



Staff: Vivian Yao
Purpose: Review – straw vote expected
Keywords: #ECEI, #FY21 Operating Budget

AGENDA ITEM #2
 May 11, 2020
Worksession

SUBJECT

FY21 Operating Budget for the Early Care and Education Initiative (ECEI) NDA

EXPECTED ATTENDEES

- Raymond Crowel, Department of Health and Human Services (DHHS)
- JoAnn Barnes, Chief, Children, Youth and Family Services, DHHS
- Deborah Lambert, Office of Management and Budget (OMB)

EXECUTIVE RECOMMENDATION

FY21 Executive Recommendation	\$7,392,589	0
Increase (Decrease) from FY20	\$1,400,000 23.4%	0 FTE 0%

COUNCIL STAFF RECOMMENDATION – CONTINUITY OF SERVICES BUDGET

FY21 Council Staff Recommendation	\$5,992,589	0
Increase (Decrease) from FY20	0%	0 FTE 0%
Increase (Decrease) from CE FY21 Rec	-\$1,400,000 -18.9%	0 FTE 0%

EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES

- Enhanced ECE Initiative, \$1,400,000

The Executive supports this increase and has made the following statement:

The County Executive’s position is that the FY21 CE recommended budget remain at the \$7,392,589 level with an estimated \$2 million carryover from the FY20 NDA. Including the amount that would fund the Early Childhood Center at MCPS, the ECEI Initiative would total spending of \$10.4 million. We do not recommend funding as a Same Service Level Budget.

In FY21, the Initiative would continue a primary focus on child care subsidies so that when families begin to go back to work, they will have access to subsidy's and be able to secure positions in quality childcare settings. Child Care recovery is so significant to recovery of the county’s overall economic recovery. We have to ready and nimble enough to adapt to what child care will look like during and after recovery. FY21 ECEI plan includes contracting with provider to provide care in specific areas, this will be important to help re-establish child care in certain communities. This is an RFP process that we want to expedite.

Much of the funding for committee recommendations will need to be refocused on recovery. RFP's that we wanted to put in place for market analysis, cost of care studies, and the original outreach plans would need to be put on hold. A different marketing/outreach project needs to be incorporated within the recovery effort since we need to help stabilize the profession from a parent and provider perspective. Continuation of shared services hub will remain a priority to support child care providers with their back office functions of financial record keeping, payroll, purchasing and employee benefits.

Council staff understands that the reported carry-over amount and total amount available in FY21 were calculated when the FY21 CE Recommended budget was developed. Since that time, the Department's Third Quarterly Analysis indicated that approximately \$1.6M would remain unspent rather than \$2M assumed in the FY21 CE Recommended budget. This will result in an estimated FY21 spending amount of \$10M rather than \$10.4M.

CONTINUITY OF SERVICES FROM FY20

Level funding for the initiative would be \$5,992,589. Council staff notes that a balance of \$1.6 million is anticipated to be unspent in FY20 and will roll into FY21 consistent with the Council's direction. This funding is appropriately categorized as continuity of services because the funding would be needed to continue early care and education services to the same population being served in FY20.

The COVID emergency also affected the work plan for the initiative with savings resulting from tabling some planned activities and additional spending arising from the emergency, including a supplement for childcare for essential employees during the COVID emergency. Council staff understands that a Year One Report on the Initiative is in process.

POTENTIAL REDUCTIONS

None

POTENTIAL ITEMS RELATED TO COVID-19

In FY20, the ECE initiative supported \$1,650,000 in subsidies for childcare for essential workers. In addition, some of the funding for educational scholarships for Montgomery College students were redistributed to provide equipment to support distance learning.

The Executive indicates that the enhanced funding in the recommended FY21 budget is needed to further the County's economic recovery and ensure that parents rejoining the workforce have access to quality child care. Without the higher funding, the Initiative will not be able to address some of the expected impact of the pandemic or continue the improvements made with child care subsidies this year.

Consequently, the Council may want to consider retaining the Executive's recommended funding level for the ECEI NDA or explore the possible use of CARES Act funding to support these efforts. The

funding will be used to stabilize the profession by supporting re-opening efforts; analyzing the demand for services as parents rejoin the work force and make decisions regarding office or teleworking options; implementing an administrative support hub for child care businesses; and helping to make quality child care affordable.

The Council received testimony from Montgomery Moving Forward and other constituents in support of child care delivery and the Executive's recommended level of funding for the ECE initiative.

This report contains:

CE Recommended FY21 Early Care and Education NDA Operating Budget Pages 70-19

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☀ Device Client Management

The Device Client Management (DCM) program oversees the annual replacement of personal computers (PCs); manages software patching, distribution and enterprise anti-malware systems which collectively help to secure the County's technology infrastructure; and, includes funding for Enterprise office productivity software. The program provides general IT support directly to departments and employees through the County's IT Help Desk, which receives over 30,000 requests for service annually. DCM is based on a best-practices approach to maintaining a modern and cost-effective computing environment.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	8,006,200	0.00
Increase Cost: Public Safety Mobile Data Computers	1,140,000	0.00
Increase Cost: Software Maintenance	138,150	0.00
Enhance: Disaster Recovery/Continuity of Operations	43,560	0.00
FY21 Recommended	9,327,910	0.00

☀ Early Care and Education

This NDA will support the Early Care and Education Initiative by providing resources for the expansion, access, and sustainability of quality early care and education programs throughout the County. Its investments will be guided primarily by the recommendations of a four-year action plan developed by a cross agency working group with representatives from County Government, Montgomery County Public Schools, Montgomery College, and community partners.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	5,992,589	0.00
Enhance: Early Care and Education Initiative	1,400,000	0.00
FY21 Recommended	7,392,589	0.00

☀ Future Federal/State/Other Grants

This NDA enables the County to implement new grant-funded programs up to \$200,000 each and provides funds for grant continuations and enhancements without having to process individual supplemental appropriations through the County Council. Upon approval by the County Executive, funds in this program are transferred to the receiving department's grant account.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	20,000,000	0.00
FY21 Recommended	20,000,000	0.00

☀ Grants To Municipalities in Lieu Of Shares Tax

This NDA funds payments required in accordance with State law. The 1968 Session of the General Assembly revised the tax structure to include a County income tax. As part of this restructuring, the shared tax on banks and financial institutions was eliminated, and a provision was adopted which requires counties to pay annually to municipalities the amount (\$28,020) that had been received by the municipalities in FY68.

FY21 Recommended Changes	Expenditures	FTEs
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