

DEVELOP A BUDGET AND STAFFING PLAN

Staffing

Once you determine what services will be offered, the next question is, who will actually do the work? One **important word of caution** when establishing a SFCCN: the tendency is to create new jobs with titles like “Project Manager”. Remember that any new positions created must be sustained over time, after start-up funding is expended.

An alternative is to identify the tasks to be done and then determine the best way to accomplish the work. More often than not, it is best to using existing or part-time staff – remembering that business automation tools typically reduce the number of hours it takes to complete a task.

Sample Personnel Scenario for a SFCCN Budget Based on Current Staff of Hub Organization – for a Network of 10-12 providers

SFCCN Coordinator – Supervises day-to-day operations of team; single point of contact for members; reviews and analyzes all project data; ensures alignment between member policies and CCMS and Hub services. Overall project management. **Allocated at .20 FTE level of effort.**

Business Analyst - Review provider data in CCMS; provide reports, analysis, and coaching to members regarding Iron Triangle metrics; coach providers around revenue opportunities including CACFP; support marketing and enrollment; ensure parent handbook and parent contracts are in compliance with CCMS; help recruit and enroll new families. Strategic business support to members. **Allocated at .20 FTE level of effort** with initial cohort of members; allocation to increase as membership grows.

Fiscal Clerk - Manage fiscal functions of centralized administration for the SFCCN members including, accounts payable/accounts receivable; generate provider financial reports. Day-to-day business support to members. **Allocated at .20 FTE level of effort** with initial cohort of members; allocation to increase as membership grows.

Information Technology Coordinator - Assess member hardware and connectivity needs; price options for meeting needs; order and install equipment needed; troubleshoot equipment issues. Overall technology support. **Allocated at .04 FTE level of effort** with initial cohort of members; allocation to increase as membership grows.

Budget

Building a budget for Network Hubs involves two key steps:

- First, the Hub must estimate the **incremental cost to their organization**. This may involve hiring additional staff, adding hours to current staff, hardware and software costs, and more. Typically, there are one-time start-up costs as well as ongoing expenses.
- Second, the Hub and members must **agree on how those costs will be covered**. While these costs can often be subsidized by private funding during the startup phase, unless public contracts are identified, members should be clear about the possibility **of needing to pay directly** for intensive, individualized Shared Services or ongoing automation licensing fees or membership fees after private funding goes away.

Ideally, when approaching a potential funder for launch funds, the SFCCN will have a business plan that clearly specifies a **pathway to sustainability** – the point at which public contracts and possibly member agencies are supporting the cost of Hub services – while simultaneously saving money on the cost of these services without the SFCCN.

The key to sustainability is **keeping overhead and administration costs at the Network Hub low** by building on existing staff and infrastructure and by exploiting the full range of opportunities offered by technology and automation. If this goal is achieved, the SFCCN is more likely to have the resources needed to not only support the cost of the Hub, but also invest in quality improvements.

In some cases, ongoing funding may be necessary for SFCCNs that include supports such as comprehensive health/mental health/social services or deeper pedagogical leadership. In these instances, the SFCCN is more likely to secure funding on behalf of FCC members than individual FCC programs seeking funding independently.

Typical sources of funding include: local and regional foundations, religious organizations, private contributions, and government grants. Experience suggests that the most likely funders for Shared Services are local foundations and businesses that understand the local market and will be responsive to the financial and quality improvements that Shared Services offers.

Key Factors in an Effective SFCCN Budget

- Staffing plan is fully aligned with service menu
- Staffing plan effectively uses percentages of existing staff at Hub organization
- Staffing allocation increases in alignment with projected increased membership demand/needs
- Cost per member is reasonable based on CCMS licensing fees paid by Hub and based on services that provider member receives

BUILDING AN ONGOING IMPLEMENTATION SERVICE BUDGET

The format below may be helpful in assigning costs to each service delivered to SFCCN members. An example follows.

SPECIFIC SERVICE	DELIVERED BY (Staff position or consultant or organization/subcontractor name)	ANNUAL COST	COST PER FCC PROVIDER - 10 providers in this example	COST PER CHILD - average enrollment of 6 children per provider or 60 children
Offer tax preparation	ABC Accounting Firm	\$5,000	\$500	\$83

In addition to the expenses tied to services provided by the SFCCN Hub, the Hub may have administrative and other expenses to add to the overall budget, but every effort should be made to keep these costs as low as possible to ensure a pathway to sustainability.

Technology - CCMS licensing fees, accounting software fees, etc.

Network Hub administrative staff to:

- lead, supervise and oversee the project
- ensure revenue and expenses are in alignment with project budget
- ensure that outcomes data are collected and in alignment with expected outcomes
- ensure member satisfaction and growth
- hire staff/contract for services and ensure expected levels of performance.

Costs such as:

- occupancy
- travel
- supplies
- communication & connectivity
- overhead.

Budgeting Revenues for a SFCCN

While planning and implementation costs are typically supported through philanthropy, over time provider member fees and other on-going public revenue will ideally lessen or eliminate the need for fundraising from 'soft' sources. SFCCN sustainability is the goal.

Possible sources of SFCCN revenue include:

- Subsidy contract for child care slots from the state child care administration agency
- Head Start/Early Head Start funding (as grantee, delegate or community partner)
- Public PreK contract for PreK slots
- FCC provider member fees for specific intensive and individualized services such as tax preparation and ongoing accounting
- Contract from the state child care administration agency for licensing/certification/QRIS training and coaching
- CACFP sponsorship of food program for participating providers
- Maternal and Child Health funding for health/mental health/family support services