



Opportunities Exchange

SAMPLE BUSINESS METRICS for A Shared Services Alliance

September, 2023

Our Alliance is designed to support provider members in achieving business sustainability through: 1) managing via the Iron Triangle of ECE Finance; 2) leveraging business automation; and, 3) implementing best Human Resources practices. Services offered by our Alliance are focused on achieving these outcomes, and data are collected to measure impact.

IRON TRIANGLE METRICS

Fill every seat

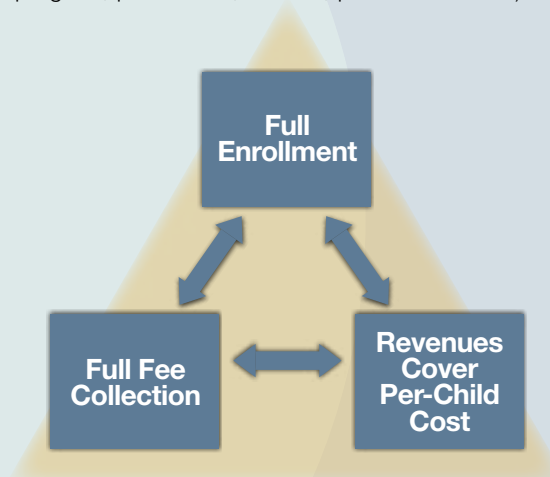
- Last month's average enrollment at our centers was 89% of staffed capacity
- The lowest enrolled center was at 80% and the highest was at 98%
- Enrollment has averaged up over the past year from an average enrollment among members of 77% in August 2022
- Today's vacant seats across all members total 30 and include 2 infant/toddler seats and 28 slots for preschoolers

Collect all revenue, on time

- The average amount of bad debt (as a percentage of total revenue invoiced) is 3% across all provider members
- None of the members have bad debt that is older than 30 days

Access to and analysis of financial data

- 75% of provider members completed cost of care per child calculations for the past year
- 100% of provider members increased private pay tuition last year
- 100% of provider members have a current operating budget that is used to compare to monthly actual revenue and expense figures
- 80% of provider members have at least 3 months of cash on hand
- The average amount of cash on hand has trended upward over the past 12 months
- 100% of provider members have at least three sources of revenue (private tuition; public tuition program; parent fees; CACFP; private donations)





BUSINESS AUTOMATION

- 100% of provider members utilize the Child Care Management Software (CCMS) licensed and supported by our Alliance
- 100% utilize electronic billing and fee collection via CCMS
- 100% utilize at least 3 other key functions/features of the CCMS—such as parent engagement, child recordkeeping, staff recordkeeping, staff timekeeping, subsidy integration, payroll integration, accounting software integration, reporting, etc.
- 100% utilize an automated timekeeping system

STAFFING & COMPENSATION METRICS

- 100% of provider members have updated HR manuals, job descriptions, salary scales and benefits summaries
- 100% of provider members have teacher turnover rates of less than 30%; the average over the past 12 months was 26%
- Personnel cost as a percentage of total program expenses average 70% across provider members; with a range from 62 to 75%
- 100% of member centers are able to track personnel expenses by job category (see definitions below), and benchmark the percentage of personnel budget spent on administrative staff, non-classroom support staff, and staff assigned to classrooms
- The percentage of personnel budget spent on classroom teachers averages at least 70% across provider members
- 100% of provider members offer—or ensure availability of—all of the following level/type of benefits
 - PTO – vacation and sick pay
 - Health insurance via the Affordable Care Act Marketplace and supplemental resources such as Health Savings Accounts or Health Reimbursement Accounts for out-of-pocket medical expenses
 - Dental, vision, or life insurance
 - Wellness services
 - Paid time out of the classroom for planning/reflective practice (for educators)
- 80% of provider members also offer employer contribution to “qualified” retirement account

Classroom staff—includes classroom teachers, assistant teachers, and substitutes. Additionally, the % to time other staff work directly in classrooms and are counted against ratios could also be coded as classroom staff (e.g. a Teacher Director or an Educational Coordinator who covers for teachers a portion of the time.)

Non-classroom support staff—includes positions such as educational coordinator, infant-toddler coordinator, family support worker, nurse, cook, bus driver, etc.

Administrative staff—includes positions such as the site director, assistant director, receptionist, bookkeeper, human resources generalist, HR director, facilities worker, etc. Basically, any administrative or supervisory staff that are not assigned to specific classrooms or serving as non-classroom support staff should be categorized as administrative. 