

Spotlight on Arkansas' Fiscal Health Initiative for Early Childhood Education Providers

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Overview

Arkansas is implementing a partner-driven approach to build business knowledge and practices around basic principles of fiscal health for licensed and registered early childhood education (ECE) providers. The overarching goal of the initiative is to gather input from established ECE administrators and directors in centers and from owners of family child care (FCC) programs in Arkansas to identify the scope and sequence of skills needed to strengthen ECE business operations and reduce the number of program closures. This work, referred to as the fiscal health initiative, is part of Arkansas' larger workforce development effort to promote data-informed policy planning and oversight, including the creation of an education and workforce development system, or B-12 pipeline, connecting professional certification to higher wages for infant through high school teachers.

Background

The workforce development effort is led by Arkansas State University (A-State) Childhood Services and funded through the Child Care Development Block Grant, which is administered by the Arkansas Department of Human Services, Division of Child Care and Early Childhood Education (DCCECE). In 2019, Arkansas was awarded a grant from the National Governor's Association (NGA) to improve supports for the ECE workforce. After identifying a need for more training on basic business practices for ECE administrators and owners opening a new program, the NGA members created a fiscal health initiative committee to build upon DCCECE's previous experience in designing and implementing a series of professional development courses.

The following sections describes DCCECE's iterative process of developing various courses that served as the basis for the work of the fiscal health initiative committee.

First iteration

In Arkansas, the financial and business-related requirements to open a new child care center are minimal. All new applicants for a child care center license in Arkansas must comply with a one-time-only requirement¹ to have "a reasonable plan with a proposed budget for the financial support of the center covering costs of

¹ Arkansas Department of Human Services (2014). *Minimum Licensing Requirements for Child Care Centers*. Retrieved from: <https://humanservices.arkansas.gov/images/uploads/dccece/2014A1CCC-CleanCopyFinalFiling.pdf>

staffing, building (including rent or mortgage and repairs), utilities, equipment, safety and nutrition.” There are no current requirements in place for licensed or registered child care family homes.

As part of the child care licensing application process over the past 17 years, DCCECE consultants have held introductory meetings with all prospective business owners to go over the licensing rules and regulations, including a discussion of the initial budget and costs of operating a child care program. During these initial meetings and during subsequent visits after programs are licensed, consultants have frequently observed that program owners and directors are unfamiliar with fundamental aspects of business management and budgeting, causing them to struggle to stay in business.

Second iteration

This feedback prompted DCCECE to partner with A-State Childhood Services, which provides statewide in-service professional development, technical assistance, and coaching for licensed early education programs. This partnership resulted in the development of an optional course, “Dollars and Cents,” designed to help program owners and directors understand best practices of business management and operations. Over the next several years, feedback from instructors indicated that many who opted to take this course already understood the basic and intermediate concepts and were seeking additional training to further expand their skills. While some participants were fully engaged in the course and could apply their newly acquired skills immediately, other participants with fewer years of education and limited business experience were not prepared for the level of content covered and consequently could not take full advantage of the course. This feedback underscored the need for a basic course to introduce business concepts to a broader audience of ECE providers.

Third iteration

In partnership with A-State Childhood Services, DCCECE responded to this need by creating two additional professional development courses. One is a four-hour course that provides basic business management training for owners and directors of child care centers. It focuses on best practices in early child care management skills and is built around a self-assessment tool, the Program Administration Scale (PAS).² Called “PAS Basics,” the course is offered online eight times per year, and a face-to-face option is offered six times per year. FCC providers can enroll in a similar 3.5-hour course that is built around the Business Administration Scale (BAS)³ and called “BAS Basics.” As part of both courses, participants work through the self-assessment tool and think through what information should be included in a budget and what information should guide business decision-making processes; they also identify which program policies are needed to make the budget work as intended. Feedback on these course offerings has also been mixed, with some participants feeling lost during the exercise using the business planning self-assessment tool and unable to apply the concepts effectively.

Fourth iteration

These observations prompted DCCECE and their partners to begin thinking of ECE providers’ business skills as existing along a continuum, in order to identify other foundational business skills that might be necessary for capacity building. In 2018, DCCECE partnered once again with A-State Childhood Services to develop a three-hour foundation course to introduce fiscal terminology and strategies to providers. This course is currently being evaluated to determine whether it meets providers’ needs.

² For more information, see: <https://www.kaplanco.com/product/24682/program-administration-scale-pas?c=16%7CTR1005>

³ For more information, see: <https://mccormickcenter.nl.edu/library/business-administration-scale-for-family-child-care-bas/>

Current Status of the Fiscal Health Initiative

In 2019, the fiscal health initiative committee, led by staff at A-State Childhood Services, set out to gain a better understanding of providers' needs for additional support around the principles of running a business. The committee leaders began by convening one-on-one meetings with a diverse group of stakeholders with varying expertise and perspectives related to ECE and those connected to the field of small business. These included community representatives from faith-based, federally funded, and private pay programs of different sizes and from different geographic locations, as well as stakeholders involved with ECE program licensing. During these meetings, the fiscal health initiative committee asked the stakeholders to identify directors in their communities across the state who have stayed in business a substantial length of time and are regarded as "exemplary leaders" in the field.

Next, the fiscal health initiative committee brought these exemplary leaders together to do a deeper dive into the diverse needs for professional development and technical assistance across ECE sectors in the areas of financial and business practice. The exemplary leaders were asked to identify the most important lessons they have learned about business practices and how they learned or acquired specific skills and practices.

The fiscal health initiative committee used the information gathered from these meetings to start creating recommendations for how to improve professional development around financial and business practices for ECE administrators and owners.

Planning for the Future

The fiscal health committee is now in the process of finalizing their recommendations for future actions that DCCECE might take to support the ECE workforce around topics of financial and business practices. Recommendations could include changing the content of existing trainings to include specific skills and practices identified during stakeholder interviews, changing the sequence of the trainings, and possibly requesting that financial and business practice trainings be added as a licensing requirement for new ECE programs. The fiscal health initiative committee will also propose recommendations for a two-way communication channel between DCCCE and ECE program leaders to facilitate information sharing and feedback on future requirements that have potential fiscal impact on ECE programs.

Project Overview

This project aims to understand how state policies, funding, and practices support the strengthening of the early childhood education (ECE) workforce.

The purpose of this series of "Spotlights" is to highlight strategies and initiatives being implemented by state and local agencies designed to support the development of the ECE workforce.

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