

# Alliance Sustainability

Phil Acord, Children's Home, Chattanooga TN  
Pam Tatum, GA Alliance for Quality Child Care  
Sheri Guarisco, LA Partnership for Children

Moderated by Louise Stoney,  
Opportunities Exchange  
Alliance for Early Childhood Finance



# Key Principles



- Start sustainability planning on day one
- Maximizing tuition revenue is central to sustainability
- Shared services is a framework, not a project
- Quality Matters
- Alliance members are customers
- In-depth shared services means shared risk & reward
- Most likely, third party funding will always be needed

# Start Sustainability Planning on Day One

**Think Big:** Scan existing services in the community to identify current or potential strategic partners.

**Look Internally:** Review staff functions in Hub agency to determine capacity & core competencies.

**Think Long-Term:** Model potential long-term revenues that can replace the start-up grant.

*Sustainability is a perspective, not just another word for fundraising*

# Maximizing Tuition Revenue is Central to Sustainability

Early Care and Education Program Revenues, by Source



■ Parent Tuition & Fees ■ Government Subsidy ■ Private Sector

# Shared Services is a Framework Not a Project

- Sustainability is often about re-structuring jobs and identifying strategic partners.
- Many shared service functions can be performed by existing staff (in hub, participating providers, or community.)
- The goal isn't to just 'add on' another layer but to reinvent the ECE business model.

# Quality Matters

- Shared Services is a branding opportunity
- Shared Services is a way to reinforce/reward providers that offer higher quality
- How to balance the need for scale (to attain cost savings) and the need to limit participation to high-quality programs?



# Alliance Members Are Customers

- Pay careful attention to communication; ongoing feedback is essential
- Consider a formal structure for shared decision-making – e.g. an advisory committee or governance body
- Alliance accountability is multi-faceted
- Remain willing to change things that don't work

# In-depth Shared Services Means Shared Risk and Reward

- If services are free with they be valued?
- If Hub agency is not involved in business success of Alliance members will they have the same level of commitment to the bottom line?
- In-depth shared services works best when the Alliance members and the Hub are true partners and work as a team.

# Third Party Funding Is Essential

Services that are hard to support on tuition or fees alone:

- Health/mental health/family support
- Staffing services (including subs)
- Intensive coaching and professional development for Alliance staff
- High-quality services for low-income families

# Third Party Fundraising

- Foundations
- Business
- Events

*Funding for Shared Services is typically local*





# Alliance Membership Fees

- Fees are central to sustainability
- Fees must be affordable – equal to or less than savings from shared services
- Fees should be introduced strategically and incrementally
- We still have a lot to learn about pricing