Alliance Sustainability

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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