



National Child Care Information Center

A service of the Child Care Bureau

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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 their 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 that are related to their State tiered quality strategies.

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 2003 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.

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. Information about this rating system is available on the Web at <http://www.education.ky.gov/KDE/Instructional+Resources/Early+Childhood+Development/STARS+-+The+Childcare+Quality+Rating+System.htm>. Downloadable forms, in Word and PDF format, are available on this Web site.

- 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.

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: Program Standards, Staff Education, and 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 and to maximize understanding, 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. 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/statutes/generalstatutes/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://www.legislature.state.tn.us/bills/101gahtm/101_Chap/PC0981.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.

Additional Information

Colorado: EDUCARE/CORRA QRS©

EDUCARE/CORRA QRS© tiered quality strategy is a quality rating system.

- Educare Colorado, is a nonprofit initiative, organized by Colorado business, philanthropic, political, community, and religious leaders to improve the early learning experiences of Colorado's young children. In July 2004, Educare Colorado and the Colorado Office of Resource and Referral Agencies (CORRA), which coordinates the Statewide network of child care resource and referral agencies supporting families in choosing quality child care, merged their organizations. EDUCARE/CORRA's Quality 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. EDUCARE/CORRA's Quality Rating System, evaluates programs in five areas: learning environment, family partnerships, training and education, adult-to-child ratios, and accreditation, and assigns a rating of one-to-four stars to each program.

- HB 1297, the School Readiness Initiative, which was unanimously passed by the Colorado Legislature and signed into law, builds quality and accountability in early care and education across the State. Participating licensed centers and family homes are receiving Quality Ratings and resources for quality improvement, including enhanced educational materials, and specialized teacher training. This information is from *Educare Colorado Overview*, Fall/Winter 2003.

The *Child Care Commission School Readiness Update, Presented February 28, 2003*, states:

HB 1297: Concerning School Readiness

A Market Based Model to Prepare Children for School Success

BILL SUMMARY: Creates the school-readiness child care subsidization program. The program allows counties, in partnership with the Community Consolidated Child Care Pilots, to apply for a 3-year supplemental subsidy for child care centers that feed into

low performing public schools. In total, 5,600 children in 468 classrooms will be served through this grants program. (page 3)

Talking Points: Key Information about HB 02 1297 and the Educare Quality Rating

- ... House Bill 1297, a School Readiness Initiative signed into law by Governor Owens last June, specifies a public-private partnership that provides Quality Ratings for parents whose children will feed into low-performing elementary schools. This legislation, which pairs Educare private funds matched with existing federal dollars, is taking the Quality Rating and quality improvement efforts across our state. (pp. 5–6)
- The School Readiness initiative focuses on two major objectives:
 1. To provide parents with more choices in selecting pre-K or child care for their children and give real data about the quality of the services they are buying.
 2. To ensure accountability for taxpayer dollars by using a School Readiness Rating System, somewhat like a Good Housekeeping Seal of Approval for pre-Ks and child care centers. (page 6)

House Bill 02-1297 is available on the Web at http://www.state.co.us/gov_dir/leg_dir/olls/sl2002a/sl.326.htm.

Additional information about Educare Colorado is available on the Web at <http://www.educarecolorado.org>, or contact Educare Colorado at 877-EDUCARE.

Maine

Maine’s tiered quality strategy is a tiered reimbursement system.

■ Since 2000, Maine has had a two-level tiered reimbursement system. Accredited providers receive a 10 percent increase in their reimbursement rate. Programs making “substantial progress” toward meeting accreditation standards receive a 5 percent increase for one year. “Substantial progress” is defined as programs that have completed the self-study process, have submitted their materials to the accrediting agency, and are awaiting their validation visit.

■ The Maine legislature approved a tax credit for any Maine resident that 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. This credit is available for child care expenses incurred after December 31, 2000. The credit is equal to 21.5 percent of the Federal tax credit for child and dependent care expenses. The credit is also refundable up to \$500.

The legal authority for the tax credit is in Title 36 of the Maine Revised Statutes at §5218. This resource is available on the Web at <http://janus.state.me.us/legis/statutes/36/title36sec5218.html>.

An application for a certificate of quality for child care providers in Maine is available on the Web at <http://www.state.me.us/revenue/incomeestate/qualcert.pdf>.

For additional information, contact the Maine Department of Human Services, Office of Child Care and Head Start at 207-287-5060.

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