

The Seacoast Early Learning Alliance Project

Strategic Investment Letter of Inquiry

Who We Are

The Seacoast Early Learning Alliance [The Alliance] is a ground-breaking alliance of ten non-profit child care, Head Start and preschool programs brought together by the United Way of the Greater Seacoast, see list below. The Alliance is working in conjunction with Early Learning NH, the NH Community Loan Fund and the United Way of the Greater Seacoast and its mission is to **improve the quality of early childhood education we provide to children and families by sharing administrative services such as management, financial administration, group purchasing and programming. In gaining operational and organizational efficiencies and sharing program oversight and expertise, program quality will be enhanced for children and families.**

Early Learning NH is submitting this letter of intent on behalf of The Alliance for the United Way of the Greater Seacoast's consideration for its strategic investment initiative.

Why this Work Matters: Outcomes for Children, Families and Early Childhood Education Centers

“ A majority of young children are enrolled in out-of-home child care programs. High-quality early education and child care for young children improves their health and promotes their development and learning. ”

American Academy of Pediatrics

Here in the Seacoast of New Hampshire, as we look for ways to keep our region prosperous, we need to think of the connection between child development and economic development. Child development is the foundation for community and economic development as capable children are the bedrock of a prosperous and sustainable Granite state. Children begin learning as soon as they are born and their brains are built from the bottom up. Scientists now know that the interactive influences of genes and experience shape the developing brain. Their hearts and minds are molded by the relationships and environments they experience. The active ingredient is the “serve and return” relationships with their parents and other caregivers in their family or community. When we give them a warm and stimulating environment with plenty of opportunities to explore and discover, we lay a strong foundation for their future learning and their optimal physical and emotional health. Good quality child care, Head Start and preschool programs can provide this strong foundation in partnership with families and promote every child's optimal development. We all benefit when we give children the right start. Simply put, early experiences matter.

We, the members of The Alliance, know there is clear evidence that early learning lays the foundation for future success. We know quality early childhood education strengthens families and communities. We believe all children should have the opportunity to reach their full potential. That is why we are working together as independent, early childhood programs to share administrative services, management, and financial administration while leveraging our buying power, and enhancing the quality of our programming. Because, *when we are better together, our children get a better start.* We believe that our work will result in the following long-term outcomes for Children, Families and Early Childhood Education Programs:

Outcomes for Early Childhood Education Programs

Access to High Quality, Early Childhood Education

- Centers will provide higher quality early childhood education and specialized support services.
- The quality of center operational functions (administrative, financial, personnel, purchasing, etc.) will increase and the cost of providing these functions will decrease.
- Center staff will access more and higher quality training.
- Centers will be able to provide more consistent, higher quality staff at a lower cost.
- Staff retention will increase.
- Centers will take clear, intentional steps to improve the quality of care they provide.
- Centers will be able to provide care for more families with limited incomes.
- Centers will take clear, intentional steps to improve the quality of care they provide.

Outcomes for Children

- Children will have access to high quality early educational experiences.
- Children will grow and develop at age-appropriate levels.
- Children with special needs will get the services they need sooner.
- Children will enter school ready to learn.
- Fewer children will need SPED services in school.
- Parents will secure and maintain their employment.
- Children will succeed in school

Outcomes for Families

Financial Stability for Families

- Families will enroll their children in high quality early childhood education programs.
- Parents will experience less stress.
- Parents will be able to work, miss fewer days of work, and be more productive while at work.
- Families will be financially self-sufficient.

Our History

The Alliance (then called the Partnership for Effective Early Learning - PEEL) was formed in November of 2004. The group was convened by the United Way as part of an initiative to bring agencies together to unveil and discuss their common community impacts. With monthly meetings facilitated by the Director of Community Organizing of the United Way of the Greater Seacoast, early childhood education providers found an ideal venue for identifying common concerns and opportunities for improvement through collaboration. Outcomes common to the clients served by every child care center and Head Start program in this group include children's overall health, children's readiness to learn and ability to succeed in school, and parent's ability to provide for their families. The group has done some extremely thorough work together in formulating logic models for the United Way that articulate these common long-term outcomes.

With important support from the New Hampshire Charitable Foundation, Piscataqua Region, in 2006 and from the United Way of the Greater Seacoast in 2007, we began the project to research strategies to **maximize efficiencies, reduce overhead and strengthen the bottom-line of participating early childhood programs.**

In July 2009 we made the decision to form the Seacoast Early Learning Alliance. **While remaining independent, the members will share and reallocate services, management, staffing, buying**

power, marketing, tuition billing and collections practices, and assets to increase efficiencies and lower costs. We will share program staff expertise, supervision, evaluation, and professional development opportunities to increase program quality. Together, the members of the Alliance are a \$7 million business, and the new Alliance promises to use this new, shared clout and programming expertise to, simply, do it better.

Potential for Replication

Child care, Head Start and preschool programs throughout New Hampshire have expressed great interest in hearing the lessons learned from this bold, new idea as they hope to **replicate the alliance’s successes in other regions.** The innovative work we are doing is so exciting that there are many **state-level eyes watching its progress.** The NH Departments of Health and Human Services and Employment Security, the Community Development Financing Authority, the NH Child Care Advisory Council, and the two hundred and fifty early childhood program members of Early Learning NH from around the state are anxious to replicate its success in other regions of New Hampshire.

Track Record: Successes to Date

✓ Create Strong Working Relationships.	As the project has progressed, we have built great trust among the members along with great enthusiasm for the possibilities. This has been noted as extraordinary by Louise Stoney, who has worked with several other states to launch an early education shared services project. She has mentioned that the greatest hurdle has been overcome: the need to create an eagerness among the independent child care and Head Start programs, traditionally competitors, to work together and share services.
✓ Save Money Through Bulk Purchasing.	Alliance members can now purchase food and school supplies at discounted rates that are available to us because of our new-found ability to purchase in bulk. The Alliance is in the process of negotiating for the group purchasing of gas and oil, insurance brokerage and audit services.
✓ Identify Shared Services.	In FY 2010, we reached an agreement on a core set of services that will be provided as benefits to members of the Alliance and these core services were described in an RFP to guide selection of a Management Company.
✓ Design the Alliance’s Corporate Structure.	In FY 2010, we made the decision to form an independent NH nonprofit corporation. We have drafted by-laws, identified incorporating members and made the decision to create an Advisory Board.
✓ Lay the Groundwork for Financial Sustainability.	We are in the process of developing a financial sustainability plan, which establishes the framework for our future development work. The financial sustainability plan will be complete this summer.
✓ Develop a Unique Brand and a Marketing Plan.	We now have an active Branding/Marketing committee that is in the process of creating a strong marketing plan for the future.

From Vision to Reality: Goals for FY 2011

1. Launch Shared Services for Alliance Members. Decrease costs and improve the quality of core operating functions by implementing Member Benefits Services.

Action Steps:

1. Complete RFP Process and Select Management Services Vendor to administer core benefits such as insurance and audit brokerage, regular and 24-hour emergency maintenance, contractor procurement and access to professional services such as legal and human resources.
2. Formally enroll member organizations.
3. Implement shared services (see list below).
4. Complete a cost-benefit analysis for first year of membership.
5. Expand membership package for FY 2012 to include optional services such as joint marketing, comprehensive on-line training, access to web platform for: A) boosting enrollment by posting real-time availability of child care slots, B) expanding the applicant pool by advertising open jobs at one, well-known and -travelled site, C) offering perks and discount to program employees and the families they serve, and D) increasing professional development opportunities by posting information on all public and private early childhood education trainings in one user-friendly site.
6. Renew center memberships for FY 2012.

Core Member Services

Bidding and Procurement:	Individual Discounted Member Benefits:
Audit Services	Cleaning
Insurance (workers comp, loss prevention, etc.)	Employee Leasing
Contractor Procurement	Accounting and Financial Services
Maintenance:	Alliance Negotiated Benefits:
In-house Repair and Maintenance	Utilities/Fuel
24-hour Emergency Services	Bulk Purchasing – Food
	Bulk Purchasing – School Supplies
Professional Services:	CCA Global ECE Shared Resources Website:
Human Resource Support and Consultation	Perks/Discounts for Employees and Families
Legal Assistance	Marketing and Demographic Tools
Capital Project Oversight	Online Enrollment, Job Openings & Professional Development Search Engines

2. Increase Web-Based Access to Information and Training. Contract with CCA Global to customize their existing web platform to meet the needs of child care programs in the Seacoast region.

Action Steps (FY 2011):

1. Create a professional development/training search engine that makes it easy for child care staff to identify professional development opportunities in the state.
2. Post State licensing and training requirements on the site.

3. Automatically enroll all member centers on the site.
4. Create a vendor directory for local services such as snow removal, etc.
5. Create a "Time Bank" that enables Centers to track their use of shared services.

Long-Term Goals – Some of the long-term components we are considering for the site include:

- Expand the training/professional development component of the site to make it easy for the State, public schools and others to post training opportunities.
- Create an easy way for parents to identify and compare child care programs, determine which centers have open slots, compare costs, and enroll their children on-line.
- Create the capacity for member centers to use the site as a marketing tool.
- Create the capacity for parents to communicate with one another, rate centers, etc.
- Create the capacity for member centers to "trade" membership services (i.e., a center that doesn't need all of its allotted maintenance hours might "trade" the hours with a center who has an excess of legal service hours.)

3. Shared Personnel. Increase the quality of care we provide by sharing staff.

Action Steps

1. Secure funding for and hire Behavioral Specialist who will provide mental health consultation and support for children in all of the Alliance centers.
2. Create a plan to add Mentor-Teacher positions that provide career ladder opportunities for staff and increased professional development for teachers. Plan to be complete in FY 2011. Launch in FY 2012.
3. Create a pool of quality substitutes for family providers and centers. This will enable The Alliance members to retain teachers who might otherwise be laid off, make full use of "floater" teacher time, etc. Launch in FY 2011.

4. Develop a Scholarship Pool for Families. Create a detailed plan for initiating a Scholarship Pool in FY 2012.

Action Steps

1. Determine the level of need and establish financial targets.
2. Establish policies and procedures that will guide the disbursement of funds.
3. Create a donor cultivation plan specific to the Scholarship Fund.
4. Begin offering scholarships.

5. Design a Program Quality Improvement Plan.

Action Steps

1. Define "improved quality," agree upon shared usage of evidence-based curricula, (such as Creative Curriculum, High Scope, Tools of the Mind, etc.), and assessment tools, (such as Ages and Stages, Strengthening Families, and ITERS and ECERS, etc.), and determine shared program oversight.

2. Articulate specifics regarding how newly-realized revenue (via cost savings and operational efficiencies) will be re-allocated toward quality goals.

Request for Support: What We Will Need to Succeed

1. **Project Director Salary.** The Project Director position has been pivotal to our success in the past year. Stefany Shaheen has spearheaded the detailed analysis needed to identify the most critical member benefits; developed recommendations for the corporate governance structure of the organization; drafted and submitted all the necessary documentation for purposes of establishing the corporate structure for the organization; researched models for sharing costs including the use of management services firms; developed critical relationships with external stakeholders; hired a shared, part-time fund development expert for The Alliance; coordinated the creation and work of Alliance work groups; facilitated monthly meetings of the Alliance; and launched an effort to recruit new members.

In FY 2011, the Project Director position will again be critical as we implement Member Services, help centers track the costs and savings that result from use of shared services, etc. Once the Alliance model is fully up and running, we are optimistic that we will no longer need a full-time Project Director position. However, the position is critical to helping us reach that point and bring all of our work to date to fruition.

2. **Center Membership Costs for Year One.** All of our research indicates that Centers will achieve significant cost savings through the implementation of shared services. One example of where cost savings can be realized is through insurance brokerage where cost savings are projected to be between 5-20% depending on insurance coverage for particular programs. Another example of where savings can be realized is by reducing the cost of audit services between 3-12% depending on the size of the individual member's operating budget. The estimated annual cost savings with the CCA Global online platform for an early childhood program serving 100 children is \$6,218.

However, as with every innovation, ultimately the "proof will be in the pudding." Each Alliance center is currently operating within extremely slim profit/loss margins. The current economic climate, State cuts in child care subsidies, and reduced grant funding mean that budgets are tighter than ever. Consequently, it is difficult, if not impossible for the centers to take the risk of investing up front in the hope that these investments will yield savings later in the year. To ask members to: change their contracted services and incur a new cost (membership fees) without established local data that "guarantees" they will saved money over the course of the year is simply not a viable option right now. For this reason, we are asking that UWGS fund the Centers' Alliance Membership fees for one year. This will allow us to demonstrate without question that the shared services will result in savings for each and every Center. Once we have a year of data under our belts, we believe Centers will gladly pay the membership fees beginning in FY 2012. Without this up-front investment, however, we simply don't see how we can launch the shared services model – which in turn would mean another year of money spent on basic operational services that could instead be going to improving the quality of care and instruction.

3. **A Percent of the Cost to Customize the Web Platform.** In FY 2010, Early Learning NH and the Alliance researched the potential of a shared web platform; developed a good working relationship with CCA Global; and, began laying the foundation for customizing the CCA platform to meet the needs of child care programs in the Seacoast Region. We are now requesting that UWGS fund a portion of the cost required for customization.
4. **Administrative Support.** For the past 8 months UWGS has made it possible for us to contract for 10 hrs/week of administrative support. This support is necessary to help us handle all the "nuts

and bolts” tasks of coordinating our work. The need for this support will continue in FY 2011 – particularly as we work with the Centers to collect the data needed to assess the costs and benefits of shared member services and negotiate vendor contracts. We request that UWGS continue to support this cost.

- 5. Contracted Services.** In FY 2010 UWGS made it possible for us to include a modest line item in our budget for contracted services. This year these funds made it possible for us to reimburse the founding Alliance members in the form of a modest stipend for a fraction of the time devoted to launching this endeavor and for a portion of the travel costs. Having the flexibility to contract for such services enables us to respond quickly and cost-effectively to emerging needs.

Support from Other Funders

We have received or have pledges in the amount of \$50,000 from the United Way, \$50,000 from NH Community Development Finance Authority, and two operating grants from the NH Charitable Foundation. These funds allowed us to contract with a consultant to create a Development Plan. We have not yet expended all of the funds and will use the remaining funds to continue this work in FY 2011. This, in turn, will increase our capacity to reach out to foundations, donors and other funders in the future.

We have a plan in place for a Mental Health Specialist position. We have not yet secured funding for this position. We are currently in the process of exploring other funding options.

Seacoast Early Learning Alliance Member Organizations

The following early childhood education programs are committed to becoming founding members of the Alliance:

CHILD CARE CENTER	REPRESENTATIVE	PROGRAM LOCATIONS
1. Community Child Care Center	Deb Stokel	Portsmouth
2. Dover Children's Center	Melissa Fischetto	Dover
3. Farmington Child Care Center	Tammy Labonte	Farmington
4. Great Bay Kids Company	Wendy Monroe	Stratham and Newmarket
5. Growing Places	Cellissa Hoyt	Durham, Lee and Madbury
6. Kingston Child Care Center	Stacey Barnett, Jemima Chapman	Kingston
7. Nurture and Nature Children's Center	Amelia Flaherty	Newfields
8. Rochester Child Care Center	Chris Casserly	Rochester
9. Rockingham Community Action Head Start	Marion Ober	Portsmouth
10. Somersworth Early Learning Center	Dawn Collins	Somersworth

In addition, the following organizations continue to serve as key partners in our work.

11. Early Learning NH, Concord	Jackie Cowell *
12. Kieschnick Consulting	Peggy Kieschnick
13. Margolin Consulting	Elissa Margolin
14. NH Community Loan Fund	Julie McConnell
15. United Way of the Greater Seacoast	Helen Long and Lauren Wool

Estimated Project and Grant Budget

July 2010 to June 2011

Income

United Way of the Greater Seacoast	\$245,000
Endowment for Health	87,780
Jessie B. Cox Trust	75,000
Corporate contributions	25,000
New Hampshire Charitable Foundation – GPCF	20,000
NH Charitable Foundation – Private Donors	15,000
Subtotal	\$467,780

In-Kind Contributions

Office space	\$9,600
Legal Fees	\$10,000
Shared Services national expert consultation, Louise Stoney	\$7,500
TOTAL INCOME	\$494,880

Expenses

Year 1

Contracted Services

Shaheen Consulting (project direction)	65,000
Management Company services (Year 1 fees)	33,000
Kieschnick Consulting (part-time fund development)	20,000
Margolin and/or Kieschnick Consulting (planning/sustainability/facilitation assistance)	8,500
Shared Services national expert consultation (in-kind)	7,500
Administrative Support (Director of Outreach & Support, Katie Brissette, Early Learning NH)	10,000
Start-up fee for design of regional shared services web-based platform (one-time setup cost)	50,000
Year 1 fees for web-based platform usage (Early Learning NH statewide annual fee)	24,000
Americorps Internship Fees (2 Americorps or Vista volunteers)	14,000

Salaries and Benefits

Mental Health Consultation	60,000
Benefits	19,800

Scholarship Fund for Income-eligible Families

100,000

Conference Expenses

1,640

Travel

2,190

Rent (in-kind)

9,600

Phone

1,890

Technology Equipment

12,000

Printing / Copying / Postage

1,470

Office Supplies

1,050

Advertising and Recruitment

3,150

Legal & Professional Fees (in-kind)

10,000

Miscellaneous

2,100

Indirect expenses (8%)

37,990

TOTAL EXPENSES

\$494,880