

## **QUALITY RATING SYSTEMS and the IMPACT on QUALITY in EARLY CARE and EDUCATION SETTINGS**

Quality Rating Systems (QRS) are a method to assess, improve and communicate the level of quality in early care and education settings. QRS are systemic, addressing multiple aspects of early care and education through a uniform approach that is available throughout a State. QRS are part of a State's broader quality improvement continuum, and have the following five common elements: 1) standards; 2) accountability; 3) program and practitioner outreach and support; 4) financing incentives specifically linked to compliance with quality standards; and 5) parent education.

As of March 2006, 12 States (Colorado, District of Columbia, Kentucky, Maryland, Montana, New Hampshire, New Mexico, North Carolina, Oklahoma, Pennsylvania, Tennessee, and Vermont) have a Quality Rating System with multiple levels available throughout their State.

The following is a sample of research about the impact of quality rating systems in early care and education settings, including information about the study design for research in progress. Also included is a brief description of the States' Quality Rating System. The sample includes State information about **Colorado, Kentucky, North Carolina, Oklahoma, Pennsylvania, and Tennessee**. The information is presented alphabetically by State, and chronologically by publication date. Additional sections include information about research on piloted QRS and an evaluation of tiered reimbursement policies, which may be a component of financing incentives for QRS. Also included is information about general resources that provide an overview on this topic and information about environment rating scales.

---

### **STATE-SPECIFIC INFORMATION**

#### **Colorado: Qualistar Rating System**

■ In 2004, Educare Colorado and the Colorado Office of Resource and Referral Agencies (CORRA) merged their organizations and became Qualistar Early Learning. The Qualistar Rating System is a tool to measure quality in licensed center and family child care homes, and preschool programs, for children from birth to kindergarten. The Qualistar Rating System evaluates programs in five areas: 1) learning environment, 2) family partnerships, 3) training and education, 4) adult-to-child ratios, and 5) accreditation; and assigns a rating of one-to-four stars to each program.

## EVALUATION

■ The RAND Corporation, a nonprofit research organization, is conducting a five-year evaluation of Educare (now renamed Qualistar Early Learning). With OMNI, a Denver-based nonprofit research institution, RAND will examine the three key Qualistar Early Learning activities: 1) a public awareness and parent education media campaign; 2) development and application of a four-star rating system for child care provider sites; and 3) direct assistance to the rated sites for improving quality based on an assessment of site needs. The first two activities are expected to increase public support for child care quality improvements and increase both parents' awareness of child care quality and their motivation to seek out and pay for quality care. The third activity is expected to improve the star ratings that child care providers earn and the quality of care provided. The evaluation's key questions are whether sites assisted by Qualistar Early Learning provide higher-quality care for children than "usual care" sites; and whether children who receive care at Qualistar sites experience improved outcomes, including those for cognitive and emotional development and school readiness, when compared to children enrolled in "usual care" sites. RAND-OMNI will also conduct analyses of the costs of the Qualistar intervention. This information about the evaluation is available on the Web at <http://www.rand.org/child/projects/educare.html>.

Additional information is available on the Web at <http://www.qualistar.org> or contact Qualistar Early Learning at 303-339-6800.

## Kentucky: STARS for KIDS NOW Child Care Quality Rating System

■ The goal of Kentucky's KIDS (Kentucky Invests in Developing Success) NOW (HB 706) is that all young children in Kentucky are healthy and safe, possess the foundation that will enable school and personal success, and live in strong families that are supported and strengthened within their communities. To reach this goal, 25 percent of Kentucky's Phase I Tobacco Settlement dollars will fund this early childhood initiative. Additional information about KIDS NOW is available on the Web at <http://www.education.ky.gov/KDE/Instructional+Resources/Early+Childhood+Development/Components+of+KIDS+NOW+Initiative.htm>.

STARS for KIDS NOW is Kentucky's voluntary child care quality rating system. Information about this rating system is available on the Web at <http://www.education.ky.gov/KDE/Instructional+Resources/Early+Childhood+Development/STARS+-+The+Childcare+Quality+Rating+System.htm>.

## EVALUATION

■ *KIDS NOW Evaluation Project Executive Summary 2004*, states:

The 2003-2004 evaluation of the KIDS NOW Initiative demonstrates the rapid implementation of components throughout the state. Additionally, data from this evaluation year reveals the third statewide picture of center-based child care program quality in the state of Kentucky. The Universities of Kentucky and

Louisville collaborated to evaluate programs using an integration of data (surveys, face-to-face interviews, and classroom observations) that indicated *five* key findings:

**1. Center-based child care programs in Kentucky have decreased in quality. There is a need for improvement.**

For the first time since the Initiative has begun, Infant/toddler classroom quality was superior to preschool classroom quality. Overall scores on the ITERS-R and ECERS-R were lower in previous years. Quality scores were significantly lower in preschool classrooms. Participation in the STARS for KIDS NOW rating system decreased. However, the centers who participated in STARS for KIDS NOW had increased STAR ratings. Quality of care was lower in programs serving large numbers of children on subsidy and minority children despite participation in components of the initiative.

**2. Familiarity with and participation in the KIDS NOW Initiative are related to overall center quality.**

**3. Program differences in quality were found.**

**4. Issues that impact positive language and literacy environments were discovered.**

**5. Urban and rural differences exist in the way child care providers participate in and perceive the benefits of the components of the KIDS NOW Initiative.**

For additional information, contact Kim Townley, Kentucky Department of Education, at 502-564-8341 or e-mail [ktownley@kde.state.ky.us](mailto:ktownley@kde.state.ky.us).

■ *KIDS NOW Evaluation Executive Summary, Interim Report (2003)*, by Jennifer Grisham-Brown, Rena Hallam, Anita Barbee, Joe Petrekso, Annajtie Faul, Becky Antle, Shannon Frey, and Megan Cox, presents 2002–2003 evaluation data for the KIDS NOW Initiative in Kentucky. Data indicate that center-based child care programs in Kentucky are improving in quality. Preschool centers that are more familiar with STARS for KIDS NOW and have more educated teachers tend to have higher-quality classrooms. Enhanced efforts to promote the KIDS NOW Initiative have increased familiarity with the program. Urban and rural differences exist in the way child care providers participate in and perceive the benefits of the Initiative. Rural staff rated the program more favorably than urban staff on several dimensions (i.e., Scholarship, STARS for KIDS NOW, Healthy Start, Subsidy, and Licensing). Urban parents were more likely to report that needed care was unavailable and more expensive. For additional information, contact Kim Townley, Kentucky Department of Education, at 502-564-8341 or e-mail [ktownley@kde.state.ky.us](mailto:ktownley@kde.state.ky.us).

- Information about the KIDS NOW Evaluation Plan is available on the Web at <http://www.education.ky.gov/KDE/Instructional+Resources/Early+Childhood+Development/KIDS+Now+Evaluation+Plan.htm>

### **North Carolina: North Carolina Star Rated License**

- North Carolina's Star Rated License is based upon the child care facility's program standards, staff education levels, and compliance history with child care regulations. Information about North Carolina's child care rated license system is available on the Web at [http://ncchildcare.dhhs.state.nc.us/parents/pr\\_sn2\\_ov\\_sr.asp](http://ncchildcare.dhhs.state.nc.us/parents/pr_sn2_ov_sr.asp). For additional information, contact the North Carolina Department of Health and Human Services, Division of Child Development, at 919-662-4499.

### **EVALUATION**

- The North Carolina Rated License Assessment Project (NCRLAP) is a collaborative project between the North Carolina Division of Child Development and other institutions of higher education across the State. NCRLAP's purpose is to conduct voluntary assessments for child care centers and homes attempting to earn three or more stars within the North Carolina Star Rated License system. Additional information is available on the Web at <http://www.ncrlap.org>, or contact NCRLAP, University of North Carolina at Greensboro (UNCG) at 336-256-0100.

- *Summary of Lowest Scoring Items and Indicators for Each of the Environment Rating Scales* (October 2004), by Deborah Cassidy, Stephen Hestenes, Linda Hestenes, and Sharon Mims, University of North Carolina at Greensboro, provides a summary of the lowest scoring items and indicators for each of the Environment Rating Scales, as used for the assessment portion of the North Carolina Star Rated License. This resource is available on the Web at [http://web.uncg.edu/ncrlap/pdf/Lowest\\_Scoring\\_Items\\_10-25\\_04.pdf](http://web.uncg.edu/ncrlap/pdf/Lowest_Scoring_Items_10-25_04.pdf).

- *Lessons Learned from the First Five Years of the NC Rated License Assessment Project* (September 14, 2004), Deborah Cassidy and Stephen Hestenes, Presenters, Linda Hestenes and Sharon Mims, (Leadership Team Members), North Carolina Rated License Assessment Project, UNCG, presented at the 2004 Smart Start Gathering, is a Microsoft PowerPoint presentation that examines lessons learned from the first five years of the North Carolina Rated License Assessment Project. This resource is available on the Web at [http://web.uncg.edu/ncrlap/pdf/Lessons\\_FiveYears\\_9\\_04.pdf](http://web.uncg.edu/ncrlap/pdf/Lessons_FiveYears_9_04.pdf).

- "What We Gain From Teacher Education in Terms of Child Care Quality: Lessons Learned From the North Carolina Rated License Assessment Project," overheads presented at the National Association for the Education of Young Children (NAEYC) Annual Conference, Chicago, Illinois, November 2003, are available on the Web at [http://web.uncg.edu/ncrlap/pdf/WhatWeGainFromTeacherEd11\\_4\\_03.pdf](http://web.uncg.edu/ncrlap/pdf/WhatWeGainFromTeacherEd11_4_03.pdf).

■ *North Carolina Rated License: A Three-Year Summary of Assessed Facilities, An Executive Summary 1999-2002* (May 2003), written by Deborah Cassidy, Linda Hestenes, Sharon Mims, and Stephen Hestenes, North Carolina Rated License Assessment Project, states:

This document provides an overview of assessment scores based on information collected during the first three years of the Star Rated License implementation (September 1, 1999, to August 31, 2002). It is important to note that these findings primarily apply to the quality of care in programs applying for three, four, or five points in program standards. Therefore, these findings are **not** based on a representative sample of programs in North Carolina partly because the majority of child care facilities in North Carolina and nearly all current programs with one, two, or three stars have not had an assessment using the rating scale. (page 2)

The report states:

Assessment scores provide valuable insight into the areas of achievement and those areas in need of resources and continuing improvement in child care centers across the state. (page 5)

Ratings are discussed for preschool, infant, and school-age classrooms, as well as family child care homes. The report also states:

In addition to the rating scale data, information about teacher/provider education was collected to explore the relationship between education of the teacher/provider and the score received on the rating scale. Our findings provide compelling evidence of an increase in rating scale scores in child care centers with increasing levels of teacher education ... there was a clear connection between rating scale scores and the amount of education that a teacher had completed. (page 9)

This resource is available on the Web at

[http://web.uncg.edu/nclap/pdf/ExecutiveSummary\\_Final\\_5\\_15\\_03.pdf](http://web.uncg.edu/nclap/pdf/ExecutiveSummary_Final_5_15_03.pdf).

■ “Measurement of Quality in Preschool Child Care Classrooms,” by Deborah J. Cassidy, Linda L. Hestenes, Stephen Hestenes, and Sharon Mims, Department of Human Development and Family Studies, the University of North Carolina at Greensboro, a presentation at the Biennial Meeting of the Society for Research in Child Development (SRCD), April 2003, Tampa, Florida, examined the *Early Childhood Environment Rating Scale-Revised (ECERS-R)* with 1,313 preschool classrooms in child care programs across North Carolina to determine the factors present. Regulatable aspects of child care quality were examined to determine the relationship between the *ECERS-R* factors and teacher education, experience, group sizes, and teacher/child ratios. The report notes that this assessment was completed as part of the State’s Star Rated License process, and assessments were completed in programs striving for the higher star ratings—typically four of five stars.

This resource is available on the Web at

[http://web.uncg.edu/ncrlap/pdf/Measurement\\_of\\_Quality\\_in\\_Preschool\\_Child\\_Care\\_Classrooms\\_SRC\\_D\\_5\\_2\\_03.pdf](http://web.uncg.edu/ncrlap/pdf/Measurement_of_Quality_in_Preschool_Child_Care_Classrooms_SRC_D_5_2_03.pdf).

■ *A Quick Reference to the Rated License Assessment Process* is available on the Web at <http://web.uncg.edu/ncrlap/pdf/SampleBrochure8-8-02.pdf>.

■ *Validating North Carolina's 5-Star Child Care Licensing System* (February 2001), by the Smart Start Evaluation Team, Frank Porter Graham Child Development Institute, University of North Carolina at Chapel Hill, reports:

Independently gathered data from 84 child care centers validates North Carolina's new 5-star child care licensing system. Using data collected as part of the Smart Start evaluation, a significant relationship was found between the star rating level of a center and several other indicators of program quality. Parents and policymakers should be assured that centers with higher star ratings are indeed providing a higher quality of care for young children. (Abstract)

This report is available on the Web at

[http://www.fpg.unc.edu/smartstart/Reports/Validating\\_Licensing\\_System\\_Brochure.pdf](http://www.fpg.unc.edu/smartstart/Reports/Validating_Licensing_System_Brochure.pdf).

### **Oklahoma: Reaching for the Stars**

■ Oklahoma's Reaching for the Stars created four levels of child care programs (One Star, One Star Plus, Two Star, and Three Star). Information about the Reaching for the Stars program is available on the Web at [http://okdhs.org/childcare/ProviderInfo/provinfo\\_stars.htm](http://okdhs.org/childcare/ProviderInfo/provinfo_stars.htm). For additional information, contact the Oklahoma Department of Human Services, Division of Child Care, at 800-347-2276 or 405-521-3561.

### **EVALUATION**

■ *"Reaching for the Stars" Family Child Care Home Validation Study Final Report* (August 2004), by Deborah Norris and Loraine Dunn, Early Childhood Collaborative of Oklahoma (ECCO), a University of Oklahoma/Oklahoma State University Partnership, examined the quality differences between 189 Oklahoma family child care homes representing the various levels of the Reaching for the Stars program. A Statewide sample of One-Star, One-Star Plus, and Two-Star homes was selected. Data indicate that family child care homes look different across the various Star categories. The Two-Star homes provide a higher level of global environmental quality than either One- or One-Star Plus homes. Two-Star family child care providers are also more sensitive in their interactions with children than One-Star providers. Both the environment and the adult-child interactions occurring in that environment are more desirable in Two-Star homes than in homes of lower Star categories. Findings suggest that the twin factors of specialized education and continuing professional development are vital aspects of the Stars policy tied to family child care quality. The full report is available on the Web at <http://www.okdhs.org/childcare/ProviderInfo/StarsProgram/FCC%20tech%20rept%20w%20cover.pdf>. The Executive Summary is available on the Web at <http://www.okdhs.org/childcare/FCC%20Exec%20Rept.pdf>.

■ “*Reaching for the Stars*” *Center Validation Study Final Report* (November 2003), by Deborah J. Norris, Loraine Dunn, and Lisa Eckert, Early Childhood Collaborative of Oklahoma (ECCO), a University of Oklahoma/Oklahoma State University Partnership, prepared for the Oklahoma Department of Human Services (DHS), Division of Child Care, states:

This examination of child care under “Reaching for the Stars” reveals a generally positive state of affairs coupled with persistent challenges. The intent of the “Reaching for the Stars” program is to improve the quality of individual centers as well as the overall quality of child care in Oklahoma. The findings ... show that this goal is being achieved. More high quality programs are enrolling children subsidized by DHS, global quality ratings have risen, and teacher-child interactions are generally positive. In addition, a number of directors queried in this study believe that the goal of quality improvement is being achieved. They indicate that the increased financial support provided by DHS to centers with higher Star ratings is 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 1.) provide the best care possible and 2.) increase the educational levels of teachers and directors. (page 45)

Additional information is available on the Oklahoma Department of Human Services Web site at <http://okdhs.org/childcare/>. The Executive Summary is available on the Web at <http://okdhs.org/childcare/home/ECCO1%20-%20Executive%20Summary%20Year%201%20Nov.%202003.pdf>. The Full Report is available on the Web at <http://okdhs.org/childcare/home/Stars%20Research%20-%20Full%20report%20Nov.%20200310.pdf>.

■ ““Reaching for the Stars’ and Child Care Quality: Brief Report of Findings From a Statewide Study of Child Care Centers” (Fall 2003), *ECCO Brief Report #1* based on the findings from the *Technical Report: “Reaching for the Stars” Center Validation Study Final Report*, highlights the landscape of center-based care in Oklahoma and subsidy enrollment patterns. The *Brief* addresses the questions: “Does tiered reimbursement translate into different levels of child care quality in Oklahoma?” and “What requirements of the Stars program are most important for center quality?” For additional information, contact Deborah Norris, 405-744-7084 or Loraine Dunn, 405-325-1509.

■ *Taking A Closer Look: Tiered Licensing and Differential Quality* (October 2000), by Deborah J. Norris, Early Childhood Education, Oklahoma State University, and Loraine Dunn, Early Childhood Education, University of Oklahoma, states:

This study was conducted one year after the Office of Child Care initiated a differential quality, tiered reimbursement initiative called “Reaching for the Stars.” Centers meeting basic licensing regulations were granted one-star status. Two routes were available for achieving two-star status—being nationally accredited or meeting the enhanced two-star criteria. The enhanced two-star criteria had specific requirements in the areas of staff qualifications and training, staff compensation, learning environment, parent involvement, and program

evaluation. The Office of Child Care paid higher rates of reimbursement for subsidized child care in two-star centers. (page 1)

Two-star by criteria centers were recruited to participate in a research project examining the quality of child care in Oklahoma. Licensed and nationally accredited centers were recruited in the same geographic areas as the two-star by criteria centers that agreed to participate. (page 1)

The purpose of this report was to examine the variability in child care centers operating within these various regulatory climates. (page 1)

The Summary of Findings states:

Seventy-one child care centers were visited at one point in time to assess the quality of care and measure children's outcomes. The sample included 25 one-star centers meeting licensing regulations, 21 two-star centers meeting the enhanced criteria, 15 two-star centers that were nationally accredited, and 10 centers that were nationally accredited but had not requested two-star status.

Accredited centers (whether two-star or not) were more likely than licensed and two-star criteria centers to:

- Pay higher salaries
- Use written evaluations with staff at least annually
- Have directors who had completed higher levels of education
- Have directors with more specialized education in early childhood
- Have master teachers who qualified by education instead of CDA or CCP
- Have a better master teacher-to-child ratio
- Have more than one adult in the observed classrooms
- Offer better quality child care
- Have ECERS ratings of 5 or higher
- Have more children with average or above scores on the Test of Early Mathematical Ability

Two-star criteria centers were more likely to:

- Enroll more children with DHS subsidies than the other three groups
- Have a greater percentage of their enrollment receiving DHS subsidies
- Have more children per master teacher
- Include more items in their salary scale
- Have master teachers who qualified by CDA or CCP instead of education
- Have more children scoring below average on the Test of Early Mathematical Ability
- Have more children scoring below average on the Adaptive Language Inventory

Centers with a smaller proportion of their enrollment receiving subsidies were more likely to:



- Offer better quality care
- Have more children scoring average or above on the Test of Early Mathematical Ability
- Have more children scoring average or above on the Adaptive Language Inventory

Master teachers who qualified by education instead of CDA or CCP were more likely to:

- Offer better quality care

Directors who qualified by CDA or education instead of by experience were more likely to:

- Offer better quality care

Directors with Bachelors degrees or higher were more likely than those with experience or CDA's to:

- Have more children in their center score average or above on the TEMA

Future research directions include:

- Establishing a longitudinal study with a stratified sampling plan and broader age range
- Collecting data in both child care centers and family child care homes
- Utilizing a variety of outcome measures
- Observing more than one classroom in a child care program
- Observing more children within each child care setting
- Exploring with different techniques and instruments the role and influence of the director
- Comparing master teachers and non-master teachers
- Documenting program change throughout the process of becoming 2- and 3-star programs

For additional information, contact Deborah Norris, 405-744-7084 or Loraine Dunn, 405-325-1509.

## **Pennsylvania: Keystone STARS (Standards, Training, Assistance, Resources, and Support)**

■ Keystone STARS is an initiative of the Department of Public Welfare (DPW) to improve, support, and recognize quality child care programs in Pennsylvania by working to support the capacity and quality of child care programs. Changes were made to Keystone STARS for FY 2004-2005, including expanding to support all DPW regulated child care programs that choose to participate and seek a STARS designation. Additionally, STARS now offers five levels for regulated providers. Additional information about Keystone STARS is available on the Web at <http://www.dpw.state.pa.us/child/childcare/KeystoneStarChildCare>.

### **EVALUATION**

■ *Keystone Stars, Reaching Higher for Quality Child Care, Year 1 Evaluation Report, Overall Executive Summary* (October 2003), by Anne Farber, Jennifer J. Pelkowski, Maria Townsend, and Wendy Barnard, University of Pittsburgh, Office of Child Development, Planning and Evaluation Project, on behalf of Universities' Children Policy Collaborative, presents evaluation findings from the first year of Keystone Stars. Keystone Stars identifies four levels of quality performance standards that are categorized in three areas: 1) Staff Education, 2) Program Learning Environment, and 3) Program Administration. The program provides support, including Case Management, Training, Environmental Rating Scale Training and Assessment, and Star Assistance Grants to help selected Star One providers improve the quality of their child care services. In addition, Keystone Stars grants Star Merit Awards to selected Star Four providers to recognize their achievement of high quality. Three hundred ninety-one Star One and 105 Star Four providers were surveyed along with key partners. Providers and partners made several suggestions for how the outreach process could be improved, noting that it is vital to educate parents so they can use the program to inform child care decisions. Star One providers suggested that more information be provided on the awards and that forms to apply for the grants be developed. They also requested higher funding levels for the Star Assistance Grants. Although providers and partners were satisfied with the application process, they offered suggestions for how the process could be improved. Data indicate that providers need a range of supports to improve quality. As they work toward higher stars, providers speculated that Star One providers will need the most assistance with staff education (60 percent). Partners felt that the key to Keystone Stars' potential success is that the quality standards outlined a well-defined framework for program improvement.

For additional information, contact Office of Child Development, University of Pittsburgh at 412-244-5447.

■ The Administration of the Environment Rating Scales (ERS) project provides services related to the use of the *Infant/Toddler Environment Rating Scale, Revised Edition (ITERS-R)*, *Early Childhood Environment Rating Scale, Revised Edition (ECERS-R)*, *Family Day Care Rating Scale (FDCRS)*, and the *School-Age Care Environment Rating Scale (SACERS)*. ERS project staff conduct training on the use of the scales for self assessment, conduct assessments on providers participating in the Keystone STARS initiative, and conduct ERS assessments for the Keystone STARS research project. For additional information, contact Michelle Bossers, Project

Manager, Administration of the Environment Rating Scales, Keystone University Research Corporation (KURC), at [micheleb@kurc.org](mailto:micheleb@kurc.org).

### **Tennessee: Child Care Evaluation and Report Card Program, and the Star-Quality Child Care Program**

■ The Child Care Evaluation and Report Card Program is required for all licensed and approved child care providers in Tennessee. During the process of renewing a license, the State evaluates a provider on several areas of quality. The voluntary Star-Quality Child Care Program recognizes child care providers who meet a higher standard of quality. Once qualified for this program, providers can receive one, two, or three stars to place on their license. Each star shows that a provider meets increasingly higher standards. Both of the mandatory and voluntary programs require a program assessment. Information about Program Assessments in Tennessee is available on the Web at <http://www.tnstarquality.org/html/assessment.htm>. Additional information about Tennessee's Child Care Evaluation and Report Card Program and the Star-Quality Child Care Program is available on the Web at <http://www.tnstarquality.org>. For additional information, contact the Tennessee Department of Human Services (DHS) at 615-313-4700.

#### **EVALUATION**

■ *Who Cares for Tennessee's Children? A Review of Tennessee's Child Care Evaluation Report Card Program* (January 2004), prepared for DHS, by the University of Tennessee College of Social Work, Office of Research and Public Service, states:

##### Two-year Results for the Report Card Evaluation and Star-Quality Child Care Programs

- Child care quality across Tennessee has improved at both centers and homes
- More of Tennessee's children received child care that promotes healthy physical, emotional, and social development and school readiness
- Fewer children were in low-quality care that compromises their development
- Parents across the state had evaluation results and report cards to help them make more informed child care choices
- Caregivers received detailed information about what they were doing well and ways to improve their services (page 6)

The resource also states:

A total of 5,668 observations were conducted across the state in Year 2 ... the quality of care rose in each of the three classroom types or homes, from Year 1 to Year 2.

- Average infant and toddler scores rose 9.9 percent
- Average preschool scores rose 6.7 percent
- Average school-age scores rose 4.3 percent
- Average family/group child care home scores rose 6.2 percent (page 6)

This resource is available on the Web at

<http://www.sworps.utk.edu/PDFs/3-2-04STARSSimplex.pdf>. For additional information, contact the Tennessee DHS at 615-313-4700.

■ *Child Care Evaluation and Report Card Program Legislative Report* (January 15, 2003), by the Tennessee DHS and the Tennessee Commission on Children and Youth, describes the Evaluation Program and explains how a child care agency is evaluated using child care report cards. The Child Care Evaluation and Report Card Program includes the mandatory Report Card Program that is required for all licensed and approved child care providers in Tennessee and the voluntary Star-Quality Program. During the process of renewing a license, the State evaluates a provider on several areas of quality. This report includes detailed information about the various groups involved in the Evaluation Program and DHS's other initiatives to improve child care, highlights of the partners' accomplishments during the first year of this program, and program improvement efforts. The report includes the following statements in the Executive Summary:

Initial results for Year 1 (October 2001 through September 2002) demonstrate that the Tennessee Child Care Evaluation and Report Card Program is meeting the goals and objectives of T.C.A. § 71-3-502. (page vi)

**The Evaluation Program is encouraging and recognizing quality child care programs.**

- Of the 3,049 agencies that were evaluated, 2,082 (or 68.3 percent) met the eligibility criteria (achieved the equivalent of an overall rating of 1, 2, or 3 stars) and were encouraged to participate in the Star-Quality Program. (page vi)
- Of the 2,082 agencies that were eligible to participate in the Star-Quality Program,
  - ✓ 909 (or 43.7 percent) earned the equivalent of 3 stars,
  - ✓ 900 (or 43.2 percent) earned the equivalent of 2 stars, and
  - ✓ 273 (or 13.1 percent) earned the equivalent of 1 star. (page vii)
- A total of 1,344 (or 64.6 percent) of the 2,082 eligible agencies volunteered to participate in the Star-Quality Program,
  - ✓ 653 (or 48.6 percent) were awarded 3 stars,
  - ✓ 565 (or 42.0 percent) were awarded 2 stars, and
  - ✓ 126 (or 9.4 percent) were awarded 1 star. (page vii)

**The Evaluation Program is improving the quality of child care in Tennessee.**

- In every classroom, average program assessment scores improved the first to the last quarter of Year 1:
  - ✓ average infant and toddler scores rose 9.0 percent,
  - ✓ average preschool scores rose 6.7 percent,
  - ✓ average school-age scores rose 10.0 percent, and
  - ✓ average family and home scores rose 12.0 percent. (page vii)

It is impossible at this early date to explain the rise in scores with certainty. Anecdotal evidence suggests that as the year progressed providers became more knowledgeable about the program assessment and sought more technical assistance in preparation for their assessments. (page vii)

- All 3,049 child care providers evaluated in Year 1 received an on-site assessment and were provided with detailed results and suggestions for improvement. Most of the child care centers had more than one classroom observed during their program assessment. In total, 5,778 classrooms were observed at 3,049 agencies.
- Technical assistance units made 4,539 visits to child care providers, responded to 3,545 phone calls from providers, and conducted 1,116 workshops.
- A total of 23,055 participants attended Tennessee Child Care Provider Training (TN-CCPT) programs—no cost training for child care professionals at DHS-licensed agencies that are interested in improving the quality of their programs.
- After submitting an improvement plan based on their evaluation results, 145 providers received a DHS Quality Enhancement Grant of up to \$20,000 to improve their child care programs.
- DHS awarded \$1,667,258 in Quality Enhancement Grants to child care providers. (page viii)

**The Evaluation Program is providing support and information to parents as they seek to secure quality child care for their children.**

- Of the 3,049 child care providers in Tennessee that were evaluated during Year 1, all received report cards for parents' viewing.
- In addition, all of the 1,344 child care providers in Tennessee that participated in the Star-Quality Program during Year 1 received the more in-depth Star-Quality report cards.
- Star-Quality ratings and explanatory material about the Evaluation Program have been posted on the DHS Web site for public viewing.
- DHS and providers have promoted the Evaluation Program statewide in the media, and many providers have used their star-ratings when advertising their programs. (page viii)

For additional information, contact the Tennessee DHS at 615-313-4700.

---

## **QUALITY RATING SYSTEM PILOTED LOCALLY**

### **Quality Rating System Pilot Project (multi-state)**

In 2003, the Midwest Child Care Research Consortium (MCCRC), a four-State (Iowa, Kansas, Missouri, and Nebraska) Consortium of research universities and State-level agencies advanced a research agenda focused on the development and implementation of Quality Rating Systems.

This study proposed to (1) pilot and validate four linked, State Quality Rating Systems (QRS) in selected rural and urban communities within each State; (2) document and measure effects of training among providers at different levels within the QRS for a year in a pre-post design; (3) imbed qualitative in-depth studies of parents and providers; and (4) use the current MCCRC database for documenting baseline characteristics relative to the QRS and for linked analyses to new data. In collaboration with the Early Childhood Institute at Mississippi State University, the rural sample size across the States was increased. The QRS study addresses two Child Care Bureau priority areas: investments in child care quality and provider training and professional development, and outcomes that relate to alternative child care subsidy policies. Additional information is available on the Web at <http://mucenter.missouri.edu/qrs.htm> or by contacting Wayne Mayfield at [MayfieldW@missouri.edu](mailto:MayfieldW@missouri.edu).

### **Greater Kansas City: Early Childhood Excellence Project**

The Quality Rating System (QRS) pilot project, begun in 2004 and administered by the Metropolitan Council on Early Learning (MCEL), Mid-America Regional Council (MARC), provides early learning programs with the information and support they need to improve and maintain higher quality services for children and families. Katherine L. Fuger, of the University of Missouri – Kansas City’s Institute for Human Development, completed a preliminary assessment of QRS programs in August 2005. These preliminary findings showed significant improvements. The summary of the findings is available on the Web at <http://www.marc.org/mcel/QRSprelimfindings.pdf>. Additional information about the QRS pilot is available on the MCEL Web site at <http://www.marc.org/mcel/qrs.htm>.

### **New York: Child Care Programs of Excellence**

Although New York does not have a Statewide Quality Rating System, New York piloted a local Quality Rating System.

■ The Child Care Programs of Excellence was a pilot program operating in five counties in New York. This voluntary program was designed to help parents get information about the quality of care offered for children at child care centers, family child care homes, or group child care homes. This pilot project designated Child Care Programs of Excellence using an objective rating system developed in collaboration with the CCR&R agencies in Albany, Onondaga, Ontario, Rensselaer, and Yates Counties. The program was administered by Cornell University, Department of Policy Analysis and Management and the New York State Child Care Coordinating Council, and was funded through the Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, and the U.S. Department of Agriculture Hatch. For additional information, contact Barbara J. Bristow, at Cornell University at 607-254-5282 or e-mail [bjb4@cornell.edu](mailto:bjb4@cornell.edu).

### **EVALUATION**

■ An evaluation of the Child Care Programs of Excellence project is in process. The three main objectives are to: 1) collect information about the quality of child care providers for children under 5 in these counties using well-established rating systems; 2) communicate the quality ratings of each provider to parents by developing and disseminating a “Child Care Quality Consumer Report”; and 3) evaluate the impact of the program on choices made by

parents and on the structure of the child care market in terms of quality, cost, and availability of child care. Information about the project titled Child Care Quality and Consumer Education, which is a Field Initiated Child Care Research Project, is available on the Child Care Bureau Web site at

<http://www.acf.hhs.gov/programs/ccb/research/ccprc/field/ficonel.doc>. For additional information, contact Elizabeth Peters, at Cornell University, at 607-255-2595 or e-mail [ep22@cornell.edu](mailto:ep22@cornell.edu).

■ The PowerPoint presentation, “Asymmetric Information and the Child Care Market: Assessing Voluntary Disclosure in a Child Care Quality Rating System” (February 2005), by Youngok Lim, Cornell University, is based on a research project that examined how lack of information affects the child care market in terms of quality and how parents and care providers would respond to a quality rating system. This resource is available on the Web at <http://www.childcareresearch.org/discover/meetings/ccprc/2005-03/posters/lim.pdf>.

## **ADDITIONAL STATE RESOURCES RELATED to TIERED REIMBURSEMENT**

Quality Rating Systems have five common elements, including financing incentives specifically linked to compliance with quality standards, such as quality bonus payments, tiered reimbursement rates, contracts, quality grants, and wage supplements. At least 30 States have a Statewide tiered reimbursement system in which higher rates are paid to programs that meet higher standards than the State’s licensing regulations.

### **Minnesota**

Although Minnesota does not have a Quality Rating System, the State did have a tiered reimbursement system. The 2003 Legislature passed changes impacting Minnesota’s Child Care Assistance Program (CCAP), and effective July 1, 2003, Minnesota’s tiered reimbursement system was eliminated. Information about these changes is available in the “Child Care Assistance Program Modifications and Funding Changes Enacted by the 2003 Legislature” (June 23, 2003) *Bulletin* (#03-68-06), by the Minnesota Department of Human Services. This is available on the Web at [http://www.dhs.state.mn.us/main/groups/publications/documents/pub/DHS\\_id\\_004863.pdf](http://www.dhs.state.mn.us/main/groups/publications/documents/pub/DHS_id_004863.pdf).

### **EVALUATION**

The Minnesota Child Care Policy Research Partnership (MCCPRP) is a collaboration among several State agencies, counties, child care resource and referral agencies (CCR&Rs), and university researchers. Coordinated by the Minnesota Department of Children, Families & Learning, the partnership brings together researchers and policy-makers from the Minnesota Department of Human Services and Department of Economic Security; county child care units from Anoka, Becker, Brown, and Hennepin counties; CCR&Rs; the University of Minnesota; Child Trends; and several nationally prominent researchers. The goal of this broadly based partnership is to foster sound research on child care issues of importance to policy-makers at the State, local, and national level. A grant from the Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, funds the MCCPRP, with

additional support from the Minnesota Department of Human Services. Additional information about MCCPRP is available on the Web at [http://www.dhs.state.mn.us/main/groups/children/documents/pub/DHS\\_id\\_008779.hcsp](http://www.dhs.state.mn.us/main/groups/children/documents/pub/DHS_id_008779.hcsp).

MCCPRP's research agenda is designed to answer critical questions about how affordability, quality, and accessibility affect outcomes for families and children. A key objective is to enhance the understanding of the impact on child care quality of various State policies, including the level of subsidies, tiered reimbursement, and quality regulations or standards. The MCCPRP is conducting six interrelated studies which will be available online when completed.

■ *Tiered Reimbursement in Minnesota Child Care Settings, A Report of the Minnesota Child Care Policy Research Partnership* (July 2004), by Kathryn Tout and Martha Zaslow, Child Trends, is available on the Web at [http://www.dhs.state.mn.us/main/groups/children/documents/pub/DHS\\_id\\_027967.pdf](http://www.dhs.state.mn.us/main/groups/children/documents/pub/DHS_id_027967.pdf). This report addressed the following questions: How many and what proportion of licensed providers in Minnesota are accredited, or have educational credentials that make them eligible for tiered reimbursement? How are accredited or credentialed providers distributed geographically across Minnesota? And to what extent do families receiving child care assistance in four study counties—Anoka, Becker, Brown, and Hennepin—use accredited or credentialed providers? The *Briefing Paper* is available on the Web at [http://www.dhs.state.mn.us/main/groups/children/documents/pub/DHS\\_id\\_027966.pdf](http://www.dhs.state.mn.us/main/groups/children/documents/pub/DHS_id_027966.pdf). For additional information, contact Kathryn Tout, Child Trends at 612-285-6540 or e-mail [ktout@childtrends.org](mailto:ktout@childtrends.org) or [dhs.childcare@state.mn.us](mailto:dhs.childcare@state.mn.us).

---

## GENERAL RESOURCES

■ *New Perspectives on Compensation Strategies* (2000), by Anne Mitchell and Gwen Morgan, published by the Wheelock College Institute for Leadership and Career Initiatives, states:

To protect parents from tuition increases, and to assure a rate that is large enough to include pay increases for staff, approaches that pay above the “market rate” are preferable to approaches that raise the market rate. Many states pay differential rates. (page 21)

Paying more for higher quality is a strategy for states to bring more money to child care programs that are making an effort to become accredited or to meet other standards of quality. If the additional amount is large enough, centers are able to raise wages. The practice of paying more for higher quality has the potential to have an effect on wages in the market as a whole. However, states that implement this policy must assess whether the difference in rate is great enough to enable a program to maintain quality. Specifically, these states must determine whether the difference is significant enough to enable a program to pay their staff at a higher rate. Some states, like Oklahoma, are studying this issue and attempting to make their differential great enough to accomplish their goals. (page 21)



The Wheelock College Institute for Leadership and Career Initiatives closed in 2003. The National Child Care Information Center is a repository for the publications produced and disseminated by the Wheelock College Institute for Leadership and Career Initiatives. For additional information, contact NCCIC at 800-616-2242 or via e-mail at [info@nccic.org](mailto:info@nccic.org).

■ *Money, Accreditation, and Child Care Center Quality* (August 2000), by William T. Gormley, Jr. and Jessica K. Lucas of the Georgetown University Public Policy Institute, published by the Foundation for Child Development, draws on empirical research to determine if offering higher rates to accredited child care facilities is good public policy. It also assesses the relative merits of alternative policies that seek to improve the quality of child care. The report states:

Of the states we examined, differential reimbursement had a statistically significant positive effect in six (Florida, Mississippi, Nebraska, New Jersey, New Mexico, and Oklahoma), no statistically significant effect in four others (Kentucky, Ohio, Utah, Wisconsin). The average reimbursement rate difference in the first group of states was 15.8; the average in the second group was 9.2. This suggests a simple but important lesson: HIGHER RATES HAVE HIGHER IMPACTS. Or to put it more emphatically, a state that wants to maximize its chances of having a positive impact should set its rates for accredited centers at least 15 percent higher than its regular rates. (page 13)

Although differential reimbursement has much to commend it, three caveats need to be stressed. First quality improvements have been linked to NAEYC accreditation, but have not been demonstrated for other accrediting bodies. Whether quality improvements actually flow from accreditation by organizations other than NAEYC will depend on their standards. An accrediting body whose standards fail to push the envelope beyond existing state licensing standards is unlikely to yield any quality improvements. (page 17)

Second, differential reimbursement is likely to prove attractive to good child care centers that want to become excellent, but it is unlikely to appeal to bad or mediocre child care centers that have trouble satisfying state licensing requirements. And yet such centers are precisely the ones where children are at most risk. (page 17)

Third, differential reimbursement will at best affect a fairly small percentage of child care centers. Even in New Jersey, where differential reimbursement has yielded an annual increase of 46 accredited centers, that figure represents less than 2 percent of all the centers in the state. (page 17)

For additional information, contact the Foundation for Child Development at 212-213-8337 or on the Web at <http://www.ffcd.org>. To request a copy of a publication, e-mail [publication@fcd-us.org](mailto:publication@fcd-us.org).

■ *Differential Reimbursement and Child Care Accreditation* (August 11, 2000), by William

T. Gormley, Jr., Public Policy Institute, Georgetown University, presents the findings of a time-series analysis of data from three States and a cross-sectional analysis of data from all 50 States, both of which support the proposition that differential reimbursement policies boost accreditation applications and accreditation rates for group day care centers. The report states:

As state legislatures consider adopting differential reimbursement policies to promote accreditation among relatively good child care facilities, they should also consider ratcheting up their regulatory standards and regulatory enforcement efforts to improve the quality of relatively poor child care facilities. In addition, they should also consider adopting North Carolina's innovative performance assessment approach. Differential reimbursement is a good strategy for quality improvements at the upper end of the child care scale, but it cannot displace efforts to provide a safety net for all children who find themselves in paid child care arrangements outside the home. (page 26)

For additional information, contact William T. Gormley, Jr., Public Policy Institute, Georgetown University, at 202-687-6817 or e-mail [gormleyw@georgetown.edu](mailto:gormleyw@georgetown.edu).

---

## ADDITIONAL RESOURCES

■ There are four **Environment Rating Scales (ERS)**, each designed for a different segment of the early childhood field. Each one of the scales has items to evaluate: Physical Environment; Basic Care; Curriculum; Interaction; Schedule and Program Structure; and Parent and Staff Education.

- The *Early Childhood Environment Rating Scale, Revised Edition (ECERS-R)* (1998), by Thelma Harms, Richard M. Clifford, and Debby Cryer, is designed to assess group programs for children of preschool through kindergarten age, 2½ through 5.
- *Escala de Calificación del Ambiente de la Infancia Temprana, Edición Revisada* (2002), by Thelma Harms, Richard M. Clifford, and Debby Cryer, translated by Corina Dueñas, is the Spanish version of the *ECERS-R*.
- The *Infant/Toddler Environment Rating Scale, Revised Edition (ITERS-R)* (2003), by Thelma Harms, Debby Cryer, and Richard M. Clifford, is designed to assess group programs for children from birth to 2½ years of age.
- The *Family Day Care Rating Scale (FDCRS)* (1989), by Thelma Harms and Richard M. Clifford, is designed to assess family child care programs conducted in a provider's home.
- The *School-Age Care Environment Rating Scale (SACERS)* (1995), by Thelma Harms, Ellen Vineberg Jacobs, and Donna Romano, is designed to assess group-care programs for school-age children 5 to 12 years of age.

■ Additional ERS resources include the following:

- *All About the ECERS-R* (2003), by Debby Cryer, Thelma Harms, and Cathy Riley, is a detailed guide in words and pictures to be used with the *ECERS-R*.
- *All About the ITERS-R* (2004), by Debby Cryer, Thelma Harms, and Cathy Riley, is a detailed guide in words and pictures to be used with the *ITERS-R*.

These publications may be ordered through Kaplan Early Learning Company at 800-334-2014 or on the Web at <http://www.kaplanco.com/index.asp>.

Additional information about the Environment Rating Scales is available on the Frank Porter Graham Child Development Institute, University of North Carolina at Chapel Hill, Web site at <http://www.fpg.unc.edu/~ecers>.

The National Child Care Information Center does not endorse any organization, publication, or resource.

*March 2006*