



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

December 14, 2010

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Children and Families: Section 13.10 Request for Approval of Child Care Quality Rating and Improvement System Five-Year Plan and for Funding in 2010-11 -- Agenda Item III

On November 22, 2010, the Department of Children and Families (DCF) filed a request under a 14-day passive review process, pursuant to Motion #38 that was passed at the June 23, 2010, meeting of the Joint Committee on Finance under section 13.10 of the statutes, for approval of its five-year sustainability plan for the child care quality rating and improvement system (QRIS), called YoungStar. In addition, DCF filed a request under a 14-day passive review process, pursuant to Motion #38, for \$4,001,500 FED in 2010-11 for the continued implementation of YoungStar.

By letter dated December 7, 2010, the Co-Chairs of the Joint Committee on Finance indicated that an objection had been raised to the request and that the request would be reviewed at a future meeting of the Committee under section 13.10 of the statutes.

REQUEST

DCF requests approval of its YoungStar five-year sustainability plan and for the transfer of \$4,001,500 FED in 2010-11 from the Committee's federal funds general program supplementation appropriation [s. 20.865(4)(m)] to DCF's economic support federal block grant aids appropriation [s. 20.437(2)(md)] in the amount of \$3,726,000 FED and DCF's economic support federal block grant operations appropriation [s. 20.437(2)(mc)] in the amount of \$275,500 FED.

BACKGROUND

On June 23, 2010, a meeting before the Committee was held under section 13.10 of the statutes regarding the approval of DCF's proposal for implementation of its QRIS. The attached

memorandum had been prepared for the meeting that described the background of the development of the QRIS and the description of YoungStar.

The Committee approved the plan, in part, but provided DCF with additional direction in the implementation of YoungStar under Motion #38. Motion #38 allocated \$5,616,900 FED in 2010-11 for YoungStar, placed \$4,429,900 FED in 2010-11 in the Committee's federal fund general program supplementation appropriation, and required DCF to return to the Committee under a 14-day passive review process to access these funds for YoungStar. Motion #38 also directed DCF to take additional steps in the implementation of YoungStar, including the submission of a five-year sustainability plan to the Committee under a 14-day passive review process no later than November 22, 2010.

ANALYSIS

As noted, Motion #38 directed DCF to take additional steps in the implementation of YoungStar. These requirements are described below, along with an update on the status of their implementation.

Accredited Child Care Providers

The motion required DCF, beginning July 1, 2010, to post on its website a list of all child care providers in the state that are accredited by: (a) the National Association for the Education of Young Children; (b) the National Accreditation Commission; (c) the City of Madison Accreditation for group center or family child care providers; (d) the Association for Family Child Care; and/or (e) Head Start programs with no non-compliance findings. All accredited child care providers are required to be listed whether or not they service children participating in Wisconsin Shares.

These accredited child care providers are currently listed on DCF's website. An alphabetical listing can be found at http://dcf.wi.gov/youngstar/sort_alfph.htm, and a listing by county can be found at http://dcf.wi.gov/youngstar/sort_county.htm.

Data Collection and Assessment

The motion required DCF to contract with regional entities throughout the state to collect information from child care providers that serve children who participate in Wisconsin Shares. The data collected must include information regarding the following quality indicators: (a) teacher qualifications; (b) director qualifications; (c) learning environment and curriculum; (d) professional practices; and (e) health and wellness.

The data collected was also required to include information related to: (a) life experience of and continuing education participated in by the child care provider; (b) participation of children with disabilities; and (c) what the child care providers believe they need for quality improvement. Regional entities are required to provide recommendations to the child care providers for quality

improvement during the data collection process.

The motion required DCF to report on the data collected and preliminary ratings no later than November 22, 2100.

As of November 1, 2010, DCF contracted with The Consortium to administer YoungStar in each of the six regions of the state. The Consortium is made up of three organizations: (a) Supporting Families Together Association (SFTA); (b) Celebrate Children Foundation (CCF); and (c) Wisconsin Early Childhood Association (WECA). The Consortium is responsible for: (1) delivering training and technical assistance in all six regions; (2) rating, observing, and collecting data for child care providers; (3) administering micro-grants to providers for improvements; (4) acting as a resource for providers to contact with questions about YoungStar; and (5) facilitating partnerships and investment in early care and education by private funders.

DCF has incorporated the data required to be collected under Motion #38 for the assessments. On November 12, 2010, DCF posted its YoungStar application for providers on its website. As of December 7, 2010, 129 applications for YoungStar have been received. The Consortium has not yet collected the required data or assessed ratings to any of these child care providers. In the five-year plan, DCF indicates that parents will be able to use the YoungStar website to find information about the quality of child care providers in their community, beginning in late December, 2010.

Child Care Scholarship and Stipend Programs

The motion reallocated \$500,000 in 2010-11 from funding for YoungStar to the teacher education and compensation helps (TEACH) program and the rewarding education with wages and respect for dedication (REWARD) program.

DCF indicates that WECA awarded scholarships to 788 child care providers in 2009-10, which is an increase of 10% over 2008-09.

Immediate Training and Technical Assistance

The motion required DCF to provide immediate training and technical assistance for child care providers that are located in the 10 counties that have the greatest total number of Wisconsin Shares providers and in the two counties that have total population under 17,000 and that have the highest ratio of Wisconsin Shares providers to the total number of licensed and certified child care providers located in the county.

DCF provided immediate training and technical assistance, beginning July 1, 2010, to providers in the following counties: Milwaukee, Dane, Racine, Kenosha, Marathon, Waukesha, La Crosse, Rock, Eau Claire, Wood, Iron, and Washburn. The training and technical assistance for these 12 counties will be completed by December 31, 2010. SFTA, WECA, and nine colleges from

the Wisconsin Technical College System and University of Wisconsin System provided the training and technical assistance.

Pursuant to the motion, DCF will be required to report to the Joint Committee on Finance by March 1, 2011, regarding the outcomes of the expanded training and technical assistance efforts.

Future Requirements

Publish Ratings. The motion requires DCF to post the quality rating system established and the ratings for the individual child care providers on its website, beginning January 1, 2011, once the five-year plan has been approved.

Reports, Evaluations, and Notifications. The motion requires DCF to: (a) submit quarterly reports to the Committee regarding the status of YoungStar; (b) submit a report on the evaluation of YoungStar based on the five-year plan; (c) notify the Committee of when the child care provider rate increase based on the five-year plan becomes effective and when the before- and after-school child care providers are included in YoungStar based on the five-year plan.

Early Learning Challenge Grants. The motion requires DCF to submit a plan to spend any funds received from an early learning challenge grant for YoungStar to the Committee under a 14-day passive review process.

Five-Year Sustainability Plan

The motion required DCF to seek approval of a five-year sustainability plan for the implementation and ongoing activities of YoungStar through a passive review process no later than November 22, 2010. DCF submitted its five-year plan on November 22, 2010.

The motion required the plan to include specific elements. The plan must include: (a) a description of YoungStar based on the actual data collected from the contracted entities and an analysis of this data; (b) consideration of child care-related experience and continuing education requirements; (c) a description of an appeals process; (d) a mechanism to direct intense training and technical assistance where needed; (e) a provision that addresses tiered reimbursements to providers; (f) before- and after-school programs; (g) identification of anticipated revenues and expenditures; (h) a method for evaluation, what will be measured, and an evaluation timeline ending with a report to the Committee; (i) a provision for communication with parents; (j) an explanation of how child care providers that do not currently serve children in Wisconsin Shares can participate in YoungStar; (k) a requirement that child care providers that participate in YoungStar cannot deny care for children who participate in Wisconsin Shares; (l) a review of all possible funding sources for YoungStar; (m) a process for a child care provider to submit new information for consideration before a rating for that provider is posted; and (n) a description of how DCF would work with the Department of Public Instruction (DPI) to conduct a longitudinal study that directly links individual child outcomes in YoungStar to long-term school readiness.

All of these elements are included in the five-year plan except for (a) above. The following table indicates the section and page number in DCF's five-year plan where a more detailed description of the required element can be found.

TABLE 1

Additional Elements in Five-Year Plan

<u>Required Element</u>	<u>Section</u>	<u>Page Number</u>
Child care-related experience and continuing education requirements	Rating Quality	12
Appeals process	YoungStar for Providers	32
Direct intense training and technical assistance where needed	YoungStar for Providers	23
Tiered reimbursements	Implementation	19
Before- and after-school programs	Implementation	21
Revenues and expenditures	Implementation	17
Evaluation	Implementation	20
Communication with parents	YoungStar for Parents	35
Participation by non-shares providers	Rating Quality	6
Participants unable to deny shares children	Rating Quality	6
Possible funding sources	Implementation	19
Process to submit new information before rating is posted	Rating Quality	10
Longitudinal study with DPI	Implementation	21

Element (a) listed above is not fully incorporated in the five-year plan because the contract with The Consortium that incorporates the data collection and assessed ratings was not signed until November. However, DCF does know the number of certified and licensed child care providers who are suspended, revoked, or denied certification or licensure (the one-star providers). DCF also knows which providers are accredited and would fall into the four- and five-star categories. On the other hand, not all of the accredited providers may apply to YoungStar. As a result, there is some preliminary data that DCF used in its assumptions about the one-, four-, and five-star child care providers, but the data is not based on actual ratings.

Additional Funding for YoungStar

The motion transferred \$4,429,900 FED in 2010-11 from DCF's economic support federal block grant aids appropriation to the Committee's federal funds general program supplementation appropriation and required DCF to submit a request to access these funds for YoungStar under a 14-day passive review process.

DCF requests \$4,001,500 FED in 2010-11. Table 2 shows the estimated expenditures in 2010-11, as well as the amount allocated under Motion #38. A description of these expenditure categories can be found in the attached memorandum to the Committee Members, dated June 23, 2010.

TABLE 2

**Estimated YoungStar Expenditures
2010-11**

	<u>Motion # 38</u>	<u>Expenditures July through December</u>	<u>Expenditures January through June</u>	<u>Total 2010-11 Expenditures</u>	<u>Change to Motion #38</u>
Quality Assurance Monitoring	\$3,000,000	\$812,300	\$1,624,500	\$2,436,800	-\$563,200
Technical Assistance	1,500,000	1,764,900	1,109,600	2,874,500	1,374,500
Improvement grants	0	0	1,731,400	1,731,400	1,731,400
Local Administration	<u>0</u>	<u>736,700</u>	<u>446,600</u>	<u>1,183,300</u>	<u>1,183,300</u>
Contracted Total	\$4,500,000	\$3,313,900	\$4,912,100	\$8,226,000	\$3,726,000
Communication	\$0	\$60,000	\$60,000	\$120,000	\$120,000
Information Technology	300,000	200,000	100,000	300,000	0
State Staff	316,900	158,400	158,500	316,900	0
Ongoing Evaluation	<u>0</u>	<u>50,000</u>	<u>105,500</u>	<u>155,500</u>	<u>155,500</u>
State Administration Total	\$616,900	\$468,400	\$424,000	\$892,400	\$275,500
TEACH/REWARD	\$500,000	\$250,000	\$250,000	\$500,000	\$0
TOTAL	\$5,616,900	\$4,032,300	\$5,586,100	\$9,618,400	\$4,001,500

DCF estimates total expenditures for YoungStar in 2010-11 to be \$9,618,400. Because Motion #38 allocated \$5,616,900, DCF anticipates that another \$4,001,500 would be needed to fully fund YoungStar in 2010-11. Of the \$5,616,900 allocated in June, DCF anticipates that \$4,032,300 would be expended by December 31, 2010. The remaining \$1,584,600 and the additional \$4,001,500 (total of \$5,586,100) would fund anticipated YoungStar expenditures from January 1, 2011, through June 30, 2011.

FISCAL EFFECT

The attached memorandum to the Finance Committee, dated June 23, 2010, provides a complete analysis of the fiscal effect of YoungStar. To update the costs of the tiered reimbursement system, it was anticipated that actual ratings would be available to ascertain the additional Wisconsin Shares costs due to the increased reimbursements to three-, four-, and five-star child care providers serving children who are participating in the Wisconsin Shares program.

However, none of the assessments have been completed. Estimates from the attached memorandum show that costs for YoungStar would total \$64.4 million over a five-year period (2010-11 through 2014-15). Of this amount, \$42.2 million is for administration of YoungStar and \$22.2 million is for increased costs due to implementation of tiered reimbursements.

Estimates in DCF's five-year plan are similar to initial estimates contained in the attached memorandum. Table 3 shows DCF's estimates of the costs of YoungStar over the same five-year period.

TABLE 3

**Estimated Total Cost of YoungStar Under Five-Year Plan
2009-10 through 2014-15**

<u>Expenditure</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Total</u>
Administration	\$9,118,400	\$8,327,200	\$8,004,200	\$8,004,200	\$8,004,200	\$41,458,200
Tiered Reimbursement	0	3,412,700	4,724,100	6,036,200	7,087,900	21,260,900
Total	\$9,118,400	\$11,739,900	\$12,728,300	\$14,040,400	\$15,092,100	\$62,719,100

In the attached memorandum, one of the concerns of implementing YoungStar was the ability to sustain funding long-term without creating a deficit in the TANF program. With actions taken by the Committee on June 23, 2010, and the estimates of TANF revenues and expenditures at the time, it was anticipated that there could be a deficit in the TANF program of \$112.1 million by the end of 2014-15. Child care subsidy expenditures were anticipated to be \$342.0 million in 2010-11 and increase by 2% in each year through 2014-15.

Since, June, 2010, actual child care expenditures have been decreasing. Expenditures in the Wisconsin Shares child care subsidy program are now estimated at \$296.0 million in 2010-11. Assuming the decline in Wisconsin Shares expenditures will level off in 2010-11 and increase by 2% in each year through 2014-15, savings would be \$244.4 million more than anticipated in June, 2010. These savings would offset the previous anticipated deficit in the TANF program. As a result, it appears that there would be sufficient funds in the TANF program through 2014-15 to support YoungStar.

ALTERNATIVES

Five Year Plan

1. Approve DCF's YoungStar five-year sustainability plan as submitted.
2. Deny approval of DCF's five-year plan and require DCF to return to the Committee

with a modified plan that conforms with all of the Committee's requirements.

Funding

1. Approve the transfer of \$4,001,500 FED from the Committee's federal funds general program supplementation appropriation to DCF's economic support federal block grant aids appropriation in the amount of \$3,726,000 FED and DCF's economic support federal block grant operations appropriation in the amount of \$275,500 FED in 2010-11.

2. Deny the request for the transfer of funding to support YoungStar.

Prepared by: Kim Swissdorf
Attachment



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 23, 2010

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Children and Families: REVISED Section 13.10 Request for Approval of Child Care Quality Rating and Improvement System Plan -- Agenda Item VII

On March 24, 2010, the Department of Children and Families (DCF) filed a request, pursuant to section 9108(7f) of 2009 Wisconsin Act 28, for approval of its plan to implement a child care quality rating and improvement system (QRIS) under a 14-day passive review process. By letter, dated April 9, 2010, the Co-Chairs of the Joint Committee on Finance indicated that an objection had been raised to the request and that the request would be reviewed at a future meeting of the Committee under section 13.10 of the statutes.

REQUEST

DCF requests approval of its child care QRIS plan by the Committee, as required under 2009 Wisconsin Act 28, in order to implement the QRIS. No funding or positions have been requested.

BACKGROUND

Quality Counts for Kids Task Force

In June, 2004, the Governor established a task force, the Quality Counts for Kids Task Force, to develop a program that would rate the quality of child care providers, guide parents in choosing a child care provider for their children, and reimburse child care providers through the Wisconsin Shares program based on their quality rating. The task force examined national research and experiences in other states to develop a potential quality rating system. The task force recommended a quality rating system and a tiered reimbursement system.

Quality Rating System. The task force's recommended quality rating system would have included all regulated (both licensed and certified) center-based and family child care programs,

provided a five-star scale using child care quality indicators to determine the number of stars, built on the foundation of current child care regulation, and awarded star levels based on the total number of points earned from a 30-point quality indicator.

A child care provider caring for four or more children under the age of seven must be licensed by DCF. Licensed day care is further broken down into family child care providers who care for four to eight children and group child care centers that care for nine or more children. Child care providers that are not required to be licensed by the state, or established by a school board, generally must be certified by the county department of social or human services or similar tribal body. However, DCF is responsible for certifying child care providers in Milwaukee County. In March, 2010, there were a total of 8,912 child care providers: (a) 2,602 licensed group child care providers; (b) 2,993 licensed family providers; and (c) 3,317 certified providers.

The task force established four categories of quality indicators for child care centers and three categories for family child care programs. The quality indicators for child care centers included: (a) teacher qualifications (maximum of seven points); (b) director qualifications (maximum of seven points); (c) learning environment and curriculum (maximum of 10 points); and (d) professional practices (maximum of six points). The quality indicators for family child care programs included: (a) provider/director qualifications (maximum of 14 points); (b) learning environment and curriculum (maximum of 10 points); and (c) professional practices (maximum of six points).

Both child care centers and family child care programs would have been rated on a five-star scale as follows: (a) one star for being licensed or certified and out of compliance with regulatory standards; (b) two stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between zero and four points; (c) three stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between five and 12 points; (d) four stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between 13 and 22 points; and (e) five stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between 23 and 30 points.

The task force also indicated that a fully-automated data system would be essential for the operation of the quality rating system. In addition, the task force recommended a public information campaign to inform the public, parents, and child care providers of the quality rating system, as well as to disseminate the ratings.

Tiered Reimbursement System. The task force recommended a tiered reimbursement system, where child care providers with a higher rating would be reimbursed at a higher rate than child care providers with a lower rating.

Under the tiered reimbursement system, market rate surveys would have continued to set the base level of reimbursements. If a child care provider was assessed a three-star rating, the provider would have continued to receive the same level of reimbursement as determined by the market rate surveys. However, the reimbursement level would have been modified under the quality rating

system as follows: (a) a reduction of 30% for a one-star rating; (b) a reduction of 5% for a two-star rating; (c) an increase of 10% for a four-star rating; and (d) an increase of 25% for a five-star rating.

2005 Wisconsin Act 25

The Governor submitted the task force's recommendations for a quality rating and tiered reimbursement system in the 2005-07 biennial budget, with one exception: rating would have been mandatory only for child care providers who received subsidies under Wisconsin Shares. Funding would have been provided to contract for the rating assessments, information technology costs, and for a public information campaign. Funding would have been reduced in the second year of the biennium to reflect savings from the tiered reimbursement system.

The Legislature deleted the provision from Act 25.

2007 Wisconsin Act 20

The Governor submitted another proposal for a child care quality rating system in the 2007-09 biennial budget. A tiered reimbursement system was not recommended.

Under the 2007 proposal, the quality rating system included only licensed child care providers, provided a five-star scale using child care quality indicators to determine the number of stars, was built on the foundation of current child care regulation, and awarded star levels based on the total number of points earned from a 30-point quality indicator system. The quality rating system would have been mandatory only for licensed child care providers that participated in Wisconsin Shares. The quality rating system would have been voluntary for all other licensed child care providers. The quality rating system would not have included certified child care providers.

The quality rating system would have had three categories of quality indicators for licensed child care providers, and each category would have had a maximum number of points that could be awarded. The quality indicators would have included: (a) teacher/director qualifications (maximum of 14 points); (b) learning environment and curriculum (maximum of 10 points); and (c) professional practices (maximum of six points). The stars would have been awarded in the same manner as recommended by the task force, except that the certified providers would not be rated. Funding would have been provided for rating assessments and for information technology costs.

The Legislature deleted the provision from Act 20.

2009 Wisconsin Act 28

The Governor submitted another proposal for a child care quality rating system in the 2009-11 biennial budget. This quality rating system differed from previous proposals in several respects.

The quality rating system would have been mandatory for licensed child care providers who receive reimbursement under Wisconsin Shares. Any other licensed or certified child care provider would have been able to volunteer for a rating.

The quality rating system would have been based on a building block approach, rather than a point system. Under the building block approach, each of the five levels assumes that the child care provider has met all of the qualifications from the lower levels in order to reach the next level.

The first level would have consisted of child care providers who were either licensed or certified and requested assessment. To receive a two-star certificate, child care providers would have had to meet the requirements of level one plus an additional set of requirements as defined by an environment rating scale. Environment rating scales include requirements such as having separate, well-equipped, clearly-defined learning areas. To receive a three-star certificate, a provider would have had to meet the requirements of level two plus additional professional practices standards, such as participation in the child care food program, staff retention plans, and parent involvement activities. To receive a four-star certificate, a provider would have had to meet the requirements of level three plus additional director and staff qualifications. To receive a five-star certificate, a provider would have had to be nationally accredited by an accreditation body recognized by DCF.

Funding of \$1.0 million in 2009-10 and \$1.7 million in 2010-11 would have been provided to support: (a) quality assurance monitoring; (b) professional development; (c) technical assistance for program improvement; (d) improvement grants; (e) financial incentives for child care programs; (f) financial incentives for child care practitioners; (g) communication; (h) information technology; and (i) ongoing evaluation.

Under Act 28, the Legislature eliminated the funding and required DCF to return to the Joint Committee on Finance with a specific plan for the quality rating system under a 14-day passive review process. The plan must be submitted by June 30, 2011 and must include: (a) various options for the design of the rating system, with every option requiring certified child care providers to be included in the rating system; (b) various options for quality assurance monitoring under the quality rating system; (c) details of the estimated expenditures that would be made for financial incentives to encourage child care providers to achieve a higher rating under the quality rating system; (d) the information and training that would be provided, including specific steps for quality improvement that are not limited merely to new licensure or certification requirements; (e) a description of how the quality rating system would ensure that the information provided under the rating system would be made accessible, and presented in a way that is useful, to the child care providers that are rated under the rating system and the parents, guardians, and legal custodians of children who are recipients, or prospective recipients, of care and supervision from those providers; (f) the process of ongoing evaluation of the quality rating system, which must include a requirement for DCF to consider the input of child care providers and other participants in the programming provided of child care providers; and (g) any other information that is relevant to the implementation and administration of the quality rating system.

DCF submitted its child care quality rating and improvement system plan on March 24, 2010.

SUMMARY OF PROPOSAL

The plan submitted by DCF addresses the seven points required under Act 28. These points are described in further detail below. DCF refers to the QRIS proposal as "YoungStar."

Design

DCF's current proposal for rating providers is a hybrid of the building block approach recommended by the Governor in the 2009-11 budget bill and the point system proposed in previous budgets. The current proposal would use a 40-point system that requires a minimum score of points in each category before moving up a level. DCF also recommends a tiered reimbursement system that would provide incentives for higher quality child care providers.

DCF would establish five categories of quality indicators for child care centers and four categories for family child care programs. The quality indicators for child care centers include: (a) teacher qualifications (maximum of nine points); (b) director qualifications (maximum of six points); (c) learning environment and curriculum (maximum of 13 points); (d) professional practices (maximum of seven points); and (e) health and wellness (maximum of five points). The quality indicators for family child care programs include: (a) provider qualifications (maximum of 14 points); (b) learning environment and curriculum (maximum of 14 points); (c) professional practices (maximum of seven points); and (d) health and wellness (maximum of five points).

Points would be awarded for teacher qualifications based on the education levels for all lead teachers. Director qualification points would be based on the education level of the director. Points for learning environment and curriculum would be based on self assessment tools that lead to quality improvement plans, performance on the early childhood environment rating scale, a curriculum aligned with the Wisconsin model early learning standards, use of quality improvement assessment processes, and a child outcome focused program. Points for professional practices could be earned through specific business practices (such as ongoing yearly budget planning and assessment of program financial status), professional practices (such as 75% or higher retention rate of well-educated lead teachers), staff benefits (such as paid sick leave), and parental involvement. Finally, points could be earned for health and wellness by focusing on physical health and well-being (60 minutes of physical activity per day), social and emotional well-being, child abuse prevention, and strengthening families. Points would be awarded similarly for family child care programs, except that points would be based the education level of the provider, rather than the teachers and director.

Both child care centers and family child care programs would be rated on a five-star scale as follows: (a) one star for being licensed or certified and out of compliance with regulatory standards; (b) two stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between zero and 10 points; (c) three stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between 11 and 22 points; (d) four stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between 23 and 32 points; and (e) five stars if the center or program is licensed or certified, meets the standards for regulatory compliance, and scores between

33 and 40 points. To be in regulatory compliance, a provider must meet the current requirements of licensure or certification. In addition, under the QRIS plan, the provider would remain in regulatory compliance unless there are at least two serious violations in the prior 12 months.

In addition to the overall point requirements for the five-star scale, a provider would have to earn a minimum number of points in each category. Table 1 shows the minimum points required in each category to move from a two-star to a three-star provider, from a three-star to a four-star provider, and from a four-star to a five-star provider for child care centers. Table 2 provides similar information for a family child care provider.

TABLE 1

**Minimum Required Points in each Category to Move Up to Next Level
Child Care Centers**

<u>Category</u>	<u>Two-Star to Three Star</u>	<u>Three-Star to Four-Star</u>	<u>Four-Star to Five-Star</u>
Teacher Qualifications	2	3	7
Director Qualifications	1	3	4
Learning Environment and Curriculum	1	4	5
Business and Professional Practices	1	2	3
Health and Child Wellness	<u>1</u>	<u>1</u>	<u>1</u>
Total	6	13	20

TABLE 2

**Minimum Required Points in each Category to Move Up to Next Level
Family Child Care Providers**

<u>Category</u>	<u>Two-Star to Three Star</u>	<u>Three-Star to Four-Star</u>	<u>Four-Star to Five-Star</u>
Provider Qualifications	4	10	12
Learning Environment and Curriculum	1	4	5
Business and Professional Practices	1	2	3
Health and Child Wellness	<u>1</u>	<u>1</u>	<u>1</u>
Total	7	17	21

In each category of quality indicators, certain points would have to be earned to achieve a specific star rating, as shown in Tables 1 and 2, and other points would be optional. Attachment 1

provides more information on the allocation of points for child care centers and family child care providers.

In addition, child care centers could automatically earn five stars if they are accredited from one of the following: (a) National Association for the Education of Young Children (NAEYC); (b) National Accreditation Commission; (c) City of Madison Accreditation for group centers; or (d) Head Start performance standards with no non-compliance findings. Family child care providers could automatically earn four stars if they are accredited from: (a) National Association for Family Child Care; or (b) City of Madison Accreditation for family child care providers.

DCF also recommends the implementation of a tiered reimbursement system that links reimbursement to providers to the quality of the provider. Providers that have one star would not be allowed to participate in the Wisconsin Shares program. Providers with two stars would be paid at their current base rate. The remaining providers participating in Wisconsin Shares would receive the following rate increases: (a) three-star providers would receive a 5% increase to the base rate; (b) four-star providers would receive a 10% increase; and (c) five-star providers would receive a 25% increase. It should be noted that child care providers accredited by NAEYC currently receive a 10% increase from the base reimbursement rates for providing quality child care. As a result, these child care providers would receive another 15% increase, rather than the 25% increase, once the tiered reimbursements are in effect.

DCF recommends that the tiered reimbursement system begin on July 1, 2011, to allow time for child care providers to be assessed and to have time to access training and technical assistance before their payments are affected.

Quality Assurance Monitoring

DCF recommends contracting with six regional entities throughout the state, based on DCF's regional structure, to: (a) rate child providers; (b) provide technical assistance to providers seeking to improve; (c) administer micro-grants to providers to make improvements required to advance in the rating system; (d) coordinate with certifying and licensing entities to ensure that programs are in compliance and that all available data is taken into account; and (e) share information with parents and the public about child care providers.

DCF recommends contracting with regional entities for several reasons. First, DCF believes there should be a separation between staff dedicated to regulation and compliance and staff dedicated to advancing quality. If providers want to ask for assistance, they may be reluctant to contact the same staff responsible for regulation. Second, the state already provides child care quality funding to non-profit organizations. Contracting could avoid unnecessary duplication in responsibilities and services. Finally, businesses and philanthropic interests may be more likely to partner with locally-based organizations than with state government.

DCF anticipates interest for these services from child care resource and referral agencies, the Wisconsin Early Childhood Association, United Way, technical colleges, and other entities interested in improving child care in the state. Upon approval of the QRIS, DCF would submit a

request for proposals to begin the process to select an organization in each of the six regions.

2010-11 Estimated Expenditures

Table 3 shows DCF's estimated expenditures in 2010-11 to implement the child care QRIS. Child care subsidy payments would not be affected in this biennium since the tiered reimbursements would not begin until July 1, 2011.

TABLE 3

QRIS Estimated Expenditures 2010-11

<u>Expenditure</u>	<u>2010-11</u>
Quality Assurance Monitoring	\$3,249,000
Training and Technical Assistance	2,219,200
Micro-grants	2,308,500
Local Administration	1,377,700
Communication	120,000
Information Technology	300,000
State Staff	316,900
Ongoing Evaluation	<u>155,500</u>
Total	\$10,046,800

Quality Assurance Monitoring and Training and Technical Assistance. Funding would support staff in the contracted regional entities to rate child care providers, to provide ongoing training and technical assistance, and to explain a provider's rating to ensure they understand the rating and can begin to make improvements.

Micro-grants. Funding would provide grants of up to \$250 for certified providers, \$500 for licensed homes, and \$1,000 for licensed group centers that apply to be rated. The grant program would specify the purposes of the grants and require participation in the QRIS to qualify for a grant. The grants would be available for quality improvement, such as adapting an environment to accommodate children with disabilities in an inclusive manner.

Local Administration. Funding would be provided for administrative costs of the contracted entities. The amount totals 10% of the funding allocated for quality assurance and monitoring, training and technical assistance, and micro-grants plus additional one-time funding of \$600,000 in 2010-11 for start-up costs. Administrative costs include rent, technology, materials, staff travel, and a portion of senior-management time. Although 10% is allocated for local administration, only the organization's actual allowable costs would be reimbursed, up to the 10% maximum.

Communication. Funding would be provided for a media campaign to make parents aware of the QRIS and of quality child care. The campaign would include a YoungStar website, media tours, and partnering with local radio and television stations and other community-based organizations. Also, parents enrolling in the Wisconsin Shares program would be provided with information on the QRIS, the benefits of quality child care, and a list of child care providers in their area along with their rating.

Information Technology. DCF would use this funding to develop the information technology system required to rate providers. The system would automate scoring, link directly to the child care information website, and provide connections to the contracted regional entities.

State Staff. DCF anticipates that an additional three positions would be needed to provide oversight of the implementation and operation of the QRIS. These positions would be responsible for implementation, contract management, quality assurance, data collection, and coordination with project evaluation. Authorization for these positions is not requested under DCF's plan. The Department of Administration (DOA) has already approved these federal positions conditioned on approval of the QRIS plan by the Joint Committee on Finance.

Evaluation. DCF would use this funding to contract with a higher education research team to analyze the results of the QRIS implementation. The evaluation would include the measurement of individualized child outcomes at programs of different star levels using a standardized research backed tool, as well as improvement in star levels for programs and tracking of child care quality improvements.

Training and Technical Assistance

The contracted regional entities would assess and rate the child care providers participating in the QRIS. Based on the assessment, these entities would provide training, technical assistance, and improvement grants to child care providers.

Training. Training would be provided by the contracted regional entities and would include topics such as: (a) sound business practices; (b) implementing a developmentally appropriate curriculum; (c) encouraging early literacy; and (d) supporting health and wellness. Training would depend on the need of the providers and would include online training, on-site training, group training, and individual training.

Technical Assistance. The contracted regional entities would also provide technical consultation and assistance on improving business and professional practices, including: (a) aligning the curriculum with Wisconsin model early learning standards; (b) child assessment; and (c) other needs identified to build program quality and business acumen.

Micro-grants. As noted above, child care providers participating in the QRIS could apply for a grant to improve the quality of the child care they provide. Grants of up to \$250 for certified providers, \$500 for licensed homes, and \$1,000 for licensed group centers would be made available. Examples of uses of these grants include: (a) purchasing books to provide a more robust

literacy program; (b) purchasing materials for creating more developmentally appropriate learning areas; (c) purchasing classroom resources in multiple languages to reflect diverse populations; and (d) adapting an environment to accommodate children with disabilities in an inclusive way.

Other Resources. DCF indicates that existing resources would support the child care scholarship and bonus program to improve the education levels of child care providers.

QRIS Accessibility and Usefulness

Information on QRIS. DCF intends to provide information to parents regarding the QRIS that would: (a) be concise and easy to understand; (b) directly connect program rating to program quality indicators; (c) explain why quality matters in a child care program; and (d) direct parents who want more detailed information to resources that would provide answers.

DCF Licensed Child Care Search Website. DCF currently provides a search mechanism on its website that allows an individual to search a licensed child care provider for location and regulatory history (any history of violations). This database would be expanded to include the child care provider's star level.

Dissemination of Information. The media campaign would include a YoungStar website, media tours, and partnering with local radio and television stations, community-based organizations, and other interested stakeholders to inform parents and the early care and education community of the new QRIS.

DCF would also partner with local organizations to provide information to parents about how to use the QRIS through their websites, newsletters, and list serves. Organizations involved in the dissemination effort would include: (a) Supporting Families Together Association; (b) Wisconsin Early Childhood Association; (c) Wisconsin Child Care Administrators Association; (d) Wisconsin Family Child Care Association; (e) Early Learning Coalition; (f) Child Care Providers Together; (g) Wisconsin Early Childhood Collaborating Partners; (h) institutions of higher education; (i) Wisconsin Works (W-2) agencies; and (j) county departments of human/social services.

Ongoing Evaluation

DCF indicates that the University of Wisconsin system would assist to enlist partners to develop an overall evaluation and monitoring strategy, including baseline information, program improvement, and child outcomes. Feedback from stakeholder groups, parents, and community leaders would be provided and considered to adjust the program as circumstances change. The evaluation would address: (a) the number of programs participating in the QRIS; (b) the characteristics of the child care programs at the beginning of their involvement in the QRIS; (c) improvements made by the child care programs in terms of quality as a result of their participation in the QRIS; (d) whether there are discernable improvements in the quality of care for child care providers that primarily serve Wisconsin Shares children; (e) whether children's outcomes are different in higher quality providers, using a known and proven measure of literacy; (f) why child programs choose either to participate or not to participate in the QRIS; (g) what feedback parents

offer in terms of ease of accessing the system and connections to more information and higher quality programs; (h) whether technical assistance and program support is sufficient to support child care programs participating in the QRIS; (i) what mid-course corrections would be advised based on the experience of child care programs and parents; (j) what the retention rate is of children in the child care program; (k) what the retention rate is of parents in their employment positions; (l) what the increased demand is for early care and education based credit instruction; and (m) what the increased demand is for content-based training.

Phased-In Implementation

DCF proposes to launch the QRIS in two phases. First, the QRIS would include programs that serve children before kindergarten. Second, the QRIS would expand to include programs that serve children before and after school. The emphasis in the first phase would be to rate and support programs that serve high concentrations of Wisconsin Shares children.

ANALYSIS

Quality Rating and Improvement Systems

According to the National Child Care Information and Technical Assistance Center (NCCIC), quality rating and improvement systems are a method to assess, improve, and communicate the level of quality in early care and education settings. A QRIS consists of the following five elements: (a) standards that are based on the foundation of compliance with the state's child care licensing regulations and two or more levels of quality criteria above the basic licensing requirements; (b) accountability, through appropriate means of assessment and monitoring, for compliance with the specific criteria of the standards; (c) program and practitioner outreach and support, including efforts to promote participation in the quality rating system, as well as technical assistance, training, mentoring, and other supports; (d) financing incentives specifically linked to compliance with quality standards, such as quality bonus payments, tiered reimbursement rates, contracts, quality grants, and wage supplements; and (e) parent education designed to ensure that parents understand the quality rating system and how it benefits children, families, and the early care and education system as a whole, including a five-star system.

As of April, 2010, 19 states and the District of Columbia had a statewide QRIS with all five elements: Colorado, Delaware, District of Columbia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Mississippi, Montana, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, and Vermont.

Several evaluations of rating systems in different states have been completed since the first QRIS was implemented in Oklahoma in 1998. According to a May, 2009, issue brief by the Office of Planning, Research, and Evaluation in the federal Administration for Children and Families, *Issues for the Next Decade of Quality Rating and Improvement Systems*, the most common research questions have been related to validation of quality indicators, patterns of improvement over time, and analysis of implementation features. These evaluations provided mixed results.

In Oklahoma, 76.5% of children whose care was subsidized by the state received child care in two- or three-star rated facilities, up from 45.8% two years prior. Oklahoma's Reaching for the Stars quality rating system is a three-tier system. Evaluations in Pennsylvania and Tennessee also concluded that child care quality improved as child care providers participated in and moved up the rating scale in their quality rating systems.

However, an evaluation by the RAND corporation of Colorado's quality rating system (Qualistar) found that although the component measures listed appeared to correlate with each other and that the overall quality of child care improved, overall quality improvement could not unequivocally be attributed to the quality rating system. In addition, the evaluation found: (a) limited relationships between accreditation status and other measures of quality; (b) star ratings are generally unrelated to measures of staff-child interaction; (c) few relationships exist between components and child outcomes; and (d) outcomes for low-income children and children who have a high rate of exposure to child care did not differ from other children in the evaluation.

Another review by RAND of quality rating systems in Oklahoma, Colorado, North Carolina, Pennsylvania, and Ohio summarizes some of the issues involved in the implementation of a quality rating system. One of the issues raised was that the systems were implemented too quickly, which led to reassessments and revisions to the systems. The Colorado evaluation concluded that building a quality rating system takes time and should probably be done incrementally. Each construct should be clearly articulated, designed, tested, and validated in the context in which it will be used. One of the recommendations is to conduct a pilot program and resolve any issues before it is implemented statewide. It is difficult to make any changes after statewide implementation without raising concerns with child care providers. Other recommendations include establishing a process and adequate funding for child care providers to improve, adequate funding for the system, and an evaluation of the system that assesses best practices and child outcomes.

More recent evaluations have focused on which child care providers participate in the QRIS, improvement of quality over time, parent use and understanding of the QRIS, and outcomes for children. Minnesota and Missouri have recently completed evaluations that address one or more of these issues.

In Minnesota, the school readiness connections (SRC) pilot project provided funds to pay selected child care providers higher rates than had previously been allowed under its child care subsidy program. The goals of the SRC project were to: (a) promote the skills and abilities that children served by the child care subsidy program need to succeed in school; (b) improve the quality and continuity of the child care for children served by the child care subsidy program; and (c) support parents' employment or schooling leading to employment. The December, 2009, evaluation found that the SRC project was successful in meeting its goals.

For example, of the sample four-year-old participants in the SRC project, the following percentages were proficient in the following categories: (a) 92% in physical development and health; (b) 82% in personal and social development; (c) 78% in language and literacy; and (d) 73% in mathematical thinking. A prior study of school readiness of five-year-olds found the following

percentages were proficient in the same categories: (a) 61% in physical development and health; (b) 49% in personal and social development; (c) 47% in language and literacy; and (d) 44% in mathematical thinking.

Other benefits included: (a) children were able to continue attending even if the parents' schedule of authorized activity changed, as long as the child continued to attend at least 25 hours each week; (b) teachers were more effectively observing children and provided families with more information in an easy-to-understand way so that parents were more informed and were encouraged to become more involved; (c) teachers and staff appeared to be more observant to the needs of children and families, providing referral and resource information when needed and helping to facilitate the referral process; and (d) children appeared to have a greater variety of learning opportunities available to them in their child care programs, and parents were highly satisfied with the quality of the child's learning in their child care programs.

In Missouri, an evaluation of the QRIS focused on whether preschool children who attended higher quality early child programs, as measured by the QRIS, showed greater gains in school readiness than their peers who attended lower quality rating programs. The October, 2009, evaluation found: (a) in general, all children's social and emotional skills were hurt by low quality programs; (b) children in poverty attending low-quality programs gained significantly less vocabulary than those in high quality programs; and (c) children in poverty attending high-quality programs made significant gains in early literacy skills and social-emotional development.

Quality Rating and Improvement System Resource Guide

NCCIC has developed an online resource to assist states in the development of a QRIS. The resource guide provides various options, suggestions, and information in the following areas: (a) initial design process; (b) approaches to implementation; (c) standards and criteria; (d) accountability and monitoring; (e) providing incentives and support; (f) data collection and evaluation; (g) cost projections and financing; and (h) public awareness. Attachment 2 shows a list of questions compiled by NCCIC to consider in creating a QRIS in each of these areas.

A review of Attachment 2 shows that there are at least three issues that could be discussed in further detail in the QRIS plan administered by DCF: (a) whether to initially limit the QRIS to a pilot project; (b) whether a clearly defined appeals process for child care providers should be created before implementation of the QRIS; and (c) the long-range cost projections of the QRIS and consideration of all sources of funding.

Pilot Project. DCF anticipates a phased-in approach. The first phase would include children before kindergarten, and the second phase would include school-aged children in before- and after-school care. As noted in Attachment 2, the QRIS resource guide indicates that a phased-in approach should consider the following factors: (a) a comprehensive plan that anticipates full funding for the next five years for each component of a fully implemented QRIS; (b) a midrange or scaled back plan to get started and build support for future expansion; (c) a basic program with fewer provider supports and incentives and fewer accountability measures; (d) a rate at which changes are made to QRIS standards or criteria; (e) financial incentives and supports; and (f) the

level of participation.

Other states that have phased-in their QRIS have: (a) limited initial participation; (b) implemented fewer than the anticipated number of levels; (c) begun with a limited number of provider resources and incentives; (d) targeted provider outreach, incentives, and supports to particular communities or providers; or (e) relied on administrative data and self-assessments only, rather than requiring the collection of new data, or limited time spent onsite.

The QRIS resource guide notes that while much can be learned from other states in order to implement the QRIS statewide, every state is unique with its own characteristics, history, infrastructure, and overall early and school-age care and education environment. The QRIS resource guide notes that, in the absence of a pilot project, in order to test and revise the standards, implementation system, and outreach and support system, the standards could be distributed and feedback provided prior to implementation. In addition there could be focus group discussions. DCF has posted their proposed standards on their website, received feedback, and modified these standards.

However, the Committee may wish to implement a pilot project, rather than DCF's planned phased-in approach (Alternative 2). The QRIS resource guide indicates that a pilot project would: (a) target available funding in order to build support; (b) allow time for implementation approaches to be tested and refined before large numbers of programs are involved in the process; (c) evaluate aspects of the system, such as rating scales or professional development supports; and (d) assess potential program participation and capacity for implementing once the QRIS becomes statewide.

A pilot project could be based in a specific geographic area, based on the type of program (licensed group centers, licensed family, or certified family), or limited to a specific number of providers for a specified period of time. Data could be collected from the pilot project to adjust the design of the standards, the implementation of the system, and the outreach and support system based on what worked in the pilot project. Data collected would include: (a) participation rates (overall rates and rates by facility type, size, level, and geographic location); (b) percentage of children served in the QRIS; (c) percentage of providers that are able to meet various criteria; (d) utilization rates for incentives and support services; (e) subsidy participation rates for participating providers; (f) participation rates at varying levels of quality; (g) baseline data from assessment tools; (h) parent/consumer awareness of the QRIS; and (i) feedback from providers on clarity and ease of process and forms or documents.

Benefits of a pilot project over a phased-in process would be that fewer funds would be needed for a smaller project, the QRIS could be tested on a smaller population, the QRIS could be revised based on an evaluation of the smaller project, and the QRIS could be expanded based on the evaluation of what worked and what did not work. In addition, better cost estimates of a statewide QRIS could be determined based on actual costs in the pilot project. The Committee could require DCF to complete an evaluation of the pilot project and submit the evaluation to the Committee before the QRIS is implemented statewide (Alternative 2a).

Should the Committee decide to implement a pilot project for the QRIS, the Committee

could require DCF to plan for an expansion of the QRIS once the pilot is completed, including an analysis of the available funding and the capacity to implement and manage the QRIS, and submit the plan to the Committee for approval under a 14-day passive review process (Alternative 2b).

Appeals Process. DCF's plan does not include a process for a child care provider to appeal their rating if they disagree with the outcome. A July, 2005, report, *Stair Steps to Quality: A Guide for States and Communities Developing Quality Rating Systems for Early Care and Education*, by Anne W. Mitchell, states that an appeals process should be designed in advance of implementation of a QRIS. According to the report, administrators of rating systems in states report that although quality ratings do change, there are relatively few challenges and little or no increase in hearing requests. However, some providers may not agree with the rating they receive, and there should be an appeals process that can be explained to providers prior to participation in the QRIS.

A reduction or loss of rating could affect a child care provider by reducing tiered reimbursement payments for subsidized child care and by making it more difficult to market the program at a higher level. For this reason, a clear appeals process could increase support among child care providers before the QRIS is implemented.

In addition to Alternative 1 or Alternative 2, the Committee may wish to instruct DCF to create a plan that establishes an appeals process for a provider to challenge their rating (Alternative 3). The Committee could also instruct DCF to submit the plan to the Committee for approval under a 14-day passive review process before the QRIS is implemented (Alternative 3a).

Long-Range Cost Projections and Sources of Funding. The QRIS resource guide indicates that the following should be included in a cost projection: (a) provider support; (b) financial incentives; (c) quality assurance; (d) communication and outreach; and (e) evaluation.

In determining its 2010-11 cost projections, DCF uses a cost model that includes these elements. Provider supports include technical assistance for program improvement (\$2.2 million), information technology (\$0.3 million), state staff (\$0.3 million), and local administration (\$1.4 million). Financial incentives include improvement grants (\$2.3 million) and, beginning with the 2011-13 biennium, tiered reimbursement rates. The model also includes categories for quality assurance monitoring (\$3.2 million), communication (\$0.1 million), and ongoing evaluation (\$0.2 million).

However, the QRIS resource guide also states that planning to fund a QRIS should include a strategy to sustain funding over a period of time. The costs and funding sources of the QRIS cannot be examined in isolation. The QRIS would be one of several programs related to the temporary assistance for needy families (TANF) block grant and, as such, must be examined in the context of the entire TANF-related budget. Attachments 1 and 2 to the overview paper show current estimates of the TANF-related budget if none of DCF's pending requests, including the QRIS, were approved (Attachment 1) and if all of DCF's pending requests, including the QRIS were approved (Attachment 2). Further analysis of the TANF budget is discussed below under "Fiscal Effect."

Attachments 1 and 2 of the overview paper show that there is adequate funding for the QRIS

in the current biennium, due to one-time funding from federal stimulus funds and lower than anticipated costs in the child care subsidy program. However, if the QRIS and all other pending DCF requests were not approved, the estimated TANF ending balance at the end of 2014-15 would be only \$5.9 million. If the QRIS and all other pending DCF requests were approved, there would be an estimated deficit in the TANF program at the end of 2014-15 of \$150.8 million. The QRIS resource guide indicates that for a phased-in approach, there should be a comprehensive plan that anticipates full funding for the next five years.

In addition, the QRIS resource guide indicates that all funding sources that could be accessed to support a QRIS should be researched. Other states have used the following sources of funding to support their QRIS: (a) federal American Recovery and Reinvestment Act (ARRA) of 2009; (b) federal child care development block grant (CCDBG); (c) federal TANF block grant; (d) federal social security block grant; (e) Head Start; (f) Title IV-B of the federal Social Security Act; (g) Parts B and C of the federal Individuals with Disabilities Education Act; (h) U.S. Department of Education funding; (i) other federal initiatives; (j) state general funds and dedicated state funding from tobacco settlement funds or lotteries; (k) local government revenues; and (l) private sources, including business and philanthropic contributions. It is unclear how many of these funding sources have been researched, including local government and private sources of funding.

The Committee may wish to require DCF to create a five-year cost projection plan that includes a determination of whether other sources of funding could be accessed to support the QRIS and shows that funding would be adequate for the QRIS over a five-year period (Alternative 4). The Committee could also instruct DCF to submit the plan to the Committee for approval under a 14-day passive review process before the QRIS is implemented (Alternative 4a).

FISCAL EFFECT

According to DCF, estimates for QRIS expenditures are based on a model created by Anne Mitchell, former national chair of NAEYC and one of the nation's leading experts on the QRIS. Ms. Mitchell was consulted on the construction of the model and the variables that should be considered. DCF then modified the model to meet the state's specific circumstances. For example, one element of some QRIS systems, a separate set of funds for facility improvements, was not included in the plan created by DCF.

As a result of this process, DCF determined the following variables should be included in the QRIS model to maximize effectiveness in improving quality in early childhood care: (a) technical assistance; (b) information technology; (c) state staff; (d) local administration; (e) improvement grants; (f) tiered reimbursement rates; (g) quality assurance monitoring; (h) communication; and (i) ongoing evaluation. Lack of funding in one area could compromise the overall effectiveness of quality improvement.

As noted above, DCF is not seeking additional funding or positions. DCF is only seeking approval of the QRIS plan to begin implementation. Section 49.175(2) of the Wisconsin statutes allows DCF to reallocate TANF funds that have already been allocated for any TANF purpose if the DOA Secretary approves the reallocation. As a result, if there is underspending in any TANF-

related program, those funds may be reallocated to another TANF-related program. Because there has been significant underspending in Wisconsin Shares, these funds are available to be reallocated to fund the QRIS with DOA approval and without approval from the Joint Committee on Finance. DOA has approved this reallocation. In addition, DOA has authorized the three federal positions conditioned upon approval of the QRIS plan by the Joint Committee on Finance.

Although DCF is not seeking additional funds, it is helpful to look at how implementation of the QRIS would impact the overall TANF-related budget.

Current TANF Program Estimates

Under Act 28, approximately \$51.8 million in one-time federal funding (TANF contingency funds, TANF emergency funds under the ARRA, and child care funds under the ARRA) was budgeted for W-2, Wisconsin Shares, and other TANF-related expenditures in the 2009-11 biennium. At the time Act 28 was passed, it was estimated that the 2010-11 ending TANF balance would be \$8,600, and that the TANF structural deficit in the 2011-13 biennium would be approximately \$41 million per year, or \$82 million for the entire biennium. The estimated structural deficit in the next biennium was due to the assumption that the TANF contingency funds, TANF emergency funds, and child care stimulus funds would no longer be available.

Since Act 28 was enacted, a number of TANF-related revenues and expenditures have been reestimated. The new estimates primarily reflect four factors: (a) an additional TANF carryover from 2008-09 of \$13.3 million; (b) significant reductions in child care subsidies following enhanced fraud reduction efforts (-\$46 million in 2009-10 and -\$60 million in 2010-11); (c) increased costs for W-2 cash assistance and local W-2 agency services and administration due to a higher than anticipated caseload (\$11.7 million in 2009-10 and \$35.8 million in 2010-11); and (d) the expectation that additional federal TANF emergency funding will be available (\$77.1 million in 2009-10 and \$11.7 million in 2010-11). With these new estimates, it is projected that the ending TANF balance in 2010-11 will be \$153.5 million.

However, as the federal emergency funds are depleted, it is estimated that the TANF balance will fall to \$92.7 million by the end of 2012-13. This estimate assumes modest (2%) annual growth in child care subsidies, beginning in 2011-12, and no increase or decrease in W-2 agency expenditures.

If the 2012-13 estimates are used for each year of the 2013-15 biennium, with continued 2% growth in the child care program, ongoing expenditures exceed ongoing revenues by \$40.4 million in 2013-14 and \$46.4 million in 2014-15, and there would be an estimated TANF ending balance of \$5.9 million by the end of 2014-15.

The revised projections of TANF revenues and expenditures from 2009-10 through 2014-15 are shown in Attachment 1 to the overview paper. All of these estimates are prior to consideration of the QRIS proposal and all other pending requests. It should be noted that the administration has other pending requests for the transitional jobs demonstration project, the earned income tax credit, and the summer food service program. If these requests, along with the QRIS plan, are approved,

then there would be an estimated TANF deficit at the end of 2014-15 of \$150.8 million (as shown in Attachment 2 to the overview paper).

QRIS Proposal

As mentioned above, the QRIS proposal is estimated to cost \$10.0 million in 2010-11 for the costs of assigning ratings to providers, technical assistance and training, micro-grants, and other expenses shown in Table 3. These expenses are expected to fall somewhat in the 2011-13 biennium to \$8.0 million annually, beginning in 2011-12. The tiered reimbursement proposal would take effect in July of 2011 and is estimated to increase child care subsidy expenses by \$3.2 million in 2011-12.

Since the main purpose of a QRIS is to improve the quality of child care, it is anticipated that costs will increase annually as child care providers improve in quality and receive enhanced reimbursements. Table 4 shows one example of the percentage of child care providers in each star category under the initial assessment and annually through 2014-15.

TABLE 4

**Percentage of Children Receiving Wisconsin Shares in Each Star Category
Initial Estimate and from 2011-12 through 2014-15**

Star Rating	Initial Estimate	2011-12 Estimate	2012-13 Estimate	2013-14 Estimate	2014-15 Estimate
1	10%	0%	0%	0%	0%
2	40	44	41	38	35
3	29	32	33	34	35
4	8	9	10	11	12
5	<u>13</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>
Total	100%	100%	100%	100%	100%

Using the percentages in Table 4, costs for child care subsidies under the tiered reimbursement proposal would increase by: (a) \$3.2 million in 2011-12; (b) \$5.1 million in 2012-13; (c) \$6.0 million in 2013-14; and (d) \$7.9 million in 2014-15.

Table 5 shows estimates for the total costs for the QRIS using expenditure information from Table 3 and the tiered reimbursement costs mentioned above for the years 2009-10 through 2014-15. The estimated total cost for the QRIS over this six-year period would be \$64.4 million. Attachments 1 and 2 of the overview paper show that if all of DCF's pending requests are approved, the estimated TANF balance at the end of 2014-15 would be reduced by \$156.7 million (from a surplus of \$5.9 million to a deficit of \$150.8 million). The QRIS proposal would account for \$64.4 million of this reduction.

TABLE 5

**Estimated Total Cost of YoungStar
2009-10 through 2014-15**

<u>Expenditure</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Total</u>
Administration	\$10,046,800	\$8,027,200	\$8,027,200	\$8,027,200	\$8,027,200	\$42,155,600
Tiered Reimbursement	<u>0</u>	<u>3,200,000</u>	<u>5,100,000</u>	<u>6,000,000</u>	<u>7,900,000</u>	<u>22,200,000</u>
Total	\$10,046,800	\$11,227,200	\$13,127,200	\$14,027,200	\$15,927,200	\$64,355,600

These estimates are sensitive to the assumptions used to calculate the totals. The figures assume child care subsidy costs will increase by 2% annually and that 40% of the children served by one-star providers would not reenter Wisconsin Shares with another child care provider. Therefore, there is a net one-time savings of 2% in 2011-12. If it is assumed that only 20% of the children served by one-star providers would not reenter Wisconsin Shares, then estimated total costs for the QRIS would be \$92.6 million over the same six-year period.

In addition, the initial allocation of the Wisconsin Shares children served by child care providers is estimated, and there is an assumption that 3% of the children served by two-star providers would migrate up, after the initial reallocation, to three-, four-, or five-star providers, as shown in Table 4. If more Wisconsin Shares children are initially served by two-, three-, four-, or five-star providers than shown, or if more than 3% annually migrate up to a higher star category, then costs increase. For example, if it is assumed that, in addition to 20% of children served by one-star providers not reentering Wisconsin Shares, 5% annually migrate up to a higher star category, rather than 3%, the estimated total costs for the QRIS could be \$97.1 million over the six-year period. On the other hand, if it is assumed that 40% of children served by one-star providers would not reenter Wisconsin Shares and only 1% annually would migrate up from a two-star to a three-star category, the estimated total costs for the QRIS could be \$59.5 million over the six-year period.

Pilot Project

As discussed above under the "Analysis" section, the QRIS could be implemented as a pilot project. In March of 2010, there were approximately 5,400 child care providers participating in Wisconsin Shares. Implementing the QRIS on a trial basis with 500 child care providers that participate in Wisconsin Shares would incorporate almost 10% of the child care providers participating in Wisconsin Shares into the QRIS pilot project. These 500 child care providers could be chosen based on location, type of care (licensed group, licensed home, certified), or based on which providers would volunteer.

If the QRIS were a pilot project for 500 child care providers (200 licensed group, 150 licensed home, and 150 certified), rather than implemented statewide, estimated costs for the QRIS would total \$2.1 million in the 2009-11 biennium. There would be savings from scaling back the QRIS and from not providing tiered reimbursement under direct child care subsidies. The costs only include costs during the current biennium under the assumption that the pilot project would end in 2010-11. Whether to expand the QRIS statewide and how much it would cost based on actual expenditures in the pilot project could be addressed during the budget process.

Alternatives to Decrease the Cost of the QRIS

As noted above, one alternative to initially decrease the cost of the QRIS is to implement the QRIS as a pilot project. With a smaller number of child care providers participating, the costs of the QRIS would be reduced. In addition, once the pilot project is evaluated, there would be a more reliable estimate of what the costs would be statewide, both in terms of operating the QRIS and in terms of the costs of tiered reimbursements.

Another alternative would be to set the maximum amount that DCF would be allowed to expend in each of the following categories: (a) technical assistance; (b) information technology; (c) state staff; (d) grant administration; (e) improvement grants; (f) tiered reimbursement rates; (g) quality assurance monitoring; (h) communication; and (i) ongoing evaluation (Alternative 5). DCF would be required to implement the QRIS within the financial limitations imposed by the Committee.

Finally, alternatives could be devised to modify tiered reimbursement payments to provide greater incentives than those proposed by DCF or to provide disincentives for the lower rated child providers, which DCF has not suggested in the QRIS plan.

SUMMARY

DCF's request conforms with the requirements of 2009 Act 28. However, as shown in Attachment 1 of the overview paper, there would be an estimated TANF ending balance of \$5.9 million by the end of 2014-15 without any of the additional expenditures that DCF has requested, including the QRIS. Implementation of the QRIS, as proposed by DCF, would add additional estimated costs of approximately \$64.4 million by the end of 2014-15. There would be sufficient funding to support the costs of the QRIS in the current biennium. However, as shown in Attachment 2 of the overview paper, funding the QRIS, along with DCF's other pending requests, would likely result in a deficit during the 2011-13 biennium and significantly increase that deficit during the 2013-15 biennium. With the funding of the QRIS and the other pending requests, the anticipated deficit in TANF-related programs would be \$150.8 million by the end of 2014-15. As a result, without additional federal funding, additional state funding would be needed for the TANF program, expenditures on current TANF programs would have to be reduced, or a combination of both would be needed to bring the TANF program into balance in future biennia.

To lower the costs of the QRIS, DCF could be required to implement a limited pilot project, rather than implement the QRIS statewide. In addition, DCF could be required to research

additional sources of funding and prepare a five-year cost projection to ensure that continued implementation of the QRIS statewide would be viable. Finally, a limit of funding on each aspect of the QRIS could be established to lower the costs and require DCF to operate the QRIS within the confines of the established funding.

Furthermore, to address concerns from child care providers regarding the potential loss of additional funds through the tiered reimbursement proposal and the loss of the ability to market their programs at a higher level, DCF could also be required to establish a clear appeals process so that a child care provider understands the process to object to the rating before the QRIS is implemented statewide.

ALTERNATIVES

1. Approve DCF's QRIS plan as submitted.
2. Modify the DCF QRIS plan to require DCF to implement YoungStar as a pilot project.
 - a. Require DCF to complete an evaluation of the pilot project and submit the evaluation to the Committee before the QRIS is implemented statewide.
 - b. Upon completion of the pilot project, require DCF to submit a plan that specifies available funding and the capacity to implement and manage the QRIS on a statewide basis to the Committee, under a 14-day passive review process.
3. Direct DCF to create a plan, prior to the implementation of the QRIS, that describes a process for child care providers to appeal their assessed rating.
 - a. Make the appeals plan subject to a 14-day passive review process.
4. Direct DCF to create a five-year cost projection plan that includes a determination of what sources of funding could be accessed to support the QRIS and that shows funding would be adequate for the QRIS over a five-year period.
 - a. Make the five-year cost projection plan subject to a 14-day passive review process.
5. Limit funding in the following areas to some other specific amount:
 - a. technical assistance
 - b. information technology
 - c. state staff
 - d. grant administration
 - e. improvement grants
 - f. tiered reimbursement rates
 - g. quality assurance monitoring

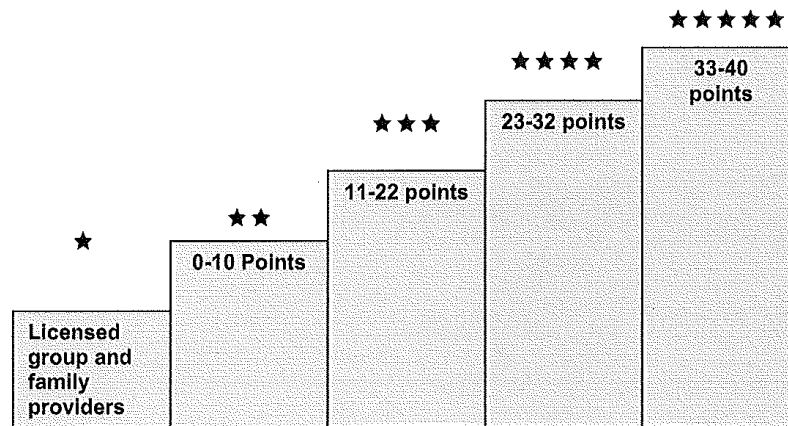
- h. communication
 - i. ongoing evaluation
6. Deny the request.

Prepared by: Kim Swissdorf
Attachments

ATTACHMENT 1

YoungStar QRIS Quality Indicator Point Detail as of April 30, 2010

Quality Rating and Improvement System Overall Model



Programs not in regulatory compliance would not be able to earn points in the system until coming into compliance with licensing and certification.

It is imperative that Wisconsin improve the quality of child care. Establishing a quality rating system will assist Wisconsin child care providers to improve their quality leading to a critically important outcome of improving outcomes for children. YoungStar is based on research and other state experiences to establish criteria that are: research based, objective, and verifiable on a regular basis.

This document describes the different categories for earning points. Each child care provider or program can earn up to forty points across four categories – education, director education (for group programs), learning environment and curriculum; professional and business practices; and health and wellness.

The following chart shows the overall categories and the points possible in each.

Category for Earning Points	Possible Points	
	Family	Group
Family Provider Qualifications	0-14	N/A
Group Teacher Qualifications	N/A	0-9
Group Director Qualifications	N/A	0-6
Learning Environment and Curriculum	0-14	0-13
Professional Practices (business practices, staff benefits, parent/family involvement)	0-7	0-7
Health and Wellness	0-5	0-5
Total	0-40 points	0-40 points

Group Child Care Model

The following are ways in which group center child care programs can earn points in the YoungStar Quality Rating Improvement System. The Observation Rater identified will be part of the staff team in regional centers selected to operate the YoungStar program. All Observation Raters will need to both reliable and valid using the Early Childhood Environmental Rating Scale tool. For group child care programs, there are required points in each category, as well as additional optional points programs may accumulate.

Accreditation in the following areas would be an alternative path to five star status. Accreditation standards accepted will include: National Association for the Education of Young Children (NAEYC), National Accreditation Commission (NAC), City of Madison, and Head Start Performance Standards with no non-compliances or findings.

The rationale for counting accreditation as a five star status is that these standards are nationally recognized as linking to quality and require on-site observations and verification of similar characteristics laid out in the Wisconsin model. Because NAEYC accreditation has now moved to being renewed every five years, DCF will verify annual reports of accredited centers and will consider other possible site visits to verify continued meeting of accreditation standards. DCF will consider additional accreditations in the future. As staff time permits, review and comparison of demonstrated competencies measured in different accreditation platforms will be analyzed.

I. Teacher/Director Qualifications

Rationale: Teacher education is considered one of the most consistent predictors of quality in an early childhood setting. Staff and provider early childhood education qualifications will be verified by the Wisconsin Registry. The Registry is Wisconsin's The Registry is Wisconsin's Recognition System for the Childhood Care and Education Profession. The Registry verifies educational qualifications using credit-based instruction transcripts. All training is quantified by core knowledge areas as defined by the National Association for the Education of Young Children (NAEYC) or CDA content areas as defined by the Council for Professional Recognition. The Registry awards a certificate verifying that entry level and continuing education requirements defined by the Department of Children and Families have been met.

Information related to what early care and education credit based course offerings are available in regions can be accessed by contacting the individual institution of higher education directly, or by contacting a T.E.A.C.H. Scholarship Counselor at the Wisconsin Early Childhood Association. Credit for prior learning experience may be offered through individual institutions of higher education. Further information related to The Registry Career Levels, professional development opportunities and credit for prior experience is available in the appendix of this document.

In the following two charts for center staff and center directors, points are not cumulative. For each staff qualification chart, a program receives credit for the highest level achieved looking at the composition of the staff education and the center director's education

Staff Qualifications

Quality Indicators – Staff Qualifications	Verification	Points Awarded
Lead teachers with CDA's for 50% of classrooms	Registry Level 6	1
Lead Teachers with 6 credits beyond high school for 25% of all classrooms	Registry Level 7	1
Lead Teachers with 6 credits for 50% of all classrooms – <i>Required for 3 star</i>	Registry Level 7	2
Lead Teachers with infant/toddler or inclusion credential for 50% of classrooms or 18 related credits; all other	Registry Level 9	3

classrooms have a lead teacher with at least 6 credits – <i>Required for 4 star</i>		
Lead Teachers with Administrators or Preschool Credential or 24 related credits for 50% of classrooms; all other classrooms have a lead teacher with at least 6 credits	Registry Level 10	4
Lead Teachers with Associate Degree (AA) for 50% of classrooms and all other classrooms have a lead teacher with at least 6 credits	Registry Level 12	5
Lead Teachers with AA for 50% of classrooms and lead teachers with Registry credentials for the rest of the classrooms	Registry Level 12	6
Lead Teachers with AA for 100% of classrooms – <i>Required for 5 Star</i>	Registry Level 12	7
Lead Teachers with AA for 50% of classrooms and Bachelor Degrees/ or Bachelor's Degree with DPI License for 50% of classrooms	Registry Levels 12-Associate 13 – non-related Bachelors 14 – related Bachelors	8
Lead Teachers with related Bachelor's Degrees for 100% of classrooms or Bachelor's Degree with DPI License or Master's Degree or Doctorate	Registry Level 14, 15, 16 or 17	9

I-A. Center Director Qualifications

Rationale: Research has demonstrated the critical role of the child care director in all centers; they are responsible for the recruitment, hiring, and guidance of teaching staff, and – when necessary – for firing or dismissal of staff. Research shows that accredited centers with well-qualified directors demonstrate higher quality. Directors with degrees operate nearly half of the centers in Wisconsin. This category recognizes a variety of ways to earn points by meeting higher levels of director qualifications.

Required Director Education for 3, 4 and 5 Stars

Quality Indicators – Director Qualifications	Verification	Points Awarded
Administrator Credential – <i>Required for 3 Stars</i>	Registry Level 10	1
Associate Degree (related) or Bachelor's Degree unrelated) – <i>Required for 4 Stars</i>	Registry Level 12	3
Administrator Credential and either Associate Degree (related) or Bachelor's Degree (unrelated) – <i>Required for 5 Stars</i>	Registry Level 13	4
Bachelor's Degree (related)	Registry Level 14	5
Bachelor's Degree (related) and Administrator's Credential or Master's Degree or higher	Registry Level 15, 16 or 17	6

II. Learning Environment and Curriculum – Required Minimums for 3, 4 and 5 Stars

- Program chosen Self Assessment tool leading to Quality Improvement Plan –3 Stars
- Programs will have Early Childhood Environmental Rating (ECERS) or Infant /Toddler Environment Rating (ITERS) for infant/toddler programs/classrooms Rating Observation in order to achieve 3, 4 or 5 Stars
- ECERS average score of 5 (Good) as observed and in accordance with state standards for ECERS assessments (reliable and valid observers) – 4 and 5 Stars

Criteria	Rationale	Verification	Points Awarded
Programs can use a variety of different <u>Self Assessment</u> tools that leads to written Quality Improvement Plan; <u>Grow in Quality</u> is a tool developed by DCF that is free of charge – <i>Required for 3 Stars</i>	Program has demonstrated effort to assess key elements of program <u>that are linked to higher quality care</u> and has developed a plan to improve in areas identified	Review of quality improvement plan by Observation Rater	1
<u>Early Childhood Environmental Rating Scale (ECERS)</u> average score of 5, no subscore less than 3 – <i>Required for 4 Stars</i>	Research based tool linked to demonstrating high quality in key areas of early childhood environments.	Conducted and recorded by Observation Rater	3
<u>Early Childhood Environmental Rating Scale (ECERS)</u> average score of 5, no subscale less than 4 - <i>Required for 5 Stars</i>			4

Learning Environment and Curriculum – Optional Points:

- Verified tool used for and independent verification of Quality Improvement Plan
- Wisconsin Model Early Learning Standards
- Targeted Lesson Plans and Tracking of Individual Child Outcomes.

II-A. Quality Improvement Plan

Criteria	Rationale	Verification	Points Awarded
Quality Improvement Plan developed in accordance with authentic quality improvement tool	<u>Research based instrument</u> has been utilized to ensure that quality improvement plan covers key areas tied to quality.	Review of quality improvement plan by Observation Rater	1
Quality Improvement plan verified by outside independent entity	Independent verification of efforts to improve quality provides greater assurance of tool efficacy.	Review of quality improvement plan by Observation Rater and verification of independent third party	1

II-B. Wisconsin Model Early Learning Standards

Criteria	Rationale	Verification	Points Awarded
Curriculum aligned with Wisconsin Model Early Learning Standards (WMELS)	WMELS have been <u>nationally recognized</u> as a useful tool to improve practices in early childhood settings. They establish a connection between developmentally appropriate practice and early care settings in key areas. <u>Research ties appropriate implementation of developmentally appropriate practice (DAP) to higher</u>	<u>Program Administration Scale</u>	1

	quality child care.		
At least 50% of teachers have received training in WMELS	Teachers can demonstrate they have been trained in DAP techniques	Registry verified	1
All teachers have received training in WMELS			1

II-C. Child Outcomes

Criteria	Rationale	Verification	Points Awarded
Program uses <u>individual child portfolios</u>	Information on individual children is documented and updated to provide appropriate planning for activities.	Review by Observation Rater	1
Teacher uses intentional planning to improve child outcomes	Teacher uses information about individual children to develop appropriate lesson plans to build individual strengths.		1
Individual outcomes tracked	It is important to demonstrate that teacher training and child interactions improve children's individual outcomes.		1

III. Business and Professional Practices

These criteria include: business practices, professional practices and staff benefits in group centers.

Business Practices - Required Minlimums

- For 2 Stars and above - **all programs** must sign a contract with DCF to participate in the Wisconsin Shares Program or be willing to enroll children in Wisconsin Shares Program., The contract specifies that a program will meet reporting requirements.

Criteria	Rationale	Verification	Points Awarded
Ongoing yearly budget planning and assessment of program financial status, including accurate completion and review of tax record – <i>Required for 3 Stars</i>	<u>Research links effective professional and business practices</u> to high quality learning environments that support nurturing interaction between caregivers and children.	Review of business planning efforts by Observation Rater using the <u>Program Administration Scale</u>	1
Written copy of employment policies and procedures including job descriptions and hiring practices, personnel policies, salary/benefit schedules, evaluation procedures, staff disciplinary policies, grievance procedures, program policies and staff expectations is provided. <i>Required for 4 Stars</i>			1
Business offers evidence of using <u>model work standards</u> for administration of business including hiring, staffing and business planning. <i>Required for 5 Stars</i>			1

III – A. Professional Development Optional Points

- Staff evaluation
- Professional development opportunities

Criteria	Rationale	Verification	Points Awarded
Annual staff evaluation plan	Professional development on an ongoing basis is linked to higher quality care including staff assessment, access to professional development are <u>linked to higher quality care</u> . Staff access to professional development materials will increase their capacity to provide high quality child care.	Review of records using the PAS	If 2 of the following practices are evident, center receives one point
Access to professional development funding to cover the costs associated with the completion of selected training opportunities that meet the goals of the individual staff person's professional development plan, including <u>access to T.E.A.C.H. Scholarships</u> for credit based instruction.		Review of records using the PAS. Benefits are verified as either currently available or that they have been available in the last year as verified by the Observation Rater.	
Access to professional resource materials available on-site (ex. Books, magazines, or other materials on child development).		Reviewed by Observation Rater	
Director or Administrator Membership in a professional association focused on early care and education.		Professional connections with colleagues in the field can be an important source of information and support for child care providers	
75 Percent or higher retention rate of well educated (associate degree or higher) lead teachers and program administration over three-year period.		Consistent staffing in early care settings is linked to higher quality.	

III-B. Staff Benefits – Optional Points:

- Salary Scale
- Health Insurance
- Paid Vacation and Sick Days

Staff Benefits

Criteria	Rationale	Verification	Points
Access to health insurance provided to staff, with employer contribution of 25 percent or higher for full time staff. Access to a pension/retirement plan with employer contribution. Lead teaching staff has paid time off equivalent to 18 or more days annually to be used in a combination of holiday pay and/or person days or sick days. Time off is prorated for part-time staff.	Staff benefits are also linked to higher quality care including staff assessment, access to professional development are <u>linked to higher quality care</u> . Benefits are also linked to longevity and less turnover in early care settings.	PAS administered by Observation Rater	If up to 2 practices are met, program receives one point

All-staff meeting once per month, 2 hours paid planning time per week for lead teachers			
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III-D. Parent/ Family Involvement - Optional Points

Parent Involvement

Criteria	Rationale	Verification	Points
<ul style="list-style-type: none"> A written description of the program's philosophy is available to all families; materials and resources are available in a process or communication style that meets the needs of families; orientation opportunities are available to all families prior to enrollment; parents are encouraged to observe program 	<p><u>Strong parental involvement</u> in child care is linked to higher quality.</p>	<p><u>Program Administration Scale</u>, by Observation Rater</p>	<p>If up to 2 practices are met, program receives one point;</p> <p>Or,</p> <p>Programs that can demonstrate they are meeting 3 or more of the practices, receive 2 points.</p>
Families have an opportunity to provide input on program policies and procedures; advisory committee/parent board membership opportunities are available.			
Parent conferences are held at least annually and more often if needed to discuss children's progress.			
Frequent, regular, on-going communication between staff and families conveys trust and respect, and helps ensure smooth transitions from home to program or one program to another; communications occurs through multiple means such as face-to-face, written notes, phone calls, e-mails and newsletter updates.			
Parent and family outreach, educational and social opportunities are available at least twice annually.			
Information is shared with family about children's experiences during the day, day to day schedule of program and any injuries or special events as well as changes in a child's health, or eating habits.			

IV. Health and Wellness – Required Minimum Points

Required Minimum Points for star 3, 4 and 5 programs are serving nutritional meals and snacks

Criteria	Rationale	Verification	Points
Nutritious meals are served daily in child care program	Sound nutritional practices in early childhood lead to establishment of healthy eating patterns and prevention of obesity in the future.	Program can verify that their program participates in the <u>Child and Adult Food Program</u> (confirmed by DPI) or programs that demonstrate that <u>daily</u> nutritional meals and snacks are served to children can receive this point if they can demonstrate environmental rating subscale for Meals/Snacks at a level 5 (Good) or higher on an Early Childhood Environmental Rating Scale (ECERS) assessment. Health and safety standards must also be observed related to meals and snacks, and menus must be provided	1

		for families. Children's allergies and dietary restrictions must be addressed, and documentation must support this.	
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IV-A. Health and Wellness Optional Points:

- Physical activity
- Social and Emotional development training
- Family protective factors/ Strengthening Families training

Health and Wellness - Optional Points

Criteria	Rationale	Verification	Points
Program provides at least sixty minutes of physical activity a day.	<u>Research</u> shows that physical activity is a daily routine for children to promote wellness prevent obesity in the future.	Basic daily schedule exists that is available for review and verification by Quality Observation Rater and promotes a familiar pattern of regular physical activity to promote physical well-being.	1
Lead teacher or director with credit-based inclusion training, completion of the Center for the Social and Emotional Foundations for Early Learning Pyramid Training Model or verified equivalency to either of these credentials	<u>Research</u> consistently demonstrates that a strong social and emotional foundation in early childhood is a key determinant in a child's future success and readiness for school	A linkage with the Registry is established for the inclusion credential, one will be developed for the CSEFEL training	2
At least 50% of staff are trained in the Strengthening Families, Family Services Credential or Registry approved equivalent that demonstrates knowledge of protective factors; Or Center uses department approved training curriculum for mandatory reporter training.	Preventing child abuse and neglect has been linked to the <u>Strengthening Families</u> approach to building protective families in children and parents. Child care providers have a critical role in ensuring that children are safe in child care settings and can be important resources for families in detecting early signs of stress and are required by law to report suspected abuse and neglect. Consistent training is needed to ensure consistent standards.	Verified by the Registry	1

Family Child Care Model

Four (4) quality indicator areas are identified for family child care providers to earn points. As with the group child care model, there are required points in each of the following components as well as additional optional points programs may accumulate.

- Family Provider Education Qualifications – 14 points
- Learning Environment and Curriculum – 14 points
- Business Practices – 7
- Health and Wellness – 5

As with the group center model, we are proposing an alternate path to a four stars for accreditation, specifically for the National Association for Family Child Care, the City of Madison. The rationale for counting NAFCC and City of Madison accreditation as a four star status is that these standards are nationally recognized as linking to quality and require on-site observations and verification of similar characteristics laid out in the Wisconsin model, however they do not require any credit-based education beyond high school. With credit based education, family child care providers could qualify for a five star status.

Category I: Provider Qualifications (Maximum points = 14)

In family child care, one individual often combines both the administrative/business and the teaching role. For this reason, the model combines the teacher and administrator qualifications. High school completion or its equivalency is required to receive 3-5 stars. Research from the Wisconsin Child Care Research Partnership in 2002 noted that at least one-fifth of a random sample of Wisconsin family child care providers had a 2- or 4-year degree.

Information related to what early care and education credit based course offerings are available in regions can be accessed by contacting the individual institution of higher education directly, or by contacting a T.E.A.C.H. Scholarship Counselor at the Wisconsin Early Childhood Association. Credit for prior learning experience may be offered through individual institutions of higher education. Further information related to The Registry Career Levels, professional development opportunities and credit for prior experience is available in the appendix of this document.

In the following chart for family child care providers the points are not cumulative. A provider receives credit for the highest level of education achieved.

I. Education – Required Minimums

Quality Indicators – Director Qualifications	Verification	Points Awarded
Provider has CDA	Registry Level 6	2
6 Early Childhood Education Credits	Registry Level 7	3
Infant/Toddler or Inclusion Credential or 18 related early childhood credits – <i>Required for 3 Stars</i>	Registry Level 9	4
Provider has CDA and Infant/Toddler or Inclusion Credential or 18 related early childhood credits	Registry Levels 6 and 9	6
Administrator Credential or Preschool Credential or 24 early childhood credits – <i>Required for 4 Stars</i>	Registry Level 10	10
Related Associates Degree (or unrelated Bachelors Degree) – <i>Required for 5 Stars</i>	Registry Level 12	12
Related Bachelor's Degree or Higher or related bachelor's degree with DPI License.	Registry Level 14	13
Related Bachelor's Degree or Higher with Credential or Related Bachelor's Degree or Higher with Credential and DPI License or Master's Degree or Doctorate	Registry Level 15, 16 or 17	14

- II. Learning Environment and Curriculum – Required Minimums for 3, 4 and 5 Stars**
- Provider chosen Self Assessment tool leading to Quality Improvement Plan –3 Stars
 - Program will have Family Child Care Environmental Rating (FCCERS) Rating Observation in order to achieve 3, 4 or 5 Stars
 - FCCERS average score of 5 (Good) as observed by valid and reliable Rating Observer – 4 and 5 Stars

Criteria	Desired outcome/Rationale	Verification	Points Awarded
Self Assessment that leads to written Quality Improvement Plan – <i>Required for 3 Stars</i>	Program has demonstrated effort to assess key elements of program <u>that are linked to higher quality care</u> and has developed a plan to identify areas of foci	Review of Quality Improvement Plan by Observation Rater	1
Family Child Care Environmental Rating Scale (FCCERS) average score of 5, no subscale less than 3 - <i>Required for 4 Stars</i>	Demonstration of high quality environment in key areas	Conducted and recorded by a valid/reliable observer	3
FCCERS average score of 5, no subscale less than 4 – <i>Required for 5 Stars</i>	Demonstration of a higher threshold of quality		4

- II. Learning Environment and Curriculum – Optional Points:**
- Verified tool used for and independent verification of Quality Improvement Plan
 - Wisconsin Model Early Learning Standards
 - Targeted Lesson Plans and Tracking of Individual Child Outcomes.

II-A. Quality Improvement Plan – Optional Points

Criteria	Rationale	Verification	Points Awarded
Quality Improvement Plan developed in accordance with authentic quality improvement tool	Research based instrument has been utilized to ensure that quality improvement plan covers key areas tied to quality.	Review of Quality Improvement Plan by Observation Rater	1
Quality Improvement plan verified by outside independent Entity	Independent verification of efforts to improve quality.	Review of Quality Improvement Plan by Observation Rater and verification of independent third party	1

II-B. Wisconsin Model Early Learning Standards – Optional Points

Criteria	Rationale	Verification	Points Awarded
Curriculum aligned with Wisconsin Model Early Learning Standards (WMELS)	Wisconsin’s Model Early Learning Standards have been <u>nationally recognized</u> as a useful tool to improve practices in early childhood settings. It is critical to establish a connecting between child care programs developmentally appropriate practices in key WMELS domains	<u>Business Administration Scale Assessment in Support and Learning Scale</u>	1
Provider has received WMELS training		Registry verified	1

II-C. Child Outcomes – Optional Points

Criteria	Rationale	Verification	Points Awarded
Program uses individual child portfolios	Information on individual children is documented and updated to provide appropriate planning for activities.	Review by Observation Rater	1
Teacher uses intentional planning to improve child outcomes	Teacher uses information about individual children to develop appropriate lesson plans to build individual strengths.		1
Provider is trained to provide annual developmental screening and appropriate referrals are made as well as linkages to resources. Provider demonstrates that they have received training on authentic assessment tools used in their program.	Early childhood provides opportunity for early detection of challenges; providers can be key resources to assist in receiving screening and referral for early intervention.		1
Individual outcomes tracked	It is important to demonstrate that teacher training and child interactions improve children's individual outcomes.		2

III. Business and Professional Practices - Required Minimums

Business Practices

- For 2 Stars and above - all programs must sign a contract with DCF to participate in the Wisconsin Shares Program or be willing to enroll children in Wisconsin Shares Program., The contract specifies that a program will meet reporting requirements.

Criteria	Rationale	Verification	Points Awarded
Ongoing yearly budget planning and assessment of program financial status, including accurate completion and review of tax record; Demonstrates record keeping practices that track income received, meals and snacks served to children, caregiving and other business hours worked in the home– <i>Required for 3 Stars</i>	Research shows that providers who use effective professional and business practices are more likely to provide a high quality learning environment and interact more sensitively with children.	Review of business practices by Observation Rater using the <u>Business Administration Scale (BAS)</u>	1
Parent handbook identifies program policies for vacation, holidays, staff time off, procedures for sick provider days, parent procedures for sick days and related family questions including contracts with parents for days of paid time off – <i>Required for 4 Stars</i>	Clear policies will avoid confusion and minimize disruptions for provider and parent as it relates to vacations and sick time		1
Program has written policies that reduce risk including posted information about emergency drills			1

and emergency contact numbers and insurance coverage for various risks of doing business in a home. Priorities, budget and program planning is intentional and in-line with program budget; procedures are in place for timely review of budget, and long term fiscal records are maintained and demonstrate sound financial planning. <i>Required for 5 Stars</i>			
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III-A. Professional Practices – Optional Points

- Provider Professional Development opportunities
- Employment policies
- Professional associations

Professional Practices – Optional Points

Quality Indicator	Rationale	Verification	Points
Provider has a professional development plan created that identifies annual goals.	Support and connection to colleagues can assist program directors improve their program through information and resource sharing and ongoing networking.	Business Administration Scale Tool	If provider has at least two of the following indicators verified, they would receive 1 point.
Written copy of employment policies and procedures including job descriptions	Sound <u>business and employment practices are linked to higher quality child care</u>		
Family provider and staff, program Board and Advisory Committee (if applicable), parents and provider are able to access to accurate and timely information on program finances.			
Membership in a professional association focused on early care and education.	Support and connection to colleagues can assist program directors improve their program through information and resource sharing and ongoing networking.	Observation Rater can verify memberships	

III-B. Staff or Provider Benefits – Optional Points

- Holiday
- Sick leave
- Vacation

Provider Benefits

Quality Indicator	Rationale	Verification	Points
Provider has health insurance for self and dependent children.	Professional benefits in child care programs are <u>linked to higher quality programs.</u>	<u>Business Administration Scale Tool</u>	If provider has at least two of the following indicators verified, they would receive 1 point.
The provider contracts with parents to have a minimum of 10 days off per year.			
The provider has contributed to a retirement plan during the past year.			

III-C. Parent/Family Involvement

Quality Indicator	Rationale	Verification	Points
<ul style="list-style-type: none"> ▪ Written description of programs philosophy is available to all families; ▪ materials and resources are available in a process or communication style that meets the needs of families; ▪ orientation opportunities are available to families. 	<u>Strong parental involvement</u> in child care is linked to higher quality.	BAS Scale	Programs that can demonstrate they are meeting at least two of these indicators would receive one point. If more than 3 practices are evident, program can earn 2 points.
Families have an opportunity to provide input on program policies and procedures			
Parent conferences are held at least annually and more often if needed to discuss children's progress.			
Frequent, regular, on-going communication between staff and families conveys trust and respect, and helps ensure smooth transitions from home to program or one program to another; communications occurs through multiple means such as face-to-face, written notes, phone calls, e-mails and newsletter updates.			

IV. Health and Wellness – Required Minimum Points

Required Minimum Points for star 3, 4 and 5 programs are serving nutritional meals and snacks

Criteria	Rationale	Verification	Points
Nutritious meals are served daily in child care program	Sound nutritional practices in early childhood lead to establishment of healthy eating patterns and	Program can verify that their program participates in the Child and Adult Food Program (<u>confirmed by DPI</u>) or programs that demonstrate that <u>daily</u> nutritional	1

	prevention of obesity in the future.	meals and snacks are served to children can receive this point if they can demonstrate environmental rating subscale for Meals/Snacks at a level 5 (Good) or higher as found through a Family Child Care Environmental Rating Scale (FCCRS) assessment. Health and safety standards must also be observed related to meals and snacks, and menus must be provided for families. Children's allergies and dietary restrictions must be addressed, and documentation must support this.	
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Health and Wellness Optional Points:

- Physical activity
- Social and Emotional development training
- Family protective factors/ Strengthening Families training

IV-A. Health and Wellness – Optional Points

Criteria	Rationale	Verification	Points
Program provides at least sixty minutes of physical activity a day.	<u>Research</u> shows that physical activity is a daily routine for children to promote wellness prevent obesity in the future.	Basic daily schedule exists that is available for review and verification by Observation Rater and promotes a familiar pattern of regular physical activity to promote physical well-being.	1
Provider has Inclusion Credential or completion of the Center for the Social and Emotional Foundations for Early Learning Pyramid Training Model or verified equivalency to either of these credentials	<u>Research</u> consistently demonstrates that a strong social and emotional foundation in early childhood is a key determinant in a child's future success and readiness for school	A linkage with the Registry is established for the inclusion credential, one will be developed for the CSEFEL training	2
Provider is trained Strengthening Families, Family Services Credential or Registry approved equivalent that demonstrates knowledge of protective factors; Or, Center uses department approved curriculum for mandatory reporter training	Preventing child abuse and neglect has been linked to the <u>Strengthening Families</u> approach to building protective families in children and parents. Child care providers have a critical role in ensuring that children are safe in child care settings and can be important resources for families in detecting early signs of stress and are required by law to report suspected abuse and neglect.	Verified by the Registry	1 point if one of the following two criteria are met

	Consistent training is needed to ensure consistent standards.		
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Appendix

Professional Development Opportunities for Credit Based Instruction:

For those interested in taking credit based college coursework in early childhood education, the most up-to-date information on options available – including both traditional and non-traditional routes (including online, weekend and evening courses, and accelerated programs) – is by contacting the institution of higher education directly. Another option is to contact a T.E.A.C.H. scholarship counselor at Wisconsin Early Childhood Association: phone 1-800-783-9322, ext. 7240 or email teach@wisconsinearlychildhood.org . You may want to inquire about scholarship eligibility as well.

To assist you, the WECA website, <http://www.wisconsinearlychildhood.org/teach/index.php> offers T.E.A.C.H. program information. A link at this site (Wisconsin Colleges and Universities) will take you to a map of all Wisconsin institutions of higher education; simply click on a college or university to access their website and contact information. The WECA website also houses a T.E.A.C.H. online directory of course offerings within the Wisconsin Technical College System.

Credit for Prior Learning and Experience:

Institutions of Higher Education may offer credit for prior learning and award degree credit(s) to individuals who can demonstrate relevant skills and knowledge that they have previously acquired through non-traditional schooling, work or other life experiences. Credit for prior learning (CFPL) can help child care teachers and child care providers ease into the higher education system. In Wisconsin, each college has its own process of evaluation established. The process requires the teacher/provider to document relevant experiences. Examples include: Training completion certificates, portfolio development that reflects work experiences and transcripts if available. T.E.A.C.H. scholarship counselors are available to help connect individuals to the early childhood program area that supports this work at each Institution of Higher Education.



2.1.09

Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9	Level 10
Entry Level training requirements for any Wisconsin regulated position	Level 1 requirements + Verified High School diploma or GED	Approved Training ⁵			Non-Credit Credentials	Credit Based Credentials ¹			
		80 hours tiered training (any tier)	120 hours tiered training (any tier)	160 hours tiered training (40 of which are tier 2 or 3 training)	CDA OR School-Age Credential	Mentor and Mentor-Protege ³ (5 credits)	Family Services Credential (6-9 credits)	Registry Credentials Infant/Toddler (12 credits)	Administrator Registry Credential (18 credits)
		This includes entry level course hours	This includes entry level course hours	This includes entry level course hours	OR Non-credit Family Services Credential			Inclusion (12 credits)	OR Apprenticeship (18 credits) OR Preschool (18 Credits)
						Credit Based Credentials			
						6 related credits	12 related credits	18 related credits	24 related credits
Level 11	Level 12	Level 13	Level 14	Level 15	Level 16	Level 17			
Early Childhood and Youth Development Degrees									
1 Year Diploma	Associate Degree	Associate Degree + Registry Credential	Bachelor's Degree OR Bachelor's + DPI License ²	Bachelor's Degree + Registry Credential	Master's Degree OR Master's + DPI License ²	Doctorate OR Doctorate + DPI License ²			
				OR Bachelor's + Registry Credential + DPI License ²					
Credit Based Increments	Degree in Another Field ⁴								
30 related credits	Bachelor's Degree OR Associate Degree + 30 related credits	Bachelor's Degree + Registry Credential OR Bachelor's Degree + 30 related credits	Master's Degree OR Bachelor's Degree + 36 related credits	Doctorate		Master's Degree + 36 related credits	Doctorate + 36 related credits		

¹Montessori and other Credentials submitted from other states will be evaluated on an individual basis and placed on a Wisconsin Career Level.

²DPI Licenses recognized are numbers 030, 031, 036, 038, 090, 100, 103, 106, 108, 109, 808, and 809.

³Must be taken as role of Mentor.

⁴Those with a degree in another field *must also meet* entry level requirements for the position held.

⁵Approved Training is training awarded a specific tier as approved by the Registry and taught by a Registry approved instructor.

<http://www.the-registry.org/LinkClick.aspx?fileticket=%2bcTolagqX2k%3d&tabid=55>

April 6, 2010

ATTACHMENT 2

Quality Rating and Improvement System Resource Guide Questions to Consider in Creating a QRIS

Prepared by the National Child Care Information and Technical Assistance Center

Initial Design Process

- Is there a shared vision and goals that are supported by stakeholders?
 - Strengthening early and school-age care and education system alignment and finance reform
 - Improving quality in a range of care and education settings
 - Expanding supply
 - Helping to increase demand for high-quality programs
- How will the QRIS provide a framework for all quality improvement efforts?
 - Link supports for quality improvement into a broad and inclusive infrastructure
 - Link quality improvement initiatives to participation in the QRIS
- Is there a need to cultivate support among policymakers for the QRIS?
- Who are the supporters and detractors for early and school-age care and education?
- What agency or organization should take the lead to create the QRIS?
- Who are the key players in the planning and design process?
- What is the role of strategic planning in the design process?
 - Identification of all programs and resources that can support the initiative
 - Identification of existing gaps in resources
- Will the QRIS be created through state statute or agency rules or outside of both of these?
- What type of timeframe is necessary?
 - Often takes at least a year or more
 - May include operating pilots, developing cost projections, cultivating support, and securing funding
- Which programs will be included?
 - Child care centers
 - Family child care homes
 - Head Start and Early Head Start
 - Preschools
 - State-funded prekindergarten programs
 - School-age programs
 - Preschool special education or early intervention programs
 - License-exempt providers
- Will the system be voluntary or mandatory? Will this vary by program type?
- How can data be used to inform planning?
 - Number, type, and quality level of early and school-age care and education programs
 - Ages of children served in various settings
 - Education qualifications of the providers
 - Available resources in the state
- What are the demographics of the workforce?
 - Qualifications
 - Access to training
 - Availability of benefits
 - Length of time in the job
 - Rate of turnover

- What type of data is available from the licensing system of licensed early and school-age care programs?
- What are the considerations in including licensing in a QRIS?
- How strong are the licensing requirements and the level of compliance monitoring and enforcement?
- What is the licensing agency's role in quality initiatives? How can licensing support the QRIS?
- What is the required level of education and experience for licensing staff? Is it related to early or school-age care and education?

Approaches to Implementation

- What is the purpose of a pilot program? Will it test the standards, the implementation system, or the outreach and support system?
 - Target available funding in order to build support
 - Allow time for implementation approaches to be tested and refined before large numbers of programs are involved in the process
 - Evaluate aspects of the system such as rating scales or professional development supports
 - Assess potential program participation and capacity for implementing once the QRIS goes statewide
- What will be the basis of the pilots?
 - Geographic area
 - Type of program
 - Funding source
 - Other method
- How long will the pilot be conducted?
- How will data be collected from the pilots? How will it be used to adjust the design of the standards, the implementation of the system, and the outreach and support system?
 - Participation rates--overall rates, as well as by facility type, size, level, and geographic location
 - Percentage of children served in the QRIS programs
 - Percentage of providers that are able to meet various criteria
 - Utilization rates for incentives and support services
 - Subsidy participation rates for participating providers
 - Participation rates at varying levels of quality
 - Baseline data from assessment tools
 - Parent/consumer awareness of a QRIS
 - Feedback from providers on clarity and ease of process and forms/documents
- What will be the plan and schedule for the QRIS rollout once the pilot is completed?
 - Analysis of available funding
 - Capacity to implement and manage the system
- Where there is no pilot, will the standards, implementation system, and outreach and support system be tested and revised prior to statewide rollout?
 - Can learn from other states, but every state is unique in landscape, history, infrastructure, and overall early and school-age care and education environment
 - Distribute QRIS standards prior to implementation and seek feedback
 - Focus group discussions
- What factors should be considered with a phased-in approach?
 - Comprehensive plan that anticipates full funding for the next five years for each component of a fully implemented QRIS
 - Midrange or scaled back plan to get started and build support for future expansion
 - Basic program with fewer provider supports and incentives and fewer accountability measures

- Rate at which changes are made to QRIS standards or criteria
- Financial incentives and supports
- Level of participation
- How have other states phased in their QRIS?
 - Limiting initial participation
 - Implementing fewer than the anticipated number of levels
 - Beginning with a limited number of provider resources and incentives
 - Targeting provider outreach, incentives, and supports to particular communities or providers
 - Relying on administrative data and self-assessments only rather than requiring the collection of new data or limiting time spent onsite

Standards and Criteria

- What categories of standards and criteria will be used to assign rating levels?
 - Staff qualifications and professional development
 - Learning environment
 - Curriculum
 - Administration
 - Parent and family involvement
 - Licensing compliance
 - Staff-child ratios and group size
- Where will the licensing standards be incorporated in the QRIS?
- How many rating levels will the system have?
- What research will be used to develop the standards and criteria?
- How will the ratings be assigned?
 - Building block approach
 - Point system
 - Combination approach
- How will existing state and national program and content standards be incorporated into the QRIS?
 - Head Start performance standards
 - Accreditation
 - Early learning guidelines
 - K-12 content standards
- Will separate standards apply to child care centers, family child care homes, or afterschool programs?
- Will the standards address the needs of specific groups of children, such as infants and toddlers, school-age children, and children with special needs?
- Will an assessment tool be used? If so, will it be viewed as a program improvement strategy or will minimum scores be required?
 - Early childhood environment rating scale
 - Infant/toddler environment rating scale
 - School-age care environment rating scale
 - Family child care rating scale

Accountability and Monitoring

- Is the compliance criteria and documentation for meeting each standard clearly identified?
 - What program must do to achieve a particular level
 - What program must do to move to the next level
 - What a program must do to earn points in a specific category
- Will there be multiple ways to demonstrate compliance with a standard?

- How frequently will compliance standards be monitored? Will this vary by standard?
 - Available financial resources
 - Availability of staff with appropriate skills, knowledge, and time to perform functions
 - Determinations related to validity and integrity of data collection
 - Connections to other systems and their monitoring and compliance processes
- Who or what agency or agencies will administer the QRIS?
 - Initially assess program quality and assign a star level
 - Monitor compliance to ensure system integrity
 - Conduct classroom assessments
 - Provide training and technical assistance
 - Manage system planning, engagement, and outreach
- How frequently will ratings be determined?
- What documentation of compliance with standards already exists? Can it be used in the rating process?
 - Licensing data
 - Professional development registry
 - Head Start program review instrument for systems monitoring data system
 - Prekindergarten program or monitoring data from other quality initiatives
- What assessment tools will be used? How will they be used?
 - Physical environment
 - Basic care
 - Curriculum
 - Interaction
 - Schedule and program structure
 - Parent and staff education
- Does QRIS implementation require new or additional staff, training, databases, websites, or other resources?
- What happens when programs do not meet the QRIS standards? Is there clear and detailed documentation of a program's failure to meet the standards? How is this communicated to programs?
- Is there an appeals process for programs?
 - Anticipating that some programs may not agree with the rating they receive, an appeals process should be designed in advance
- Does reduction or loss of rating levels affect programs in other ways?
 - Lack of or reduced access to free or low-cost training opportunities
 - Reduction or loss of financial rewards or bonuses for attaining and maintaining higher levels within the QRIS
 - Reduced tiered reimbursement payments for subsidized child care
 - Limited access to supportive services
 - Inability to market the program at a higher level
- Who is notified of a reduction or loss of a rating level?

Provider Incentives and Support

- How will programs be recruited? What type of orientation will they receive?
- What outreach and support services exist?
- Do the services align with the rating standards? If not, can they be realigned?
- Will new services need to be created to help programs meet the standards?
- What infrastructure exists to provide the outreach and support?
- Will programs be assisted in designing program improvement plans prior to or after rating assessments? Will there be technical assistance and financial support provided based on program

improvement plans or will providers self-select from a menu of technical assistance and financial support?

- Will program improvement and financial assistance be available to all providers or will it be limited to providers that meet specific criteria?
- What types of financial support are states providing to ensure program and staff success?
 - Tiered subsidy reimbursement
 - Quality grants, bonuses, and merit awards
 - Wage supplements
 - Scholarships
- If tiered reimbursement is one of the financial incentives linked to the QRIS, how will it affect prices charged to nonsubsidized families?
- How can the cost of providing financial incentives at various QRIS participation rates be accurately projected?

Data Collection and Evaluation

- Can any existing data collection systems help plan, design, implement, and evaluate the QRIS?
- What data, new and existing, will the QRIS collect to assign ratings? Will these data be used in ways other than to assign ratings?
 - Develop improvement plans
 - Share with other data systems, such as licensing, subsidy, or professional development registries
- What data, new and existing, will the QRIS collect to manage the provider support system? How will the data be used?
 - Provide technical assistance
 - Coaching
 - Mentoring
 - Tracking grants
 - Accounting for bonus payments
- What is the purpose of evaluation?
 - Considerations in designing plan
 - When and how often will a pilot or statewide QRIS be evaluated
 - What specifically will be evaluated
 - Who will design the evaluation and who will implement it
 - How will the results of the evaluation be used
 - Who will receive the results of the evaluation
 - Purposes for measuring the quality of early childhood settings
 - Identify potential areas for improvement in individual programs
 - Measure impact of investments in terms of change in quality over time in individual programs and across a geographic area
 - Increase information about what produces quality
 - Rate the quality of program to inform parents' choice of care
- When and how often will the pilot or statewide QRIS be evaluated?
- What specifically will be evaluated?
- What new evaluation questions are states considering?
 - Who is participating
 - Who is improving and what resources are used for improving
 - Do parents know and use the QRIS to choose care
 - Child outcomes
- Who will design the evaluation and who will implement it?
 - Qualifications and experience
 - Creditability

- Stability
- How will the results of the evaluation be used? Who will receive the results of the evaluation?
 - Evaluation design and measurement options
 - Measuring child outcomes in QRIS evaluations
 - Evaluating QRIS as a market- or system-level intervention with a program evaluation
 - Is the QRIS model valid and does it differentiate quality
 - Does the process of QRIS assessment and monitoring work well
 - Are the various parts and subsystems of the early and school-age care world working to support the QRIS and benefitting from the QRIS
 - Are the parts of the system in alignment
 - Is the QRIS increasing the quality of care available to all parents

Cost Projections and Financing

- What elements of a QRIS need to be funded?
 - Planning and design
 - Standards
 - Approaches to implementation
 - Accountability and monitoring
 - Provider support
 - Implementation
 - Data collection and evaluation
 - Public awareness
- What should be included in a cost projection?
 - Provider support
 - Financial incentives
 - Quality assurance
 - Communication and outreach
 - Evaluation
- How have other states projected costs?
 - States most successful in projecting accurate costs are those with existing data systems and information resources
- How can the impact on the cost of care be minimized?
 - Support or offset specific higher costs tied to specific QRIS criteria
 - Tiered reimbursement strategies
- What funding resources could be accessed to support a QRIS?
- What funding sources have states used to support their QRIS?
 - American Recovery and Reinvestment Act of 2009 funds
 - Federal child care and development block grant
 - Temporary assistance for needy families block grant
 - Social security block grant
 - Head Start
 - Title IV-B of the Social Security Act (child and family services)
 - Parts B and C of the Individuals with Disabilities Education Act
 - U.S. Department of Education
 - State general funds and dedicated state funding from tobacco settlement funds or lotteries
 - Local government revenues
 - Private sources, including business and philanthropic contributions
 - Other initiatives
- What planning is needed to create a funding strategy?
 - Long-range goal
 - Plan for incremental steps toward reaching the goal

- Flexibility
- How will expenditure levels be tracked over time?
- How will funding levels be sustained?

Public Awareness

- What factors influence parents' choice of care?
 - Safety
 - Learning environment with trained teachers
 - Cost
- How will the public and parents be educated about the rating system?
 - Public service announcements or paid advertisements
 - Brochures and posters
 - Billboards
 - Service providers
 - Electronically distributed news releases
 - Magazines
 - Website listings
- Are there incentives for parents to choose higher rated providers?
 - Increase state dependent care tax credit for choosing higher quality care
 - A school readiness tax credit linked to higher quality care
- How will information about ratings be provided to parents and the public on an ongoing basis?
- How can providers be encouraged to participate?
 - Financial incentives
 - Targeted technical assistance
 - Support for professional development
 - Develop promotional materials distributed through licensing, child care resource and referral agencies, trainers, college faculty, child and adult food care program staff, United Way agencies, and others
 - Post QRIS information, frequently asked questions, and resource materials on a QRIS website, as well as on websites hosted by other organizations
 - Sponsor orientation sessions or webinars for potential QRIS participants and the early childhood community at large
 - Conduct orientation sessions for other organizations that have contact with early and school-age care and education programs in the community
 - Designate specific QRIS outreach staff to encourage participation and provide technical assistance
 - Conduct a provider or consumer survey, or both, to determine familiarity with the QRIS
- How can programs that do not receive child care subsidy reimbursement be encouraged to participate?
 - Special tracks for higher ratings--Head Start, prekindergarten programs, and accredited programs
 - Financial incentives, including quality improvement grants
- What are effective strategies for educating and building support among policymakers and state and community leaders?
- What are the effective strategies for educating and building support among private funders and businesses?