



Child Care Management Software

What you Need to Know and Why it Matters

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Introductions



Louise Stoney



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Purpose

Participants will be able to identify how Child Care Management Systems (CCMS) can:

- Address persistent challenges in the ECE sector and
- Support child care management in uncertain times
- Key features of Child Care Management Software platforms and resources to select a CCMS

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Opportunities Exchange: Promoting Shared Services in the Early Childhood Sector



Transforming the business of early care and education

- Shape public policy and public financing in ways that incentivize high quality, sustainable care for young children
- Providing technical assistance to Early Childhood providers who want to develop new, sustainable business models

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Shared Services: Our Core Values

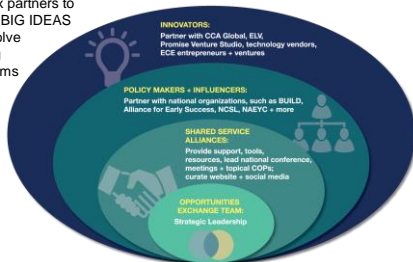
- **Every director** deserves an administrative team.
- **Every teacher** deserves pedagogical leadership.
- **Every child** deserves a reflective teacher.



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How We Work

OppEx partners to tackle BIG IDEAS and solve vexing problems



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POLL

1. I use Child Care Management Software designed primarily for centers (ProCare, Smartcare, EzCare, etc.)
2. I use Child Care Management Software designed primarily for family child care (KidKare, Brightwheel, Wonderschool, WeeCare, etc.)
3. I use software designed primarily for Head Start (ChildPlus, COPA, etc.)
4. I use software designed to communicate with families only (Kid Reports, Tadpoles, etc.)
5. I don't use any software products to manage my early childhood program.

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Why Business Automation Matters

- ◆ Child Care Business Model is Challenging
 - Market based pricing may not cover the full cost of care – especially for infants + toddlers or higher quality standards
 - Small centers (less than 100 children) typically don't have sufficient scale to break even
- ◆ Small percentage of the sector utilizing CCMS
 - Estimates as low as 20-30%
 - Many programs that have CCMS systems are not fully maximizing the benefits of the tool

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Enabling Child Care Industry Recovery



- Child Care Management Systems
- Business training
- Shared services
- Data interoperability
- Strategic cost modeling
- Staffed Family Child Care Networks

Learn more at www.childcareaware.org

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Challenge: Not enough time

ECE Program
Director
Job Description



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Challenge: Not enough money



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Why Business Automation Matters



Saves Time: Automating operations greatly reduces the amount of staff time needed



Saves Money: Reduced labor translates to cost saving for administrative tasks



Increases Revenue: Automated payments reduce bad debt, reconciliation of subsidy reimbursement, etc.

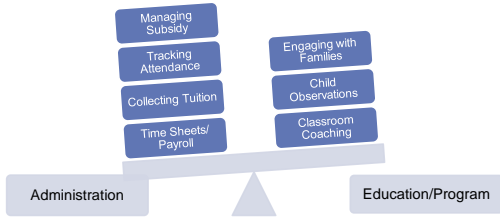


Skilled Financial Management: Data available in electronic format can be analyzed, informs financial decisions

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Why Business Automation Matters

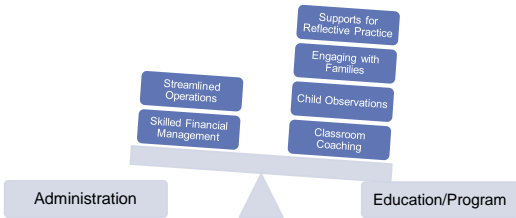
Directors **want** to Focus on Educational Leadership – but the Administrative demands of the job take a larger share of their time...



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Why Business Automation Matters

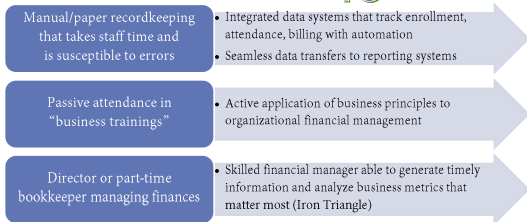
Effective use of business automation tools reduces the manual labor required for operations and **puts hours back** into the Director's day to focus on Educational Leadership



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Business Leadership: Business Automation + Financial Management

FROM → **TO**



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TECHNOLOGY

Solutions to Provider Challenges

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Challenge: Billing and Collections

Why it Matters

- Every \$ counts!
- Parent billing can put providers in the conflicting roles of family support and collection of parent fees
- Subsidy billing can be tedious, time consuming and requires careful monitoring for timely and accurate payment

The Iron Triangle of ECE Finance



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Solution: Electronic payment system

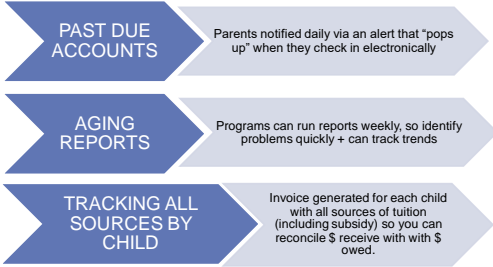
- Invoice automatically generated (no staff time, no paper/postage, no tracking)
- Increases on time/full payment
- Reduces the need to communicate for non-payment
- Parents manage payment record (including tax information)



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

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Additional CCMS Solutions for bad debt



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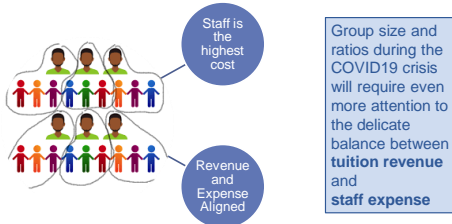
Consider this...



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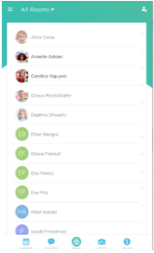
Challenge: Right Sizing Classrooms

Staff Child Ratios: Why it Matters



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Solution: Staff-child ratio management



Track Your Student-to-Staff Ratio
With our real-time staff and student attendance system, you can easily track ratios and ensure you are always licensing-compliant.
Set up alert monitoring to get notified when overstaffed or understaffed.

- Many CCMS systems give you real-time data about staff-child ratios for every classroom in your program
- Use this information to stay on top of staffing needs throughout the day

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Challenge: Staying Full

Why it Matters

- Budgets are based on STAFFED capacity
- If you are paying for staff in a classroom that is not fully enrolled, you are **losing money**
- Part-time slots -- and ANY gaps in filling slots -- contribute to less-than-full enrollment

Child care demand may be half or less than pre-COVID19 levels for the foreseeable future

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Solution: Data Management

- **Data** – Track your vacancy rate, by classroom, each week and use these data to drive decision-making
- **Technology** – Use a CCMS that has vacancy reports, staff assignment tools, on-line enrollment for families, etc.
- **Trends** – Use data to understand times of the year when enrollment goes up and down, and plan classroom staffing accordingly.

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Solution: Enrollment + Waitlist Management

- **Respond** to calls and schedule tours right away with automated scheduling tools
- **Track** prospects through regular email communication
- **Automate** Online tools (application, tour scheduling, and more) allow you to streamline the enrollment process and keep family info in one place

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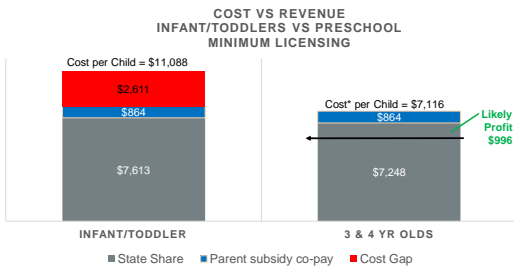
Challenge: Know your cost per child

Why it Matters

- Per child cost varies by age of child (as a function of staff-child ratios)
- Understanding the cost by child and classroom is vital to making good business decisions
- Must know the \$\$ "gap" before you identify ways to fill it

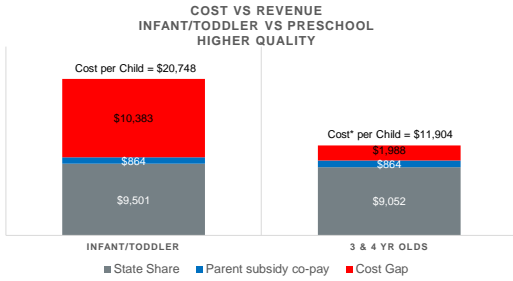
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Know your true cost per child



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Know your true cost per child



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Solution: Electronic recordkeeping



$$\frac{\text{Classroom expense}}{\text{\# of children}} = \frac{\text{Cost}}{\text{per child}} \quad \text{Classroom revenue} - \text{Classroom expense} = \text{Profit/loss}$$

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Challenge: Complying with Regulations, Standards, and Reports

Why it Matters

- Managing paperwork steals precious time from your work as a Pedagogical Leaders
- Keeping records in a CCMS is only efficient if you don't have to perform duplicate tasks, manually enter information, submit paper records, etc.

Additional time, tracking, procedures during COVID-19 will increase the need for efficient administration

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Solution: Interoperability between provider and state systems

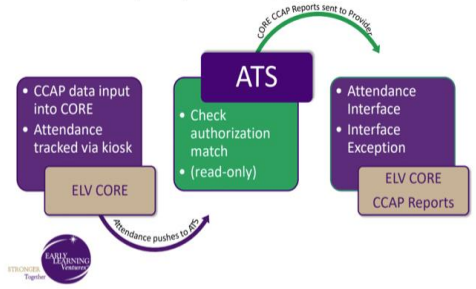
Application Programming Interface (API's) allows data systems to send information back and forth

- API is a "bridge" between tech solutions, for example:
 - Attendance data is collected in the CCMS
 - Data is seamlessly uploaded to state subsidy data base
 - Payment is generated and forwarded to providers

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Colorado Child Care Assistance Program Management

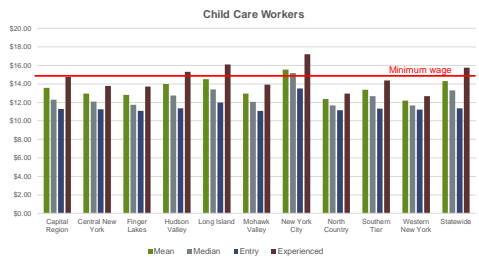
* Alliance CORE – links to State Attendance Tracking system and pushes attendance daily to verify attendance for payments.



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Challenge: Teacher compensation

The Challenge of \$15 Minimum Wage



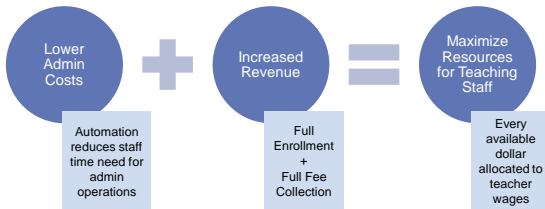
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Challenge: Provider compensation

	With Business Leadership	Stand-Alone	
Market price avg monthly tuition (per child)	\$600	\$600	
Total capacity of home	12	12	
% of market tuition captured	100%	90%	Iron triangle
Actual monthly tuition charged	\$600	\$450	
Vacancy rate	5%	25%	
Total potential revenue	\$82,080	\$61,560	
% of tuition collected (bad debt)	100%	90%	
Estimated Annual Revenue	\$82,080	\$55,404	
Expenses (Assistant wages, materials, services, etc.)	\$34,150	\$31,907	
Net Revenue to FCC Home Provider	\$47,930	\$23,497	

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Solution: Re-Allocation of resources



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Solution: Business Automation

Lower Administrative costs

Task	Before Automation	After Automation
Payroll/HR tracking	6-8 hours/biweekly	1 hour/biweekly
Tuition billing, tracking	10-12/month	.5 hours/month
Attendance tracking/subsidy billing	10 hours/week	.5 hours/week
Waitlist management/enroll new families	6 hours/month	1 hour/month
Total	48-54 hours/month .5 FTE staff	5.5 hours/month .0009 FTE

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INTENSIVE STAFF SHARING

St. James Children's Center (0 to 100 capacity) Center Self-Study

Category	Without RASA	With RASA
INTERNAL OPERATING COSTS	~\$100,000	~\$40,000
OPERATING COSTS SAVINGS	-	~\$60,000
RASA FEE	-	~\$10,000

SJCC saved **\$52k** in direct costs

collections moved from **13%-0%** in month one, increasing cash flow and preventing financial loss.

408 labor hours saved

RASA financial benefits realized within two months

St. James Children's Center reinvested their savings into a **new 401k retirement plan** for their staff, **increased medical benefits**, and offered **raises and bonuses to employees**.

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Challenge: Child Assessment

Why it Matters

- Paper based assessments are time consuming and often not integrated into a tracking platform
- Automated systems make it possible to use the data for a range of purposes, such as:
 - Inform teaching practices
 - Communicate with families and support staff
 - Support reporting for longitudinal studies or trend analysis

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Solution: Online Assessment Tools



More teaching time
Saves teachers two to three hours per week

Quick turnaround from assessment to instruction
Shortens feedback cycle from assessment to instructional adjustment

Increased child outcomes
Through enhanced instruction and more objective data collection

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Challenge: Family communication

Why it Matters

- Communication is more effective in multiple small bites
- Families are more engaged when communication is frequent
- Paper-based communication documents (e.g. health reports/forms/documents) can be streamlined

Post COVID-19, families will be concerned about using group care; regular communication will be critical

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Solution: Parent Engagement tools

- On-going communication (email or text) between teacher and family, including daily reports, photos, etc.
- Messages to individual families, classroom, center-wide

Ability to immediately communicate with families will be essential during COVID-19 pandemic

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Challenge: Staff Management

Why it Matters

- Complex data tracking for – HR, legal, professional development plans, payroll, etc.

COVID-19 challenges include:

- Bringing staff back in less than full employment; sharing tasks + jobs
- Scheduling, tracking assignments, maintaining ratios
- New training requirements

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Solution: HR Management tools

- Personnel files are electronic and up to date
- Tracking staff sign in/out is automated; reports are generated for electronic transfer to payroll service
- Ability to electronically record what tasks staff are performing (if they are sharing teaching/admin responsibilities)
- Multi-sites – can track personnel in all sites across the system

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Questions



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Explore CCMS

- Opportunities Exchange website:
www.opportunities-exchange.org
 - [Making Business Leadership Real](#)
 - [Issue Brief: Business Automation](#)
 - [Child Care Management Software - What you need to Know](#)
- Capterra – software comparison tool:
<https://www.capterra.com/child-care-software/>

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