

MONTGOMERY COUNTY

CHILDREN'S OPPORTUNITY ALLIANCE

FY23 Montgomery County Children's Opportunity Alliance County Report

Oct. 1, 2023





October 1 County Council Report, 2023

Dear County Executive Elrich and Esteemed Members of the Council:

The Montgomery County Children's Opportunity Alliance (the Alliance), as the designated Early Care and Education Coordinating Entity for Montgomery County, is submitting our first annual report to the County for 2022-23, highlighting both accomplishments and a few of the challenges faced as we work with our partners to reimagine the early care and education space in our community.

The mission of the Alliance is to develop an equitable system of high-quality, accessible, sustainable early care and education for the children of Montgomery County, and to eliminate systemic racism and structures that create access barriers for vulnerable, racially and ethnically diverse populations. When the youngest members of our community thrive, we all succeed. Children learn and develop at an exponential rate during their first five years. By providing access to quality early learning opportunities, we can assist parents, caregivers, early educators, and community members to enrich the lives of our youngest residents so that they reach their full potential.

In our first year as a nonprofit, we took critical steps to build the infrastructure and foundation for the Alliance. We built our Board and staff, and we are focused on building relationships with members of the community. By establishing trust and rapport with all major stakeholders, we can develop a 360-degree view of the County's early childhood sector, and we can use lived experiences as a lens through which to view the data.

Our guiding principles over the past year include:

- We must keep racial equity front and center as we address access and quality.
- We must listen to our community, engage the many stakeholders in our diverse County, and value their lived experiences. The Alliance does not have all of the answers, but we trust the collective brilliance of our community to identify new ideas and solutions.
- We must use data to drive our decision-making process.
- We are a collective impact and systems-building organization. We must work with many stakeholders through the strategic planning process to determine what it means to be a member of the Alliance and how community members can co-create a unified vision of success with us.

In this report, we are laying the groundwork to create a common agenda that is inclusive of the variety of stakeholders who are connected to our County's system of early care and education. While we have accomplished much in this first year, we recognize that there is much work ahead of us. This will require your unwavering support so that all children, particularly those facing opportunity gaps and in special populations, are given the opportunity to thrive.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Rusnak".

Kimberly Rusnak, Executive Director

Executive Summary

Since its official designation on July 12, 2022, the Children's Opportunity Alliance has worked tirelessly to build the foundation and infrastructure required to ensure high-quality early care and education for every child in Montgomery County. The Alliance has held 14 Board meetings, crafted the administrative foundation for this new organization, and, most importantly, built consensus around – and began to execute – our mission-related goals.

Our legislative mandate is to disrupt and advance our County's system of early care and education (ECE). The current system was established in a time characterized by systemic racism, and it includes structures that have created barriers to reliable, affordable care for vulnerable, racially and ethnically diverse populations. The Alliance is committed to changing this system.

To achieve our mandate, the Alliance has worked this year to both stand up our infrastructure and focus on our mission. Some of our notable **infrastructure** accomplishments this year include:

- Electing officers of the Board and establishing committees following nonprofit best practices, as well as leading a Board retreat;
- Debating and ratifying by-laws and approving organizational budgets for FY23 and FY24;
- Hiring Kimberly Rusnak as our founding Executive Director after a national search, as well as hiring four additional highly qualified staff members;
- Negotiating and signing a contract with Montgomery County's Department of Health and Human Services (DHHS) and beginning talks for a new agreement with Montgomery County Public Schools (MCPS);
- Standing up a visual brand identity, [website](#), Board portal, and social media presence, and creating communication tools such as an overarching fact sheet; and
- Initiating the strategic planning process, which will include a shared mission, vision, and values; key strategies; organizational and County-wide goals to address the challenges in the ECE landscape; and roadmaps for achieving our goals.

Our notable **mission**-based accomplishments this year include:

- Beginning to identify and understand the extent to which different County populations are receiving ECE services by requesting and analyzing data from MCPS and DHHS – early analysis confirms that our community is underserving our vulnerable populations;
- Completing our due diligence review regarding next steps to refresh and realign the Early Childhood Coordinating Council (ECCC), which will most likely require legislative assistance;
- Convening community stakeholders, such as child care providers and educators, parents, nonprofit partners, business leaders, philanthropic partners, and other community stakeholders; and

- Launching an extensive fiscal mapping project of the ECE system in partnership with Children’s Funding Project and investigating options for conducting cost modeling to assist with scale and planning for the future of the ECE system.

Narrative of Activities

Our Story

The Montgomery County Children’s Opportunity Alliance grew out of a simple premise: together, we can create a Montgomery County in which all children can thrive.

As an Alliance made up of key stakeholders from every corner of the community, we are a community connector and convenor – we focus on building partnerships, letting data lead our decision-making, pooling financial and other resources to address needs, and acting innovatively to address complex community challenges.

In our first year as Montgomery County’s Early Care and Education Coordinating Entity, we laid the groundwork to achieve our ultimate goal: to create an early care and education system that prioritizes a systems-level approach, racial equity and inclusion, and guardian-provider accountability and transparency. This exciting moment gives us an opportunity to eliminate systemic structures that create access barriers for our most vulnerable populations. Working alongside and building consensus among key stakeholders, we will grow and nurture an equitable system of high-quality, accessible, and sustainable early childhood education for children from birth to age five and beyond.

2022-23 Activities

Building a Common Early Childhood Agenda

To further our mission, the Alliance convenes and solicits input from all early childhood education stakeholders, identifying unmet needs and barriers to accessing quality services for all young children. Together, we develop common goals and priorities for system expansion and improvement, fostering stakeholder collaboration and coordination.

Some of our accomplishments in our first year:

- The Alliance engaged a nationally recognized and locally based consultant, School Readiness Consulting, to facilitate our strategic planning efforts. [Phase 1](#) of the process, which included a landscape and document review and conversations with the Alliance Board and key community stakeholders, is complete. The flow of the remainder of our work is summarized in Appendix 1.
- The Alliance hosted its first major convening in partnership with Montgomery Moving Forward (MMF). We gathered over 35 representatives from 15 systems-building groups in February 2023 to discuss our collective work. Key recommended action steps include:

- Improving knowledge and understanding through data collection and landscape analyses;
- Creating a space for diverse voices through all aspects of the Alliance’s work; and
- Building trust and consensus toward a common unifying vision while reducing duplicative structures.
- We coordinated efforts with the Early Care and Education Initiative (ECEI). Alliance team members are serving on the project teams for both the Shared Services Alliance and Community Development Financial Institution projects issued by the ECEI and administered by DHHS.
- We supported the development of and planning for The Healthcare Initiative Foundation’s Community Summit: Navigating Safety-Net Resources, which took place in June 2023. It was an opportunity to engage and educate the broader community – both government and nonprofit service providers – in more effectively navigating resource continuums for public and private services.

Public and Private Funding Strategies

The Alliance is a public-private partnership, which blends public dollars with private philanthropic investments. To increase equitable access in our County’s ECE system, it will take both public and private investments to support growth, innovation, and scale. Our recently launched fiscal mapping work will help us track the amount and timing of investments made by all funding streams (i.e., Federal, State, County, and private philanthropy). Philanthropic individuals and organizations have expressed interest in investing in the ECE system and will do so if they believe they will get a return on their investment. As such, several entities have expressed interest in learning, alongside us, about how to strengthen our ECE system.

Through conversations with private philanthropic organizations, we’re conducting due diligence to imagine several potential new opportunities, such as a pooled fund of philanthropic dollars to support grants aligned to the common agenda, an early care and education business advisory group, and large-scale, community-wide awareness and fundraising events.

Research and Innovation

The Alliance’s grantmaking strategy puts funds in the hands of innovative organizations and partners in the field, which, in turn, adds to our understanding of the critical needs that stakeholder organizations are currently facing. In our first round of grant funding, the Alliance received 19 applications, requesting a total of \$736,504 to support early care and education programs and systems work in Montgomery County. In this initial grant cycle, the Alliance awarded \$105,000 to four organizations leading the charge in ECE innovation in the County. (See Appendix 1 for more information.)

Additionally, this past spring, the Alliance conducted a [landscape scan analysis of the early childhood workforce](#) in Montgomery County. This analysis is proving valuable in supporting our strategic planning efforts and in creating a common agenda. The resulting memo also analyzed trends and best practices in efforts to support the child care workforce across the County.

Measurement and Reporting

The Alliance team, led by a staff Measurement and Impact Analyst, collects and analyzes data to track progress toward early childhood system improvements, creating space for continuous learning and accountability. In spring 2023, we commissioned a report to review all publicly available data, which paints a picture of the well-being of our County's youngest children, including maternal and child health, early education success, and more. This preliminary report, [*The Well-Being of Montgomery County's Young Children*](#), has helped inform the Alliance's inaugural strategic planning efforts.

Board Leadership

As a governing body overseeing the startup of a new nonprofit organization and Coordinating Entity, the Alliance Board is still in its formative stage of development. In accordance with best practices for nonprofit governance, we gathered baseline data about our 21-member Board's attendance and participation. We found that some members of our Board are more vocal and attend every meeting, while others are quiet and/or are not regular in their attendance. We recognize that underlying power dynamics among Board members can create equity issues, so we are partnering with our governance committee to address these challenges, build trust amongst the Board members, and encourage equity of voice.

Administration

As a new independent nonprofit, the Children's Opportunity Alliance was thrilled to receive official IRS designation as a 501(c)(3) nonprofit in January 2023. We focused on foundational start-up activities, including building a visual brand identity, launching a website, hiring founding staff members (and establishing human resources policies and procedures), adopting fiscal procedures, applying for philanthropic grants, navigating technical security policies, and related activities that support an organization's operations.

Outcomes Data that Measures the Progress of Early Care and Education System Investments and Improvements

Critical to the Alliance's mission and strategy is the collection and analysis of meaningful data on the ECE system in Montgomery County. Using the data we have collected so far, we have a growing understanding of the varying levels of availability and access in our community. Not surprisingly, it leads to more questions and few clear answers. Our early analysis confirms that our community is underserving our vulnerable populations. With more data and deeper analysis, we will be able to delve into the reasons and potential solutions to provide quality ECE where it is lacking.

Availability and Use of Seats

There is a wide variety in the types of formal early childhood education opportunities available in our community. The types of formal licensed provider care include child care centers, family child

care, Montessori programs, letters of compliance, and public school Prekindergarten classes. Each of these types of care has a limit on the number of seats available, based on licensed capacity and other regulations. The ECE landscape continues to evolve, which makes this data difficult to track. In this post-COVID era, licensed child care providers are struggling to stay afloat and maintain quality standards, public Prekindergarten and Head Start programs are adjusting and expanding in alignment with the sweeping changes of Maryland's Blueprint legislation, and families continue to struggle to access high-quality care in a way that meets their unique family context.

As we begin to analyze data about the availability and use of formal early education seats, we have taken note of the following important highlights:

- There are an estimated 74,000 children between the ages of zero and five in Montgomery County. From birth to age 12, there are approximately 100,000 children. While we know there are approximately 45,000 licensed seats available in family child care homes or licensed group centers, this includes care for children from birth up through age 12. At this time, data does not exist to tell us exactly how many of those seats are available for each age group – the data has not been disaggregated because it is complicated. There is duplication in the type of seats licensed, but emerging analysis shows families of our youngest children face inequitable access.
- Post-pandemic, far fewer licensed providers hold a quality rating of 3 in Maryland EXCELS, with only 19% of centers and 10% of family-based providers obtaining this level of quality. This is a substantial drop from a high of 53% of centers in 2020. The child care business model is based upon what parents can pay for care; but often, the true cost of providing quality care costs a child care setting more than what parents can pay. This means that determining the true cost of providing quality child care is challenging.
- Enrollment or usage data is not currently collected for licensed providers. This data is expensive and cumbersome to collect, but it yields a high return on investment in the ability to inform decision-making. Currently, DHHS is in the process of implementing a supply and demand analysis; however, this has already taken at least two years to implement. We are working on strategies to identify and implement efficient and sustainable ways for getting higher-quality data on a more regular basis.
- Public school Prekindergarten and Head Start are regaining enrollment after the slump of the last two school years, but they haven't yet met pre-COVID numbers. According to data from MCPS, Blueprint funding from the state dropped in year two, and MCPS is prioritizing converting half-day seats to full-day seats in response to family demand. MCPS is using a combination of Blueprint, Title 1, and local County funds to convert half-day seats into full-day seats.
- Data provided by MCPS on the enrolled Prekindergarten students marks over half of the students as "Income Tier 0" (as opposed to Tier 1, 2, or 3 as defined by the Blueprint). We are still working with MCPS to understand what this means.
- According to the Blueprint legislation, each county is required to implement a mixed delivery system, which means an integrated system of early childhood education services that are offered through a variety of programs and providers (e.g. Head Start, licensed

family child care, public schools, and licensed community-based providers). Currently, only 11% (approximately 200) of Prekindergarten Blueprint seats are available in community settings (licensed family child care and community providers), which means we have a lot of work ahead of us to reach a 50/50 mixed public/private delivery system, as mandated by the state by FY27. Community-based providers are struggling to understand and meet the requirements as stated in the Blueprint – they need more strategic and coordinated support to survive in the context of upcoming changes.

- As a result of the Blueprint implementation, the Alliance is speaking with a variety of child care providers (both family child care and center providers) to gather data on what barriers exist to participating in the Blueprint expansion. We will have information to share soon (Montgomery County Year 1 Blueprint Expansion Report) documenting what Year 1 (2022-23) looked like for the Blueprint in Montgomery County, sharing what we are hearing from child care providers, and offering recommendations on how to improve implementation in Montgomery County and at the state level.

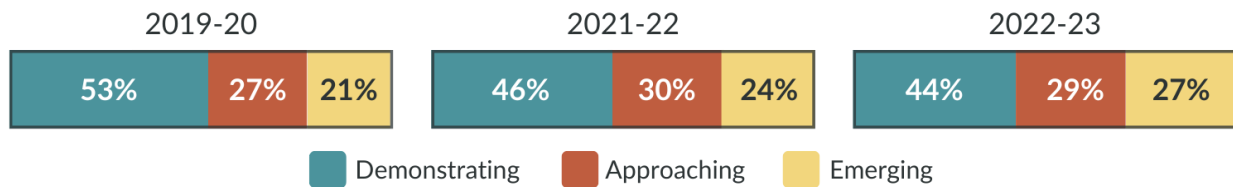
Access to affordable, high-quality, formal early care and education is essential to child, family, and community well-being. We continue to work with MCPS, DHHS, and others to improve the quality and quantity of data needed to understand the current realities faced by parents and providers. Data can help us make informed decisions and recommendations that will lead to high-quality approaches and solutions in the coming year.

Kindergarten Readiness

In the 2022-23 school year, 10,247 kindergarteners attended school in Montgomery County. While Montgomery County consistently outperforms the statewide average in readiness, the Alliance's data collection reveals a more nuanced truth. Kindergarten readiness varies greatly across demographic lines, and our most vulnerable populations consistently show lower levels of readiness than their peers. Kindergarten readiness is a critical metric to measure success in delivering on our mission and our promise to the community. (See Appendix 2 for more data.)

Levels of School Readiness in Montgomery County, Three-Year Trend

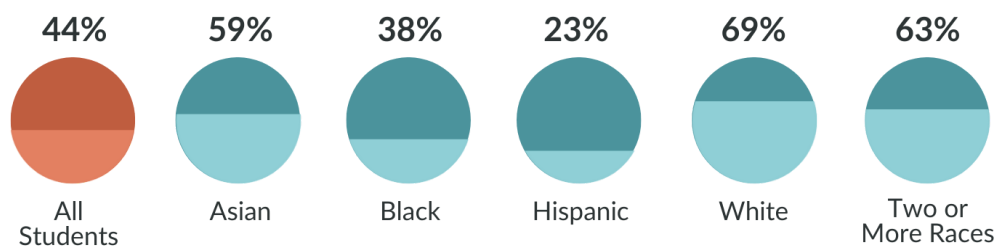
Percent of all students demonstrating various levels of readiness



Source: Maryland State Department of Education

School Readiness by Race/Ethnicity, 2022-23

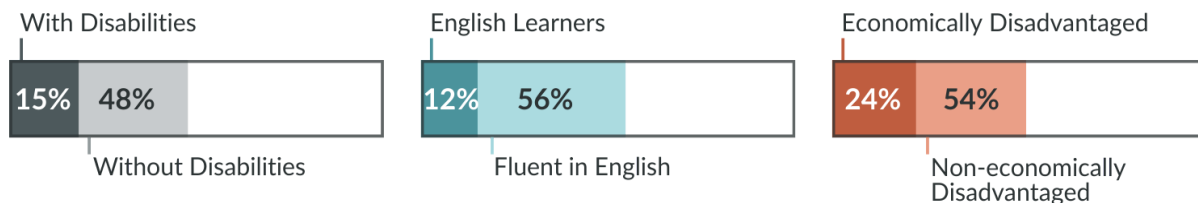
Percent of all students demonstrating readiness



Source: Maryland State Department of Education

School Readiness for Vulnerable Populations, 2022-23

Percent of all students demonstrating readiness



Source: Maryland State Department of Education

Looking Forward

As the Alliance moves into our second year and our strategic plan takes shape, we plan to prioritize the emerging needs that follow. We recognize the need to develop a strong data agenda and the importance of partnering with MCPS, community-based providers, and DHHS to meet our County's Blueprint obligations. At the same time, lessons learned from other communities around Prekindergarten expansion inform us that we cannot only focus on this expansion – we need to be aware of the child care business model, which relies on serving a wide range of ages, from infants and toddlers to Prekindergarten students, to make the full system financially viable. Addressing

these needs of all ages, from birth to five, will maximize the Alliance's ability to serve Montgomery County's children.

- We are continuing to gather data and working to understand who is being served and where they are being served in our community. Developing a data agenda that takes a 360-degree view of the full system is critical.
- The ECE system is made up of child care businesses, nonprofits, and advocates who want to work with the Alliance to build a stronger system. Innovation and risk-taking through grantmaking are critical tools and are essential to increasing impact in the community.
- To provide a holistic view of the ECE system, we need to be a part of the conversations in our community around ECE. Importantly, this requires us to join the ECEI's Coordinating Committee.
- We look forward to meeting with the County Executive and the Council to share our research findings once we complete the Montgomery County Year 1 Blueprint Expansion Report, FY23 and FY22 fiscal mapping, and our foundational strategic and action plan.

We look forward to working with the County Government, DHHS, MCPS, and the greater community to improve the quality of ECE for all our children.

Appendix 1: Duties

See Bill [41-21](#) for a full list of duties. Below is a summary of what the Alliance has accomplished related to the different duties of the legislation.

Building a Common Early Childhood Agenda

- The Alliance is working with a nationally reputed and locally based consultant, School Readiness Consulting, to facilitate the strategic planning process.
- Phase 1 was conducted over the spring and summer and included stakeholder interviews, Board engagement, and a document review ([Phase 1 report is located here](#)).
- Community conversations will take place in October 2023.
- Other intentional community conversations, surveys, and community feedback will be solicited at several points during the process.
- A foundational strategic plan, which will include our mission statement, vision, values, goals, outcomes, and racial equity and social justice statement will be completed by December 2023.
- A three-to-five-year action plan, fundraising plan, and implementation plan will be completed by summer 2024.
- The flow of the remainder of our work is summarized in the figure below:



- In partnership with the Early Childhood Coordinating Council (ECCC), Alliance team members have been attending and providing an update on the work of the Alliance at every monthly meeting.

- In spring 2023, we began conversations with previous and current members of the ECCC and our partners at DHHS to develop a recommendation regarding the duplication of duties between the ECCC and the Alliance, as flagged in the legislation.
- After a due diligence and stakeholder engagement process, the Alliance is working on a recommendation to refresh and amend the County's ECCC. Details and discussions are still taking place to determine the best next steps to move this work forward.
- In partnership with the Early Care and Education Initiative (ECEI), Alliance team members are serving on the Project Teams for both the Shared Services Alliance and Community Development Financial Institution projects issued by the ECEI and administered by DHHS.
- Alliance team members participate in the ECEI's Steering Committee meetings and will have representation across all of the ECEI's working groups, which will reconvene in October 2023, including a co-chair position for one working group.
- The Alliance team also prioritizes building relationships with a wide set of local and state-level ECE stakeholders. Team members hold regular meetings with child care associations, nonprofit organizations, businesses, and more.

Public and Private Funding Strategies

- The Alliance is responsible for securing and administering private-sector funding, and in FY23, raised \$95,000. In FY24, our budgetary goal is \$165,000. So far, we have \$100,000 in commitments from the private sector.
- The Alliance is responsible for managing and administering public funding that is directly appropriated to the Entity. In FY23, we received funds from both DHHS and MCPS. These funding streams will continue for FY24.

Research and Innovation

- The Alliance uses the tool of grantmaking to spur innovation in the field and to get a deeper understanding of the needs stakeholders are facing. In FY23, the Alliance provided grants to four community-based organizations. Here is a summary of the grants:
 - Action in Montgomery (AIM) is a broad-based community power organization rooted in Montgomery County's neighborhoods and congregations. They are a non-partisan, multi-faith, multi-racial organization dedicated to making Montgomery County and the State of Maryland a better place to live and thrive. This grant will support organizing teams of BIPOC parents to address structural barriers related to access to early childhood education [\$40,000].
 - CentroNía's mission for nearly 40 years has been to educate children and youth and strengthen families in a multicultural bilingual environment. This grant will allow CentroNía to prepare and deliver video trainings for Montgomery County educators on high-quality early instruction and care that is responsive to the needs of culturally and linguistically diverse children, including those exhibiting learning and developmental delays. [\$15,000]
 - Montgomery County Food Council (MCFC) builds an equitable, resilient, and sustainable local food system through collaboration, transformation, and cultivation. Feeding America estimates at least 33,840, or 14%, of children in

Montgomery County are food insecure, with an estimated 10,660 of those children being under the age of 6. This grant will support young children and families experiencing food insecurity by increasing SNAP program awareness and participation in Montgomery County. MCFC has a goal of completing SNAP applications for 300 children ages 0-15. [\$10,000]

- Montgomery Housing Partnership, Inc. (MHP) preserves and expands affordable housing, empowers families, strengthens neighborhoods, and provides support services to families in their housing units. This grant will support their Play and Learn program, which provides kindergarten readiness opportunities for low-income children and English Language Learners. [\$40,000]

Measurement and Reporting

- In Appendix 2, we have included a wide range of data points and analyses that we have completed related to data we have received from MCPS, DHHS, and other community partners. This data is not exhaustive but gives a glimpse into the data that is currently available.
- Reviewing and analyzing existing data will allow us to address current inequities and ask critical questions to help move the data agenda forward and improve long-term access and quality.

Racial Equity and Social Justice Policies

- The Alliance is pulling together a working group to create the policies, procedures, and statements related to the Racial Equity and Social Justice policy requirement.
- We are focusing on co-creating these items with staff, Board, and community members through debate and many conversations.
- Through the strategic planning process, as the Board discussed values, equity rose to the top. The data in our community, as in most communities in the US, demonstrates early opportunity gaps, which leads us to focus on racial equity and equal access to programs and supports in the early care and education space.

Board Leadership and Development

- Since July 2022, we have held regular Board meetings with a 21-member, County-appointed Board.
- The Board met 14 times between July 2022 and June 2023.
- Dr. Raymond Crowell stepped down as a Board member, and Jennifer Arnaiz was recently appointed.
- After one year of service, Nora Morales (from Identity) and Chandra Curtis (a parent) have stepped down.
- In accordance with the Maryland Open Meetings Act, all agendas, minutes, and recordings are posted on our website, mocochildren.org.
- Following nonprofit best practices, the Board has negotiated and amended organizational by-laws.
- The Board has collectively approved the organizational budgets for FY23 and FY24.

- The Board has four committees: Executive, Finance, Resource Development, and Governance, which follow nonprofit best practices for Board governance.
- As part of the Racial Equity and Social Justice policy, we are drafting policies and procedures to actively recruit members from diverse backgrounds and outreach to communities of color.

Appendix 2: Data

Outcomes Data that Measures the Progress of Early Care and Education System Improvements

Financial Investments

To understand changes in public and private investments in Montgomery County’s Early Care and Education system over the last year, the Alliance is building upon foundational knowledge generated by Montgomery Moving Forward (MMF). In 2018, MMF contracted the Children’s Funding Project (CFP), a national thought leader and social impact organization that helps communities expand equitable opportunities for children through strategic public financing, to conduct a fiscal map of the ECE sector to understand the level of Federal, state, local, and private philanthropic and parent resources invested in the system. CFP’s report, *Fiscal Map Findings and Recommended Financing Strategies*, can be accessed [here](#). For FY18, CFP found the following investment levels by funding source:

Source	Percent of ECE system investment	Amount
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
Total		\$762,009,940

Since the first fiscal map was conducted in 2018, there has been growing attention to improving resources, programs, and services within Montgomery County’s ECE system. Following the commissioning of the fiscal map and report, MMF held strategic conversations that resulted in the overwhelming realization of the need for increased and sustainable funding, leveraging funding to enhance quality, leveling the playing field between the Pre-K and child care systems, and improving family supports and connections.

The Alliance is working in partnership with the CFP to hire, train, and support a local expert on the Alliance staff team. The Alliance hired a Strategic Public Financing Coordinator, who will use expertise in fiscal mapping, cost modeling, public financing mechanism research, and movement-building to understand and analyze the multiple sources that fund ECE services. They

will also seek opportunities to align existing funds with a common early childhood agenda and develop customized financing solutions that will cover gaps in services to vulnerable populations and improve outcomes for all children. As part of the Alliance’s work plan for our Strategic Public Financing Coordinator, we plan to complete a fiscal map for FY22 and FY23. A fiscal map is a detailed and complicated procedure that takes several months to complete accurately; we are planning to have a completed fiscal map to share in June 2024.

Over the past five years, notable changes have occurred in the County’s ECE landscape, including new or different uses of funds in the space, the creation of the County Executive’s Early Care and Education Initiative (ECEI) and its accompanying non-departmental account, the expansion of Prekindergarten seats and the initiation of the state-level Blueprint for Maryland’s Future (Blueprint), and funding through the American Rescue Plan Act (ARPA).

Early Care and Education Initiative

In early 2019, after County Executive Marc Elrich announced that early care and education was one of his top priorities, the County Executive – along with Council Member Nancy Navarro, MCPS, and Montgomery College – launched the ECEI with an initial investment of just under \$6 million in a non-departmental account. An executive committee, along with a steering committee and ad hoc working groups, have been implementing changes according to an action plan, as well as guiding the use of the funds in the non-departmental account since FY20.

The approved/recommended funding, expenditures, and unspent/carryover funding for the initiative from FY20 through FY24 are as follows¹:

¹ As discussed in the [April 21, 2023](#) Joint HHS/E&C County Council Work Session document, page 7 and amended by Deborah Lambert, Sr. OMB Analyst to include the \$1.5 encumbrance added in March 2023 for FY23 for WPA Portal Development and provided to COA in August 2023.

*Negative PY Carryforward amount due to FY21 expenses that were moved to the CRF in FY22.

	FY20	FY21	FY22	FY23	FY24
Beginning Balance	-	3,195,131	4,070,250	10,951,622	12,306,975
PY Carryforward Amount			(802,172)	1,913,690	
Approved Budget	5,992,589	5,992,589	10,992,589	10,992,589	11,178,526
Latest Budget	5,992,589	9,187,720	14,260,667	23,857,901	23,485,501
Expenditures (expenses/encumbrances)	2,797,458	5,117,470	3,309,045	11,550,926	
Remaining Balance	3,195,131	4,070,250	10,951,622	12,306,975	23,485,501

\$1,500,000 encumbrance added in March 2023 for WPA Portal development.

The total expenditures in the ECE system via the ECEI over FY20-FY23 totaled **\$22,774,899**.

Expanding Prekindergarten Seats

The Blueprint for Maryland’s Future, landmark legislation passed in 2021, includes changes to nearly every aspect of Maryland’s public education system. Increasing annual education funding by over \$3.8 billion over the next 10 years, early childhood education is one of the five pillars of focus. It includes providing Prekindergarten at no- or reduced cost for more families through a mixed delivery system, expanding wraparound services for students and families through Judy Centers and Patty Centers, increased funding for the Maryland Infants and Toddlers Program to support students with special needs, and more funding dedicated to elevating the quality of student experiences in early childhood education.²

MCPS has received new funding from the Maryland State Department of Education (MSDE) through its Blueprint funding and its Pre-K Expansion Grant funding. The overall Blueprint aid from the State for MCPS decreased by \$4.7 million from FY23. The largest decrease was in Prekindergarten instruction funding. Community-based providers have also received Pre-K Expansion Grants directly from MSDE to operate Prekindergarten classrooms in their private settings. As a point of comparison, funding through the federal Head Start program has remained relatively stable, with the exception of a one-time rescue fund grant noted in the next section.

² <https://blueprint.marylandpublicschools.org/ece/>

	FY22	FY23	FY24
Blueprint Funding to MCPS for Pre-K (Pillar 1)	-	\$12,549,473	\$5,595,704
MSDE Pre-K Expansion Grant Funding for Community-based Providers (7 grantees)	-	\$6,783,431	TBD
Federal Head Start Funding	\$4,807,949	\$4,766,440	\$4,896,061

Notable New Funding Streams

There has been a surge of new funding into many areas of the ECE system as a result of various grants and funding streams made available in the state, such as those through the use of American Rescue Plan Act dollars. While we are unable to account for a comprehensive list of all of the relief funding in this County’s ECE system, a few notable new grants or loans are listed below.

Fund	Year	Amount
ARPA Head Start	FY21-FY23	\$970,360
Child Care Capital Support Revolving Loan Fund (13 child care providers in Montgomery County)	FY23	\$1,221,955
Maryland Rebuilds – Montgomery College grant	FY23	\$1,531,837
MSDE Grant – Montgomery College	FY23	\$1,452,964

The Maryland State Department of Education received one round of \$155 million in Child Care Stabilization grants in October 2021 and child care programs were slated to receive \$15,000 as a base award and \$500 for each licensed program slot. We are unable to determine how much of that award went to Montgomery County-based providers. In FY21, DHHS disbursed \$10 million in grants to help child care providers cover reopening expenses.

As the Alliance begins to have a more complete understanding of the public and private investments in the County’s ECE system, we will be better suited to support strategic financing plans to grow and sustain these investments during the next decade and beyond.

Availability and Use of Seats

Access to quality early care and education programs is important to ensure children are ready for kindergarten. The landscape of formal early care includes family child care providers, licensed group programs, Head Start, and public Prekindergarten. What we know about capacity is as follows:

Regulated Early Care and Education Capacity, 2022

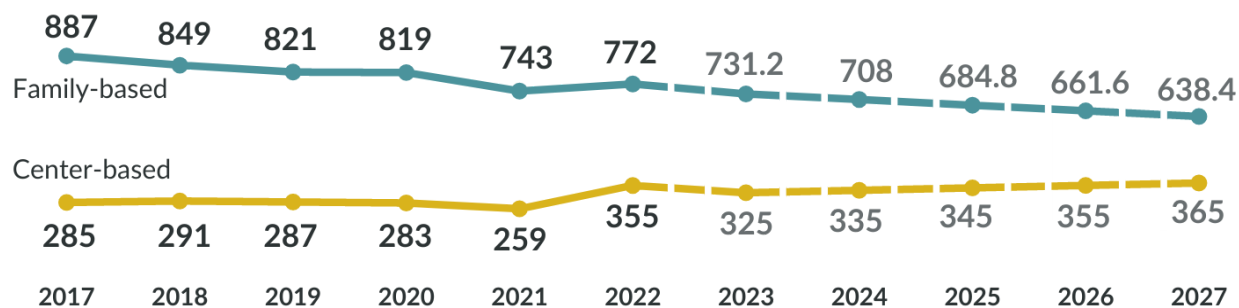
Regulated Care	Sites	Capacity
Licensed Group Programs	497	38,830
Family Child Care Providers	772	6,121
Total	1,269	44,951

Capacity is across all ages 0-12. Licensed Group Programs include 8-12 Hour centers, Infant/Toddler, Part Day, Before and After school, Employer Sponsored Centers, Nursery Schools, and Private Kindergarten. Source: Maryland Family Network and the Maryland Child Care Resource Network.

The ECE landscape in Montgomery County is evolving. Family-based providers, historically the majority of regulated ECE programs, have been on a gradual decline since 2017. Projections from the Maryland Family Network (MFN) indicate that this trend is expected to continue through 2027. However, in Montgomery County, according to DHHS, the number of family-based providers has remained relatively consistent. In contrast, center-based providers have seen steady growth since 2017, a trend anticipated to continue through 2027. Most programs are located in Silver Spring and Gaithersburg, with other areas of the County having much fewer programs. Areas that lack sufficient providers to meet the needs of families are often referred to as "child care deserts." A report by the Office of Legislative Oversight (OLO) in 2015 identified three areas in the County – Gaithersburg and Montgomery Village (District 9), Silver Spring and Wheaton (District 13), and Burtonsville (District 5) – as child care deserts for infants and toddlers³. However, more recent data, using a definition from the MFN⁴, looking at slots for children from birth through age five as a whole without separating out infant and toddler slots, suggests that there are no child care deserts in the county.

Trends in the Number of Licensed Child Care Providers

Number of full-day center and family-based providers in Montgomery County, 2017 to 2027



Projections by Maryland Family Network using a Forecasting template and do not necessarily reflect the effects of current changes to social programs affecting child care.

Source: Maryland Family Network and the Maryland Child Care Resource Network

³ The OLO report defines Child Care Deserts as areas where the number of children under age two exceed slots available by more than 2,000 children.

⁴ The MFN defines Child Care Deserts as areas where there are 50 children under age five AND greater than a 3:1 ratio of children to spots available.

Data regarding enrollment in available regulated care sites is not currently collected on a regular basis in Maryland. The ECEI, via DHHS, is undergoing a supply and demand study to better analyze true capacity and enrollment in the child care sector. This report should be completed during this fiscal year and will represent data from one point in time. The Alliance is coordinating with DHHS and its project team on the implementation of this project. The Alliance is collaborating with partners across the state to understand options for more regular and recurring collection of these data. Data on which program sites consistently have openings or those that regularly reach capacity is crucial in directing initiatives aimed at improving the accessibility of child care services.

Head Start and Prekindergarten are offered for three- and four-year-olds in full-day and part-day seats through MCPS.

Pre-K and Head Start Capacity, 2022-23

	Half Day	Full Day	Total Capacity
Head Start	77	571	648
Pre-K	1,460	1,140	2,600
Special Education	-	-	-
Total	1,537	1,711	3,248

Source: MCPS

At its peak, 3,016 children were enrolled in the available 3,248 Head Start and Pre-K seats. An additional 1,466 children were served in special education Prekindergarten, which does not have the same eligibility requirements and, thus, are not included in the capacity chart above. Because the County is mandated to serve all special education students identified as needing services, there is no set capacity data for this population. These special education students are included in the 4,308 enrollment figure below.

As part of the Blueprint’s goal to offer Prekindergarten in a mixed delivery system, seven community-based providers, representing both child care centers and family child care, received Pre-K expansion grants from the State of Maryland in 2022-23; these seven providers collectively served 180 children⁵. These 180 children are not included in either of the above or below charts.

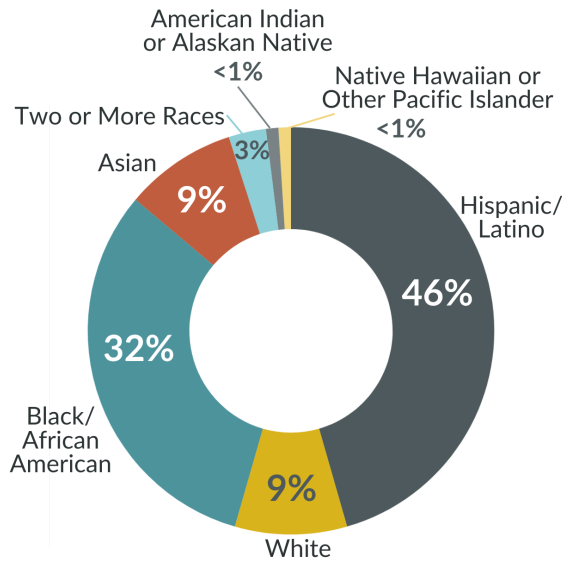
MCPS offers streamlined access to public Prekindergarten and Head Start through a single application process. Eligible children who apply are assigned to a classroom at one of 65 elementary schools in the County. In 2021-22, 41% of the over 1,300 children who applied and

⁵ MCPS BOE Presentation, September 20, 2023
[https://go.boarddocs.com/mabe/mcpsmd/Board.nsf/files/CVNT497582DC/\\$file/Prekindergarten%20Expansion%20-%20Blueprint%20Pillar%201%20230921.pdf](https://go.boarddocs.com/mabe/mcpsmd/Board.nsf/files/CVNT497582DC/$file/Prekindergarten%20Expansion%20-%20Blueprint%20Pillar%201%20230921.pdf)

were deemed eligible for Head Start were served in a Head Start classroom, and the remaining 59% of applicants were offered a seat in a Prekindergarten classroom.

Based on data we received through a request to MCPS, during SY 2022-23, the largest subgroup of students enrolled in Prekindergarten and Head Start, including special education students, identified as Hispanic/Latino (46%), followed by students identifying as Black (32%).

Prekindergarten Enrollment by Race/Ethnicity, 2022-23

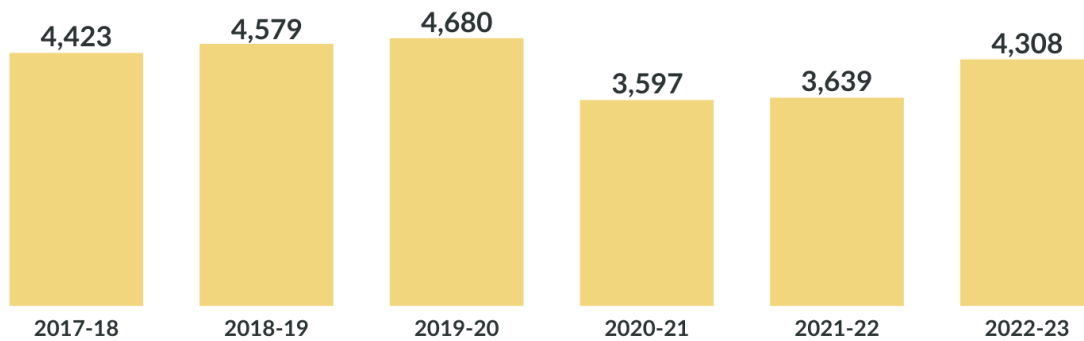


Source: MCPS

Public Prekindergarten enrollment includes three- and four-year-old students enrolled in part-time or full-time Head Start, Prekindergarten, and special education. Enrollment in public Pre-K notably decreased between SY 2019-20 and SY 2020-21. However, since then, enrollment numbers have increased, reaching 4,308 in SY 2022-23.

Public Prekindergarten Enrollment Trends

Public Prekindergarten school enrollment, ages 3 and 4

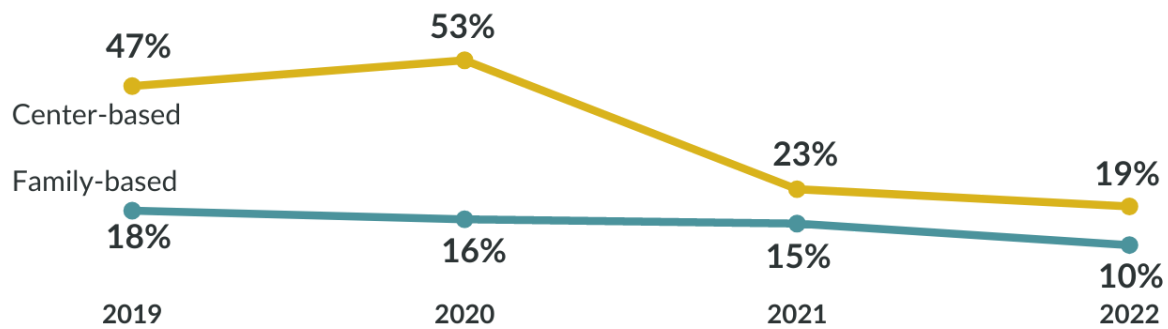


Source: Maryland State Department of Education

Quality: Maryland EXCELS, the state's quality rating and improvement program, has seen relatively stable participation rates since 2021. However, prior to the pandemic, a more significant proportion of center-based programs held quality ratings of 3 or higher in the EXCELS program compared to family-based programs. The pandemic led to declines in quality ratings for both center- and family-based programs, with the sharpest drop observed among center-based programs, decreasing from 53% in FY20 to 19% in FY22. Meanwhile, family-based programs declined from 16% in FY20 to 10% in FY22 in the County.

Percent of Programs with Quality Rating of 3 or Higher

Percent of *center-based* and *family-based* child care that hold a quality rating of 3 or higher in Maryland EXCELS, 2019-2022

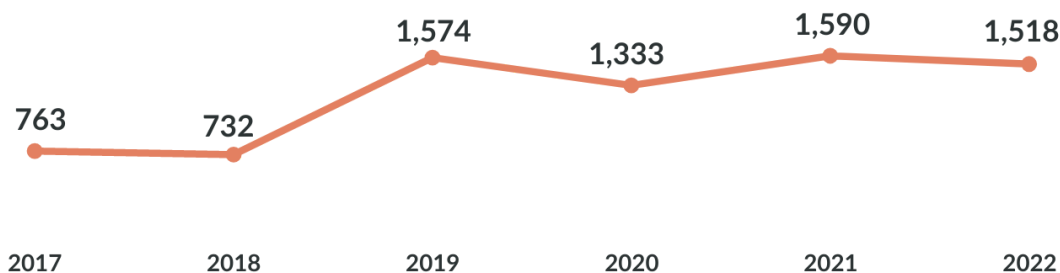


Source: Montgomery CountyStat

Access: In 2019, Montgomery County experienced a substantial increase in the number of families authorized to receive child care subsidies through the State Child Care Scholarship (CCS) Program and/or Working Parents Assistance Program (WPA). Since then, the number of eligible families has remained relatively stable, with a slight decrease from 1,590 families in 2021 to 1,518 in 2022. More recent data on the number of kids enrolled in subsidy programs shows 1,018 children ages 0-12 were served by WPA as of March 31, 2023 (663 ages five and younger) and 3,350 ages 0-12 enrolled in CCS as of June 30, 2023.

Families who Receive Child Care Subsidies

Number of families with children ages 0 to 12 authorized to receive either CCS and/or WPA



Source: Montgomery CountyStat

The number of children receiving early childhood intervention services briefly decreased between FY20 and FY21, before returning to numbers similar to previous years. Notably, the number of Prekindergarten students with disabilities has steadily decreased since the 2019-20 school year from 2650 to 1526 students in the 2021-22 school year.

Accessible and affordable high-quality formal early care and education are essential to child, family, and community well-being. Equitable access to ECE seats remains an issue in Montgomery County and across the country. Data that helps articulate the extent of the issue is hard to obtain, and it will be a priority of the Children’s Opportunity Alliance to work to improve the quality of available data that can be used for decision-making.

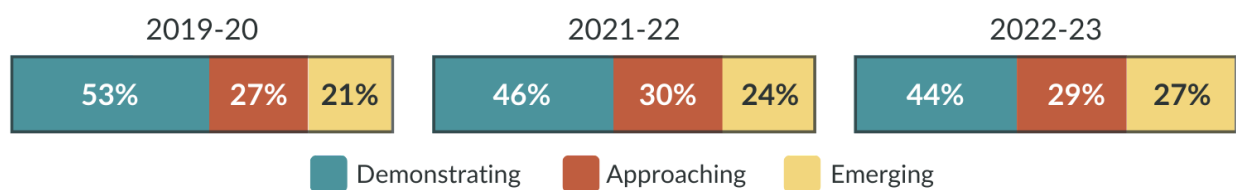
Kindergarten Readiness

In the 2022-23 school year, Montgomery County administered the Kindergarten Readiness Assessment (KRA) using a Census-based administration of all kindergarteners by their teachers, joining all other jurisdictions in Maryland. Historically, Montgomery County used a random sample approach. This change in process allows for higher-quality data. In the 2022-23 school year, 10,247 kindergarteners attended school in Montgomery County.

In the 2022-23 academic year, readiness scores declined compared to the previous 2021-22 school year across all domains. This decline marked a continuing trend, with readiness levels steadily decreasing since the 2019-20 school year. Specifically, in the 2022-23 school year, 44% of children demonstrated readiness, representing the lowest readiness percentage in eight years. Notably, all but five counties in Maryland reported lower readiness scores in the post-COVID-19 era. In Montgomery County, scores generally rose since 2014-25 when this assessment was first used in the state, hitting a peak in 2018-19, and then falling post-COVID. However, Montgomery County continues to consistently outperform the statewide average in readiness.

Levels of School Readiness in Montgomery County, Three-Year Trend

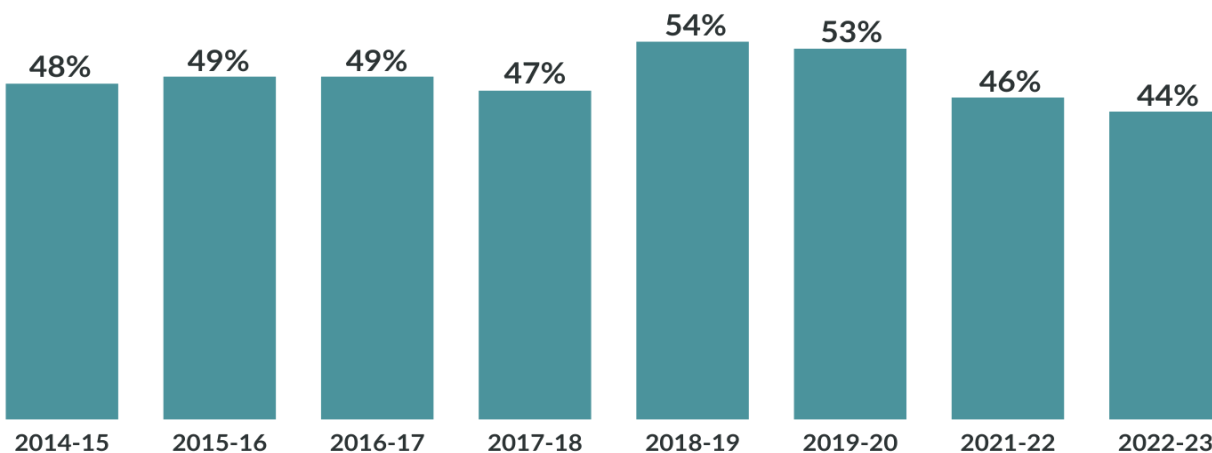
Percent of all students demonstrating various levels of readiness



Source: Maryland State Department of Education

School Readiness in Montgomery County Since 2015

Percent of all students demonstrating readiness



Sample data for years 2014-15 to 2021-22. There is no data for 2020-21 school year.

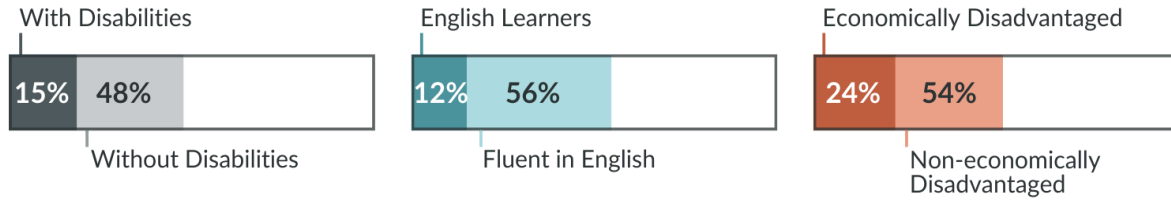
Source: Maryland State Department of Education

Examining KRA data among specific student populations can guide targeted interventions to address areas of greatest need. In the 2022-23 school year, readiness disparities among various student subgroups have endured. Progress in closing these gaps varies, with some gaps narrowing while others are widening.

- Students identifying as Asian, White, or belonging to two or more racial categories demonstrated readiness levels higher than the County average. However, readiness disparities persist among Hispanic and Black students, who exhibit lower levels of readiness compared to the countywide average. Hispanic and Black students represent more than half of the kindergarten class.
- Children with disabilities consistently demonstrate lower levels of readiness than their peers, 15% compared to 48% in the 2022-23 school year. Despite decreasing from the previous year, the share of students with disabilities in the 2022-23 school year was higher than in the 2019-20 school year.
- In the 2022-23 school year, 24% of economically disadvantaged children demonstrated readiness compared to 53% of their peers. Before the pandemic, there was a 22 percentage-point gap in 2019-20, which has since widened to 29% in 2022-23.
- English Learners' readiness decreased from 17% in the 2021-22 school year to 12% in the 2022-23 school year. The gap in readiness between English Language Learners and their peers has also grown, primarily due to a decrease in the readiness rate among English Language Learners. In 2019-20, there was a 38 percentage-point gap between English Language Learners and their peers. This gap closed slightly in 2021-22 to about 32 percentage points; however, in 2022-23, the gap widened to about 44 percentage points.

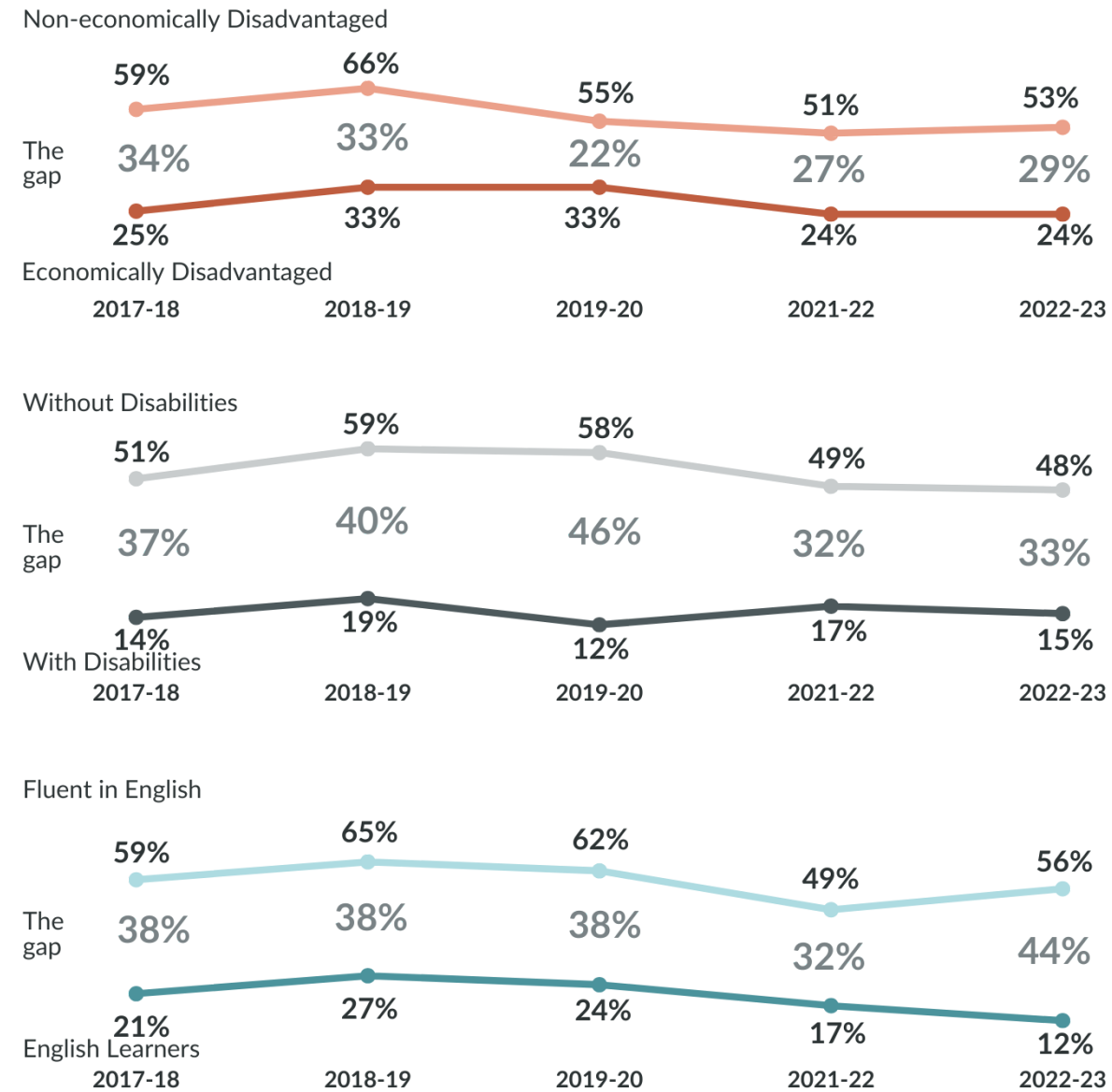
School Readiness for Vulnerable Populations, 2022-23

Percent of all students demonstrating readiness



Source: Maryland State Department of Education

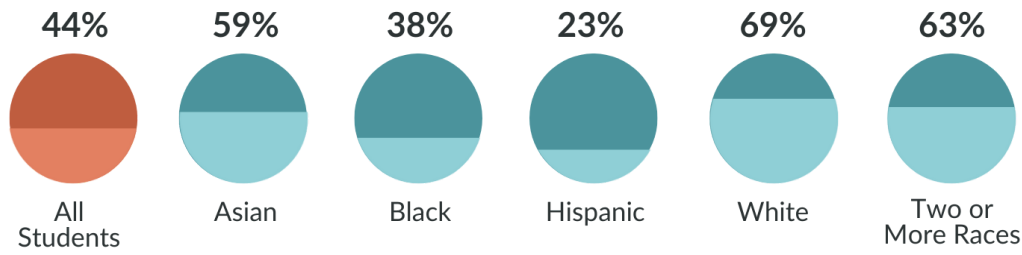
Percent of Students Demonstrating Readiness by Student Subgroup



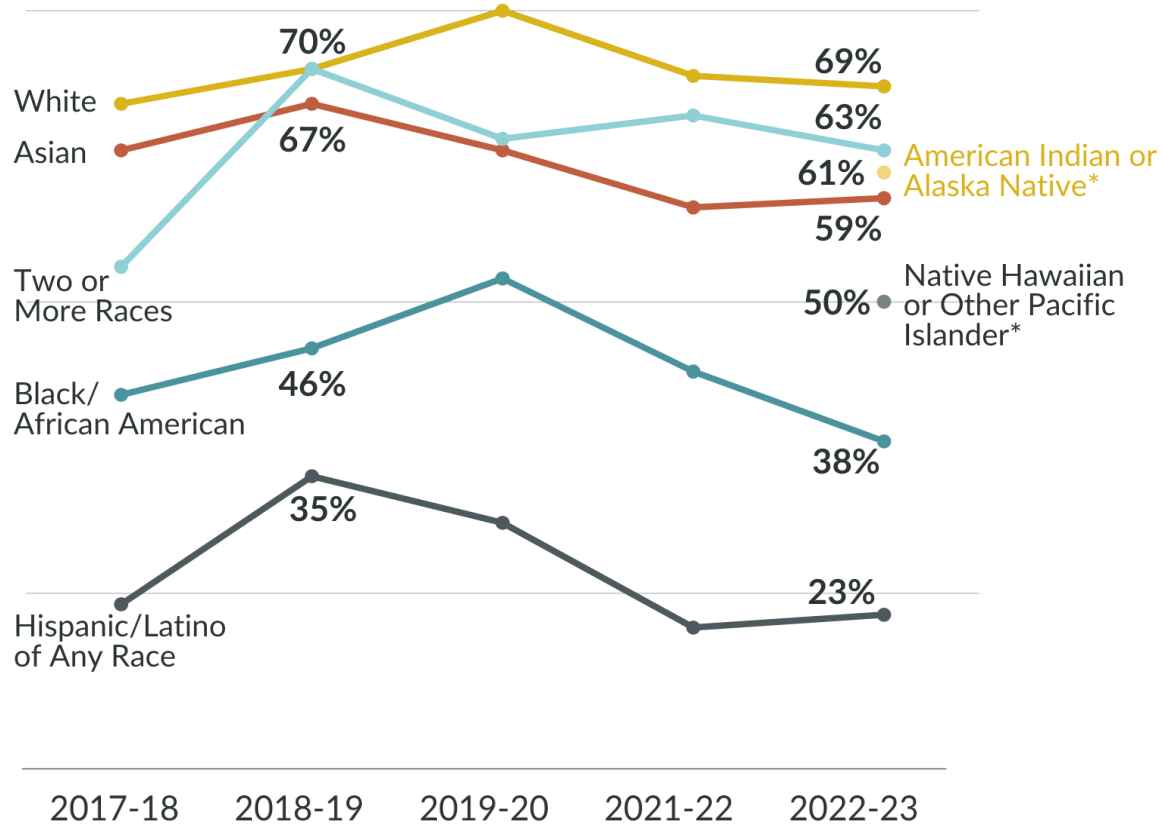
Source: Maryland State Department of Education

School Readiness by Race/Ethnicity, 2022-23

Percent of all students demonstrating readiness



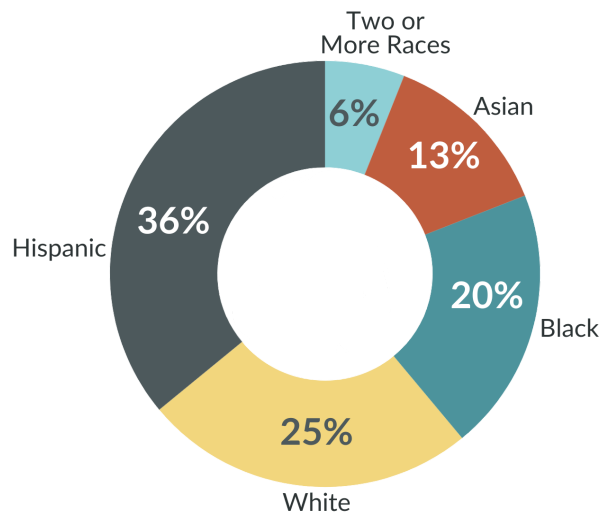
Source: Maryland State Department of Education



*Estimates based on groups of fewer than 10 students are not reported.

Source: Maryland State Department of Education

Kindergarten Enrollment, 2022-23



Source: Maryland State Department of Education

While annual reporting of KRA data offers valuable insights into readiness trends, the Alliance is tracking its limitations as we consider systems-level improvements. For instance, it would be valuable to interpret readiness scores based on a student's prior care setting, yet available prior care data only reflects where a child received care in the year before kindergarten based on parent reports, even though children can experience multiple early care and education environments. Community stakeholders have also expressed concerns about the Spanish translation of the prior care reporting form. Moreover, public KRA data mainly highlights the percentage of children showing readiness, but broadening the published data to encompass students who are approaching and emerging readiness could provide a more comprehensive view of readiness.

Not all young children in Montgomery County attend MCPS. There are 55 sites of private kindergarten in Montgomery County, according to the Maryland Family Network's most recent demographics report. These sites are not required to administer the Kindergarten Readiness Assessment and, thus, the readiness of these young children is not currently easily known.

Appendix 3: Financials

In FY23, the Alliance received \$715,836.98 from the County Executive and County Council, through DHHS. The funds were to support the transition from the Children’s Opportunity Fund to the Children’s Opportunity Alliance, under the fiscal sponsorship of the Greater Washington Community Foundation. There was also \$125,000 in the MCPS budget for FY23, and we received these funds in June 2023. The majority of these funds were used to support our grantmaking portfolio. As of Sept. 2023, all FY24 DHHS funds were expended or allocated to Alliance expenses. See the table below for the breakdown of how DHHS and MCPS funds were expended for FY23.

	FY23 Total DHHS + MCPS	FY24 Budget
Salary & Benefits	\$398,219.56	\$804,550.00
Community Fdtn. Mtg. Fee (8%)	\$58,100.29	\$0
Administrative Fees (rent incl)	\$0	\$45,000.00
Communications		\$15,500.00
Consultant Support	\$78,687.35	\$20,000.00
Strategic Planning	\$75,000.00	\$150,000.00
Travel & Transport	\$21.50	\$0
Continuing Education	\$3,910.59	\$5,000.00
Insurance	\$3,093.00	\$6,000.00
IT Supports	\$13,958.54	\$13,000.00
Conference	\$0	\$2,500.00
Meetings	\$3,721.95	\$15,000.00
Supplies	\$1,534.74	\$8,600.00
Legal Fees	\$2,879.82	\$5,000.00
HR Support	\$27,542.97	\$0
Grants	\$155,000.00	\$125,000.00
Total	\$821,670.31	\$1,215,150

For FY24, the Alliance will have a staff of six: an Executive Director, a Manager of Strategic Initiatives, a Manager of Early Care and Education, a Measurement and Impact Analyst, a Strategic Public Financing Coordinator, and an Office Manager. All positions have been filled except the Manager of Early Care and Education. We have struggled to find the right fit, so we are continuing to search for the best candidate. Above is a basic breakdown of our FY24 budget, based on our Board-approved budget. The work plan for FY24 centers around developing our strategic plan; however, at the same time, we are working on fundraising, basic operations implementation, making data requests of community partners, data analysis, starting a fiscal map project, facilitating an ECE advocacy coalition, and convening and engaging stakeholders and partners such as parents and child care providers as we move forward with our work.

In the FY24 Board-approved budget, 13% of the budget comes from charitable donations, such as foundations and individuals, meaning we need to raise, at the very least, the budgeted \$161,763 from private sources. We have made progress in securing private sources of funding from individual philanthropists and family foundations, and this private support in our start-up phase is critical to our success and our goal to improve outcomes for the youngest members of our community. Currently, we have open proposals with three foundations, we have plans to submit at least two more proposals this fall, and we are planning a Friendraiser event, which will raise awareness and funds for the Children's Opportunity Alliance. In FY23, the Alliance raised \$95,000 in private funding. So far in FY24, we have commitments that total \$100,000.