



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

AGENDA ITEM #3
 May 11, 2020
Worksession

SUBJECT

FY21 Operating Budget for the Children’s Opportunity Fund (COF) NDA

EXPECTED ATTENDEES

- Kimberly Rusnak, Children’s Opportunity Fund Project Director
- Raymond Crowel, Director, Department of Health and Human Services
- Deborah Lambert, Office of Management and Budget

EXECUTIVE RECOMMENDATION

FY21 Executive Recommendation	\$375,000	0 FTE
Increase (Decrease) from FY20	\$0 0%	0 FTE 0%

COUNCIL STAFF RECOMMENDATION – CONTINUITY OF SERVICES BUDGET

FY21 Council Staff Recommendation	\$375,000	0 FTE
Increase (Decrease) from FY20	\$0% 0%	0 FTE 0%
Increase (Decrease) from CE FY21 Rec	\$0 0%)	0 FTE 0%

EXECUTIVE RECOMMENDED ITEMS NOT INCLUDED IN CONTINUITY OF SERVICES

None

CONTINUITY OF SERVICES FROM FY20

Council staff understands that the fund was established to provide a pool of funding that would leverage private contributions through the Montgomery County Community Foundation to support policy priorities that address the social determinants that impact the achievement gap for vulnerable children and barriers faced by their families. Continuity of services in this context would support the FY20 level of funding. An update on the fund including grants made, plans for FY21, and work completed is attached at ©1-6.

POTENTIAL REDUCTIONS

None

POTENTIAL ITEMS RELATED TO COVID-19

Specific COF-funded efforts may support families negatively affected by COVID-19 including the Thriving Germantown care coordination program.

This report contains:

CE Recommended CUPF FY21 Operating Budget
May 5 memorandum from Kimberly Rusnak and Anna Hargrave

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Since 1976, AHCMC has been the County's designated local arts agency. The AHCMC, in partnership with the community, cultivates and supports excellence in the arts and humanities, expands access to cultural expression, and contributes to economic vitality in the region. AHCMC provides leadership that sustains arts and humanities organizations, artists and scholars, and inspires participation in our County's cultural assets. Through its programs and services, AHCMC provides the infrastructure and support necessary to maintain a robust creative community that includes over 500 cultural organizations and 2,000 artists and scholars. AHCMC annually distributes grants to organizations and individuals to help fund enriching cultural activities in our County (www.creativemoco.com/grants/grants-awarded).

AHCMC is headquartered in Silver Spring and receives support from the Maryland State Arts Council, corporations, organizations and individuals.

Funding for maintenance of public art is allocated in the Public Arts Trust Capital Improvements Program (CIP) project.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	5,623,159	0.00
FY21 Recommended	5,623,159	0.00

Boards, Committees and Commissions

There are approximately 75 boards, committees, and commissions, created by law or resolution, which serve the County for a variety of purposes. These funds provide for the reimbursement of certain expenses incurred by eligible members of boards, committees, or commissions while on official business and/or for expenses related to the establishment of any new boards, committees, or commissions.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	22,950	0.00
Increase Cost: Operating Expenses	50,000	0.00
FY21 Recommended	72,950	0.00

Charter Review Commission

Section 509 of the County Charter requires that a Charter Review Commission be appointed by the County Council every four years, within six months of the Council assuming office, for the purpose of reviewing the Charter for notetual amendments. The Commission shall report at least once to the Council on the Commission's activities within one year after appointment. Commission reports shall be submitted no later than May 1 of every even-numbered year. The reports shall contain recommendations concerning proposed Charter amendments, if any. This NDA provides for the expenses of the Commission.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	1,150	0.00
FY21 Recommended	1,150	0.00

Children's Opportunity Fund

The Children's Opportunity Fund (COF) NDA was established in partnership with the Greater Washington Community

Foundation in May 2016. COF provides funding to support policy priorities that address the social determinants that impact the achievement gap for vulnerable children and the barriers faced by their families.

The Fund is supported by a Policy Leadership Group made up of the County Executive, the Montgomery County Public School (MCPS) Superintendent, a member of the Board of Education, and a member of the County Council. This Policy Leadership Group is staffed by the Executive Director of COF and will advise the Fund's Steering Committee on policy priorities relating to children at risk of not succeeding in school, for the purpose of advising and guiding the Steering Committee in making recommendations for the Fund.

The Fund will direct resources to County inter-agency and cross system collaborations, promote public-private partnerships, and identify new funding sources in collaboration with the Community Foundation to aggressively close the achievement gap in Montgomery County and impact the social-economic determinants that affect outcomes for children and their families.

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	375,000	0.00
FY21 Recommended	375,000	0.00

Climate Change Planning

This NDA provides funding for the prioritization of greenhouse gas reduction strategies and the development of an implementation plan to meet the County's goal of an 80 percent reduction in greenhouse gas emissions by 2027 and a 100 percent reduction by 2035. Funding in this NDA can also be used to develop climate change adaptation strategies. Any excess appropriation available after the above work is completed may be used to fund other climate change-related initiatives

FY21 Recommended Changes	Expenditures	FTEs
FY20 Approved	400,000	0.00
FY21 Recommended	400,000	0.00

Climate Response

This program supports the County's mission to provide an effective and efficient transportation system to ensure the safe and convenient movement of persons, bicycles and vehicles throughout the County in response to winter snow storms and severe wind/rain events.

Budgeted funds for this program support the costs for the Department of Transportation and Department of General Services when actual expenditures exceed their individual snow removal and storm cleanup budgeted amounts, which is a circumstance that occurs every year.

The snow removal and storm cleanup program is an integral part of coordinating the response to emergencies and severe weather events through the preparation, active response, and post storm/emergency cleanup. Tasks performed during these operations include snow pretreatment, roadway snow removal, sidewalk snow removal, salt application, post snow storm street sweeping, wind and rain storm debris removal, and immediate emergency repairs to damaged and unsafe infrastructure. Emergency operations often require rapid deployment of resources to clear debris/snow to ensure all transportation systems are passable for emergency first responders and the travelling public. During emergency events, this program operates the Storm Operations



To: Vivian Yao, Legislative Analyst, Montgomery County Council

From: Kimberly Rusnak, Project Director of the Children's Opportunity Fund and Anna Hargrave, Executive Director of the Community Foundation in Montgomery County, a local office of the Greater Washington Community Foundation

Date: May 5, 2020

Re: Responses to HHS Committee for the Children's Opportunity Fund (COF)

Please provide a program update on the Children's Opportunity Fund (COF)

In Summer 2019, Kimberly convened the COF Policy Leadership Group (County Executive Marc Elrich, County Council Member Nancy Navarro, MCPS Superintendent Dr. Jack Smith and Pat O'Neill from the Board of Education) to discuss the priorities for the COF in the next five years. COF Policy Leadership Group unanimously approved the new Birth-to-Eight Strategy (Third Grade Literacy Strategy) that will focus on the four pillars of **community, family, health, and early care and education (ECE)**.

Through its grantmaking, systems change work, and advocacy, the COF's investments will work to close the achievement gap, address racial inequities, and expand opportunities for our county's marginalized children and families. While pursuing these broader goals, third grade reading scores will be a key measure of the success. Why?

- The foundation of education is literacy – the ability to read, write, speak, listen, and use numeracy.
- Educators and policymakers have long recognized reading mastery as a key predictor of a student's career attainment. Students who are not reading on grade level by the third grade are 75% less likely to catch up to their peers.
- The most critical time period to gain these skills is between birth and third grade. Until third grade, students are learning to read. After third grade, students read to acquire new knowledge. This is a key reason why the achievement gap grows so dramatically after third grade.

To further advance this work, the COF has joined the [National Campaign for Grade Level Reading](#), which is a national evidence-informed program implemented in over 200 communities in the United States which focuses on third grade literacy.

As part of this new strategy, the COF has begun making new grants that are aligned with investments in community, family, health and early education, focused on serving children ages birth to eight.

New Grants

1) **Health Pillar - Vision to Excel** - \$50,000:

- **Challenge:** Not all children who need eye exams and eye glasses have access to them. Currently, there are an estimated 1,000+ students in Title 1 schools at Montgomery County Public Schools (MCPS) who need glasses but do not have them. Although MCPS is required to conduct vision screenings for students, many students cannot follow up on the referrals due to lack of appropriate health insurance coverage or other required



resources. Studies show that providing children with glasses can increase grades by an entire letter.

- **COF Investment:** Columbia Lighthouse for the Blind (CLB) and Prevention of Blindness (POB) were approved for funding from the COF to provide eye exams and glasses to elementary age students. This project is in partnership with the Healthcare Initiative Foundation (HIF) which has provided matching funding to both CLB and POB for the 2020-2021 school year. Attached is the list of 25 schools being targeted by this project with funding from COF and HIF. The Steering Committee approved the grants now, however we are holding funding for the nonprofits until we more clearly understand the impact of Covid-19 on fall school opening. The funding that HIF has provided to these two grantees can commence the work in the fall, and funding from the COF could come later in the fall/winter.

2) **Community and Early Care & Education Pillars - Dolly Parton's Imagination Library (DPIL) - \$5,000:**

- **Challenge:** Children from lower income homes tend to have limited access to books. Because of this, there are fewer opportunities at home for language and literacy activities. Children from lower income families lack essential one-on-one reading times, whereas on average, children who grow up in middle-class families have been exposed to 1,000 to 1,700 hours of one-on-one picture book reading. The average child in a low-income family, by contrast, has only been exposed to 25 hours of one-on-one reading.
- **COF Investment:** In April 2020, the COF approved a grant to Imagination Library to support its expansion into the Wheaton Woods Elementary School area in Aspen Hill. Wheaton Woods is a Title 1 school and the Principal connected with the COF as he was looking for resources to address kindergarten readiness. DPIL is an evidence-informed program that sends one book per month to any child aged 0-5. Research shows that raising a child in a home with books positively impacts the child's future academic growth and job attainment. Through this grant we are expanding the Montgomery County program from their current 5 zip codes (20850, 20851, 20877, 20895 and 20903) to include Wheaton Woods Elementary School catchment area. This is a first step for expansion of the program, and we will continue to work with DPIL-Montgomery County to strategize around further growth.

3) **Community Pillar - Black and Brown Coalition for Educational Equity and Excellence (BBC) - \$20,000:**

- **Challenge:** The mission of the BBC is to reduce and eventually eliminate the barriers that impede educational attainment amongst Montgomery County Public School (MCPS) students, particularly Black and Brown students and to ensure equitable access to the resources, opportunities and supports they need to be successful in college, career and life. MCPS released data this fall which demonstrated systemic patterns of inequity that prevent primarily Black, Brown and low-income students from attaining their full academic potential.
- **COF Investment:** In February 2020, the COF made a grant to BBC to support the hiring an individual to lead the work of the Coalition. The COF has been an early partner in the advocacy work to address systemic and racial inequities at MCPS.



Returning Grants

Thriving Germantown and Urban Alliance have been invited this spring to submit renewal applications. The applications are due on May 7, 2020 and the COF Steering Committee is scheduled to make funding decisions on May 11, 2020. County funding from FY20 will be granted by June 2020 for programming that will occur in FY21. Interim reports were submitted in January 2020; Final reports are due on July 31, 2020.

- 1) **Thriving Germantown (TG):** TG is a community school hub model in which the staff serve as the resource connectors for families in need of a variety of supports. To date, TG has served 337 total individuals through the two-generation case management supports. The target population served by TG are low-income families whose children attend Daly Elementary School in Germantown. Thriving Germantown is working closely with Clear Impact to track multiple data points when working with the children and families.
- 2) **Urban Alliance (UA):** UA provides a year-round high school internship program which includes 5 weeks of pre-work training. In 2019-2020, UA will serve 37 students from Paint Branch and Springbrook High Schools. UA's target population are low-income seniors who are unsure of their post-high schools plans for either work or college. The data from the past two years was strong; 93% of the interns completed the program, 100% graduated from high school and 100% of interns applied to college, were accepted, and planned to enroll. UA has been in conversations with various government contacts to work on a strategy for sustainability in Montgomery County.

Update on the BELL Initiative and plans for Summer 2020

For FY20, COF received an earmark of \$375,000 to support programs for summer 2020. This funding was tied to the BellXcel summer program for low-income elementary school students that has served approximately 2,000 students for the past four summers. The partnership between MCPS and BellXcel has been highly successful during the past four years. Teachers and families have reported high satisfaction and consistent academic outcomes. After careful analysis and review of the four years of service delivery, outcomes reports, surveys of teacher, families, leadership staff, and interviews with stakeholders, it was decided that MCPS assume responsibility for the direct delivery of the summer program. With the investment of the Children's Opportunity Fund in BellXcel, this exciting program proved that summer enrichment does help close the achievement gap. The Children's Opportunity Fund is especially gratified that MCPS is integrating this model into their ongoing programs and expanding the number of students to be served.

As a result of the COVID-19 pandemic, there are still many unknowns about summer 2020 programming. The COF's staff and Steering Committee are working closely with government agencies (MCPS, Libraries, Recreation and the County Executive's office) as well as local nonprofits to identify opportunities to best support students and families through virtual extended learning. Although the landscape is rapidly changing and likely to evolve more over the next few months, COF is poised to take appropriate next steps to expand access this summer. We will circle back with an update once the COF Steering Committee confirms the plans around how best to utilize the \$375,000 available to support direct services for extended learning for children and families in need of additional supports this summer.



Pay for Success

Pay for Success (PFS) is an innovative contracting model that drives government resources toward high-performing social programs. PFS contracts track the effectiveness and impact of programs over time to ensure that funding is directed toward programs that succeed in measurably improving the lives of people most in need.

The COF PFS project started in November 2019; we engaged with Third Sector Capital Partners for a short-term contract to investigate PFS in the Early Care and Education (ECE) space in Montgomery County. There were two deliverables included in the contract: organizing two PFS 101 conversations and completing a landscape analysis of programs in the 0-5 space. On November 13 & 14, Third Sector came to Montgomery County and we held multiple meetings with MCPS, DHHS, community stakeholders and partners. Third Sector provided a final report which provided information on the suitability of 10 programs in the ECE space (see attached document). The ten programs are:

- MCPS PreKindergarten
- MCPS Preschool Education Program (PEP)
- Family Discovery Center (Family Services)
- Healthy Families Montgomery (Family Services)
- S.M.I.L.E (Start More Infants Living Equally Healthy) (DHHS)
- Early Head Start
- Montgomery County Infants & Toddlers Program
- Working Parents Assistance Program
- Child Care Subsidy Program
- Family Involvement Center

There were two PFS workshops held to introduce this complex concept to the Montgomery County community; one was held in December 2019 and another conversation was held with funders in January 2020. Currently, as a result of the Covid pandemic, this work has been put on hold. We are hoping to come back to this work in the fall.

March 2 – Read Across Montgomery County Day

The National Education Association has an annual event on March 2 for Read Across America Day. The event featured a keynote speaker, Dr. Daniel Willingham, an expert on the science of learning to read. There was also a panel discussion featuring Pat O’Neill (Board of Education), Dr. Daman Harris (Principal at Wheaton Woods), Sulema Middleton (Montgomery Housing Partnership), and Ron Fairchild (National Campaign for Grade Level Reading). The event was held at the Wheaton Library and Recreation Center. There were also various community leaders who were guest readers at Elementary Schools, childcare centers and afterschool programs. The event was a great success and we had approximately 100 people participate; we plan to make it an annual event.

FY20 Budget for the Children’s Opportunity Fund

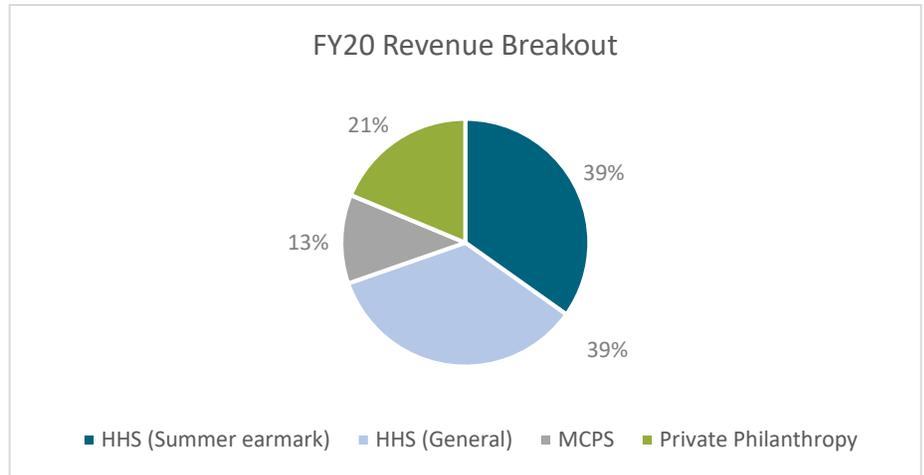
By the end of FY20, we estimate that COF will have granted out at least \$661,000 to multiple grantees listed above. We expect the number of grants might increase as decisions are made regarding how to spend funds to support extended summer learning for elementary aged students.



In FY20, the COF spent \$54,000 on a short-term contract with Third Sector Capital Partners (TSCP), a Pay for Success intermediary who helped lead Montgomery County through the exploration of Pay for Success possibilities in the Early Care and Education landscape. In FY20 the total expenses are estimated to be \$362,597. This total includes salaries and benefits for Kimberly Rusnak, a Social Work Intern and an Education Pioneers Fellow, the contract with TSCP, the Read Across America event, as well as the support fee to the Greater Washington Community Foundation.

In FY20 to date, COF has raised \$201,594 from private philanthropy in support of the new systems change work and grantmaking under the Birth-to-Eight strategy.

In terms of public support, COF received \$125,000 from MCPS and \$261,450 from DHHS plus \$375,000 from the County Executive as the earmark for summer 2020.



COVID-19 Emergency Response

In March 2020, the Greater Washington Community Foundation launched a regional COVID-19 Emergency Response Fund to galvanize support to address the pandemic throughout our region. In addition to chairing of the Education/Youth working group, Kimberly Rusnak quickly recruited key partners in Montgomery County government to serve on the working groups that were tasked with identifying the funding priorities and reviewing over 750 applications within a few short weeks.

As of May 5, 2020, the regional COVID-19 Emergency Response Fund has made nearly **\$1 million** in grants to organizations which serve Montgomery County residents. This includes more than \$600,000 to organizations that exclusively serve Montgomery County. Although these dollars did not come through the Children’s Opportunity Fund, it should be noted that these grants will directly address the health and well-being of thousands of Montgomery County children and their families.

FY21 Budget for the Children’s Opportunity Fund

In FY21, we are working under the assumption that COF will receive \$125,000 from MCPS, approximately \$260,000 from DHHS and \$375,000 for summer youth programming. In addition, COF has plans to raise additional private philanthropy to support efforts related to our Birth-to-Eight strategy. In FY21, expenses are expected to remain the same but with an increase in grantmaking and programmatic investments such as continuing to explore Pay for Success.

The COF has done extensive research on programmatic options to support the four pillars connected to the national [Campaign for Grade Level Reading](#). Prior to Covid-19, the Children’s Opportunity Fund was on track to start implementing new programs for this summer and fall. Given the uncertainty of the summer and fall programming dates, some programs/approaches will be adapted or delayed. Our focus



on families in most need and the strategic goal of addressing learning loss that may occur as a result of the 'Covid Slide' will be a priority in the decision-making process. The COF intends to fund non-profit organizations in the neediest communities to support closing the opportunity gap and turning around the literacy crisis. Each of these pillars are proven to bring results, therefore we have analyzed the opportunities available for an impact in Montgomery County.

- ❖ **EARLY EDUCATION:** Education in the early years (birth to age 8) is critical to building a strong foundation for child development. Teaching skills such as reading, speaking, writing, listening, and foundational math skills will improve kindergarten readiness and beyond.
Potential programs/approaches: VROOM, virtual tutoring supports, The Boston Basics
- ❖ **COMMUNITY:** Only 15% of a child's waking hours are spent at school; the other 85% is spent in the community. Safe and stimulating community programs after school and during summer improve academic performance and support social emotional development.
Potential programs/approaches: Waterford/Upstart
- ❖ **FAMILY:** Parents are a child's first and enduring teacher, brain builder, advocate and coach; parents are critical to their children's success. Our programs will engage the entire family to bring results for their children ages 0 – 8.
Potential programs/approaches: Imagination Library, LENA Start
- ❖ **HEALTH:** Supporting students through a whole child approach so they are more successful learners from their earliest years is essential.
Potential programs/approaches: Vision to Excel, Mental health supports

Please describe the Fund's process for determining funding priorities and decisions. What is the role of the leadership group and steering committee, and how frequently do they meet?

The Policy Work Group, which includes Marc Elrich, Nancy Navarro, Dr. Jack Smith and Pat O'Neill, aims to meet 2-3 times per year. Unfortunately, due to scheduling challenges during the COVID-19 pandemic, the Policy Work Group had to reschedule its spring meeting. Therefore, this group has only met once this year, in July 2019. The Steering Committee meets 4-6 times per year. (The list of current members may be found online at <https://www.thecommunityfoundation.org/childrensoportunityfund>.)

We work closely with the Policy Work Group which sets the vision, goals, and priorities and the Steering Committee which makes funding decisions. The COF Steering Committee serves as the grant review panel. COF investments will fall under the four pillars listed above and our focused on addressing the achievement and opportunity gaps. All applications are reviewed by the Steering Committee and voted on during meetings or via email. We are also working closely with the Montgomery County Collaboration Council for Children, Youth and Families to encourage their work related to a Community Needs Assessment (CNA) which they are working on now. Information from the CNA will be used to inform future work.

	School	Existing Provider	Potential Funder	School Level	Farms Rate	City of Gaithersburg %	School Principal	Principal's email	PCC or School Community Liaison
1	International Admissions and Enrollment Office		COF-FY21	ES			Margarita Bohorquez	Margarita_I_Bohorquez@mcpsmd.org	
2	JoAnn Leleck ES at Broad Acres**	POB	wan – 21	ES	88.52 %		Dr. Harold A. Barber	Harold_A_Barber@mcpsmd.org	
3	New Hampshire Estates ES**		Kirwan-FY21	ES	88.01 %		Robert S. Geiger	Robert_S_Geiger@mcpsmd.org	
4	Kemp Mill ES	POB	HIF FY21	ES	86.27 %		Dr. Bernard X. James, Sr.	Bernard_X_James@mcpsmd.org	
5	Gaithersburg ES* **	CLB	HIF FY20/City of Gaithersburg FY21	ES	84.51 %	97	Meredith M. McNerney	Meredith M McNerney@mcpsmd.org	
6	South Lake ES **		Kirwan-FY21	ES	82.03 %		Celeste D. King	Celeste King@mcpsmd.org	
7	Wheaton Woods ES **		Kirwan-FY21	ES	80.87 %		Daman L. Harris	Daman_L_Harris@mcpsmd.org	
8	Sargent Shriver ES **		Kirwan-FY21	ES	79.59 %		Zoraida E. Brown	Zoraida E Brown@mcpsmd.org	
9	Summit Hall ES	CLB	City of Gaithersburg-FY21	ES	79.03 %	55	Lisa J. Henry	Lisa J Henry@mcpsmd.org	
10	Weller Road ES	POB	HIF- FY21	ES	78.51 %		Marybeth O. Mantzouranis	Marybeth O Mantzouranis@mcpsmd.org	

1	1	Harmony Hills ES**		Kirwan – FY21	ES	78.28 %		Dr. Carole E. Rawlison	Carole E Rawlison@mcpsmd.org
1	2	Highland ES* **	POB	Kirwan	ES	77.55 %		Scott R. Steffan	Scott Steffan@mcpsmd.org
1	3	Jackson Road ES	POB	HIF FY21	ES	77.03 %		Rodaria P. Velasquez	Rosario Velasquez@mcpsmd.org
1	4	Georgian Forest ES	POB	HIF FY21	ES	76.98 %		Sundra E. Mann	Sundra E Mann@mcpsmd.org
1	5	Rolling Terrace ES	POB	HIF FY21	ES	75.97 %		Jessica V. Palladino	Jessica V Palladino@mcpsmd.org
1	6	Capt. James E. Daly ES	CLB	HIF FY18-FY21	ES	74.62 %		Nora G. Dietz	Nora G Dietz@mcpsmd.org
1	7	Arcola ES		COF-FY21	ES	74.53 %		Emmanuel J. Jean-Philippe (Jean)	Emmanuel J JeanPhilippe1@mcpsmd.org
1	8	Oak View ES		COF-FY21	ES	71.86 %		Jeffrey L. Cline	Jeffrey L Cline@mcpsmd.org
1	9	Washington Grove ES		COF-FY21	ES	71.60 %		Dr. Amy J. Alonso	Amy J Alonso@mcpsmd.org
2	0	Roscoe R. Nix ES		COF-FY21	ES	71.06 %		Annette M. Ffolkes	Annette M Ffolkes@mcpsmd.org
2	1	Watkins Mill ES		COF-FY21	ES	70.03 %	38	Rock A. Palmisano	Rock A Palmisano@mcpsmd.org
2	2	Bel Pre ES		COF-FY21	ES	68.25 %		Dara Brooks	Dara Brooks@mcpsmd.org
2	3	Twinbrook ES	POB	HIF FY21	ES	68.24 %		Matthew A. Devan	Matthew A Devan@mcpsmd.org
2	4	Cresthaven ES		COF-FY21	ES	67.43 %		Sherri A. Gorden	Sherri A Gorden@mcpsmd.org
2	5	Clopper Mill ES	CLB	HIF FY19-FY21	ES	65.66 %		Lawrence D. Chep	Lawrence D Chep@mcpsmd.org

Montgomery County Pay for Success (PFS) Initiative

Final Report & Next Steps

February 2020

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COF PFS Initiative Overview



Purpose

COF sponsored Third Sector's engagement with Montgomery County to provide a PFS learning series and provide an initial assessment for early care and education programs' PFS readiness.

Timeline

- **Oct:** Kickoff meeting with key ECE stakeholders
- **Nov-Dec:** Understand vision of key stakeholders, provide an introduction to PFS contracts, seek input on ECE programs for PFS suitability
- **Jan:** Identify up to 3 programs most suitable for PFS, workshop potential project designs, continue PFS introduction with local funding community

Intended Results

- By the end of the project, project partners will have:
- Gained knowledge around PFS contracts and how they can be used to improve outcomes in Montgomery County
 - Identified several programs with highest suitability for PFS
 - Created next steps for implementation
 - Explored how this initiative can align with local racial equity efforts

PFS Suitability Assessment: Criteria

These criteria were used to understand the potential for implementing PFS for Early Care and Education programs in the next 6-12 months in Montgomery County

Program Element	Description of Pay for Success Suitability
Participant Population	Characteristics of population to be engaged through the service are defined and participant voice is incorporated
Service Design	Referral pathway and service components are defined
Performance Measurement	Outcomes goals and appropriate performance metrics are selected
Data Access	Data sharing agreements are established to access objective sources of outcomes data
Evaluation Design	A plan for evaluating long-term impact of program is developed
Cost/Budgeting	A comprehensive project budget is created
Funding	Funding sources are secured and coordinate with an upcoming procurement
Political Support	Political support for the service and issue area exists

PFS Suitability Assessment: Program Descriptions

Third Sector assessed 10 Early Care and Education programs in Montgomery County

Program	Description
Recommend continuing to explore PFS development for 2020-2021	
Healthy Families Montgomery, Family Services, Inc.	Comprehensive home visiting program to mothers and children aged 0-3 who are at risk of abuse or neglect
S.M.I.L.E (Start More Infants Living Equally Healthy), DHHS	Part of the African American Health Program, provides home visiting to expecting African American and Black mothers and their children up to age 1
MCPS Prekindergarten, MCPS	Provides general education prekindergarten in 113 classrooms for 4 year olds
Working Parents Assistance Program (WPA), DHHS	Locally funded childcare subsidy program for families with specific income eligibility
No immediate next steps recommended for PFS in 2020	
Family Discovery Center, Family Services, Inc.	Two-gen program providing adult learning opportunities and child development activities for their children ages 0-5, part of Maryland Family Network
Family Involvement Center, DHHS, MCPS	New DHHS and MCPS partnership group socialization model inclusive of children with special needs aged 0-5
MCPS Preschool Education Program (PEP), MCPS	Prekindergarten special education services for children aged 3-5 with identified disabilities
Infants & Toddlers Program, MCPS, DHHS	Federal program providing individualized services for children aged 0-3 with a diagnosed condition or developmental delay
Early Head Start, Family Services, Inc., Lourie Center, CentroNía	Federal grant program for center-based and home visiting services to pregnant mothers and families with children aged 0-3
Head Start, DHHS & MCPS	Federal grant program for early education to low-income 3 & 4 year olds (34 classes)

Pay for Success (PFS) Suitability Assessment

Using PFS Suitability Criteria to assess programs' potential for implementing PFS within 9-12 months, and in order of priority, Third Sector has recommended several Montgomery County ECE programs for continued PFS exploration. For the programs where no immediate next steps are recommended, **recommendations are not a reflection of the quality or impact of a program but rather specific to suitability for PFS in the near-term.**

Program	Agency	Rationale	Next Steps & Considerations
Recommend continuing to explore PFS development for 2020-2021			
Healthy Families Montgomery	Family Services, Inc.	(+) National evidenced-based model, rich in data, longitudinal evaluation, existing provider with expertise and trust in the community, increased political focus funding home visiting expansion (-) High staff turnover due to resource constraints	<ul style="list-style-type: none"> • Recommend as next step that DHHS to discuss PFS with Family Services, Inc. and to also consider whether additional providers should be procured • Assuming there is provider interest, this program has highest suitability for implementing PFS in the near-term without major service modifications • PFS structure that is best fit is a Social Impact Bond (SIB) or an outcomes-oriented contract
SMILE (Start More Infants Living Equally Healthy)	DHHS	(+) Longstanding program in the community, focus on racial equity, data on birth outcomes collected (-) Not a national evidence-based model, County-run program likely needs to be contracted out for traditional PFS contracting involving separation of funding from service delivery	<ul style="list-style-type: none"> • Recommend as next step that DHHS and ECE stakeholders determine the unmet need in the community is and whether eligibility should be changed or maintained • After determining need, DHHS must engage provider network to understand interest and capacity for implementing PFS • Explore transitioning to evidence-based model for higher likelihood of PFS or other public funding • PFS structure that is best fit is a Social Impact Bond (SIB) or an outcomes-oriented contract
MCPS PreKindergarten	MCPS	(+) Established outcome metrics, data sharing agreement between DHHS and MCPS (-) Lack of space in MCPS schools to expand, uncertainty of how MCPS might provide additional services and/or partner with private child care providers	<ul style="list-style-type: none"> • Recommend as next step that MCPS and ECE stakeholders explore how PFS dollars would be used, e.g. expanding services, promoting quality, improving access to certain population • Then consider how MCPS might partner with private child care providers and incorporate PFS elements in upcoming RFP • Low chance of PFS implementation in 9-12 months until after MCPS has defined plan for expansion, providers are ready to enroll, and funding is secured
Working Parent Assistance Program (WPA)	DHHS	(+) Timely opportunity to redesign program given changes in State Scholarship Program eligibility, focus on improving data systems, and child care demand mapping efforts (-) No outcomes evaluation done, improvement for connection between administration of issuing vouchers (eligibility determination) and processing reimbursements (actual usage)	<ul style="list-style-type: none"> • Recommend as next step that DHHS define goals for WPA evolution and how third party advisors could support • PFS does not make sense for WPA at this time, however there is potential to do an outcomes-oriented project to redesign the program • Goals for this project could include mapping childcare demand and supply, improving data systems, and responding to State Scholarship Program changes

Program	Agency	Rationale	Next Steps & Considerations
No immediate steps recommended for PFS in 2020			
Family Discovery Center	Family Services, Inc.	(+) Positive outcomes for Adult English classes, serves kids up to 4, data sharing between Family Services, Inc. and MCPS (-) No formal evaluation done to link services to longer-term outcomes, model not standardized across MD Network of Family Support Centers	<ul style="list-style-type: none"> Increasing suitability would require evaluation or evidence for link between services and long-term outcomes that PFS funders are interested in ECE partners may be interested in further investigation of how other Family Support Centers in MD are different or the same
Family Involvement Center	DHHS, MCPS	(+) Focus on two-gen and inclusive services is promising, data sharing agreement between DHHS and MCPS (-) New Emory Grove location yet develop a track record, would be multi-year process to do new procurement and pilot delivery at other sites	<ul style="list-style-type: none"> In order to contract with provider, funding should be committed for a longer-term agreement with space secured Recommend getting feedback and consensus with non-public agency early care stakeholders for additional scaling efforts Increasing suitability requires piloting services to establish a track record
MCPS Preschool Education Program (PEP)	MCPS	(+) Well established model, rich data on K-readiness outcomes (-) Lack of space in MCPS schools to expand, selecting common outcome metrics is challenging given diversity of needs and expectations for improvement, potential conflict of interest with MCPS as local funding administrator and provider	<ul style="list-style-type: none"> To consider how PFS dollars would be used, e.g. expansion of MCPS services, quality of existing services To explore whether the special education population, or other sub-population, is what Montgomery County wants to focus PFS on Increasing suitability requires MCPS to develop a plan for expansion, having providers are ready to enroll, and securing
Infants & Toddlers Program	DHHS, MCPS	(+) Rich in data, high impact potential given size, state/federal focus on outreach and quality (-) Federal funding should meet increase in need, selecting outcome metrics is challenging given diversity of needs and expectations for improvement, low confidence in data quality	<ul style="list-style-type: none"> PFS structure that is best fit is an outcomes-oriented contract given program is a federal entitlement program (i.e. funding not the primary constraint for expansion) Increasing suitability requires improvement of data quality and commitment between MCPS and DHHS for an outcomes-oriented contract
Early Head Start	CentroNia, Family Services, Inc., Lourie Center	(+) National evidenced-based model, rich in data, significant need for services, parent voices are incorporated, increased political focus funding home visiting expansion (-) Challenging to select objective outcome metrics given subjectivity in 0-3 assessments and gap in time and services before K-readiness assessments	<ul style="list-style-type: none"> Providers and ECE stakeholders would need to identify where additional PFS dollars could be directed, e.g. expanding home visiting vs center-based, contracting with another provider Then to engage current and potential EHS providers and gauge interest and capacity PFS structure that is best fit is an outcomes rate card funded by a outcomes funding pool, not requiring restructure of existing federal grants
Head Start	DHHS, MCPS	(+) National evidenced-based model, rich in data, significant need for services, parent voices are incorporated (-) Local match met, Given timing of grant renewal cycle, not strategic to make material changes to program in the near-term	<ul style="list-style-type: none"> Timing not ideal until next grant renewal Would need to consider use of PFS dollars, e.g. expanding services, promoting quality PFS structure that is best fit is an outcomes rate card funded by a outcomes funding pool, not requiring restructure of existing federal grants Increasing suitability requires MCPS to prioritize interest in PFS with Head Start program and population and to identify timeline for implementation

Summary of Final PFS Learning Series and Exploration Meetings

PFS Stakeholder Workshop, January 24, 2020

- **Attendees:** Representatives from DHHS, MCPS, CAO, Montgomery County Collaboration Council, Family Services, Inc., and Montgomery Moving Forward
- **Activity:** A workshop that debriefed results of the PFS Suitability Assessment and included an interactive activity using a logic model to prioritize potential outcomes for PFS
- **Results:** Gathered a preliminary list of outcome metrics for a potential home visiting or pre-kindergarten PFS project
- **Highlights:** *“Informative-The examples provided additional clarity; the activity really helped me to better understand the PFS process” -MCPS Representative*

PFS Funder Learning Series, January 27, 2020

- **Attendees:** Funders from private foundations and philanthropies in Montgomery County and MCPS Superintendent
- **Activity:** Presentation on PFS, specifically in a social impact bond structure; included a case study on a SIB within another jurisdiction, and a summary of the ECE programs in Montgomery County that are recommended for next steps in the PFS process
- **Results:** Built understanding and interest in COF funder network of PFS development activities
- **Highlights:** *"Pay for Success can absolutely work in Montgomery County, but we have to be willing to do the work. We serve less than half of our children in prekindergarten. We want it available for every child who needs it & every family who wants it." - MCPS Superintendent Dr. Jack Smith*

Next Steps:

Montgomery County Early Care and Education PFS Development

PFS Program Selection, Design Activities and Budget: Pre-K, HV

The next step is selecting a program(s) for PFS, which can be accomplished through TA activities for 3-months outlined below. ***The intended result is selection of a pre-k and/or home visiting program and initial project design.*** Program selection and design are critical steps towards launch of a PFS pilot program that advances positive outcomes for children and families.

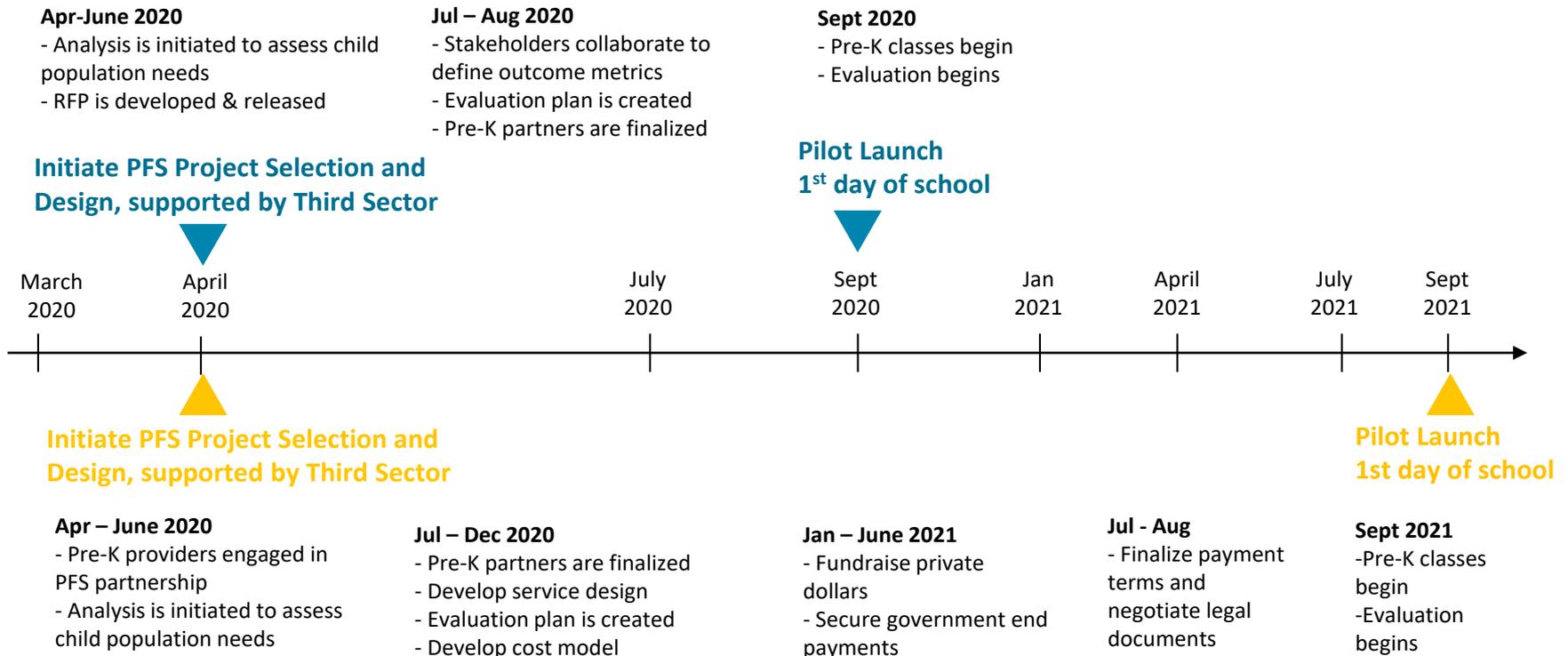
Timeline	3-months (April-June 2020) for initial technical assistance; Full PFS Development timeline depends on program and structure (see page 16)
Sample Activities in PFS Selection & Design	<ul style="list-style-type: none"> ● Population & Program: Support Montgomery County in conducting quantitative data analysis to assess population need and select a pilot program ● Stakeholder Engagement: Third Sector to support design of a stakeholder engagement strategy that gathers qualitative data on needs and abilities from community/providers ● Fundraising: Third Sector to partner with COF in funder due diligence efforts and fiscal agent set-up procedures, if private investment is needed ● Contract Language: Third Sector to help draft language on outcomes and performance payments for a contract or new RFP to procure additional providers (e.g. nonprofits to expand SMILE or start NFP, private child care providers) ● PFS Pilot Timeline: Establish timeline for PFS pilot and activities e.g. plan for service delivery, metric selection, outcome pricing, data sharing, evaluation plan
Budget	\$100,000 for 3-months TA from Third Sector (<i>budget subject to finalization</i>)

Options for PFS Selection and Design

Program	Pre-K		Home Visiting	
Opportunity	Use PFS to pilot new model with private providers to scale towards universal pre-k		Use PFS to align home visiting funders and providers on outcome goals	
Option	A	B	C	D
PFS Structure: Program Model	Outcomes-Oriented Contract: MCPS Pre-K partnership	Social Impact Bond: MCPS Pre-K partnership	Outcomes-Oriented Contract: Healthy Families Montgomery	Outcomes-Oriented Contract: SMILE or new model (e.g. NFP)
Total PFS Development	6 months; Launch Sep 2020	18 months; Launch Sep 2021	3 months; Launch July 2020	15 months; Launch July 2021
Value Proposition	Aligns MCPS and contractors on outcome goals without the complexity of a Social Impact Bond	Incorporates new funding from private investors to initiate services; Would employ a rigorous evaluation	Streamlined implementation of Pay for Success with an existing provider that is on board	Supports collaboration and outcomes alignment for home visiting provider network
Considerations	Could include new money with a private- and public-funded outcomes pool or be a restructure of existing funding	Government must appropriate funding even though repayment is contingent; long development time	Must find public or private funding for additional outcomes payments on short timeline	Could include new money with a private- and public-funded outcomes pool; Longer process due to new RFP

Pre-K Timeline: Program Selection, Design Activities

Option A: Outcomes-Oriented Contract with MCPS Pre-K partnership (6-months to launch)

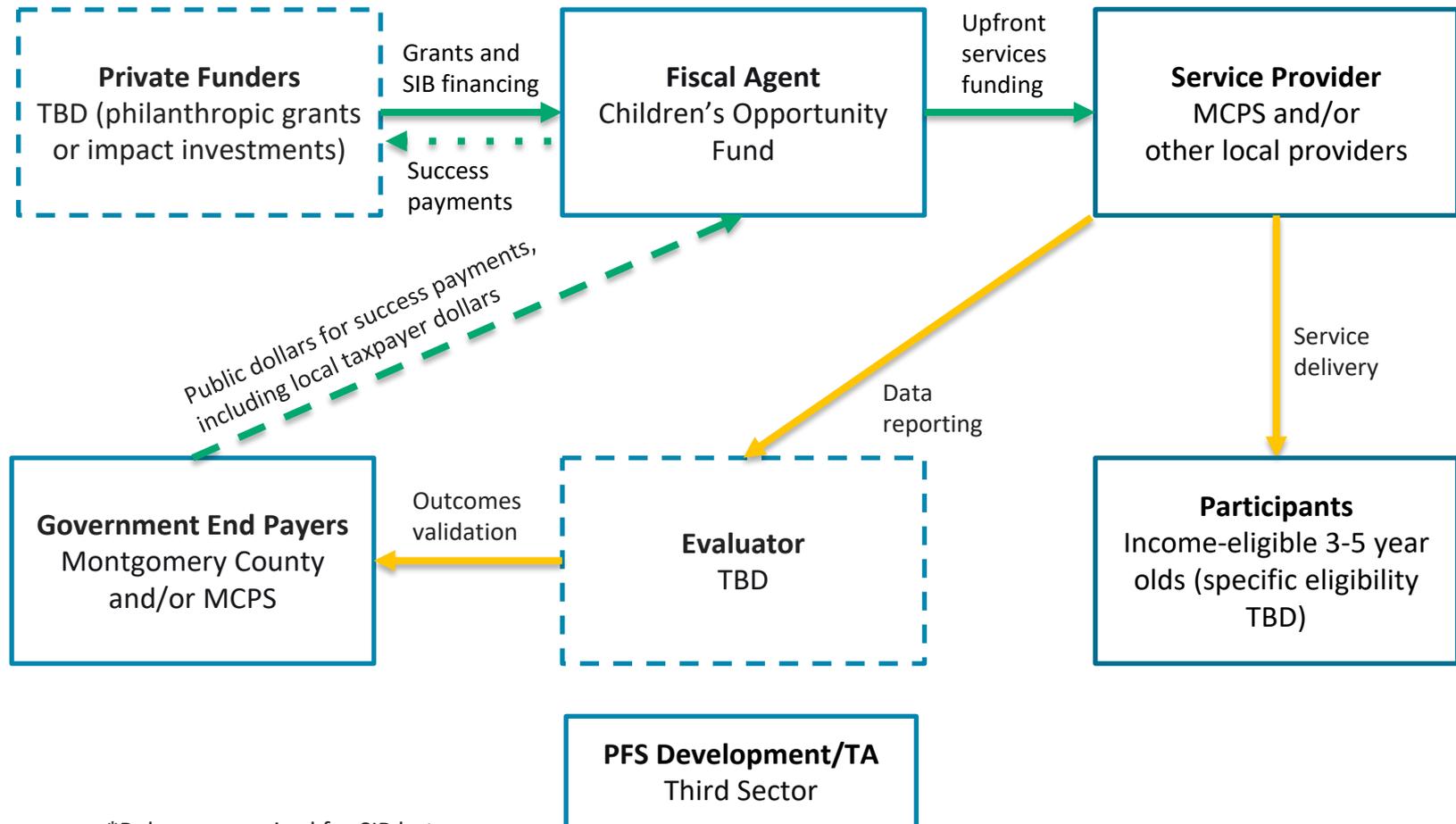


Option B: Social Impact Bond with MCPS Pre-K partnership (18-months to launch)

***Assumptions:** Start date contingent upon COF and MC finalizing scope and development funding; Project contingent on MCPS to define population and services in need; MCPS begins developing RFP for private child care providers, including potential outcome metrics

MCPS Pre-K Partnership

Hypothetical PFS Structure



 *Roles are required for SIB but
 not outcomes-oriented contract

Home Visiting Timeline: Program Selection, Design Activities

Option C: Outcomes Funding Pool with Healthy Families Montgomery (3-months to launch)

Apr – June 2020

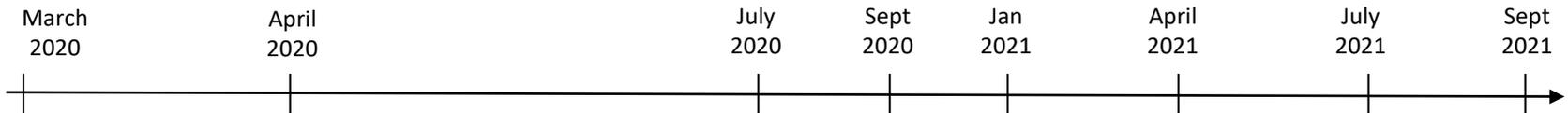
- Beneficiary population is defined
- Analysis is completed to assess population needs
- Stakeholders to collaborate with Family Services to define outcome metrics and payment terms
- Evaluation plan is created
- Fundraising begins

July 2020

- Providers begin serving mothers & children
- Evaluation begins

Initiate PFS Project Selection and Design, supported by Third Sector

Pilot Launches with HV provider



Initiate PFS Project Selection and Design, supported by Third Sector

Pilot Launches with HV provider

Apr – June 2020

- Beneficiary population is defined
- Providers engaged in PFS partnership
- Analysis is completed to assess population needs

July – Dec 2020

- RFP is developed & released
- Providers collaborate to choose outcome metrics
- Fundraising begins

Jan – June 2021

- Outcomes funding pool is established and funded
- Evaluation plan is created

July 2021

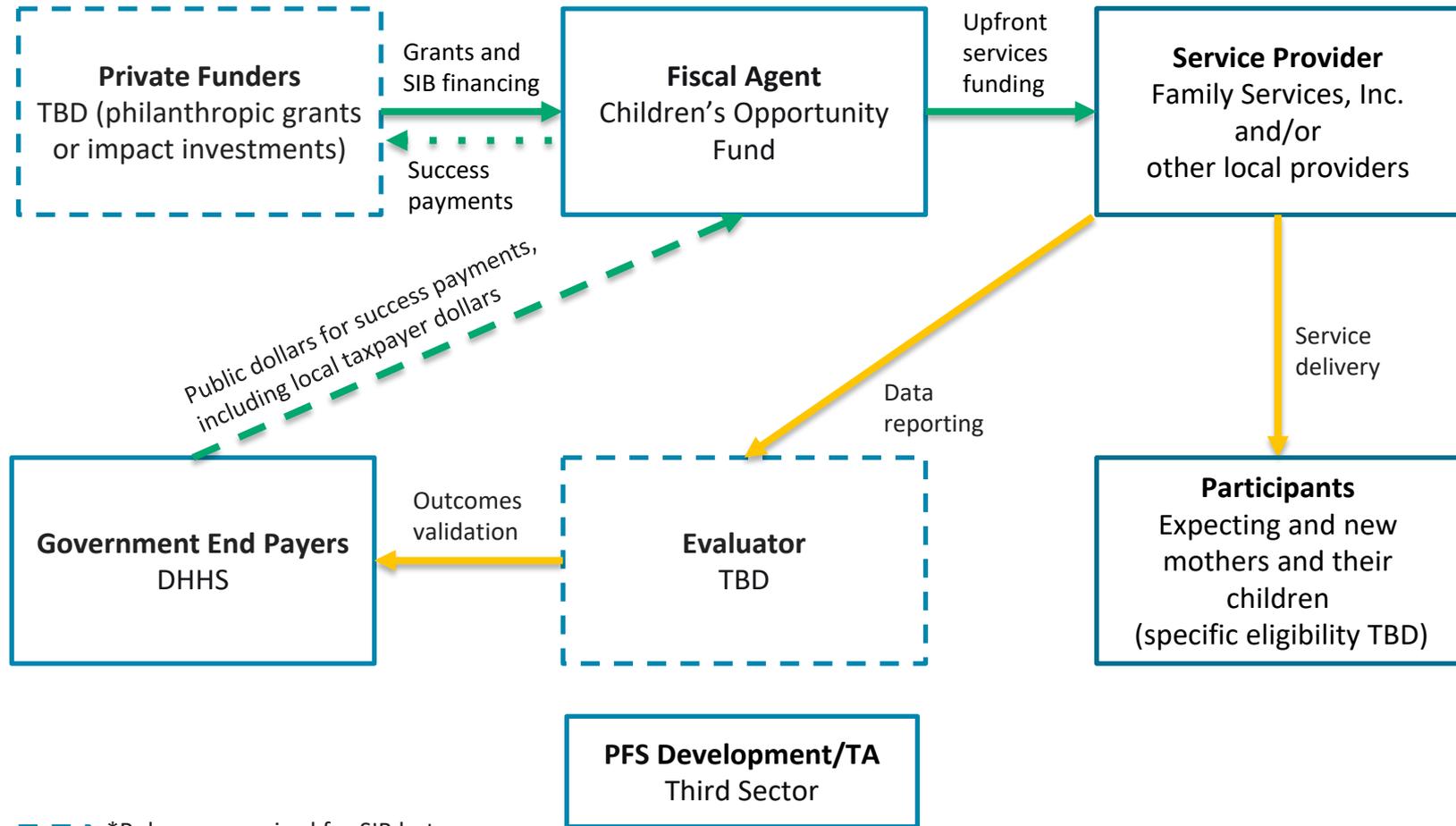
- Providers begin serving mothers & children
- Evaluation begins

Option D: Outcomes-Oriented Contract with SMILE or new model (e.g. NFP) (15-months to launch)

***Assumptions:** Start date contingent upon COF and MC finalizing scope and development funding; Project contingent on provider (Family Services, Inc., and others) interest in participating in pilot project

Home Visiting: Healthy Families Montgomery, SMILE or new model

Hypothetical PFS Structure



 *Roles are required for SIB but
 not outcomes-oriented contract

Working Parents Assistance (WPA) Project Activities & Budget

In parallel with PFS selection and design, there is a separate *opportunity to evolve WPA to better address family and child care providers' needs*, given that majority of eligible families have migrated to the Maryland State Scholarship program. Third Sector could work with Montgomery County staff and any additional contractors to accomplish goals for optimizing WPA.

Timeline	3-months (April-June 2020)
Sample Activities	<ul style="list-style-type: none"> ● Community Analysis: Building from the Children’s Funding Project’s final recommendations¹ and in coordination with additional mapping analyses, Third Sector would facilitate a process that helps identify challenges, root causes of barriers, and area of highest need (e.g. population, geography, child care type) ● Strategic Plan: Third Sector to support creation of a strategic action plan that prioritizes steps for evolution of WPA (e.g. policies, data management, process of administration) ● Other Technical Assistance (TBD): Third Sector could provide technical assistance related to advising on data sharing, creating a reimbursement pricing model (Excel), and/or reviewing new policy language
Budget	TBD

(1) <https://www.nonprofitmoco.org/wp-content/uploads/2019/01/Final-CFP-recommendations-memo-for-ECE-financing.pdf>

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