



# Data, Data Everywhere ...

## A New Look at Data-Driven Decision-Making

Introductions by Ellen Wheatley, Ph.D.

Panel Moderated by Paula Bendl Smith

with

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Brian Shultz, President, Bowtie

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# Introductions

# Key Questions

- ◆ What is data-driven decision-making?
  - How can it help with Child Care and Development Fund (CCDF) Administration?
- ◆ Why is real-time data powerful?
  - When can real-time data help?
  - When is real-time data unlikely to help?
- ◆ How do we get there from here?
- ◆ How do we get started?

# What Is Data-Driven Decision-Making?



- ◆ Data-driven decision-making is using data to guide **strategic business decisions** that align with your goals, objectives, and initiatives.

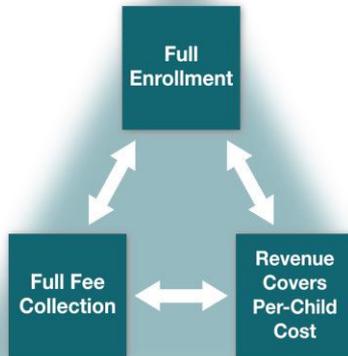


# Why Real-Time Data Matter (and when they can help)

# Data Needed for Strategic Business Decisions

Child Care Business

**Goal:** Stay in Business



CCDF Administrator

**Goal:** Spend CCDF and Coronavirus Aid, Relief, and Economic Security (CARES) Act Dollars Wisely

- ◆ Are child care centers and homes open? If so, where?
  - What is the likelihood of reopening and staying open?
- ◆ Are there vacant slots? If so, for what ages?
  - These are likely to change based on public school decisions.
- ◆ What is the unit cost (per child)?
  - This is likely to change based on ratios, enrollment, and staffing.
- ◆ Will there be fee collection?
  - This is likely to fluctuate with economy.
- ◆ What are the quality standards?

# The Power of Real-Time Data

## Child Care Business

- ◆ Enrollment
  - Parents reserve slots and enroll online.
  - Data reports by age of child and classroom are provided.
- ◆ Attendance
  - This is recorded electronically as the child enters each day; the system automatically populates all required reporting (licensing, subsidy, CACFP, HS/EHS, and so on).
  - Data reports are provided in aggregate or by classroom.
- ◆ Collections (family fee and subsidy)
  - Electronic collection via automated clearing house, credit, or debit is available.
  - Electronic subsidy billing (via data “bridge”) is available.
  - Data reports, in aggregate or by family or funder, are available.
- ◆ Unit cost
  - Cost information by classroom (child age) is gathered and analyzed.
  - Enrollment, attendance, and collections inform calculation.

## CCDF Administrator

- ◆ Provide an accurate account of child care supply.
  - Enrollment data are timely, accurate, and available by age of child, location, program quality, and so on.
- ◆ Provide timely data on utilization.
  - Are slots full in target neighborhoods? High-quality sites?
  - Are there systemic gaps for particular ages or types of care?
  - Are there attendance challenges for specific programs, populations, or age groups?
  - These data can help make decisions about effective **demand**.
- ◆ Lower error rates.
  - Less likely to make payment/reporting errors if all transactions are electronic + linked to provider systems
- ◆ Improve ability to effectively target public funding.
  - Provide accurate data on supply and demand.
  - Provide accurate data on utilization by age of child.



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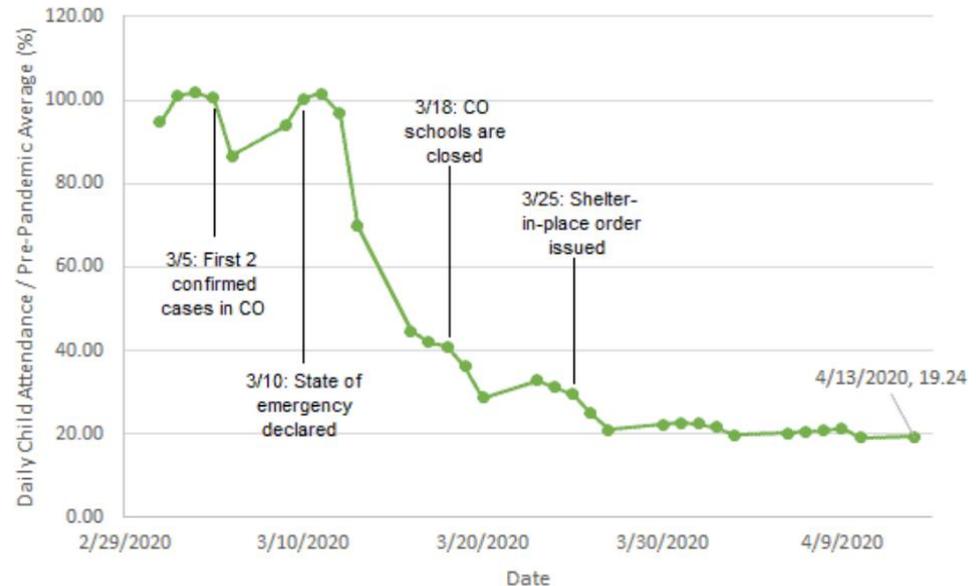


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# Real-Time Data: CO Example

- ◆ Aggregate attendance among all the 300+ providers using Alliance CORE software (data from Early Learning Ventures in Colorado).
- ◆ **Real** data to show dramatic drop in enrollment across **all** sites.

Pandemic Effects on CORE's Daily Child Attendance





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# Real Time Data: TX Example (report from CCSA, available weekly)

Provider Status	#	%
Open, providing care	706	64%
Not operating	400	36%
Unknown	0	0%
Total	1,106	

Open providers	#	%
Center providers	334	47%
Family home providers	372	53%
Willing to extend hours	82	12%

Available Slots	sites	slots
Infant	289	1,382
Toddler	367	2,309
3-5 years old	373	3,112
School-aged	306	2,825
Total		9,628

Data by City	Sites	Infant	Toddler	3-5 Yrs	School-aged	Total Vacancies
ALEDO	1	8	2	10	25	45
ARLINGTON	101	327	536	744	586	2,193
AZLE	4	8	41	46	80	175
BEDFORD	15	55	82	123	113	373
BENBROOK	3	4	7	9	10	30

Application by Industry	#	%
Healthcare	587	34%
Local State Govt.	122	7%
Restaurant, Grocery, Food	198	11%
First Responder	75	4%
Gas Station	20	1%
Childcare worker	237	14%
Mail Delivery	65	4%
Military	17	1%
Maintenance	2	0%
Finance	79	5%
Construction	16	1%
Transportation	43	2%
Warehouse	68	4%
Leasing Agent	11	1%
Other	202	12%

Eligible applications	
% pending placement	2%
% enrolled	86%
Total	88%

Source: Child Care Services Association, Ft Worth TX

# Data-Driven Decision-Making Example

## Reality

- ◆ CCDF dollars are limited.
- ◆ The state budget is declining.
- ◆ There are no additional CARES dollars.
- ◆ Unemployment is high.
- ◆ Parents are unsure of child care safety.
- ◆ Few families are applying for child care assistance (currently no wait list).
- ◆ Fewer families are looking for care.

## Data-Driven Decisions

- ◆ Where do we have vacant slots?
  - Consider location, ages, and quality.
  - Do available slots match current demand?
- ◆ What is current demand?
  - For subsidy?
  - For private pay?
- ◆ Can we actually fill those slots with children?
  - Are they near employment hot-spots?
  - Are rates sufficient to cover cost?
- ◆ How can we help keep programs the “right-size”?
  - Run best-case and worst-case scenarios.
  - Consider expanding family child care or micro-centers.



# Asking the Right Questions

# Child Care Demand Data: What Informs Assumptions?

- ◆ **Effective demand** is the level of demand that reflects a real intention by people with the means to pay.
- ◆ Academic estimates of child care demand often confuse assumptions of “need” with actual demand for care, and the (unintentional) result is misleading data. This is the problem with reports that highlight child care deserts.
- ◆ Real-time data can help deepen our understanding of child care demand **if** we
  - create centralized search and enrollment (via automation) and
  - build links to all options (including public schools, Head Start, and so on).

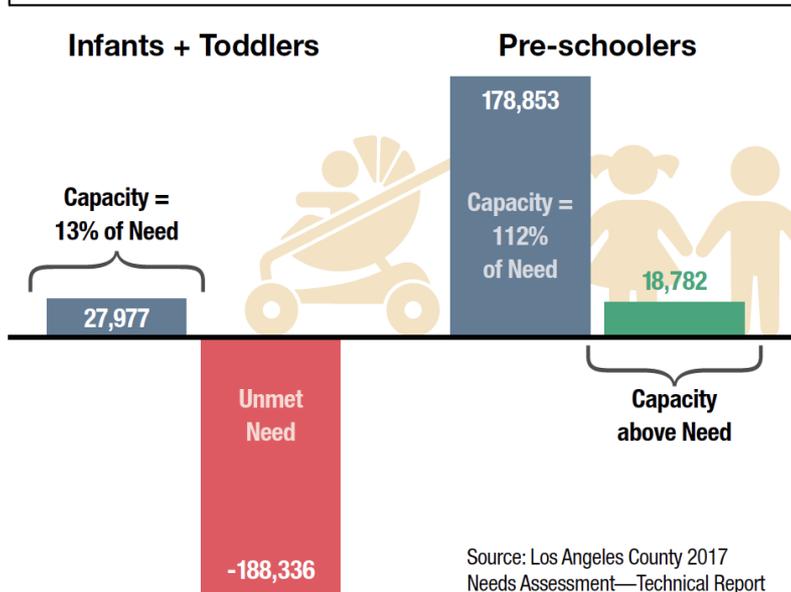


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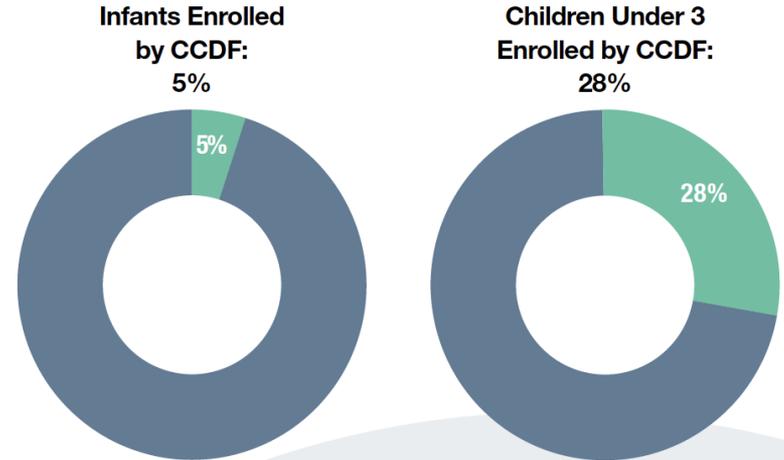
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## Supply + Demand of Licensed child centers + Family Child Care Homes in Los Angeles, CA



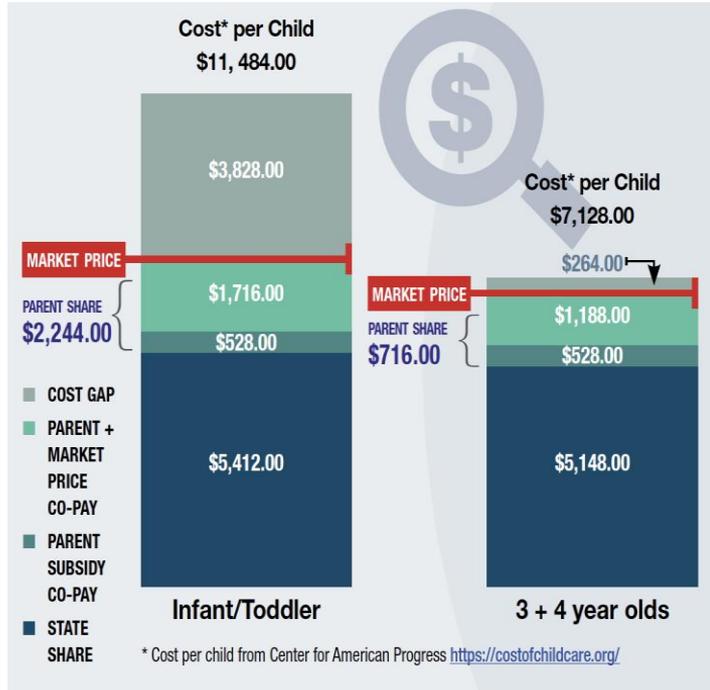
Source: Los Angeles County 2017 Needs Assessment—Technical Report

## CCDF Subsidy Expenditures, by age



Source: Analysis by Hunt Institute, based on <https://www.acf.hhs.gov/occ/resource/fy-2016-final-data-table-9>

# Rates Based on Market Prices Can Unintentionally Exacerbate Inequity



Opportunities Exchange

## RATE SETTING IN REALITY: Moving Beyond the Myth of Market-Based Pricing

Read the full issue brief [here](#).





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- ◆ Market prices are **not** a good proxy for the cost of child care.
- ◆ Market prices typically reflect the incomes of families in the region and **not** the cost of delivering care.
- ◆ Market prices are therefore the **lowest** in low-income neighborhoods.
- ◆ This means that providers in **low-income neighborhoods are least able to offer high-quality care**, the ticket out of poverty for children and their families.





# Addressing Data Challenges



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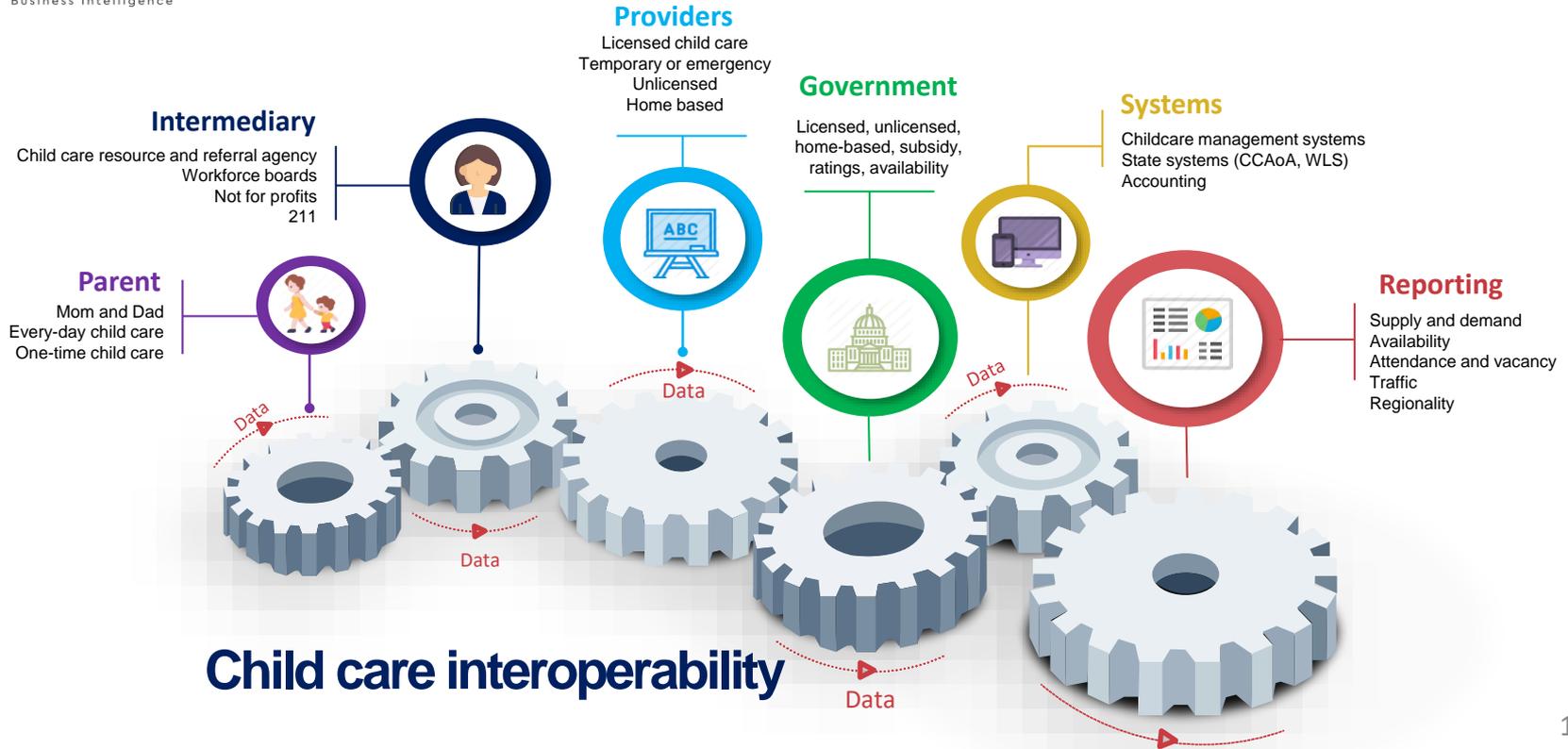


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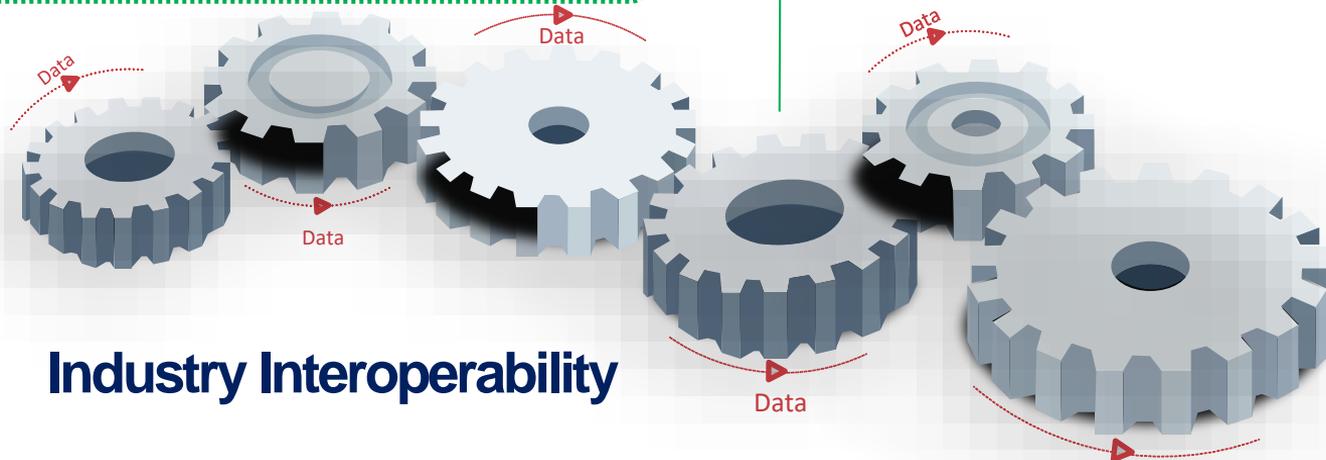
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## Government

1. Who are the constituents that would benefit from this level of interoperability (coordination)?
2. Are they already sharing data? If not, why (for example, never asked, confidentiality, other)?
  - Examples include licensing, capacity, subsidy, and so on.
3. What data will be collected, and what do you want to do with them?
  - Examples include availability, attendance, needs, and other.
4. Data trust agreement
  - Who is sharing what data and what can be done with those data?



 bowtie

Data Interoperability

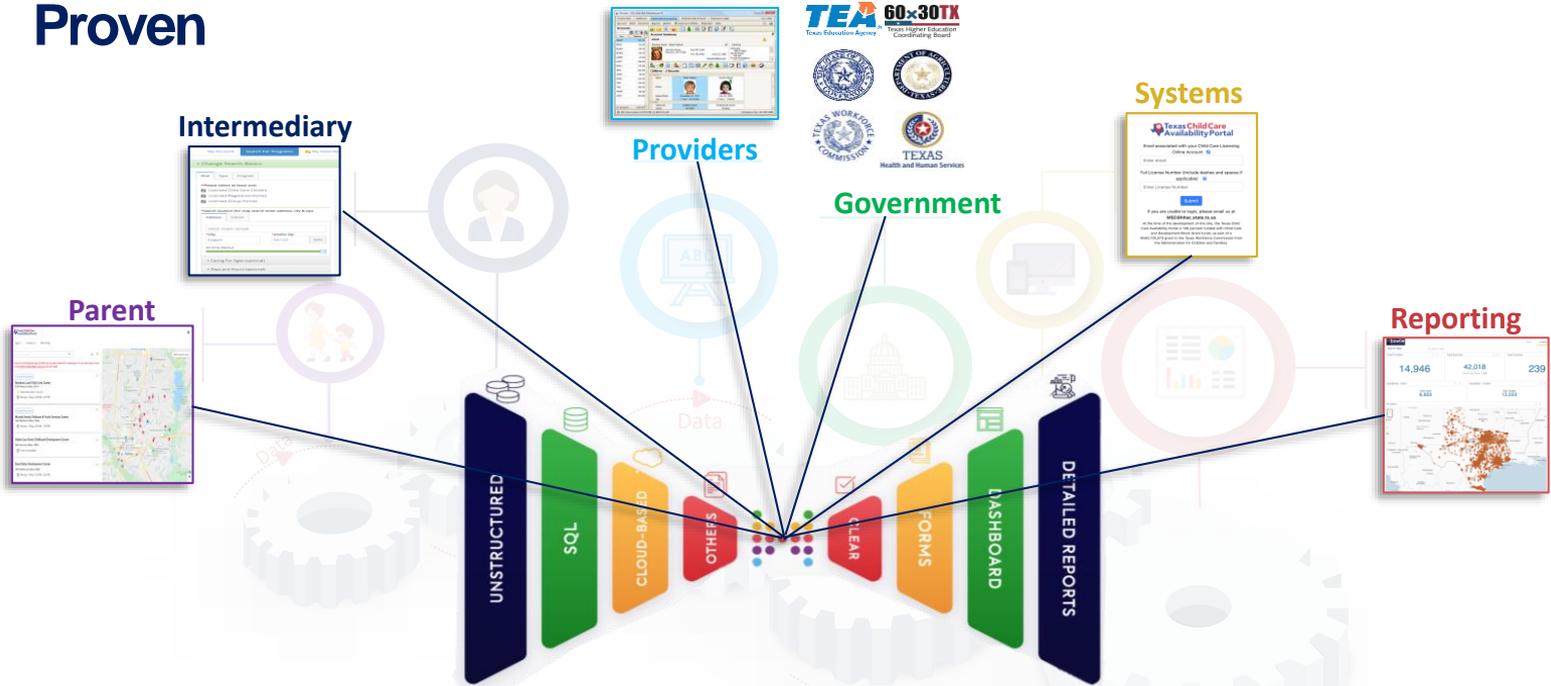


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## Proven



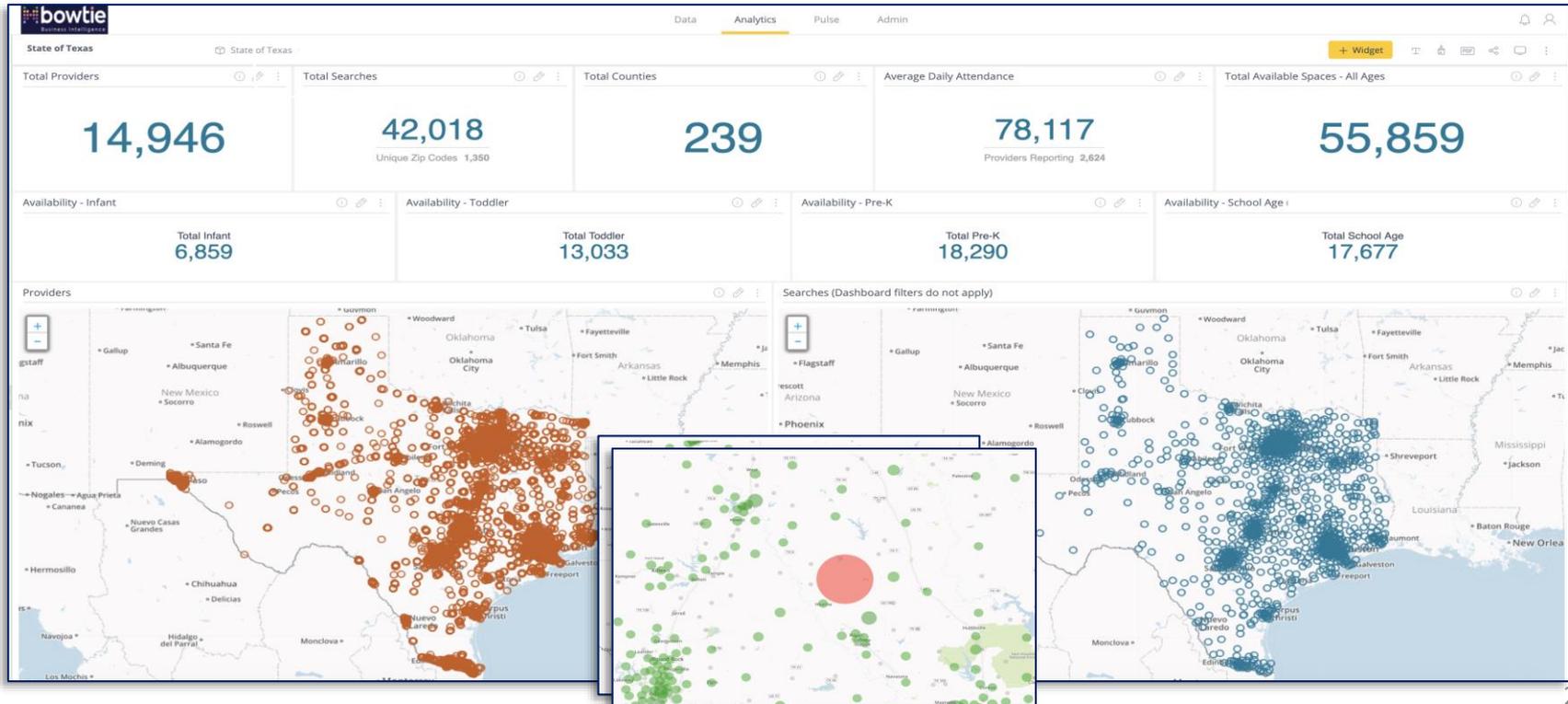
“Enabling a platform that is interoperable so a family can find care and subsidies and so providers can receive payment without going to multiple portals and websites”



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# How Do We Get There From Here?



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# Connecting Providers to Business Automation

### Child Care Management System (CCMS)

- Procare, Smartcare, KidKare, Wonderschool, and so on
- Many off-the-shelf products are good solutions

### Increases Revenue

- Electronic billing and collection
- Marketing and online enrollment > lower vacancy rates

### Decreases Expense

- Automated processes require less administrative staff time (billing, payroll, attendance tracking, and so on)

### Saves Time

- Directors have more time to spend coaching teachers and supporting families

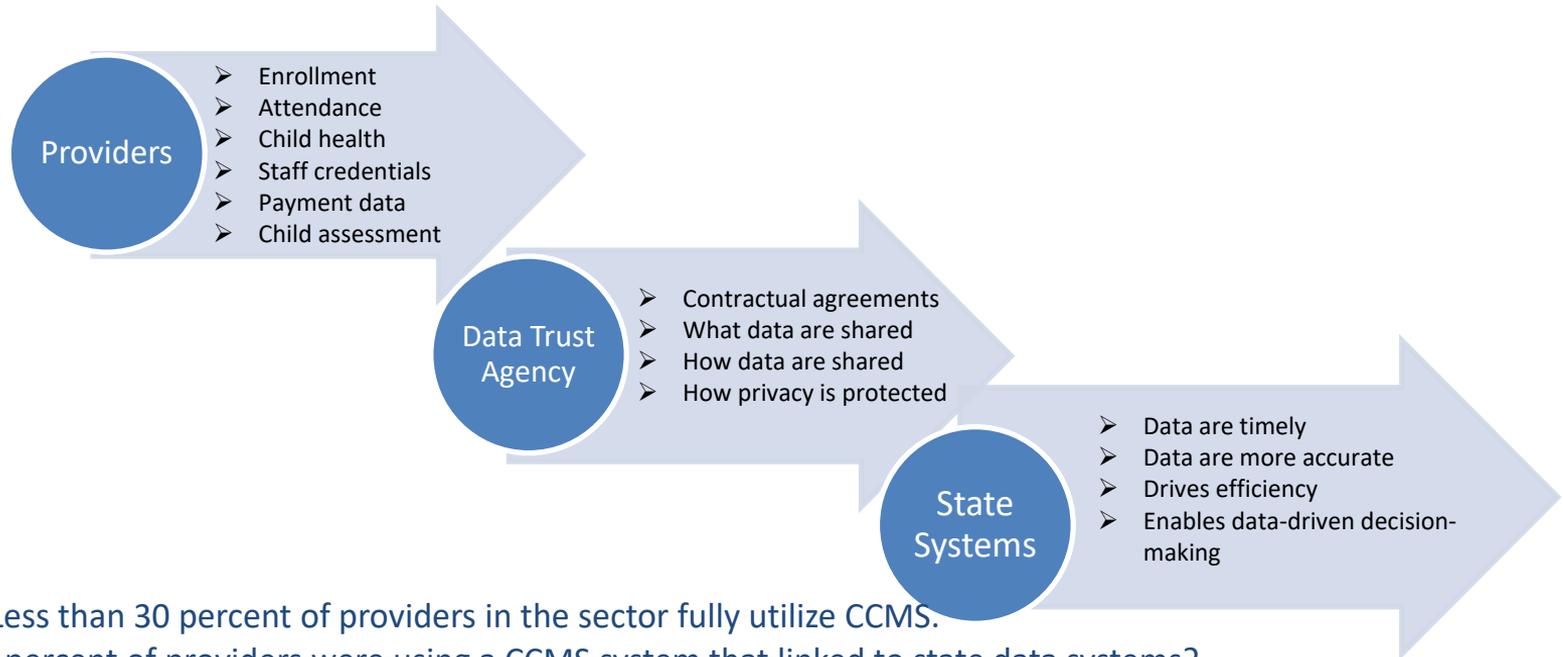
## Child Care Management System Use Is Low

- ◆ Software vendors estimate utilization rates to be as low as 20–30 percent.
- ◆ Many providers have purchased software but are not fully utilizing its functionality (see example below).

State Report on KidKare Data (pulled directly by the vendor; n=1900)

Number of Providers using KidKare Accounting as of 12/31/19	68
KidKare users who have entered any data into the system as of 12/31/19	19
KidKare users entering data into the accounting section to claim expenses of IRS Form 8829 as a deduction (as analyzed by Tom Copeland)	1

# Connecting Provider Systems to State Systems



**Problem:** Less than 30 percent of providers in the sector fully utilize CCMS.  
 What if 80 percent of providers were using a CCMS system that linked to state data systems?



# When Data Systems Are Not Connected

## Child Care Business

### Child care subsidy

- ◆ Paper based is time consuming
- ◆ “Swipe cards” bypass providers (double the work and make it hard to reconcile payments)

### Workforce

- ◆ Duplicate records and processes with registry
- ◆ Nonportable background checks and fingerprints
  - Could registry hold these data?

### Supply versus demand

- ◆ Right-size to meet demand
- ◆ Full enrollment to stabilize revenue

## CCDF Administrators

### Child care subsidy

- ◆ Manual checking requires large staff
- ◆ Fraud detection is not as secure

### Workforce

- ◆ Lack of real-time information about credentials and compensation

### Supply versus demand

- ◆ Utilization of CCDF resources is more difficult
- ◆ Uneven distribution of resources (child care deserts)



# Getting Started

# First Steps: Building Interoperability between Providers and State Data Systems



Help providers get automated: Georgia, North Carolina, Virginia



Link business training, business coaching, and software: Arizona



Explore APIs, subsidy portals to accept electronic submission of data (wet signatures not required): Colorado



Support and fund CCR&Rs to reinvent their role and relationships to data:  
Texas

# Contact information/Resources

- ◆ Louise Stoney: [louise.stoney@gmail.com](mailto:louise.stoney@gmail.com)
- ◆ Sharon Easterling: [sharoneasterling@gmail.com](mailto:sharoneasterling@gmail.com)
- ◆ Brian Shultz: [brian@bowtiebi.com](mailto:brian@bowtiebi.com)
- ◆ Opportunities Exchange website: [www.opportunities-exchange.org](http://www.opportunities-exchange.org)
  - [\*Making Business Leadership Real: The Role of Automation\*](#) (2019)
  - [\*Issue Brief: Business Automation Business Training and Automation for Early Childhood Programs\*](#) (2020)
  - [\*Rate Setting in Reality: Moving Beyond the Myth of Market-Based Pricing\*](#) (2020)