

Webinar #2

The Role of Automation in Re-inventing Child Care

How does automation at all levels -- provider, intermediary, public sector -- help to achieve the goals of financial stability, improved compensation, and equity in our early care and education system?

Introductions



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Opportunities Exchange**



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Opportunities Exchange**

Re-invent vs Re-Build: Key Steps



Automation and Business Coaching



Administrative Scale



De-centralized Services



Strategic Cost Modeling + Rate-setting



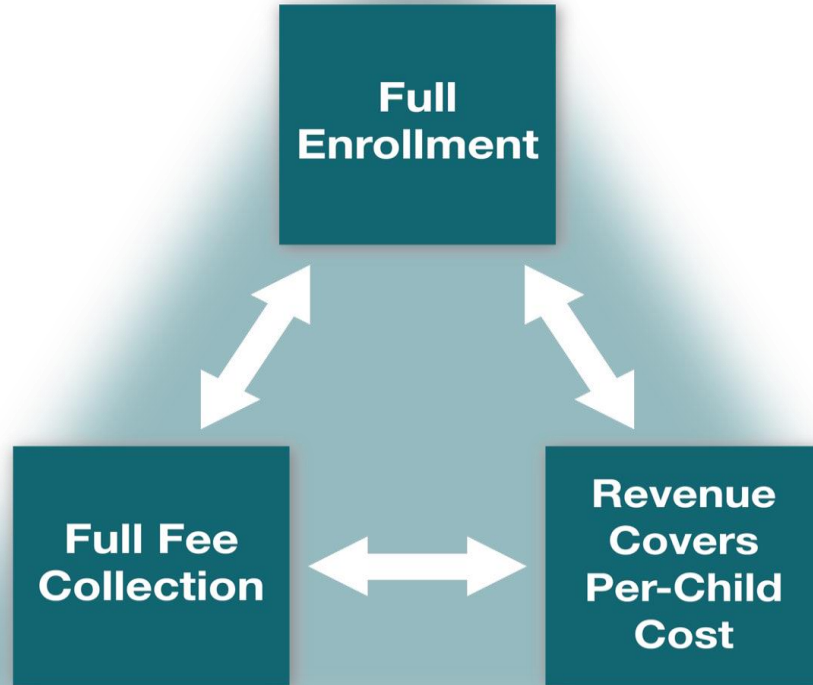
Real-Time Supply and Demand Data

Automation for Providers

Reinventing the Business of Child Care

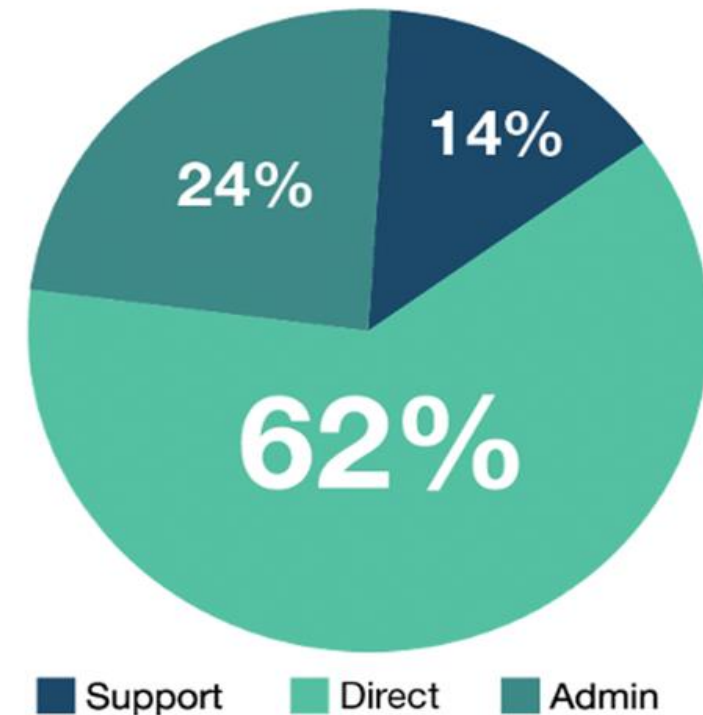
Metrics that Matter

Iron Triangle



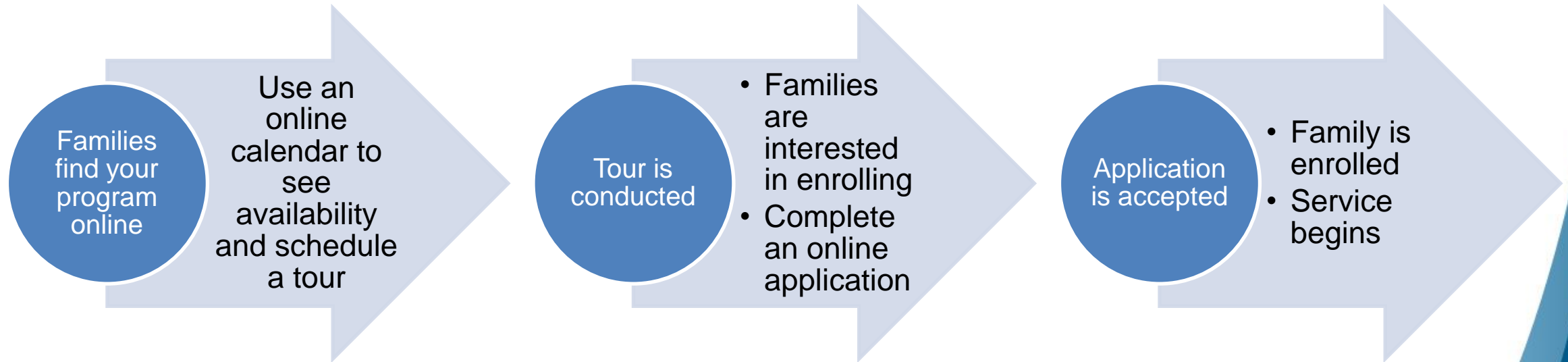
Administrative Overhead

Child Care Center Personnel Expenses



Full enrollment

Customer Relationship Management (CRM) tools



Full enrollment

Data Management



Data

Track your vacancy rate, by classroom, each week and use these data to drive decision-making



Reports

Use vacancy reports, staff assignment tools, on-line enrollment for families, etc.



Trends

Use data to understand times of the year when enrollment goes up and down, and plan classroom staffing accordingly.

Full fee collection

Electronic payment

- ◆ Invoice automatically generated (no staff time, no paper/postage, no tracking)
- ◆ Increases on time/full payment
- ◆ Reduces the need to communicate for non-payment
- ◆ Parents manage payment record (including tax information)



Notes from the field: In **EVERY** instance of moving from paper to electronic billing, OppEx has observed that collection rates significantly improve

Full fee collection

Consider this...



69%

of Millennials pay bills either online or with direct debit

52%

of Millennials NEVER write checks

14%

of Millennials pay bills by mail

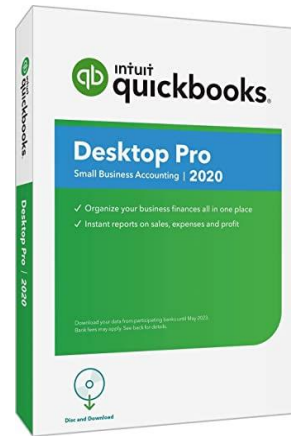


Revenue covers cost

Financial management tools help calculate cost/child by classroom



CCMS captures revenue
(By child and classroom)

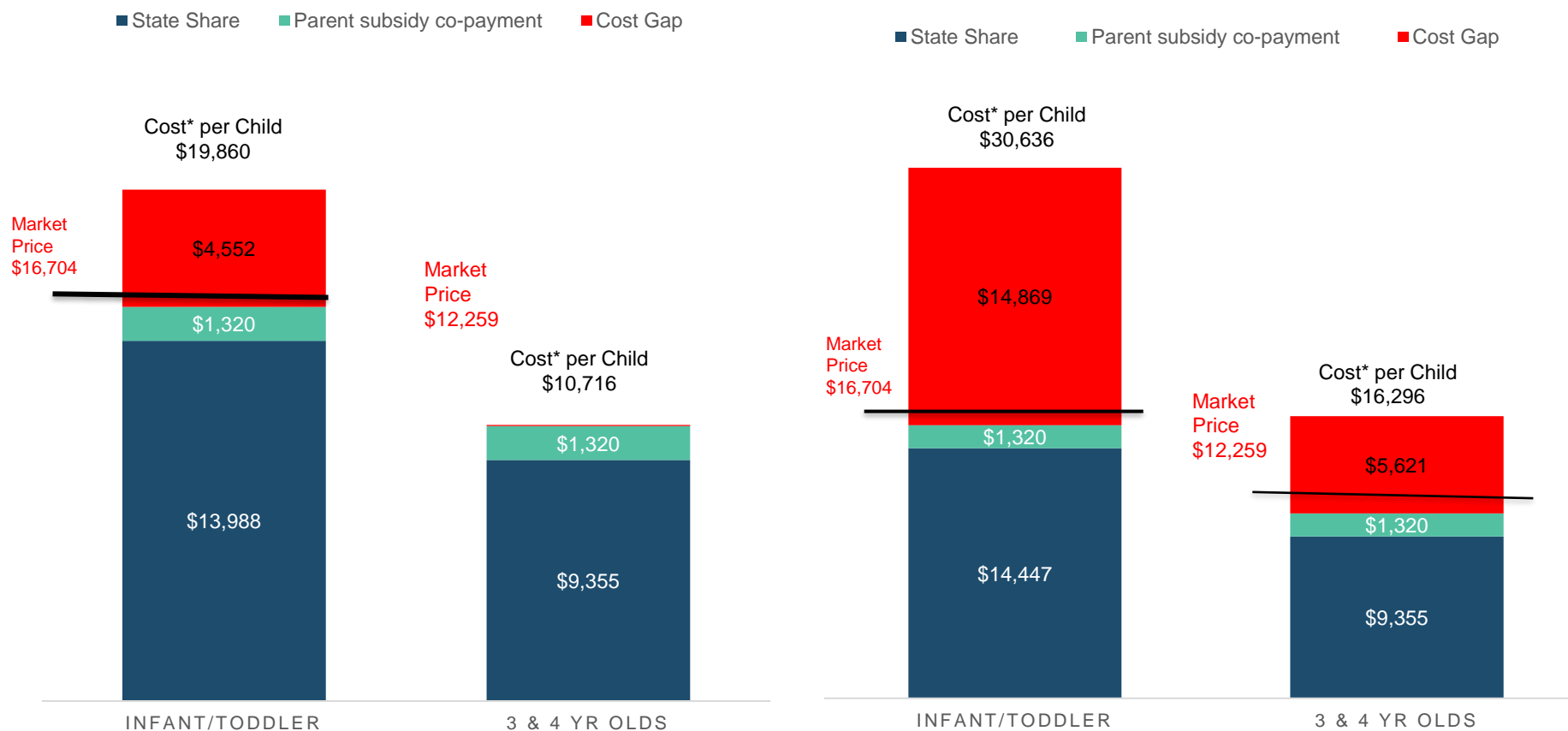


Accounting software
captures expense



Do you know your cost per child, by age?

MIN LICENSING - WEST REGION 1 SINGLE MOM +CHILD @\$30K

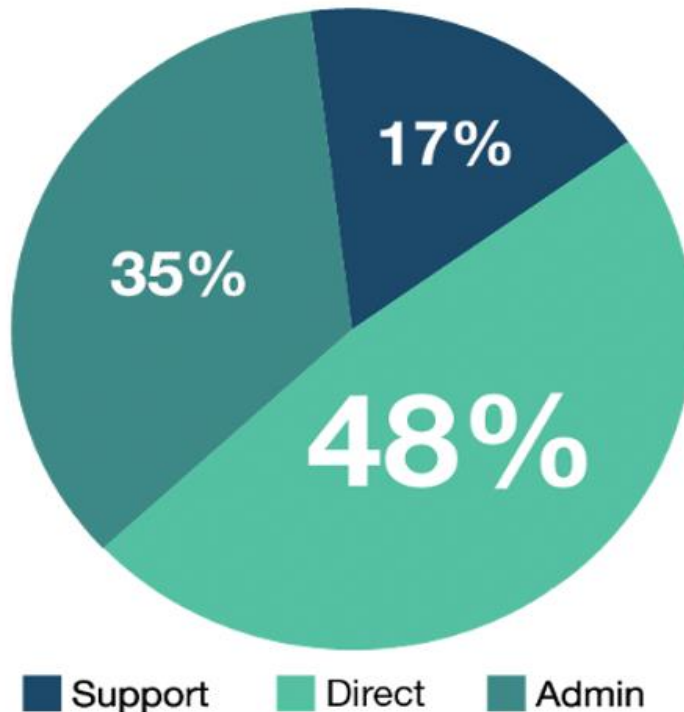


*Cost per child from Center for American Progress
<https://costofchildcare.org>

Administrative Overhead in Small Center (75 children)

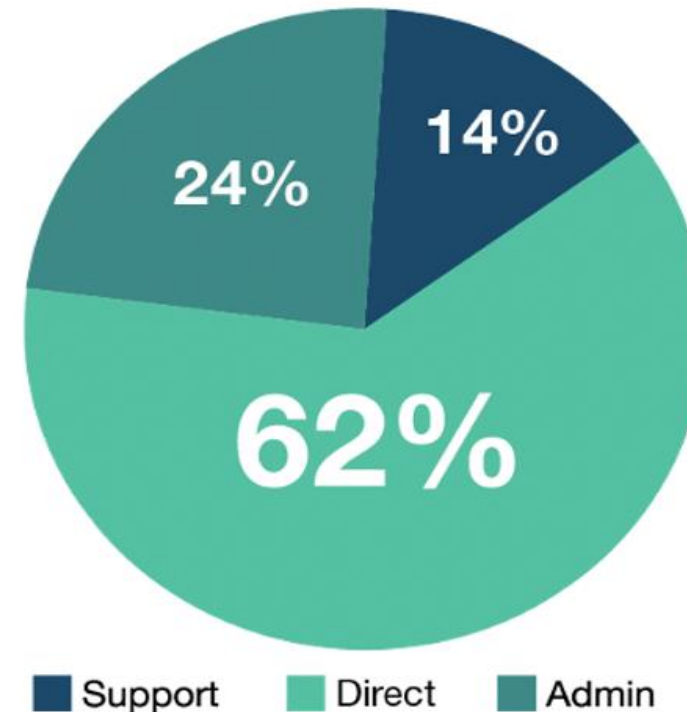
**Child Care Center
Personnel Expenses**

January 2018



**Child Care Center
Personnel Expenses**

December 2018



Administrative Overhead Impacts Teacher Wages

Before Automation	Cost	Average Salary		After Automation	Cost	Average Salary
FT Director	50,000			FT Director	50,000	
FT Asst. Dir.	35,000					
FT Admin Asst	30,000			.6FTE Admin. Asst	25,000	
4 FT Lead Teachers	120,000	\$30,000		4 FT Lead Teachers	140,000	\$35,000
12 FT/PT Asst. Teachers	215,000	\$17,916		12 FT/PT Asst. Teachers	234,000	\$19,500
				Cost of CCMS (\$70/mo. +equipment)	1,000	
TOTAL	450,000				450,000	

Automation and Child Assessment

Automated systems make it possible to use the data for a range of purposes, such as:

- Inform teaching practices facilitating reflective practices
- Communicate with families and support staff
- Support reporting for longitudinal studies or trend analysis



More teaching time

Saves teachers two to three hours per week



Quick turnaround from assessment to instruction

Shortens feedback cycle from assessment to instructional adjustment



Increased child outcomes

Through enhanced instruction and more objective data collection

Selecting a CCMS

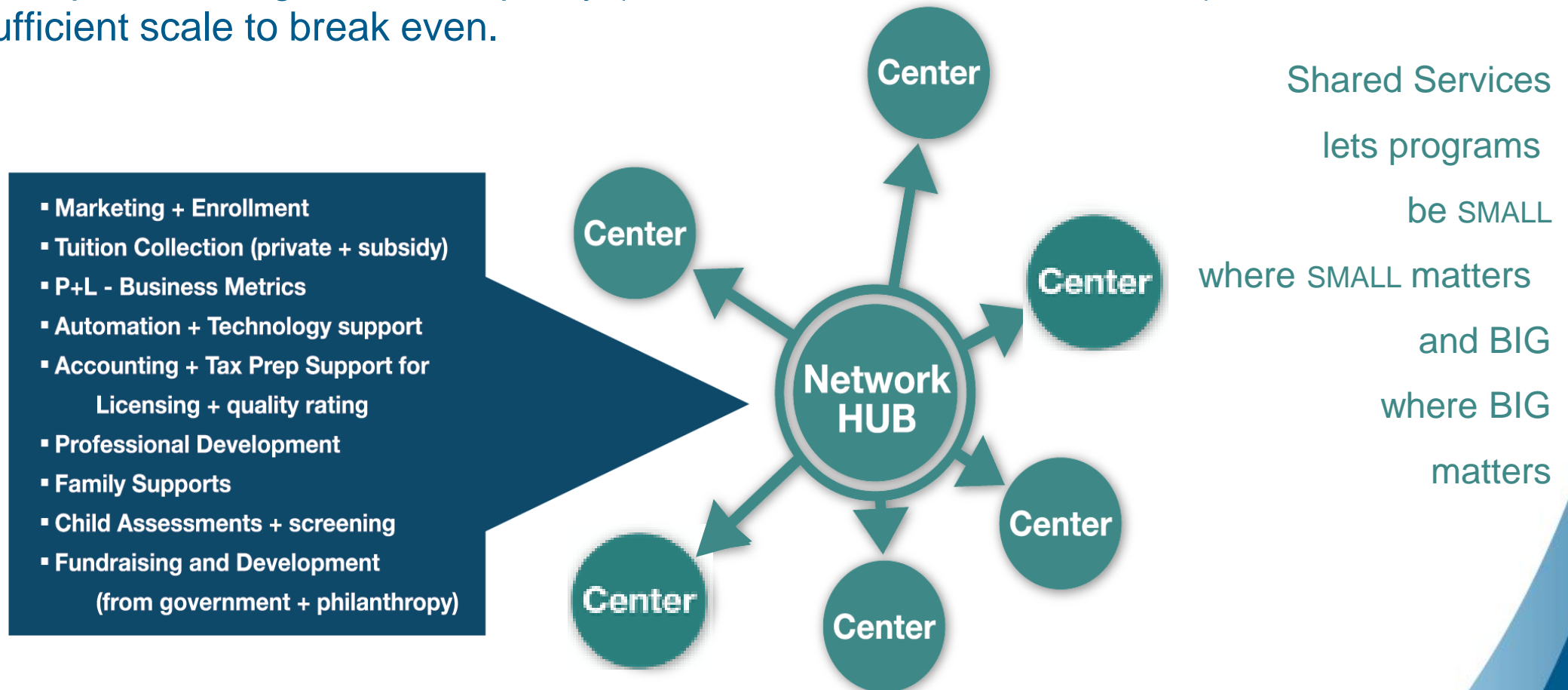
- ◆ Many off the shelf products are available
<https://www.capterra.com/child-care-software/>
- ◆ Opportunities Exchange has resources to help
[Child Care Management Software: What You Need to Know](#)

Automation as Pathway to Scale

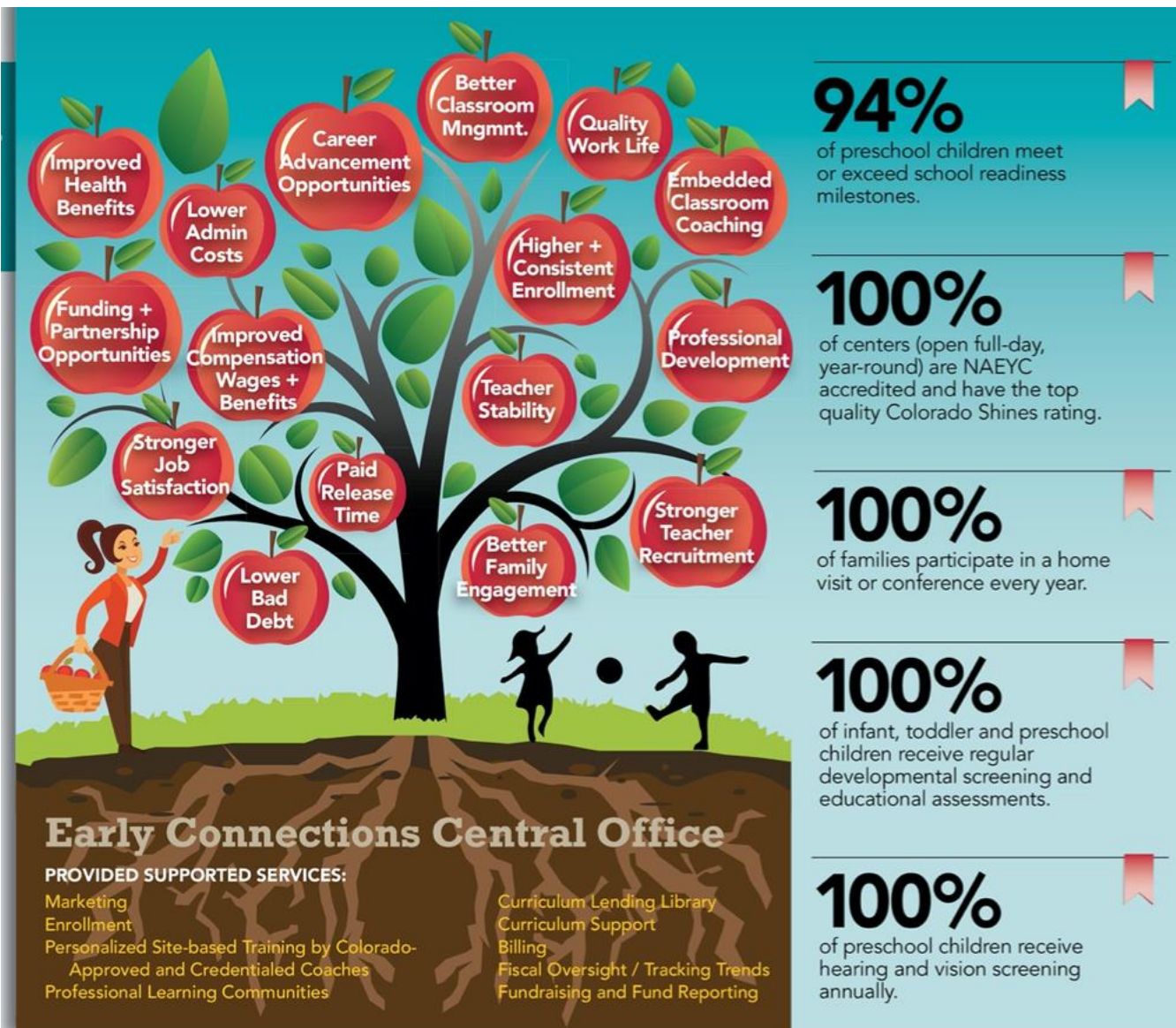
- ◆ Automation = More efficient business management
- ◆ Automation + Share back office services = High Impact efficiencies
 - **Family Child Care Providers**
 - **Child Care Centers < 100 children**
 - **Multi-site agencies with centralized services**

Capacity and Scale – Small Centers

- ◆ Cost modeling shows us that for **child care centers that serve less than 100 children**, and operate at high levels of quality (NAEYC Accreditation Standards) – don't have sufficient scale to break even.



Capacity and Scale – Multi-Site Agencies



- Central Office manages all Business Functions
- Site based leaders focus on education and relationships with families
- Results...school readiness, narrowing the achievement gap, better jobs for teachers

Capacity and Scale - FCC

- ◆ How can a family child care provider tap into the benefits of strong business leadership?
- ◆ **Staffed Family Child Care Networks** are in every state (including Massachusetts)
 - **Most focus on quality standards**
 - **By adding business services, FCC Networks can help providers benefit from administrative scale**

TIER 3



Sharing Back Office/Staff Sharing

*Services Offered in Tiers 1 + 2, **PLUS** the following:*

- ▶ **Collect fees/payments from all sources on behalf of providers through common, automated data platform**

PURPOSE:

- Ensure full and timely collection of revenue (including reconciliation of subsidy reimbursement)

METRIC COLLECTED:

- Network Hub collects data on bad debt, aging receivables

- ▶ **Marketing and Enrollment services (eligibility for subsidy, HS, etc.)**

PURPOSE:

- Ensure full enrollment

METRIC COLLECTED:

- Network Hub collects data on vacancy/enrollment

- ▶ **Budget/Revenue Strategies:**

- **Pricing assistance**
- **Record keeping and tax prep**
- **Negotiating reimbursement rates, blended funding streams, etc.**
- **Generating data to inform public policy**

PURPOSE:

- Reduce turnover/recruit new providers
- Improve earnings/more personal time
- Rates informed by cost modeling
- Contracts (vs. vouchers) for high quality networks

METRIC COLLECTED:

Network Hub tracks:

- Annual earnings of providers (via tax returns)
- Hours worked/week by providers
- Number of providers, turnover rate, new providers entering the field

Results

Stabilize Finances

- Better business metrics
- Reduce time spent on collecting and reporting data
- Increase accuracy of data collected and reported
- Make informed business decisions

Improve Compensation

- Re-deploy resources for teacher wages
- Director as pedagogical leader > higher quality > better working conditions (time for teachers to think + plan)

Address Inequity

- Empower small business owners with the tools to succeed and access to financial resources
- Strengthen leadership pathways, improve job quality, and greater focus on children and families

Automation for Intermediaries

Better Data = Better Services for EEC Staff, Programs, and Families

Better Services for EEC Programs

Business Training that includes:

Automation + Coaching = Stronger, more Sustainable Programs



- In One **Hour 50%** of information is forgotten.
- In One **Day 70%** of information is forgotten.
- In One **Week 90%** of information is forgotten.

Better Services for the EEC Workforce

Early Childhood Development & Services

Other pathways with related occupations:

- Family and Community Services
- Teaching and Training

Bachelor's Degree (4 Years)

- Dietitians and Nutritionists
- Preschool Special Education Teachers
- See Other Careers

Advanced Degree (4+ Years)

- Preschool Education Administrators
- See Other Careers

1-3 Years

- Midwives
- Preschool Teachers
- See Other Careers

Less Than 1 Year

- See Other Careers

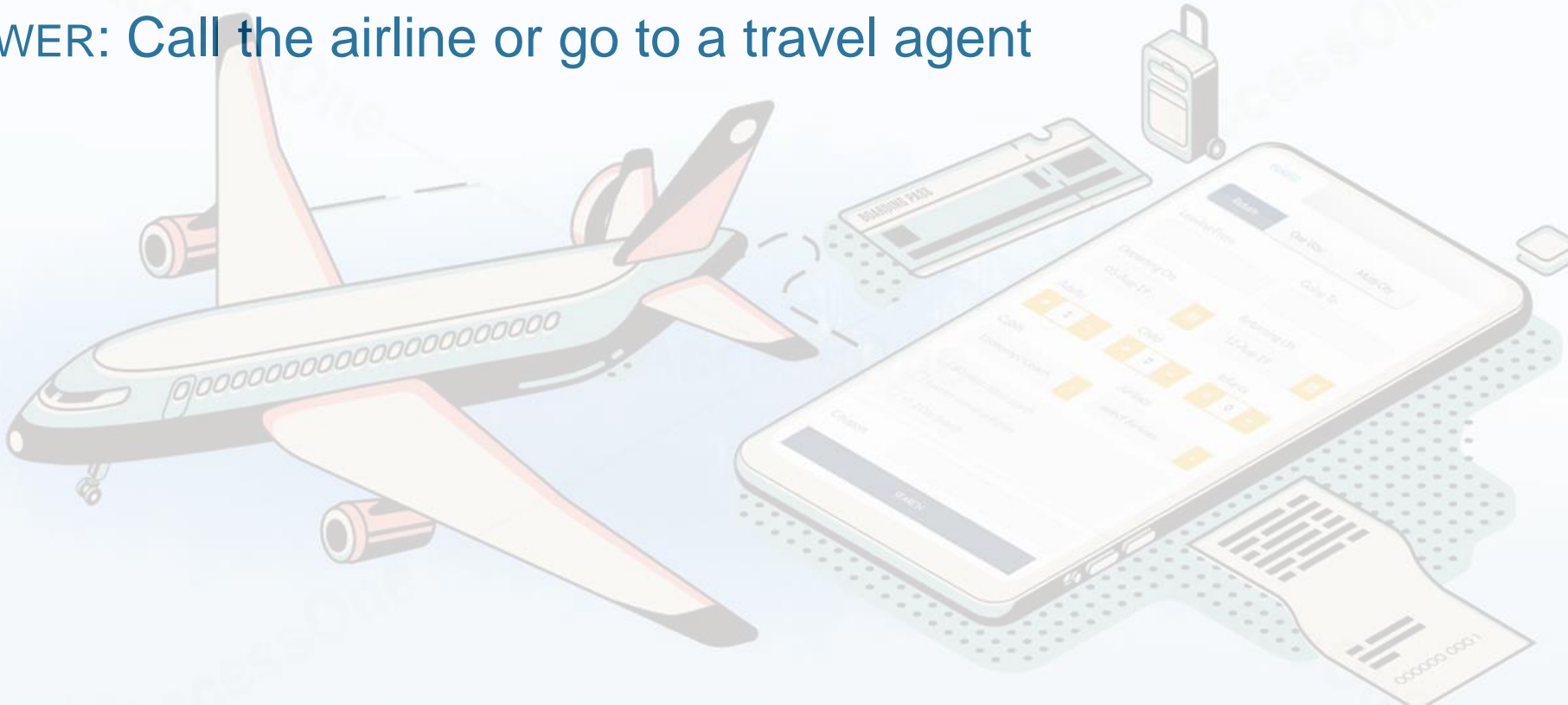
High School Diploma or GED

- Childcare Workers
- See Other Careers

- ◆ CCMS systems that track staff can inform Training/TA organizations about relevant needs
- ◆ Connected to the “Professional Qualifications Registry”
- ◆ Focus on creating career pathways that improve **economic opportunity for communities of color** – who often hold the lowest paying/credentialed positions

Better R&R Services for Families

- ◆ QUESTION: Before the internet how did you reserve a seat on an airplane?
- ◆ ANSWER: Call the airline or go to a travel agent

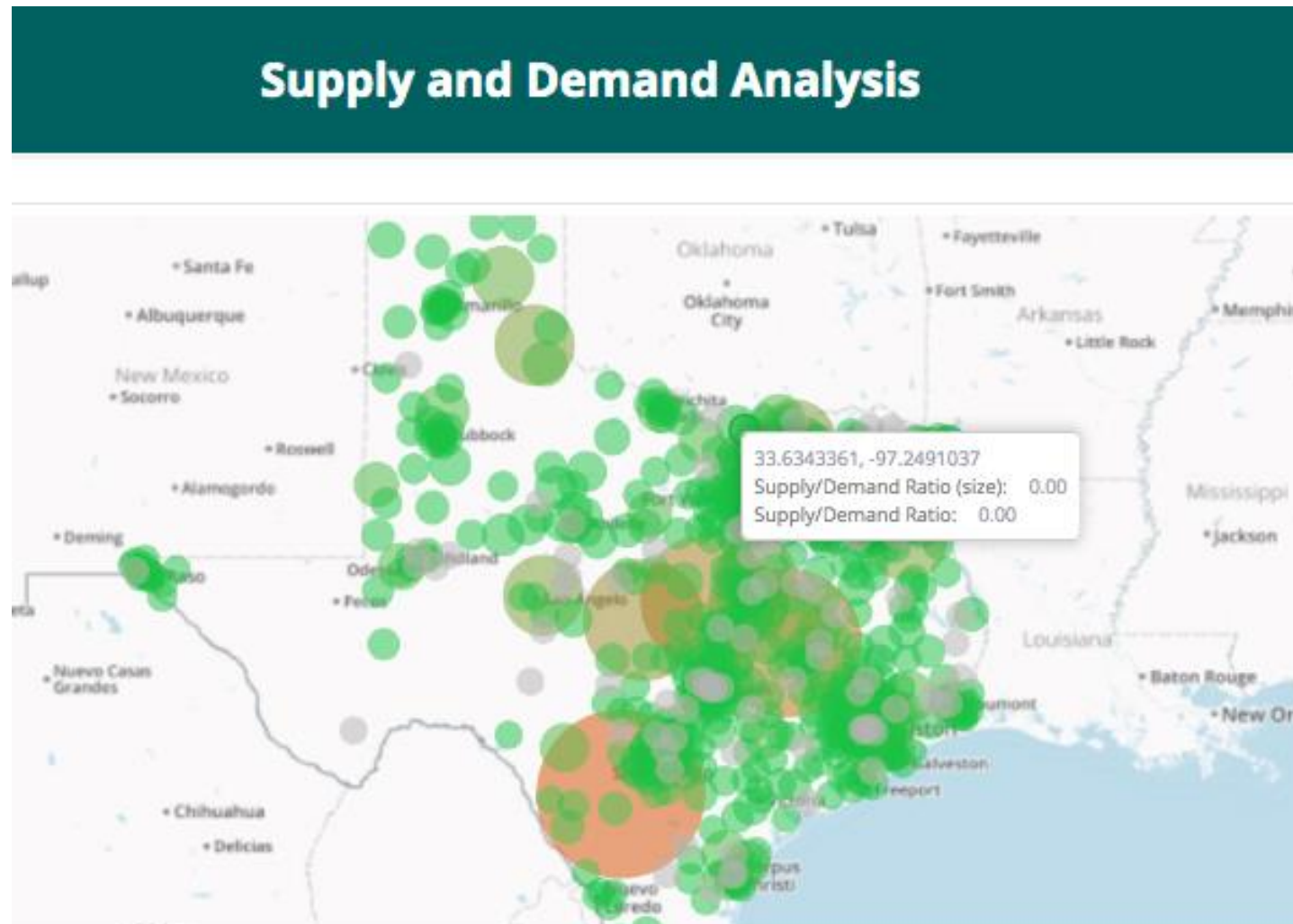


- ◆ QUESTION: In 2020, in MA, how does a family reserve a spot in child care?
 - ◆ ANSWER: Call the program or contact an R&R office

Real Time Supply and Demand

Parent Searches

Available Slots



Real Time Supply and Demand

State of Texas Daily Vacancy

State of Texas May 27, 2020 2:20:38 PM

+ Widget

T [PDF] [Share] [Print] [Fullscreen]

Total Providers

14,563

Total Searches

28,299

Unique Zip Codes 1,278

Total Counties

239

Average Daily Attendance

126,212

Providers Reporting 5,860

Total Available Spaces - All Ages

145,550

Availability - Infant

Total Infant
20,283

Availability - Toddler

Total Toddler
36,795

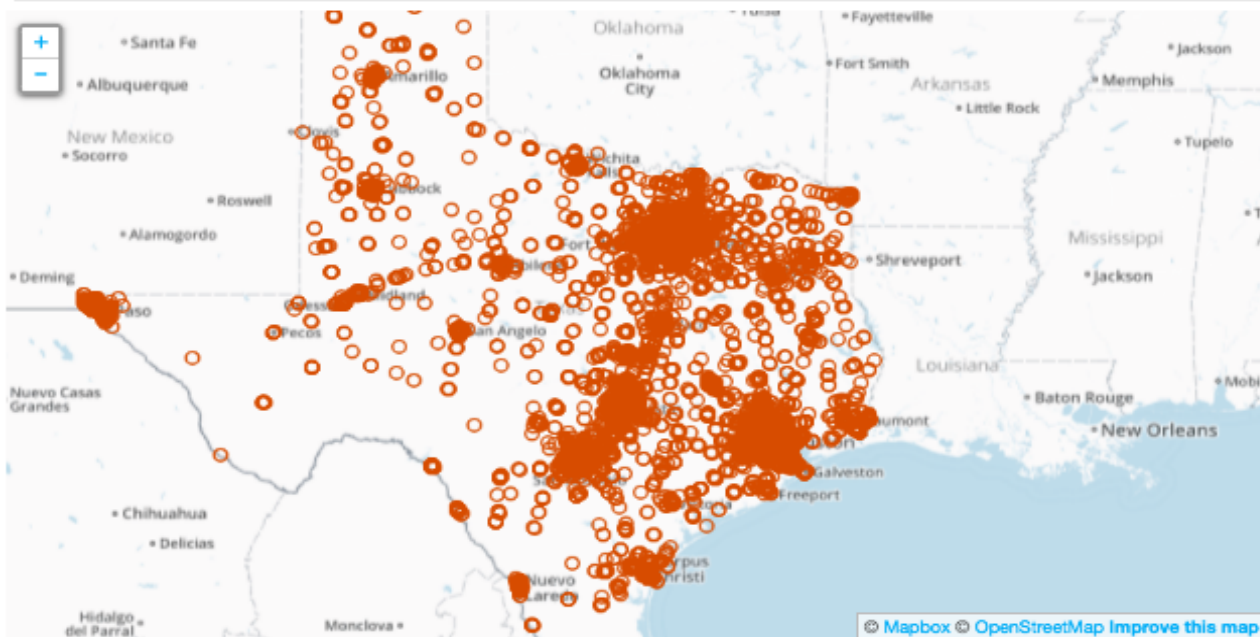
Availability - Pre-K

Total Pre-K
46,721

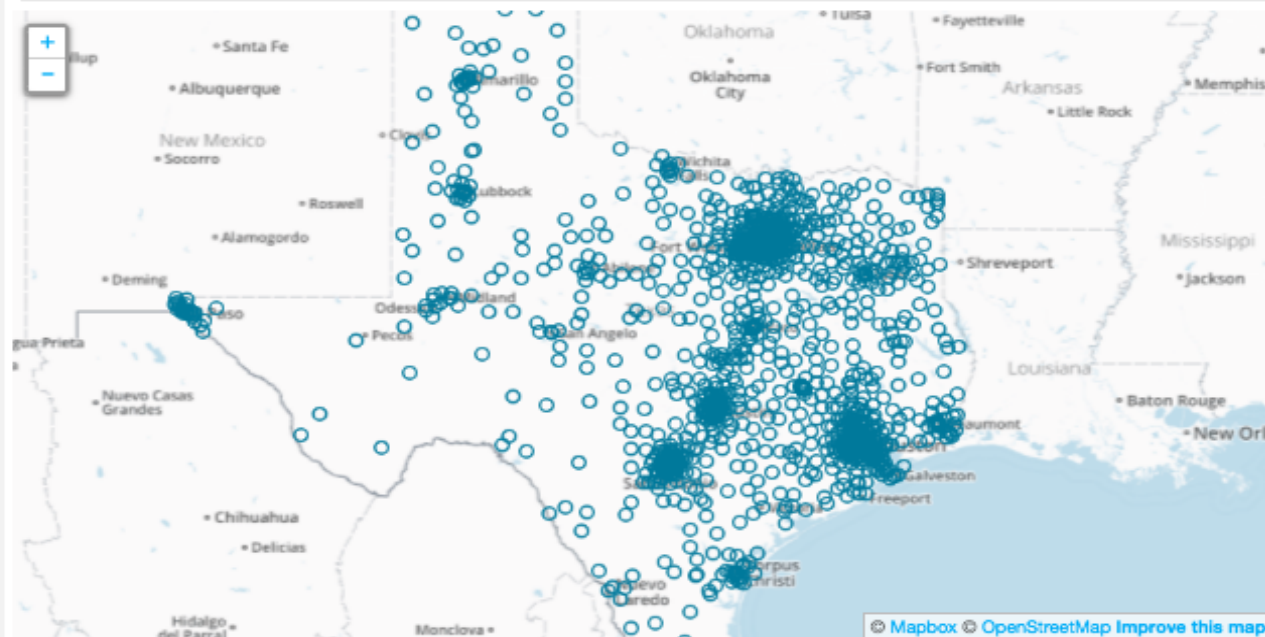
Availability - School Age (5 years old to 13 years old)

Total School Age
41,751

Providers



Searches (Dashboard filters do not apply)



Automation for Public Sector Systems

Efficiency, Security, Informed Policy Decisions

Efficiency: Working Smarter



Department of Early
Education and Care →

- ◆ Licensing Staff
 - **Electronic records are easier to monitor, compile, and track**
 - **Make site visits COUNT!**



- ◆ QRIS – Massachusetts Strong Start
 - **Document management**
 - **Financial metrics reporting**
 - **Data sharing with Professional Qualifications Registry**



- ◆ Subsidy management
 - **Digital signatures MORE secure than paper**
 - **Electronic records require less manual handwork – fewer staff!**
 - **More timely payments**

Security: Better data integrity

**Digital Signatures – verifiably linked to individual authorized for sign in/out
(most CCMS solutions have a “no-touch” option)**



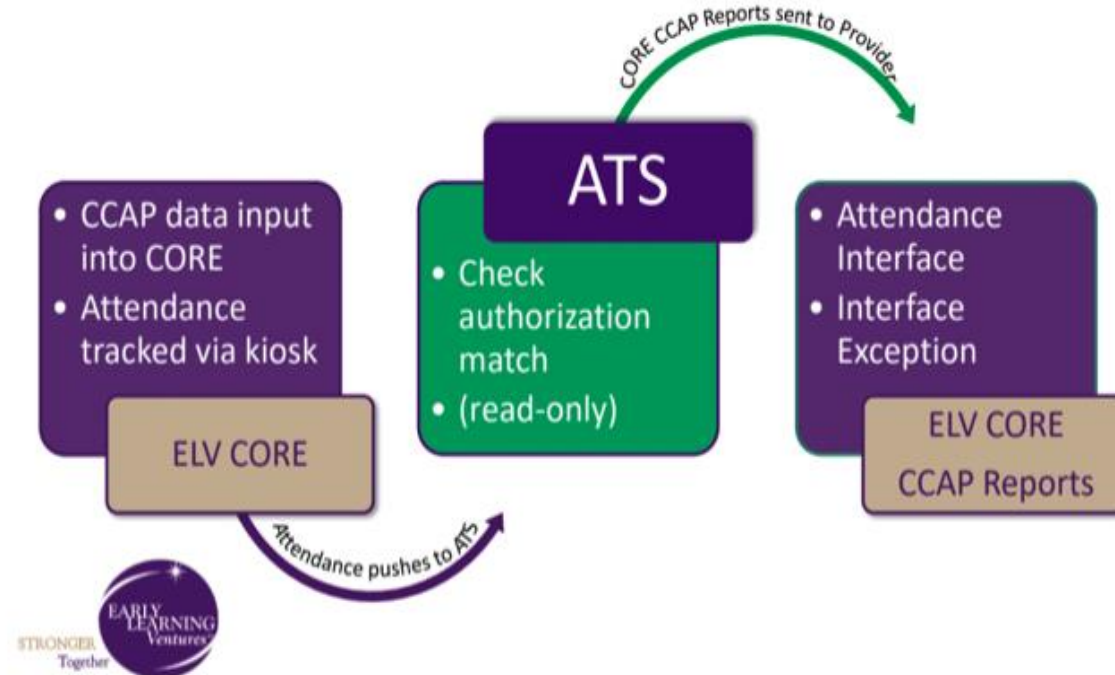
Submission of data for payment directly from “electronic records” reduces human error

Transferring Data through API's

Application Program Interface (API) allows time and attendance information to move from the provider system into the state subsidy management system - AUTOMATICALLY

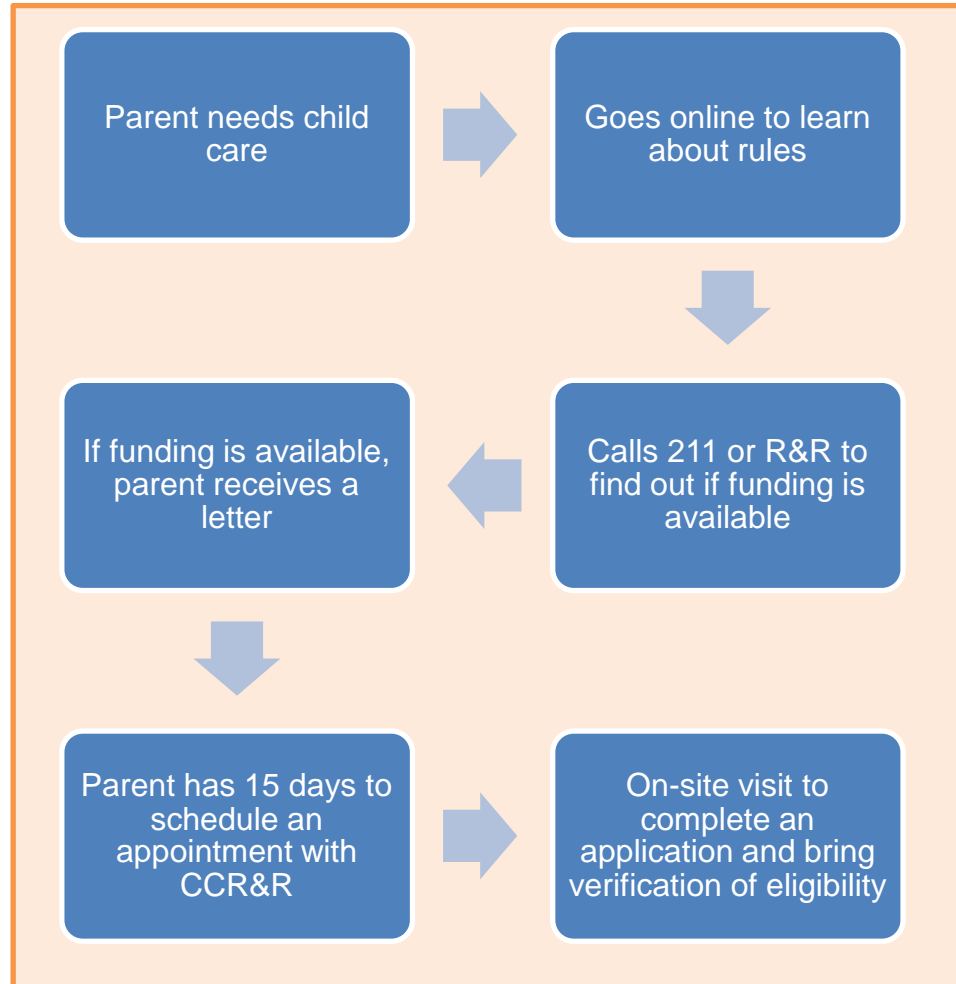
Colorado Child Care Assistance Program Management

- * Alliance CORE – links to State Attendance Tracking system and pushes attendance daily to verify attendance for payments.

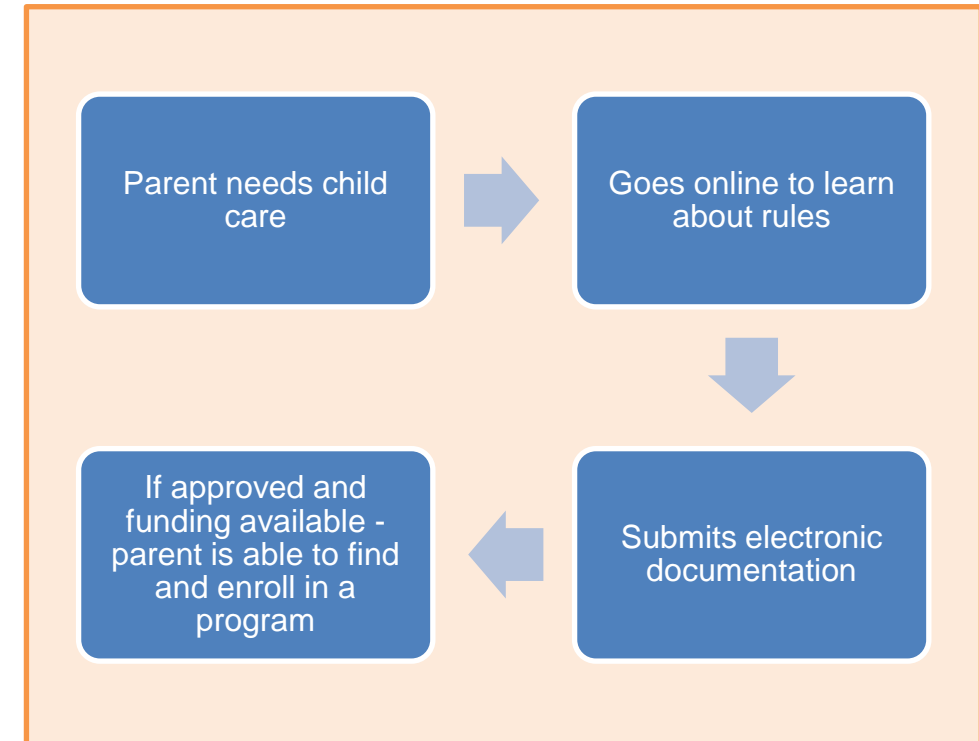


Automation Supports Better Services for Families

Multi-step process that requires in-person application can limit access



Streamlined, online application boosts access to services



Making Informed Policy Decisions

Some questions for states to consider in their COVID-19 response include the following:

- ◆ How will the state prioritize which children and programs are funded? How many children is the state unable to fund?
- ◆ How do specific factors such as social distancing or work requirements, unemployment, provider openings/ closures, etc. affect changes in provider capacity and demand?
- ◆ Where are there access gaps? What providers are currently offering services in areas that have or are at risk of having significant access gaps?
- ◆ What are classroom attendance rates, and what is the mix of subsidized and nonsubsidized children who are absent? Can the state track patterns of absenteeism that place programs at risk?
- ◆ Can the state forecast impacts on the level of quality that providers are able to deliver if funding and attention shift?

Final thoughts...

From Massachusetts PDG application:

We will use data and information from these participating agencies, in partnership with parents and key stakeholder groups, to inform...

- ◆ improving parent choice and knowledge through an **online parent portal**, and through more effective implementation of **screening** using the Ages and Stages Questionnaire (ASQ);
- ◆ **expanding and coordinating training** for all staff working with children; and
- ◆ an integrated data system that will enable to **analyze and track child services and outcomes** longitudinally, from home visiting to early intervention to early education, through K-12 education, and into post-secondary.

How is it possible to do this without connecting EEC programs to this data system?

For More information

Visit the OppEx website for the following resources:

- ◆ [Business Training and Automation for Early Childhood Programs](#)
- ◆ [Building Technology Infrastructure to Transform Child Care: The Overlooked Potential of APIs for Child Care Subsidy](#)
- ◆ [Child Care Management Software and Shared Service Alliances: What You Need to Know](#)
- ◆ [SUSTAINABILITY + TECHNOLOGY Making Business Leadership Real: The Role of Automation](#)