Strengthening the Business Practices of Child Care Centers and Homes

State and Territory Child Care Administrators Meeting
Alexandria, Virginia
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Kristin Booth New Hampshire DHHS
Agenda

- What is sound business management and why is it so hard?
- Key principles for effective interventions:
  - Strategic training
  - Easy-to-use tools and resources (free or low-cost)
  - TA linked to training
  - Training/TA that builds on “teachable moments”
  - Trainers/TA providers that understand both business and ECE
  - Support for Shared Services
- Cost-effective ways States can support sound ECE business management
Why is Sound ECE Management So Important?

• High-quality ECE is essential
• Sustainable quality requires strong pedagogical and business leadership
• Poor fiscal management is the #1 reason ECE programs fail
• Even programs with high QRIS/ERS scores may fail to see fiscal trouble until it is too late
• States invest large sums of money helping ECE programs improve quality, only to see many of those programs close or limp along offering poor quality
Change Management Challenges: Provider Level

- Lack of business knowledge, skills and tools among ECE managers
  - Time and resource constraints to invest in tools, training and TA

- Training and TA that does not get absorbed:
  - Too broad-brush, not specific to the program’s needs
  - Not organized in manageable, “digestible” steps
  - Not enough follow-up, one-on-one help to apply tools/principles
Change Management Challenges: Provider Level

- Lack of **motivation** to change because:
  - Don’t believe it will make a difference
  - Don’t understand what to do/how to do it
  - Generally not held accountable for business results (by funders, board or policy makers)
  - Overwhelmed with everyday job
Change Management Challenges: System Level

- ECE leaders, funders and policy makers often fail to see the importance of sound business management in sustainable, high quality ECE
- Lack of systemic data on industry norms, costs, customers, business models
- Historic focus on individual, small business as “best” model is flawed
- Little focus or investment in system-building at the provider level
Sound ECE Management

Pedagogical Leadership

Business Leadership

High Quality ECE
Effective Business Leadership: The Iron Triangle of ECE Finance

- Ensure full enrollment – every day, in every classroom
- Collect tuition and fees – in full and on-time
- Revenue covers per-child cost (tuition, fees + 3rd party funding)
"Iron Triangle" Approach: 95% enrollment, 2% uncollectible debts
- Very difficult to achieve with high subsidy co-pays, low absence policy & no targeting
- Very difficult to achieve in smaller centers
Effective Pedagogical Leadership

- Instructional Leadership – from Site Directors or site-based quality improvement staff to deepen teaching and learning
  - Regular classroom observations
  - Reflective supervision of teachers
  - Assistance with child assessments
- Teachers meet regularly, in professional learning communities, to reflect on their work
- Classroom teachers make home visits
- Children receive the individualized, reflective teaching they need to succeed
The Many Roles of an ECE Director

The average US child care center serves 75 children; In many centers a single director is responsible for multiple tasks.
Effective Interventions

- Strategic training
- Easy-to-use tools and resources (free or low-cost)
- Technical Assistance linked to training
- Training/TA that builds on “teachable moments”
- Trainers/TA providers that understand both business and ECE
- Support for Shared Services
Effective Business Training is Strategic

- Specific, hands-on, focused on providers’ needs, delivered in manageable steps.
- Intentionally linked to on-going TA
- Links to, and reinforces use of, technology
- Trainers understand both ECE and business management
- Takes advantage of Teachable Moments (e.g. training at tax time; or linked to grants/loans)
- Includes referrals for Shared Services when program is too small to support skilled administrative team
Free and Low-Cost Tools and Resources

- ECESharedResources.org
  - National site (www.ecesharedresources.net)
  - State-customized site (e.g. http://www.sharesourcepa.org)
  - ELV linked to Alliance Core/Jitasa

- First Children’s Finance Child Care Business Resource Center

- OppEx webinars (on the Iron Triangle, Knowledge Hub and Shared Service)
Eliminate Germs that Linger
You’d be surprised to know how many germs are typically left on your hands after washing them. Brush up on your technique with the hand washing training, and be entered to win a free poster.

View the Hand Washing Training Now

Tip of the Week
Provide information and resources to families about what is being learned in the classroom to build the home/school connection and communication.

Latest Poll
How do you handle 24 hour emergency repairs such as plumbing and roof repair?

- I have a service in charge of this
- I have contacts for only some trades or needs
- I get on the phone and madly start dialing
- The building owner is responsible for this

Previous Poll Results
At what frequency does staff at your center receive training on proper handwashing procedures?

- More than twice a year - 27%
- Twice a year - 36%
- Every year - 36%

Today’s Reading News
Three lessons from data on children’s reading habits
Posted: Tue, 02 Dec 2014

Education professor shows art, museums can be key to boosting literacy across subjects
Posted: Tue, 02 Dec 2014
**BUDGET**

**Budget Templates**

Whether you are a for profit, nonprofit organization or a family-based provider, putting together a comprehensive budget takes time, but you'll find it is time well spent.

Having clear expectations for your expenses and revenue is a forward in good business practice. These budget templates and resources created by First Children's Finance will provide you foundation to get you started.

First Children's Finance shares business resources, tools, and supports and services for child care providers in multiple states.

**For Center Based Programs**
- For Profit Center Annual Budget Template
- Non-Profit Center Annual Budget Template
- Center Cash Flow Projection Worksheet
- Classroom Cost Analysis and Breakeven Worksheet

**For Family Child Care Programs**
- Family Child Care Annual Budget Template
- Family Child Care Cash Flow Projection Worksheet

**Other Resources**
- Financial Terms Glossary
- Key Financial Ratios Glossary
Before You Get Started

New Staff Member Orientation
A carefully planned welcome experience for your new staff member will set the tone for a warm, productive working relationship.

The guides, checklists and tools below will help you through the process.

- Transition / Teacher / Staff Change Policy
- Family Announcement Letter – New Hire
- Welcome Letter for New Staff
- Staff Orientation Checklists
- Staff Orientation Timeline
EMERGENCY PREPAREDNESS

Be Prepared
Your Emergency Plan gives you the opportunity to make decisions about critical situations without the time pressure and stress of an emergency situation. The resources below provide samples of plan outlines, procedures, advice, forms and planning information. Before using any of the resources below, check your State Regulations page for resources specific to your state.

Emergency Plan Template
This Emergency Plan Template was created based on careful review of multiple sources. It contains the essential components of an Emergency Plan for a child care program.

Helpful Checklists
These checklists are helpful background for the preparation of a child care Emergency Plan.

Ready to Respond
This 30-page document in Microsoft Word from Bright Horizons Family Solution is particularly helpful with protocols, (which procedures to
PARENT HANDOUTS

Parent Handouts
These resources may be helpful to you when parents ask for help or advice on various topics. They come from a variety of sources. Click on the links below to view and print the documents.

- Biting - Responding to Your Child's Bite
- Cooperation - Teaching Your Child to Cooperate with Requests
- Developmental Milestones
- Disabilities - Resource Guide
- Emergencies - Parent Caregiver Magazine
- Emotions - Teaching Your Child to Identify and Express Emotions
- Feelings - Teaching Your Child About Feelings from Birth to Age 2
- Parenting - Positive Parenting
- Playtime - Making the Most of Playtime
- Reading - The Importance of Reading
- Toiletting - Toilet Training
Supervision & Safety

Ensure your staff is well-trained to follow the same procedures and protocols for all safety and supervisory tasks.

Use the checklists, guides, and protocols below as training tools for staff.

- [Orientation Checklist Part 3: Supervision & Safety](#)
- [Better Kid Care Supervision Vodcasts](#)
- [Cleaning & Chemical Safety](#)
- [Crib Safety](#)
- [Emergency Preparedness](#)
- [Incident Report Form](#)
- [Infant Sleep Policy](#)
- [Poisonous Plants](#)
- [Poison Prevention](#)
- [Safety Checklists](#)
- [Situations that Require Medical Attention](#)
- [Supervisory Practices Checklist](#)
Capacity Building Shared Services

For help with everything from general maintenance, to facilities issues, to financial and accounting management, calls blasts and more, our services are available 24/7.

Click here for a complete list of services and to learn more.

Business Operations

Family Engagement

Forms

Health

Posters

Safety

Ask an Expert

Have a question about your facility, accounting practices, HR issue, etc.? Let the experts help lend clarity to your most complex concerns.

Click here to submit your question and receive a call back within 1 hour.

Service available Mon – Fri 8a – 5p.
Welcome to SharedSource Pennsylvania

With just a few clicks, you’ll have access to policies, forms, regulations, handbooks, guidance, savings and more - customized for Pennsylvania’s ECE professionals, helping you be the best you can be.

CLICK A BUTTON TO LEARN MORE ABOUT PROGRAMS AND TOOLS

ChildWare
Childcare management made easy - the Pennsylvania way.

ECEhire.com
Hiring? Let ECEhire.com help you find the right candidate!

Why Join PENNAEYC?
Join Tyrone as he explains how a membership gives you access to all of the resources at SharedSourcePA.org.

(the video will open in a new window)
First Children’s Finance Dashboard

http://www.firstchildrensfinance.org/
Developing a Marketing Plan
for Your Child Care Center

Many child care directors think that marketing is just advertising. They assume that if they are doing advertising, they know all about marketing. Marketing, however, is much more than advertising. Marketing is about strategically positioning the child care center in the marketplace.

Marketing is part science and part art. Two child care centers located in the same geographic area may have very different marketing strategies. In fact, a child care owner or director wants her business to be different to create a “unique market niche.”

The purpose of creating a unique market niche is to make the child care center competitive. Customers will view the center as offering more value than competitors and they will prefer to purchase child care where they get more for their money.

Often that perceived added value may only exist in the mind of the consumer. Even in quality child care, it is just the feeling the customer presents and is where the value is perceived.

A marketing plan is a written document that details the actions needed to achieve objectives. When it is part of the overall business plan, it is one of the tools you should spend the most time and energy. You can be drafting this child care center’s marketing plan.

MARKETING PLAN OUTLINE

1. Executive Summary
   - The Executive Summary is written last and can include the following key points:
     - Purpose of the marketing plan
     - Brief description of the business – mission statement, services offered
     - Keys to success (how you will know if the plan is successful)
   - Brief summary of marketing budget

2. Program Mission and Identity
   - What is your community leader role? What makes you so special?

SAMPLE FUNDRAISING PLAN

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Background on Strategy

(Organization’s Name) is an established child care center located in (location). It has a long history of service to its community, and is held in high regard by its community. (Define community you are targeting in fundraising i.e. current and past members of the congregation of the church). The following ideas were generated in a meeting with (name), the executive director, (name), chair of the board and (consultant if applicable).

INDIVIDUALS

Generally, a “challenge” can be an effective device with individual donors – Identify key individuals who can make larger contributions and use their contribution to challenge and then match contributions made by others – your $1 can become $3 or $5 to (Organization’s Name).

Also, any thing you do to make this a common activity with a common goal can be effective. Identify the goal amount overall with the strategies as a thermometer or a pyramid with benchmarks. Then plan the dollars to flow in – report it.

- Draft a letter identifying the need to develop an Operating Reserve to members of the congregation (if church supported center or other applicable stakeholders) and asking for their support. This letter could be signed by the Chair of the Board or another Board member and the Pastor or the chair of the Board of Trustees of the Church and the Pastor or the chairs of the two boards.
- Present the issue of (Organization’s Name) to the congregation and ask them to be a part of that effort. Outline the strategies being pursued, identify any success to date and then pass the basket. Follow-up with the congregation on a weekly basis until the goal is reached.
- Identify individuals who have ties to the center and who have the ability to make a significant contribution to the Operating Reserve. A group of anywhere from five to ten individuals. Meet with them, explain what (Organization’s Name) is attempting to do and ask them to support that effort. Calling this meeting and asking for support needs to be done by someone who has the respect of everyone attending.
- Approach your parents with a letter of request as they come to pick up their child. Keep it very short, straightforward and hand it off with a brief statement – Please read this. (Organization’s Name) welcomes any contribution.

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Child Management System

Off-the-shelf tools can be used. These include:

- Child Care Manager (screen shot, right)
- ProCare
- OnCare
- EZCare
- …and many others

Some States have customized software:

- AllianceCORE
- ChildWare in PA
More Free Resources On-line

Recorded Webinars on:
- The Iron Triangle of ECE Finance
- The ECE Knowledge Hub
- Shared Services

Opportunities Exchange
www.opportunities-exchange.org
NH Example: Business Training/TA

- Need for Iron Triangle training for the field
- Business Management, in general, is most requested TA topic

State Plan Strategies (6.1)

- CCR&R TA Specialists -- utilize content experts from CCR&R staff and regional consultants; share knowledge with other T&TA specialists; go out in pairs
- Progressive Training and TA pilot (25 programs statewide) – 3 options on TA menu; one is on PD; training in Shared Services is a benefit of participation; tie the two together; takes baby steps
- Utilize Directors’ Collaboratives to explore business practices and Shared Services further.
NH Example: Business Training/TA

State Plan Strategies (6.1) (cont.)

- Training:
  - **Communicate Clearly and Get Results** - Hands-on training: clear job descriptions + performance evaluation = improved employee practices.
  - **Standards of Practice**: considers staff learning styles; use of PD plans in reflecting and identifying PD goals; assists in adapting to change and adhering to standards of practice.
  - **Managing Legal Risks** with Holly Elissa Bruno
  - **Leadership Summit** and follow-up day
  - **Community of Practice** – cross-sector group for TA Specialists in NH; implement with teachers as well
  - Plus On-going training (webinars) on the Knowledge Hub – for practitioners and TAs
NH Example: Business TA

TA practices to strengthen provider’s business practices (6.2.3)

- Business TA topics included:
  - Hiring and retaining qualified staff
  - Staff scheduling
  - Marketing to increase enrollment
  - Transition help/support for new Directors
  - Requirements for Directors to train new staff
  - Licensing applications
  - Review of staff and family handbooks
  - Expansion of Program

- New TA Initiative just for Shared Services
  - Accessing and navigating the SS platform
  - Action planning around using resources
NH Example: TA Scenarios

Demonstrates TA practices to strengthen provider’s business practices (6.2.3) (cont.)

- **Center Director:** Introduced Online Provider Services (OPS), provider talked about program expansion and need to get work done to accommodate such; referred to Seacoast Early Learning Alliance:
  - Use of Technology
  - Program Expansion
  - Use of teachable moments

- **Family Child Care:** asked for help re: late payments, introduced OPS- no time with admin work; discussed policy changes, use of a handbook; support in “confrontation”- impact on business
  - Iron Triangle- fee collection
  - Parent/provider communication: Policies and handbooks, courage to collect
  - Take advantage of motivation to change
TA Linked to Business Practices: National Examples

- First Children’s Finance – Growth Fund
- Community Development Financial Institutions:
  - Self-Help (North Carolina, statewide)
  - Low-Income Investment Fund (national)
  - Local Initiatives Support Corporation (LISC) (national)
  - Nonprofit Facilities Fund (national)
- Business/Economic Development Organizations
  - Good Work Network (New Orleans)
  - Nehemiah Gateway CDC (Delaware)
  - Capstone Community Action (Vermont)
- McCormick Center (National Louis University) – PAS/BAS
Beyond T/TA: Encourage Shared Services

Services provided by Hub:

- Administrative services (billing, fee collection, subsidy paperwork, CACFP administration, etc.)
- Fundraising
- Bulk Purchasing
- Human Resources
- Staffing
- Professional Development
- Quality/Classroom supports
- Comprehensive services
- And more….
The support you need so you can focus on the job you love.

- Improve Quality
- Lower Costs
- Share Staffing, Assets and Expertise
- Get More Clout
- Save Time

Alliance Leadership

ECE Shared Resources

Fellow Alliance Members

Great North Advantage

Early Learning NH / VB3

Your “Verizon Network”

You
Roles & Responsibilities

Bookkeeping & Accounting
- Bookkeeping, AP / AR
- Coordinate Payroll
- Close Monthly Books
- Grant Tracking & Reporting
- Provide Monthly Financials

Billing Services
- Parent Billing
- Payment Management
- Subsidy Support
- Correspondence

Onboarding Expertise
- Setup Appropriate Chart of Accounts, Processes, and Best Practice Procedures

Delinquent Account Support
- Outstanding account tracking and follow up

On the Ground Support
- Work with ECE Providers on escalated issues
- Deliver shared services model, QI & Professional Development activities

ECE Provider

Executive Stakeholder
- Monthly Check-Ins & Escalation

Approver
- Review and Approve requests (threshold)

Coordinator
- Help facilitate process
There are a growing number of emerging and successful Shared Services Alliances in the ECE sector. In “Intensive” Shared Services models, a local or regional network of centers and/or homes collaborate and share staff in order to deliver services more efficiently, and with greater attention to quality. Alliances use a range of business models to accomplish this; for examples, see Resources:Tools and Information. "Shared Services on the Web" enables ECE providers across a region or state, or nationally, to share tools and resources for stronger business management and quality improvement on a web-based platform.

Intensive Shared Service Alliances

CA – Kidango, Fremont
CO – Early Connections Learning Centers, Colorado Springs
   – Early Learning Ventures Alliances:
   – ELVA@Boulder County Children's Center, Broomfield
   – ELVA@Early Childhood Options, Dillon
CT – All Our Kin, New Haven
GA – Georgia Alliance for Quality Child Care, Atlanta
LA – Louisiana Partnership for Children and Families, New Orleans
MA – Acre Family Child Care, Lowell
   – The Community Group, Lawrence
ME – Maine Shared Services Alliance, Waterville
NH – Seacoast Early Learning Alliance, Portsmouth
NC – Southwestern Child Development Commission, Webster
NY – Child Care Resources of Rockland, Spring Valley
   – Steuben Child Care Project, Bath
OH – CCRBS Business Center, Lorain
Beyond Training: NH Policy Exploration

Embed business outcomes in QRIS

- Metrics based on Iron Triangle (enrollment, fee collection, cost per child) required for annual report
- Free membership to Knowledge Hub as QRIS benefit

Recognize benefits of “economies of specialization” in ECE management:

- Revise licensing rules to enable shared leadership/administration among sites (= utilizing more skilled staff doing what they like)
- Offer a “business hub” for small stand-alone programs.
- Explore feasibility of using contracts to encourage shared services among existing partners such as CCR&R, SACC, college tuition assistance, expulsion prevention.

SS is not done TO/FOR you, but WITH you. Requires engaging providers in baby steps.
Resources


- *Delivering Quality: Strengthening the Business Side of Early Care and Education* by Louise Stoney and Susan Blank. September 2011


Webinar that features the ECE Knowledge Hub:

Shared Services examples, tools, resources: [www.opportunities-exchange.org](http://www.opportunities-exchange.org)
ECE Finance reports and resources: [www.earlychildhoodfinance.org](http://www.earlychildhoodfinance.org)