Optimizing Child Care Solutions

Integrating the Iron Triangle with Advanced Technology

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Agenda

Introductions

Opening Question

Digging into each key topic

Closing Remarks

Opening Question

Imagine you're managing an early childhood program. You have a waitlist full of eager families, a team of dedicated staff, and a budget that just seems to never stretch far enough.

How do you balance the need for high-quality care, affordable tuition, and full enrollment? This challenge, we refer to the "Iron Triangle" of early childhood programs, is at the core of our discussion today.

How do you think your program currently measures up in each of these areas?

Key Topics

- Mastering the Iron Triangle
- Harnessing Advanced Technology
- Enhancing Quality with Data Analytics
- Real-World Success Stories

Mastering the Iron Triangle

The Iron Triangle: A Simple Formula for Financial Policy in ECE Programs

Early childhood program budgets, like all budgets, have two sides: the money coming in (income) and the money going out (expenses).

Balancing these two sides is essential, and is particularly challenging in the current recession economy. When seeking to balance their budgets, early childhood program directors typically focus on their rate—the price charged to parents or received as reimbursement from government. Rates are indeed important, however early care and education program income is also profoundly influenced by two other factors: enrollment and fee collection.

These three factors form the "iron triangle"of ECE finance. Paying close attention to the three sides of the iron triangle is key to sound fiscal management.

The Iron Triangle of ECE Finance
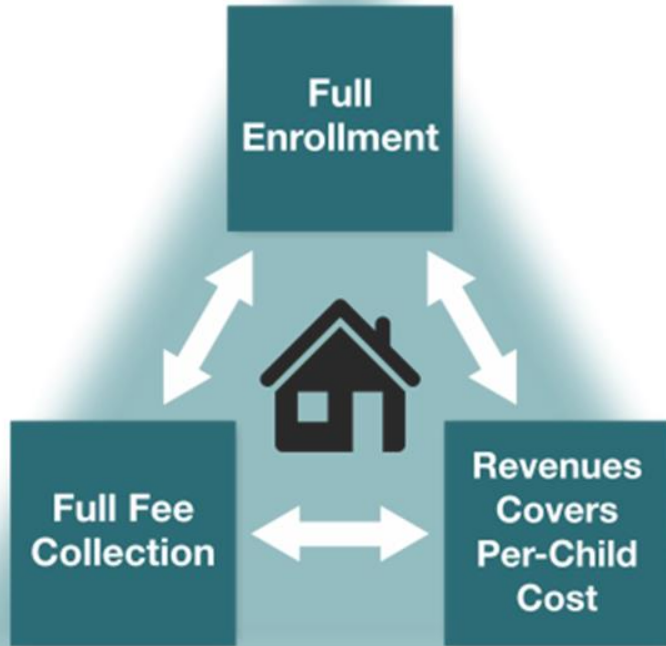
Business Leadership Mindset

- Ensure full enrollment – every day
- Collect tuition and fees – in full and on-time
- Your compensation (salary and benefits) is budgeted and fully covered through earned revenue, adequate to continue operations, and generous to include retirement savings

Full Enrollment

- Maintain Maximum Capacity
- Effective Marketing Strategies
- Building strong relationships with families

Full Fee Collection

- On-time and complete fee collection
- Efficient billing systems
- Clear payment policies and communication

Revenues Cover Per-Child Cost

- Determining the actual cost per child, comparing this cost to the price charged, and when fees cannot cover the full cost, identifying third party funding to fill the gap, is essential to sound fiscal management
- Both enrollment and fee collection impact actual per-child costs
- The bottom line is that parent fees + third party payments must equal per-child cost. Otherwise the program is losing money.
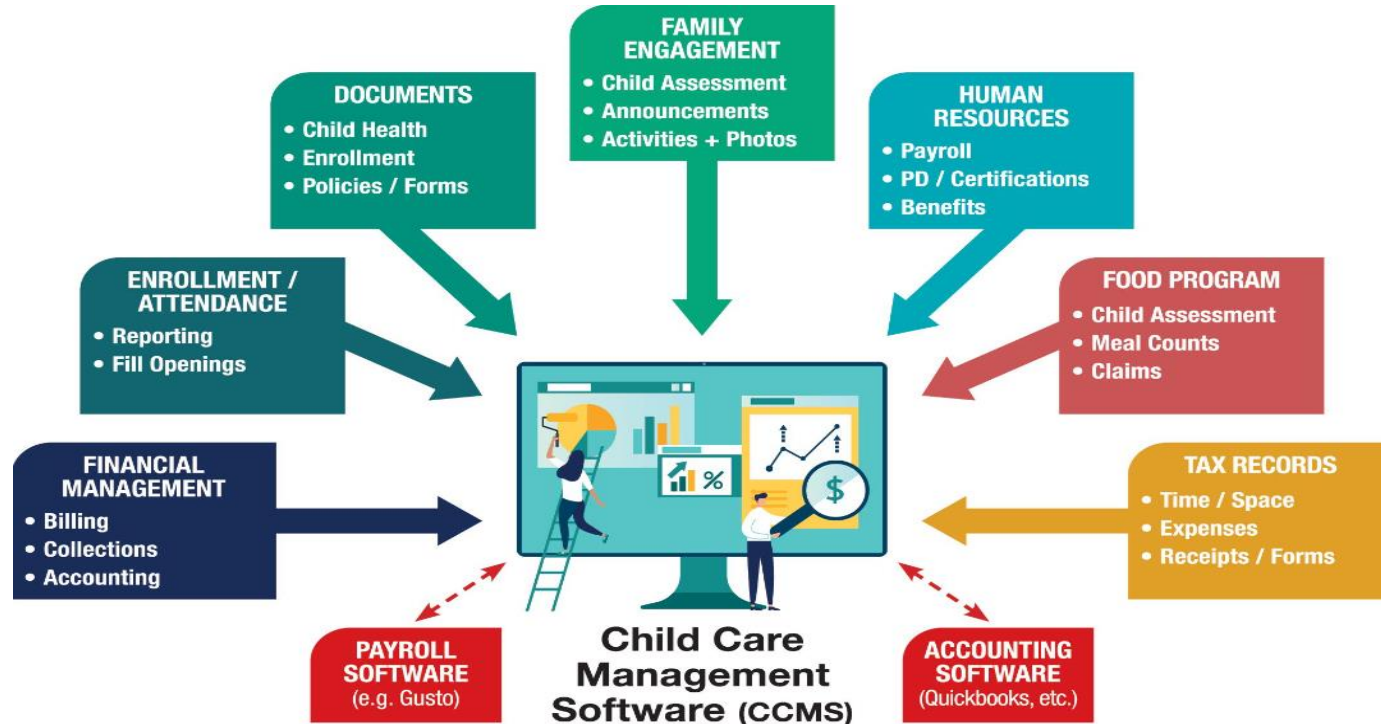
Owner Compensation

Salary

Health Care

Retirement Savings

Harnessing Advanced Technology
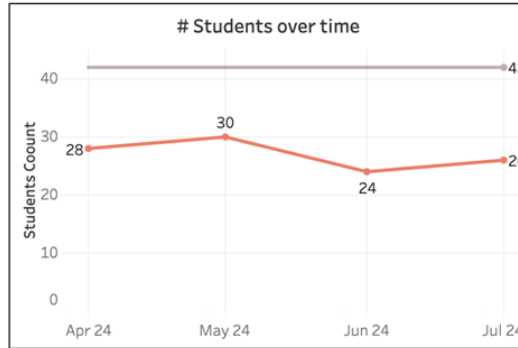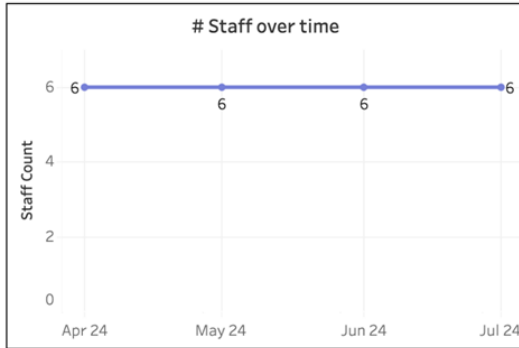
Streamlining Administrative Tasks with CCMS

DOCUMENTS
- Child Health
- Enrollment
- Policies / Forms

FAMILY ENGAGEMENT
- Child Assessment
- Announcements
- Activities + Photos

HUMAN RESOURCES
- Payroll
- PD / Certifications
- Benefits

ENROLLMENT / ATTENDANCE
- Reporting
- Fill Openings

FOOD PROGRAM
- Child Assessment
- Meal Counts
- Claims

FINANCIAL MANAGEMENT
- Billing
- Collections
- Accounting

TAX RECORDS
- Time / Space
- Expenses
- Receipts / Forms

PAYROLL SOFTWARE
(e.g. Gusto)

Child Care Management Software (CCMS)

ACCOUNTING SOFTWARE
(Quickbooks, etc.)

CCMS and The Iron Triangle

Enhancing Quality with Data Analytics

CCMS Dashboards

Staff over time

Staff Count
- Apr 24: 6
- May 24: 6
- Jun 24: 6
- Jul 24: 6

Students over time

Time Filter
Last 12 months

- 🟧 Active Students
- ⬜ Stated Student Count

Active Students:
- Apr 24: 28
- May 24: 30
- Jun 24: 24
- Jul 24: 26

Stated Student Count: 42

Billing Metrics

Mandatory Autopay	# Active Students	# Students w/ Bill Plan	% Students w/ Bill Plan	# Students w/ Payment Method	% Students w/ Payment Method	Has Invoice Past Due	Has Invoice Unpaid	Online Payments Last 35 Da..	Offline Payments in Last 35 Da..
Yes	23	0	0.0%	1	4.3%	🔴	🔴	🔴	🔴

Red Circle = False
Blue Circle = True
(red in Has Invoice Past Due means no invoice past due which is good)

Feature Usage

Has Checkins	Sends Messages	Photos & Videos	Tracks Meals	Added Menu Plans	Lesson Plans	Added Teachers	Forms	Upload Documents	Reporting	Has Students on Waitlist
🔵	🔵	🔴	🔴	🔴	🔴	🔵	🔴	🔵	🔴	🔴

Red Circle = Not Utilized
Blue Circle = Utilized

CCMS Dashboards
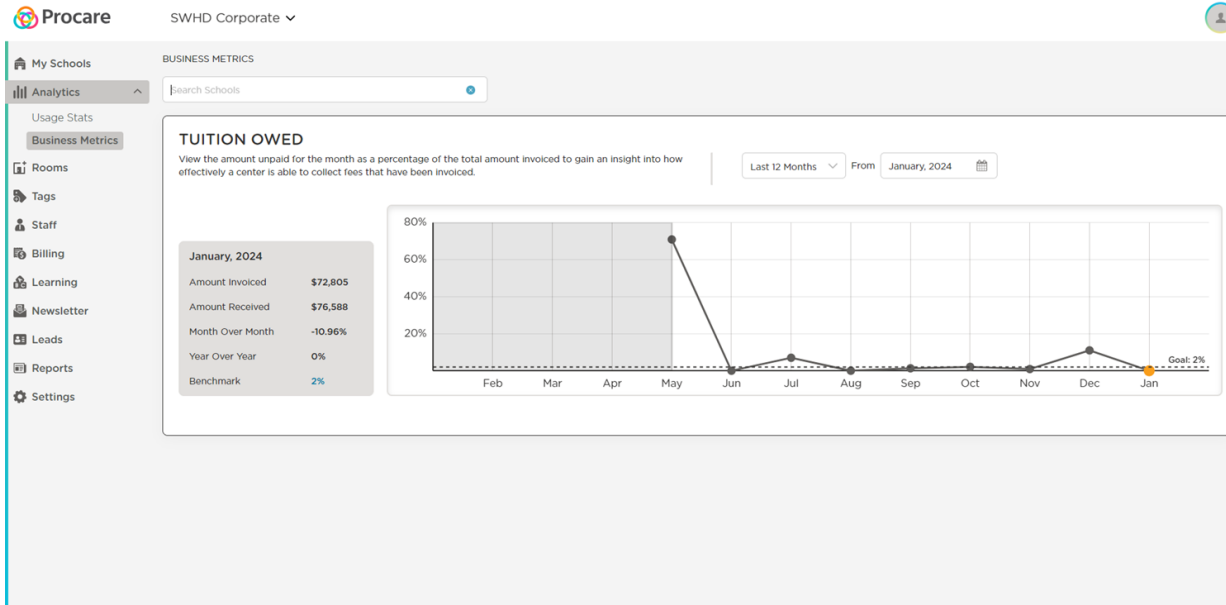
Total Invoiced	Total Received	Total Received Per Child	Amount Unpaid
$288,664.42	$301,546.68	$308.49	-$12,882.26

Streamlining Process

CCES FUNCTIONAL DIAGRAM
PHASE I

STATE SYSTEMS

KinderConnect

Login
UID
PW

Attendance
Absences
Tracking

"SUBMIT"

AZ DES

Provider

CCMS
(ProCare)

Login
UID
PW

Attendance
Absences
Tracking

UPDATE

AzCCATS

Eligibility & subsidy
Tax calculations
Reports
Provider payments

PPU Staff

CRM Dashboard

Automation Success Story

- For-profit provider in rural area
- Paper and clipboard management
- Onboarded to automation
- 1st day entering billing $2500 received

Activity

- Considering the Iron Triangle (quality care, affordability, and full enrollment), what is the number one challenge currently facing your program?
- What strategies have you implemented to address this challenge, and how effective have they been?
- How could implementing a CCMS help you improve your program's balance between quality care, affordability, and enrollment?

Child Care Business Resources

How to choose a CCMS

- CCMS checklist
- Capterra .com

State and National Resources

- Resource sheet
- ecesharedresources.com
- https://homegrownchildcare.org/
- https://www.civstrat.com/
- oppex.org/financial-management-toolkits
- Shared Service Alliance

Closing Remarks

- Recap
- Final Thoughts
- Q&A

Thank you!!

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