steps**:

1. Understand what data exists and gather better longitudinal data on childhood outcomes
2. Gain a deeper understanding of the landscape at both the programs & services level and at the systems coordination level – identify both gaps and duplication
3. Create space for all voices to inform understanding of current situation and set strategies for the future - hold community-based focus groups in nontraditional spaces and in innovative ways
4. Build trust, improve relationships, and build consensus amongst sector leaders
5. Improve infrastructure and coordination between convened groups/make recommendations regarding coordinating entities engaged in duplicative work
6. Define common needs and a common unifying vision; set goals and metrics to define success
7. Develop a common agenda through strategic planning efforts
8. Research particularly high-need issues, such as supporting childcare educators (pay parity accreditation access barriers, and more) and reaching children not served in licensed programs
9. Mobilize cross sector stakeholders and parents to advocate for policy change and increase funding
10. Bring private funding in early and identify designated public funding
11. Seek input continuously throughout every phase of work

# CHILDREN'S FUNDING PROJECT

---

**From:** The Children's Funding Project  
**To:** Montgomery Moving Forward  
**Date:** December 11, 2018  
**Re:** Montgomery County's Early Care and Education Ecosystem:  
Fiscal Map Findings and Recommended Financing Strategies

---

Leaders in local communities across the country are researching, collaborating and advocating for the programs, services and supports necessary for children to be successful in the 21st century. The goal is comprehensive, sustainable and strategic investments that net dramatically improved outcomes for kids and communities.

Montgomery Moving Forward (MMF) has undertaken the challenging task of facilitating the discussion of strategic financing for Montgomery County, Maryland's early childhood ecosystem. MMF understands that they must convene and work with decision makers to align and strengthen the people, data and money in this ecosystem if they are to move forward. To understand the current flow of funding, the barriers, and the possible areas for improved efficiency, MMF engaged the Children's Funding Project (CFP) to assist in a collaborative research project. CFP works with communities to:

- Increase understanding of the levers that communities can pull to find, align, generate and evaluate resources to impact social policy;
- Share stories and lessons learned from communities that map their resources, blend and braid funding, create new dedicated funding streams and assess the effectiveness of funding;
- Strengthen local capacity to implement the four policy levers; and
- Build national momentum for a more proactive approach to funding of children's programs and resources.

This memo summarizes MMF's engagement with the Children's Funding Project. It first presents the results from mapping the funding sources that support early care and education (ECE) in Montgomery County, Maryland. It concludes with recommendations of actions to increase the alignment of people, data and money in the county's ECE ecosystem.

## Aligning People, Data, and Money

The coordination and alignment of people, data and money is required for collective impact to be catalytic in a community. Relationships, governance and engagement all matter, as does the collection, alignment and use of data. As we know, "what gets measured gets done." Finally, the coordination and investment of money is critical because it is also true that "what gets budgeted gets done."

In its January 2018 "Call to Action", MMF identified six action steps to build a coordinated, comprehensive ECE system in Montgomery County. One of these action steps is to facilitate strategic financing of the system. A fiscal map identifies existing and potential funding streams available to support a program goal or population outcome and is a first critical step to understand who is and is not served by the existing system, as well as the adequacy of funding for the system.

MMF engaged CFP to launch their strategic financing efforts by completing a fiscal map of the county's early care and education system and making recommendations for moving forward. From July to November 2018, CFP:

- Surveyed 20 county and state stakeholders to collect fiscal data. We conducted stakeholder interviews to learn about policy barriers and potential solutions;
- Identified national examples of solutions to policy barriers and alignment. This supplemental research helped contextualize and analyze the information;
- Formed and engaged a Fiscal Mapping Advisory Team that helped set study parameters, review data, and inform the selection of interviewees and interview questions;
- Completed a fiscal map of ECE funding in Montgomery County. The resulting map identifies the level of local, state, private and federal investment in programs and services that supports children and their families from ages 0-5; and
- Facilitated a stakeholder policy alignment convening on October 15 to uncover barriers, understand how they impact the ECE system in Montgomery County and surface solutions.

We learned that, like other U.S. counties, the combined efforts of multiple levels of government, private sources, parents and providers fund Montgomery County's early childhood ecosystem. This recommendations memo describes the results of the mapping process and provides potential action steps based on national examples.

## Fiscal Mapping

A fiscal map is a research strategy that provides due diligence to policy makers, advocates and the public, and grounds future action in a common understanding of current circumstances. Fiscal mapping is always a work in progress. The results go beyond a simple accounting of the amount of public dollars spent by department. It helps us:

- Understand current investments;
- Align resources with systems goals;
- Coordinate supports and services across offices, agencies, and communities;
- Maximize funding opportunities; and
- Identify new areas for attention, efficiency, and innovation.

## Fiscal Mapping Sources

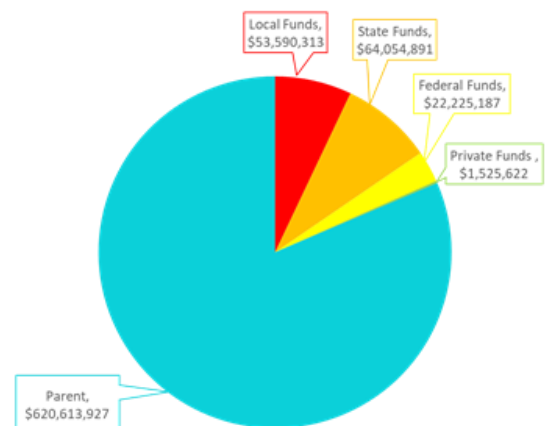
Per the chart below, CFP's fiscal mapping included 27 funding streams that support early childhood in Montgomery County.\*

\* Based on the scope of the engagement, CFP identified but did not map the following financing that can impact the early care ecosystem:

- Tax incentives and credits for individuals or businesses (including flex spending accounts)
- Capital expenditures for early childhood facilities
- Family basic needs – SNAP, TANF, Medicaid, transportation, etc.
- Parent Tuition investments are estimates, not concrete values (unlicensed care not included)
- Funding streams under \$100K (except the ECE Funders Collaborative)

Future iterations of this fiscal mapping work may add in these and other funding areas.

Total investments in early childhood in Montgomery County – by Funding Source		
Parent Cost	81.4%	\$620,613,927
State Funds	8.4%	\$64,054,891
Local Funds	7.0%	\$53,590,313
Federal Funds	2.9%	\$22,225,187
Private Funds	0.2%	\$1,525,622



**Figure 1:** In total, identified funding for early childhood in Montgomery County includes 11 line items for childcare and pre-K; 11 for family supports and healthy development; and 5 for system building totaling **\$751,048,269** in investments.

Chart 1: Fiscal Mapping Sources

Program Name	Local Funds	State Funds	Federal Funds	Private Funds	Parent Contribution	Total amount of funding
PreK Special Education - Extended School Year		\$537,261				\$537,261
Pre-K Special Education Services		\$42,341,076	\$919,496			\$43,260,572
Pre-K General Education		\$11,881,236				\$11,881,236
Head Start	\$4,336,863	\$106,836	\$6,307,036			\$10,750,735
Working Parent Assistance Program	\$5,876,588					\$5,876,588
Child Care Subsidy		\$4,860,914	\$4,940,669			\$9,801,583
County-funded Pre-K	\$1,075,088			\$85,000		\$1,160,088
Pre-K Expansion		\$387,234	\$494,046			\$881,280
DHHS Child Care in Public Space	\$148,679					\$148,679
Parent tuition and contribution					\$620,613,927	\$620,613,927
Wonders Learning and Extended Day*			\$30,396	\$207,739		\$238,135
Maryland Child Care Association*				\$102,000		\$102,000
Child Find			\$919,496			\$919,496
Infants & Toddlers Program	\$32,059,531	\$2,160,486	\$5,175,542			\$39,395,559
Early Head Start			\$3,408,506			\$3,408,506
Family Services	\$18,000	\$27,656		\$25,000		\$70,656
Lourie Center				\$500,000		\$500,000
Family Support Centers	\$202,946	\$275,000	\$30,000			\$507,946
Judy Centers		\$644,000				\$644,000
EC Mental Health Services	\$252,653	\$148,500				\$401,153
ChildLink	\$301,798					\$301,798
Montgomery County Public Libraries	\$8,341,870					\$8,341,870
Morris and Gwendolyn Cafritz Foundation Contributions				\$215,000		\$215,000
Child Care Resource and Referral Center	\$963,797	\$199,692				\$1,163,489
ECE Funders Collaborative				\$73,333		\$73,333
Montgomery College - Credit and Center for CEE (Lab School)		\$485,000		\$10,000		\$495,000
Montgomery Moving Forward	\$12,500			\$197,550		\$210,050
Morris and Gwendolyn Cafritz Foundation Contribution				\$110,000		\$110,000
	\$53,590,313	\$64,054,891	\$22,225,187	\$1,525,622	\$620,613,927	\$751,048,269

\*These organizations are both recipients of funding streams already listed as well as managers of other funding streams. CFP attempted to list each set of funds only once.

<sup>1</sup>Calculated by multiplying the number of slots parents pay for (44,390 slots from childcare centers, LOC organizations, and large family and family child care providers) and the average of yearly infant and preschool expenses (\$13,980.94, based on the Maryland Child Care Resource Network 2018 Report of Child Care Demographics).

NOTE: funding streams are organized into three categories: purple denotes funding for child care and pre-k direct support; blue denotes funding for family supports and health development; and green denotes system building funds.

## Fiscal Mapping Categories

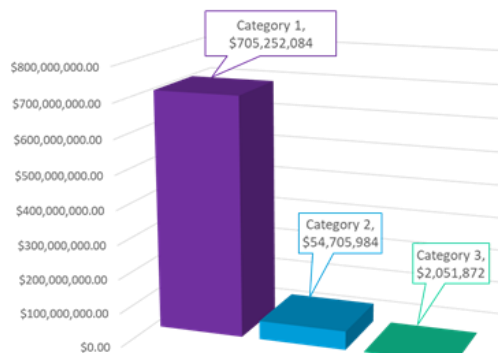
The Fiscal Mapping Advisory Team defined three categories of funding and mapped services and supports into each.

**Category 1: Child care and/or Pre-K** – support for children in full or half day care, thus providing parents an opportunity to work and children an opportunity to learn in a safe environment.

**Category 2: Family Supports and Healthy Development** – support for parent engagement in their children’s lives, and the healthy physical, emotional and behavioral development of children.

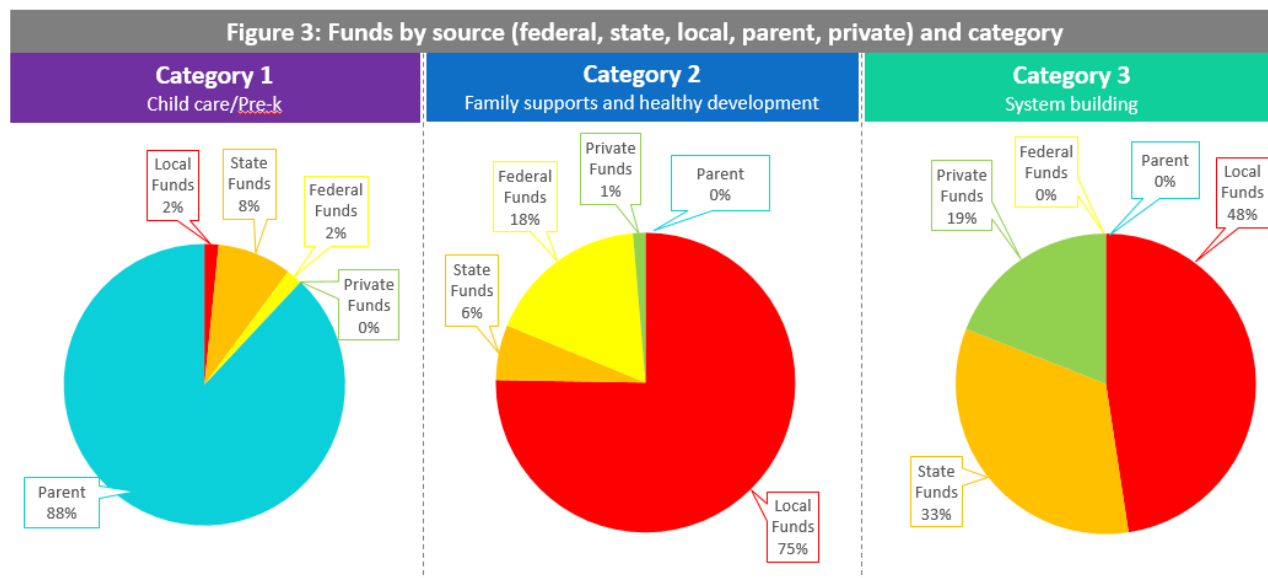
**Category 3: System Building** – support for the aspects of the early care system with support for quality improvement, workforce strengthening, parent outreach, access, and enrollment, data collection and collaboration.

Investments in early childhood in Montgomery County – by Category		
Category 1	92.6%	\$705,252,084
Category 2	7.2%	\$54,705,984
Category 3	0.3%	\$2,051,872

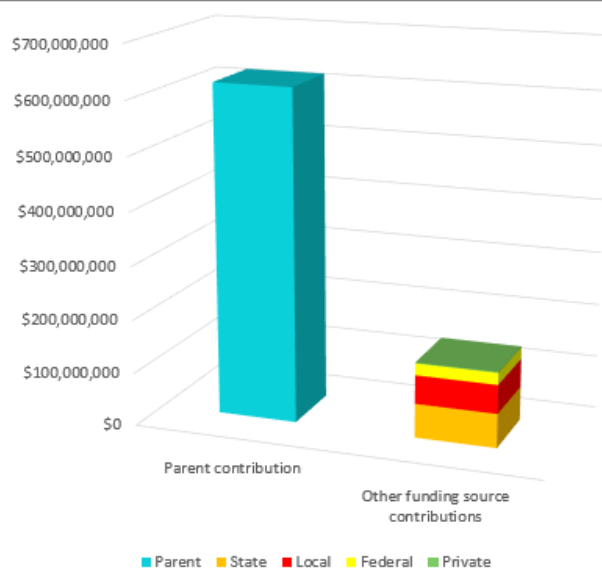


**Figure 2:** The vast majority of funding for early childhood in Montgomery County is for **Category 1: Childcare and/or Pre-K**.

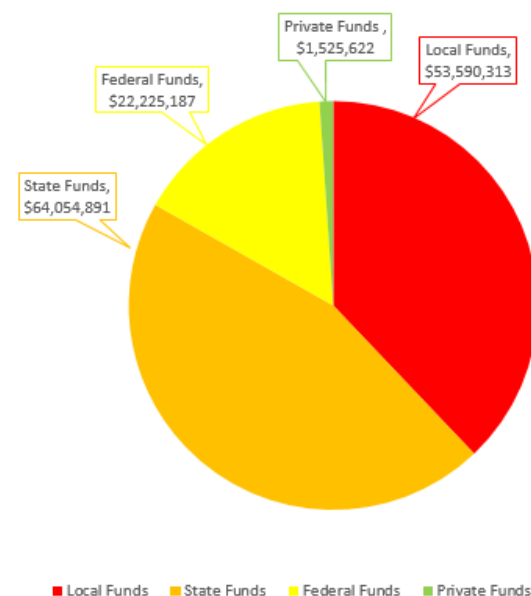
Chart 2: Fiscal mapping findings summary, by category		
Category 1 Child care/Pre-K	Category 2 Family Supports and Healthy Development	Category 3 System Building
<p>The vast majority of Category 1 funds come from parent tuition and fees.</p> <p>State funds are primarily for special education.</p> <ul style="list-style-type: none"> <li>Local - \$11,437,218</li> <li>State - \$60,651,817</li> <li>Federal- \$12,691,643</li> <li>Private - \$394,739</li> <li>Parent - \$620,613,927</li> </ul> <p>TOTAL: \$705,252,084</p>	<p>Local government is the largest funder.</p> <p>Montgomery County invests \$32 million in the Infants and Toddlers program and \$8.3 million in public library early literacy programs.</p> <ul style="list-style-type: none"> <li>Local - \$41,176,798</li> <li>State - \$3,255,642</li> <li>Federal - \$9,533,544</li> <li>Private - \$740,000</li> <li>Parent - \$0</li> </ul> <p>TOTAL: \$54,705,984</p>	<p>No federal resources are invested in System Building.</p> <p>Most dollars are directed to Child Care Resource and Referrals specific to child care.</p> <p>Investments are not creating the connective tissue across the ecosystem.</p> <ul style="list-style-type: none"> <li>Local - \$976,297</li> <li>State - \$684,692</li> <li>Federal - \$0</li> <li>Private - \$390,883</li> <li>Parent - \$0</li> </ul> <p>TOTAL: \$2,051,872</p>



**Figure 4: Comparison of parent contribution to early childhood in Montgomery County with all other funding sources**



**Figure 5: Sources of funding for early childhood in Montgomery County (excluding parent contribution)**



One of the most striking discoveries of this fiscal mapping effort is that the majority of Montgomery County's early childhood investments are made by parents in the form of tuition and child care subsidy copays (see Figure 4). Parents make a larger financial investment in the ECE landscape than any other stakeholder, paying at least \$620,613,927 annually (or more than four times the amount of philanthropic funding and federal, state, and local public funding combined).



## Stakeholder Analysis: Policy and Funding Barriers

CFP invited leaders familiar with the funding ecosystem to share the perceived barriers associated with ECE funding streams in Montgomery County. The following possible barriers were discussed and used to inform a number of the recommendations:

Eligibility Criteria	Administrative rules or reporting requirements	Allowable uses of funds and allowable service delivery	Insufficient Funds
<ul style="list-style-type: none"> <li>The majority of subsidies and no-cost/low-cost care are within certain hours of the day</li> <li>There are gaps in eligibility for programs that make up a full day of services, which puts strain on working parents</li> <li>When applying for WPA or CCSP, families are shuffled between two systems based on their income level</li> <li>Guardians/caretakers assume (and are often correct) that they must have a social security number to apply for child care subsidies or public Pre-K slots</li> <li>Guardians/caretakers assume (and are often correct) that they must be pursuing child support (when relevant) which can prevent people from applying for subsidies</li> <li>There is trauma and fear around some eligibility requirements that require people to engage with (former) partners</li> <li>Undocumented immigrants experience fear related to reliance on publicly funded services, law enforcement action triggered by application for services, and eligibility for services</li> <li>Unlicensed or informal care providers can't access materials/TA</li> <li>Cultural barriers around understanding of child care</li> <li>More outreach needed around the importance of quality and purpose of the EXCELS system</li> <li>Better messaging is needed around quality child care being BOTH for wealthy and low income families alike</li> </ul>	<ul style="list-style-type: none"> <li>Less than 30 days' notice was given to parents regarding the transition from WPA to CCSP, a clear disconnection between the two systems</li> <li>Teachers are required to have planning time to achieve quality but that requires more staff and resources</li> <li>Quality requirements are based on a degree rather than competency</li> <li>The expectation of quality is at odds with the reality of the current workforce and their education opportunities</li> <li>Centers can't achieve a quality rating unless 60% of a provider's teachers have taken 3+ classes</li> <li>There is a sentiment that it feels like a workforce replacement mandate rather than workforce improvement support</li> <li>There is no crosswalk of healthy development monitoring across sectors if you are not in a MCPS program</li> <li>There is a lack of communication between child care centers and kindergarten classrooms</li> <li>Not enough capacity to train and reach providers</li> <li>Sectors don't always know what data/information can be shared or there is no means of data sharing available</li> <li>There is no policy and resource accountability through a transparent, coordinated proactive children's budget process in the County</li> <li>There is no interdepartmental coordinating body that has been institutionalized in county government</li> <li>There is new concern about the policy change to the public charge policy being proposed by the White House and the impact it would have on the County's children</li> </ul>	<ul style="list-style-type: none"> <li>Workforce development funds can only be used for living wage jobs; child care providers can't use them as their jobs are not living wage</li> <li>The Kirwan framework benefits providers who can provide a certain teacher salary and benefits (like MCPS) but mandates half the funding must go to community providers who can't access the funds as they cannot provide the necessary teacher salary and benefits</li> <li>Many organizations need money, but they also need to choose grants that fit their mission</li> <li>Pediatricians currently do not have time to discuss healthy development due to insurance/billing stipulations</li> <li>Business perspective is not yet fully aligned with early childhood efforts and they do not provide their employees with early education and care options</li> <li>Informal caregivers may not know requirements to administer evidence-based programs</li> <li>Built places to go for resources and yet people don't go to them or use them,</li> <li>Need a better-connected set of services particularly with the proliferation of many small nonprofits</li> </ul>	<ul style="list-style-type: none"> <li>Providers and teachers end up subsidizing the cost of care through their substandard wages</li> <li>Voucher amount issued for the State Child Care Subsidy Program (CCSP) or the Working Parents Assistance (WPA) Program often does not cover the full cost of child care</li> <li>Parents are responsible for paying the "difference" between the authorized child care subsidy amount and any additional costs above the voucher amount</li> <li>Providers in Title 1 areas struggle to sustain level 3 quality; there is a monetary bonus to REACH level 3 but not to sustain</li> <li>There is no funding to support teachers obtaining the degree required for a center to achieve quality</li> <li>Teachers who achieve quality leave due to insufficient funding for pay and for workplace satisfaction (hours, quality, etc.)</li> <li>The only possible source of funds for unlicensed care would be local given federal and state rules.</li> <li>Funding formulas fail to consider diversity in their allowable uses of funds: example MCITP does not have the funds to translate their resources.</li> <li>Insufficient funds to hire qualified bilingual staff</li> <li>Lack of funding for recreation outlets (In the county and municipalities) with state funding that has been flat for a number of years</li> <li>There is only one Family Support Center in Montgomery County (MFN)</li> <li>Judy Centers limited to two neighborhoods in Silver Spring and Gaithersburg</li> <li>Lack of funds for prevention efforts for example Healthy Families home visiting program always has a surplus of referrals</li> <li>Nine votes are needed to increase taxes in the county, but funds are not currently sufficient</li> <li>Current fund recipients may be resistant to shifting funding in new directions</li> </ul>

## Recommendations

The following are recommended action steps for strengthening Montgomery County's early childhood ecosystem. These recommendations include diverse strategies for funding alignment, policy changes, blending, braiding, innovation and requests for flexibility. The recommendations are drawn from a variety of sources: the fiscal mapping results, the National Academies of Science report on child care financing, the Kirwan Commission report, local interviews, the Fiscal Mapping Advisory Team, the stakeholder convening, the business leaders' roundtable and best practices from around the country.

At the end of the day, there is no strategy for re-alignment that will fully meet Montgomery County's ECE needs without increasing total funding. Tackling insufficient funding head on will ultimately be a necessary strategy.

Recommendations are divided into four types:

1. Ways to spend existing dollars in the system differently
2. New strategies to bring money into the system
3. Level the playing field between the Pre-K and child care systems
4. Improving family supports and connections

### Ways to Spend Existing Dollars in the System Differently

The fiscal mapping research identified administrative and programmatic flexibility in existing funding streams. These flexibilities enable MMF to demonstrate its commitment to due diligence to its members, stakeholders and the community. We recommend exploring the following:

#### *1.a. Convene budget and program administrators who support Pre-K and Child Care.*

The simple act of gathering local budget administrators identified in the fiscal mapping that support Pre-K, Head Start and the range of child care offerings in the County in advance of the annual budget process could go a long way towards coordinating efforts and getting on the same page. There was no indication of a regular opportunity for such a group to connect, nor indication that many of the relevant budget holders are independently connecting regularly. Regular conversations among these parties ensure that opportunities for flexibility and blending and braiding are considered as administrative and policy rules are promulgated. The Broward County, Florida Children's Services Council convenes local public and private funders of youth programs monthly to discuss outcomes, funding and system reform. Now that relationships among these county leaders have developed, program administrators and department heads freely discuss strategies for blending and braiding existing funds to better serve youth in the county, regardless of existing programmatic silos.

#### *1.b. Obtain waivers or leverage flexibility of CCS to fill holes in the hours of care and income levels that are currently eligible for slot/tuition funding.*

More than 20 states use grants and contracts to provide direct child care services to increase supply and availability for underserved populations. In Montgomery County, both the state and the county provide child care subsidies for families that meet certain eligibility requirements. Families with incomes below 295% of the federal poverty level are eligible for the state's Child Care Subsidy Program (CCS), while families with incomes between approximately 295 and 331%<sup>1</sup> of the federal poverty level are eligible for Working Parents Assistance (WPA) subsidies from the county. The differences in eligibility requirements allow the county to provide child

---

<sup>1</sup> These are approximate values based on the minimum and maximum income eligibility for families of various sizes provided by WPA and MSDE in Nov. 2018.



care subsidies to families who aren't eligible for state-level subsidies but who also may not be able to afford quality child care in Montgomery County. However, the current system for obtaining these subsidies is inefficient for both subsidy programs and parents. For example, a parent may hear about WPA, fill out an application, wait for their application to be reviewed, hear that they are ineligible, and be referred to the state to complete an additional application and wait for review. A single point of entry application for all available child care subsidies is recommended to reduce the administrative burden of enrollment for both families and subsidy programs.

Note that some child care centers like the Montgomery Child Care Association and Wonders Early Learning also assist families who may either not be eligible for child care subsidies or who receive subsidies but require additional assistance to cover tuition. Wonders Early Learning provides this support to families through private fundraising, essentially shouldering the burden of filling gaps in the system's ability to make quality child care accessible for families of all income levels. The above mentioned single application could even include the non profit scholarship application.

Business leaders also indicated a willingness to try to assist with the pursuit of flexibility and waivers with the state and federal government. There are good models to look to for such flexibility from the federal government. For example, Performance Partnership Pilots enable selected communities and state agencies broad flexibility in how federal discretionary funds are used to implement evidence-informed practices.

#### *1.c. Ensure that supplementary funding streams cover families currently ineligible for child care assistance because they are not also pursuing child support*

States have significant flexibility regarding how they allocate federal Temporary Aid to Needy Families (TANF) dollars. Some states use these flexible dollars to fill eligibility gaps for some families. For example, Pennsylvania's [Child Care Works Subsidized Child Care Program](#) (child care assistance for low-income, working, and former TANF families) eliminated the child support cooperation requirement for child care subsidies in 2005.

A 2017 report by the Department of Legislative Services details Maryland's historic use of TANF funds, and eligibility for services. It reveals several opportunities for Maryland to use funds flexibly beyond providing immediate cash assistance to families. Historically, the state legislature has been willing to invest in early care and afterschool programs when need for immediate cash assistance is low due to a strong local economy.

#### *1.d. Re-align funding to serve more 0-2-year-olds where resources are currently limited*

Serving 0-2-year-olds in early care and education programs is much more expensive than serving 3- and 4-year-olds. Often programs serving 0-4-year-olds will increase tuition for 3- and 4-year-olds to subsidize 0-2-year-olds. To increase the number of 0-2-year-old slots in the county, we recommend a two-pronged approach: a) explore flexibility in CCSP and WPA regulations regarding the awarding of contracts directly to providers to fund additional 0-2 year-old slots; and b) create a low or no-cost loan program that providers can access to pay for facility upgrades or staff training needed to serve infants and toddlers. For example, The Palm Beach County Children's Services Council and its local United Way offer Continuous Improvement Grants to their funded programs. Programs may apply for grants of up to \$15,000 for capacity building in the areas of organizational development, technology infrastructure and agency accreditation.

#### *1.e. Serve more families through home visiting programs*

Current funding levels for home visiting programs are not adequate to meet referral levels. There is a consistent surplus in unmet referrals. We recommend investigating other funding streams to support home visiting services, including a) petitioning direct or reimbursement funding from Medicaid through state pilot

programs; b) gathering initiatives that manage home visiting across the county into a collective c) connect with informal care providers to reach the children they serve. These strategies will help to better coordinate and reach families that need services by working together, connecting with hospitals and using data, etc.

#### *1.f. Connect existing system building resources to one governing entity for a truly coordinated approach*

Montgomery County's current discussions about system building will hopefully result in a unified and more efficient governance structure. A key initial coordination goal should be to convene the existing system development funding stream leads to braid their support for coordination, alignment, professional development, technical assistance, planning into one coordination effort rather than multiple. And once the existing funding is better coordinated ask the larger funding streams to dip into their administrative provisions to provide a small percentage of their resources to sustain and institutionalize the system building, governance and accountability for the ECE ecosystem.

### **Explore New Strategies to Bring Money into the System**

Our analysis of the fiscal mapping data indicates there is not adequate existing funding to address child care and Pre-K quality and availability gaps in Montgomery County. The recommendations below describe ways to bring additional funding into the system through public and private investment.

#### *2.a. Leverage private funding, such as scholarships, to enhance quality*

Maryland's child care Quality Rating and Improvement System (QRIS), known as EXCELS, incentivizes provider participation at a Level 3 rating with a tiered reimbursement system. While there is interest in participating in the program, it is cost prohibitive for many providers to do so. Reaching that level requires an investment in staff and facilities. To reach Level 3, 60% of center staff must be credentialed at Level 3 or higher. Achieving this credential requires a minimum of 90 clock hours of training--a cost to both providers and practitioners. MSDE offers training vouchers and reimbursements; however, these benefits are only available to practitioners participating in the MD Child Care Credential Program who have reached level two. Administrative and cost burden for participating in the program may be too high particularly for unlicensed care providers, and the benefit limit is \$400 per provider annually.

An early care and education system must look for strategies to financially support program quality improvement systemically for all care providers in Montgomery County. We recommend the establishment of a scholarship program for Level 1 and Level 2 practitioners in Montgomery County. This program dually benefits a) child care staff, for whom hourly rates are based on education and experience levels, and b) programs who are able to unlock financial incentives that come with a Level 3 EXCELS rating. Providing these scholarships could be a great role for private philanthropy and businesses to fill.

#### *2.b. Encourage the Business Advisory Task Force to consider a scholarship program to alleviate some of the family burden of child care*

As the business community becomes more engaged and convenes a task force to tackle tough issues related to the early childhood ecosystem, one strategy they should look at is scholarships to alleviate some of the last dollar concerns families face (see Appendix 3). One state example to look to is [Minnesota](#) where there is a long history of the business community engaging in this way.

#### *2.c. Consider pursuing new federal funding streams*

Possible opportunities for Montgomery County to explore new federal funding do exist in the Departments of Education and Health and Human Services(HHS) but are limited. Those include Special Education funds for education technology media and materials. For instance, there is a current program entitled Steppingstones of

Technology Innovation for Children with Disabilities. Grantees in this program are parent support groups. Additionally, Arts in Education could narrowly fund professional development (quality enhancement) for Pre-K educators.

In HHS there is a Community Programs to Improve Minority Health grant worth researching in further detail. Of special interest could be the Hispanic Physicians' Leadership Development Cooperative. In addition, the Childhood Lead Poisoning Prevention Projects could be applicable if blood lead levels are a concern in Montgomery County. Promoting Safe and Stable Families offers discretionary grants to local non profits and could be used to support parenting and healthy marriage classes as well as home visiting services.<sup>2</sup>

#### *2.d. Consider feasibility of Pay for Success Model*

Many communities have successfully implemented a Pay for Success (PFS) model where independent investors outlay capital to fund a government agency program committed to achieving a specific outcome within a specific timeframe. If the project is successful, investors earn a return on investment. PFS creates a social investment market where independent investors carry the burden of innovation and government pays for results. We recommend that MMF convene a study by Social Finance to explore the feasibility of a pay for success model where savings recouped from decreased K-12 special education costs are reinvested in ECE.

#### *2.e. Build support for a dedicated flexible public funding stream*

Dedicated, flexible public funding is needed to create a lasting infrastructure for ECE and the flexibility to meet the unique needs of a community, and to work around the policy barriers related to eligibility and reimbursement from the state and federal levels. We recommend exploring the creation of a dedicated flexible public funding stream to fund key initial elements of system building including: a dedicated staff position, community outreach and information, data sharing and administrative costs. CFP estimates that [40 communities](#) around the country have used this approach with success.

#### *2.f. Explore tax credits as incentives for investing in and accessing high quality ECE*

Explore and test a variety of tax credit opportunities to infuse resources into the ECE system for parents, for providers and their higher education, for businesses that invest directly in scholarships, credits for employees, or low rent in commercial spaces. States such as Louisiana and Pennsylvania have successful tax credit models. In addition, The First Five Years Fund convened the Early Childhood Education Action Tank to explore options related to tax credits. Two of their recommendations could be great for the new Business Advisory Task Force on ECE to explore.

---

<sup>2</sup> The federal agencies explored for additional funding using the Guide to Leveraging Federal Funding <http://application.jff.org/lffs/> included: ED, HHS, HUD, DOL, USDA, DOJ, IMLS, and CNCS. The majority are already being tapped into, available only to state applicants or serve lower resourced communities.

## The First Five Years Fund Early Childhood Education Action Tank: 2 Tax Credit Recommendations

### *1. Expand Tax Credits and Deductions*

- Make the federal Child and Dependent Care Tax Credit (CDCTC) partially or fully refundable.
- Raise the ceiling on eligible expenses to more closely reflect the actual costs of high-quality child care.
- Create a new high-quality credit option within the CDCTC to support low-and middle-income families and expand access to high-quality child care.
- Encourage employers to sponsor Dependent Care Assistance Programs (DCAP), employer-sponsored programs that provide assistance directly or allow employees to set aside funds for child and dependent care in a flexible spending account, which is excluded from income and payroll taxes.
  - Increase the maximum amount that employers can provide or that employees can exclude from income.
  - Index the benefit to inflation.
  - Provide a tax credit for small employer DCAP startup costs.
  - Provide a tax credit to employers who match DCAP contributions by employees.

### *2. Provide a Pre-K Scholarship Tax Credit*

Create a tax credit for corporations and individuals who make contributions to approved early education scholarship organizations, educational improvement organizations focused on early childhood, and Pre-K scholarship programs.

## Level the Playing Field Between the Pre-K and Child Care Systems

The structure of the public Pre-K and early care and education system in Maryland creates institutional inequity for children, their parents and providers. Public Pre-K is predominantly administered at the school system level, which gives Pre-K programs, teachers and providers access to the capital and human resources of the Montgomery County School System. Maryland's State Department of Education (MSDE) regulates the CCSP system through licensing and the EXCELS QRIS, but offers limited monetary resources to providers beyond subsidies for program slots. Child Care centers are overwhelming small businesses that need to balance income and expenditures to stay above water. This inequity affects children, parents and providers in a number of ways.

### *3.a. Examine potential income eligibility cliff for 3- and 4-year-old Pre-K and the effect it is having on child care choices of those in low to middle income brackets.*

An analysis of the income eligibility requirements of public Pre-K programs in Montgomery County found limited availability of public funding for Pre-K slots: for families with incomes between 185% and 300% of the federal poverty level and those above 300% FPL are not eligible for tuition assistance from MCPS general Pre-K, MCPS pilot Pre-K, Head Start, or CentroNia slots (see Figure 4, next page). In other communities like Aspen, with a high cost of living they have raised eligibility for tuition assistance to 500% FPL.

This income eligibility cliff is affecting an increasing number of families. The 2016 [United Way of the National Capital Area's ALICE report](#) notes while Montgomery County has fewer families in poverty than in the rest of

Maryland (7% against a statewide average of 10%), its number of ALICE households is 27%, in line with the state average of 28%. ALICE (Asset Limited, Income Constrained, Employed) families earn more than the poverty level, but less than the basic cost of living in a County with a median family income of \$126,000. There has been a steady increase in [ALICE households since 2010](#). A four-person family (2 adults, 1 infant and 1 preschooler) in this income bracket earns approximately \$50,000 - \$73,000 per year. The average cost of child care for an infant and a preschooler is \$27,000. To put this in context, and as a related concern, the salaries of those in the child care field from directors to aides average between \$40,000 and \$17,000 per year. This is an untenable situation (see recommendation 3.c.)

**Figure 4: Income-based eligibility requirements for Pre-K tuition assistance**

Family income:	0% FPL	100% FPL	200% FPL
<b>MCPS General Pre-K</b> 4-year-olds 2,065 slots 2.5 hours/day	0-185% FPL		
<b>MCPS Pre-K Pilot</b> 4-year-olds 120 slots Full day/6.5 hours			200-300% FPL
<b>Head Start</b> 4-year-olds 160 slots 7 classes – 3.25 hours 27 classes – 6.5 hours	0-100% FPL		
<b>CentroNia County Pre-K</b> 3- and 4-year-olds Has a waitlist 8 hour days	0-185% FPL		

### 3.b. Align Pre-K and child care agenda vertically with the state and federal government

If the Kirwan Commission recommendations are adopted, Montgomery County could shift some local resources to cover critical County efforts including:

- Licensing unlicensed providers who currently provide care, particularly within marginalized communities.** Dollars should be invested in existing programs that have demonstrated impact and require support in order to scale. For example, [Growing Opportunities in Family Child Care \(GOFCC\)](#), which provides incentives and removes barriers to becoming a registered family child care provider, has demonstrated success in registering family child care providers through dedicated mentorship, low-cost training opportunities, materials stipends, language opportunities and other support. The family child care population is declining, and support for this critical segment of providers is key.
- Subsidizing teacher wages specifically for community providers who cannot afford salary and benefits requirements and achieve higher EXCELS levels.** This will also remove the barrier of increased tuition that will be imposed if providers must raise tuition costs in order to increase teacher pay.

### 3.c. Advocate for better wages for child care providers

While the Kirwan Commission recommendations may bring additional funding for child care provider pay into the system, those funds alone will not address wage disparity between early childhood educators and Pre-K teachers. Across the country, child care workers do not earn a living wage. This hurts our children and our workers. There is a need to strengthen, and improve compensation for the early education workforce in Montgomery County. Median provider pay in Maryland in 2017 was well below a living wage. It is an unreasonable expectation for child care workers to pay for additional training and education when many are accessing programs such as SNAP, Medicare, and CHIP to make ends meet for their own families.

Further, there is a disparity in wages between the publicly-funded Pre-K system and the child care industry. Public Pre-K teachers are employed by the Montgomery County School System (MCPS) and earn salaries dictated by the County’s negotiated teacher contract. While wages for frontline child care workers average around \$12.00 per hour, paraeducators assisting in MCPS Pre-K classrooms make approximately

\$17.00 per hour. This provides an incentive for well-qualified workers to leave the child care system in favor of public Pre-K programs.

### **Improving Family Supports and Connections**

Many parents need access to child care in order to support their families, and child care providers, in turn, become an important link to other resources and benefits for that family. Families turn to child care providers for information and resources on health, wellness, family supports and community opportunities. We recommend the following:

#### *4.a. Clarify and communicate eligibility for families without Social Security numbers*

Federal rules for the Child Care and Development Fund (CCDF) dictate which children are eligible for child care subsidies. In some cases, children without a social security number can access specific programs. We recommend asking trusted community organizations and faith communities that provide immigrant services to provide information regarding which free and low-cost child care programs do not have a social security number requirement. Since the eligibility regulations are complex, we recommend developing, and regularly updating, a list with contact information for programs that do not require social security numbers on applications for slots.

#### *4.b. Review Early Care and Education resources posted on infoMontgomery and link child care providers and parents to this online resource*

There are currently 20 resources listed in the parent/family involvement in education category. While not all these entries serve parents of children 0-5, there are links to organizations that work with specific language and ethnic groups. This is an invaluable tool to help child care providers link their families to needed resources.

#### *4.c. Align and blend program funds to facilitate outreach to non-English speaking families*

By pooling outreach and funds available to translate resources, large and small initiatives and organizations are able to more efficiently produce enrollment and recruitment information into additional languages to reach more families. Gather the leaders of the funding streams that are listed in Category 2 to work together to take on this task to provide coordinated effective family outreach materials.

#### *4.d. Expand family support centers*

There is currently one family support center in the county located in Rockville. The closest bus stop is a 17-minute walk away. While a second location convenient to public transportation down county would be ideal, we recommend initially exploring opportunities for co-locating satellite services with a child care center, library, an elementary school, or other location easily accessible by public transportation. In addition, the Family Support Network could explore biweekly or monthly office hours in sites across the county.

#### *4.e. Align Montgomery County Library early literacy programs to other parent and family resources*

County library branches offer a variety of educational experiences for families matched to local identified needs. In order to achieve the MMF goal of deepening engagement, we must meet parents and families where they work, play, and live. The library system should be a key partner in this effort and can strengthen early care and education outcomes by aligning their programming to other efforts in the County. Find opportunities to expand the outreach of library services with those of MCPS and develop partnerships with places like pediatricians offices.

## Appendix

1. Executive Summary
2. Full funding table