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QUALITY AT SCALE: Supporting Sustainable, High-Quality Early Care and Education

Reimagining State Policy

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Shared**Services**

Shared Services is a management framework that enables center- and home-based ECE programs to build shared organizational capacity, improve teaching and learning, deepen community engagement and promote long-term sustainability, guided by the following core principles:

- **Every Child deserves a reflective teacher.**
- **Every Teacher deserves a pedagogical leader.**
- **Every Director deserves an administrative team.**

A growing number of policymakers at all levels of government are focused on closing the achievement gap and preparing all children to succeed in school and life by starting with the early years. Many of these leaders have worked to build statewide early care and education (ECE) systems; crafting linkages among the governmental bodies responsible for finance and accountability, including licensing, monitoring, quality rating; professional development, training and technical assistance; family engagement, and so forth.

Taking steps to align government systems is essential. But attaining results will require intentional work aimed at building similar, linked systems among service providers. Without the management strategies and infrastructure needed to draw funding from multiple sources, provide on-going instructional leadership supports for teachers and family child care providers, and offer comprehensive services (either directly or via referral) to children and their families, many programs will struggle to effectively improve child outcomes. Unfortunately, multiple policy barriers make attaining this goal a challenge. This paper will identify those barriers and explore ways that states can both incentivize and support Shared Services for the early care and education sector, a framework for system-building at the provider level, as a way to strengthen the quality and impact of ECE services.

ECE IS A SMALL BUSINESS WITH SIGNIFICANT CHALLENGES

Small business plays an important role in the US economy, serving as incubators for innovation and employment growth and producing about 46 percent of the private nonfarm GDP (US Small Business Administration, 2016). Indeed, women-owned businesses have grown 68 percent since 2007. And the number of firms owned by women of color or minorities now makes up one in three female-owned businesses, essentially double the participation less than 20 years ago. Most women-owned firms are in the category of "health care and social assistance"—which includes child care providers (State of Women-Owned Businesses, 2014). Despite these encouraging statistics, the challenge of small business sustainability is real—8 out of 10 entrepreneurs who start businesses fail within the first 18 months. Additionally, according to Bloomberg, "inability to nail a profitable business model with proven revenue streams" is one of the top five reasons businesses fail (Wagner, E. 2013).

These statistics resonate. Child care centers and homes are part of a growing sector of small businesses that are typically owned, or led, by women. Many of these businesses are located in high-need communities, led by people of color, and make an important economic contribution to the local economy (Committee for Economic Development, 2016). But many also fail, largely because their business model does not support sustained success.

Evidence from multiple initiatives aimed at quantifying the cost

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of providing high quality ECE have underscored several challenges with a business model rooted in small centers or homes that operate independently. In an issue brief summarizing lessons from cost modeling, Mitchell and Stoney (2010) note the following:

- **Small centers simply cannot break even if they meet high-quality standards.** The most significant cost in an ECE business is personnel, and higher quality typically requires more personnel, (e.g. fewer children per teacher). In states that require low staff: child ratios (close to those recommended by the National Association for the Education of Young Children) a child care center must serve at least 100 children, maintain enrollment at 95 percent or higher, and collect all fees in full just to break even. But these benchmarks are almost impossible to reach, given that the average US child care center serves only 75 children, many do not even reach the industry norm of 85 percent enrollment, and most are unable to collect every available tuition dollar every day of the year.

- **Infants and toddlers are the most expensive to serve.** Best practice suggests that centers have at least one staff member for every four children under 3 years of age. (These ratios are required by federal Early Head Start standards and by law in some states.) By comparison, acceptable ratios for preschoolers are twice as high (between 1:8 and 1:10 depending on group size). Thus, the cost of operating a classroom that serves infants and toddlers can easily be twice the cost of serving older children. To be sustainable, ECE programs must boost the number of children they serve and often resort to limiting the number of infant/toddler classrooms included in that mix. As universal Pre-K pulls more four-year-olds into school-based settings, market-based child care programs will have no choice but to increase services to younger-aged children, exacerbating an already challenged business model.

- **Public funding for infants and toddlers is typically portable—a voucher that follows the child to whatever setting is chosen or a fee paid by parents each week—and based on the child's actual daily attendance, which means that revenues can fluctuate each month.** Program operators must consistently focus on full enrollment and tuition collection in order to stay financially solvent. This means not only keeping tight control of expenditures and cash flow, but also developing enrollment projections, tracking trends, scheduling strategically—a host of complex fiscal, technical, and administrative tasks that require not only significant time but also skill in business management.

- **Expectations—and costs—are rising.** ECE centers and homes are increasingly expected to employ teachers with credentials, conduct child assessments, and comply with a growing number of quality and accountability measures. To meet requirements associated with delivering high-quality ECE services, program operators need to not only boost wages and benefits, but also set aside time to focus on tracking outcomes, improving teacher effectiveness, strengthening work environments, reporting compliance, and more.

In short, running a viable, high-quality ECE business is hard. And small, independent providers are at a significant disadvantage.

WHAT IS SHARED SERVICES?

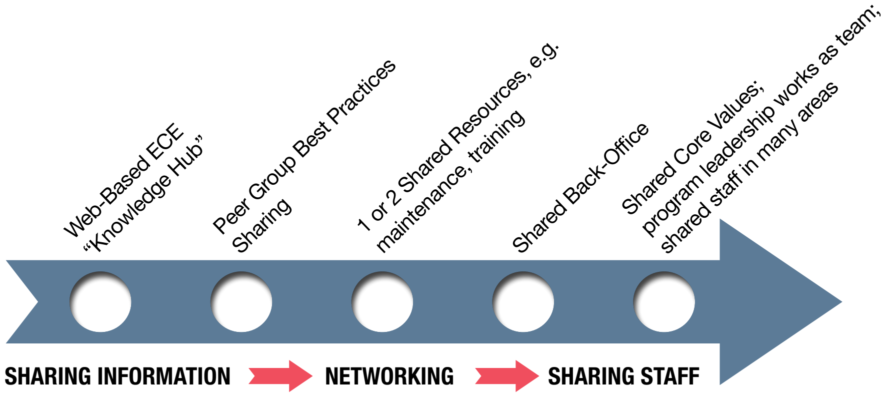
Shared Services is a management framework[1] that enables center- and home-based ECE businesses to build shared organizational capacity, improve teaching and learning, deepen community engagement and promote long-term sustainability. A Shared Services framework can strengthen an existing multi-site ECE corporation via centralized business

[1] A Shared Services management framework is a structure that enables a network of center- and/or home-based child care providers to share staff and other overhead expenses to streamline administrative costs, strengthen quality, and shift more dollars toward serving children and families. A variety of governance, staffing and leadership structures are possible. In some cases the framework is used to create a new entity with shared governance (a Shared Services Alliance). In other cases, the framework is used to re-organize an existing multi-site ECE entity to attain economies of specialization. Shared Services principles can apply to non-profit and tax-paying entitles as well as private-sector business and public or quasi-public entities. For more information, go to www.opportunities-exchange.org

and pedagogical leadership or it can create a pathway for independent small center- and home-based sites to forge a strategic alliance so that they become big where big matters (e.g. fiscal management, data, reporting, and so forth), but continue to offer services in small sites that build intimate relationships with children and families. In both cases, the whole becomes greater than the sum of its parts—re-directing resources from administration to classrooms, enabling site directors to focus on teaching and learning and supporting learning communities that empower teachers to work with meaning. Shared Service Alliances can include all types of providers—non-profit and taxpaying, center or home-based, in schools or community settings—and a wide range of legal and administrative structures can work. Opportunities Exchange, a national non-profit entity, gathers and maintains information on Shared Services for the ECE sector.

Shared Services:
A Range of Approaches and Entry Points

(for examples, go to www.opportunities-exchange.org)



POLICY BARRIERS

Public policies that guide operation of ECE services in states and cities across the United States often create a host of barriers for organizations that seek to implement a Shared Services framework, in large measure because policies typically mirror and reinforce the notion that ECE is most appropriately delivered by small, independent center or home-based businesses. Indeed, many families prefer small centers and home-based environments and there is much to value in the intimacy of these settings. But small sites struggle to generate the resources needed to be both sustainable and high quality. All too often, government spends significant sums to regulate, monitor and, in some cases, provide technical assistance and financial support for, ECE businesses that do not remain in operation for long. In short, while small sites might be preferred from a service delivery perspective, they are expensive and inefficient from a business perspective. Even well managed small sites struggle to garner the resources needed to offer sustainable high-quality services.

Oversight provided by the public and private agencies responsible for licensing and rating quality is one example of a typical policy challenge. In most states, required rules must be met and documented at each site (center or home-based) even if the sites are linked by a shared administration. Site-specific compliance means that each center (even if it serves a small number of children) must allocate significant sums to pay an administrator to gather and maintain evidence of compliance with quality standards as well as supervise staff, manage the budget, enroll families, negotiate with vendors, and much more—in addition to serving as the site-based pedagogical leader with ultimate responsibility for effective teaching and learning. Similar expectations are placed on family child care homes, which, by definition, have only one provider who typically cares for up to 6 children. In order to meet high-quality standards, home-based providers must have the time, energy and skill to serve as teacher, family support worker, administrator, and successful business owner.

> "Simply reducing regulation is not the answer—but **finding a way to address scale** is.

Some might think that the best way to respond to the challenges described above is to reduce regulatory requirements. Indeed, some requirements could be eliminated. However, many requirements are rooted in research or best practice and are important measures of quality or mechanisms for accountability.

Simply reducing regulation is not the answer—but finding a way to address scale is. When multiple centers and/or homes are linked by a shared administration that can provide skilled business and pedagogical leadership, use technology to enable off-site business management and reporting, and attain the economies of specialization[2] needed to support efficiency, providing high-quality services is not only possible but also sustainable.

This paper will underscore four ways that a Shared Services framework can strengthen

[2] The term economies of specialization refers to the benefits that accrue to an organization, in economic terms, when a staff person can focus on one task—and do that task well—rather than simultaneously engage in multiple tasks.

accountability, quality and sustainability. Each is framed as a guiding principle that can be applied to multiple initiatives including Quality Rating and Improvement Systems (QRIS), licensing, professional development, subsidy and finance. These include:

1. **The Paper Trail:** Simplify Documentation and Encourage Automation
2. **Professional Development and Staff Credentials:** Re-think Roles, Responsibilities, Required Preparation
3. **Continuous Quality Improvement:** Encourage and Support Leadership at all Levels
4. **Financial Administration:** Encourage Skilled Management Focused on Efficiency and Accountability

Indeed, many of these principles can strengthen and streamline the process for all ECE providers, whether or not they use a Shared Services management framework. However, Shared Services offers the opportunity to address each area in ways that are both unique and potentially powerful, so that the whole becomes more than the sum of its parts.

When organizations re-structure management to share tasks, roles and responsibilities, it becomes possible to attain the scale needed to attract and retain top-notch leadership as well as enable staff to focus on a specific area of expertise. Rather than juggle multiple roles and responsibilities, that are sometimes overwhelming and often require different skill sets, leaders are able to build skills in one area and apply this learning to multiple sites. The results can improve program quality and efficiency. However, public policy must support this new pathway to leadership.

THE PAPER TRAIL: SIMPLIFY DOCUMENTATION AND ENCOURAGE AUTOMATION

Every state is required to monitor the quality of ECE providers that receive federal CCDF dollars, and most have state laws in place that extend to ECE services provided to all children and families. States are also required to verify compliance in the Child and Adult Care Food Program (CACFP). Additionally, almost all states have implemented quality rating and improvement systems (QRIS) to assess, improve, and communicate the level of quality in ECE programs. And the federal government directly monitors programs that receive federal Head Start and Early Head Start dollars. In short, significant sums are spent, by multiple governmental entities, on compliance documentation verification and monitoring. Careful attention to automation can not only help reduce these costs but also strengthen overall ECE program management.

There are myriad opportunities to centralize and automate the process of documenting compliance with monitoring—for QRIS, licensing and more—using a Shared Services framework. The primary goal should be to reduce paperwork and duplicate entry of data. Some suggested recommendations follow:

1. **Third party aggregation of documentation**. When documentation is required to demonstrate compliance with a standard, a shared back-office or central administration should be permitted to provide this evidence on behalf of centers or homes that participate in a Shared Service Alliance or multi-site ECE program or network.

2. **Electronic submission of documentation.** To the maximum extent possible, electronic submission of compliance documentation should be supported, preferably via uploads from child management systems or other automated tools centers and homes use on a daily basis.

3. **Electronic review of documentation.** The entities responsible for verifying documentation should determine compliance via review of electronic submission (which can be done off-site) or during a site visit to the shared back office or central administration.

4. **Limited scope of in-person site visits.** Site visits should focus only on those items that require in-person observation or verification. For example, classroom

assessments (using ERS or CLASS) would be conducted on-site; other documents could be verified electronically and/or submitted by a third party "Hub" on behalf of participating member centers or homes.

5. **Maximized use of web-based tools.** Use of the Shared Services Knowledge Hub (www.ecesharedresources.org) should be encouraged, so that programs do not reinvent the wheel every time they need a document, handbook or other resource. Several states have adapted this website to include an automated QRIS pathway via the Raise Quality tab.

Centralizing responsibility for documenting compliance with standards and encouraging automation can save significant time and money. In Colorado, Early Learning Ventures developed child management software (Alliance CORE™) that generates the data needed to comply with documentation and reporting requirements for multiple purposes, including state licensing, the Child and Adult Care Food Program, child care subsidy, and more. Licensing staff may obtain a special passcode that enables them to pull much of the data they need directly from CORE™. Documentation, such as child and parent records, immunizations, health forms, etc. can be generated by the system in reports that mirror those used by licensing staff when they conduct a visit—so the verification process is quick and seamless. This approach has significantly reduced the amount of time licensing staff and providers spend on compliance—saving everyone time and money (Pritts and Williams, 2016). Other off-the-shelf child management systems—such as ProCare, Child Care Manager, EZ Care, and so forth—have similar capabilities even though they are not specifically tailored to state rules.

PROFESSIONAL DEVELOPMENT AND STAFF CREDENTIALS: RE-THINK ROLES, RESPONSIBILITIES, REQUIRED PREPARATION

The most important component of a high-quality ECE program is the classroom teacher. Effective early learning occurs in the context of engaging interactions between teachers and children that are emotionally supportive, organized, and ambitious, with emphasis on relationships, inquiry, meaning and understanding versus rote instruction and basic skill development (Pacchiano et al, 2016, Wilkinson, M, 2016, Katz, 2012, Curtis and Carter, 2008). To this end, most states have established requirements designed to improve the qualifications of teachers and directors—a critical goal. Accountability systems have incorporated this goal by requiring that a minimum threshold of staff (teachers and supervisors) at each site hold specific qualifications. While this approach appears to be reasonable and logical, implementation has posed significant challenges, especially for small centers, and led to some unintended consequences. Consider, for example, a child care center with only 4 classrooms of mixed ages (serving just over 50 children) that meets the 5 star standard by employing one degreed teacher, and one or more non-degreed assistants, in each classroom. The day comes when one of those teachers chooses to accept a new job or is promoted to serve as a site director, and an assistant teacher (who has not yet attained a degree) is promoted to serve as lead teacher. This is a logical career pathway for all involved, however given strict site-based threshold for degreed staff, the QRIS rating for the entire center could be in jeopardy—even if there were no other indications that the quality of ECE offered at that site had diminished. For a larger center, with many more teachers and classrooms, losing one teacher might not have the same effect because the percentage threshold is spread across a larger number of staff. However, given that the thresholds for percentage of staff with credentials and degrees is measured by site, rather than by corporate entity, even large multi-sites can be challenged to consistently comply with a standard based solely on the classroom assignments of lead teachers.

> "Supporting reflective practice at scale—across one site or multiple, linked sites—requires more than compliance with standards, or teachers with credentials, or a coach who comes to visit the center a few weeks a year. **Effective reflective practice requires an organizational structure** that provides time and space for teachers to plan, organize, think, meet and talk about the complex task of caring for children (Curtis and Carter, 2010).

A rigid focus on site-based compliance with teacher credential requirements also misses a key ingredient in program quality—the power of reflective supervision. Research has under-

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scored that teachers and caregivers who regularly reflect on what they do, why they do it and how to improve their practice are more likely achieve the best results (Pacchiano et al, 2016, Wilkinson, M, 2016, Katz, 2012, Curtis and Carter, 2008). Reflective practice requires that teachers have the time to observe children, ask questions and generate solutions that might improve their teaching practices—including time to read, write, think, meet with a skilled supervisor as well as their peers. Supporting reflective practice at scale—across one site or multiple, linked sites—requires more than compliance with standards, or teachers with credentials, or a coach who comes to visit the center a few weeks a year. Effective reflective practice requires an organizational structure that provides time and space for teachers to plan, organize, think, meet and talk about the complex task of educating and caring for children (Curtis and Carter, 2010). In some cases, policy may have the unintended consequence of hindering effective teaching by focusing too strongly on meeting site-specific thresholds for qualified teachers rather than offering more flexible support for the pedagogical leadership needed to improve child outcomes.

National work focused on strengthening reflective teaching, instructional leadership for professional development and continuous quality improvement in the ECE sector is focused on shifting from externally-driven and delivered professional development and coaching to “internally-driven, program and job-embedded, collaborative, continuous professional learning and improvement” (Pacchiano, 2015). Several years ago, the Ounce of Prevention received a federal Investing in Innovation (i3) grant to focus on testing strategies for ECE job-embedded professional development (applied learning) and their work has underscored the value of this approach. However, taking job-embedded professional development to scale in the ECE sector will require government policies and systems that are “structured and aligned to promote the development of effective instructional leaders who can drive ongoing professional learning within their own programs” (Ibid).

In short, effective reflective practice is about helping ECE programs craft staffing patterns that include pedagogical leaders: staff who are able to work with teachers in the classroom or help with child assessments or home visits; and staff who have time to think, plan and reflect on the needs of teachers and the children and families they serve. All too often ECE center site directors spend little time in classrooms with teachers or engaged with children and families because administrative responsibilities consume most of their working hours and resources to hire additional staff are simply not available. Creative, new leadership strategies are needed.

Sharing Leadership & **Maximizing** Talent

- Give power away to the most qualified individuals to strengthen their capabilities.
- Define the limits of decision-making power.
- Cultivate a climate in which people feel free to take initiative on assignments.
- Give qualified people discretion and autonomy over their tasks and resources and encourage them to use these tools.

A Shared Services framework is rooted in the notion that leadership is a transferrable asset, and is not limited to ‘seat time’ at a specific location. Indeed, recognizing the value of shared leadership is not limited to ECE. Marshall Goldsmith, one of the world’s leading educators and coaches, writes in the Harvard Business Review “shared leadership involves maximizing all of the human resources in an organization by empowering individuals and giving them an opportunity to take leadership positions in their areas of expertise.” Goldsmith believes that complex markets are increasing the demands on leadership so that “the job in many cases is simply too large for one individual” (Goldsmith, 2010). Leadership strategies suggested by Goldsmith are included in the text box, above left.

Leaders in ECE programs across the US are putting the lessons underscored by Goldsmith, Pacchiano and others into practice using a Shared Services framework. Examples include re-organizing a multi-site early care and education entity to centralize business and pedagogical leadership, creating an Alliance of independent centers or homes that work together to share staff and other costs, and myriad options in between. By sharing a single back office that assumes responsibility for business functions, site directors are able to focus on teaching and learning and rest assured that the many administrative tasks that formerly consumed so much of their time will be handled. Centralized pedagogical leadership, such as a shared coach or education coordinator to help lead professional development and support reflective practice, shared data collection and analysis to guide best practice, perhaps a shared staffing strategy focused on recruiting and orienting new staff, can help boost quality at all sites, strengthening the organization as a whole.

“**Site-based pedagogical leaders** can support reflective practice on a daily basis and help teachers work from a sense of meaning.

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> **Effective ECE business leaders have deep skills** in administration and fiscal management, knowledge that goes far beyond the few generic college courses in administration that are typically required to obtain a Director Credential.

Key to successful Shared Services is the concept of economies of specialization—enabling staff to strengthen their capabilities in, and focus their work on, particular content areas where they can excel. Enabling staff to focus on specific areas of expertise is not just about re-structuring organizational charts and staffing patterns; it will also require new approaches to professional development. Business leaders need deep skills in program administration including the ability to create and analyze complex fiscal and management data, build administrative systems, maximize automation, oversee human resources, etc.—knowledge that goes far beyond a small number of generic college courses in administration that are currently required to obtain a Director Credential in many states. On the other hand, pedagogical leaders must know how to effectively guide and continuously improve teaching and learning, create work environments and routines that encourage and support reflective practice, help teachers apply knowledge, skills, and best practices in their daily work, effectively engage families, and more. Individuals who seek instructional leadership roles in ECE should have the opportunity to hone their skills in areas that inspire and adequately prepare them rather than pursue a generic Director Credential designed for the current Jack-of-all-trades Director.

Several policy changes that influence training and education requirements could strengthen leadership and encourage innovation. These include the following:

1. **Establish two 'tracks' within a Director Credential, one focused on Business Leadership and one on Pedagogical Leadership.** The new tracks would include course content, coupled with applied learning, to support the deep knowledge needed to lead effectively. Individuals who elect to pursue a Director Credential in Business Leadership would not be required to hold an early childhood degree, but could be recruited from other fields of practice. Required courses should, of course, include content on early education/child development but the field could benefit from the opportunity to recruit individuals whose interest and skill set is focused on business management and administration. Conversely, individuals who pursue a Director Credential in Pedagogical Leadership would need expertise in child development and should be given the opportunity to learn about cutting-edge strategies to support teaching and learning, supervision, reflective practice, learning communities, and more. Education Coordinators, teacher leaders, site-based coaches and others who seek to grow as pedagogical leaders could be encouraged to pursue this credential, creating a potential leadership pipeline for the field as a whole.

2. **Revise licensing and QRIS standards to focus on business and pedagogical leadership tasks, not seat time.** Most ECE policy assumes that a single individual will be responsible for both business and pedagogical leadership at a specific site. In many states, licensing rules require an individual who meets director qualifications to be on-site for at least 30 hours per week. This requirement can be a barrier for programs that seek to encourage staff to develop specialized skills and share leadership tasks across sites. For example, ECE programs that use a Shared Services approach might have one or more administrators responsible for business tasks and leadership and other staff (who may have titles like Site Director, Assistant Director or Education Coordinator) responsible for overseeing teaching and learning. These individuals could be responsible for business and/or pedagogical leadership at multiple sites. The issue isn't how much time they spend at one particular location but rather the *results* of their leadership. It is reasonable to expect that an ECE program has an established structure for teacher supervision (including paid time for staff to engage in planning and reflection), staffing for fiscal and administrative leadership, and metrics to track results. It is not helpful, however, to proscribe exactly how many hours, or in what location, those staff work. The bottom line is that program leaders and managers need the flexibility to establish staffing patterns, caseloads, job descriptions, roles and responsibilities that best meet their needs and produce the desired results for young children and classroom teachers.

3. **Consider establishing a new pathway for QRIS rating that enables a multi-site early care and education organization or a Shared Service Alliance (of independent providers) to apply for a rating collectively.** Collective compliance would make it possible to:

    - Maintain and provide all required documentation on behalf of all participating sites in a central location.
    - Comply with the career lattice thresholds for teachers, group supervisors and assistants as a collective whole rather than by site. (This would enable multi-site centers and Alliances to share staff across sites in ways that maximize effectiveness.)
    - Ensure that at least 50 percent of randomly selected classrooms (or at least 1 classroom for each age group) in each participating site obtain the minimum assessment score (ERS, CLASS or whatever assessment is required). In other words, the entity receives one rating for all sites rather than individual ratings, which could vary by site. The Alliance-wide QRIS rating would be based on information provided by the Alliance Hub plus the average assessment score in all sites, with no classroom having a score below the minimum threshold for that QRIS level.
    - A similar pathway could be established for home-based networks that apply for a rating collectively. Home-based Alliances that hire a shared staff person to provide pedagogical leadership (embedded coaching and quality support) or to offer additional services such as family supports, could accrue 'points' for purposes of obtaining a QRIS rating based on the services and credentials of this shared staff person.

It is entirely possible to create a Shared Services Alliance that includes both center and home-based sites. In this case it might make sense to apply for two collaborative QRIS ratings—one for the center-based network and one for the home-based network. It is likely, however, that shared staff could cross the two—especially for fiscal, administrative and reporting responsibilities.

> “**A Shared Services framework** can support CQI by enabling site-based support for on-going reflective practice in teaching and learning as well as administration.

CONTINUOUS QUALITY IMPROVEMENT: ENCOURAGE AND SUPPORT LEADERSHIP AT ALL LEVELS

Continuous quality improvement (CQI) is a management approach that focuses on organizational structures, systems and processes rather than the individual practitioner to build environments in which both management and direct staff strive to constantly improve quality and increase positive outcomes for the children and families they serve. CQI is proactive, not reactive, and rooted in reflection, commitment to core values, and using information to makes positive changes—even when things are going well – rather than waiting for something to go wrong and then fixing it (Wiggins & Mathias, 2013).

Wiggins and Mathias (2013) conducted interviews with state and national leaders regarding CQI in early childhood quality rating and improvement systems (QRIS). These interviews underscored a shared belief that effective CQI is based on internal “owning” of a process by leadership and staff. Indeed, the interviews align with research findings that “reflective practice, guided by a leader focused on deepening the teaching and learning process, is most likely to result in improved child outcomes. And reflective practice leadership led by a center director or other in-house staff, guided by core values and focused on CQI, is most likely to result in lasting change” (Ibid).

By supporting leadership among staff who have the time and skills needed to focus on areas of specialization and lead thoughtful reflection on data, practice, as well as administration, finance, and more, a Shared Services approach can make some seemingly impossible tasks possible. But success hinges on the ability to garner the resources and flexibility needed to support innovation.

Public and private dollars focused on CQI in center- and home-based child care are often used to support external coaches who visit classrooms to offer short-term technical assistance. However, CQI theory clearly underscores that change requires on-going, internal leadership. In their 2013 report, Wiggins and Mathias suggest that states consider an alternative: “…potentially targeting a greater share of QRIS resources directly to programs are considerations when thinking about how to drive behavior change, focused on effective teaching and learning…" There are several ways that a Shared Services framework can help to achieve this goal, which include the following:

1. **Allow an Alliance or network of providers to collectively apply for public or private funding to support an internal, shared quality coach.** In this case dollars expended for external coaching could be combined and re-directed to support coaching staff embedded in a program.

2. **When possible, schedule external coaches or TA providers so that they serve centers and homes in 'cohort' groups and encourage collaborative work.** For example, all sites that are part of a multi-site center, Alliance or family child care network could be assigned the same coach. (This could also be a helpful strategy for licensing or QRIS monitors.)

FINANCIAL ADMINISTRATION: ENCOURAGE SKILLED MANAGEMENT FOCUSED ON EFFICIENCY AND ACCOUNTABILITY

As noted earlier, a key way that Shared Services improves the bottom line is by enabling economies of specialization: allowing staff to focus on a particular task and perform that task for multiple sites. A staff person who can focus on enrollment will develop the skills and systems needed to keep every available slot full, which is key to financial sustainability. Staff that focus on billing can maximize every dollar and also save time and reduce errors, especially when using automated child management systems. With automated systems in place, the cost of performing tasks such as billing can be significantly reduced and these tasks can be completed virtually in a single back-office site responsible for multiple locations.

Key to successful, cost-efficient administration are state-level policies and systems that encourage and enable automation and shared staff. Changes in ECE subsidy and finance policies that could encourage and support a Shared Services approach to ECE service delivery, include the following:

1. **Ensure that third party billing for all public funding streams is permitted. This would make it possible for a network or Alliance of ECE centers and/or homes to establish a shared back office with responsibility for all billing, tuition and fee collection, grant reporting, and fiscal management.**

2. **To the maximum extent possible, reduce time and error rates by enabling links with child management systems such as off-the-shelf products like ProCare, Child Care Manager, EZCare, and more or via state-specific systems like Alliance CORE™ (in Colorado) and ChildWare (in Pennsylvania).** This should include policy that encourages service providers to submit attendance data and any other reporting requirements via electronic transmission.

3. **Consider offering start-up grants to organizations willing to serve as back-office Hubs for Shared Services business leadership among a network of centers, homes or a combination of the two.** These grants could help support the cost of establishing and populating automated systems; creating shared policies, procedures and staffing patterns across sites; and agreeing on common core values, metrics and process measures.

4. **Consider contracting with a network of centers or homes to serve a specific number of children who receive public subsidy.** The network Hub would be responsible for determining eligibility, gathering and reporting any required data, blending dollars from multiple sources and making sure that all slots are fully utilized. Families could choose among available openings in centers or homes that participate in the network.

The recommendations noted above could be combined in a pilot aimed at testing the feasibility of a Shared Services Alliance that maximizes automation, takes responsibility for all reporting data, offers contracted slots to participating centers or homes, and models the benefits of shared staffing. The pilot could be limited to top-quality providers who agree to gather and track metrics across sites and work with state-level staff to identify and test new process and accountability measures linked to efficient operations. A first step might be to release an RFP that offers to fund several successful bidders who prepare a feasibility study and business plan for a back-office Shared Service enterprise. Based on these plans, one or more potential Hubs could be selected for a multi-year contract to launch and operate the business for a specific number of years.

CONCLUSION

In recent years a large body of research has underscored the impact of high-quality ECE on child outcomes, paving the way for increased funding linked to higher quality standards. Still, the sector continues to face significant barriers to sustainable, effective teaching and learning. All too often ECE centers and homes succeed in meeting QRIS standards initially, only to find that they are unable to move to a higher level of quality or even sustain the initial gains. Many of the challenges are systemic: most ECE programs in the United States are simply too small and under-resourced to provide the focused leadership needed to succeed programmatically or financially.

Without question, ECE is under-resourced; additional funding is essential to attaining quality at scale. However, simply increasing the dollars available to support early care and education is not sufficient. Evidence from ECE initiatives across the US increasingly indicates that reaching quality at scale will require a new approach to management and administration, professional development and quality improvement; one that ensures ECE providers have fiscal administration sophisticated enough to tap every dollar, maximize automation, and efficiently comply with myriad reporting requirements; one that encourages multi-site entities to share staff and infrastructure costs (including shared substitute pools, benefits and professional supports); one that enables site directors and teachers to build site-based leadership able to create the positive working conditions and strong staffing systems needed to support daily reflective practice.

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