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INSTITUTE *for* CHILD SUCCESS

GREENVILLE COUNTY
FIRST STEPS

South Carolina Shared Services Model
Executive Summary

This report proposes investment in the establishment and evaluation of a Shared Services framework for South Carolina child care and after school providers serving young children. This coalition of early learning small businesses participating in a shared service networks will be able to concurrently reduce business inefficiencies, focus on quality improvements, and harness economies of scale for increased purchasing power.

The early care and education (ECE) community, which includes child care centers, Head Start and Pre-K Programs, and out of school time providers, contributes substantially to the economic health of South Carolina families. Strengthening ECE business-side and care-side quality supports working families and the economy. When providers can access cost and time saving tools, they are able to invest more in improving the quality of care for the children and families they serve

Around 80% of ECE entities are owned by women and minorities, thus the implementation of a shared services framework could, in fact, reduce barriers to entry into this vital sector for women and adults of color. By enabling a business model with lower operational costs and greater management and professional supports, small entrepreneurs who wish to serve young children may be more willing to enter this marketplace.

The South Carolina Shared Services Network will be managed by Greenville First Steps. Greenville First Steps will fund a majority of the network, in addition to privately secured grants and matching funds. The network, which will begin with a 35 center pilot in the upstate, will ultimately be a tiered system of membership statewide. Providers will have access to a **South Carolina specific web-portal created by national ECE experts**, which enables centers to have downloadable resources like policy manuals, HR handbooks, current DSS and DHEC regulations as well as **shared buying power**, or discounted pricing, on everyday goods, like gloves. Providers on average save 20% on these purchases. Members of South Carolina's shared services network will also incorporate pedagogical improvements for directors and staff in the form of **regional learning networks** and **online professional development trainings**. To ensure children enrolled in early learning and care centers are kindergarten ready, providers will have access to a **Pre-K to Kindergarten Observational Checklist**, a developmental tool to assess school readiness.

We project that **provider savings could reach $350,000 in Year One** for a cohort of 35 child care centers across the Upstate.

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South Carolina Shared Services Model Proposal
Prepared for Greenville County First Steps Board of Directors
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(Purpose)

This report proposes investment in the establishment and evaluation of a Shared Services framework for South Carolina child care and after school providers serving young children. "Shared Services is a new approach to early care and education management and leadership that centralizes key functions to save dollars, strengthen management capacity, improve early learning and ensure sustainable, high quality programs."[i] Three existing programs are reviewed, one in New Hampshire, one in Colorado, and one in Connecticut. We also summarize results from a recent South Carolina focus group on shared services. We conclude by outlining two types of a shared services approach that could be launched as a partnership among a small group of South Carolina counties, with eventual replication as a statewide model when proven successful.

(Context)

More than 10 million young children in America today are cared for by people other than their parents. "Child care in the United States is a patchwork of care settings, funding sources, and regulations administered by multiple government agencies and provided by nonprofits, large for-profit companies and small businesses, religious institution, and individuals."[ii] Many of these child care providers and organizations operate as small businesses, and many come to this work to fulfill a vital mission but, often, without a background in running a business or training in operational management.

Writing in 2010 for the Federal Reserve Bank of Boston, national early childhood expert Louise Stoney notes that, "Although vital, the ECE industry is fragile."[iii] There are several reasons for

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[1] The Institute for Child Success is a research and policy organization fostering public and private partnerships to align and improve resources for the success of young children, their families and communities throughout South Carolina and across the nation. ICS seeks to foster a system that ensures all children will be born healthy, enter kindergarten fully to learn, and continue to grow and develop as successful students, productive workers, and responsible parents and citizens.

this fragility. First, most early care and education (ECE) businesses are "…small and headed by professionals whose expertise is not business expertise. Tuition may be the sole revenue source…Although there is some government support for ECE programs, it represents only a small percentage of ECE expenditures… Generating the dollars needed to establish and sustain high-quality early care and education has never been easy…"[iv]

Second, the cost of quality results in pricing for early care and education that is above what most parents can afford to pay. "In attempting to remain economically viable, early care and education programs face what we term the 'iron triangle': setting fees high enough to cover costs, collecting fees (or publicly funded vouchers) in full and on time, and maintaining full enrollment. The need to simultaneously meet all three requirements makes programs especially vulnerable to market conditions."[v]

Third, many ECE programs are quite small in size, enrolling (on average across the nation) about 70 children and employing 20 or fewer employees. "At many centers, managing finances is just one of the numerous tasks that directors or assistance directors handle." In the face of clogged toilets, worried parents and crying children, and the ongoing supervision of staff and the learning environment, "Fiscal management often gets pushed to the bottom of the list."[vi]

Stoney and her co-author Libbie Poppick summarize this situation, to "…ensure sustainability, ECE manager must tap many funding streams, interact with multiple public and private agencies, and market their services. To keep dollars flowing, they need to comply with a dizzying array of funding requirements while meeting complex quality standards. Without careful, consistent attention to the business side, revenues decline and programs falter."[vii]

(Shared Services Alliances: A New Management Tool)

Stoney and Poppick argue that in the face of these interlocking fiscal and management challenges faced by small child care providers, new management tools are needed. These include the expanded use of information technology to "…support fiscal and management tasks and better data collection to guide marketing and enrollment. Additionally, leading shared services organizations are collaborating with other industries to reach scale nationally in functions such as human resources and purchasing."[viii] Currently, 22 states have web-based shared services platforms and 17 states have shared services alliances at the regional or state level.

What are "shared services"? "At its core, 'shared services' is a simple idea: organizations can reduce costs and improve the strength of management and the quality of services by sharing administrative functions with other

Alliances across the U.S.
States with Web-Based ECE "Knowledge Hub"
October 2015
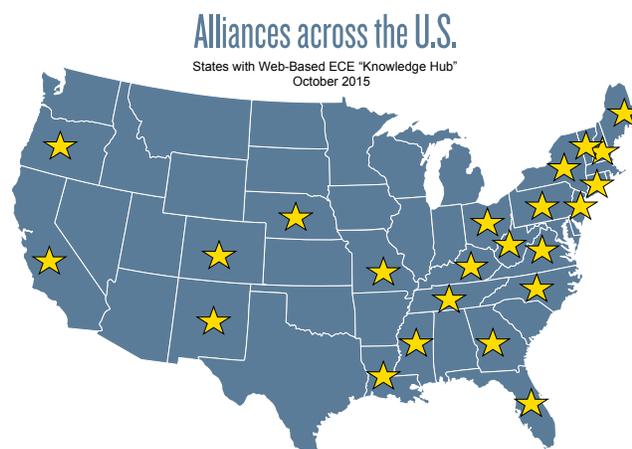
organizations that provide the same types of services."[ix]   More specifically, "…the fiscal management and economic strength of a larger organization make it easier for a larger organization to weather economic storms; costs in such areas as payroll, benefits management, banking, janitorial, food services, and purchasing are lower. Efficiencies and actual savings that accrue can be redirected into additional time directed at the learning environment and additional investment in staff compensation and professional development. This results in "…higher quality education and more family support services, and outcomes are better and more easily tracked."[x]

Potential Areas for Shared Services (Stoney & Poppick, 2010) • Quality support (classroom and child assessment, curriculum support) • Management/administration (team of directors/supervisors) • Fiscal (billing and fee collection) • Marketing and enrollment • Fund development • Human resources and staffing • Health/mental health/ family support • Food services • Purchasing goods and services

By implementing a shared services model and web platform in South Carolina, members would gain access to management and operational resources, including a shared data platform and professional development opportunities, and increased buying power. Moving to this model will require somewhat of a mindset shift for providers and staff. Instead of solving problems on their own, shared services will enable providers to think collectively while remaining independent of one another.

(South Carolina's Need for a Shared Services Framework)

When providers can access cost and time saving tools, they are able to invest more in improving the quality of care for the children and families they serve. Early care and learning providers participating in the New Hampshire State Early Learning Alliance have seen an average savings of over $10,000 annually per participating provider. This frees up resources to buy new curriculum, upgrade technology or furnishings, and purchase external professional development. In addition, there is a demonstrable savings in time that can accrue to directors and supervisors when the shared service alliance is engaged to track enrollment and attendance, comply with mandatory reporting requirements, and manage purchases.

Beyond the savings and time benefits to individual members of early child care shared services alliances, there are other reasons for supporting the design and implementation of this management tool. ***First, the ECE sector contributes substantially to economic health of South Carolina families.*** According to economist Kelly O'Donnell, "ECE supports employment of 55,698 South Carolinians — 23,432 are employed directly in ECE, 6,448 are employed as a result of the purchases ECE businesses make from other South Carolina businesses, and another 25,818 are able to work due to availability of affordable child care."[xi] Access to quality child also reduces employee stress, increases productivity and yields more than $1 billion in additional annual family incomes. On the flip side, the "…inability of some parents to access dependable child care costs the South Carolina economy $900 million in foregone wages and absenteeism."[xii]

Second, the ECE sector consists largely of woman- and minority-owned entities, thereby directly advancing the state's commitment to expanding business opportunities for these two key target populations. The implementation of a shared services framework could, in fact, reduce barriers to entry into this vital sector for women and adults of color. By enabling a business model with lower operational costs and greater management and professional supports, small entrepreneurs who wish to serve young children may be more willing to enter this marketplace.

When a South Carolina Share Service Alliance is fully implemented, new businesses could easily register with the state Department of Social Services to become licensed ECE providers, and thereby gain automatic access to the alliance. These new providers could access everything they would need to start their business on a strong foundation: downloadable policies and procedures, employee handbooks, current rules and regulations, even commonly display items and posters (i.e., on health and safety requirements and behaviors). A support network of providers and professional development opportunities and training would allow more ECE businesses to open, with an especially profound impact in rural communities in the state, where both quantity and quality of early childhood care is quite limited.

Third, in addition to improving business opportunities for South Carolinians and supporting the ability of parents to attain and sustain employment, ***increased access to stable, high quality effective early care and education can be expected to demonstrably increase the school readiness of this state's entering kindergartners.*** A robust base of evaluation research has shown that access to high quality ECE helps to assure that young children are ready for preschool at age three or four, and have acquired the knowledge, skills and behaviors expected of them at entry to kindergarten.

Given the fact that one in three babies are born into poverty in South Carolina today and that the number of children under age five continues to increase (by 28,000 or 10% by the year 2030), access to high quality, early care and education is a developmental as well as economic imperative.

The Impact of High Quality ECE: Four Fast Facts

1. Higher quality ECE results in higher language & cognitive development scores, math and reading achievement scores, stronger social-emotional development

2. High quality ECE results in a demonstrable ROI: Every dollar spent saves roughly $7 through later crime reduction and increased adult employment, higher HS graduation rates, lower teen pregnancy and births to single mothers.

3. By reducing toxic stress among children and their working parents, high quality ECE can impact on present and future health outcomes, including depression and costly metabolic diseases such as obesity, diabetes heart disease and stroke.

4. Low quality care impedes health development of children and can increase family stress.

"By increasing the number of children who enter the K-12 system ready to learn, ECE enhances the efficiency and effectiveness of the public schools, improving the academic odds for all children while at the same time lowering costs for taxpayers by reducing the need for

remediation and special education."[xiii]   In addition, research shows that the need for early elementary school special education is reduced by as much as one third when younger children attend high quality early care and education programs.

South Carolina has a duty to support the academic success of these children. Enabling child care providers to build capacity will ensure higher quality, growth of sector, to meet the needs of this growing population. Because of this increased quality, more students will enter school kindergarten-ready.

(Proposed Shared Services Model for South Carolina)

Network Structure
The South Carolina Shared Services Network will be managed by Greenville First Steps. Greenville First Steps will fund a majority of the network, in addition to privately secured grants and matching funds. The network, which will begin with a 35 center pilot in the Upstate, will ultimately be a tiered system of membership. Providers will choose to enroll in the basic tier, or have enhanced services and benefits with the second tier. The components within each tier will be based on pilot successes and evaluation along with survey responses collected from over 275 childcare staff and quality improvement leaders across the state.

Service Components
The following chart projects a set of design components developed from the focus group work and our review of existing models across the nation, with elements of top priority to South Carolina Providers in bold and noted with an asterisk (*). The information is grouped into a set of operational categories for ease of presentation and discussion. Of note, the specific elements of shared service designs varies by jurisdiction, types of member organizations, and the specific areas of initial agreement. Additional components may be added over time.

Model Components
Human Resources Management and Support
Center Director leadership development
Web Platform (see below)
*Online Trainings (to be administered through the web platform)
*Substitute Pool or Staffing Service
Technology Development, Management and Support
Web Platform, developed by CCA for Social Good, includes:
a. ***Downloadable common national resources** (policies, center and classroom procedures, HR documents – includes timesheets, handbooks, parent handouts, posters)
b. ***South Carolina specific resources** (up to date DSS, DHEC, USDA compliance regulations)
c. A tool for centers to determine individual cost & time savings
*Child and Staff Information Management System

Knowledge and Professional Development
Ask the Expert Resources, including: *Frequently Asked Questions Resource Guide, *Fundraising, Marketing, Legal, Human Resources, Call Center Physician/Nurse Practitioner Services Regional Learning Networks (see page 10) ***Pre K-Kindergarten Observational Checklist** (see page 11)

Financial Supports and Leveraging
***Shared Buying Power**- included in the website; discounted pricing for everyday purchases (e.g. cleaning supplies, gloves) and furnishings. May be expanded to include cell-phone/Internet services, home and property insurance Contracted Services, including finance and bookkeeping, facility repairs and upgrades, property and vehicle management

Summary of Costs

The South Carolina Shared Service model, will take three years to implement at a level where a full evaluation can be conducted and where savings to providers are evident. We have based these projections on research into national best practices with respect and responsiveness to local survey data. This shared services alliance is aimed at improving the business practices and thus, quality of child care providers, family, friend, and neighbor (FFN) care, out of school time programs, and smaller school districts.

The chart below summarizes our current thinking about how to accomplish a three-year roll out. As can be seen, there is a projected shortfall in the first year, beginning in July 2017. However, that shortfall -- $50,000 – is more than made up by the end of year three. In addition, we project that provider savings, above enrollment costs, could reach $350,000 in Year One for a proposed cohort of 35 child care centers in Greenville, Pickens, Anderson, Spartanburg, and Cherokee Counties.

The proposed funding structure includes an enrollment fee from each providers (calculated based on its operating budget), sponsorships and program revenues, and grants from the philanthropic and nonprofit sector. We anticipate that formal partners will include:
Greenville First Steps, United Way of Greenville County, Institute for Child Success, Spartanburg Quality Counts, Spartanburg County First Steps and the South Carolina Department of Social Services. A complete implementation timeline and the associated costs can be found on page 12.
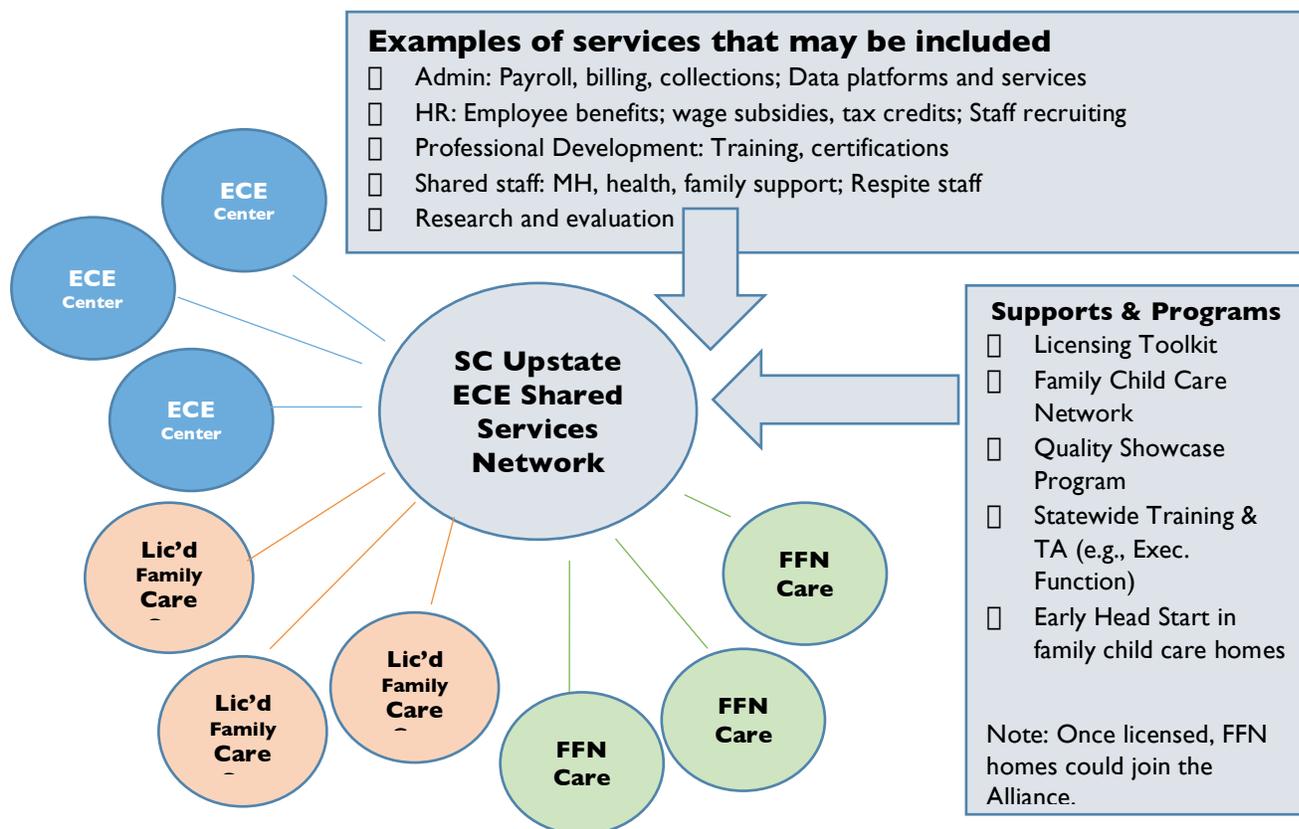
	Year 1 **July 2017-** **June 2018**	**Year 2** **July 2018-** **June 2019**	**Year 3** **July 2019-** **June 2020**
Center Enrollment	60 centers 10 family homes	100 centers 30 family homes	170 centers 50 family homes
Provider Revenue	$0	$120,000	$216,000
Sponsorship/Program Revenues	$20,000	$20,000	$50,000

Private Foundation Funding/ Grants	$120,000	$50,000	$50,000
Total Income	**$140,000**	**$210,000**	**$316,000**
Expenses			
Infrastructure/Tech	$75,000	$75,000	$90,000
Staffing	$75,000	$90,000	$130,000
Supplies/Promo	$40,000	$40,000	$40,000
Total Expenses	**$190,000**	**$205,000**	**$260,000**

Return on Investment

As part of this proposal, we have begun to investigate ways to model the return on investment (ROI) expected with the South Carolina Shared Services Alliance. *In New Hampshire, the average provider participating in the Shared Services Network saved over $10,000 each year.* These cost savings, reinvested into quality improvements, will generate broad, long-term returns on investment. The eventual time savings providers will see from back-office supports may translate into more investment into teaching and learning time, benefitting children's social and academic preparedness.

Visualizing the Relationships in a Shared Services Model

Examples of services that may be included
Admin: Payroll, billing, collections; Data platforms and services
HR: Employee benefits; wage subsidies, tax credits; Staff recruiting
Professional Development: Training, certifications
Shared staff: MH, health, family support; Respite staff
Research and evaluation

ECE Center

ECE Center

ECE Center

SC Upstate ECE Shared Services Network

Lic'd Family Care

Lic'd Family Care

Lic'd Family Care

FFN Care

FFN Care

FFN Care

FFN Care

Supports & Programs
Licensing Toolkit
Family Child Care Network
Quality Showcase Program
Statewide Training & TA (e.g., Exec. Function)
Early Head Start in family child care homes

Note: Once licensed, FFN homes could join the Alliance.

(The Program Design Process: Researching National Best Practices and Models)

To assess South Carolina's needs for a shared services alliance, Greenville First Steps conducted focus groups from August to October 2015 to explain and survey current ECE providers and affiliates across the state. From the over 275 received responses, most interest in shared services came from smaller centers who "see themselves as alone in work, and lack the supports of some of the larger, multi-department partners (e.g. churches, YMCAs, corporate locations)."[xiv]

The respondents identified areas of need in both the business and technical sides of their work that they felt were most applicable to a shared services design. These included shared buying power, creating a pool of substitute teachers, access to technical expertise, and access to the most up-to-date requirements and paperwork. Access to downloadable resources was also identified as a useful shared service element. Respondents expressed less interest in online billing, and property and vehicle management services. This could be due to an incomplete understanding of what these benefits would entail or how they would be useful to the center.

Greenville First Steps and the Institute for Child Success consulted with members of the Opportunities Exchange,[xv] a national organization supporting shared services alliances,

initiatives, and coordinated policy and two current shared services alliances, the New Hampshire Seacoast Early Learning Alliance (SELA), and Early Learning Ventures Alliance (ELV), based in Colorado, to gain more clarity on program components and successful implementation. The two alliances were chosen as they represent two different approaches to a shared services model. SELA is a regional, non-profit, alliance across most of the state of New Hampshire and has a successful property management company providing much backbone support. Early Learning Venture Alliance is a statewide alliance in Colorado funded solely by the Merage Foundation. It operates from a strong, replicable business model of tiered services.[xvi]

We also include a model designed in New Haven, Connecticut that has been replicated in another major Connecticut city and is being examined as well by other jurisdictions across the country. All Our Kin finds and supports unlicensed family, friend and neighbor child care providers to improve their executive function and parenting skills, participate in a learning network, build better business management skills and move to state licensure. We are interested in this model because so many infants and toddlers in South Carolina, and across the nation, are now cared for in unregulated, unlicensed early child care.

Seacoast Early Learning Alliance
The Seacoast Early Learning Alliance (SELA) takes a three-pronged, integrative approach to their model that incorporates an ECE web-platform, Great North Advantage, a property management

company, and regional learning networks across Vermont, New Hampshire, and Maine. All of the resources in the alliance are available to participating providers, including non-profit and privately owned programs, for a flat, per month fee. In return for participation, providers must sign a Memorandum of Understanding stating they will reinvest the dollars and time saved into quality improvements for their businesses. We identified several components of the SELA model that would be strong additions to the South Carolina model, one of which was the **Regional Learning Networks**.

SELA found that many directors felt alone in their work, which allowed for the creation of Regional Learning Networks. Because directors have very limited spaces to talk with one another and share best practices, once a month regional center directors come together with SELA's regional director and discuss current success and challenges, and how shared services and the group knowledge can work together to find solutions. Cellissa Hoyt, SELA'a Executive Director, noted that it is a top priority to set a solutions-oriented tone to these meetings, so that directors leave feeling supported with the tools, resources, and group encouragement and expertise to attack their areas of concern. These meetings are also a time that SELA can share state-level work, help directors understand more components of the alliance they may not be taking advantage of, provide directors with new grant or funding opportunities, and reflect on new shared services components that could be added to their benefit. A sample agenda with common discussion topics and questions for center directors is included as Appendix 1.

For comprehensive information on SELA's Model, please see page 14.

Early Learning Ventures
Early Learning Ventures, based in Colorado, aims to facilitate higher quality early learning and care through stronger business practices (as seen in Appendix 2). With strong urban and rural participation, ELV has shown high returns on investment for participating centers and care providers (known to ELV as "affiliates"). By participating in ELV, affiliates have access to various levels of shared services and business services through a 3-tiered membership approach.

The most striking component of the Early Learning Ventures model was the data management system linkages between providers and offered services. For example, if a practitioner completes an online professional development training through ELV, that course credit is immediately added to their personnel file and their director is informed. This access to up-to-date information without any extra paperwork for the director or practitioner is beneficial. These data linkages would be available in the South Carolina model with a **Child Management System**.

For a detailed explanation of ELV's tiered model of services, please see page 15.

All Our Kin

The mission of All Our Kin is to train, support and sustain community child care providers "…to ensure that children and families have the foundation they need to succeed in school and in life. Through our programs, child care professionals succeed as business owners; working parents find stable, high-quality care for their children; and children gain an educational foundation that lays the groundwork for achievement in school and beyond."[xix]

All Our Kin provides the following suite of services and supports: a Tool Kit Licensing program; Family Child Care Network, Early Head Start in New Haven, a Quality Showcase Program, and statewide training and technical assistance.

Tool Kit Licensing Program. "Through the Tool Kit program, a collaboration with the Connecticut Children's Museum, All Our Kin provides materials, mentorship and support to help unlicensed family, friend and neighbor caregivers meet health and safety standards, fulfill state licensing requirements, and become part of a professional community of child care providers. The Tool Kits include application materials, health and safety supplies, vouchers for first aid training, and curriculum materials such as educational toys and high-quality children's books. All Our Kin also provides caregivers with mentorship, counseling, and support as they complete the licensing process."[xxi]

Based on research from the University of Connecticut's Center for Economic Analysis, All Our Kin has been able to document its remarkable positive impact on family child care providers and parents as well. Specifically, over the decade from 2000 to 2011, while Connecticut lost 8000 licensed family providers, All Our Kin increased the number of these providers buy 74%. Each of these providers enabled 4 to 5 parents to enter in the workforce. And, in a 2011 study, the Center for Economic Analysis documented that:

- Nearly 60 percent of All Our Kin family child care participants reported earning at least $5,000 more the first year after licensure. In the second year, over 45 percent reported earning at least $10,000 more.
- After completing the program, 55 percent of graduates were able to pay down debt, 42 percent had opened a savings account, and 31 percent had moved to a larger apartment or house.
- Over 50 percent of Tool Kit program graduates went on to achieve either an Associate's Degree in Early Childhood Education or a Child Development Associate credential.

For more information regarding the All Our Kin model, please see page 16.

(South Carolina Major Design Components)

CCA for Social Good Website
Aligned with national shared services alliances, yet specific to South Carolina, this website offered shared buying power, downloadable resources developed by national ECE experts, and technical assistance for business and pedagogical improvements. This is essentially a "one stop

shop" for centers.

Regional Learning Networks

In South Carolina's rural areas especially, Regional Learning Networks similar to SELA's model will be beneficial. Center directors will be able to convene, share current issues or frustrations with group who may have had similar experiences, and seek solutions from the group knowledge and the shared services benefits. This will serve as a space for director-level professional development and for the alliance to receive feedback on ways to improve service.

To build on SELA's model of Regional Learning Networks, Louise Stoney of the Opportunities Exchange suggested these networks have a more intensive focus on improving center directors' pedagogical, instructional leadership. In addition to convening with one another, directors would come together on a monthly basis with a regional director with a strong background in instructional leadership background to improve their own instructional leadership within their center. This may, in turn, show stronger child-level outcomes from improvements in instructional quality.

Provider-Side Components

A Memorandum of Agreement will be developed with centers that specifies and assures that savings in both time and monetary resources are reinvested into quality improvement, including training, family recruitment and the expansion of expansion of services

Though participation in the Shared Services Alliance will lead to quality improvements, the Shared Services Alliance will not conduct independent quality assessments, due to feasibility, but will measure and analyze reinvestment of dollars. This monetary reinvestment will, in time, show improved quality ratings for providers participating in ABC, Childcare Resource and Referral, or Spartanburg Quality Counts.

Development of the Pre-K to Kindergarten Transition Tool

As a community, we are working to develop a comprehensive school readiness system that defines consistent readiness goals shared among childcare providers, families, school district staff, and funders. This system will help caregivers, parents, and our larger community, understand that early learning is a process that begins at home, includes the entire community, and is a part of a path leading to school readiness and ultimately, post high school success. In 2010, the United Way of Greenville County adopted the "School Readiness Roadmap," helping to shape a community conversation about the importance of school readiness as a predictor of school success. Recently, the arrival of a School Readiness definition (as mandated by the SC Legislature in the SC First Steps reform and reauthorization of 2014), the 4K and 5K readiness assessment (as mandated through the SC Read to Succeed legislation) have created an ideal opportunity for a stronger coordinated systems approach to school readiness.

There exists a large demand among the childcare workforce in Greenville for this sort of "handoff" between childcare centers and school districts. Childcare providers see this coordination as a validation of their efforts to provide a safe, stable and nurturing environment, expecting parents to appreciate the better alignment of private providers and the school district. A child achievement checklist/portfolio consistently ranked as one of the four most

valuable resources to providers when surveyed.

Input from the Advisory Committee (with representation from Furman University, Bob Jones University, Clemson University, USC Upstate; agency appointees from the Greenville offices of DSS, DHEC, Library System, local school districts, and Greenville Health System; private funders; and six childcare center directors/owners; parents of young children; and legislative appointees, representatives from United Way of Greenville County School Readiness Council, Greenville County Childcare Association, and the Institute for Child Success) and focus groups will be used to develop an 8-10 question observational checklist, using readiness domains identified by the SC Legislature (Act 287 First Steps to School Readiness Initiative and Act 284 SC Read to Succeed Act) as well as SC Education Oversight Committee Readiness Assessment Recommendations (2015) including physical health, motor skills, emotional and social competence, language and literacy development, mathematical thinking, and cognitive skills. The early childhood observational checklist will be a user-friendly, secure online form available by web-link to childcare providers across South Carolina.

Program Scale
We will need to agree upon a process and timeline for moving to scale, beginning in upstate South Carolina but with the ultimate intent of building and implementing a statewide program. This may involve a pilot phase with 35 centers during the upcoming year that would include an upstate network hub and use of the CCA Global Web Platform before moving to the formal Year 1 implementation in July 2017. During this year-long effort, we will assess impact, begin the expansion throughout upstate South Carolina, and embed the Shared Services Alliance design as part of the South Carolina CCDF Plan.

Specific strategic communications and community outreach plans must be designed and implemented, as this is a *critical* part of programmatic buy in and success.

(Proposed Implementation Timeline and Budget)

The information outlines an eighteen month planning and pilot phase process beginning in January of 2016 and continuing through June 2017. Each phase is outlined below along with cost estimates.

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Phase 1 (Jan-June 2016):
Primary Goals:
- Hire FT Shared Services program director
- Establish a Planning Team of small business owners, state and local quality improvement experts (e.g., DSS, CCCCD, CCRR, SC First Steps), local private funders, and a pilot group of 20 childcare providers.
- Planning team helps design/develop/purchase SC Shared Services online portal, including:
    o Shared buying power
    o Online training system
    o 4K online observational checklist- with connection to 5K classrooms
    o "Ask the Expert" Resource Room (with information from HR, IT, Legal)
- Secure $65,000 in Private/Grant funds

Total Cost for Phase 1: $130,000
Breakdown of Costs:
$35,000   Greenville First Steps would retain an employee to facilitate day-to-day operations to keep program planning moving forward, to serve as manager of project planning and site development
$75,000   Online Portal development (likely contract with CCA Global)
$20,000   Promotion, Convening, Coordination of SC-Shared Services planning team meetings and follow-up recruitment of initial pilot sites.
Greenville First Steps staff recommendation: to commit $130,000 in Greenville First Steps private, unrestricted funds to cover this phase.

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Phase 2 (July 2016- June 2017):
Primary Goals:
*   Implement a 12-month SC- shared services pilot within the upstate (to include 35 childcare providers).
*   Bring in an outside evaluator who can help assess program's likelihood for cost/time savings and plan for growth/expansion across the state.
*   Expand online portal with new components, likely including:
      o   Substitute Employee Pool/ Staffing Service
      o   Leadership Development
      o   Student/Staff online check-in system
      o   Downloadable Resources (HR Manual, Parent Handbook, USDA forms)

Total Costs for Phase 2: $195,000
Breakdown of Costs:
$65,000   SC Shared Services program director housed within Greenville First Steps (reflects all operational costs including salary, benefits, office space, travel, insurance)
$50,000   Technology Enhancements (contracted services for the further development and enhancement of SC-Shared Services online resources)
$10,000   Contract fee to SC-ICS (or selected sub-grantee) for program assessment and cost/benefit analysis/reporting
$40,000   Pilot Site Materials- including materials as incentive for participation (ex: books) and materials for service delivery of shared services network (ex: tablets)
$30,000   Promotional Costs (print, online, media costs for center recruitment

Projected funds for this phase would come from a combination of funding sources including: federal/state grants, state and local foundation support, and a commitment form Greenville First Steps to cover the difference.

(Background Information on Researched Models)

Seacoast Early Learning Alliance

Both SELA and Early Learning Ventures (ELV) have a common web platform, which was built and is powered by CCA for Social Good. This web platform, utilized by many shared services alliances across the country, is mostly comprised of common elements though made unique for each state. Through this web platform, providers have access to a vast library of tools like a cost savings calculator, current state regulations, program administration resources, marketing tools, and an online community network of providers able to communicate with one another about questions, areas of concern, and more. Providers can easily download and edit sample policies, procedures, various forms and handbooks that were created by national early childhood experts. SELA is able to poll providers through the website and respond according to their needs. Appendices 3 and 4 are included as examples of pages from the web portal.

From its understanding of needs in New Hampshire, SELA found that many providers experienced extensive waiting times for technicians to come make repairs on critical center needs. With a partnership from Great North Advantage, a large-scale property management firm in New England, providers now have access to one-hour response times for emergency repairs and a fast turnaround for all other needs due to existing contracts between technicians and Great North. In addition to maintenance and repairs, centers are able to take advantage of other Great North expertise and services: back office supports (e.g. human resources, accounting services and marketing), an insurance broker for business and private insurances, facilities project bidding and oversight, a 24-hour emergency hotline, and pooled purchasing power on goods and services (e.g. heating fuel, waste removal, cleaning services, annual audits, etc.). These services are cheaper and faster through the scale, name recognition, and reputation of Great North.

Centers in New Hampshire see significant cost savings through SELA that extends to teachers and families of enrolled children. On average, providers see more than $10,000 in savings, according to SELA's conservative estimate. Through shared buying power, providers save significantly on food costs (average savings of 17%-24%) and classroom supplies (20% average savings, around $8,000 per year). Bulk purchasing power enables SELA to provide free college classes to center staff to increase their knowledge and professional performance, and the group savings on home and auto insurance, heating fuel, cell phone plan discounts, and grocery coupons are extended to center staff and families. This saves these families money and frees up their dollars to provide all other basic needs with less financial burden. SELA estimates because of these benefits, the average family saves $1000+ each year. In South Carolina, full-time center-based infant care consumes 31% of the state median income for a single mother.[xxxii] This model would have very real implications for the economic participation and quality of life for low-income South Carolinians with children enrolled in child care.

SELA reported that converting ECE centers and providers to a shared services model is more about changing habits and mindsets and is an ongoing learning process. Centers need time to shift from their normal purchasing habits or searches for support to utilizing the web portal for those needs. To increase the overall program buy-in, SELA offered free access to all centers in their pilot year. They used the pilot year to educate center directors and staff on the benefits of the alliance and continually practice mindset and habit shifts.

Providers have membership to SELA's shared services for $100 per month and Great North Advantage's services for an additional $850/year.[5] Though centers sign an MOU stating they must reinvest in quality improvements, quality is open to interpretation. This means providers are able to decide for themselves what their most critical needs are, be it better quality furnishings, remodeling a classroom, or purchasing new books. Additionally, centers are required to accept a lower priced bid through SELA and/or Great North's contracted services. Hoyt explained that some center directors favored their old food service providers or cleaning services, who matched the lower bid prices. While centers were able to get the same price that they were offered, it weakened the overall alliance and showed that service providers had been price gouging the centers over the years of services. Bulk purchasing power is strengthened when centers accept the lower bids; without that, contracted service providers may drop out of SELA as they see less benefit and more competition.

SELA is staffed by a full-time director and part time regional directors. These regional directors, who are strong current full-time ECE teachers or providers, work 1 day a week to support SELA affiliates in quality improvements. As SELA's initiatives were once supported solely by a part-time director, they strongly recommend the state director of the alliance be a full time position from the outset. As the regional directors are community members with high-quality expertise, they have had a strong reception from the regional learning networks.

Early Learning Ventures
Early Learning Ventures offers providers various services at each level of membership.

Tier One. Along with group-purchasing power, and access to professional development e-trainings created by national experts, Tier 1 offers affiliates access to Colorado's version of the CCA for Social Good[xxxiii] web platform, the basis for other states' shared services sites. This tier costs affiliates $100/year and is aimed give basic business and resource supports to providers, allowing them to increase their quality. Participation in ELV is so strong across Colorado, various colleges and universities across Colorado have incorporated the ELV web-platform into their early learning teacher training programs, which has allowed many recent graduates to enter in the job market with much less need to train.

Tier Two. Tier 2 gives affiliates access to ELV's business services. For an initial onboarding cost of $1,526 and a yearly cost of $2,400-3,600/year (depending on services accessed), ELV supports all back-office work, freeing providers time and money to focus on professional development and improving quality of care. ELV manages a centralized back office system, located out-of-state, and a Child and Staff Information Management system, which allows providers easy access to all updates human resources related information as well as comprehensive child information and attendance rates. Tiers 2 and 3 have access to Resource and Outreach Centers. Resource centers, staffed by community members, focus their efforts on increasing director and teacher capacity and family engagement. To maximize the

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[5] SELA transitioned to $100/month membership fee starting in 2015 due to large participation. Prior to this, membership cost $200/month for large centers and $100/month for smaller centers. Though providers have access to Great North's services, they must still pay for any contracted services hired through Great North (i.e. a plumber will charge a provider regardless if contracted through Great North or privately. If through Great North, the provider will pay less and receive much faster service).

effectiveness and participation, ELV recommends a "community champion" to encourage center participation in Shared Services as well as director and staff utilization of Resource Center tools and resources.

Tier Three. At Tier 3, all financial services are managed by ELV for $2400-$3600/year and 2-4% fixed revenue, on top of $1900 for initial onboarding expenses. ELV does not operate as a collections service; their "delinquent accounts notifications" have a 97% return rate and is viewed favorably by centers and enrolled families. Importantly, for both Tiers 2 and 3, the economy of scale of shared services means the cost of annual membership decreases as more affiliates join.

Tier Four. Over the coming year, a fourth tier will be launched. This will include shared opportunities in quality improvement, program leadership, wraparound services and family engagement.

All Our Kin
All Our Kin has 3 major components in addition to the Family Friend and Neighbor Care Licensing Tool Kit that have made a significant impact on the quality of care in the New Haven ECE community. Though All Our Kin makes invests more in FFN care than the South Carolina Shared Services Model will, there are lessons to be learned from their impact.

Family Child Care Network. "All Our Kin's Family Child Care Network offers educational mentorship, professional development, advocacy and leadership opportunities, and a network of relationships with other family child care providers. The Network is a high-touch program built on best practices in early childhood consultation and teacher mentoring.

Early childhood consultants visit family child cares to lead model lessons, demonstrate new strategies, and reflect with providers on their work. Consultants bring books and materials, professional articles, and curriculum ideas, and offer suggestions to enhance children's learning. Providers in the Network also come together for monthly meetings, workshops and trainings, including Child Development Associate training and college courses, and an annual professional development conference. They have access to a "warm line" they can call for advice at any time. All Our Kin offers zero-interest loans and grants, financial management and education training, and marketing and referral opportunities. All services are bilingual in Spanish and English."

Early Head Start. "All Our Kin's Early Head Start program provides free, quality child care for eligible infants and toddlers in family child care programs across New Haven. These programs are neighborhood-based, culturally diverse, and offer flexible, full-day programming. Through Early Head Start, family child care providers are paid for the care that they offer, at rates that are higher, and fairer, than those currently available through the state's child care subsidy program. They also receive materials, supplies, and quality enhancement funds. All Our Kin provides individualized professional development plans, program visits, mentoring, training, and support. All Our Kin also provides comprehensive services to children and families in the EHS program, including access to physical, mental, and oral health services; connections to housing, food, and income supports; and opportunities to build community and develop leadership skills"

Quality Showcase Program. The Quality Showcase Program is an incentive-based program that works to raise the quality of family child care programs in New Haven. The objectives of the program are to:

- Significantly enhance the quality of child care in New Haven by providing training, technical support, quality enhancement funds, and tangible incentives for improvement.
- Provide parents with easily understandable and accessible information about the quality and availability of family child care.
- Give providers opportunities to highlight their family child care programs for parents and the New Haven community.

Through the Quality Showcase Program, providers progress through five levels of quality which are aligned with standards set by the National Association for Family Child Care (NAFCC). As providers advance through these levels, they gain critical knowledge, training, and individualized consultation from All Our Kin. The highest level represents NAFCC accreditation, the highest indicator of quality that a family child care program can achieve."

(Conclusion)

A coalition of early learning small businesses participating in a shared service networks are able to concurrently reduce business inefficiencies, focus on quality improvements, and harness economies of scale for increased purchasing power. South Carolina providers will see significant benefit from participation, which will strengthen the business community, as well as improve outcomes for children.

Appendix 1
Regional Learning Network Sample Meeting Agenda and Topics

NH State Early Learning Alliance A
Thursday, May 21, 2015
12:00-2:00 pm
Meeting Location ….

Welcome, Introductions and Sharing – we ask each person to share on highlight or success since our last meeting and one challenge since our last meeting – this helps us recognize and celebrate successes and it helps us identify potential opportunities to deep our shared services and/or find solutions

Project Director Work and Updates
State Project Director and Regional Coordinator gives update about what they have been working on

Check In:
Great North/ECE Shared Resources - We ask members to share the following related to Great North and the ECE web platform:

• What have you taken advantage of and how was that helpful
• What is new for members through GN or the platform
• What would be helpful from GN or the platform

Shared Resources/Opportunities – are there needs or opportunities that programs currently have? Are there staff vacancies or needs? Are there share staffing opportunities?
Content for SELA's Facebook page – what suggestions to programs have for posts; these posts can be about member programs or about SELA overall

Other business can be:
State - Any general state news folks should know about
Grants - Any grant opportunities to share or take advantage of
Professional Development - Any training at member programs that others can send staff to and/or any training needs that we should coordinate for members?
Quality Improvement Sharing – what quality improvement priorities do programs have? How has SELA helped with quality improvement efforts?
Best Practice Sharing (about a topic those present choose)

Additional conversations can include:
- What else can we do to make sure members and their employees know what they can take advantage of
- What else can we do to promote SELA to prospective new members?
- Are there any needs that we should establish a Task Force to examine or tackle?
- Are there any other meaningful resources anyone has come across that we want programs to know about?
- Sometimes seasonal needs come up

Appendix 2
Colorado Early Learning Ventures Business-Focused Model
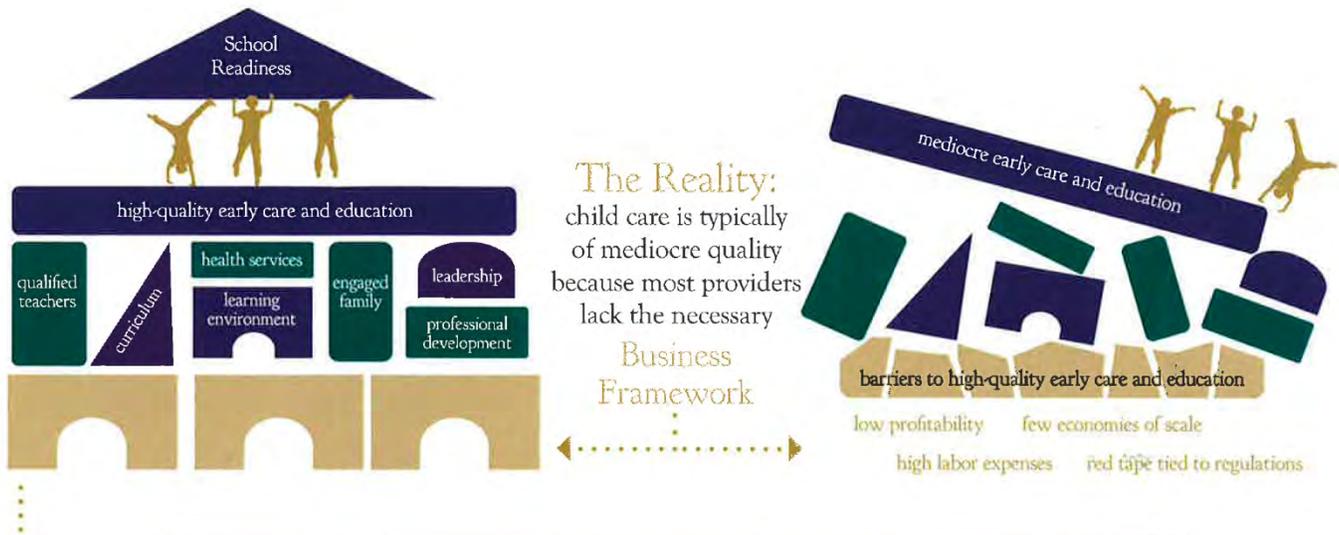
Source: Handout from Colorado Early Learning Ventures, "Investing in Early Learning Ventures: A Shared Services Solution"
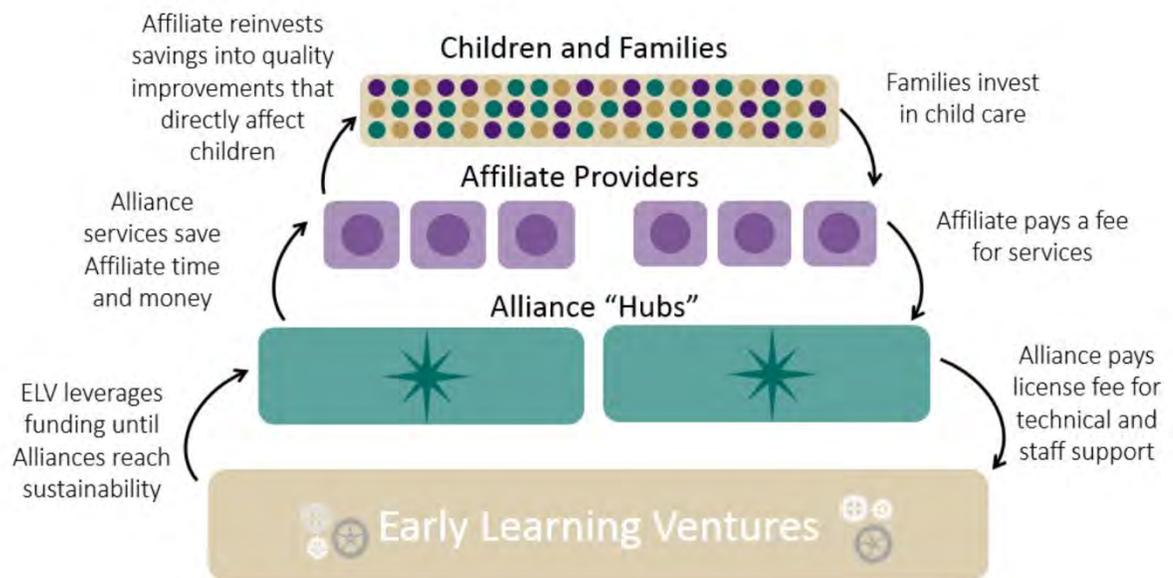
Source: Colorado Early Learning Ventures, http://www.earlylearningventures.org

Appendix 3

CCA for Social Good's Shared Services Website

Source: SELA Shared Services Presentation Slide Deck

Appendix 4
Website Explanation of Property Management Benefits

Source: SELA Shared Services Presentation Slide Deck

References

[i] Opportunities Exchange, "Shared Services: Supporting Quality in Early Care and Education," 2012

[ii] Janice Gruendel & Megan Golden, "Pay for Success Financing for Child Care: Challenges and Opportunities," September 2014. Institute for Child Success

[iii] Louise Stoney & Libbie Naman Poppick, "Shared Services: Strengthening Early Care and Education, Communities and Banking, Federal Reserve Bank of Boston, Fall 2010. p.20

[iv] Ibid.

[v] Ibid.

[vi] Ibid.

[vii] Ibid.

[viii] Ibid.

[ix] Opportunities Exchange, "Shared Services: Supporting Quality in Early Care and Education," 2012

[x] Louise Stoney & Libbie Naman Poppick, "Shared Services: Strengthening Early Care and Education, Communities and Banking, Federal Reserve Bank of Boston, Fall 2010. p.20

[xi] Kelly O'Donnell "The Economic Impact of Early Care and Education in South Carolina" May 2015, Institute for Child Success Issue Brief

[xii] Ibid.

[xiii] Ibid.

[xiv] Shared Services Proposal Memo, Prepared by Greenville First Steps.

[xv] Opportunities Exchange, online at -- http://opportunities-exchange.org/

[xvi] All Our Kin online at -- http://allourkin.org

[xix] Ibid.

[xxi] Ibid.

[xxxii] Kelly O'Donnell, "The Economic Impact of Early Care and Education in South Carolina" May 2015, Institute for Child Success Issue Brief

[xxxiii] CCA for Social Good, online at -- http://www.ccaglobalpartners.com/divisions/cca-for-social-good