



Committee: Directly to Council
Committee Review: N/A
Staff: Vivian Yao, Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: #MMF #ECE

AGENDA ITEM #2Q
July 28, 2020
Introduction

SUBJECT

Special Appropriation to the County Government's Fiscal Year 2021 Operating Budget, Early Care and Education (ECE) Non-Departmental Account, Montgomery Moving Forward - ECE Coordinating Entity Plan, \$75,000 (Source of Funds: General Fund Reserves) and Amendment to FY21 Operating Budget Resolution 19-472 Section G, FY21 Designation of Entities for Non-Competitive Contract Award Status: Nonprofit Montgomery

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Introduction. Public hearing and action are scheduled for September 15, 2020.

DESCRIPTION/ISSUE

High quality accessible early care and education (ECE) for children 0-5 is an economic imperative, which allows parents to participate in the workforce by providing care for their young children, supports businesses by improving employee productivity, and prepares children to enter kindergarten ready to learn and start on a pathway of success in life.

Efforts to support the childcare sector and improve the ECE system are critical as the COVID-19 public health emergency has placed the sector in crisis. Prior to COVID-19 restrictions, the child care industry struggled with sustainability challenges. Cost of care studies showed the typical child care program operating at a deficit or at best, a break-even situation. Revenue loss resulting from efforts to contain the spread of the COVID-19 and the stringent requirements for reopening has placed great strain on child care businesses. Child care is an essential service to support families as they return to work and is critical to the County's economic recovery.

SUMMARY OF KEY DISCUSSION POINTS

- Montgomery Moving Forward (MMF) is a collective impact project of Nonprofit Montgomery that has mobilized leaders and experts across sectors to address the need for a better system of Early Care and Education in Montgomery County.

- This special appropriation will allow MMF, as a neutral, cross-sector convener, to lead an effort to stand up a public-private ECE coordinating body to build an efficient, effective and equitable system of high quality ECE that will meet the needs of children, families and employers in the County.
- The funding will be used to: (1) conduct public convening and awareness activities about the need for a coordinating entity; (2) evaluate potential candidates and recommend the appropriate organization to serve as the entity; (3) identify necessary legislative action to establish the recommended organization as the entity; (4) evaluate best practices and recommend a specific governance structure and board composition for the entity; (5) draft start-up goals and a mission and vision statement for the entity; (6) and evaluate and recommend a plan for fiduciary responsibilities of the entity including how it may receive, manage, and disburse public and private dollars and make recommendations on the best use of funds dedicated to ECE.
- The source of funding is General Fund Reserves.
- This resolution also amends Resolution 19-472, Section G, FY21 Designation of Entities for Non-Competitive Award Status to enter into a contract with Nonprofit Montgomery with the purpose to “develop a plan to identify and structure a public-private early care and education coordinating entity through the Montgomery Moving Forward Initiative” in the amount of \$75,000.
- The public funding appropriated through this resolution requires a \$25,000 private match to support MMF’s work.

This report contains:

Proposed Resolution

© 1-3

July 23 Memo from Councilmembers Navarro, Rice and Albornoz

© 4-6

Alternative format requests for people with disabilities. If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Special Appropriation to the Fiscal Year 2021 Operating Budget
Montgomery County Government
Early Care and Education (ECE) Non-Departmental Account
Montgomery Moving Forward - ECE Coordinating Entity Plan
\$75,000 (Source of Funds: General Fund Reserves) and Amendment to FY21
Operating Budget Resolution 19-472 Section G, FY21 Designation of Entities for
Non-Competitive Contract Award Status: Nonprofit Montgomery

Background

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. High quality accessible early care and education (ECE) for children 0-5 is an economic imperative. Parents need access to early care and education for their young children to participate in the workforce, and reliable child care supports employee productivity. Nationwide, absenteeism and lost productivity due to child care issues cost U.S. businesses about four billion dollars each year. Moreover, children in Montgomery County need access to high quality learning experiences so they may enter kindergarten ready to learn and start on a pathway of success in life.
3. Efforts to support the childcare sector and improve the ECE system are critical as the COVID-19 public health emergency has placed the sector in crisis. Revenue loss resulting from efforts to contain the spread of the disease and the stringent requirements for reopening has placed great strain on child care businesses. Prior to COVID-19 restrictions, the child care industry struggled with sustainability challenges. Cost of care studies showed the typical child care program operating at a deficit or at best, a break-even situation. Child care is an essential service to support families as they return to work and is critical to the County's economic recovery.

4. Montgomery Moving Forward (MMF) is a collective impact project of Nonprofit Montgomery that has mobilized leaders and experts across sectors to address the need for a better system of Early Care and Education in Montgomery County. MMF has stated that an “improved system of ECE will support today’s working families, address the opportunity gap, and prepare the workforce of tomorrow.”
5. This special appropriation is needed so that MMF, as a neutral, cross-sector convener, will lead an effort to stand up a public-private ECE coordinating body to build an efficient, effective and equitable system of high quality ECE that will meet the needs of children, families and employers in the County. The funding will be used to: (1) conduct public convening and awareness activities about the need for a coordinating entity; (2) evaluate potential candidates and recommend the appropriate organization to serve as the entity; (3) identify necessary legislative action to establish the recommended organization as the entity; (4) evaluate best practices and recommend a specific governance structure and board composition for the entity; (5) draft start-up goals and a mission and vision statement for the entity; (6) and evaluate and recommend a plan for fiduciary responsibilities of the entity including how it may receive, manage, and disburse public and private dollars and make recommendations on the best use of funds dedicated to ECE.
6. Notice of public hearing was given and a public hearing was held.

Action

A special appropriation to the FY21 Operating Budget of the Montgomery County Government, Early Care and Education NDA is approved as follows:

<u>Personnel</u> <u>Expense</u>	<u>Operating</u> <u>Expense</u>	<u>Capital</u> <u>Outlay</u>	<u>TOTAL</u>	<u>Source</u> <u>of Funds</u>
\$0	\$75,000		\$75,000	General Fund Reserves

This special appropriation must only be used to perform the functions described in paragraph 5. The public funding appropriated through this resolution requires a \$25,000 match to support these functions. The Department of Health and Human Services will administer the funding.

This resolution amends Resolution 19-472, Section G, FY21 Designation of Entities for Non-Competitive Award Status to enter into a contract with Nonprofit Montgomery with the purpose to “develop a plan to identify and structure a public-private early care and education coordinating entity through the Montgomery Moving Forward Initiative” in the amount of \$75,000.

This appropriation is needed to address a public health emergency and to act without delay in the public interest.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

COUNCILMEMBER NANCY NAVARRO
DISTRICT 4

CHAIR, GOVERNMENT OPERATIONS AND
FISCAL POLICY COMMITTEE

EDUCATION AND CULTURE COMMITTEE

MEMORANDUM

July 23, 2020

TO: Councilmembers
FROM: Councilmembers Nancy Navarro, Craig Rice and Gabe Albornoz
SUBJECT: Early Care and Education: Charting the Way Forward

Considering that the COVID-19 pandemic has upended our lives in unimaginable ways, the impact it is having on the childcare industry and families with young children weighs heavily on us. We are proud of the efforts we have undertaken to mitigate this impact, but if pre-COVID-19 we faced challenges with demand far outpacing the supply of accessible and affordable quality Early Care and Education (ECE), this gap is only going to widen in the months to come, especially for vulnerable populations. Closing the academic achievement gap does not begin in kindergarten—it starts with ensuring quality and affordable ECE at a licensed home or center.

Evidence suggests that the most strategic and effective academic interventions occur at the earliest possible moment in a child's life. Doing this is key to maintaining our competitive edge as a nation and ensuring that our workforce is prepared for the rapidly evolving job market. Even through this pandemic, the focus of our work continues to be the pursuit of an ECE initiative that is reframed into an economic imperative agenda. As you may recall, in 2015, Councilmember Hans Riemer and Navarro spearheaded an important piece of legislation, Bill 13-15 Child Care Expansion and Quality Enhancement Initiative, which provided technical assistance to prospective and current child care providers, established the Early Childhood Coordinating Council, as well as created the Policy Officer for ECE position in the Department of Health and Human Services (HHS). This Bill also informed a lot of the pieces of the most recent

STELLA B. WERNER COUNCIL OFFICE BUILDING • ROCKVILLE, MARYLAND 20850
(240) 777-7968 • TTY (240) 777-7914

COUNCILMEMBER.NAVARRO@MONTGOMERYCOUNTYMD.GOV • WWW.COUNCILMEMBERNAVARRO.COM

framework authored by Councilmember Navarro and unanimously supported by the Council, which created the County's Early Care and Education Initiative (ECEI) in March of 2019.

In 2016, the Council also established the Children's Opportunity Fund (COF) to begin creating the infrastructure for a potential Children's Trust, a best-practice model for dedicated funding to support children and their families. The governance structure and the mission of the COF were guided by a presentation from Pensarus Education Solutions, a consultant that worked with COF's Executive Director and the Policy Leadership Group that is made up of Councilmember Navarro as the Council representative, the County Executive, Board of Education President and the Superintendent of Schools. The full presentation is attached to this memorandum. That same year, the Office of Legislative Oversight (OLO) was commissioned to publish OLO Report 2016-11, Out of School Time and Children Trusts¹, which discussed public finance approaches and systems to meet the needs of children, families, and communities.

Both, the Education and Culture and Health and Human Services Committee, as well as the Council as a whole, have dedicated considerable time doing groundbreaking work in the ECE space. As you know, ECE as an economic imperative has been endorsed by Montgomery Moving Forward (MMF) and built upon in their 2018 ECE Call to Action to create a "coordinated, comprehensive system that will attract and retain a talented workforce of today by supporting families with young children, and ensure the skilled workforce of tomorrow by addressing the growing opportunity gap." ² More recently, we have all received MMF's request to identify a "Public-Private Early Care and Education Coordinating Entity" whose mission is to "bring the disparate parts of ECE together to leverage existing resources (including funds, time, and talents), break down silos, and effectively and continuously seek to close gaps in a strategic, systemic, and equitable way."

The County Executive is also proposing to reformulate the current Early Childhood Coordinating Council (ECCC) into the Early Childhood Coordinating Board (ECCB) as the coordinating body of the ECE system in the County. While we had no input in the development of this proposal, we appreciate the work that went into the plan. However, in reviewing his proposal and its rationale, it is not clear that the private sector was involved in its formulation through a robust outreach mechanism, a fundamental part of this effort.

¹ <https://www.montgomerycountymd.gov/OLO/Resources/Files/2016%20Reports/OLOReport2016-11OutofSchool.pdf>

² <https://www.nonprofitmoco.org/wp-content/uploads/2018/01/MMF-Call-to-Action-Early-Care-and-Education-Jan2018.pdf>

We have arrived at a point to seriously consider what governance and coordinating entity for all ECE related work may look like. This can be achieved with cross-sector collaboration that involves MMF, OLO, other agencies and stakeholders, to come up with the best hybrid governance model utilizing the research and work that has already taken place. This is why we are interested in the possibilities offered by the proposal from MMF because the private sector is key in the success of this work, and MMF has been tirelessly working to bring them on board. MMF is uniquely positioned to do this work as they have cross-sector community support and have been engaging in this work for years. In the past, OLO has incorporated the work of MMF into their research studies (OLO Report 2017-7 Pre-K in Montgomery County and in Other Jurisdictions).³

By copy of this memorandum we are requesting the following:

- **Appropriate \$75,000 for MMF to work with the County, and other public and private stakeholders, including decision makers to detail and draft a specific written action plan with no less than three recommendations to stand up a public-private ECE Coordinating entity to be delivered to Council by the end of this calendar year.** MMF has committed to raising an additional \$25,000 from the private sector to undertake this work.
- **Assign OLO to assist with the structure and guidance of MMF's research work.** Having OLO partner with MMF assist from a perspective that is cognizant of, but independent of the County Executive's proposal, would get us to a desirable blueprint by the end of the year.

We hope we can count on your support. Attached is the special appropriation to go along with this request.

Cc:
Councilmembers
County Executive
MMF
Vivian Yao
Chris Cihlar
Dr. Crowel

3

https://www.montgomerycountymd.gov/OLO/Resources/Files/2017%20Reports/OLOReport2017_7PreKinMontgomeryCountyandinOtherJurisdictions.pdf

STELLA B. WERNER COUNCIL OFFICE BUILDING • ROCKVILLE, MARYLAND 20850
(240) 777-7968 • TTY (240) 777-7914

COUNCILMEMBER.NAVARRO@MONTGOMERYCOUNTYMD.GOV • WWW.COUNCILMEMBERNAVARRO.COM

(6)