Shared Services as a Strategy to Support Child Care Providers

This resource was prepared in response to a request for information from a Race to the Top – Early Learning Challenge (RTT-ELC) State about how other States are using a Shared Services strategy to support their child care providers, in particular family child care providers. By sharing common management, professional development, and infrastructure services across programs, providers can reduce costs and create efficiencies. This resource describes how some States have created alliances or systems of shared resources and services that support provider management structures and allow child care providers to focus resources on important programmatic requirements and quality improvements.

Description of the Shared Services Concept

Many early childhood providers struggle to provide high-quality learning experiences for children while operating an efficient and thriving small business. The expense of hiring and retaining qualified staff; the challenge of implementing stimulating, age- and culturally-appropriate experiences; the long hours of operation; the typical lack of business or management experience; and the low parent fees make it challenging for providers to stay financially afloat while providing the best, responsive care to children and their families.

At the same time, State early childhood leaders are focusing on increasing quality in early education settings. They are crafting State early learning and development standards and developing quality rating initiatives that increase the requirements that programs must meet and the frameworks and directives they must follow.

In response to these dual pressures, many States have developed a Shared Services approach as a way to help programs. First introduced by Louise Stoney in 2002, this management structure can give programs access to professional business support that functions at an efficient scale but lets programs maintain their status as independent providers.\(^1\)

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able to stay small, preserving intimacy important to families, while also able to improve long term financial strength and management capacity and the ability to provide a high-quality service.iii

Most Shared Services Alliances are supported by a combination of members’ management fees, philanthropy, and government funds. It is assumed that programs will offset the membership management fee by reducing business costs and increasing income as a result of improved quality. As members benefit from reduced purchasing and services costs, they are typically asked to re-invest those savings back into quality initiatives for their program.

The graphic below illustrates how Shared Service Alliances function: A member – which might be a child care center, a family child care home, a preschool or nursery school program, or an after-school program – draws on services that are provided by shared staff.iii
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Types of Shared Services Supports

Shared Services Alliances can offer varied services and supports to their members. Approaches described in this report provide examples of models that have been designed with a specific focus (e.g., professional development or nutrition), for a specific clientele (e.g., family child care), or for specific goals (e.g., to support low income families). Services generally have two purposes: reduction of costs and shared capacity. These approaches include supports and services such as:

- **Cost Saving Supports**
  - Arranging for shared staff such as janitors or cooks or specialized support staff such as mental health or health consultants
  - Organizing bulk buying and joint purchasing
- **Personnel Supports**
  - Coordinating a substitute pool
  - Managing shared recruitment and screening of staff
  - Housing a centralized coaching and mentoring support system including resources
  - Coordinating a centralized professional development strategy
- **Administrative Supports**
  - Coordinating child recruitment and enrollment, and helping programs stay fully enrolled
  - Centralized billing and fee collection
  - Overall fiscal management
  - Managing human resources, including payroll and benefits, employment paperwork and supports, and other human resources needs
  - Managing scholarship funds
  - Administration of the Child and Adult Care Food Program Fund Development
  - Writing grants, organizing fundraisers
  - Supporting programs’ licensing applications and renewals and quality improvement program requirements

Benefits of Shared Services Alliances

Ultimately, Stoney has identified five key benefits from Shared Services Alliances:

1. The professional fiscal management and economic strength of a larger organization, making it easier for very small businesses to weather economic ebbs and flows
2. Lower costs from economies of scale in business functions like payroll, benefits management, banking, janitorial and food services, and purchasing
3. Higher quality early childhood education and the ability to offer a range of comprehensive family support services, due to a more stable financial and organizational structure, improved compensation, and a comprehensive approach to professional development
4. More reflective teaching practices as a result of a better capacity to conduct child assessments and track outcomes using a centralized data system.
5. Better capacity to link with school districts and support successful transitions to school through the use of shared technology and centralized data systems.
**Forms of Shared Services**

**Shared Services Alliances** may operate at a national, State, or local level and operate through different structures. Nationally, Shared Services may include tools that offer research information, collaborative learning activities, and website development efforts that can be shared across States and early childhood modalities.

On a State level, in May, 2016, 24 States were using a Shared Services web platform. Each State’s site is customized with State-specific tools and resources and aligns to its own data and fiscal reporting management systems. Links to the State’s early learning standards, child care licensing requirements, or quality improvement rating programs can be included.

Locally, community organizations can join together to create alliances that generate cost savings for shared staffing supports such as program consultants or maintenance. A substitute pool can be established; professional development events can be coordinated; and regional or local staff networking around common themes can be designed.

**Examples of Shared Services**

Varied Shared Services approaches are described below. They include State and local models and the web portal that over 20 States have adopted. Examples that have been formed specifically for family child care are provided, along with models that were developed with a unique purpose.

**State and Local Models – Web Based**

**Multi-State - CCA For Social Good® Web-based Portal**

http://national.ecesharedresources.net/connect_public.aspx

CCA For Social Good® has designed a Shared Services web platform that provides early childhood program leaders and staff with tools and shared resources to help them work smarter by saving time and money and keeping the focus on best practice. ECE Shared Resources™ manages the website, curates content, ensures that all links are up-to-date, continually negotiates new opportunities for cost savings and, through national partnerships, offers over 1,200 tools geared towards cost savings and administrative quality through efficiency.

States may customize the platform to include State-specific information; however, all sites include a basic array of resources including the following:

- **Cost savings** on supplies and human resources services
- **Classroom resources**, including teacher resources such as tips and handouts on child development and templates for children’s art or projects
- **Program administration**, including samples of forms and policies such as a parent handbook
- **Regulations**, including information and links for national and State regulations, child care regulations, early learning standards, background and criminal investigation requirements, emergency preparedness, and State required forms, etc.
- **Human resources**, such as samples of job descriptions, employee handbooks and forms, etc.
• **Marketing** templates that can be customized with programs’ logos and “how-to” guides
• **Training** materials and an online university
• **Library** collection of online resources
• **Community** social networking resources

A 2011 survey, reported in an evaluation of ECE Shared Resources in Pennsylvania, showed that site users felt the knowledge resources offered by the site were at least as valuable as cost savings – a finding that surprised both the users and the developers who had assumed that cost savings would be the most valuable benefit of shared services.

Currently, Shared Services on the web is available in over 24 States. Some States offer this tool as its single strategy for Shared Services. Others, such as Pennsylvania and Georgia, build additional resources on top of the platform, extending the shared services concept. (See descriptions below). States use a variety of strategies for supporting Shared Services on the web including public and private funding and membership fees.\(^{vii}\)

Below is a sample home page for a State’s web-based platform.
State Specific Models

**Colorado: Early Learning Ventures:** [http://earlylearningventures.org/](http://earlylearningventures.org/)

Early Learning Ventures (ELV) is a Colorado-based not-for-profit organization that, along with a group of private and public partners, couples the ECE Shared Resources platform with a web-based child management system, called Alliance CORE, that supports child development program administration. The ELV approach was designed to help providers meet child care licensing regulations by posting child care compliance updates and resources, offering online training to meet licensing requirements, and creating an online management system for completing the intensive paperwork reporting and monitoring requirements.

The platform also provides service delivery tools that allow members to manage enrollment, referrals, registration and waiting lists. Group purchasing is negotiated so members can purchase directly from vendors and receive the materials directly at their facilities. Other applications facilitate marketing and human resources functions. Families benefit from on-site services or through referrals for comprehensive family supports such as screenings and early intervention. Because statewide participation is strong, colleges and universities include the use of the shared services web in their coursework.

ELV features three levels or tiers of participation for affiliates.

- **Tier One** offers group-purchasing, access to professional development, and access to the web-based platform created by [CCA for Social Good](http://www.cafor.org).
- **Tier Two** adds business and management services which provide human resources and child enrollment information. Tier two members can also access a resource center.
- **Tier Three** builds on the other tiers by adding financial services.

The cost for Tier One is approximately $100/year; costs for Tier Two and Three are higher to accommodate the more extensive work that is being completed for the facilities. It is anticipated that a fourth tier will be developed in the near future that will focus on leadership and quality improvement. The graphic below from the Early Learning Ventures website is used to illustrate ELV’s services:
The Georgia Alliance for Quality Child Care [http://www.qualitycareforchildren.org/gaqcc/](http://www.qualitycareforchildren.org/gaqcc/)

The Georgia Alliance is sponsored by Quality Care for Children (QCC), a child care resource and referral agency and uses a State-customized version of ECE Shared Resources™ web-based platform. Georgia’s goal is to attract members throughout the State through collaborations with other communities’ resource and referral agencies. The Alliance assigns a technical assistant to a cohort of provider members to support their participation in the State’s Quality Rating and Improvement System (QRIS) and to provide on-site support to teachers, as well as to create a community of localized groups of providers. TAs are encouraged to use tools and resources on ECE Shared Resources to support their work with providers.

A one-page summary of services is available for potential members. Annual membership fees are $225 for child care centers and $50 for family child care programs. New applicants receive one year free. Additional services available in the Atlanta area include monthly director-to-director support meetings. The QCC approach to Shared Services includes another tier of support called Peer-to-Peer Shared Services that matches providers’ needs with available resources.

New Hampshire: Seacoast Early Learning Alliance (SELA) [http://www.uwgs.org/sela/](http://www.uwgs.org/sela/)

The United Way helped to initiate this Shared Services Alliance that uses the ECE Shared Resources™ web-based platform. Established in 2011, the SELA website claims,

> In the first six months of 2011, Alliance members saved $84,000 in operating costs and reallocated those funds to quality initiatives. One member saved $26,000 in one year by switching to the shared food vendor and reinvested it back into quality. Automobile and home owners insurance are two of the perks this alliance offers. Seacoast Early Learning Alliance members saved as much as 25% on commercial insurance with better coverage.

In the past year, programs from Vermont and Maine have joined the Alliance, bringing membership to over 100. SELA uses a property management company, Great North Advantage, to provide maintenance, coordinated business contracts, human resources, accounting, and marketing services. SELA has also developed regional learning communities as part of members’ benefits.

New Mexico Early Childhood Alliance (ECA) [http://www.newmexeca.org/default.aspx](http://www.newmexeca.org/default.aspx)

New Mexico has secured public and private funding to maintain its Shared Services Alliance for providers. The New Mexico Association for the Education of Young Children is the lead partner and the State’s Children, Youth, and Families Department plays a key role. In addition to providing resources to keep the site current and assuring programs receive those resources, the Children, Youth and Families Department has committed Race to the Top – Early Learning Challenge Grant funds to provide no-cost access to programs that are participating in quality initiatives. Community foundations are investigating ways to broaden the concept into local alliances that will specifically address community needs and interests.

ECA uses the national ECE Shared Resources™ web-based platform as its foundational resource to support quality. It has created a section on the Shared Services site that is dedicated to the QRIS, called Raise Quality, which includes QRIS resources and materials. Regional alliances have formed to
explore cost-sharing strategies as well as ways to support and network staff: substitutes are one of the resources under consideration.


Pennsylvania’s Shared Services model, *SharedSource Pennsylvania*, began in Philadelphia with the following partners: Delaware Valley Association for the Education of Young Children (DVAEYC), Public Health Management Corporation (PHMC), and CCA for Social Good®. It has now expanded to include all of Pennsylvania with additional partners including the Pennsylvania Association for the Education of Young Children (PennAEYC) and the Pittsburgh Association for the Education of Young Children (PAEYC). It is supported by the William Penn Foundation and the Heinz Endowments.

The *SharedSource Pennsylvania* website features three resources as part of its Alliance benefit:

- **SharedSource Pennsylvania**: This resource is the State-specific web-based platform, designed by CCA for the Social Good® in partnership with the State. It is free to AEYC members; it is included in their membership dues. The site provides cost savings products and resources.

- **ChildWare** is custom-designed, web-accessible child care management software, specifically for Pennsylvania providers. It was created by the Philadelphia Health Management Corporation (PHMC) and—like the Colorado Alliance CORE—is designed to help busy ECE program administrators automate all of the tasks they must manage and track each day, including: child and family data, attendance, professional development, billing, meals, and much more. ChildWare includes automated to-do lists and detailed reports on finances, child health assessments, and accreditation milestones. Participants pay an annual fee based on enrollment that covers ongoing technical assistance and training, software hosting and upgrades, and data backup and storage.

- **ECEHire** offers Pennsylvania-specific employment information for early care professionals and providers. It provides a centralized job posting location including candidate screenings and posting promotions for a fee.

**Pennsylvania (Central): Early Childhood Innovative Connections (ECIC)**

Early Childhood Innovative Connections is a Northern Lancaster-based 501(c)(3) Shared Services alliance that was formed in 2012 after informally meeting and exploring ways to work together.

*Our Board of Directors includes nine members of the business and early learning community who are committed to making time, talent, and financial commitments to support our mission. Our Advisory Committee, made up of volunteer early childhood program Directors from our member programs, meets monthly to shape the services and benefits of ECIC. Many networking opportunities exist for Directors and early learning staff of member programs, and professional and business development opportunities are created with their input.*

The Alliance strives to connect participating centers and supporters, to share costs and services allowing for reinvestment of time and cost savings to enhance program quality. It offers educators professional development, access to job postings, networking and resource discounts. Administrators
can take advantage of shared administrative services, group training, resource discounts, access to job postings, and leadership training. Business partners benefit from promoting products and services in addition to supporting the community.


The web portal will be the foundation for South Carolina’s Shared Service alliance that will begin with a pilot with plans to expand in subsequent years. In addition to using a State-customized version of the CCA for Social Good website, South Carolina plans to include additional components such as regional learning networks that will convene monthly meetings focused on director leadership with a goal towards improving quality through supporting directors’ leadership skills; a MOU that assures members will reinvest cost savings into program quality; and development of a preschool-kindergarten transition tool.

State and Local Models Not Web Based


In Chattanooga, Tennessee, a large nonprofit child development center called the Children’s Home Chambliss Shelter provides comprehensive management services to 13 additional community-based child care programs (Five small, non-profit center-based programs and nine school-based classrooms for infants and toddlers). The Children’s Home staff provides shared management services for all sites, either directly or via a contract with the non-profit board, including an on-side manager at least halftime and finance, maintenance, and food service supports. The Children’s Home also coordinates payroll and benefits, contracts (such as liability and health insurance), maintenance services, and food and supplies/equipment purchasing. The shared services framework also enables Chambliss to better support families with referrals and links to health and social services. Participating centers use the same curriculum and participate in the State’s quality rating system.

Centers affiliated with the Children’s Home Alliance report that they have been able to raise teacher wages and benefits, lower staff turnover, and raise the quality of services that the centers provide as a result of participation in the Alliance.


This consortium, founded in 2007, currently holds seven child care centers located in diverse neighborhood across the City of Seattle. SCCS includes different types of centers – large and small, employing a range of curricula and serving families with varying income. Currently 12 of their 31 classrooms are dual language (Spanish and Vietnamese). While the sites are linked by a shared Board of Directors and are part of a single non-profit, each site has its own Advisory Board as well as its own director (not necessarily fulltime), teachers, and assistant teachers. The central office staff provides

- educational support including professional development, mentoring, and coaching; teacher leadership cohort; a substitute pool; volunteer outreach; recruitment support; and support for child assessment and literacy enrichment; and
streamlined and shared business functions including payroll and benefits management; financial management; support for waiting list and enrollment; computer technology support; joint purchasing; USDA food program payments; and human resource problems support.

Additional benefits arise from participation in SCCS:

- The Consortium has made a commitment to ensuring that 25 percent of their slots consortium-wide are for low-income children. This is achieved through centers’ contributions to a scholarship fund that, in turn, allows them to draw back from that same fund.
- A system of evaluation is provided that examines child outcomes, environment, program management, while tracking the financial impact of the consortium.
- The centers participating in the consortium have some of the highest environment rating scales scores in Seattle, and their children score well on various assessments. ix

Family Child Care Home Models

Connecticut (Central): All Our Kin  

Several studies have been conducted to demonstrate the nationally recognized All Our Kin’s positive impact on quality in family child care homes. Established in 1999, All Our Kin is a non-profit organization that expanded its reach beyond New Haven, Connecticut to other Connecticut communities with three goals: (1) to increase the supply of high-quality, affordable child care options to enable parents to enter and remain in the workforce; (2) to help family child care providers attain economic self-sufficiency through their child care businesses; and (3) to enhance family child care providers’ knowledge, skills, and practice as early childhood educators to improve young children’s positive outcomes. x


Massachusetts uses a different approach to support its family child care providers. Regional family child care systems contract with the State to purchase child care slots from, and offer support to, family child care providers. Family child care providers, in turn, voluntarily contract with a System to receive child care subsidy slots as well as varied resources and supports such as professional development, technical assistance, and social service referrals. Massachusetts Family Child Care Systems also provide centralized administrative functions, such as managing family enrollment, collecting fees, submitting subsidy paperwork, and so forth. There are over 50 Family Child Care Systems across the State with contracts that vary in the size and number of provider participants.

Massachusetts reimburses the Systems via a contract for a specific number of slots to be purchased in participating family child care homes plus an administrative rate. Contract requirements are extensive. Systems must deliver:

- Recruitment of family child care providers who enroll culturally diverse families
• Direct support to families by completing eligibility, updating waiting lists, and working with them for financial assistance
• Provision of substitutes to the family child care homes
• Visitation to each family child care provider, at least monthly, to review enrolled families’ needs and to review providers’ professional development, instructional, and quality improvement needs
• Assistance to work with the providers to support families’ needs for community services or referrals
• Administrative support to providers by handling their billing and payroll
• Development of a comprehensive professional development approach that includes needs assessments, maintenance of providers’ training and attendance, technical assistance, mentoring and career advisement, as well as training in required and optional courses, many of which lead to career advancement
• Data reporting on comprehensive services, developmental screening, and child outcomes

Virginia (Metropolitan D.C.): Infant Toddler Family Day Care (ITFDC) http://www.itfdc.com/

Located in the Fairfax, Virginia area, ITFDC is a home-based Shared Services alliance that has been structured to manage fiscal, administrative, and professional development for family child care providers. The providers are participatory in decision-making on the way in which their fees should be spent, and in turn, benefit from the Alliance’s management of recruitment and fiscal management services. The Alliance partners with the local Child Care Aware© and the USDA Food Program to offer the following services: payments from USDA and from the local subsidy program; establishment of a provider emergency fund; payment for staff holidays; scholarships; payments for background checks and required training such as CPR; parent fees: collections and payments; contracts for services such as liability insurance; and marketing including the development of web and Facebook pages.

The Alliance provides ongoing professional development, coaching, and mentoring through the use of a dedicated workforce development director and child care specialists who visit programs and design individualized plans. It has developed specialized training for non-English speaking providers and offers unique supports to families such as offering substitutes if the regular provider is ill. Child Care Aware of Virginia©, one of the Alliance’s partners, helps providers with technical assistance, family referrals, and recruitment. New family child care home providers are given additional technical assistance.

Models with a Unique Focus

Collaborative Teachers Institute (CTI): New Mexico http://www.collaborativeteachersinstitute.com/

This unique Alliance focuses on professional development. The Collaborative Teachers Institute is a group of 10 programs’ early childhood teachers in Santa Fe who are interested in pursuing advanced,
collaborative professional development. They use reflective practice to study children's interests. The Institute evolved from initial meetings, held in 2014, to discuss Shared Services. Common threads that continued to arise were the need for higher level professional development and substitutes.

The work on substitutes is in process (and available through a password-protected area on the Institute’s website). Professional development is being promoted through convening monthly structured meetings where teachers reflect on their work with children and share their experiences and their documentation of children’s work. The meetings follow a structured protocol to help support learning and move from reflection to action and back to reflection again. Their goal is to foster pedagogical leadership.


The Shared Services framework can be applied to specific services that would be difficult to implement in a single, stand-alone child care setting. The Farm to Preschool initiative is one example. The Farm to Preschool initiative varies from location to location but includes at least one of the following services:

- Procurement: Local foods are purchased, promoted, and served at mealtime or as a snack or taste test.
- Education: Children participate in education activities related to agriculture, food, health, or nutrition.
- School gardens: Children engage in hands-on learning through gardening.

One example where shared service framework has been applied to Farm to Preschool movement is in upstate New York. Schenectady’s Child Care Council is an example of a coordinated farm to preschool program in three child care centers. A program manager coordinates the sale of produce with local farmers for center staff, families, and the community. The initiative provides food tastings and educational materials, arranges for SNAP to be accepted, and provides the centers with a gardening curriculum and supplies. The project was funded by a Supplemental Nutrition Assistance Program (SNAP) and anti-obesity project and the Child and Adult Care Food Program. It was begun in 2013 and was expanded in 2014. There are a variety of USDA and private business funding sources that support these projects for local communities.

Opportunities for Next Steps

The Shared Services concept provides States with a unique opportunity to support early education programs that are struggling to provide high-quality early education, support the workforce needs of parents, and survive as small businesses. The Shared Service strategies and approaches that are in operation in other States provide models that States can adapt to support their child care providers and the families they serve.
Shared Services Websites Identified Within the Document

Multi-State CCA For Social Good® Web-based Portal
http://national.ecesharedresources.net/connect_public.aspx

Colorado: Early Learning Ventures http://earlylearningventures.org/

Connecticut (Central): All Our Kin http://www.allourkin.org/our-mission

The Georgia Alliance for Quality Child Care http://www.qualitycareforchildren.org/gaqcc/

New Hampshire: Seacoast Early Learning Alliance (SELA) http://www.uwgs.org/sela/

New Mexico Early Childhood Alliance (ECA) http://www.newmexeca.org/default.aspx


Pennsylvania (Central): Early Childhood Innovative Connections (ECIC) http://www.ecinnovativeconnections.org/


Tennessee (Chattanooga): The Children’s Home http://chamblisscenter.org/

Seattle, Washington: Sound Child Care Solutions in (SCCS): http://soundchildcare.org/

Virginia (Metropolitan D.C.): Infant Toddler Family Day Care (ITFDC) http://www.itfdc.com/

Collaborative Teachers Institute (CTI): New Mexico http://www.collaborativeteachersinstitute.com/


Additional References

Opportunities Exchange has information about Shared Service across the United States. www.opportunities-exchange.org


Endnotes


iv Louise Stoney, *Shared Services*.


vi CCA For Social Good® is an operating division of CCA Global Partners, a privately held cooperative that help small businesses thrive. CCA For Social Good® provides web-based platforms to help nonprofit organizations and early childhood education (ECE) centers manage their businesses.


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