SHARED SERVICES AND POLICY: PANEL DISCUSSION

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Why Policy?

• Government policy and practice (regulation, rating, fund accountability, finance) shapes the way ECE businesses are structured and staffed.
• Government purchases (or pays for) a significant portion of ECE spaces; in some states or communities, government is the largest source of revenue and drives market behavior.
The Policy Challenge

Current public policy reinforces the idea that ECE is most appropriately delivered by small, independent providers. Examples:

- Licensing/QRIS by site even if linked by a shared administration
- Staff requirements & training assume a single ‘all-purpose’ site director; innovative staffing is often discouraged or prohibited
- Sharing staff/floaters challenged by fingerprinting requirements
- Technical Assistance assumes stand-alone centers with isolated classrooms; rarely considers the organizational context or encourages shared services strategies

The Finance Challenge

Current ECE policy is based on the assumption that child care markets work and that small child care businesses can succeed. Cost modeling challenges this assumption:

- In order to meet high-quality standards (e.g. NAEYC accreditation) a child care center must serve at least 100 children, maintain enrollment at 95% or higher, and collect all fees in full just to break even.
- CCDF rates historically based on market prices, which rarely correlate with the cost of delivering services—especially for infants and toddlers.
- Most public child care $ is administered as vouchers, which can make it difficult for a program to secure the stable revenue needed to consistently maintain qualified staff.
Opportunity: New Policy Pathways

Ways that ECE standards can encourage a Shared Services approach:

- Allow innovative staffing and management strategies that strengthen site-based leadership
- Rethink roles, responsibilities, required preparation for ECE teachers and supervisors
- Streamline compliance with quality standards (for licensing, QRIS, funding) using automation and shared staff to gather and maintain documentation and make administration more efficient

Opportunity: New Finance Pathways

Ways that ECE finance and fund administration can encourage a Shared Services approach:

- Encourage administrative scale, via start-up funding for shared back office entities that manage billing, reporting, data collection, accountability and more.
- Encourage automation and electronic submission of data
- Contract for slots with networks of high-quality providers
- Use cost modeling to understand per-child costs & inform rate-setting; pay based on enrollment (vs attendance); track vacancies to ensure high-quality programs are full.
Concrete Steps: Staff Requirements

- Revise licensing and QRIS standards to focus on business and pedagogical leadership tasks, not just seat time and academic credentials.
  - Allow small sites to share a director
  - Award QRIS ‘points’ for shared staff
  - Value time spent in reflective supervision & applied learning
- Consider revising Director Professional Development & Credential to establish two specializations (for business and pedagogical leadership)

Concrete Steps: Finance

Encourage center- and home-based providers to build capacity for effective fiscal leadership:

- Start-up funding for center-or home-based provider networks that share administrative and/or pedagogical staff
- Contract with provider networks for slots, to strengthen sustainability
- Award priority points when providers collaboratively respond to an RFP for quality improvement $
Pennsylvania

- Enabled third party billing for child care subsidy
- State support for Shared Services on the Web
- Released paper and info-graphic on policy changes that encourage a Shared Services approach
- Including a shared services framework in QRIS “re-visioning”
- Re-thinking professional development and certification for Site Directors

Pennsylvania

PA BUILD sponsored ‘white paper’ and info-graphic on Shared Services and Policy.

Goal was to encourage innovative thinking: How is it possible?
District of Columbia

- Established a Quality Improvement Network
  - Neighborhood-based Hubs
- Partnership with the Bainum Foundation
  - Launched Early Childhood Share DC
  - Enhanced the work of the Hubs
- RFP to start a Shared Services Alliance for child development homes [https://osse.dc.gov/node/1236971](https://osse.dc.gov/node/1236971)
  - Fiscal management, data, and reporting
- Included waiver in new child development facility regs
  - Any regulation that does not impact health and safety of children or staff

New Hampshire

- Automation – allow “Authorized representative” to bill DHHS (third party billing)
- Licensing – revisions to enable shared staff
- QRIS – new metrics focused on the Iron Triangle, with targeted TA to support business sustainability
- Shared Services on the Web – State-customized site + free membership fees for providers in QRIS
- TA focused on business practices that uses SS on the Web as key resource
Next Steps to Explore

Explore the feasibility of allowing a network of affiliated centers or homes to apply for a rating collectively.

- Compliance paperwork provided by collaborative entity
- Standards apply to network as a whole (not each site individually) which enables staff to be shared across sites and still accrue “points” on QRIS
- Accountability verified by classroom assessments conducted at each participating site;
- Rating is Alliance-wide and no classroom (or home) may have a score below the minimum threshold for that QRIS level.

Next Steps to Explore

- If coaching is typically provided by an intermediary organization (like a CCR&R or university) could a single coach serve a network of affiliated centers or homes?

- Could a network of centers or homes collectively apply for funding to hire their own (shared) coach rather than relying on coaching from an external entity?

- What other strategies could be used to encourage centers and homes to form professional learning communities or collaborative quality improvement strategies?