

# **Report of the Advisory Council on Child Care & Development Block Grant**

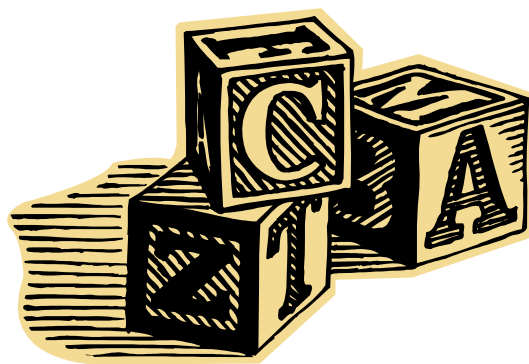
Pursuant to Executive Order KBB 04-28 and KBB 04-40  
Presented to

Honorable Kathleen Babineaux Blanco  
Governor, State of Louisiana

and

Ann Silverberg Williamson  
Secretary, Louisiana Department of Social Services

March 2005



March 1, 2005

The Honorable Kathleen Babineaux Blanco  
Governor, State of Louisiana  
P. O. Box 94004  
Baton Rouge, LA 70804-9004

Ann Silverberg Williamson, Secretary  
Louisiana Department of Social Services  
P. O. Box 3776  
Baton Rouge, LA 70821

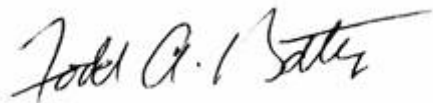
Dear Governor Blanco and Secretary Williamson:

It is with pleasure that I forward to you the comprehensive report of the Advisory Council on Child Care and Development Block Grant. These recommendations are being submitted with full support of the Council and are intended to provide the Department of Social Service with suggestions and potential next steps.

The Council strongly recommends that our state move forward in developing a quality rating system and believes that this strategy will support and strengthen the quality of child care in our state. In keeping with the Advisory Council's commitment and dedication, the Council requests that our work be continued by reauthorizing Executive Order KBB 04-28 and KBB 04-40 which sunsets on August 20, 2005.

I look forward to your review and consideration of the attached report and welcome the opportunity to further discuss the details of the recommendations. If you have any questions or concerns, please do not hesitate to call me at 504-827-6852.

Sincerely,

A handwritten signature in black ink that reads "Todd A. Battiste". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Todd A. Battiste, Chair  
Advisory Council on Child Care and Development Block Grant

# **Advisory Council on Child Care & Development Block Grant**

## **EXECUTIVE SUMMARY**

The Advisory Council on Child Care & Development Block Grant was re-established by Executive Orders of Governor Kathleen Babineaux Blanco, KBB 04-28 and KBB 04-40, with duties to make recommendations on the expenditure and disbursement of the Child Care and Development Block Grant (CCDBG) Funds, improving, modernizing and updating quality of child care at day care centers in Louisiana, study and make recommendations on the potential of a “quality rating system”, and assist the Department of Social Services in updating its long range plans for insuring quality child care at day care centers operating in Louisiana. The eighteen-member Advisory Council met four times between October, 2004 and February 2005 and makes the following recommendations:

1. The Council recommends that the state move forward in developing a plan to implement a quality rating system and identify the critical support services to ensure successful implementation of same.
2. The Council recommends that the Department of Social Services analyze the strategies employed in other states, identify the implementation cost, successes and challenges encountered and continue to engage the support of the organizations such as National Child Care Information Center (NCCIC) and Zero to Three in the development of the system in Louisiana.
3. The Council recommends that funding be allocated for pilot projects designed to support the implementation of quality rating systems.
4. The Council recommends that the Bureau of Licensing is given additional funding in order to hire staff dedicated to child care licensing.
5. Every year, Louisiana should appropriate the state funding needed to draw down all federal child care dollars available in the current fiscal year.
6. The Department of Social Services should study the policies that drive the budgeting process for CCDBG monies to ensure that these funds are not vulnerable to budget deficits and other budget cuts.
7. The Advisory Council recommends that the DSS Office of Family Support Budget Director attend each meeting of the Council and present a budget report at every meeting.
8. The Department of Social Services should examine the use of any and all funds supporting quality to ensure that identified efforts truly help to achieve quality child care.
9. The Advisory Council recognizes the Department of Social Services for their outstanding partnership and participation in the Early Childhood Comprehensive Systems (ECCS) Planning Process and believes that the quality of care for children, including children with special needs and infants and toddlers, will be enhanced due to this dedicated effort.
10. Due to the economic impact of the child care industry, the Council recommends that the Department of Social Services actively seek the use of funding sources that traditionally support the growth of small businesses.
11. The Council requests that the Governor continue the work of the Advisory Council by reauthorizing the authority of the Council.

## Table of Contents

Introduction and Purpose.....	5
Recommendations.....	5
The Importance of Quality Child Care.....	8
Suggested Next Steps .....	9
Attachments:	
Executive Order KBB 2005-28 .....	11
Executive Order KBB 2005-40 .....	14
Advisory Council Membership Roster.....	16
Quality Statement from Louisiana Chapter of NAEYC .....	20
Quality Statement from National Child Care Information Centers (NCCIC).....	22
National Conference of State Legislatures Report.....	31

## Introduction and Purpose

The Advisory Council on Child Care and Development Block Grant Program was reestablished by Executive Orders of Governor Kathleen Babineaux Blanco, KBB 04-28 and KBB 04-40. The duties of the Council were established as follows:

- A. Make recommendations to the secretary of the Department of Social Services regarding expenditure and disbursement of the Child Care and Development Block Grant (CCDBG) Funds;
- B. Make recommendations for improving, modernizing and updating quality of child care at day care centers in Louisiana;
- C. Study and make recommendations on the potential of a “quality rating system”; and
- D. Assist the Department of Social Services in updating its long range plans for insuring quality child care at day care centers operating in Louisiana.

The Advisory Council was given the mandate to submit a comprehensive report on each of the above recommendations by March 2005 to the Governor and the Department of Social Services.

The Advisory Council, comprised of eighteen (18) members, met four times between October, 2004 and February 2005. In preparing this report, the Council and its members received information and technical assistance from the DSS Office of Family Support Budget Division, the DSS Bureau of Licensing, the DHHS Administration for Children and Families, Child Care Bureau, through the National Child Care Information Center (NCCIC), the National Child Care Resource & Referral Association, professionals in the field of child care in Louisiana, and other interested Louisiana citizens.

## Recommendations

1. **The Council recommends that the state move forward in developing a plan to implement a quality rating system and identify the critical support services to ensure successful implementation of same.** The goal of a quality rating system is to provide a means whereby parents and consumers can evaluate the quality of child care programs, ensuring that children will have quality early learning experiences that support success in school and life. A quality rating system also supports child care providers in improving the quality of their program. Public engagement and awareness with parents, child care providers and employers, is a critical step in the development of a quality rating system.

In making this recommendation, the Council studied ways in which to improve the complete system of early care and education in our state. Commonly referred to as Quality Rating Systems (QRS), development of these systems began over the last 6-8 years across the United States with the most developed systems being less than seven (7) years in existence. The goals of these systems are to provide tools to evaluate the quality of early childhood programs. Strategies can include:

- *Quality Rating*, typically referred to as “Star Rating”, wherein states develop and market quality rating indicators for use as a child care consumer guide. Indicators usually include program standards (staff/child ratio, curriculum, and parental involvement), level of staff education and compliance with child care regulations.
  - *Tiered Reimbursement* allows higher rates of reimbursement for child care programs achieving one or more levels of quality beyond basic licensure. Louisiana currently has two tiers of reimbursement – basic licensing and national accreditation through National Association for the Education of Young Children (NAEYC).
  - *Rated License* places quality criteria in the state’s requirements for obtaining a child care license.
  - *Combination of Strategies* allows states to build quality systems based on existing structures.
2. **The Council recommends that the Department of Social Services analyze the strategies employed in other states, identify the implementation cost, successes and challenges encountered and continue to engage the support of organizations such as National Child Care Information Center (NCCIC) and Zero to Three in the development of the system in Louisiana.** The Council recognizes that hard costs of implementation are difficult to estimate due to the many varied approaches and options available, but significant experience from the twenty plus states that have a QRS is available to guide our efforts in building a quality system.
  3. **The Council recommends that funding be allocated for pilot projects designed to support the implementation of quality rating systems.** Projects could include, but not be limited to, providing onsite training and technical assistance to child care centers, increasing the capacity of the Bureau of Licensing, Resource & Referral agencies and other child care professionals to administer environmental ratings of child care settings by using nationally recognized instruments; and increasing the capacity of the Resource and Referral agencies to provide ongoing technical assistance to child care centers.
  4. **The Council recommends that the Bureau of Licensing is given additional funding in order to hire staff dedicated to child care licensing.** We must strengthen the infrastructure that currently regulates child care settings as a part of building quality. Child care licensing specialists should receive pre-service and in-service training, including on-site observations in child care facilities, and a process of accountability should be established to ensure consistency. The caseload – currently 178 facilities per licensing specialist – should be lowered to reflect the recommended 50-75 facilities stipulated by the Southern Regional Task Force on Child Care.
  5. **Every year, Louisiana should appropriate the state funding needed to draw down all federal child care dollars available in the current fiscal year.** This

includes state maintenance of effort and state match that are used to draw down the federal child care dollars. The Department of Social Services, in collaboration with the Division of Administration, should monitor funding of all programs related to early care and education for use as possible state maintenance of effort and match for CCDBG funding. For example, the shift from funding pre-k with only TANF funds to the infusion of state funds allows a percentage of the newly dedicated state pre-k funding to be used as matching dollars for CCDBG. These monies can be used to draw down all available CCDBG federal funds.

6. **The Department of Social Services should study the policies that drive the budgeting process for CCDBG monies to ensure that these funds are not vulnerable to budget deficits and other budget cuts.**
7. **The Advisory Council recommends that the DSS Office of Family Support Budget Director attend each meeting of the Council and present a budget report at every meeting.** This recommendation is made to ensure a mechanism is in place for the Council and interested parties to become familiar with the complicated system of funding and budgeting related to the CCDBG program. The Council expresses their appreciation to the Office of Family Support Budget Director, Dan Tuman, for his support in assisting Council members in studying the CCDBG funding.
8. **The Department of Social Services should examine the use of any and all funds supporting quality to ensure that identified efforts truly help to achieve quality child care.** Research indicates program quality is dependent on these elements: professional development of staff, program evaluation, staff compensation, parent/family involvement, safe learning environment, and administrative policies and procedures. Examples of ways in which to target resources could be to support and develop a quality rating system, to increase the use of on-site technical assistance provided to child care centers in addition to the current training required for annual licensure, continue the successful family child care home visitation programs, encourage the use of standards across all programs, and link the current repair and improvement grants to identified continuous improvement plans. The Council recognizes that existing supports for child care personnel must be continued, such as Louisiana Pathways Career Development System and scholarships designed to support the educational and professional development of the child care professionals.
9. **The Advisory Council recognizes the Department of Social Services for their outstanding partnership and participation in the Early Childhood Comprehensive Systems (ECCS) Planning Process and believes that the quality of care for children, including children with special needs and infants and toddlers, will be enhanced due to this dedicated effort.** The Council further acknowledges that the development and implementation of a quality rating system should be undertaken in conjunction with other state government entities and in alignment with ECCS and their strategic plan.

10. **Due to the economic impact of the child care industry, the Council recommends that the Department of Social Services actively seek the use of funding sources that traditionally support the growth of small businesses.** With the anticipated release of the DSS commissioned report, “Investing in the Child Care Industry: An Economic Development Strategy for Louisiana”, facts and figures will be available to quantify the value of the child care sector in Louisiana’s economy. The Council urges the Governor to promote conversation and policies within the departments of state government to seek new ideas for supporting the growth and development of the child care industry.
11. **The Council requests that the Governor continue the work of the Advisory Council by reauthorizing the authority of the Council.** As currently established, the Advisory Council will cease operating on August 20, 2005.

## **THE IMPORTANCE OF QUALITY CHILD CARE**

Research has established that early care experiences, either positive or negative, significantly affect a child’s development and later success in life. When children receive sensitive, responsive, and high quality care they become securely attached to their providers and achieve higher levels of cognitive experience. By ensuring that quality child care is available to all families, we can build the foundation for a strong society and ensure that our children grow up to be productive, healthy members of society.

Findings from The Abecedarian Project, a carefully controlled scientific study of the potential benefits of early childhood education for children in poverty, showed that quality early care and education significantly improved the scholastic success and educational attainments of these children even into adulthood. Further, the study showed that welfare reform increased the likelihood that children living in poverty will need childcare and recommended that state and federal policies ensure the availability and affordability of quality child care.

According to the National Association of Child Care Resource & Referral Agencies, “Good child care is a first step to school success. Studies show that children who get quality child care enter school with better math, language and social skills. And most American families are using child care - 75% of children under 5 are in some type of care. But good child care is often hard to find and afford. For most families, child care is the second largest expense in their budget after rent or mortgage - easily costing \$4,000 to \$10,000 or more a year. Even families who can afford it struggle to find quality care. One major study found that only one in four preschool classrooms and one in twelve infant classrooms in centers were of good quality.”

Zero to Three, recognized as the nation’s leading resource on infants and toddlers, identifies the first three years of life as crucial in a child’s development of intellectual, emotional and social abilities. During these years, children learn to give and accept love, to be confident and secure, to show empathy, to be curious and persistent. These abilities



enable children to learn, relate well to others and lead a happy and productive life. These factors are critical for school readiness.

Two states that have implemented quality rating systems can point to measurable differences in providing quality child care. Oklahoma's "Reaching for the Stars" initiative showed dramatic results within six months by decreasing from 40% to 17% the number of children receiving subsidized care in a one star facility. In North Carolina, a five star child care center license was approved in 1999. By December 2000, over 2,200 of the 4,000 child care centers in the state received their new license with 60% of the centers receiving a three-start license or above.

## **SUGGESTED NEXT STEPS:**

The Council recommends that initial funding of a quality rating system should be used to pilot, develop, and refine the elements of the system in Louisiana. The pilot effort will require the following resources:

- 1) **Quality Rating System Support - The primary responsibility, either staff or contracted services, would be to oversee the pilot efforts, build consensus with providers, work to inform and include the public, and convene meetings to develop star level criteria.**

Planning questions include:

- Will the system be voluntary or mandatory?
- What will be the linkage to the Bureau of Licensing?
- What type of system will be implemented – quality rating, tiered reimbursement, rated license or some combination?
- What will be the various levels and criteria for each level?
- How will the strategy be evaluated?
- What legislation and/or policy changes will be necessary?
- How do these levels align with existing systems and needs?
- How can we include specialists to support care for infants and toddlers, children with disabilities, and the needs of school-age children?

- 2) **Child Care Quality Specialists – a key component of any future QRS will be the development of child care quality specialists to support the QRS coordination.**

These specialists will be the primary workforce component of the pilot effort. The specialists will receive specialized training in child care for infants and toddlers and children with special needs including social emotional development. They will work with participating child care centers to improve quality. These specialists can be hired as staff or on a contract basis.

- 3) **Environmental Rating Scales - Any star rating system will rely on results from environmental rating scales (ERS) especially for those centers working to achieve the highest star levels.** The pilot effort will include training to develop the capacity of child care professionals to deliver environmental rating scales so that ERS

can be conducted to rate participating pilot child care centers pre and post implementation, but also to gather baseline data from around the state on the existing level of quality child care. Child care licensing staff will be included in ERS training.

- 4) **Career Development is another key component of a quality rating system.** Fortunately, Louisiana initiated such a system in 2003. The program consists of a statewide training registry database for participants, a trainer certification system for trainers, career “ladders” for caregivers and administrators, and scholarships to help child care professionals achieve their career goals. To date, the Louisiana Pathways Career Development System has registered 3080 child care professionals and has administered 610 scholarships to help child care professionals pursue advanced education in child development at universities and community and technical colleges. This professional development system needs to be enhanced and sustained as it will be a vital support to child care centers and their efforts to improve quality.

## **CONCLUSION**

In presenting these recommendations, the Advisory Council wishes to acknowledge the spirit of cooperation evident within the Department of Social Services, Office of Family Support and offers these recommendations as a way to build on the significant work that has been accomplished in the past.

Attachment 1  
**EXECUTIVE ORDER KBB 04-28**

**Advisory Council on Child Care and Development  
Block Grant Program**

---

**WHEREAS**, high quality child care is an important objective of the governments of both the United States and the state of Louisiana;

**WHEREAS**, the United States Congress passed the Child Care and Development Block Grant Act of 1990 (hereinafter "the Act") to provide funds to the states in order to increase the availability, the affordability, and the quality of child care, through the use of grants, contracts, and certificates for child care services;

**WHEREAS**, the state of Louisiana is a participant in the Child Care and Development Block Grant Program and is a recipient of block grant funds under the Act;

**WHEREAS**, the state of Louisiana may achieve optimum use of the block grant funds it receives by utilizing an advisory council to advise the Department of Social Services regarding the recent developments in the field of child care, the concerns of parents who have children in day care, and the needs of child day care facilities within the state; and

**WHEREAS**, the interests of the citizens of the state of Louisiana will best be served by the continuation of the Advisory Council on the Child Care and Development Block Grant Program;

**NOW THEREFORE I, KATHLEEN BABINEAUX BLANCO**, Governor of the state of Louisiana, by virtue of the authority vested by the Constitution and laws of the state of Louisiana, do hereby order and direct as follows:

**SECTION 1:** The Advisory Council on the Child Care and Development Block Grant Program (hereafter "Council") is reestablished within the Department of Social Services.

**SECTION 2:** The duties and functions of the Council shall include, but are not limited to, the following:

A. Making recommendations to the secretary of the Department of Social Services regarding the expenditure and disbursement of Child Care and Development Block Grant Funds;

B. Making recommendations to the secretary of the Department of Social Services for improving, modernizing, and updating the quality of child care at the day care centers which operate within the state of Louisiana;

C. Studying and making recommendations on the potential of a "Quality Rating System" for child care in Louisiana; and

D. Assisting the Department of Social Services in updating its long range plans for insuring quality child care at day care centers operating within the state of Louisiana.

**SECTION 3:** By March 1, 2005, the Council shall submit a written comprehensive report to the governor and the Department of Social Services, on the issues set forth in Section 2 of this Order.

**SECTION 4:** The Council shall be composed of twelve (12) voting members and three (3) ex-officio, non-voting members who shall be appointed by, and serve at the pleasure of the governor.

A. The voting membership of the Council shall represent the following agencies, organizations, and special interest groups:

1. Non-profit, family-oriented organizations domiciled within the geographic boundaries of Greater New Orleans;
2. Non-profit, family-oriented organizations domiciled within the geographic boundaries of North Louisiana;
3. The Louisiana Head Start Association;
4. The Institute of Infant and Early Childhood Mental Health at Tulane University;
5. The Louisiana Association for the Education of Young Children;
6. The National Association for Family Child Care;
7. Child development programs at a Louisiana college or university;
8. Child care providers who provide services within the state of Louisiana;
9. Parents with at least one (1) child who is currently receiving care at a day care facility;
10. Church operated day care centers operating within the state of Louisiana;

11. Trainers of child day care providers within the state of Louisiana; and

12. The Louisiana Council on Child Abuse.

B. The ex-officio, non-voting membership of the Council shall be selected as follows:

1. The secretary of the Department of Social Services, or the secretary's designee;

2. The director of the Bureau of Licensing, Department of Social Services, or the director's designee; and

3. The secretary of the Department of Education, or the secretary's designee.

**SECTION 5:** The chair shall be elected by the voting members of the Council.

**SECTION 6:** Council members shall not receive compensation or a per diem for their services or attendance at Council meetings. However, contingent on the availability of funds, the actual travel expenses of Council members may be reimbursed in accordance with PPM 49, and upon advance written approval of the commissioner of administration.

**SECTION 7:** Support staff, facilities, and resources for the Council shall be provided by the Department of Social Services.

**SECTION 8:** All departments, commissions, boards, offices, entities, agencies, and officers of the state of Louisiana, or any political subdivision thereof, are authorized and directed to cooperate with the Council in implementing the provisions of this Order.

**SECTION 9:** The provisions of this Order are effective upon signature and shall remain in effect until August 20, 2005, unless rescinded, modified, or terminated sooner.

**IN WITNESS WHEREOF**, I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the city of Baton Rouge, on this 20th day of August, 2004.

Kathleen Babineaux Blanco  
Governor

ATTEST BY  
THE GOVERNOR  
Fox McKeithen  
Secretary of State

Attachment 2  
**EXECUTIVE ORDER KBB 04-40**

**Amend Executive Order No. KBB 04-28**  
**Advisory Council on Child Care and Development Block Grant Program**

---

**WHEREAS**, Executive Order No. KBB 2004-28, issued on August 20, 2004, re-established the Advisory Council on Child Care and Development Block Grant Program (hereafter “Council”); and

**WHEREAS**, it is necessary to amend Executive Order No. KBB 2004-28 in order to expand the voting membership of the Council;

**NOW THEREFORE I, KATHLEEN BABINEAUX BLANCO**, Governor of the state of Louisiana, by virtue of the authority vested by the Constitution and laws of the state of Louisiana, do hereby order and direct as follows:

**SECTION 1:** Section 4 of Executive Order No. KBB 2004-28, issued on August 20, 2004, is amended as follows:

The Council shall be composed of sixteen (16) voting members and three (3) ex-officio, non-voting members who shall be appointed by, and serve at the pleasure of the governor.

- A. The voting membership of the Council shall represent the following agencies, organizations, and special interest groups:
1. Non-profit, family-oriented organizations domiciled within the geographic boundaries of Greater New Orleans;
  2. Non-profit, family-oriented organizations domiciled within the geographic boundaries of North Louisiana;
  3. The Louisiana Head Start Association;
  4. The Institute of Infant and Early Childhood Mental Health at Tulane University;
  5. The Louisiana Association for the Education of Young Children;
  6. The National Association for Family Child Care;
  7. Prevent Child Abuse Louisiana;
  8. Child development programs at a Louisiana college or university

9. Child care providers who provide services within the state of Louisiana;
  10. Parents with at least one (1) child who is currently receiving care at a day care facility;
  11. Church operated day care centers operating within the state of Louisiana;
  12. Trainers of child day care providers within the state of Louisiana; and
  13. Four (4) at-large members.
- B. The ex-officio, non-voting membership of the Council shall be selected as follows:
1. The secretary of the Department of Social Services, or the secretary's designee;
  2. The director of the Bureau of Licensing, Department of Social Services, or the director's designee; and
  3. The secretary of the Department of Education, or the secretary's designee.

**SECTION 2:** All other sections, subsection, and paragraphs of Executive Order No. KBB 2004-29 shall remain in full force and effect.

**SECTION 3:** This Order is effective upon signature and shall continue in effect until amended, modified, terminated, or rescinded by the governor, or terminated by operation of law.

**IN WITNESS WHEREOF,** I have set my hand officially and caused to be affixed the Great Seal of Louisiana, at the Capitol, in the city of Baton Rouge, on this 6<sup>th</sup> day of October, 2004

Kathleen Babineaux Blanco  
Governor of Louisiana

**ATTEST BY**  
**THE GOVERNOR**  
W. Fox McKeithen  
Secretary of State

Attachment 3  
**COUNCIL MEMBERSHIP**

**CHILD CARE AND DEVELOPMENT BLOCK GRANT ADVISORY COUNCIL,  
 ESTABLISHED BY EXECUTIVE ORDER KBB 04-40**

The Child Care and Development Block Grant Advisory Council consists of 16 voting and 3 ex-officio non-voting members appointed by and serving at the pleasure of the governor. The Advisory Council was established to advise the Department of Social Services on recent developments in the field of child care, the concerns of parents who have children in child care and the needs of child care facilities within the state. Membership, with corresponding category, is as follows:

<b>Category</b>	<b>Advisory Council Membership</b>
Nonprofit, family-oriented organization domiciled within geographic boundaries of Greater New Orleans	Todd A. Battiste, Director Success By 6/United Way Greater New Orleans Area 2515 Canal Street, New Orleans, LA 70119 Telephone: 504-827-6852 Email: <a href="mailto:toddb@unitedwaynola.org">toddb@unitedwaynola.org</a>
Nonprofit, family-oriented organization domiciled within the geographic boundaries of North LA	Sydney Heard United Way of NELA 1201 Hudson Lane Monroe, LA Telephone: 318-325-3869 Email: <a href="mailto:sheard@uwnela.org">sheard@uwnela.org</a>
The Louisiana Head Start Association	Barbara Pickney, President Louisiana Head Start Association 1877 Freedom Drive, Opelousas, LA 70570 Telephone: 337-942-9669 <a href="mailto:bpickney@stlandryheadstart.org">bpickney@stlandryheadstart.org</a>
The Louisiana Association for the Education of Young Children	Gail Kelso President, La Association for the Education of Young Children 6966 Menlo Drive, Baton Rouge, LA 70808 Telephone: 225-769-6722 Email: <a href="mailto:dragonmom53@yahoo.com">dragonmom53@yahoo.com</a>
Child Development program at a Louisiana College or university –	Diane C. Burts 321 West Plantation Ridge Court, Baton Rouge, LA 70810 Telephone: 225-578-2404 Email: <a href="mailto:Dburts@agctr.lsu.edu">Dburts@agctr.lsu.edu</a>



Child Care provider who provide services within the State of Louisiana	Denise Demoruelle Curwick Southside Child Development Center 3030 Valley Creek Drive, Baton Rouge, LA 70808 Telephone: 225-926-8353 Email: <a href="mailto:dcurwick@earthlink.net">dcurwick@earthlink.net</a>
The National Association for Family Child Care	Awaiting recommendation from LA chapter of the National Association for Family Child Care
Tulane Institute of Infant and early childhood Mental Health	Geoffrey Nagle, PhD, LCSW, Director Institute of Infant and Early Childhood Mental Health Assistant Professor of Clinical Psychiatry Tulane University School of Medicine Department of Psychiatry and Neurology 1440 Canal St., TB-52 New Orleans, LA 70112 (504) 988-8241 <a href="mailto:gnagle@tulane.edu">gnagle@tulane.edu</a> <a href="http://www.infantinstitute.org">http://www.infantinstitute.org</a>
Parent with at least one child who is currently receiving care at a day care facility	Suzy Sonnier P.O. Box 94004, Baton Rouge, LA 70806 Telephone: 225-342-3327 E-mail Address: <a href="mailto:sonniers@gov.state.la.us">sonniers@gov.state.la.us</a>
Church operated day care center	Mencie Bellazer Safe Haven Day Care and Early Learning Center (Redemption Christian Center) 13184 Old Baton Rouge Highway, Hammond, LA 70403 Telephone: 985-429-1111 Email: <a href="mailto:mbel720@bellsouth.net">mbel720@bellsouth.net</a>
Trainers of child day care providers	Dr. Demetria McJulien Southern University 12111 Gibbens Road, Baton Rouge, LA 70807 Email: <a href="mailto:dhmcj@aol.com">dhmcj@aol.com</a> Telephone: 225-771-5450
Prevent Child Abuse Louisiana	Amanda Brunson Prevent Child Abuse Louisiana 733 East Airport Avenue, Suite 101 Baton Rouge, LA 70806 Telephone: 225-925-9520 Email: <a href="mailto:Amanda@pcal.org">Amanda@pcal.org</a>

<p>AT LARGE (4 members)</p>	<p>Janie Humphries, Ed. D.  Louisiana Early Childhood Association  Professor and Coordinator of Early Childhood Education P.O.  Box 3167, School of Human Ecology  Louisiana Tech University, Ruston, LA 71272  Telephone: 318-257-4456  E-mail: <a href="mailto:humphries@ans.latech.edu">humphries@ans.latech.edu</a></p> <p>Janie Martin, Executive Director  Louisiana State Interagency Coordinating Council/Child Net  P.O. Box 1509, Baton Rouge, LA 70819  Telephone: 225-219-7460  Email: <a href="mailto:janie.martin@gov.state.la.us">janie.martin@gov.state.la.us</a></p> <p>Ramin Rastin, Vice President of Information Technology  Cox Communications  7406 Florida Blvd., BR, LA 70806  Telephone: 225-930-2242  <a href="mailto:Ramin.Rastin@cox.com">Ramin.Rastin@cox.com</a></p> <p>Patricia Crocker  Childcare Association of Louisiana  2001 Fairview Drive  Port Allen LA 70767  Telephone: 225-505-6265  <a href="mailto:adventurelandfun@aol.com">adventurelandfun@aol.com</a></p>
<p>Ex-officio  Secretary of Social Services or designee</p>	<p>Mary Joseph  Deputy Assistant Secretary for Community Mobilization and  Outreach Services  Office of Family Support  7240 Crowder Blvd., Suite 401  New Orleans, LA 70127  Telephone: 504-243-7661  Email: <a href="mailto:mjoseph@dss.state.la.us">mjoseph@dss.state.la.us</a></p>
<p>Ex-officio  Director of Bureau of Licensing or  designee</p>	<p>Thalia Stevenson, Director, Bureau of Licensing  2751 Wooddale Blvd, Baton Rouge, LA  P. O. Box 3078  Baton Rouge, LA 70821  Telephone: 225-922-0015  Fax:225-922-0014  Email: <a href="mailto:tstevens@dss.state.la.us">tstevens@dss.state.la.us</a></p>

Ex-officio Secretary of Department of Education or designee	Mary Louise Jones, Division Director Louisiana Department of Education P. O. Box 94064 Baton Rouge, LA 70804-9064 Telephone: 225-342-3372 Email: <a href="mailto:marylouise.jones@la.gov">marylouise.jones@la.gov</a>
---	--

*LOUISIANA ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN*  
*POLICY BRIEF*

## **Quality Rating Systems**

### **Background**

Quality ratings systems serve multiple purposes: helping to benchmark quality for consumers and broaden awareness of the components of quality; providing additional incentives and resources to programs; and creating a stronger infrastructure to support and sustain the quality of programs, regardless of setting. Several states provide higher reimbursement rates to programs that meet higher tiers or levels of quality. A number of states require NAEYC accreditation (as well as family child care accreditation and other accreditation) for the top tier of the ratings scale. Some states also have a voluntary rating system for providers, regardless of whether they serve subsidized children or not. A growing number of states are combining efforts such as tiered reimbursement rates, voluntary quality ratings, incentive grants, rated license, and broader public and family awareness of the importance of quality early childhood experiences.

#### ***Quality ratings systems must exist in the context of improving the system of early childhood***

By itself, rating early childhood programs will not produce a greater supply of high quality early learning programs. A quality rating **system** requires related efforts. These efforts include additional resources and technical assistance to improve and sustain program quality, professional development and higher education linked to better compensation, consumer and public awareness of quality, higher reimbursement rates, and other components of a well-financed system so that all children have access to high quality programs.

#### ***Ratings are based on multiple program measures***

Ratings must be based on multiple, research-based criteria that are tied to higher program quality, such as class size, teacher/child ratios, teacher qualifications, teacher/child/family interactions, and facilities, to name a few areas. The purpose is to provide a snapshot of how programs are meeting these components of a quality program, and then to provide technical assistance and resources to help programs improve to achieve the highest tier.

#### ***States link the top tier to program quality***

Accreditation and NAEYC accreditation for centers and schools represents a higher level of quality than any state's child care licensing requirements. Several states use the quality rating system as a continuum of quality that leads to a top tier rating linked to attainment of program accreditation, including NAEYC program accreditation.

### **Policy Recommendations**

Quality ratings systems should be used for (1) greater consumer awareness of quality programs, (2) increasing resources to help programs improve and sustain higher quality, and (3) leading to system-wide improvements in the quality of all programs, including all settings and auspices and ages of children served.

Quality ratings should provide a number of tiers or levels in order to provide a continuum that sets clear benchmarks of quality that build upon each other, leading from licensing regulations to the top tier that includes program accreditation by a valid national early childhood program accreditation system, including NAEYC accreditation for center-based and school-based programs, and other recognized national accreditation systems for family child care and school-age care.

### **Policy Recommendations - Continued**

Multi-leveled quality rating systems must be supported by a system wide strategy for:

- Improving professional development and higher education opportunities for program staff and directors linked to a career pathway in the field of early childhood education.
- Enhancing compensation that reflects additional education and retention in the field.
- Increasing reimbursement rates/payments to reflect the cost of quality programs and other mechanisms to ensure that high quality programs are affordable for all families.
- Expanding family involvement and understanding of quality early childhood education in ways that are inclusive and respectful of the diversity of families and children with special needs.
- Fairly evaluating programs for meeting evidence-based conditions for quality and
- Promoting programs' continuous improvement to encourage achievement of higher tiers.

Quality rating systems should be embedded in the regulatory system to enable greater systemic improvements.

Quality rating systems should build upon and should be used to raise child care licensing standards and should address --

- Physical environment, including class size and ratios as well as health and safety.
- Staff qualifications and professional development.
- Interactions between teachers, children and families.
- Developmentally and culturally appropriate curriculum and classroom practices.
- Regular program evaluation and public reporting.
- Adequate number of well-trained evaluators and access to technical assistance and mentoring to help programs reach the next level of the quality rating.
- Continuous program quality improvement.

#### *Additional Resources:*

The National Child Care Information Center (NCCIC) has several documents on different state quality rating systems at [www.nccic.org](http://www.nccic.org).

Financing the Early Childhood Education System, Policy Brief, NAEYC 2001, available at <http://www.naeyc.org/ece/pdf/financing-policy-brief.pdf>

For information on NAEYC's accreditation system, go to [www.naeyc.org](http://www.naeyc.org); for information on the National Association of Family Child Care's accreditation system, go to [www.nafcc.org](http://www.nafcc.org). Other early childhood program systems are described at NCCIC's web site.



National Child Care Information Center  
d including an NCCIC document  
*A service of the Child Care Bureau*



243 Church Street NW, 2nd Floor  
Vienna, Virginia 22180  
Phone: (800) 616-2242 Fax: (800) 716-2242 TTY: (800) 516-2242  
World Wide Web: <http://nccic.org>

---

---

***TIERED QUALITY STRATEGIES in STATUTE***

---

---

Tiered quality strategies broadly encompass the systems of tiered reimbursement (a funding strategy), rated licensing (a licensing strategy), quality rating systems (a consumer strategy), and a combination of these strategies. There are similarities and differences in these systems as implemented by States. However, each of these tiered quality strategies has as the overarching goal to improve child care quality through systemwide improvements rather than through an incremental approach. Most States with a tiered quality strategy have implemented the system through an administrative policy; however, several States have embedded the system in State statute, meaning there are laws in place that mandate the program must be implemented.

The approach chosen by a State to implement its tiered quality strategy depends on several factors, including the needs of the State, the goals of the system, and the State's political context. For example, States that embed a tiered quality strategy in statute may have a history of rooting other programs and regulations in statute. Additionally, operationalizing a tiered quality strategy within statute depends on the type of system the State has chosen to implement. In a rated license system, each individual rated license is a property right and is based in statute; similarly, a tax credit tied to a tiered quality strategy would require authorization in State tax laws.

The following is a sample of information about tiered quality strategies in State statute. Several States have established tiered quality strategies through legislative action, including Florida, Kentucky, North Carolina, and Tennessee. Also included is information about Colorado's School Readiness Initiative and tax credits in Maine and Vermont that are related to their State tiered quality strategies. The States are listed in alphabetical order, with a brief description of the tiered quality strategy. Additional information about States and their systems is available under the Tiered Quality Strategies topic in the Popular Topics section of the NCCIC Web site at <http://nccic.org/poptopics/index.html#tiered>.

---

## STATES

### Colorado: Qualistar Rating System

The Qualistar Rating System tiered quality strategy is a quality rating system.

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

■ House Bill 1297, the School Readiness Initiative, was unanimously passed by the Colorado Legislature, and signed into law in June 2002. In July 2002, the Colorado Child Care Commission adopted Educare Colorado's Quality Rating as the accepted rating system to fulfill the School Readiness Rating Program established through HB 1297. HB 1297 states:

(5) **School-readiness rating system.** The state child care commission created pursuant to section 26-6-304 shall adopt a voluntary school-readiness rating system. Such rating system shall measure the level of preparedness of and quality of services provided by a child care provider to prepare children to enter elementary school. The school-readiness rating system shall:

(a) Measure such elements of quality of a child care facility as:

(i) The quality of the learning environment;

(ii) The quality of adult-child interactions;

(iii) Adult-to-child ratios;

(iv) Provider credentials, including recognized credentials through the state department's voluntary credentialing system developed pursuant to section 26-6.5-103 (8); and

(v) Parent-involvement activities at the child care facility;

(b) Be variable to inform parents, counties, and other purchasers of child care about the level of quality at a child care facility in a simple and easy-to-understand manner;

(c) Be supported by statistically valid research as a reliable measure of quality of a child care facility;

(d) Include a quality improvement plan that informs rated child care providers of their strengths and weaknesses and that provides such child care providers with strategies to improve the quality of their services; and

(e) Have demonstrated effectiveness at improving the level of quality of child care providers in geographically diverse Colorado communities.

House Bill 02-1297 is available on the Web at [http://www.state.co.us/gov\\_dir/leg\\_dir/olls/sl2002a/sl.326.htm](http://www.state.co.us/gov_dir/leg_dir/olls/sl2002a/sl.326.htm).

THE QUALISTAR EARLY LEARNING WEB SITE IS [HTTP://WWW.QUALISTAR.ORG](http://www.qualistar.org). ADDITIONAL INFORMATION IS AVAILABLE ON THE WEB AT [HTTP://WWW.EDUCARECOLORADO.ORG](http://www.educarecolorado.org), OR CONTACT QUALISTAR EARLY LEARNING AT 303-339-6800.

### **Florida: Gold Seal Quality Care Program**

Florida's tiered quality strategy is a tiered reimbursement system. In Florida, counties also have the option of establishing additional quality criteria with a quality rating system.

- Florida has a statewide two-level tiered reimbursement system. Accredited providers receive an increase in their reimbursement rate.
- In 1996, the Florida Legislature established the Gold Seal Quality Care program for child care facilities and family day care homes. The purpose of the program is to acknowledge child care facilities and homes that are accredited by nationally recognized associations and whose standards reflect quality in the level of care and supervision provided to children. Information about Section 402.281, Florida Statutes, Gold Seal Quality Care Program is available on the Web at <http://www.dcf.state.fl.us/childcare/goldseal.shtml>. The full text of the 2004 Florida Statutes Sections 402.26-402.319 is available on the Web at <http://www.dcf.state.fl.us/childcare/docs/402.pdf>.
- Legislation passed in 2001 allows for local discretion of the Partnership for School Readiness Coalitions to determine a quality rating system.

For additional information, contact the Florida Department of Children and Families, Child Care Program Office at 850-488-4900 or e-mail [dcf-osc@dcf.state.fl.us](mailto:dcf-osc@dcf.state.fl.us).

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

Kentucky's tiered quality strategy combines a tiered reimbursement and a quality rating system.

- The goal of Kentucky's KIDS (Kentucky Invests in Developing Success) NOW is that all young children in Kentucky are healthy and safe, possess the foundation that will



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

STARS for KIDS NOW is Kentucky's voluntary child care quality rating system. STARS for KIDS NOW has four levels of quality and has quality criteria for certified family child care homes, licensed type I centers, and licensed type II centers. The quality criteria include ratios, curriculum, training, regulatory compliance, personnel (or business practices for certified family child care homes and licensed type II centers.)

■ The legal authority for the STARS for KIDS NOW Program is within the *Kentucky Revised Statutes*. It states:

199.8943 Quality based child-care rating system -- Administrative regulations.

(1) The Early Childhood Development Authority shall, in consultation with child-care providers, the Cabinet for Families and Children, the Cabinet for Health Services, and others, including but not limited to child-care resource and referral agencies and family resource centers, develop a voluntary quality-based graduated child-care rating system for licensed child-care and certified family child-care homes based on, but not limited to:

- (a) Child to caregiver ratios;
- (b) Child-care staff training;
- (c) Program curriculum; and
- (d) Program regulatory compliance.

(2) The Cabinet for Families and Children shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement:

- (a) The voluntary quality-based graduated child-care rating system for child-care and certified family child-care homes developed under subsection (1) of this section;
- (b) Agency time frames of reviews for rating;
- (c) An appellate process under KRS Chapter 13B; and
- (d) The ability of providers to request reevaluation for rating.

**Effective:** July 14, 2000

**History:** Created 2000 Ky. Acts ch. 308, sec. 15, effective July 14, 2000.

This document is available on the Web at <http://www.lrc.state.ky.us/KRS/199-00/8943.PDF>.

The regulations that govern the STARS for KIDS NOW Program are available on the Web at <http://www.lrc.state.ky.us/kar/922/002/170.htm> for child care centers and <http://www.lrc.state.ky.us/kar/922/002/210.htm> for family child care providers. For additional information, contact the Division of Early Childhood Development, Kentucky Department of Education at 502-564-8341.

## **Maine**

Maine's tiered quality strategy is a tiered reimbursement system. Maine's TQS is unique in that it also has a quality tax credit.

■ Since 2000, Maine has had a two-level tiered reimbursement system. For accredited providers or programs with State contracts or who accept vouchers, a 10 percent differential in reimbursement rates will be awarded.

■ The Maine Legislature approved a tax credit for any Maine resident who enrolls their child or children in a "quality" child care center or home, as defined by the Maine Department of Human Services, Office of Child Care and Head Start. The Office of Child Care and Head Start offers Quality Certificates to a child care center or home that is accredited by an approved accreditation agency and/or reviewed by Head Start Performance Standards. Note: Although not part of a tiered quality strategy, family child care providers will also be considered to be providing quality child care services if they have a Child Development Associate (CDA) credential, or an Associate's, Bachelor's, Master's, or Ph.D. degree in Early Childhood Education, child development, or a related degree.

Additional information about Quality Certificates is available on the Web at <http://www.maine.gov/dhhs/quality.htm>.

The legal authority for the tax credit is in Title 36 of the Maine Revised Statutes in Section 5218. This resource is available on the Web at <http://janus.state.me.us/legis/statutes/36/title36sec5218.html>. *Changes in the Maine Dependent Care Tax Credits 2003–2005*, by the Office of Child Care and Head Start states:

A Maine taxpayer who enrolls a child in a child care center or home providing quality child care services is eligible for a double child care tax credit on their Maine individual income tax return. Tax law changes that took effect in tax year 2003 at the federal level increased the amount of assistance families can receive to offset child and/or dependent care expenses. The federal Child and Dependent Care credit increased, effective in tax year 2003, from a maximum of \$720 to \$1,050, for families with one child or dependent, and from \$1,440 to

\$2,100, for families with two or more children or dependents. This increase resulted in automatic increases in Child and Dependent Care credits in Maine.

Maine amended its Child and Dependent Care (CADC) credit to decrease the percentage of the federal credit that a Maine taxpayer may claim as the Maine CADC credit. Prior to this change Maine law provided a CADC credit of 25% of the federal CADC credit increasing to 50% for expenses incurred in “Quality Care.”

As a result of the current budget deficit, the following legislation was passed during the 2003 Legislative Session: “A resident individual is allowed a credit against the tax otherwise due under this Part in the amount of 25% of the federal tax credit allowable for child and dependent care expenses in the same tax year, except that for tax years beginning in 2003, 2004 and 2005, the applicable percentage is 21.5% instead of 25%.” *Maine Revised Statutes Title 36 – Chapter 822 §5218*. At this point the double tax credit is 43% of the federal tax credit.

“Without this change, the maximum Maine credit for tax year 2002 - \$360 for one child and \$720 for two children- would have increased to \$525 for one child and \$1,050 for two children for tax year 2003 because of the increase in the federal CADC credit. With this change, the maximum value of the Maine CADC credit for tax years 2003-2005 will be \$452 for one child and \$903 for two or more children.” (*National Women’s Law Center Memorandum*)

The credit may result in a refund of up to \$500.

A Program Instruction (Issuance Date: April 30, 2001), from the Division of Contracted Community Services to child care providers in the State of Maine, provides information about the eligibility for a child care tax credit and is available on the Web at <http://mainegov-images.informe.org/revenue/incomeestate/qualcert.pdf>. This Program Instruction also includes an Application for Certificate of Quality.

Additional information about Maine Revenue Services, Child Care Credits and Applications is available on the Web at <http://www.state.me.us/revenue/incomeestate/childcare.html>. For additional information about Quality Certificates, contact the Office of Child Care and Head Start at 207-287-5099.

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

North Carolina’s tiered quality strategy combines tiered reimbursement, rated license, and a quality rating system.

■ In September 2000, the North Carolina Division of Child Development issued star rated licenses to all eligible child care centers and family child care homes. (Note: Religious-sponsored child care programs continue to operate with a notice of compliance and do not receive a star rating.) The star rated license is a voluntary licensing system,

established in statute where a child care program can earn points in three different areas: 1) program standards, 2) staff education, and 3) compliance history with child care regulations.

The Division of Child Development states on their Web site that the previous licensing system did not offer enough information to parents about the quality of care their program was providing, so North Carolina moved to the star rated license system in September 2000. For example, under the previous system, a center that received an A license was meeting only minimum requirements, but parents may have thought this was the highest rating. To minimize confusion, a five star licensing system was developed because this type of rating system is typical for many products and services.

Information about North Carolina's child care rated license system is available on the Web at [http://ncchildcare.dhhs.state.nc.us/parents/pr\\_sn2\\_ov\\_sr.asp](http://ncchildcare.dhhs.state.nc.us/parents/pr_sn2_ov_sr.asp). Additional information including program standards, education standards, compliance standards, sample star rated license, and star rated license FAQs is also available on the Web. For additional information, contact the North Carolina Department of Health and Human Services, Division of Child Development at 919-662-4499.

The legal authority for the rated license system is within the *North Carolina General Statutes, Chapter 110, Child Welfare*. It states:

Article 7  
Child Care Facilities

§ 110-90. Powers and duties of Secretary of Health and Human Services

The Secretary shall have the following powers and duties under the policies and rules of the Commission:

(4) To issue a rated license to any child care facility which meets the standards established by this Article. The rating shall be based on program standards, education levels of staff, and compliance history of the child care facility.

This document is available on the Web at [http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter\\_110.html](http://www.ncleg.net/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_110.html).

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

Tennessee's tiered quality strategy combines a tiered reimbursement and a quality rating system.

■ In 2000 and 2001, Tennessee launched a broad program to improve child care. This program's goals are to give more information to parents and to improve the quality

of child care in the State. This program includes two programs, the Child Care Evaluation and Report Card Program and the Star-Quality Child Care Program.

The Child Care Evaluation and Report Card Program is required for all licensed and approved child care providers in Tennessee. During the process of renewing a license, the State evaluates a provider on several areas of quality. Family and group homes are evaluated on the following five areas: caregiver's training and education, compliance history, parent and family involvement, business management practices, and program assessment (on-site observation). Child care centers are evaluated on the following seven areas: director's qualifications or experience, education, and training; the education, training, and previous work experience of teaching staff; compliance history; parent and family involvement; ratios and group sizes; the center's pay and benefit plans for staff; and program assessment (on-site observation).

The Star-Quality Child Care Program, unlike the Report Card Program, is voluntary. This program recognizes child care providers who meet a higher standard of quality. Once qualified for this program, providers can receive one, two, or three stars to place on their license. Each star shows that a provider meets increasingly higher standards. Both programs require a program assessment. Information about program assessments in Tennessee is available on the Web at <http://www.tnstarquality.org/html/assessment.htm>.

Additional information is available on the Web at <http://www.tnstarquality.org>.

■ Legislation was passed in June 2000 that established the Tennessee Star Quality Licensing System. The legislation is available on the Web at <http://tennessee.gov/sos/acts/101/pub/pc981.pdf>.

*Rules of Tennessee Department of Human Services Adult and Family Services Division, Chapter 1240-4-7, Report Cards and Rated Licensing for Child Care Agencies* is available on the Web at <http://www.state.tn.us/sos/rules/1240/1240-04/1240-04-07.pdf>. Additional information about the Rules of the Tennessee Department of Human Services is available on the Web at <http://www.state.tn.us/sos/rules/1240/1240-04/1240-04.htm>.

For additional information, contact the Tennessee Department of Human Services at 615-313-4700.

## **Vermont**

Vermont's tiered quality strategies are tiered reimbursement and quality rating system.

■ Since 1994, Vermont has implemented a Statewide two-level tiered reimbursement system. This Quality Incentive Bonus is for accredited programs to receive a child care subsidy bonus of 15 percent of the total subsidy earned each quarter.

Accredited centers are also eligible to enter into contracts for the subsidy program which integrates the accreditation bonus into the contracted payment.

■ Since 2003, the Vermont Step Ahead Recognition System (STARS) for Child Care Programs is a quality rating system where a participating program receives from one to five stars based on the practices and achievements the program verifies it has met in five arenas of action. Programs receive one to three points in each arena and the total number of points determines the star level. In the future, a reward and incentive program will encompass a variety of options ranging from awards for achieving the lower levels to larger ones as programs achieve higher levels. There will be a tiered reimbursement for subsidy at all STARS levels. Additional information is available on the Web at

<http://www.STARSstepahead.org>.

■ As of June 2002, Vermont has implemented a Low Income Child and Dependent Care Credit. The legal authority for the tax credit is in Title 32 of the Vermont Statutes in Section 5828c. A resident of Vermont with Federal adjusted gross income less than \$30,000 (or \$40,000 for married, filing jointly) shall be eligible for a refundable credit against the tax imposed under Section 5822 of Title 32. The credit shall be equal to 50 percent of the Federal Child and Dependent Care Credit allowed to the taxpayer for the taxable year for child or dependent care services provided in Vermont in a registered home or licensed facility certified by the agency of human services as meeting national accreditation or national credential standards endorsed by the agency. The statute is available on the Web at

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=32&Chapter=151&Section=05828C>.

Additional information, including the Low Income Tax Credit Form, is available on the Web site of Child Care Services, Vermont Department for Children and Families, at <http://www.state.vt.us/srs/childcare/accredited.htm>.

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

*Updated February 2005*

**NCSL State Legislative Report: September 2004, Vol. 29, No. 3**  
**Incentives for Quality: Tiered Strategies in Child Care**  
**By Beth Clemens, Research Analyst II; Julie Poppe, Policy Specialist; and Steffanie Clothier, Program Manager**

INTRODUCTION

During the past decade, policymakers increasingly have focused on assessing child care quality and have considered ways to improve quality. Because work demands require a significant number of children to be cared for by someone other than a parent, changes in federal welfare programs, and the goal of preparing children to succeed in school, lawmakers have found quality child care to be essential. To ensure children's safety and improve child outcomes, states have passed measures to improve a number of quality standards—such as raising staff qualifications and building components of a professional development system; regulating child/staff ratios and group size based on research findings and national recommendations; targeting health and safety measures; improving the learning environment; considering new curricula; increasing parental involvement; and implementing program evaluation.

The desire to improve child care quality has prompted states to consider the effectiveness of a variety of strategies. Improving the quality of child care has been a challenge in recent years, particularly when states have been unable to make significant investments due to revenue shortfalls and uncertainty about reauthorization of the federal welfare law, which includes the Child Care Development Block Grant. One approach many legislatures have taken is to concentrate efforts on the creation or expansion of tiered strategy systems, which reward programs with higher levels of quality with incentives that influence the competitive child care market. Thirty-five states and the District of Columbia have implemented one or more strategies of a tiered system, and several states—including Illinois and Rhode Island—introduced legislation in 2003 and 2004 that would create a tiered reimbursement system or a rated license for child care.

Tiered strategy systems reflect a systematic approach to improving the quality of child care, which may include child care centers, family child care homes and school-age child care. They also may be used in other settings such as Head Start and state preschool programs. Tiered systems can be developed in multiple ways: tiered reimbursement, a quality rating system, rated licensing or a combination of these strategies. Tiered systems may have a variety of goals, including raising compensation for higher quality providers, providing information to parents so they may better understand and evaluate the quality of programs, and improving the competency level of providers by raising standards. As lawmakers and other stakeholders strive to improve child care quality, it is useful to weigh the potential benefits and challenges of implementing a tiered strategy system and to understand how tiered systems are structured in specific states. This report discusses the different types of tiered strategy systems and their components, various states' tiered

systems, and research on the effects of tiered systems. The report also addresses design and implementation issues for policymakers who are considering creating or expanding a tiered strategy system.

#### TABLE OF CONTENTS

How Reimbursement Rates Are Set for Subsidized Child Care  
Tiered Reimbursement Rates  
Quality Rating Systems  
Rated Licensing  
Combining Strategies  
Outcomes: A Review of Findings  
Design and Implementation of a Tiered Strategy System  
Conclusion

This report can be accessed by those with passwords at [http://www.ncsl.org/legis/cyf/ccslr\\_sept04.pdf](http://www.ncsl.org/legis/cyf/ccslr_sept04.pdf), or can be purchased through the [NCSL publications](#) website.

---

For more information on child care issues, please contact Steffanie Clothier in the Denver office at 303.364.7700 or [cyf-info@ncsl.org](mailto:cyf-info@ncsl.org) or either Sheri Steisel or Lee Posey in the D.C. office at 202.624.5400 or [fedhumserv-info@ncsl.org](mailto:fedhumserv-info@ncsl.org).