Factors affecting Successful Public-Private Partnering in North Carolina

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Running head: Successful Partnering

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"We are a society whose best performance requires many centers of responsibility, initiative, and decision" (Rostow, 1978).

Abstract

The intent of partnering is to improve efficiency, and increase productivity or service provision, while keeping costs down. A combination of elements is necessary for the successful joining of organizations as partners. Partnerships must have common purpose, visions and goals. Partners must think as a team, communicate frequently and develop a long-term strategy. Successful partnering requires establishing a relationship of equals who are communicative and accountable. The North Carolina Partnership for Children, also known as Smart Start, is an example of a public-private partnership developed to address the needs of preschool children. Smart Start's campaign plan was to provide public services with corporate monies. The design principles described as necessary for successful partnership development have not been achieved in this case. Members did not have common purpose, open communication nor were they held accountable. Smart Start goals were not mutually agreed upon and success was not achieved. Public-private partnerships do work, they allow for leverage, flexibility, interdependence and economic opportunities in meeting social needs with limited resources. Public-private partnering should continue, however, with caution in design, formal agreements and accountability.

Introduction

I will examine the combination of elements necessary for the successful joining of public and private organizations to address societal needs in North Carolina. Organizations are establishing links, in the form of partnerships, between government and private industry to attend to issues previously considered the domain and responsibility of the public sector. The intent of partnering is to improve efficiency, increase productivity or service provision and decrease costs. The idea of partnering or joint venturing is not a new phenomenon; however, public-private partnerships are becoming a frequent means of attempting to solve community problems.

The North Carolina Partnership for Children, or Smart Start as most North Carolinians know it, is an example of a public-private partnership developed to address the needs of preschool children. Smart Start's campaign plan was to provide public services with corporate monies. The partnership was to be a long-term investment in community development, child/family enrichment and economic growth. Smart Start must meet a set of design principles to ensure its development into a viable, reliable, successful partnership. We can define success as reaching the mutually agreed upon goals of the joint venture. In order for partnerships to be successful, they must center around a common purpose while sharing common visions and establishing common goals. Partners must think as a team, communicate frequently and develop a long-term strategy.

Partnerships do work, they allow for leverage, flexibility, interdependence and economic opportunities without incurring additional capital expense. They are an excellent means for the public sector to stretch resources to met the needs of an ever growing population. Partnerships are an ideal way for private industry to be involved in the needs of society and specifically their communities. They enable non-profit organizations to access vast public resources while maintaining autonomy outside the bureaucracy. However, a good partnering match does not just happen, and a once prosperous partnership will not remain successful without nurturing attention.

Because successful partnering allows sectors to extend and expand good/service provision economically, more joint ventures would be appropriate to address other social issues such as those facing adolescents or displace workers in North Carolina. However, groups would be ill advised to partner for the sake of evolving an issue from the status of a problem to a catastrophe. Partnering with the intent of shifting strategic and financial responsibility from one sector to another is short-term planning at best and is often disastrous. Partnering, under these circumstances, often results in limited or no goal attainment, squandered resources and ill will between those involved in the attempt. Partnering should center around mutual vision, shared missions, and attainable partner goals. Successful partnering requires establishing a relationship of equals, keeping communication open and holding members accountable for their actions.

The Current Literature

An Overview of Privatization, Partnering and Joint Venturing

American society was founded on the principles of public-private partnerships.

At the turn of the century, the public sector subsidized private railways and waterways, public works programs, agricultural and technological colleges, and health care for the elderly and insane. Today the more familiar national and regional partnerships include the space program, a world wide communication system, intercity revitalization projects and North Carolina's Smart Start initiative. Both large and small public-private partnerships have a long history of success (Rostow, 1978).

The intent of partnering is to improve efficiency, increase productivity or service provision and decrease costs. Partnerships can be defined as "two equal partners attempting to maximize the human services system's output through joint action" (Kettner and Martin, 1985). Partnering is a joining of sectors to reach a common goal (Bergquist, Betwee & Meuel, 1995). When group design provides and manages services for a specific purpose (Frug, 1991), a partnership is formed. Partnerships, often just another name for joint ventures, are an attempt to link the best of different environments to meet social needs (Bergquist, Betwee & Meuel, 1995).

Privatization, by contrast, means "to alter the status of (a business or industry) from public control or ownership" (Frug, 1991). Florestano feels privatization is considered due to four governmental limitations, "...doing more than it ought to..., ...not acting effectively or efficiently, ...not being sufficiently responsive... to the middle class and business community, and ...spend(ing) too much (Florestano, 1991). The public sector engages in privatization to improve efficiency, increase productivity and decrease costs by using private contractors providing public services. Decisions to privatize should be made situationally (Harty, 1991) and carefully. Privatization is considered a tool for public administrators (Bailey, 1991), because the threat of privatization often forces public sector managers to consider new solutions to old problems (Harty, 1991). Although a useful tool in certain situations, privatization relinquishes routine control and responsibility for goods/services provision from public providers to private suppliers. Differentiating between privatizing and partnering is important because in privatization mutual goals are not set, continuous communication does not exist and a joining of organizations does not occur. Therefore, privatization is not the focus of this report.

Analyzing the Private, Public and Non-Profit Sectors

Partners must be "sensitive to the commonalities as well as the distinguishing features between the 'sectors' when pursuing the sometimes elusive, yet admittedly attractive, partnership goal. The pursuit of public/private partnerships clearly has become one of the key public management challenges...", according to Pattakos (1984). Although generalities can be misleading, an attempt to understand the unique characteristics of all sectors is a necessary first step in meeting the public management challenge.

The purpose of the private sector is singular in nature, providing a profit to company shareholders. The environment is competitive and managers are judged by the volume of profit they produce. Lines of authority are clearly drawn and managers have freedom in decision-making, including hiring and firing. Managers fill jobs only when necessary to increase productivity and profits, tieing their labor changes to economics and technology (Shichor, 1995). They achieve continued growth by using incentives (Frug, 1991). Employees in private business and industry have the right to strike and can freely engage in political activities. Unethical behavior at all levels is more tolerated, and often expected, in this sector (Shichor, 1995).

Public sector agencies tend to be budget driven, multipurpose and labor intensive, while providing more services than tangible goods. Public sector managers have short tenure, often only two years, and their professional lives are closely tied to their political functions. Employees in this sector are aware of the negative public attitude toward them and the quality of their work. Motivation and incentives to improve the quality of work tend to be low. As a result, public employees tend to resist change and are suspicious of ideas altering their routine (Shichor, 1995). The public sector may be less efficient in work production simply due to the volume of laws and regulations within which they must function (Frug, 1991).

The public sector is often a monopoly provider, a position envied by other sector leaders (Shichor, 1995). Monopolies have no competition. Being a monopoly means the public sector does not have to maintain a level of quality for goods or services to survive, tax revenues assure their future. Within the pros of monopoly status lies the enticement for sectors to partner. Other sectors would like to enjoy security and demand for their goods and/or services a monopoly receives. Therefore, all sectors routinely search for public joint venture opportunities (Shichor, 1995).

Traditionally, partners have been drawn from the same sectors or from a combination of public and private sectors. More recently, the non-profit sector has become involved with partnering. When a high degree of interdependence is needed, non-profit organizations are best suited for partnering (Becker, 1985). Non-profits enjoy the advantages of flexibility in routines, higher wages, homogeneity, volunteers, the absence of employee unions, stated period for services, decentralization and specialization (Liebman, 1984). Non-profits are anxious to partner to increase their access to funds, access to information and access to power, all of these domains are traditionally outside the non-profit culture (Botkin & Matthews, 1992).

Describing Partnership Models

The traditional hierarchical model cannot be used to build successful partnerships. Power must be balanced between the partners and individuals within the partnering organizations. All of this must be accomplished while maintaining a primary commitment to the greater goal of serving the community (society) (Block, 1993).

Effective partnerships have a shared direction that is industry or market focused. Their structure is flat or networked, and can be of agreement, function or commitment, while their systems are interactive. The culture of partnerships is collaborative and operations are adaptive. The direction can be product, service or customer based. In the best partnerships, competencies are process driven and leadership/management is team based. Competencies can be learning, critical thinking, clarification of values (Bergquist, Betwee & Meuel, 1995) or ethics. We will discuss the relationship of these critical factors for success and the North Carolina Partnership for Children initiatives later in this report.

When considering joining forces, prior research of potential new partners is important. Organizations should know the history, structure, mission, goals and leadership of groups before joining. Partners should come to the collaboration table with both general and specific goals, enabling potential partners to establish a strong initial impression upon which to build trust (Bersi, 1987).

Block advises attention to three elements in linking organizations for partnering (1993). First, individuals must determine the culture of the partnership being created. Second, rewards must be balanced between the partners. Finally, rewards, success and results must be distributed equitably. When linked, organizations must provide services and meet needs (Block, 1993).

Bersi gives us three keys to partnering that are similar in meaning to Block's elements (Bersi, 1987). First, initial contact should start at the top. Top management will talk, listen, and more quickly respond to other top managers. Second, approach others with a partnership in mind not a desire to receive a handout. Finally, do your homework throughout preparation, contact and follow-up. Bersi reminds potential partners that once they sign an agreement to partner, the job of partnering has just begun (1987). Included in Bersi's final key is his best advise, get to know your potential partner before the paperwork is in place.

Botkin and Matthews (1992) have expanded Bersi and Block's basic ideas in their partnering model. They have developed a three stage, twelve principle approach. Stage one, finding a partner, recommends following a step-by-step partnering strategy, putting a motivated 'networker' in charge of the search, developing a profile of the partners you seek and contacting multiple candidates. Stage one of Botkin and Matthew's model covers the first of Block's elements and all three of Bersi's keys. Stage two, creating a contract, requires focusing on potential mutual benefits, starting simple, setting benchmarks and involving lawyers. Stage three in Botkin and Matthew's model involves managing the partnership. This stage emphasizes the partnership mentality, developing a team of champions, communicating frequently and thinking long term for success (Botkin & Matthews, 1992).

Stage one, finding a partner, is clearly understandable and involves doing background research before approaching a potential partner. Creating a contract, stage two, directs attention to the goals of each partner. Interestingly, the authors advise starting simple (Botkin & Matthews, 1992), not with overwhelming plans or goals. Benchmarking begins within this stage and involves setting milestones for completion of tasks, reporting and evaluation standards. Legal assistance should be contracted at this stage to avoid future personal and professional conflicts. Stage three, managing partnerships, centers around building a long term team approach to managing the goals of the partnership (Botkin & Matthews, 1992).

Kettner and Martin have designed a partnership model that differs from those previously described and deserves brief attention for its unique features (1985). Kettner and Martin's Partnership Model/Market Model is a continuum of varying degrees between the two extremes (1985). The partnership extreme as "a set of policies and practices which views government and the private sector as part of a comprehensive human services system and where the determining factor in selection of contractors is a concern for the development and maintenance of the human services system" (Kettner & Martin, 1985). A comprehensive human service system could be generically viewed as any services or goods two organizations engage together in providing. The partnership extreme emphasizes the strength of the relationship, flexibility, compromise, specialization, and decisions based on concern for service recipients. Caution is advised when experimenting with service provision (Kettner & Martin, 1985).

The market extreme is defined as "a set of policies and practices which encourages competition among potential contractors and, where like contractors are competing to provide a like service, price is the determining factor" (Kettner & Martin, 1985). Efficiency is the driving force for this extreme. The market extreme emphasizes measuring efficiency and effectiveness, negotiating budgetary concerns, making decisions based on cost efficiencies, encouraging service provision experimentation and devoting resources to the achievement of these ends (Kettner & Martin, 1985).

Kettner and Martins Partnership Model/Market Model Continuum is dynamic in nature and partners easily slide in either direction as situations arise and decisions are made (1985). Issues such as program design, service provision, budget decisions and evaluations affect the positioning of a joint venture on the partnership/market continuum (Kettner & Martin, 1985). The continuum model is an interesting way of viewing these relationships and is most helpful when considering partners reactions to change. However, the model is not useful in determining the success or failure of a partnership, only in determining their current location on a linear plane of action.

Botkin and Matthew's model is the most comprehensive available to analyze the solidness of a partnership's initial design, their ability to achieve their established goals and the likelihood of partnership survival (Botkin & Matthew 1992). The Botkin and Matthew's model will be used as a guide for the Smart Start case analysis later in this report (1992). Both stages two and three of the model note the importance of frequent communication and evaluation. Everyone on the partnership team must be continuously informed of the project's progress in order to better evaluate goal attainment (Botkin & Matthews, 1992). Care must be taken not to overlook the importance of information sharing. The lack of open lines of communication among partners is a prelude to failure (Botkin & Matthews, 1992) and one major flaw found in Smart Start and many other partnership attempts.

Factors affecting Successful Partnerships

In 1978 Rostow advised the United States to invest in public-private partnerships in order to remain on the cutting edge of the industrial age (1978). This becomes even more vital in the communication/computer age. Partnering allows sectors economically to extend and expand the provision of goods and services. The aim of public agencies is to provide services to a broad clientele while leaving the provision of specialized services to private agencies, therefore, private providers extend services. Private providers can be used as a governmental substitute, doing what government does not want to do. The use of private sector providers is one way policy makers and administrators can gain support for government programs. Private service providers are more economical, allowing government increased flexibility in its implementation scheme (Thompson, 1985).

Organizations, joined through partnering, can expand resources without additional capital expense, resulting in yield efficiency. Partnerships have leverage and flexibility enabling them to deal better with change. The delivery of complex and customized services/goods can be achieved through partnering. Public/private partnering provides competition to partner, avoidance of bureaucratic red tape, and multijurisdictional economic opportunities (Brown, 1991). Developing partnerships results in a sense of interdependence, allowing organizations to address better the unique concerns of their communities. The partnership structure allows for personal involvement and professional growth for members (Bergquist, Betwee & Meuel, 1995). Unfortunately, there are no guarantees of cost reductions (Brown, 1991) or service improvements.

Two potential threats associated with the private provision of public services are reductions in service and lack of service access for the disadvantaged (Harty, 1991). The possible loss of direct control, and with this, the loss of accountability is an additional concern (Bailey, 1991). Partners are advised to be cautious of issues such as competition, "creaming", corruption, cost inflation, program control, community impact, hidden monopolies, regulations, loss of economies of scale, contract or agreement compliance, lost opportunities, and limits of governance (Bailey, 1991; Kolderie, 1991). Methods to deal with these concerns include periodically switching between sectors for service delivery (Harty, 1991), routinely revisiting the partnership agreement, keeping communication open and holding partners accountable for their actions.

Successful partnering requires establishing a relationship of equals coming together for a common cause through the use of a legal instrument. Partners are advised to avoid a dependent, client-supplier relationship (Brooks, 1984) when seeking joint ventures. Partnerships must center around an exchange of purpose (Brooks, 1984), where participating organizations share a common mission and establish common goals.

The culture of partnerships will develop apart from the formal agreement and can be controlled by leadership. The culture must develop as collaborative, adaptive and cooperative (Bergquist, Betwee & Meuel, 1995). Each partner should receive some or all of their objects in return for participating in the venture (Botkin & Matthews, 1992).

Hanson believes that partners must understand change and the change process in order for public-private partnerships to be successful (1983). Understanding and reacting positively to change means making decisions designed to accomplish developmental goals over growth goals (Hanson, 1983). The partnership goals should be fully developed before any growth is attempted. The partnership should be enjoyable, allowing members to expand their current capabilities and giving them the flexibility to reach new achievement goals.

Failure or breakdown within the partnering model occurs when partners fail to communicate, loose trust among themselves or do not meet the benchmarks set around the partnership goal(s) (Botkin & Matthews, 1992; Bergquist, Betwee & Meuel, 1995). When partners do not spend enough time matching intentions, competencies, and perspectives, the pairing will stall and eventually dissolve. Changes in partners, members or leaders can result in partner stress making the agreement vulnerable to a breakdown (Bergquist, Betwee & Meuel, 1995). The primary symptoms of partnerships on the verge of failure are loss of trust, loss of liability, loss of control, failure to meet goals and varying perceptions of time (Botkin & Matthews, 1992).

Partnering allows sectors to extend or expand goods/services without additional capital expense. Partnerships have the leverage and flexibility to provide complex or customized goods and/or services while taking advantage of economic opportunities. The interdependence that evolves allows partnerships to address their community issues better.

Literature Conclusions

Successful partnering requires establishing a relationship of equals coming together to address a common issue. Botkin and Matthews have the best model for designing a successful partnership (1992). Their three stage approach includes finding a partner, creating a contract, and managing the partnership, within each stage Botkin and Matthews give steps to accomplish these tasks. Their model is an excellent initial guide to begin the work of partnering and as a benchmark to evaluate continuously the effectiveness of the agreement and to manage partnerships. Successful partnerships share a vision and have a common mission and goals. Partners think as a team, communicate frequently and develop a long term strategy for survival and growth. Partnerships are most efficient when their structure is flat or networked, allowing for interdependence, continuous interaction and communication.

Partnering should be a proactive decision, not a reactive one. According to research leaders should combine resources to extend and expand the provision of goods or services economically, not come together for individual gains (Thompson, 1985). The most important themes in attempting to partner and maintaining partnerships are common goals, open communication, shared responsibilities, trust and continuous evaluation of agreement. Factors that can negatively affect partnering include losing trust, failing to communicate and inability to reach partner set goals. Breakdown or failure is generally a result of groups or individuals not spending adequate time matching intentions, competencies and perspectives before contracting to partner.

Successful partners begin a joint venture with a common cause and bring equal expertise or resources to the effort to gain equal benefits. Members are responsible for their contribution to their partners. The requirements of a specific partnership will change overtime, therefore, partners should routinely review, evaluate and revise agreements to meet changing needs. If the above standards are met, partnering will be successful and last the duration of the partnership goals.

Partnering Attributes

Structure	Communication	Goals	Evaluation
Flat Networked Team Agreement-Based	Open Continuous Interactive	Common Shared- Resources Long-term Accountable	Continuous Evaluation of Goal Attainment and Effectiveness Question need to continue Partnering

The best way to understand partnering and determine success or failure of the effort is to examine an actual partnering attempt. The Smart Start case study follows the events surrounding the conception, formation and establishment of that joint venture. The concept of designing a program to provide services to preschool age children originated as part of a political campaign, making Smart Start somewhat unique in its origins.

Smart Start's structure is also unique because the partnership spans all three sectors: public, private and non-profit. The case review and analysis follows.

Smart Start: North Carolina's Partnership for Children - A Case Study

Introduction

The North Carolina Partnership for Children, a not-for-profit agency, was established through legislation with the task of identifying, supporting and funding community-based projects to address children's needs. A careful examination of the North Carolina Partnership for Children, often referred to as Smart Start, reveals the strengths and weaknesses of the design model used in its formation. The players in the Smart Start partnership and their roles in the development of the project will be identified and outlined. The time line for this case study will begin with the stages of partnership development in late 1993 and end with the exiting of the initial director in the summer 1995. Conclusions can be drawn about the Smart Start public-private partnership model and how successful this model has been in addressing the issues of control, authority, communication, mutual benefits, goal setting and program evaluation.

Smart Start is a bold, innovative public-private partnership attempting to reinvent the delivery of services for children. No more than an embryo during Jim Hunt's 1992 gubernatorial campaign, Smart Start was to become North Carolina's answer to improving the lives for her youngest citizens. Decades of research has proven that support for children before school age is essential to secure their future as productive citizens. With that goal in mind, Smart Start grew from a day care plan into a comprehensive child care initiative mobilizing a full range of services to prepare children better for school entry. The Partnership was to be the hinge pin linking community and statewide organizations to achieve the goals of Smart Start.

Describing the Issue - An Overview

Governor James B. Hunt, in his January 9, 1993 Inaugural Address, discussed the plight of North Carolina's youngest citizens, "We have not done as well as was have wanted in North Carolina. We have not done better because we have started too late. We lose them (children) before they show up for the first day of school... If we don't change this, nothing else we do will make much difference. If we change it, nothing else we do will make a better difference." Jim Hunt advocated for children before his election, during his 1992 gubernatorial campaign. Shortly into the campaign he referred to giving children a "smart start" to prepare them better for school performance. The sound bite caught on and Hunt became the symbolic leader for the needs and issues facing North Carolina's children.

Several stories exist as to the origins of the idea to focus on support for preschool age children. After almost twenty years of neglect, North Carolina was finally generating financial and technical support her children (Niblock, 1995). Some sources believe Hunt was compelled by grand-parenthood to focus on children. Others believe the answer is as simple as looking for a "hook" during a third gubernatorial campaign. Hunt, some believe, was persuaded by his supporters to include children in his campaign platform to repair the damage of his previous negative United States Senatorial race. Some students of Hunt campaign strategies believe the initiative grew out of his continuing commitment to economic development. The only way North Carolina can be competitive in attracting new business to the state is by having an educated, skilled, healthy workforce. Children are the link in all these possible scenarios.

The limited amount of quality, affordable child care became an issue in North Carolina when children began being neglected, physically and sexually abused, and exploited in the care of others. A rash of day care incidences in the state and across the nation were being covered by the media. Weekly "real cop" shows were portraying the plight of children as helpless victims. Incidences ranged from operating day cares unlicenced, to caring for too many children at a time, to abuse, neglect and physical endangerment (Blueprint, 1994; Niblock, 1995). The deplorable condition of the day care system was no longer the problem of working parents of preschool children; the issue has become a statewide alert shouting for help for North Carolina's children.

Smart Start was believed to be just the help the system needed, a long-term investment in community development, economic development and the development of families and children. North Carolina's children are North Carolina's future. Every child has a right to live and grow in a loving, nurturing, healthy environment; an environment free from abuse, neglect and violence (Kuralt, 1995). North Carolina's youngest citizens need this type of environment to become state leaders and entrepreneurs. Children need health care before and after birth. They need strong family support to encourage their development. They need early childhood education to prepare them adequately to enter school. Smart Start was designed to facilitate these needs through a series of community-based initiatives (Kuralt, 1995).

Identifying the Need and Demand for Children's Services

Research beginning as early as 1961 emphasizes the importance of early childhood development, stimulation, and the need for an active-learning environment. Benjamin Blooms' 1964 study concluded that half a child's general intelligence by age 17 is formed in the first four years of life. In the first year of life, the human brain develops two-thirds of its final size. Language, the key to most learning, develops by age three. By age six, a child's self-concept and sexuality are formed. Conscience develops within the first three years of life for children with stable, consistent relationships with care givers (Niblock, 1995).

The 27-year study by High/Scope Educational Foundation on the Ypsilanti, Michigan, Perry Preschool Project concludes that preschool makes the difference. Disadvantaged children receiving a quality preschool experience, were compared with those who did not. They tracked these children after entering school and throughout adulthood. By age seven, they scored higher on IQ tests. By age 14, their achievements were higher in high school and respectively their dropout rates were lower. At age 27, their incomes were higher than their peers resulting in a higher percentage of home ownership. Negative indicators such as dependence on social services and arrests were all lower for these children (Niblock, 1995).

The results of the Perry study are conclusive, children receiving quality, active-participation day care have an overall improved quality of life. Early childhood intervention in the form of a high-quality, active learning preschool creates a framework of adult success. Plainly stated, people given an above average start in life obtain above average incomes, education, pay above average taxes, therefore, becoming above average citizens (Niblock, 1995). The goal of Smart Start's service provider partners was to give North Carolina's children an above average start in life.

The Frank Porter Graham Child Development Center at the University of North Carolina at Chapel Hill found that quality preschool, along with follow-up services, could reduce grade retention by two-thirds. Similar studies support the need for early childhood nurturing and development. Doctors recognize the need for nurturing and support from the family to avoid the "failure to thrive" syndrome. Babies become apathetic and loss weight due to the absence of nurturing conditions. Interestingly, Dr. Craig Ramey and Dr. Sharon Landesman found that children born to mothers with below-normal IQs have children with below-normal IQs. The indication is that mothers with lower IQs failed to provide intensive daily stimulation to promote learning for their children resulting in below-normal IQ levels (Niblock, 1995)

North Carolina has the highest number of women, of childbearing age, in the workforce in the country (Niblock, 1995). In order for these women to work out the home, day care is a necessity. About 67% or 335,319 of the preschool age children in

North Carolina have working mothers. Whenever surveyed, these women state that day care is their greatest or second greatest need, shifting places with transportation. High-quality, active learning day care is preferred, although affordable daycare is more pressing. Currently, in many areas of North Carolina day care simply does not exist, making availability the most urgent issue (Niblock, 1995). The private sectors Smart Start goal was to secure quality, affordable, accessible day care for their employees in their own communities.

Excessive capacity does exist to meet the demands for care. However, in a state with the geographic diversity of North Carolina, location is the issue. Services are available, but not in the areas of the state having the greatest need. Interestingly, availability of child care is related more closely to the per capita income of a community than to the number of working mothers. Rural, poor areas of the state have more than one in five children living in poverty and these areas suffer the most due to lack of child care (Niblock, 1995). The need for intervention on a state level is clear.

In 1978, a study was conducted by the Governor's Advocacy Council on Children and Youth intending to develop a directory of services for children ages zero to eight. The directory listed only <u>five</u> programs for preschool children. North Carolina was one of the last seven states in the nation to provide public school kindergartens and one of the last three to require day care center licensing. In 1989, North Carolina lead the nation with the highest rate of infant deaths per 1000 live births. Children were also dieing of causes other than illness and disease at an alarming rate. Washington and Anson counties were in the bottom 100 of all of the nations 3,141 counties in child deaths of any cause over a three-year period, 1987 to 1991 (Niblock, 1995). Public sector partners were concerned with the full range of issues facing pre-school children and expanded Smart Start's goals to address more than just day care needs.

North Carolina has responded with a series of programs providing services to children over the last five years. Services include Family Preservation, family resource centers, school health services, *Families for Kids*, child support enforcement, county child fatality prevention teams, Child Care Resource and Referral services, community-based infant morality programs, preschool immunizations, foster care improvements program, Parents as Teachers, Health Check and Baby Love. Even with these special programs, the lack of health care and affordable quality day care still persists (Niblock, 1995).

The cost for day care averages $3,400 a year, in a state where the median family income is $35,200. Day care is the fourth largest item on the family budget, edged out only by housing, food, and taxes. The cost to the state for investing in quality day care is minimal compared to the gains. The potential revenue benefits for North Carolina are astounding (see Appendix D). For every $1 invested in quality child care, the social gains are seven-fold (Niblock, 1995). Cost savings are also found in prevention methods such as prenatal care, WIC and other nutrition supplement services, immunizations and other health care services.

The goals of the Smart Start partners appear to be the same, to provide services for children. Upon closer examination, the differences in goals are widespread. The goal for service providers, both public and private, was to provide children with an above-average start in life to improve the overall quality of their lives. Service providers desire nurturing, intensive, daily interaction and stimulation for children at home as well as in the child care setting to produce exceptional child development.

The private sector needs day care for their working parents. Day care must be accessible, affordable and dependable in order to have the greatest positive impact on work absences. The issue for business and industry is one of economics, if a worker's children are cared for during work hours, the parent worker will not be absent or distracted from their work.

The public sector's goal was more universal, to provide improved services to all children. Although more long-range than the private sector's goal for Smart Start, the North Carolina Department of Human Resources and the Governor's Office was addressing the issue more short-term than the service providers and research partners. Public sector politicians need more immediate results to continue to secure business, industry and voter support. The lack of mutually agreed upon goals (Bersi, 1987; Botkin & Matthews, 1992) is one of the major flaws in the Smart Start design. Because the agreement to partner (Botkin & Matthews, 1992) did not include goal setting, the partnership was doomed to failure from inception.

A Public-Private Partnership

Jim Hunt's 1992 campaign also included a commitment not to increase North Carolina's bureaucracy. Funding and oversight of the Smart Start community based, grassroots effort was to lie outside state government. Hunt turned to business and industry to meet his commitment, not to help address a common cause (Brooks, 1984).

Initial support was easily acquired and a new organization was formed to address children's needs within North Carolina communities, a public-private partnership. Governor Hunt was quoted as saying, "I don't believe in what you call government approaches as much as I used to. I believe in partnership approaches that involve people in their own destiny" (Charlotte Observer, January 1994). Hunt's partnership approach philosophy is believed to have developed during his recent eight-year employment in the private sector.

Smart Start is developed as a partnership effort between government, private industry and private individuals, often service providers. The initiative is designed to be inclusive in support and commitment to expand and extend services for children. Some believe other concerns drove the partnership design. A public-private partnership would allow government to solicit private support for public services. Corporations are being asked to transfer monies into the hands of government to pay for public services, an action some referred to as "corporate welfare." Some argue that resources would exist to provide these services if North Carolina had not supplied such large incentive packages for industry to locate in the state. Reasonable rates for infrastructure, support services and taxation from business and industry would provide sufficient revenue for a variety of human services. Government is now in the position of "asking" for money from the private sector to meet public need.

At this stage of Smart Start development it is important to recognize that Jim Hunt did not approach business and industry leaders about a joint venture (Bersi, 1987; Botkin & Matthews, 1992). Instead, he was looking to them to support his project financially.

The business sector must have supported the overall vision because they supplied the requested capital, however, as discussed there is no evidence that a common mission, or goals existed among the partners. Botkin and Matthews advise developing a profile of the type of partners being sought and focusing on the mutual benefits for participants (1992). Business and industry would benefit from available child care for their employees and community improvement. However, some of these benefits are intangible and all of them can be potentially fleeting. Their value can be considered less than the financial resources the private sector was being asked to contribute. Therefore, the private sector was not receiving rewards equal to their contribution (Block, 1993).

The North Carolina Partnership for Children (NCPFC), an non-profit entity, was legislatively established in 1993 as a means to carry out the goal of reinventing services to children. The Partnership intention was raising funds, providing technical assistance, promoting initiatives, mobilizing communities, assessing local resources and coordinating statewide services. Generally, a non-profit is sought for partnering because a high degree of interdependence is needed (Becker, 1985), however, this agency was to act as the receiver and distributor of government and private funds (Core Planning Team, 1993; Capital Consortium, 1995). The ability of a non-profit to function as a "pass though" agency for public funds is, in large part, the reason for establishing the Partnership as a non-profit entity (Confidential Source).

The money being requested was to be used to support the Partnership and its only program, Smart Start. The Partnership was to be Smart Start. However, the stakeholders in the North Carolina Department of Human Resources (NCDHR) retain a great degree of control over Smart Start. The staff of the Department of Human Resources was responsible for solicitation and fiscal management. They retained control by restricting project information and manipulating project selection (Confidential Source). The Partnership's organizational chart demonstrates the maze of confusing relationships and unclear lines of authority between the NCDHR and NCPFC (see Appendix A and Appendix B). Clear lines of authority and central control (Bailey, 1991; Bergquist, Betwee & Meuel, 1995; Kolderie, 1991) are two keys to successful partnering that Smart Start was never able to develop.

A hierarchy began to develop due to the political and financial ties to industry and state government, a structure that is harmful to successful partnerships (Block, 1993). Individual corporate funders were contributing more than two million dollars and their goal for and influence over the success of the initiative was tremendous. Stakeholders include the legislature, individual legislators, funders, political appointees, career public administrators, the Governor and his staff, the staff of the NC Department of Human Resources, the Secretary for the NC Department of Human Resources, state leaders, community advocates, corporations, the Partnership board and staff. These interest groups had professional, financial and a personal stake in the success of the program. No differentiation can be made between the primary and secondary stakeholders. In many cases, the primary stakeholders quickly became figurehead stakeholders with their assistants and staff taking on primary decision-making roles. These events greatly contributed to the confusion over responsibility and lack of control, key issues in partnership management (Bailey, 1991; Bergquist, Betwee & Meuel, 1995; Kolderie, 1991).

A 36-member board of directors appointed by the Governor, the Secretary of Human Resources, the Senate President Pro Tempore, and the Speaker of the House of Representatives, governs the North Carolina Partnership for Children and demonstrates the level of stakeholder control. Representatives from state agencies, business & industry, education, the non-profit sector, the religious sector, child care providers, parents and legislators sit on the board. The annual budget for the Partnership under the first Director was $600,000 of state funds, with $100,000 added by the legislature in 1995-1996.

The President and Executive Director of the Partnership was hired on January 1, 1994. At that time, he and his staff were to take over the day to day operations of Smart Start. Documents indicate that a "changing of the guard" did not take place. Formal reports, such as those to the North Carolina Legislature, continued to be produced by the North Carolina Department of Human Resources (Presentation to the Joint House & Senate Appropriations Committee, 1994). Official Smart Start flyers and brochures were being published with the Smart Start logo and referencing the NCDHR, without mentioning the Partnership for Children (1994). The Request for Smart Start Proposals was produced and distributed to communities by Human Resources with a NCDHR staff person listed as the official contact (1995). More overt indicators were also reported, such as Smart Start updates reaching the Partnership staff via the evening news (Confidential Source). Control and decision-making does not rest with the Board of

Directors or the Partnership staff (Bailey, 1991; Bergquist, Betwee & Meuel, 1995; Botkin & Matthews, 1992; Kolderie, 1991).

The lack of coordination and division of responsibilities became publicly evident in 1995 when the North Carolina General Assembly, in a monitoring role, formally shifted many Smart Start responsibilities away from the Department of Human Resources, to the North Carolina Partnership for Children. Expanded responsibilities include technical assistance in contract management, plan development and implementation; review and approval of local Smart Start plans and outcome assessments; responsibility for adherence to new legislative mandates (e.g., competitive bidding practices, public records, 8% administrative expenditure limitation, etc.); fundraising and establishment of standard stewardship practices; and quarterly reports to the North Carolina General Assembly (H.B. 229, 1995). This was a second, yet still unsuccessful, effort to move the management of Smart Start to the Partnership.

The 1995 legislation also requires the North Carolina Partnership for Children to raise a 20% match from the private sector for 50% of the appropriated Smart Start funds for the current fiscal year. The match will comprise 10% cash and 10% in-kind gifts. In 1995-96, the match totals $2, 910,000 respectively in cash and in-kind support. Future matching requirements will be determined based on Smart Start expansion scenarios and corresponding legislative budgetary deliberation. Once this legislation was passed, the future survival of Smart Start became dependent upon "corporate welfare" and a strong, visible fundraising leader (Capital Consortium, 1995). For the first time, the Partnership was forced to address an artificially imposed mutual goal, fundraising. This resulted in more goal division among the partners, instead of less.

Locus of Control

Smart Start is designed as a community-based initiative, realizing and appreciating the diversity of people and needs in the state of North Carolina. Simply put, this means problems are identified and solutions implemented on a community by community bases. The philosophy of Smart Start is that individuals, active in their own communities, know what is best for themselves, their children and the community at large. One plan will not fit all communities. Each community needs the flexibility to create a custom designed initiative. A roadmap does exist to guide communities in selecting acceptable Smart Start programs, such as the Teacher Education and Compensation Helps (T.E.A.C.H.) program, free immunization, free health screenings, day care monitoring, stricter licencing regulations, increased care tax credits for parents, scholarships for child care teachers, increased safety standards and transportation to services. (Blueprint, 1994).

Twelve programs in 18 counties pioneered the Smart Start adventure in 1993. Fourteen additional programs were added in 1994. A third round of community funding was completed in late 1995 (see Appendixes C, D, E and F). The involved community process insures more credibility and accountability than Smart Start can boast of internally. Each community within the state was placed within one of three categories based on available financial and service resources. A third of the counties receiving funding were selected from each category.

Category selections are based on a detailed set of criteria provided by the staff of the North Carolina Department of Human Resources about existing community serves, community demographics and the proposed project. They exercised total control over category placement, score assignment and project recommendations (Confidential Source). Once categories are determined and projects are prioritized, scores are assigned and projects are recommend for funding by the NCDHR staff. Because the criteria is provided by the NCDHR staff, the role of the Partnership board and staff is simply to sign off on the decisions previously made (Confidential Source).

The Political Stakeholder Process

Neil Howe, coauthor of *Generations*, stated that, "in the last 10 years there hasn't been a single important political issue that hasn't been rephrased as a child issue." The national debt, workforce preparedness, education, poor health prevention, crime, drugs, and violence are just a few of a multitude of difficult and potentially immobilizing problems facing children (Niblock, 1995). The need to support North Carolina's children is essential in securing their futures as well as the future of the state.

Previous attempts to provide this support have not been successful in improving the quality of life in North Carolina, especially for her children. Therefore, a new approach was needed. A partnership design was to bring the public, private and non-profit sectors together to address the issues facing our children. Once established, the Partnership needed support and funding from North Carolina's new and predominately Republican legislators to continue. Often during the long legislative summer of 1995, the life expectancy of Smart Start was grim. Time had to be spent educating legislators about all issues affecting children in order to understand the need for Smart Start. The long-term Democrats left in Raleigh were busy protecting their own programs and projects, with little additional energy to fight for the Governor's Smart Start agenda. Some appointed officials worked openly to strike any bargain necessary to protect the Smart Start effort. Others worked to preserve the program without changes or restrictions. "The time comes when rigid adherence to one's original position would cost one dearly" (Kingdon, 1995) and Democrats were willing to deal.

At certain points during the legislative session, the discussion turned to eliminating Hunt's Smart Start program. The political connotation was that the Democrat Hunt owned the idea of providing services to children, therefore, the new Republicans should dissolve the initiative (Confidential Source). The snowballing effect gained momentum and resulted in major changes in the short-term focus of the effort. The bargaining was successful to the degree that Smart Start survived, although not before extracting great personal and professional costs from individuals and organizations (NC Partnership for Children Report to the Board, 1994 & 1995; Confidential Source). The Partnership is to become the fundraiser for Smart Start as well as administrator (H.B. 229, 1995).

Legislative requirements came at a time when the Partnership has lost four of its nine person staff, including the Executive Director and the Administrative Manager. The Partnership also lost the trusted leadership (Bergquist, Betwee & Meuel, 1995; Bersi, 1987) of Jim Goodman, a strong community leader and Chairman of the Partnership Board. Legislative requirements dictate that the day to day responsibility for the program now lie with the Partnership, outside state government. Therefore, Smart Start lost the decision-making of NC Department of Human Resources staff, the hands on direction of the Secretary of the Department of Human Resources, Robin Britt, and unlimited access to the abundant resources of North Carolina's state government.

The Secretary of the North Carolina Department of Human Resources has a micro-management style of leadership, resulting in extreme control (Confidential Source). The reasons for this style of management could have been a verbal directive from this political appointee's employer, the Governor. Micro-management could have been based on personal concern or professional buy-in for Smart Start. The Secretary could have been acting in an effort to "throw business" to his former employer, a provider of children's services (Smart Start Funding, 1994). The personal management style of the Secretary could have been the only reason for his micro-management. Whatever the reason, according to accounts, the Secretary's personal involvement and project control continued even after the ties were severed by the 1995 legislation (Confidential Source). As stated earlier, this type of control has been identified as one of the major reasons for partnership failure (Bailey, 1991; Bergquist, Betwee & Meuel, 1995; Botkin & Matthews, 1992; Kolderie, 1991).

Conclusions

Continuously we have read of the importance of open lines of communication, with information being clear and accessible, in partnering (Bailey, 1991; Bersi, 1987;

Block, 1993; Botkin & Matthews, 1992; Block, 1993). This is a major failure of the Smart Start design and the primary reason success for the partnership has not been achieved. Loss of control (Bailey, 1991; Bergquist, Betwee & Meuel, 1995; Botkin & Matthews, 1992) was not the problem for NCPFC, they were never given the opportunity to gain that control.

Control efforts have clogged the heart of the NC Partnership for Children, resulting in a near death attack when key leaders resigned from the organization. The Executive Director of the Partnership was hired with instructions to carry out the work of Smart Start, however, the micro-managerial style of the Secretary of NCDHR and staff control hampered and later "flat lined" his efforts. Partnerships should avoid such entanglements in bureaucratic red tape (Brown, 1991). A team of adversaries, not champions (Botkin & Matthews, 1992) were developing. Communication was used as a weapon to tear down, not a tool to build thrust between partners (Botkin & Matthews, 1992). As a result, the Executive Director and Chairman of the Board of Directors both resigned from the Partnership and leadership was lost (Bergquist, Betwee & Meuel, 1995; Bersi, 1987). The loss of leadership stresses the partnership agreement, making it more vulnerable to breakdown (Bergquist, Betwee & Meuel, 1995). One reason Smart Start has not been a successful partnership attempt because not enough time was spent matching intentions, competencies and perspectives of the leaders (Bergquist, Betwee & Meuel, 1995).

The critical factors for success in partnering are a flat or networked structure (Bergquist, Betwee & Meuel, 1995), unfortunately, the NC Partnership for Children has a massive hierarchy. This design has allowed the NC Department of Human Resources to exercise tremendous control. The agreement to partner was never adhered to (Bergquist, Betwee & Meuel, 1995; Block, 1993), resulting in legislation to direct the initiative away from NCDHR and to the Partnership. The result has been confusion over authority and responsibility. Clarification of partner values and roles, a key competency, (Bergquist, Betwee & Meuel, 1995) was never achieved.

The partnership lacks interdependence (Becker, 1985), because all aspects of the process were controlled by state bureaucrats. Decision-making was controlled by limiting the amount and clarity of distributed information. Program selection was controlled by complicating the process, limiting the input of those outside the NC Department of Human Resources and having NCDHR staff rank projects. Fundraising was controlled by the necessity of the involvement of the Governor as the symbol of Smart Start (Capital Consortium, 1995) and the NCDHR staff. Funding was controlled through legislative directives, limited information distribution, program selection and the use of a non-profit as a pass through organization.

Applying Botkin and Matthews' (1992) model to the Smart Start Partnership design, we see partnering began with a motivated 'networker', Jim Hunt. However, his search for partners did not center around common values, but less appropriately around a desire for a handout (Bersi, 1987; Brooks, 1984). In stage two for the Botkin/Matthews Model, they recommend creating a contract focusing on mutual benefits and establishing benchmarks (1992). This step in the design process seems to have been skipped by all accounts, resulting in legislative intervention designing a contractual agreement between the NC Partnership for Children and state government, particularly the NC Department of Human Resources.

Stage three of the Botkin/Matthews Model is to build a team of champions (1992). The keys are communicating openly and freely while thinking and planning long-term (Botkin & Matthews, 1992). The Smart Start partners can be best described as adversarial in their actions, never emphasizing a partnership mentality. Finally, the partnership guiding Smart Start was never reviewed, evaluated or revised by the partners. If this had been a continuing process as Botkin and Matthews advise (1992), the problems surrounding the effort would not have reached the level of legislative intervention.

A quick assessment of Smart Start based on the Kettner and Martin Partnership Model/Market Model Continuum finds Smart Start sliding toward the market extreme (1985). At this extreme, competition is encouraged within partnerships (Kettner & Martin, 1985). The financial, political and administrative designers of Smart Start were competitively attempting to maneuver and manipulate the partnership to gain control.

The future survival of Smart Start and The North Carolina Partnership for Children is in question. Both proponents and supporters doubt survival is possible in the initiative's present form. Many people believe survival will depend on Governor Hunt. Supporters believe Hunt will have the political power and clout to secure the project for another four years. The initiative will not have enough prestige and financing to continue without Hunt's high profile endorsement. Reports do not indicate the Partnership is strong enough to guide the initiative. Leadership and authority needs to exist within the Partnership (Bergquist, Betwee & Meuel, 1995; Bersi, 1987), but was not found in

Smart Start. Communication between partners in the joint venture is not open or direct (Bailey, 1991; Bersi, 1987; Bergquist, Betwee & Meuel, 1995; Block, 1993; Botkin & Matthews, 1992). Funding and fundraising expertise are not available to the Partnership. These problems have been allowed to grow and intensify unchecked from the inception of the partnership.

The designers of the Smart Start campaign for North Carolina's children attempted to usurp checks and balances by inventing a non-profit organization in which to house the initiative. Non-profits are best involved in partnering when a high degree of interdependence is sought (Becker, 1985), not, as in this case, in order to redirect funding. The North Carolina Partnership for Children was to direct funding, select projects and provide support services for the initiative, without the approval of North Carolina's legislature or the involvement of bureaucrats. However, the research indicates the Partnership was a storefront for Smart Starts backroom activities controlled by high level state government and political leaders.

Partners are advised to avoid program control, loss of trust, corruption (Bailey, 1991, Botkin & Matthews, 1992; Kolderie, 1991) and hidden agendas. These are a few of the many threats to successful partnering. The poor partnership management (Botkin & Matthews, 1992) has resulted in stagnation for the effort. To overcome these dangers, Smart Start Partners should routinely revisit their goals and agreements, open communication and hold their partner team accountable for all of their action, both overt and covert.

A collaborative, adaptive and cooperative culture was never achieved (Bergquist, Betwee & Meuel, 1995) for the Smart Start partnership. Partners did not receive their objectives (Botkin & Matthews, 1992) upon joining Smart Start. However, Smart Start and the North Carolina Partnership for Children are not doomed efforts. The partnership design is ideal for the complex and customized delivery of service (Liebman, 1984) to children. A sharp team of professional leaders could turn Smart Start into an effective, efficient, successful preschool children's initiative. A turnaround will involve restructuring the partnership.

A matrix form of management needs to be devised (Bergquist, Betwee & Meuel, 1995), incorporating the NC Partnership for Children as the lead agency, the NC Department of Human Resources as an advisory agency and North Carolina's business and industry sector as contributing partners. Other state agencies, including the Governor's Office, need to assist, not attempt to control the project. The structure needs to be flat and networked (Bergquist, Betwee & Meuel, 1995), allowing the Partnership to make proactive decisions about project selection, monitoring and evaluation. Lines for authority need to be clearly drawn (Bergquist, Betwee & Meuel, 1995), eliminating the problem of advisors making program decisions. The most important first step to improve Smart Start, is for the leadership of the North Carolina Partnership for Children to direct and control the activities of the program.

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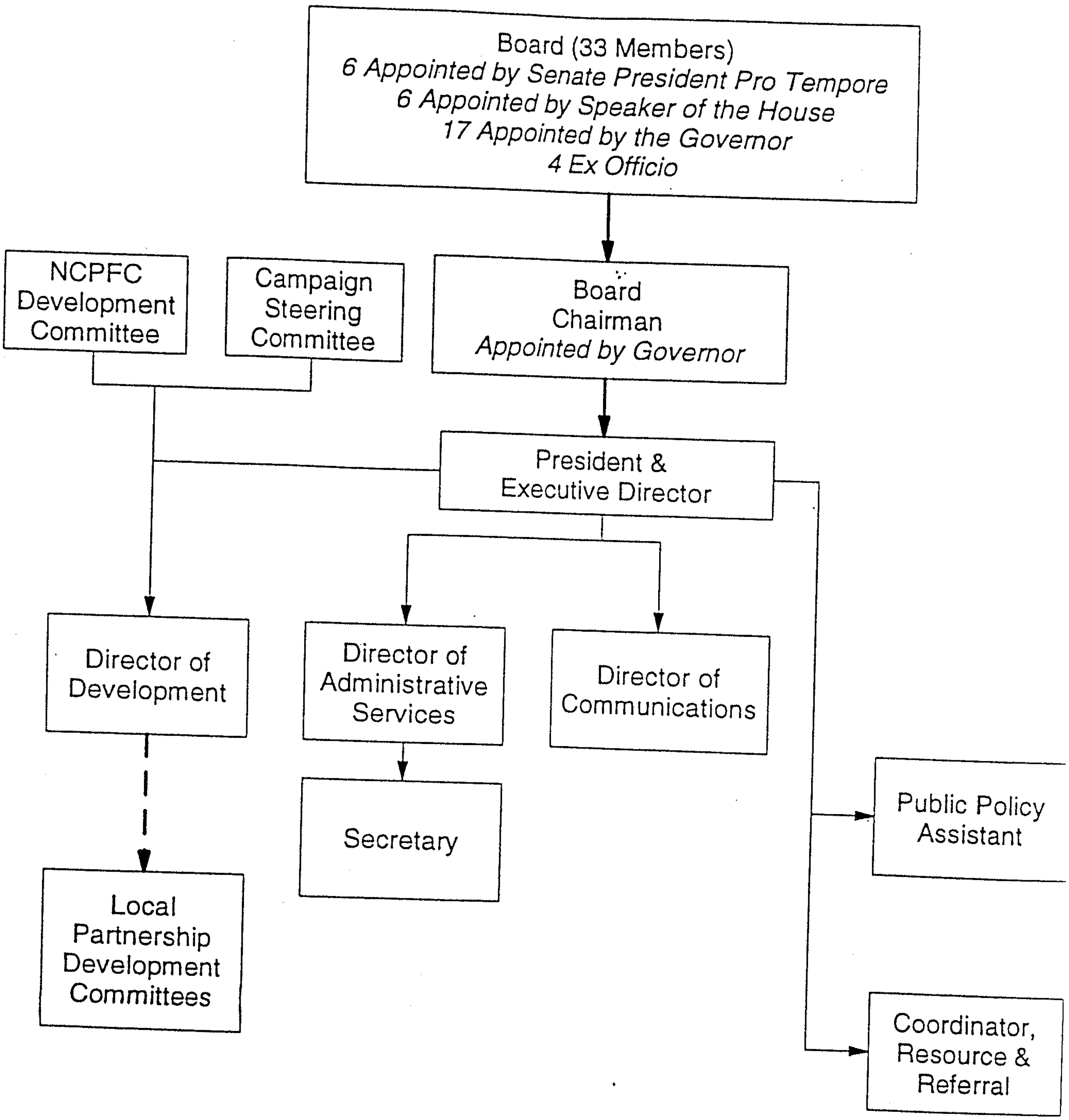
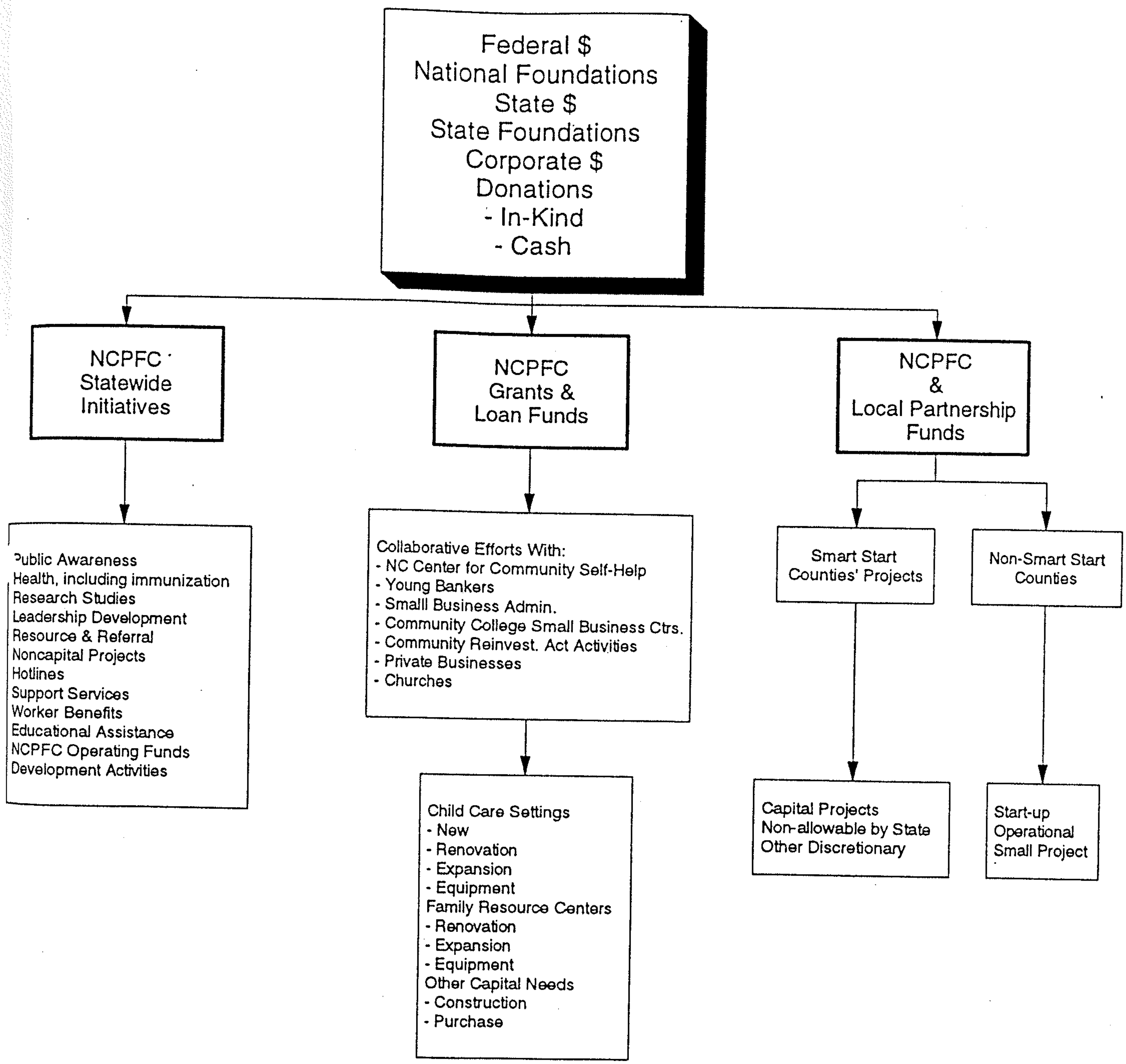
The N.C. Partnership for Children



Appendix B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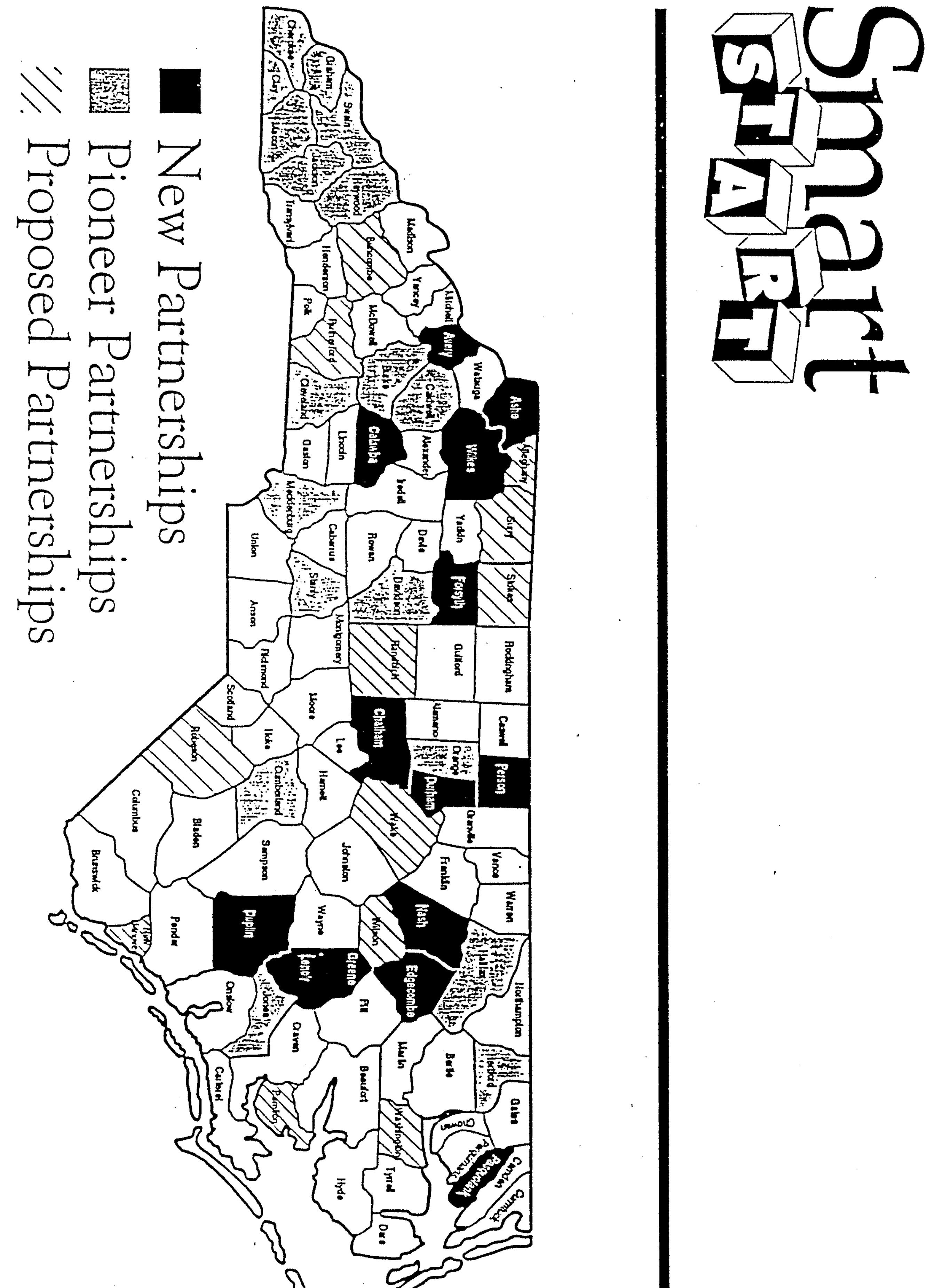
NCPFC Statewide Initiatives
NCPFC Grants & Loan Funds
NCPFC & Local Partnership Funds
Public Awareness
Health, including immunization
Research Studies
Leadership Development
Resource & Referral
Noncapital Projects
Hotlines
Support Services
Worker Benefits
Educational Assistance
NCPFC Operating Funds
Development Activities
Collaborative Efforts With:
- NC Center for Community Self-Help
- Young Bankers
- Smalll Business Admin.
- Community College Small Business Ctrs.
- Community Reinvest. Act Activities
- Private Businesses
- Churches
Child Care Settings
- New
- Renovation
- Expansion
- Equipment
Family Resource Centers
- Renovation
- Expansion
- Equipment
Other Capital Needs
- Construction
- Purchase
Smart Start Counties' Projects
Non-Smart Start Counties
Capital Projects
Non-allowable by State
Other Discretionary
Start-up
Operational
Small Project



(See revers for list of cc

Smart Start Counties

Fall, 1993
(Pioneer Smart Start Counties)

Burke
Caldwell
Cleveland
Cumberland
Davidson
Halifax
Hertford
Jones
Mecklenburg
Orange
Stanly
Region A
(Cherokee, Clay, Graham, Haywood, Jackson, Macon and Swain counties, and the Qualla Boundary Cherokee Indian Reservation)

Fall, 1994
(New Smart Start Counties)

Ashe
Avery
Catawba
Chatham
Duplin
Durham
Edgecombe/Nash
Forsyth
Lenoir/Greene
Pasquotank
Person
Wilkes

Fall, 1995
(Proposed Smart Start Counties)

Alleghany
Buncombe
New Hanover
Pamlico
Randolph
Robeson
Rutherford
Stokes
Surry
Wake
Washington
Wilson

Making a Difference for North Carolina's Children and Families

In less than two years, Smart Start has benefited tens of thousands of children and families in 18 pioneer Smart Start counties across North Carolina. And 14 additional counties this year have put in place plans to help children and families in their communities.

For working families, Smart Start has meant more access to better child care. Poor families are getting more affordable child care, which frees them up to work. Children are getting preventive health care. And families are getting practical help like transportation to child care in remote areas. Parents who want it are getting education to support strong families, and families are getting better access to information about available services.

Through Smart Start, local communities are rallying around their children, with parents, business people, churches, community leaders and local agencies making decisions on how best to serve local children and families.

❒ Smart Start helps families work and be self-sufficient by making child care more affordable through expanded child care subsidies. More than 8,600 children have received child care subsidies, giving families the quality child care they need so they can get and keep good jobs.

❒ Smart Start is reducing, and in some cases, eliminating waiting lists for child care subsidies. In just one year, the 18 pioneer counties reduced the number of children on waiting lists for subsidized child care by more than 1,650 children. Nine of the 18 pioneer counties eliminated their current waiting lists altogether. Seven of the 14 new counties have taken 622 children off waiting lists and put them into quality child care settings this year.

❒ More than 8,000 child care spaces are available in these pioneer counties, thanks to Smart Start. With an average of more than 450 spaces per county, families have more options for quality, affordable child care they need. Halifax County alone has added 700 greatly needed child care spaces.

❒ Vision, hearing and mental health screenings help families recognize children's health problems early, preventing higher costs down the road. More than 25,500 children have received health screenings and other early intervention services to minimize future medical costs.

More than 3,540 children in Cumberland County have been tested for vision problems through Smart Start. And through an arrangement with participating area optometrists, children who need follow-up vision services are assured of receiving them—regardless of the family's ability to pay.

❒ Smart Start's statewide immunization campaign helps families send their children to school healthy and avoid complications and medical costs from preventable childhood diseases. In 1994, approximately 156,000 children under two years of age received state-supplied vaccines.

❒ Smart Start's TEACH program has provided more than 2,520 scholarships for child care teachers in all 100 counties to take classes in early childhood education at local community colleges. Nearly 55,770 children are getting better education from better trained teachers as a result. In the 18 pioneer counties, nearly 1,500 child care

(over)

teachers (in addition to TEACH participants) received additional child development training.

❐ Smart Start grants are raising the quality of child care by providing new equipment and materials, helping to serve children with special needs, and offering training for child care teachers. More than 950 child care centers and day care homes have received grants benefiting more than 18,000 children.

Those grants, coupled with technical assistance and training, are also helping Smart Start counties increase the number of "AA" child care centers (the state's highest quality licensing standard). The 18 pioneer counties added 42 AA facilities last year alone—more than half the total number of new AA facilities added in the entire state last year.

❐ Parents are a child's first— and best teacher. More than 3,000 parents Smart Start counties took advantage of voluntary parent education and child development classes made available through Smart Start. Ranging from child development, literacy and language techniques to CPR and safety training, these programs help parents build strong, self-reliant families.

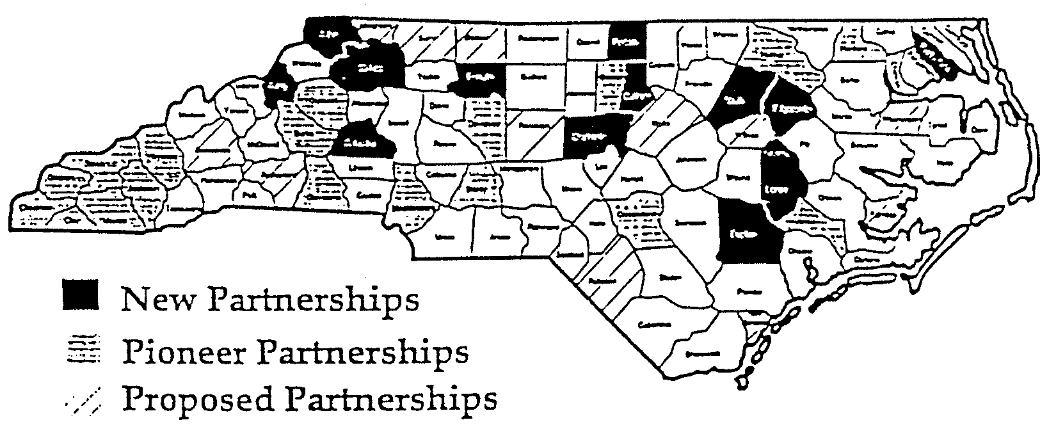
Smart Start Counties

Ashe
Avery
Burke[1]
Caldwell[1]
Catawba
Chatham
Cherokee[1]
Clay[1]
Cleveland[1]
Cumberland[1]
Davidson[1]
Duplin
Durham
Edgecombe
Forsyth
Graham[1]
Greene
Halifax[1]
Haywood[1]
Hertford[1]
Jackson[1]
Jones[1]
Lenoir
Macon[1]
Mecklenburg[1]
Nash
Orange[1]
Pasquotank
Person
Stanly[1]
Swain[1]
Wilkes

Recommended Smart Start Counties 1995-96[2]

Alleghany
Buncombe
New Hanover
Pamlico
Randolph
Robeson
Rutherford
Stokes
Surry
Wake
Washington
Wilson

❐ Smart Start also targets low-income and working poor families who need help but don't know what services are available. Smart Start's Family Ties program is in four of the pioneer counties and eight of the new counties and has helped identify nearly 7,500 families who were not getting the family services or other programs their children need. Now, working through the local Smart Start partnership, participating families are linked to the services they need.



1 Pioneer County
2 Recommended counties require expansion funding from 1995 General Assembly

PAY NOW OR PAY LATER

Pay Now		Pay Later
$250 WIC Special Supplemental Food Program	or	**$16,954** Average Medicaid cost for premature or low-birthweight newborn
$600 Prenatal care for nine months	or	**$2,500** One day of intensive neonatal care for an extremely premature baby
$5,000 Drug treatment for an addicted pregnant woman	or	**$30,000** Medical care for 20 days for a drug-exposed baby
$8 Measles shot	or	**$5,000** Hospital care for a child with measles
$842 Nutritious diet for one year	or	**$3,986** One year of special education for a child with a mild learning disability
$135 School sex education program for one year	or	**$50,000** 20 years of public assistance to a child born to teen parents
$5,000 Family preservation in-home services for six weeks to keep children safe	or	**$36,000** Per year in an orphanage
$5,000 Quality child care for one year	or	**$35,000** School failure, special education, juvenile court costs, teen pregnancy, welfare dependency
$5,000 Treatment for an emotionally disturbed child	or	**$30,000** One year's treatment for "Willie M" severely aggressive child

Time Magazine October 8, 1990

Factors affecting Successful Public-Private Partnering in North Carolina

Anne Lowry

The University of North Carolina at Pembroke (OLM 562)

May 4, 1997