

# Opportunities Exchange

## MICRO-CENTER NETWORK

A New Strategy to Scale  
High-Quality Care  
for Infants and Toddlers

September, 2019

**A micro-center network** is a new business model designed to deliver high-quality care at a more sustainable cost.

**H**igh-quality care for infants and toddlers is so expensive to provide that few spaces are available nationwide and prices are significantly more than most families can afford. A micro-center network is a new business model designed to deliver high-quality care at a more sustainable cost by creating working conditions for teachers that make it possible to attract and retain top-notch talent and allow staff to grow professionally. A micro-center network creates economies of scale and specialization using a leadership and management model rooted in Shared Services.

### APPROACH

A micro-center network includes multiple, one-classroom child care ‘centers’ located in an existing public or charter school, hospital, office building, community center, or the like. Ideally the space and related facility costs (e.g. maintenance, janitorial, utilities), as well as furnishings/equipment, are donated by the school or private sector sponsor—keeping start-up and overhead costs to a minimum. Each micro-center is equipped and staffed to provide top-quality center-based care under the leadership of a Network Hub. A single qualified individual, employed by the Hub, serves as “director” for the network of micro-centers and is responsible for supervision, coaching, and instructional leadership of classroom teachers as well as overseeing curriculum, child assessment, parent engagement and other pedagogical leadership tasks. All administrative services (enrollment, billing and fee collection, grants management, licensing and quality rating liaison, etc.) are provided by the Hub central staff. Teachers in the micro-centers are employees of the Hub, with access to employee benefits, an internal career ladder, reflective supervision and other professional supports.

### THE CHANGE AGENDA

While the micro-center approach can begin as a pilot, with licensing waivers to test alternative supervision structures, the intention is to craft policy that considers the network to be a single child development center for purposes of regulation and finance. After evaluating results, policy could be revised to embrace micro-centers as a new ‘type’ of early care and education (ECE) program, making it possible for small sites to share administrative staff, maximize automation and significantly improve quality. Unlike small child care centers that operate with a traditional business model, the micro-center approach can support sustainability via:

- Lower administrative costs (as a percentage of direct services) so that maximum dollars are spent on classrooms, to boost compensation and improve working conditions;

*continued on page 3*



# Opportunities Exchange

## MICRO-CENTER HOST LOCATION ROLE

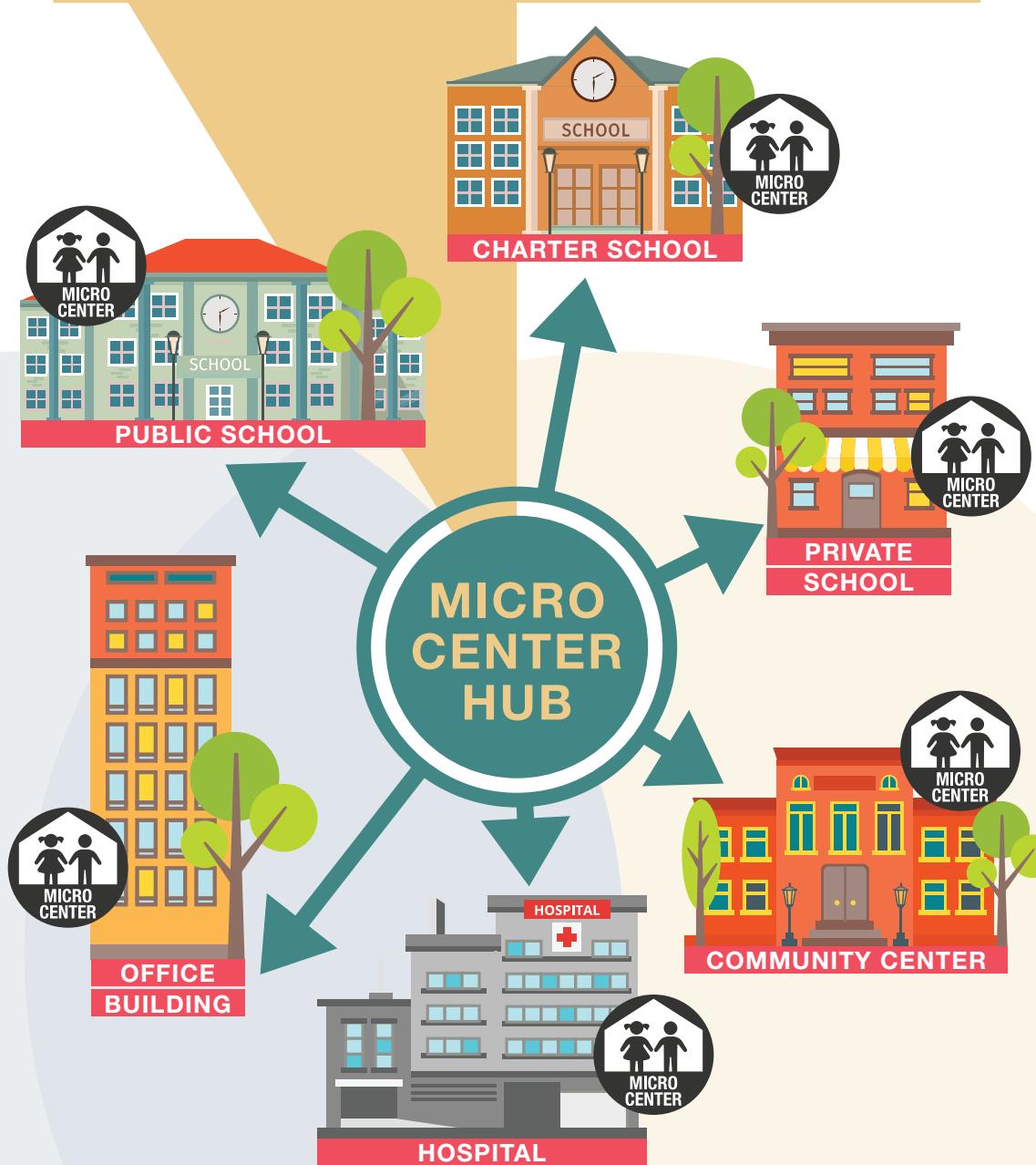
- ▶ Makes a classroom space + related facility supports (e.g. janitorial, maintenance) available free (or minimal cost)
- ▶ Helps support cost of needed renovation, equipment, furnishings
- ▶ Collaborates with Micro-Center Hub to ensure compliance with licensing, insurance, and local fire and safety requirements
- ▶ Ensures consistent communication regarding issues that could impact Micro-Center operation
- ▶ Markets services to employees

## HELPFUL POLICY CHANGES

- ▶ Licensing waivers to allow off-site director for Micro-Centers
- ▶ Support for electronic billing, reporting, records (e.g. fingerprints)
- ▶ Subsidy contract with Hub for slots in Micro-Centers (based on parent choice)
- ▶ Base subsidy rate on cost (not price) based on data from Hub
- ▶ Consider higher-quality rate supplement for Micro-Center network, based on shared pedagogical leadership + family support staff

## MICRO-CENTER NETWORK HUB ROLE

- ▶ Hires, orients, supervises and supports teachers in sites
- ▶ Provides employment supports such as payroll and benefits administration, as well as all other Human Resource supports
- ▶ Supports families with enrollment, subsidy paperwork, parent engagement, needed supports
- ▶ Tracks + manages enrollment to ensure all sites are full + all fees collected; leads collaborative marketing + fundraising
- ▶ Manages Micro Center network budget and handles all fiscal management + funder reporting
- ▶ Ensures all sites are high-quality, based on QRIS, licensing, accreditation as appropriate





# Opportunities Exchange

*continued from page 1*

- Hub management of the ECE [Iron Triangle](#) to ensure full enrollment, full fee collection, and cost data that informs public and private rates;
- Public subsidy rate increases based on top-quality services;
- Ability to negotiate contracts with the Hub for a ‘block’ of child care subsidy slots (to be allocated among the network classrooms, based on parent choice);
- Hub leadership for, and coordination of, third party fundraising for unique needs not covered by weekly tuition.

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## EXPERIENCE TO DATE

The micro-center model was launched by the Chambliss Center for Children in Chattanooga, TN more than sixteen years ago, and is currently used to support mixed-age parent ‘cooperative’ centers in twelve of the city’s public schools. Last year, Early Connections Learning Centers in Colorado Springs submitted a Micro-Center proposal to the Open IDEO Early Childhood Innovations Prize. Their [Quality at Scale](#) proposal won recognition as a top idea.

## RESULTS

Chattanooga micro-centers are located in donated space in public schools, and the target market is public school teachers, who need affordable, high-quality on-site child care. Nationally, 46% of new K-12 teachers leave their jobs in the first three years, often due to starting families and struggling with high-cost child care. The Chattanooga City Schools that participate in the Chambliss model have successfully lowered turnover among teachers employed by the district. The project has been so successful that City schools now include space for a micro-center in every new school they build. 