



Child Care Co-Design Team Report Implementing Shared Services August 2022

Early Childhood Iowa, in collaboration with the Iowa Department of Health and Human Services and with technical assistance from Opportunities Exchange (OppEx), launched a multi-phase project to help child care businesses boost revenues and ensure sustainability while also meeting high quality standards. As a part of this project, a **Co-Design** team of stakeholders in the child care industry were asked to assist in the development of an implementation plan for Shared Services in the Early Care and Education (ECE) Sector. This multifaceted collaboration was launched in response to recommendations included in the [Governor's Child Care Task Force Report \(released in November 2021\)](#).

Shared Services is a framework or management structure that helps to strengthen child care businesses, making it possible to provide high quality teaching and learning while simultaneously ensuring that business and administrative tasks are performed efficiently. ECE Shared Service Alliances are springing up across the country, enabling programs to use resources more efficiently, boost quality, and – most importantly – enable staff from multiple sites to work together as a team, reducing burn-out and offering new opportunities for professional growth.

OppEx is an organization that provides technical assistance so that the early childhood field can achieve financial sustainability and strong child outcomes through Shared Services. Shared Services is a strategy rooted in collaboration among multiple child care providers who agree to share costs and resources to streamline and strengthen business functions. A key factor in successful Shared Service projects is ensuring that all participating child care businesses are able to implement and effectively use an electronic Child Care Management System (CCMS) to manage day-to-day operations and monitor key business metrics. To this end, the Shared Services Co-Design Team work was paired with a plan for targeted technical assistance via trained financial management consultants. Together, the CCMS and financial management consultants will help Iowa child care providers focus on the [Iron Triangle Early Care and Education \(ECE\) Finance](#) -- full enrollment, full fee collection and ensuring revenues cover the per child cost.

Iowa's Co-Design Team, composed of 11 child care providers (child development homes and child care centers) as well as early childhood organizations, nonprofit and advocacy leaders, and representatives from Early Childhood Iowa (ECI), worked with a project coordinator and state

staff to design a new statewide Shared Services strategy for Iowa and craft a plan to scale and sustain the work.

Co-Design Members:

Bethany Davis, Child Care Center Director- Oak Academy, Des Moines

Tracy Ehlert, Early Childhood Educator (and former child development home provider), State Representative Iowa House District 70- Cedar Rapids

Tammy Engebretson, ECE Consultant, Iowa Association for the Education of Young Children, Des Moines

Hollie Fairholm, Child Development Home Provider - Creative Play Space Early Learning and Care Program, Winterset

Jaclyn Graves, Education Program Consultant, Child and Adult Care Food Program, Bureau of Nutrition and Health Services, Iowa Department of Education

Julia Green, Child Development Home Provider - Julia Green's Daycare, Marshalltown

Sheila Hansen, Government Relations Director, Common Good Iowa, Fort Dodge

Sarah Harson, Child Development Home Provider - Bright Minds Child Care, Hinton

Dan Hisrote, Child Care Center Director- Apple Tree Preschool/Building Blocks Childcare, Woodbury and Plymouth Counties

Heidi Hotvedt, Healthy Child Care Iowa Coordinator, Child Care Nurse Consultant, Iowa Department of Public Health

Melissa Juhl, Regional Director, Mid-Sioux Community Action Agency, Child Care Resource and Referral, Remsen

Amber Kollbaum, Child Development Home Provider - Neverland Child Care, Sioux City

Jennine Laughlin, Early Childhood Consultant, New Horizon Child Care Academy, Des Moines

Dena Lewerke, Economic Development Coordinator, Lutheran Services in Iowa, refugee child care support program, Des Moines

Brenda Loop, ECI Area Director – Cedar Valley's Promise, Black Hawk County

Erin Monaghan, ECI Area Director – Better Tomorrows, Benton and Tama Counties

Dawn Oliver Wiand, Executive Director, Iowa Women's Foundation, Iowa City

Jackie Perkins, Child Development Home Provider - Jackie's Daycare Land, Iowa City

Tara Roddick, Child Care Consultant Supervisor, Exceptional Services, Inc., Child Care Resource and Referral of Northeast Iowa, Dubuque

Andy Smith, Director, House of Mercy Child Development Center, Des Moines

Dawn Theilen, Child Development Home Provider - Dawn, Jessica & Tara's Childcare, Clear Lake

Dianna Williams, Director, Ann Wickman Child Development Center, Atlantic

State Members and Technical Assistance Support:

Julie Allison, Child Care Bureau Chief, Iowa Department of Human Services

Sharon Easterling, Consultant Opportunities Exchange

Tami Foley, Program Manager, Iowa Department of Human Services

Jeff Jackson, Project Coordinator, Iowa State University

Louise Stoney, Co-Founder, Opportunities Exchange

Shanell Wagler, Administrator, Early Childhood Iowa

Amanda Winslow, Systems Facilitator, Early Childhood Iowa

Process:

The Co-Design Team met monthly between February and July 2022 for a total of six meetings and 24 hours of direct meetings. During meetings, members were able to share their input based on data collected using a software called Padlet as well as post-meeting questionnaires and surveys using Qualtrics. Team discussions, learning opportunities, experiences and knowledge resulted in a host of recommendations for next steps and also informed a Request for Proposals (RFP) for CCMS support as well as Shared Service Alliance start-up grants.

The Department of Health and Human Services will consider recommendations from the Co-Design Team as the State moves forward with statewide financial management consultants to support one or more state-selected Child Care Management Systems and promoting Shared Service Alliance Hubs.

Overall Shared Services Co-Design Team Insights

Financial Management Consulting:

Financial management consultants work with child care business leaders (child care centers and child development home providers) to identify and implement strategies to strengthen fiscal sustainability and support high quality programming. The financial management consultant (FMC) supports programs in understanding business metrics such as enrollment strategies, full fee collection, cost-per-child calculations and utilizing CCMS software for tracking metrics and performing a host of important administrative tasks. FMCs will provide services in a collaborative, reflective and efficient manner that respects their client’s mission, philosophy and agency goals.

Items discussed with the Co-Design Team:

Opportunities Exchange shared information on best practices via presentations and examples, which prompted rich discussions among members of the Co-Design Team. Ultimately, through learning about the overall role of a financial management consultant, paired with CCMS software, and best practice from other states, the Co-Design Team came to understand the value of this approach as well as how to effectively measure successful business operation outcomes.

Current Status and Implementation Phase:

Mid-Sioux Opportunity, Inc. was selected through a competitive RFP process as the contractor to provide financial management consultation to child care businesses. Mid-Sioux has hired two consultants, who are receiving training and onboarding, and has crafted a plan to scale consultation across the state as demand grows.

Quotes from members of the Co-Design Team:

“There are so many opportunities to help childcare providers find an easier system for business management. This will help save time on paperwork and allow for more time to be engaged with the children.”

“There are many aspects which can help day to day operations for both centers and family care providers.”

Child Care Management Software (CCMS):

A Child Care Management System (CCMS) is a software product specifically designed to help child care providers automate all of the fiscal and administrative tasks required to operate an early childhood program. A CCMS provides digital tools for tasks such as: enrollment, daily attendance, billing, waitlist management, hourly ratio reports, daily activities in classrooms, teacher professional development, communication tools for families, and more.

Items discussed by Co-Design Team:

The Co-Design Team was asked to help promote the use of electronic Child Care Management Systems and associated financial management consulting/coaching services with child care businesses.

Opportunities Exchange offered presentations and best practice examples of scaled CCMS during the Co-Design Team meetings. Team members were able to explore options, ask questions, and think more deeply about how to scale the use of CCMS in Iowa. The Department of Health and Human Services is currently in the process of selecting up to two CCMS vendors through a publicly posted request for proposal procurement process. The Co-Design Team identified the following priorities to consider when selecting a CCMS vendor:

- Data privacy is of the uppermost importance. An enterprise version should allow for data reflection of CCMS features used by providers as well as aggregated data on needs and resources, while also ensuring that child- and provider-specific data are not shared.
- The CCMS should have capacity to support both pedagogical and business leadership in the same software application. This includes function such as lesson plan management, a parent portal and communication tools and billing and fee collection, among others.

The Co-Design Team provided feedback on CCMS features they felt would be most beneficial and least beneficial to providers. Listed below are items rated as *most* beneficial by Co-Design Team members:

- Integrated electronic payments that are automatically updated in a child’s account
- Tracking/categorizing all time spent on child care business (especially important for child development home providers)
- Detailed tracking of time and expenses (especially important for child development home providers)
- Video training from the CCMS vendor
- Telephone help-line support from the CCMS vendor
- Parent communication tools - text, photos, videos through the app
- Revenue tracking aligned with a chart of accounts

The Co-Design Team also reviewed highlights from the center and child development home surveys that were conducted in the winter of 2021, which underscored that in addition to lesson planning features (which were desired) it would be helpful to also include human resource tracking (i.e. training hours completed) for reporting and compliance purposes.

Current Status and Implementation Phase:

The State of Iowa released a [request for proposal](#) (RFP) on May 12 to select and contract with up to two CCMS software vendors to make software available to child care businesses. Interested CCMS software vendors were required to submit formal proposals to the State by July 8, 2022. While the RFP review team completes its work, on-going meetings with DHHS information technology (IT) staff, Shared Services state project staff, OppEx and its technology partner Resultant will continue to identify and plan the best method for connecting a CCMS to Iowa’s child care subsidy system (KinderTrack).

Quotes from members of the Co-Design Team:

What excites you the most about the potential CCMS?

“Saving time on business management, sharing the CCMS with other providers, having most of the business resources in one central hub.”

“Records for business & child development.”

“DHS CCA Billing and CACFP integration. ONE ATTENDANCE both systems collaborate. Online entry and participation.”

“Increased revenue and increased time to dedicate to quality improvement! We hear that a lot, especially from centers. Directors have to fill in the classroom so can't work on other things.”

Shared Services Alliances (SSA):

Shared Service Alliances support a network of child care providers and aim to strengthen business and pedagogical leadership by creating structures that enable the sharing of staff, information, and resources. Shared Service Alliances can assist providers in a variety of areas, and each Alliance is customized based on member needs.

Items discussed by Co-Design Team:

Through consensus, the Co-Design Team developed a working definition of a Shared Service Alliance.

“A Shared Services Alliance is a collaborative, led by a network hub, designed to support Early Care and Education providers. The Alliance aims to streamline financial and business operations using technology, offer back-end business supports, and scale up selected family and program services. The goal is to reduce time spent on administrative tasks but also boost revenue and strengthen quality for providers, children and families.”

- The Co-Design Team identified some key characteristics of a Shared Service Alliance Hub:
 - Offer training focused on shared resources and efficient business practices;
 - Help boost revenue so programs can pay higher teacher wages;
 - Focus on automation, and other resources and tools designed to make operating a child care program sustainable;
 - Coordinate and streamline provider support and consultation.
- The Co-Design Team underscored the conditions of a successful Shared Service Alliance Hub:
 - Mission focused and willing to provide services at cost;
 - Fully embrace the value of technology;
 - Able to address a fragile child care sector, and link these small businesses to community and statewide supports;
 - Able to be “kind but firm” and clear with providers about implementing strategies to improve business operations; and
 - Able to navigate early care and education politics and help leverage funding from multiple sources.
- The Co-Design Team discussed and developed a working list of possible services to be provided through a Shared Service Alliance Hub (or multiple Hubs that work together), which includes:
 - Bulk purchasing -- of goods and services, including but not limited to classroom supplies + equipment, liability insurance, program audits, and more;

- Benefits -- health insurance, (including access to a Navigator to help staff find affordable insurance from the Affordable Care Act Health Care Exchange), telemedicine, retirement plans, paid time off, and more;
 - Tax preparation and support;
 - Accounting and bookkeeping;
 - Support for billing and fee collection;
 - Marketing, family recruitment and enrollment support;
 - Facilitating provider and family access to multiple funding streams, including: private scholarships, child care subsidy, Head Start and Early Head Start, PreK, etc;
 - Non-profit board consultation, education and management supports;
 - Payroll processing;
 - Child and Adult Care Food Program reporting support;
 - Human resources support, including staff recruitment, screening and on-boarding as well as templates for a salary scale, sample job descriptions and other human resource policies;
 - Legal support;
 - Technology support – hardware, software and broadband connectivity;
 - Transportation services;
 - Fundraising and development support;
 - Farm-to-table work with local producers to leverage access to fresh foods;
 - Facility repair, maintenance, janitorial, etc.
- The Co-Design Team provided input on criteria to include in a statewide competitive process for a Shared Services Alliance Hub.
 - Priority Points -- Members suggested that additional points be given for RFP applications that meet one or more of the following criteria:
 - The applicant already works with child care businesses, both child care centers and child development homes;
 - The applicant includes steps to ensure centers or homes that elect to join the Alliance also participate in the Quality Rating System (QRS) or Iowa Quality For Kids (IQ4K®);
 - The applicant will recruit and enroll new child care businesses as well as currently operating providers (child development homes or child care centers) for membership;
 - The applicant actively encourages child care businesses that join the Alliance to enroll children who receive Child Care Assistance (CCA) and is prepared to help support the subsidy management process;
 - The applicant intends to support child care businesses that enroll children who are refugees or other underrepresented populations;
 - The applicant encourages homes and centers who join the Alliance to participate in T.E.A.C.H. Early Childhood® IOWA and/or Child Care WAGES® IOWA.
 - Administrative Costs -- The RFP should seek an Alliance Hub that offers services and supports at cost and without large administrative overhead;
 - Private Sector Support -- The RFP should encourage Hubs to include private sector partners that offer monetary support for Shared Services (including ‘in-kind’ support);

- Community Engagement – the RFP should ensure that applicants have engaged community members and child care businesses in the Alliance planning process;
- Simplify and Efficiency – the RFP should not be overly complex, so as not to discourage participating from a wide range of organizations.

Current Status and Implementation Phase:

An RFP for regional Shared Service Alliance Hubs is currently being drafted, guided by the Co-Design Team input described above.

Quotes from members of the Co-Design Team:

“A group of like individuals sharing services (and the costs associated) can grant everyone participating more successful business operations.”

“It will not cover everything that we want but what it doesn't cover can be worked on locally.”

“Creating a central Hub will help childcare providers find ease of access with business operations.”

“My thought is that SSA could potentially increase the quality of some childcare programs because they are able to increase their revenue and save time and energy that they would normally not have. I think this would be incredibly beneficial.”

Branding

To help better communicate the value of Shared Services and strengthen messaging, the Co-Design Team approved a new branding logo for this effort (which was designed by Model Farm Inc.) The Iowa Shared Services work will be called: Child Care Collaborative of Iowa. The approved logo is identified in this document and is available for use if we are able to use a logo for items in future projects.

