



# MEMORANDUM

**DATE:** December 21, 2007

**TO:** Members of the Senate Committee on Early Learning & K-12 Education

**FROM:** Kim Cushing, Staff  
Senate Committee on Early Learning, K-12 Education (x 7421), & Paula Moore, Staff  
Senate Ways & Means Committee (x7449)

**SUBJECT:** Quality Rating & Improvement Systems

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**Issue:** In the 2007-09 biennial budget, the Washington State Legislature provided \$5 million for the Department of Early Learning to develop a voluntary Quality Rating and Improvement System (QRIS) that gives parents better information about the quality of child care and early education programs and expands the availability of high-quality early learning opportunities.<sup>1</sup> QRIS will be piloted around the state beginning in fiscal year 2009.

This memo focuses on the different methods that other states are using to improve the information on and the quality of early child care and education programs.

**Brief Summary:** A quality rating system (QRS) is a systemic approach to assess, improve, and communicate the level of quality in child care settings. A QRS awards quality ratings to programs that meet a set of defined program standards. Generally, QRS has five elements: standards, accountability measures, practitioner outreach and support, financial incentives, parent/consumer education.

Currently, thirteen states and Washington D.C. have a statewide QRS. Seven additional states are or will be piloting QRS, including Washington. At least another seventeen states are exploring QRS. The various QRSs range from programs with three to six levels (also called “steps” or “stars”); however ten states have a five-level system. While many states are looking to other states with an established QRS for assistance, early learning administrators caution that each state must develop a QRS that fits its own unique needs.

QRSs in most states are funded through their respective state governments. However, in Colorado, the system is operated by a non-profit that receives some state funds. Four major factors influence the cost of operating a QRS: (1) operational cost; (2) upfront provider incentives; (3) quality bonuses; and (4) tiered reimbursement. Operational costs depend on the number of quality levels and criteria, the types of assessments conducted to determine provider quality, the frequency of the assessments, and whether the provider or the state pays the costs of the assessment. Upfront provider incentives include items like technical assistance with the process; coverage of accreditation fees; and scholarships, grants, or loans to improve the provider’s education quality or facility. Some states opt to provide incentives after the provider improves quality. These may be in the form of quality bonuses provided annually or when the assessment is complete. Finally, states have adopted a tiered reimbursement program that links

the level of payment for subsidized child care to the provider's level of quality. Providers with higher quality ratings receive higher subsidized child care payments.

Anecdotal evidence suggests that QRS is having a positive effect on program quality and child outcomes. However, education experts caution that depending on how the QRS is structured and administered, it has the potential for setting the quality bar to low or providing additional funding to a few good programs for what they are already doing. While little research exists to back up either assertion, several studies are in the process of being completed with results expected at the end of 2007 or early 2008. Finally, this memo concludes with a list of key policy questions to consider for Washington's QRIS pilot sites as well as for proposals to implement QRIS on a larger scale throughout Washington.

## **I. What Are Quality Rating Systems?**<sup>2</sup>

A quality rating system (QRS) is a systemic approach to assess, improve, and communicate the level of quality in early care and education programs. Similar to rating systems for restaurants and hotels, QRSs award quality ratings to early care and education programs that meet a set of defined program standards. These systems provide an opportunity for States to increase (1) the quality of care and education for children; (2) parents' understanding and demand for higher quality care; and (3) the professional development of child care providers. These systems are generally composed of five common elements:

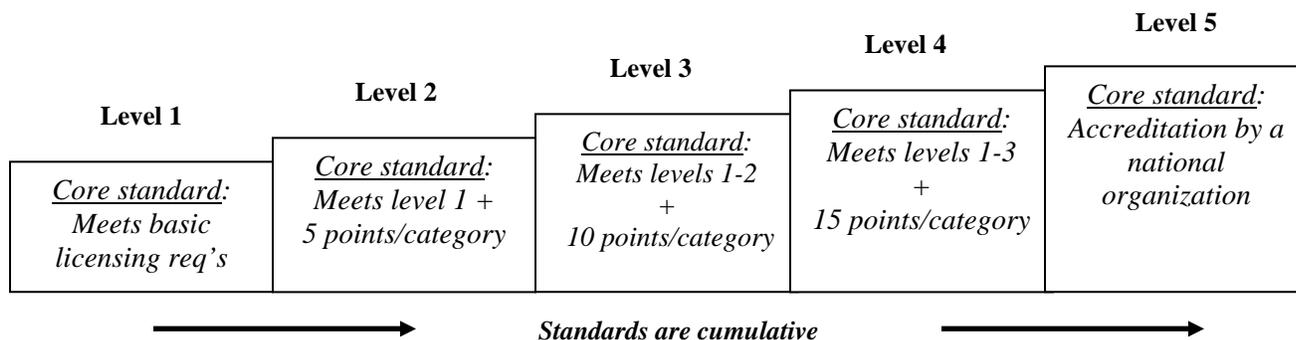
- 1. *Standards:*** QRS standards are built on the foundation of child care licensing requirements and add multiple steps between licensing and higher quality standards, such as those associated with national accreditation.
- 2. *Accountability measures:*** Accountability and monitoring processes are used to determine how well programs meet QRS standards and to assign ratings.
- 3. *Practitioner outreach and support:*** Support for providers, such as training, mentoring, and technical assistance, are included to promote participation and help programs achieve higher levels of quality.
- 4. *Financial incentives:*** Financial incentives are awarded to programs when quality levels are achieved. An example might be tiered subsidy reimbursement, which is a higher rate for providers who (1) serve children enrolled in state-subsidized child care and (2) meet standards beyond minimum licensing.
- 5. *Parent/consumer education:*** Most systems award programs with easily recognizable symbols, such as stars, to indicate the levels of quality and inform and educate parents.

## II. Washington's Development of a Quality Rating System

### *A. Early Learning Council's Research<sup>3</sup>*

In 2005 the Washington Legislature established the Early Learning Council. The purpose of the Council was to provide vision, leadership, and direction to statewide early learning programs, and it served as the early learning advisory committee to Washington Learns.<sup>4</sup> The Council was also required to develop a voluntary, quality-based graduated rating system consisting of levels of quality to be achieved by licensed child care providers.<sup>5</sup> The Council was directed to build on existing partnerships and initiate new partnerships between the public and private sectors and to address implementation, funding, infrastructure, and public awareness.<sup>6</sup> On June 30, 2007, the Council's statutory obligations ended; however, it had developed design and implementation recommendations for phasing in a voluntary rating system.

Currently, family child care providers and center-based providers in Washington must meet minimum licensing requirements; however, these licensing standards do not evaluate quality. The Council proposed a Quality Rating and Improvement System (QRIS) design that defines a five-step progression of quality from basic state licensing standards toward accreditation by a national organization. Providers demonstrate their quality level by documenting that they meet core standards and have elective points across each category. Standards are cumulative (e.g., to achieve a Level 3, a provider must meet core standards for Levels, 1, 2, and 3 and earn 10 elective points). In addition, an external observation of program quality is required to move to Levels 3 through 5.



The quality indicators for each level are also organized around four broad categories that are linked to quality in child care: professional development, curriculum and learning environment, family and community partnerships, and management practices. Cultural relevancy, inclusion of all children including those with special needs, and parent/family involvement are woven throughout each category. QRIS is intended to create an integrated system of child care assessment, professional development, financial incentives, and system evaluation that support continuous improvement at both the provider and system levels.

### *B. Washington Legislation in 2007*

During the 2007 session, the Washington Legislature directed the Department of Early Learning (DEL) to design and implement a voluntary quality rating and improvement system (QRIS).

QRIS may be applied to licensed or certified child care centers and homes and early education programs. The purpose of QRIS is to (1) give parents clear and easily accessible information about the quality of child care and early education programs, (2) support statewide improvement in early learning programs, (3) increase the readiness of children for school, and (4) close the disparity in access to quality care.<sup>7</sup>

The Legislature provided \$5 million in the budget to develop and pilot QRIS. Four pilot sites must be located within the counties of Spokane, Kitsap, King, and Yakima.<sup>8</sup> DEL must analyze and evaluate the pilots and report back to the Legislature by December 1, 2008.<sup>9</sup> The funding specifically includes (1) \$250,000 to support the Early Learning Advisory Committee; (2) \$750,000 to DEL for staffing to develop and pilot QRIS; (3) \$1,500,000 for professional development and training for providers; (4) \$1,256,000 for mentoring and technical assistance; and (5) \$240,000 for external assessments of providers.<sup>10</sup>

In early November, DEL announced that it has selected five communities to design pilot rating systems for child care, preschool, and school-age programs by July 1, 2008. The selected communities are Vancouver (ESD 112), Bremerton (ESD 114), Yakima (Thrive by Five—East Yakima Early Learning Initiative), White Center (Thrive by Five—White Center Early Learning Initiative), and Spokane (Washington State University).<sup>11</sup> DEL will select one statewide plan and pilot QRIS beginning in fiscal year 2009.<sup>12</sup>

### ***C. The Early Learning Advisory Council***

In 2007 the Washington Legislature established the Early Learning Advisory Council (ELAC) to advise DEL on statewide early learning needs and progress and to develop a statewide early learning plan.<sup>13</sup> ELAC, which may include up to twenty-five members, began just as the Early Learning Council concluded. ELAC was awarded \$250,000 of the funds allocated for QRIS.<sup>14</sup> DEL has begun gathering information to support the work of the ELAC, which had its first organizational meeting October 22, 2007.<sup>15</sup> Council members attended a substantive meeting on December 17, and plan to meet again in January 2008.<sup>16</sup>

## **III. Other State Policies on Quality Rating Systems**

### ***A. Policy Overview***

As of August 2007, thirteen states (Colorado, Iowa, Kentucky, Maryland, Montana, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, and Vermont) and the District of Columbia have a statewide QRS. Of those thirteen, only seven have had QRS for more than five years. Seven states, including Washington, are or will be piloting QRS. At least another seventeen states have shown interest in exploring QRS.<sup>17</sup> (See the attached chart.)

#### ***i. QRS Governance***

The majority of these states are administering QRS programs or pilots through a division of their state departments of human services. Three states are using their departments of education to oversee QRS.<sup>18</sup> Additionally, other states are implementing QRS through departments devoted to children and families or early learning.<sup>19</sup> Colorado<sup>20</sup> and Virginia are slightly unique in that their

QRS programs are currently managed by private-public partnerships.

In Virginia, the Governor Kaine recently launched the Start Strong Pre-K Initiative, which includes QRS. Performance standards for QRS have been developed by a private-public partnership and will be tested in a pilot starting this school year. The pilot will be funded by private and local funds, but the program will be overseen by the governor in order to maintain a statewide system. Additionally, the governor will be seeking funding from the state legislature in the 2008 legislative session.<sup>21</sup>

Currently, Missouri's QRS pilot has been administered by the Center for Family Policy and Research at the University of Missouri. Stakeholders are seeking \$1 million in the 2008 legislative session to implement QRS in 10 percent of Missouri's licensed programs. Overtime, Missouri would increase this number.<sup>22</sup> In contrast, Iowa's legislature provided funding and set a six-month deadline to develop a program. As a result Iowa did not have a chance to verify data and is having problems with its QRS.<sup>23</sup>

There are several states with QRS that have no related legislation. Furthermore, it appears that the majority of state legislation on quality rating systems deals with only the basic framework of QRS. Generally, the legislation establishes QRS or a pilot under the direction of a designated state agency.<sup>24</sup> At times the purpose of QRS is described.<sup>25</sup> A few state legislatures have suggested a list of criteria to be incorporated into the program.<sup>26</sup> However, QRS may only be mentioned in a budget proviso.<sup>27</sup> Tennessee seems to be the exception with legislation detailing both its report card and rated licensing system. The Tennessee Legislature spells out each program's purpose, effective dates, key indicators, scoring systems, posting requirements, evaluation processes, and reporting periods.<sup>28</sup>

## *ii. QRS Program Models*

The various QRSs range from programs with three to six levels (also called "steps" or "stars"); however ten states have a five-level system. Each state has developed a set of evaluation criteria or "benchmarks" with indicators that must be achieved for each level. Often the criteria, anywhere from two to eleven, have been selected as a result of reviewing research literature and promising practices in other states. While the terminology may vary from state to state, it appears that the states are focusing on five main criteria: (1) the learning environment and curriculum; (2) training, education, and experience of staff and directors; (3) family and community partnerships; (4) management and administration; and (5) adult-to-child ratios and group size. Other criteria that were less frequently raised included program assessment, accreditation, regulatory compliance, health and safety, and staff compensation.

Generally each level of a QRS builds upon the previous level. For example, in Ohio "Ratio, Group Size" is the first benchmark. At step 1 the ratio for preschoolers between thirty-six and forty-eight months is 1:12. At step 2 the ratio is 1:10, and at step 3 the ratio is 1:9. Under the benchmark "Specialized Training," administrators, lead teachers, and assistant teachers must receive a minimum of five clock hours of specialized training annually at step 1. Staff must receive ten clock hours at step 2 and at 15 clock hours at step 3.<sup>29</sup> In Maryland, providers move up a level depending on a specified number of training hours, years of experience, and

professional activities that lead to quality child care. Training must be completed in six “Core of Knowledge” areas. A one-time bonus is given to each participating provider upon the completion of all requirements at each level; the amount increases at each level.<sup>30</sup>

The majority of QRS programs require the providers to meet minimum requirements at each benchmark before moving up a level. However, under Vermont’s graduated system, providers may choose to apply for points under only one benchmark. Programs can receive one to three points for each of the five benchmarks—compliance history, qualifications and training, families and community, program assessment, and administration. Points are then totaled across all the benchmarks to determine the rating; for example, a program with 1 to 4 points receives a 1-star rating and a program with 14 or 15 points receives a 5-star rating.<sup>31</sup>

Several states award providers their first star if they meet the state licensing standards.<sup>32</sup> In North Carolina, for example, providers that choose to voluntarily meet standards that are higher than those required for licensing can apply for a two- to five-star license.<sup>33</sup> Likewise, a few states award providers the final star once they achieve national accreditation.<sup>34</sup> Other states use accreditation as an indicator for one of the benchmarks to award a final star.<sup>35</sup> Washington DC’s Tier Rate Reimbursement System, “Going for the Gold,” was established in 2000 by the Early Care and Education Administration in an effort to provide fair and equitable reimbursement rates to child care providers participating in DC’s Child Care Subsidy System. It is tied to quality indicators and awards participants higher reimbursement rates based on their ability to meet specific quality criteria. Providers with national accreditation will be reimbursed at the gold-tier level, which is the highest level.<sup>36</sup>

In Tennessee, the Child Care & Evaluation Report Card Program is required for all licensed and approved child care providers. During the process of renewing a license, the State evaluates a provider on several areas of quality. The Star-Quality Child Care Program is voluntary, however, and this program recognizes child care providers who meet a higher standard of quality. Both of Tennessee’s programs require a program assessment.<sup>37</sup>

Many states have looked to other states with an established QRS for assistance in developing their own programs. Thus, there are many similarities in QRSs throughout the country. However, during the course of researching this memo, several early learning people around the country cautioned that each state must develop a QRS that fits its own unique needs. Local licensing standards, available training resources, and funding each affect the many different components of a state’s QRS.<sup>38</sup>

### ***B. Finance Overview***

QRSs in most states are funded through their respective state governments. However, in Colorado, the system is operated by a non-profit that receives some state funds. Four major factors influence the cost of operating a QRS: (1) operational cost; (2) upfront provider incentives; (3) quality bonuses; and (4) tiered reimbursement.

Operational costs depend on the number of quality levels and criteria, the types of assessments conducted to determine provider quality, the frequency of the assessments, and whether the provider or the state pays the costs of the assessment. Upfront provider incentives include items

like technical assistance with the process; coverage of accreditation fees; and scholarships, grants, or loans to improve the provider's education quality or facility. Seven states provide upfront incentives. Some states opt to provide incentives after the provider improves quality. These may be in the form of quality bonuses provided annually or when the assessment is complete. Six states currently provide bonuses. Finally, states have adopted a tiered reimbursement program that links the level of payment for subsidized child care to the provider's level of quality. Providers with higher quality ratings receive higher subsidized child care payments. Ten states currently offer tiered reimbursement.

The following provides information on four different states that have administered QRS programs for over five years: Kentucky, Oklahoma, North Carolina, and Colorado. This section explains these programs' rating types, funding streams, and major cost drivers. This information was collected through phone calls and e-mails with program staff in each of these states.<sup>39</sup>

### *i. Rating and Funding Streams*

Kentucky's QRS program is part of the KIDS NOW Initiative, the state's broad effort to improve early childhood outcomes and school readiness. Kentucky set aside 25 percent of its Phase I Tobacco Settlement dollars to improve early-childhood-outcomes. The effort includes 20 components ranging from home visitation to promoting folic acid intake for pregnant mothers to the QRS program. The program is voluntary. However, centers serving 40 or more state-subsidized children must be rated at a level 1.

Oklahoma's QRS program is a voluntary component of the state's child care license. The funding is primarily from federal Child Care Development Fund (CCDF) dollars.

North Carolina's QRS is considered a rated license. When providers are licensed, the license includes a quality rating assessment. North Carolina's funding is a mix of federal CCDF dollars, federal Temporary Assistance to Needy Family Funds, and state dollars. Providers may also access supports through the Smart Start initiative, which is a collection of local public-private partnerships focused on improving early-childhood-outcomes.

Colorado's QRS program is administered by the state's child care resource and referral organization, Qualistar. The funding is mainly a mix of federal CCDF dollars and donations from private businesses. A Colorado statute targets the CCDF dollars toward improving school readiness. Specifically, the CCDF funding must be used by Qualistar for early learning programs serving children who reside in the catchment areas of low-performing elementary schools. CCDF funding is time limited and only available to providers in three-year cycles. However, Qualistar itself is a voluntary and universal program. Other centers that are not linked to low performing schools can participate in two ways. The first is via Qualistar's early learning fund comprised of donated funding from businesses and philanthropic groups. The second is through a fee for service rating, through only a limited number of centers have actually paid for the rating.

### *ii. QRS Cost Drivers*

QRS programs typically have four main cost drivers: the operational cost to rate the provider, supports given to the provider to improve quality, awards to providers after a higher rating has been earned, and tiered reimbursement.

## ***1. Provider Ratings***

The main driver for costs for ratings is the frequency of the assessments, with the largest cost being direct observation of the child care provider. Kentucky rates providers using a mix of state staff and contracted staff from one of the state's universities. The frequency of assessment varies with the level of rating; for example a level 1 rating expires after a year. A level 4 rating lasts for four years, however these centers do provide data that is reviewed during the four-year period.

North Carolina rates providers with contracted staff from one of the state's universities. An assessment lasts for three years and is free. However, providers wanting to be reassessed within that three-year period must pay for the reassessment.

Oklahoma rates providers with licensing staff from the state's child care division. In Colorado, providers are rated by staff from the nonprofit Qualistar.

## ***2. Supports to Help Providers Improve Quality***

Three main forms of supports exist: technical assistance, grants, and educational scholarships. The first form of support for providers is free technical assistance. Kentucky provides this type of support through program coordinators and early learning counselors. Colorado also provides technical assistance to help providers develop business plans so the operation can be sustainable in the long-run. North Carolina offers technical assistance through their licensing staff and their child care resource and referral network.

The second type of assistance is a quality improvement grant or mini-grant available to providers in order to correct an identified weakness. In Kentucky, the grant could be used to improve the literacy curriculum if that has been identified as a weakness of the provider. Grants could also be used to help the provider offset the costs of NAEYC certification, which is needed to achieve a level 4 rating. In Colorado, each provider being rated is eligible for up to \$2,500 per classroom for the following types of improvement: coaching, materials, professional development. Qualistar noted that for the 1-star providers (the basic rating level), their most common need is for additional materials and equipment to improve the learning environment. Most also need to train their staff in how to use the new equipment.

The third type of assistance is for educational scholarships for the provider's staff. Kentucky allows staff to be eligible for scholarship programs to earn early learning credentials or an AA degree in early learning. In Colorado, Qualistar allows the grants listed above to be used for training or scholarships. This type of support is used mostly by the mid- to higher-rated providers. Oklahoma offers scholarships to providers' staff to earn AA degrees in early childhood education at twenty different community colleges. The majority of enrollees in the AA program are eligible for the federal Pell Grant. The state uses the CCDF dollars to pay for any additional tuition and book costs. Oklahoma also contracts with the community colleges so that each location has a mentor to support the students and assist with retention. Many of the students are initially intimidated by the idea of returning to school. The average time for earning an AA degree through this route is three to six years. North Carolina's QRS tapped into state and local

programs that had been previously established to support child care providers. TEACH is a scholarship program that offsets the cost of tuition and health care. The WAGES program provides salary supplements and incentives for child care staff that complete early childhood education coursework and then continue to stay in the field. Providers can also seek scholarships through the Smart-Start initiative, which is a collection of 100 local public-private partnerships.

Several of the states noted mixed outcomes for the scholarship program. On the positive side, after earning an AA, a child care staffer has expanded employment and career opportunities. Several migrate over to Head Start programs, which are typically higher paying employers that also offer benefits. Others return to school to earn a BA and go into the K-12 field. At the same time, staff turnover is a problem for providers as they are unable to hold on to staff with AA degrees. This can prevent a provider from advancing from a middle quality rating to the highest quality rating.

### ***3. Rewards and Incentives for Improving Quality***

In Kentucky, once a provider has improved on the quality rating scale, the provider is eligible for one-time award payments ranging from \$100 to \$5,000 depending on the level of quality, the type of provider, and the number of children served. Providers are also eligible for additional monthly subsidy payments per child varying from \$8 to \$16 depending on the level of quality, type of provider, age of the child, and the percent of subsidized children the provider serves.

Oklahoma and North Carolina also offer providers tiered-reimbursement for their subsidized children as quality improves. Colorado does not.

## **IV. Outcomes**

Proponents of QRS argue it promotes an ever-improving early childhood education system that cannot help but improve early childhood learning outcomes.<sup>40</sup> Education experts caution that depending on how the QRS is structured and administered, it has the potential for setting the quality bar too low or providing additional funding to better programs for what they are already doing without increasing quality on a broad scale.<sup>41</sup> While there is anecdotal evidence that QRS is having a positive effect on program quality and child outcomes, little research exists to back up that assertion.<sup>42</sup>

Few states have had a QRS in existence for more than five years, but for those states that have, researchers are finding it is difficult to access data on implementation and effects for a variety of complex reasons. For instance, studies have identified child-to-staff ratios as an important quality indicator.<sup>43</sup> However, there has been little attention focused on how these ratios should be measured. Studies that rely on self-reported questionnaire data may allow for downward reporting bias; this may become a problem where centers receive different levels of reimbursement based on the quality of care they provide.<sup>44</sup> Other components of child care quality that raise questions include how to measure parent involvement and how to measure staff education when there are multiple teachers with different levels of training. Nevertheless, some program evaluations have been conducted and the highlights follow.

In Missouri, a five-star QRS was piloted in the Kansas City area for a three-year period. Programs received support services such as technical assistance, materials and equipment, education scholarships, and wage supplements, to improve the quality of the programs. Based on data from the fifty programs that received ratings for three years, 42 percent increased their rating by at least one star, and, of these, 24 percent increased their rating by at least two stars. During year one, 32 percent of the programs received a 4- or 5-star rating. Two years later, 52 percent had a 4- or 5-star rating.<sup>45</sup>

As a result of Ohio's pilot, the most significant lesson the state learned was that there is a tremendous gap between the licensing standards and the benchmark indicators in step 1. A majority of programs need technical assistance in implementing systems to be compliant with licensing regulations before they can begin to put systems in place to support quality. However, with a take up rate of 49 percent, the programs seem to see a value in participating in QRS. Research from the pilot revealed that all three steps provided a good level of quality as measured by the Early Childhood Environmental Rating Scales-Revised (ECERS-R).<sup>46</sup> However, teacher qualifications and specialized training are the benchmarks keeping programs from achieving a higher star rating. Therefore, resources are necessary to provide the infrastructure supports for programs to achieve higher levels of quality. Finally, Ohio learned that a majority of programs need assistance in implementing systems to be compliant with licensing regulations before they can sustain quality.<sup>47</sup>

In Oklahoma, two studies have been conducted on the "Reaching for the Stars" quality improvement initiative. The Stars Program was implemented in February 1998 for the purpose of improving the quality of child care in the state, especially for children receiving child care subsidies. The 2003 report evaluated the quality of child care centers and the 2004 report evaluated the quality of family child care homes. The studies were intended to measure any changes in the quality of care in an effort to determine whether the quality of care differed by star status.<sup>48</sup>

The 2003 Center Validation Study revealed that the Reaching for the Stars program is improving the quality of individual centers as well as the overall quality of child care in Oklahoma. Directors queried in the study indicated that the increased financial support provided to centers with higher star ratings were a common motivator to participate in the Stars program. In addition to providing more monetary support and improving the overall quality of child care, directors reported that the Stars program helps centers strive to provide the best care possible and increased the educational levels of teachers and directors. However, the study also highlighted that centers need staff with more formal and specialized education, strategies for reducing staff turnover, strategies for parent involvement, and strategies to assist those with high percentages of subsidized enrollment and low star levels.<sup>49</sup>

The 2004 Family Child Care Home Validation Study found ample evidence that family child care homes look different across the various Star Categories, thus validating the notion that Stars criteria represent different levels of quality. The study further found that while child care licensing regulations typically include ratio and/or group size, specialized education and professional development is a more powerful predictor of quality. The authors noted that it was not clear how relevant the professional development opportunities in Oklahoma are to the needs of child care providers.<sup>50</sup>

In December 2006, Pennsylvania completed an evaluation of its QRS—Keystone STARS—and found that it helps child care programs improve their overall quality. Further, Keystone STARS is reversing the negative trend in child care that was evident in Pennsylvania in the late 1990s. Centers and home-based settings with higher STAR ratings had higher scores on the Environmental Rating Scales (ERS).<sup>51</sup> Classrooms with defined curricula and teachers with college degrees provided higher quality early education and care. Regardless of STAR level, child care centers and family child care homes had significantly higher scores on the ERS when the teacher had at least an associate degree. Teachers with at least five years of experience had significantly higher ERS scores than those with less experience.<sup>52</sup>

The findings from Pennsylvania's study suggested that the quality improvement in part may be attributed to Keystone STARS' emphasis on staff education, staff participation in ongoing professional development, and use of a curriculum in addition to the program's general focus on helping practitioners support children's early learning and development.<sup>53</sup>

The University of Tennessee conducted an evaluation of the Tennessee Child Care Evaluation and Report Card Program and Star-Quality Program (STARS) to determine how the system is working. The evaluation only consisted of qualitative interviews with administrative representatives of support organizations (e.g., Child Care Resource & Referral Centers, Tennessee Early Childhood Training Alliance, Tennessee Department of Human Services – licensing and assessment units), field staff of the support organizations, and providers. The researchers concluded that STARS has produced an improvement in the quality of child care for children by raising the bar with more inclusive, research-based standards, increasing knowledge about the skill of professionals in the field, and educating and informing parents about aspects of quality.<sup>54</sup>

While Tennessee providers are generally supportive of the intent of STARS and recognized its benefits, they have concerns about the evaluation and assessment process and the support system. The concerns include: the belief that the star ratings do not match the quality of care at times; frustration with the continuous changes in policy and interpretation, which are time-consuming; and the need for more technical assistance on the assessment process and better training on the rating scales. Additionally, the providers want to know that their concerns are being taken seriously by state administrators. As soon as the evaluation was published, top administrators in Tennessee used the findings to conduct a system-wide examination of the STARS program at all levels and, as a result, system changes are being proposed and instituted.<sup>55</sup>

In Vermont, the STep Ahead Recognition System (STARS) was first made available to programs in 2003 and formally launched in 2004. A recent progress report by Learning Partners, Inc., the contracted administrator for STARS, highlighted that STARS continues to be an agent for improving quality by engaging programs in investing in their growth. STARS attracts participants at all star levels, demonstrating a wide appeal and an interest in receiving recognition for all achievements. The number of participants has grown steadily, and participating programs are invested in renewing their participation. (Providers are issued a STARS certificate for only one year and then they must renew it.) Renewing programs with room to grow consistently increase their achievements over time.<sup>56</sup>

As more states become interested in QRS, there is a growing demand for research that shows whether QRS is improving child care quality or not. With OMNI, a Denver-based non-profit research institution, RAND Corporation is currently finishing a five-year study on Colorado's Qualistar Early Learning. The evaluation will focus on whether sites assisted by Qualistar provide higher-quality care for children than "usual care" sites and whether children who receive care at Educare sites experience improved outcomes, including cognitive and emotional development and school readiness, when compared to children enrolled in "usual care" sites. RAND-OMNI also will conduct analyses of the costs of the Qualistar intervention.<sup>57</sup> The results are expected in mid-February 2008.

The QRS Consortium, a loose group of states and organizations, is attempting to develop better quality rating systems and help test and confirm improvement strategies that could be used to uplift individual providers and the field. The Consortium hopes to derive the following benefits from its work: (1) unite data sets across the diverse group as a whole in order to better understand what works to improve quality, for who, and under what conditions; (2) develop a valid, reliable, and cost-effective QRS and improvement strategies in contrast to the current process of fragmented small-scale research or no research and analysis at all; and (3) involve representatives from the industry, including provider associations, consumer groups, oversight agencies, funders, researchers, so that the work is more constructive and solutions more easily implemented.<sup>58</sup> The Consortium's first research effort is a five-state study conducted by RAND Corporation. The first draft is expected in early 2008.<sup>59</sup>

## **V. Key Policy Questions**

To conclude, the following is a list of key policy questions to consider for the QRIS pilot sites and future proposals for implementing QRIS on a larger scale throughout Washington.

### **Need/Problem**

1. What early learning problems is a QRS trying to solve?
2. How have these problems been demonstrated? What does the data indicate?

### **Definitions/Eligibility**

3. What standards define quality child care?
4. What criteria are the providers measured against?
5. Child care and early learning services are provided by unlicensed providers, licensed family homes, licensed centers, preschools, head start programs, and early childhood education and assistance programs. What types of providers will be eligible to participate in a QRS?

### **Scalability**

6. How would the current demonstration projects be expanded statewide?
7. In the long-run, should a QRS be available to all communities, or limited to communities with suggested early learning needs?

### **Private Market vs. Public Interest**

8. Child care is a private market involving providers and consumers (parents). Should market forces regulate the quality of child care?

9. The state is also a large consumer of child care via subsidized child care. What is the state's responsibility regarding quality child care?
10. Will a QRS help the state improve early learning outcomes?

### **The Role of the State (and the Legislature)**

11. Who is responsible for implementing a QRS statewide—the state, the private sector, or philanthropic groups?
12. Should the legislature define a QRS in statute? How specific should the statute be?
13. Should a QRS be incorporated into the state's licensing standards?
14. If the state operates a QRS, should new staff be hired or should operations be contracted out?
15. If the state funds a QRS, should new money be added, should existing funding be redirected toward a QRS, or both?

### **Providers**

16. Have providers expressed an interest in being rated?
17. If a provider wants to be rated, what will the process be? Will this be simple or burdensome?
18. What barriers could prevent a provider from participating in a QRS?

### **Incentives**

19. Should providers receive upfront assistance to participate in a QRS or be responsible for the costs of improving their quality?
20. After providers improve (or demonstrate higher) quality, should they charge consumers more for child care? Should the state pay more in subsidies for high quality care?
21. Should providers receive both upfront incentives and increased payments? Or should providers receive just one type of incentive?
22. Who will pay for the upfront incentives?
23. If the state provides upfront incentives, should they come in the forms of grants or loans?
24. Should all providers be eligible for incentives?

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<sup>1</sup> E2SSB 5828, sec. 4 (2007) & SHB 1128, sec. 614 (2007).

<sup>2</sup> National Child Care Information Center (NCCIC), "Quality Rating Systems: Definition and Statewide Systems," March 2007, <http://www.nccic.org/pubs/qrs-defsystems.pdf>.

<sup>3</sup> The Early Learning Council: Activities & Recommendations, "Chapter 2: Quality Rating & Improvement System (QRIS) & Tiered Reimbursement," December 2006.

<sup>4</sup> E2SHB 1152, sec. 5 (2005).

<sup>5</sup> E2SHB 1152, sec. 5 (2005).

<sup>6</sup> E2SHB 1152, sec. 5 (2005).

<sup>7</sup> E2SSB 5828, sec. 4 (2007).

<sup>8</sup> The two demonstration communities that Thrive-by-Five is working in—East Yakima and White Center—will also serve as pilots for QRIS. (2006 Overview, Thrive by Five, page 5.)

<sup>9</sup> SHB 1128, sec. 614(2) (2007).

<sup>10</sup> 2007-09 Operating Budget: Statewide Summary & Agency Detail, April 21, 2007

<sup>11</sup> DEL press release "DEL selects sites to design early learning rating system," November 6, 2007.

<sup>12</sup> Presentation at ELAC meeting on December 17, 2007.

<sup>13</sup> E2SSB 5828, sec. 3(2007)

<sup>14</sup> 2007-09 Operating Budget: Statewide Summary & Agency Detail, April 21, 2007.

<sup>15</sup> DEL Newsletter (July 13, 2007) and relevant handouts and notes from the ELAC meeting on October 22, 2007.

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- <sup>16</sup> Based on discussions at the December 17, 2007, ELAC meeting.
- <sup>17</sup> United Way Success by 6: Stair Steps to Quality, July 2005; NAEYC: State Pub Policy Update, Fall 2006; "Quality Rating Systems--the Experience of Center Directors," Exchange, Jan/Feb 2007). Citing NAEYC, NIEER states as many as 30 states are considering QRS. NIEER, "It's in the Stars: More States Are Using Quality Rating Systems for Pre-K," *Preschool Matters*, Dec/Jan 2007.
- <sup>18</sup> These states include Delaware, Kentucky, and Maryland.
- <sup>19</sup> These states include Kansas, New Mexico, Ohio, Vermont, and Washington.
- <sup>20</sup> See C.R.S. 26-6.5-106(5).
- <sup>21</sup> Conversation with Kathy Glazer, Governor's Office, on August 29, 2007.
- <sup>22</sup> Conversation with Kathy Thornburg, Center for Family & Policy Research, University of Missouri, August 28, 2007.
- <sup>23</sup> *Id.*
- <sup>24</sup> 2007 Wa. SHB 1128, sec. 614(2); 2007 La. SB 361; 2007 R.I. Pub. Laws 141; Tex. Educ. Code §29.160 (2007); Wyo. Stat. §14-4-201 (2007); KRS §199.8941 (2006).
- <sup>25</sup> Miss. Code Ann. §43-1-65 (2007).
- <sup>26</sup> Iowa Code §237A.30 (2006); 2007 Pa. HB 842.
- <sup>27</sup> 2006 Md. HB 601; 2007 Mass. H.B. 4141.
- <sup>28</sup> Tenn. Code Ann. §71-3-502 (2007).
- <sup>29</sup> Step Up to Quality: Guidance Document, December 2006, <http://jfs.ohio.gov/cdc/docs/GuidanceDoc.pdf>.
- <sup>30</sup> Maryland Child Care Credential Program web site, [http://www.marylandpublicschools.org/MSDE/divisions/child\\_care/credentials/mdcred.htm](http://www.marylandpublicschools.org/MSDE/divisions/child_care/credentials/mdcred.htm).
- <sup>31</sup> STARS, Step Ahead Recognition System for Child Care, Early Education and Afterschool Programs, Program Guide 2007, [http://www.starsstepeahead.org/press/program\\_guide.pdf](http://www.starsstepeahead.org/press/program_guide.pdf).
- <sup>32</sup> These states include Delaware, Iowa, Maryland, Missouri, Nebraska, New Hampshire, New Mexico, and North Carolina, as well as Washington DC.
- <sup>33</sup> North Carolina Division of Child Development web site, [http://ncchildcare.dhhs.state.nc.us/parents/pr\\_sn2\\_ov\\_sr.asp](http://ncchildcare.dhhs.state.nc.us/parents/pr_sn2_ov_sr.asp).
- <sup>34</sup> These states include Colorado, Montana, and New Hampshire as well as Washington DC.
- <sup>35</sup> These states include Missouri and Vermont.
- <sup>36</sup> District of Columbia Child Care & Development Fund Bock Grant FY 2005 Annual Report, p. 16; e-mail from Ellen M. Yung-Fatah, Deputy Admin for Programs, Early Care & Education Administration, September 11, 2007.
- <sup>37</sup> The TN Child Care Evaluation & Report Card Programs web site, [http://www.tnstarquality.org/html/report\\_cards.htm](http://www.tnstarquality.org/html/report_cards.htm).
- <sup>38</sup> Gail L. Zellman, Ph.D., RAND Corporation, telephone conversation on August 29, 2007; Kathy Thornburg from Center for Family Policy & Research, telephone conversation on August 28, 2007; Dr. Patricia Kuhl, Institute for Learning & Brain Sciences, site visit on June 26, 2007; Kathy Glazer with NIEER, "It's in the Stars: More States Are Using Quality Rating Systems for Pre-K," *Preschool Matters*, Dec/Jan 2007.
- <sup>39</sup> Colorado: conversation with Doug Price, Paula Neff, and Gladys Wilson of Qualistar Early Learning; Kentucky: conversations with and information provided by Amy Morgan-Henry, Division of Child Care; North Carolina: conversations with Heather Laffler, North Carolina Division of Child Development; Oklahoma: conversations with Mark Lewis, Director, Oklahoma Child Care Services.
- <sup>40</sup> NIEER, "It's in the Stars: More States Are Using Quality Rating Systems for Pre-K," *Preschool Matters*, Dec/Jan 2007.
- <sup>41</sup> *Id.*
- <sup>42</sup> *Id.*
- <sup>43</sup> Vi-Nhuan Le, Michal Perlman, Gail L. Zellman, Laura S. Hamilton, "Measuring child-staff ratios in child care centers: Balancing effort and representativeness," *Early Childhood Research Quarterly* 21 (2006) 267-279.
- <sup>44</sup> *Id.*
- <sup>45</sup> Missouri Quality Ratings System, <http://www.openinitiative.org/pdfs/QRS/MO%20QRS%20flyer.pdf>.
- <sup>46</sup> The Early Childhood Environment Rating Scale, Revised Edition, (ECERS-R) is designed to assess group programs for children of preschool through kindergarten, ages 2 ½ - 5.
- <sup>47</sup> Step Up to Quality: Guidance Document, December 2006, <http://jfs.ohio.gov/cdc/docs/GuidanceDoc.pdf>.
- <sup>48</sup> E-mail from Jennifer Towell, Stars Program Manager, Oklahoma Department of Human Services, September 5, 2007.
- <sup>49</sup> Deborah Norris, Loraine Dunn, Lisa Eckert, "Reaching for the Stars' Center Validation Study Final Report," by

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Early Childhood collaborative of Oklahoma, November 2003.

<sup>50</sup> Deborah Norris & Loraine Dunn, “Reaching for the Stars’ Family Child Care Home Validation Study,” by Early Childhood Collaborative of Oklahoma, August 2004.

<sup>51</sup> There are four environmental rating scales, each designed for a different segment of the early childhood field. Each one the scales has items to evaluate: physical environment; basic care; curriculum; interaction; schedule and program structure; and parent and staff education. The ECERS-R is one of the four scales.

<sup>52</sup> “Evaluation of Pennsylvania’s Keystone STARS Quality Rating System in Child Care Settings,” University of Pittsburgh Office of Child Development & Pennsylvania State University Prevention Research Center, December 2006, <http://www.pakeys.org/docs/Keystone%20STARS%20Evaluation.pdf>.

<sup>53</sup> *Id.*

<sup>54</sup> “What Is Working? What Is Not Working? Report on the Qualitative Study of the Tennessee Report Card and Star-Quality Program and Support System,” the University of Tennessee college of Social Work & Office of Research and Public Service, November 2006, [http://www.tnstarquality.org/refs/what\\_is\\_working.pdf](http://www.tnstarquality.org/refs/what_is_working.pdf).

<sup>55</sup> *Id.*

<sup>56</sup> STARS: Quarterly Progress Report, April-July 2007; <http://www.starsstepahead.org/>.

<sup>57</sup> Gail L. Zellman, Ph.D., RAND Corporation, telephone conversation on August 29, 2007; RAND’s web site <http://www.rand.org/child/projects/educare.html>.

<sup>58</sup> E-mail from Garrison Kurtz, Thrive by Five, on September 21, 2007; the Washington invitees on the Consortium include Karen Tvedt, Early Learning Council; Garrison Kurtz; Bridgett Chandler, Talaris Research Institute; and Rachael Langen, Child Care & Early Learning Division.

<sup>59</sup> E-mail from Gail L. Zellman, Ph.D., RAND Corp., on October 29, 2007.