

# Executive Summary

A key question in child care policy is whether quality improvement is in tension with maintaining a diverse supply of care that meets working families' needs. The District of Columbia is an ideal place to explore this question in the context of its redesigned quality rating and improvement system (QRIS), Capital Quality. Capital Quality launched in 2016, was fully implemented by 2018, and made new quality designations public in 2019. This report tracks the supply, distribution, and composition of licensed child care over this period.

Findings suggest that quality improvement need not disrupt the supply or capacity of available care. Specifically, in the District of Columbia we found the following:

- The supply of licensed child care held steady and capacity increased from 2016 through 2019, as the new QRIS rolled out.
  - » The composition of care types shifted over this period. The number of center-based and expanded home facilities and slots grew across this period, while the number of child development homes and slots declined. This decrease in part occurred because some child development homes were converted to expanded homes, increasing the overall supply of licensed home-based care. This pattern mirrors a longer trend in the District and nationwide and is likely not related to Capital Quality.
  - » The number of slots decreased in wards 5 and 7, where relatively high shares of families have low incomes, while the number of slots increased in ward 6, which has the largest population, and held steady in other wards.
  - » The number of slots for infants and toddlers increased, driven by strong growth in the number of toddler (12–36 months) slots, while the number of school-age slots declined.
- The supply and capacity of facilities participating in a District QRIS increased slightly between 2016 and 2019.
  - » Facilities participating in QRIS were more likely located in wards 7 and 8 and less likely located in wards 2, 3, and 6, in line with the distribution of families with low incomes in the District and facilities that received subsidies.
- Capital Quality shifted the distribution of quality designations. Whereas facilities often held the lowest or highest rating possible in the previous system, Capital Quality created a more even distribution of designations across its four tiers.

- » For children receiving subsidies, facilities that served infants and toddlers, nontraditional-hour facilities, and centers, Capital Quality designations were more varied and lower, on average, than Going for the Gold ratings. But for child development homes, designations improved under Capital Quality.
- » Subsidized children had a similar likelihood of receiving care at each quality designation as unsubsidized children enrolled in facilities participating in Capital Quality.
- » Wards 4, 7, and 8 saw the largest number of facilities increase in quality designation under Capital Quality, but wards 1, 2, and 3, which have some of the most affluent families, saw the largest shares of facilities with quality or high-quality designations.

This project will continue tracking these trends through 2023, as facilities with preliminary designations accrue observation data sufficient to be rated and all QRIS-participating facilities undergo additional annual observations and experience Capital Quality's improvement supports.