



**EARLY CARE AND EDUCATION  
PROGRAM MANAGEMENT AND SUPPORT SERVICES:  
NORTH CAROLINA APPROACHES TO SUSTAIN QUALITY**

WRITTEN BY: MARSHA MUNN



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## OVERVIEW

Running a child care business includes many functions: recruiting, hiring and supervising staff; developing and managing a budget; accounting and record keeping; ordering supplies and food; facility management; marketing; complying with regulations; program planning and implementation; and working with parents and children as well as regulators, to name just a few. Most child care directors/providers enter the child care business because they enjoy working with children and want to contribute to their development. Many, however, do not have necessary experience in the business aspects of the job. Add to this the increasingly complex funding and financing of child care and a lack of high quality, concentrated business training for child care directors and it is no surprise programs open and close with the frequency they do. These problems point to the need for a variety of approaches to help stabilize the business side of child care. Other industries have found ways to save costs and/or staff time by contracting for such administrative/financial services as payroll, medical billing, and fee management. Likewise early childhood agencies across North Carolina have developed child care and support services to help stabilize the industry.

In the recent report, *Are There Economies of Scale in Early Childhood Program Management? Approaches to Early Childhood Program Administration and Finance That Maximize Efficiency, Help Improve Quality, and Stabilize the Industry* (2003), Louise Stoney defined four program structures used nationwide that “might help small early care and education businesses reach some economies of scale and/or become more stable, fiscally sound businesses.” The purpose of this technical assistance paper is to highlight North Carolina programs using the four approaches defined in the above report. Examples of two of these four approaches were found, those in which participating homes or centers

are independent businesses but share in all or some of the management functions. Therefore, this paper focuses on the following two:

- Multi-Site Early Care and Education Corporations – In this model, center-based sites are typically operated by a single corporate entity. All of the examples of sponsoring organizations in North Carolina are nonprofit; and
- Support Services Alliances – In this model, participating centers or homes are independent businesses but contract with a single entity to provide some management support services such as recruiting and hiring substitutes, meal preparation/catering, and bulk purchasing.

## EFFECTIVE APPROACHES

Below are examples of North Carolina programs using a variety of collective management approaches. Characteristics most of them share in common include: strong, stable leadership; directors who think strategically about the development and future of their program; a belief that their collective approach is more effective than individual programs would be; and a primary focus on providing quality programs and meeting community needs rather than reaching economies of scale.



## 1) MULTI-SITE EARLY CARE AND EDUCATION CORPORATIONS

In North Carolina, all examples found of this type of approach were begun using Appalachian Regional Commission (ARC) funding in the early 1970's with the intent of increasing the quality child care options in rural mountain areas. In the early days, ARC required a 12% county match and most counties have maintained that level of commitment over the years. This continuing commitment of funds is due in large part to the strong alliances these early childhood programs have forged with other child and family services in their counties. Programs interviewed include: Southwestern Child Development Commission, Inc., Buncombe County Child Care Services, Transylvania County Child Development Department, High Country Council of Governments, and Northwest Child Development, Inc. Below are summaries of their unique and sometimes similar approaches, challenges and lessons learned.

Southwestern Child Development Commission, Inc., a private nonprofit agency, operates 26 child care centers serving an average of 1,000 children in the seven westernmost counties of NC and the Qualla Indian Boundary. The smallest center serves 18 children and the largest, 110. All centers hold a 4 or 5 star license and 85% of the children are subsidized. Management of the centers is centralized, including payroll, human resources, food services, billing/fee collection, benefits management, facility maintenance and transportation. The agency administers the child care subsidies from the Division of Child Development, Smart Start, Mental Health and the Community College. The agency also provides services to a broader group of child care providers in the region, including child care resource and referral (CCR&R) services, intensive technical assistance, early intervention program support, bulk buying and child care food program sponsorship.

The administrative structure includes a central office staff handling fiscal, human resources and general administration and three branch offices, overseeing seven to eight centers each, and primarily responsible for programmatic components. The central office staff includes an Operations Manager and a Fiscal Office

and Early Intervention Unit. Regional staff include an Administrative Coordinator, Enrollment/Placement Specialist, secretary/receptionist and portions of CCR&R and social work staff. Each child care center has a director and four of the larger centers, those with 100+ children, also have an assistant director or administrative assistant. Classroom positions include a lead teacher and aide. Funding for the agency comes from Smart Start, Child and Adult and Child Food Program (CACFP), United Way, Division of Child Development child care resource and referral funds, child care subsidy funds, county government, local grants and an endowment.

Buncombe County Child Care Services (BCCCS) is a department of county government that operates three nationally accredited, 4-star licensed child care programs collectively serving approximately 180 children and 18 after school programs, collectively serving over 1,400 children. BCCCS also sponsors a resource library for parents and child care providers, manages the child care subsidy program and provides CCR&R services. Center staff are county employees and, therefore, eligible for county benefits. BCCCS allocates 40% of an office manager's time to assist the centers and kitchen with payroll, printing, risk management and purchasing. Additional support services are provided by various county departments including payroll, personnel, legal, physical facilities, purchasing and information technology. Efficiency comes from the one part-time office manager knowing where to get what and the proper way to make things happen quickly. This position enables the center directors to spend their time managing personnel, curriculum and services at their site. For the preschool sites, central office supports include: 10% of the agency director's time, two social workers and part of a training coordinator. Janitorial services are contracted for the three centers and the kitchen because it is more cost effective and reliable (no concerns about providing cleaning services when staff is sick or on leave.) BCCCS also operates a meal service program which is described later in this paper. Funding for the department comes from fees, child care subsidies, food program funds, county government, More at Four, Smart Start, mental health and public schools. County support for the child care programs is considered essential.



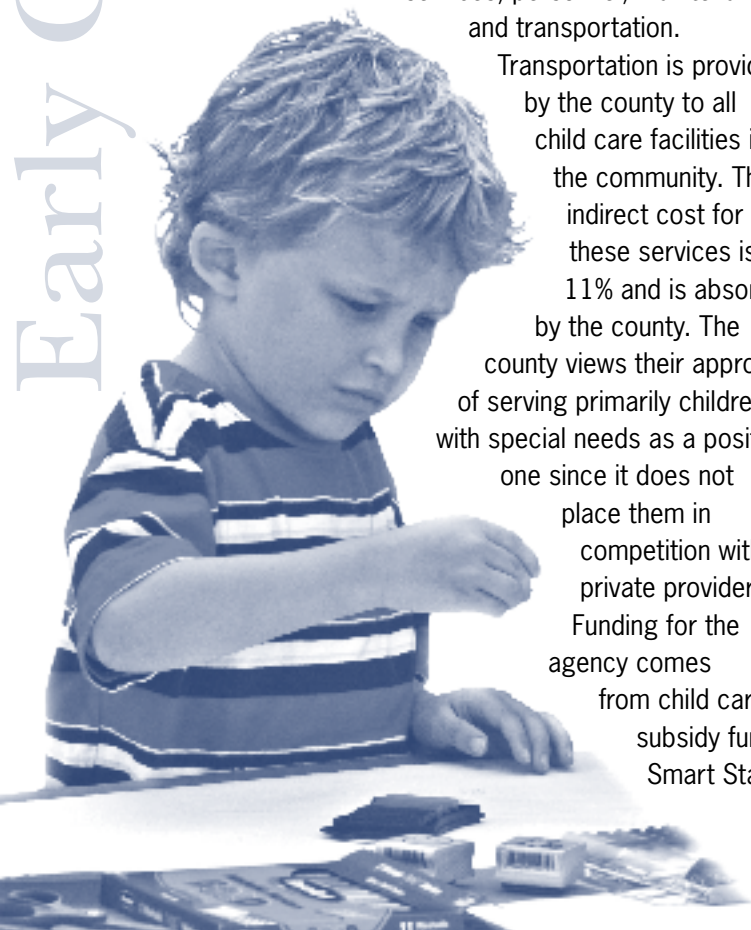
Transylvania County Child Development Department also a department of county government, operates two child care centers collectively serving 66 children and provides CCR&R services. The department took over operation of five centers from a local nonprofit in the early 1970's but, over the years, that number has dropped to two. One is a Developmental Day Center serving primarily children with or at risk for developmental delays, developmental disabilities and atypical development. The Center, which is required to meet state standards in addition to licensing, also addresses family needs for child care, support and training. One center has a 4-star license and one a 5-star. Both, co-located in the same building, serve 50% special needs and 50% typically developing children. Because both programs are at one site, they share a director and are able to allocate more of their funding for teaching staff. The department contracts for a variety of therapies provided onsite at the centers and uses county funds to serve non-Medicaid eligible children. The county owns and maintains the building and the centers pay no rent. Meals are catered by the local hospital and served by volunteers. The center director collects fees while county government staff handle payroll, billing, bad debt, janitorial services, personnel, maintenance and transportation.

Transportation is provided by the county to all child care facilities in the community. The indirect cost for these services is 11% and is absorbed by the county. The county views their approach of serving primarily children with special needs as a positive one since it does not place them in competition with private providers. Funding for the agency comes from child care subsidy funds, Smart Start,

county government, mental health, Division of Child Development child care resource and referral funds, Child and Adult and Child Food Program and parent fees.

Northwest Child Development, Inc. is a private nonprofit operating eight centers in Forsyth, Davie, Davidson, Yadkin and Stokes counties including Head Start and More at Four programs. These facilities serve approximately 534 children collectively. One of the centers allocates 30% of its slots for GMAC employees and is located near the worksite. GMAC, a large employer in the area, owns the building and has contracted with Northwest Child Development to manage the center, maintain the building and collect all proceeds. The staff at the central office includes an executive director, one finance manager, one administrative assistant, one enrollment/accounts receivable staff, one human resources/payables staff, one staff development coordinator, one and one-half parent educators and one maintenance staff. Janitorial services are contracted. At each of the eight centers, there is one director, one assistant or co-director, lead and assistant teachers in all classrooms and one to two floaters. Funding for Northwest Child Development comes from child care subsidy funds, Child and Adult Child Food Program, More at Four, three county governments, Head Start, Smart Start, Great Beginnings and parent fees. Northwest operates a catering kitchen for seven of its facilities, employing five staff, one food service manager, two cooks and two drivers. Lunch is delivered daily and is served family style. Breakfast and snack are delivered weekly. Milk delivery is arranged separately. The cost of two meals and a snack is \$3.35/day/child. In the past, the agency has provided meal service to a number of private centers, charter schools and the Winston Lake YMCA child care program. Over time, centers dropped out of the program, some because they wanted more "fast food" type menus and the agency was unwilling to compromise their meal quality. They are looking for a larger central kitchen that would enable them to offer this service again.

High Country Council of Governments is a quasi-governmental, multi-county planning organization. The Child Development Division operates five child



care centers and one school-age program collectively serving 220 children in Avery, Mitchell and Yancey counties. Four of the five preschool centers have a four star license. The program has shifted over the years to meet community needs and now serves primarily infants and toddlers in the four preschool programs. Functions of payroll, billing, purchasing and maintenance are centralized. One full time program manager and one financial assistant serve all six programs. Each site has a director and assistant director who also have other duties such as school age care, food program reporting and janitorial and meal services.

YWCA's and YMCA's are other examples of this approach. While both have missions and services broader than early care and education, many local agencies are providers of child care, although they are increasingly focused on school age care. In Wake County, the YWCA used to operate a preschool program for 48-60 children as well as four after school programs at school sites. These school-based programs helped subsidize the preschool program. Most administrative functions such as payroll, purchasing, fee collection and policies were centralized. Staff received full benefits and most training was provided in house.

**ADVANTAGES AND CHALLENGES**

The multi-site management approach has both advantages and challenges although the advantages cited by agency directors certainly outweigh any hurdles.

**ADVANTAGES**

- Multi-site programs are able to manage changes in supply and demand with a variety of strategies so that when new private centers open, funding decreases or enrollment drops, the agency can close a facility and move staff to other agency centers or programs rather than letting them go or can modify the program to focus on hard-to-serve populations like infants, toddlers or children with special needs. All of these strategies have helped diminish competitiveness with the private providers.

- Programs can more easily move staff around among their centers to serve as substitutes for absent teachers.
- Multi-site programs have large enough staffs to provide competitive benefits, manage their own payroll and hold their own in-house training sessions.
- County support of administrative functions has allowed those programs run within county government to spend more of their other funds on quality staff and programming. In some counties, local tax funds provide up to 39% of the operation of these early childhood agencies. These counties place a priority on their residents being able to access services locally and are willing to pay the cost.
- Programs are often able to serve a coordinating function, bringing together a variety of support services to serve children on site and holistically.
- Multi-site programs that also manage all subsidy funds can better coordinate these funding streams and save money on staffing by having a centralized reporting system.
- Agencies can control the cost and quality of meals by purchasing and delivering in bulk. They are also able to purchase other supplies in bulk. One agency noted their savings on copying alone because of the volume.
- All directors believed that centralized management reduced the strain on center directors significantly.
- Center directors are a support to each other. They see themselves as part of a system and a team, not in competition with each other.
- Agencies are able to manage debt, enrollment and fee collection effectively because of adequate cash flow, strong policies and staff to focus on these areas. Related to this is the ability to tap multiple funding sources.
- In the case of YWCA's and YMCA's, there are national resources for staff including technical assistance, training and resource material which helps staff feel they are members of a profession and part of something bigger than their one center.

## CHALLENGES

- There is an optimum enrollment number – a break-even point - both overall and per center that varies by agency. If the number drops below that, staffing usually must be cut.
- Agencies report that salaries are usually competitive with Head Start and significantly better than most private child care mostly due to the better than average benefit packages provided. However, agencies do lose staff to public schools and other better-funded systems.
- Building maintenance and janitorial services are ongoing concerns. Owning buildings requires a large commitment of maintenance funds. Hiring a handyman seemed like a good approach to one agency, but the travel distances were so great that this was not economically efficient. Another agency found they needed three separate contractors to clean four sites.
- Operating child care programs within county government sometimes means it takes longer to get things done. Governments typically have policies and procedures that slow down the pace of work by requiring more steps in approval processes.

## 2) SUPPORT SERVICES ALLIANCES

Examples of support services found in North Carolina include staffing, bulk purchasing and meal services. Many more agencies than are listed here provide these services. The programs selected show a variety in design and delivery. Agencies whose programs are highlighted below include: Child Care Services Association (CCSA) in Orange and Durham counties; Family Services Network, Inc. in Wake County; Mountain Projects, Inc. in Haywood and Jackson counties; Buncombe County Child Care Services in Buncombe County; and United Child Development Services (UCDS) in Guilford County.

### Staffing Services

#### *Full-time Substitutes*

The Substitute Program in Durham County has operated for nine years and is subsidized by Smart Start funds. It employs six full-time resource teachers to provide classroom coverage for teachers needing release time for professional development pursuits, class preparation and emergencies. The resource teachers have a minimum of an AA degree in early childhood and two

years experience working in a child care program. Three-to-five star licensed programs can access this service and are charged an hourly fee, which varies, based on their star level. A mentoring component is also available as a part of this program to improve retention of new teachers by providing one-on-one support and guidance.

Family Services Network, Inc. employs three full-time Education Substitutes. Their salaries are higher than the average child care teacher's and they receive agency benefits. These substitute services are provided free to providers to use for supporting education, training and advocacy. Priority is given to lower star licensed facilities. In Wake County, full-time subs are linked with the quality enhancement program so that a sub works in the classroom while the quality enhancement specialist works with the teacher. Funding for this project comes from Wake County SmartStart.

Advantages to this approach are that centers can count on a reliable, trained substitute and, because they tend to be assigned to the same centers consistently, a relationship between the sub and the center staff develops. Centers benefit from having teachers who know the rules and regulations and are a resource on many issues. The only disadvantage to





the program cited was the lack of interaction by subs with parents since they usually are not there at very beginning or end of the day.

*Teacher Substitute Pool*

Family Service Network, Inc. in Wake County maintains a list of potential substitute teachers who have been screened for satisfactory background checks, NC Early Childhood Credential and experience in child care. Substitutes must sign a 6-month contract that specifies such requirements as dress code and orientation and in-service training. Substitutes must receive a minimum of \$10/hour and Family Services will subsidize that amount up to \$2.20 per hour as long as funds are available. Providers may use a sub for any reason. An online database allows providers to see a bio/resume on the substitutes, check their availability and schedule them. There are disadvantages to this approach. The program tends to lose these subs to full-time teaching jobs because the hours are so inconsistent. Also, because they are contracted employees, the agency cannot make them take assignments or work everyday all day. The agency used to have problems with subs not showing up for their assignments but implementation of strict policies have helped (for example, if a sub is a “no-show” twice, their contract is cancelled).

The T.E.A.C.H. Early Childhood @ Americorps Program is operated by CCSA in Orange and Durham Counties, assigning 10 Americorps members to a child care program Monday – Thursday for 10 months to provide consistent educational release time. The purpose of this initiative is to allow regular center staff to attend college classes. TEACH Corps Members also help conduct child/classroom assessments, meet ratios, implement literacy and anti-bias curricula, recruit volunteers for the child care program or assist with special projects. Matching funds for the project come from local Smart Start organizations and provider fees. The \$3,700 per Americorp member paid by providers equals \$2.64/hour, much less than it would cost to hire a substitute. A real advantage of this program is that it provides a consistent person to allow 6-7 teachers to return to school. In the past two years, only one teacher for whom release time was provided left their child care center. However, a disadvantage is that if an Americorp member leaves before the end of the year, there is no one to replace them, leaving the child care program in a bind.

*Teacher Registry*

CCSA operates a Teacher Vacancy Registry in Orange County. Child care programs needing personnel can complete a form to have their vacancies posted on the CCSA web site. Individuals looking for work fill out a form to have their information shared by phone or mail with inquiring programs. A job listing is also available on the agency's web site for anyone's review.

**Meal Services**

Below are some of the older and larger meal service programs run by early care and education agencies. They differ in numbers and populations served. Some are supported solely by fees charged; others have supplemental funds which help run the program. One of the main advantages of a meal service program is that it frees center directors to focus on other aspects of running the child care facility. In too many instances, agencies found that boards of small centers expected their directors to plan meals, purchase food and cook in order to save money.

*The CCSA Meal Service Program* was established in the late 1980's in response to requests from child care center providers who were having problems setting up industrial kitchens and from providers who could not purchase food economically because of their small size. The program currently delivers breakfast, lunch and afternoon snack daily (or any combination) at cost to 12 child care centers in Orange County (serving approximately 400 children in total). Centers that purchase meals must participate in the Child and Adult Care Food Program (CACFP) and have a 3-star license or better (or be working towards 3 or more stars under contract with CCSA's technical assistance department). Centers receive a 5% discount on their meals if they serve more than 50% subsidized children. They may choose to do their own CACFP paperwork or to contract with CCSA to handle this function for an additional fee. The kitchen is located in a church that offers CCSA reduced rent and shares the maintenance costs. CCSA contracts out delivery and there is an extra fee for this service. Because of delivery and storage constraints, participating programs must supply their own milk and paper products. All food is delivered “family style.” The agency views this project as a service, not an income generator but in most years the program has generated more income than it cost. Because it is a service, it has principles that

were developed jointly between CCSA and the child care providers that ensure foods are made from the freshest ingredients possible and that meals expose children to a wide variety of foods; the foods meet CACFP guidelines; one additional serving is provided free for each eight servings purchased; twice per week additional lunches are provided for the teachers free of charge to encourage eating with the children; and, meals that must be specialized for children with dietary restrictions are provided without additional cost. The program is staffed by 1 full-time and 3 part-time people. There are plans to expand the meal service to additional children in Orange and Durham counties. Although child care is the primary focus of this service, meal service to related programs is considered on a space available basis. At this time, the program also provides dinner to a parenting class run through the department of social services. Cost for child lunches range from \$1.74 – 2.37 depending on age and required portion sizes.

*Mountain Projects, Inc.* is a community action agency founded in 1965 and serving primarily Haywood and Jackson counties. The food service program was started in the 1970's because the agency could not find anyone willing to prepare nutritious meals for their Head Start or Elderly Nutrition sites and they needed a way to control costs. Today the intent is to provide meals to a wide variety of non profits and have an operation within Mountain Projects that generates cash flow for the agency. In the mid 1990's the program expanded to serve area child care centers and they now serve 48 child care centers and six elderly nutrition sites in addition to their 6 Head Start centers. Most centers served have enrollments around 40 children. The program does not provide meal service for less than 10 meals per site. Head Start centers receive lunch and a beverage; child care centers only lunch. There is a staff of 7 full-time, 3 part-time. The staff purchase in bulk each week, taking bids from vendors on the items needed. Food program paper work is completed for the elderly sites only. The amount of central office staff time spent on oversight of the food service is minimal, less than .2 FTEs. Costs have increased significantly but the price charged for lunch (\$1.80-3.40/per person depending on portion size and beverage) has not. The program made money on this service in the past but is now just breaking even.

*Buncombe County Child Care Services'* meal service program has gone through several phases over the past 25 years. Currently, a county-run kitchen delivers meals to the three county operated preschool centers, one small private non profit center and the Council on Aging's congregate meal sites. Food is purchased on county contract and in bulk. An evening meal for children, called Kids Café, is delivered up to two times a week to the school age care sites and once a month parents are invited to eat with the children. These meal times are usually paired with some type of educational activity. The agency has catered meals for two nonprofit centers in the past and would like to offer this service to additional centers now since their kitchen could handle additional meals. The cost is \$2.56 per child per lunch.

*United Child Development Services (UCDS)* in Guilford County began providing meal services almost 30 years ago. The program has had many forms since then but now operates two central kitchens where meals for all UCDS operated Head Start centers and 26 private centers are prepared. One of the private centers is located in Randolph County, the rest are in Guilford. The largest center serves as many as 100 children in the summer months and the smallest center serves 10 children. The program has determined that it is not cost effective to deliver less than 10 meals to one site or to centers not on or close to the delivery routes. The kitchens serve up to 1,400 lunches daily. There are four staff at the Greensboro kitchen and 1.5 staff plus a substitute at the High Point kitchen. There are a total of five drivers. Only Head Start facilities receive breakfast and a snack in addition to lunch. The price charged for delivered lunches, without beverage, is \$2.47 per child. Competition for meal service has developed from area restaurants and catering businesses that can often beat UCDS's prices by serving less nutritious meals.



## LESSONS LEARNED

Since these featured programs have operated for many years, there are important lessons to be learned from their experiences:

- When there is a large subsidy waiting list, the enrollment in the meal service program drops because enrollment in the child care centers drops. Some programs stop participating entirely and add extra duties back to their directors if they have a kitchen.
- Turnover in center directors also impacts enrollment in the meal program since new directors sometimes decide that they want to try it a new way.
- It can be challenging to buy in very large quantities because storage space is so often limited and lots of space is needed. Most programs do some shopping every day. Initially, some programs did not realize how big a quantity they had to buy in order to realize savings.
- Nonprofits have access to local food banks and using this resource is one worthwhile strategy to keep food costs down.
- Opening a second kitchen site to serve more children does not create the same economies of scale as running a bigger kitchen. Staffing and delivery costs are higher in running a second site.
- Losing one large child care program can turn a money-making venture into a money-losing venture if other child care providers are not added quickly to make up the difference.
- Serving more than the required portions can have a serious impact on the raw food costs.
- Meal costs should keep pace with inflation. If they don't, the program has no margin for error and no development money for improvement or expansions.
- Always include the customers in making meal selections, when possible. Address complaints quickly.
- Distance to delivery sites is a challenge in terms of keeping food warm.
- Bad weather can cause meal cancellations but often the food is cooked when these decisions are made and so it must be donated to a soup kitchen or the like. Because delivery of meals during winter weather is sometimes interrupted, centers must have "back-up food" on hand and be prepared to provide their own meals if the van cannot make the trip. In a nutshell, it is necessary to have a clear understanding of how to handle meal preparation on bad weather days.



## Bulk Purchasing

*Southwestern Child Development Commission* operates a “store” out of their main office where child care providers can buy supplies at cost. The idea was born when the agency moved into new quarters and had extra space available. When they looked at major needs of providers that could be addressed, they identified economic stability and ability to purchase supplies locally (some providers living in the furthest southwestern counties were driving to the outskirts of Atlanta to purchase materials) and during non-business hours. The agency set up a room with \$1,500 in mostly arts and craft supplies and opened on nights and weekends by appointment only. Since the beginning, however, usage has been minimal. The agency has no one staff person assigned to take responsibility for the store management and marketing, both key to making the program successful. The agency director believes that there was hesitancy on the part of providers because it was a new program and not adequately explained. She surmises that they also did not understand the reason Southwestern would provide this service or the benefit to them as a business.

## PREVIOUSLY TRIED STRATEGIES

Several North Carolina agencies have implemented approaches that have been discontinued for various reasons. Others have ideas for approaches that have yet to be tried. There are lessons to be learned from the former and promise in the latter. Below is a list of approaches that have been tried in the past:

- Child Care Services Association (CCSA) offered bookkeeping services for nearly eight years starting in the early 1990’s. The primary purpose was to help small centers serving largely subsidized children stabilize their financial situation. Fees for the services were based on the number of children and the services needed. Some programs wanted help only with their 990 forms, for example, while others wanted the full range of financial services. At its peak, the program served six centers. The small centers needed more services than they could afford to purchase and than CCSA was willing to provide. Lessons learned: The service must pay for itself. The agency must be clear about what services they will and will not provide to centers and establish criteria for participation.

- Child Care Resources, Inc. (CCRI) in Mecklenburg County met with part day preschool programs that provide free services to children at risk. Each was an independent program with common strengths and weaknesses. After determining their common challenges, the group identified kinds of “back office supports” that could help utilize their strengths and shore up their weaknesses. The core support needs that emerged from the group included: establishment of a health insurance and other benefits pool; board recruitment and development; child recruitment; facilities maintenance, shared staffing; payroll services; bulk purchasing; legal and accounting services; and staff development. They identified access to affordable benefits as a primary common challenge. The difficulty facing CCRI now, in addressing the number one need of a benefits pool, is finding an interested insurer.
- United Child Development Services (UCDS) in Guilford County established a family child care home “system” in the late 1970’s that operated for less than 10 years. The purpose was to develop a way to provide high quality home care during hours not readily available in centers. Six child care centers, run by UCDS and located in housing projects, each “supervised” a group of five to six family child care homes in their neighborhoods. These home providers were typically ones that needed a lot of help to meet the requirements to serve subsidized children (The requirements were called Federal Interagency Day Care Requirements (FIDCR) and were quite stringent. At the time, homes were registered, not state licensed.) UCDS provided training, recruitment, equipment, supplies and substitutes for sick and vacation leave. In the beginning, meals were delivered to homes daily from UCDS’ central kitchen. Parent fees were collected by the agency and a monthly payment, a percentage of fees collected, was sent to the home provider. A portion was retained by UCDS to cover operation of the “system”. Home providers were not employees of UCDS as the center staff were. As homes dropped out of the program, meal service became too expensive to deliver so each home joined the Child and Adult and Child Food Program and filed for





reimbursement. Eventually, UCDS ended the home program amid concerns over wage and hour laws and potential liability for minimum wages, Social Security taxes, overtime, etc. given that the home providers were treated much like employees but had few of the benefits. As the homes moved out on their own, UCDS offered to sell their support services but found no interested home providers.

- Many child care resource and referral agencies offer staff orientation on a regular basis to help providers meet licensing requirements for pre-service training. The number of hours offered vary. Some agencies provide training on-site at the centers.

- There are many companies providing tuition/fee management for private schools nationwide. These firms typically handle billing and payments/collections and can offer bank drafting and credit card payment options that most small businesses cannot. A private school in Wayne County, NC found that this service reduced their bookkeeping functions significantly. The staff members were originally quite skeptical but now are very pleased because the arrangement allows staff to develop and maintain a relationship with the parent focused on the child's education while an outside entity plays the unpleasant role of bill collector. Although this approach has not yet taken hold in early care and education in North Carolina, it warrants investigation.

Services not provided but being considered by some North Carolina organizations include:

- subsidy/scholarship/food program management including assistance with paperwork;
- website development and maintenance;
- creation of newsletter templates/articles for providers to download for staff training or sharing with parents;
- staff leasing where organizations hire and train staff and child care centers lease from them;
- brokering agreements with banks to waive fees charged businesses so parents can pay with debit or credit cards; and
- staff recruitment and selection and benefits management including interviews and reference checks.



## CLOSING THOUGHTS

From the examples cited in this paper, it seems clear that the two approaches being implemented in North Carolina, multi-site early care and education programs and support services alliances, are successfully meeting community needs and many have been doing so for quite a long time. Nearly all agencies highlighted began their collective management services as a means to that end but along the way, they discovered that their strategies reaped other benefits as well, mainly some economies of scale. In most cases, these agencies are dependent on government and philanthropic funds in addition to fees to provide their centralized services. They are unable to quantify the exact cost savings of their approaches although they can demonstrate specific benefits in terms of quality improvement. The primary advantage to both approaches seems to be that child care quality is improved by freeing staff to focus on caring for children and making improvements to the program.

Expansion of the support services beyond the current array is certainly an intriguing opportunity for the field. Many agencies have considered and tried various approaches but child care directors or their boards may not be willing to pay for services when they can save money by adding those financial, janitorial and other duties to the work loads of current

staff. Programs such as quality enhancement are essential supports but whether programs can be sustained is rooted in the business skills of the field. It seems clear that business training for child care providers is one critical need. Some agency directors interviewed believed the child care field will never be financially ready to participate in some alliances because most programs are small ones and because many of them need much more than most

early care and education organizations are able or willing to deliver. These directors believe that multi-site management is more likely to be a successful strategy. Others think that all the options for alliances have not been presented to the child care community in a coherent way so that they understand the potential benefits.

Before developing new approaches, the field would benefit from:

- consultation with others who have implemented similar strategies outside the early care and education field and building partnerships with other organizations with similar needs;
- a cost benefit analysis of North Carolina's multi-site programs could help determine whether the approach is a benefit only to the program quality or a cost savings – or both; and
- best practice guidelines would help agencies wanting to try new management approaches be more deliberate and informed in their planning and implementation.



## RESOURCES

*Collective Management of Early Childhood Programs: Approaches That Aim to Maximize Efficiency, Help Improve Quality and Stabilize the Industry* by Louise Stoney, published by the National Technical Assistance Center, 2003.

Alliance on Early Childhood Finance: New Ways to Organize Early Care and Education  
<http://www.earlychildhoodfinance.org/topic.htm#new>

## PROGRAMS REFERENCED

Buncombe County Child Care Services, 38 Garfield, Suite A, Asheville, NC 28803, 828-255-5726,  
[bcchild@mindspring.com](mailto:bcchild@mindspring.com), [www.buncombecounty.org/governing/depts/children](http://www.buncombecounty.org/governing/depts/children)

Child Care Services Association, PO Box 901, Chapel Hill, NC 27514, 919-967-3272,  
[info@childcareservices.org](mailto:info@childcareservices.org), [www.childcareservices.org](http://www.childcareservices.org)

Child Care Resources, Inc., 4601 Park Rd., Charlotte, NC 28209,  
[www.childcareresourcesinc.org](http://www.childcareresourcesinc.org)

Family Services Network, Inc., 4 N. Blount St., Raleigh, NC 27601, 919-832-7175,  
[ccarlberg@fsn-inc.org](mailto:ccarlberg@fsn-inc.org), [www.fsn-inc.org](http://www.fsn-inc.org)

High Country Council of Governments, PO Box 1820, Boone, NC 28607, 828-265-5434,  
[pbutler@regiond.org](mailto:pbutler@regiond.org), [www.regiond.org](http://www.regiond.org)

Mountain Projects, Inc., 2251 Old Balsam Rd., Waynesville, NC 28786, 828-452-1447,  
[pdowling@mountainprojects.org](mailto:pdowling@mountainprojects.org), [www.mountainprojects.org](http://www.mountainprojects.org)

Northwest Child Development, 530 N. Spring St., Winston-Salem, NC 27101, 336-721-1215,  
[kscott@nwcdc.org](mailto:kscott@nwcdc.org)

Southwestern Child Development Commission, Inc., PO Box 250, Webster, NC 28788, 828-586-5561,  
[sheilahoyle@aol.com](mailto:sheilahoyle@aol.com)

Transylvania County Child Development Department, 299 S. Broad St., Brevard, NC 28712, 828-884-3118,  
[tccd@citcom.net](mailto:tccd@citcom.net)

United Child Development Services, 1200 Arlington St., Greensboro, NC 27406, 336-378-7700,  
[joyce@ucds.net](mailto:joyce@ucds.net)

YMCA, [www.ymca.com/index.jsp](http://www.ymca.com/index.jsp) Go to "About the YMCA Movement", then "YMCA Programs", then "Child Care"  
YWCA, [www.ywca.org/html/B4b3a.asp](http://www.ywca.org/html/B4b3a.asp)

# SMART START'S VISION

EVERY CHILD IN NORTH CAROLINA WILL ARRIVE AT SCHOOL HEALTHY AND PREPARED FOR SUCCESS.

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