

YoungStar in
Wisconsin:
Analysis of Data as of
January 2012



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YoungStar in Wisconsin: Analysis of Data as of January 2012

SUMMARY OF KEY FINDINGS

YoungStar Ratings as of the beginning January 2012

- YoungStar has made remarkable progress: 3,338 child care programs have been rated on a 1- to 5-star scale in the first year of operation.
- 79 % of the programs initially rated were rated at the 2-star level.
- Group child care centers have significantly higher ratings than family child care programs.
- Star levels are considerably lower than predicted in June 2010.
- Significant differences were found across six YoungStar regions
 - The Milwaukee region has the most rated programs: 901
 - The Southern region has the highest percentage (17%) of programs with 4- and 5-star ratings.
 - The Northeastern region and Southern regions have the highest percentage of 3-, 4- and 5-star programs (30%).

Resources to Help Programs Improve

- Technical assistance was provided to more than 1,000 child care programs over six months (July-December 2011).
- Professional development counseling served over 1,000 individuals.
- Micro-grants were provided to over 1,000 programs
- Over 1,100 T.E.A.C.H. scholarships were awarded in 2011.
- Efforts to raise private funds for Youngstar continue: The goal is \$350,000 by May 2012.

Considerations Going Forward

- 1. 2-Star Challenge:** The high proportion of 2-star programs (79%) poses a challenge for substantial movement to high quality ratings (4- and 5-star ratings) in the near future.
- 2. Carrot-and-Stick Approach:** The next year will test the theory that lower payments will motivate 2-star child care programs to move to a higher rating level.
- 3. Rollout Challenge:** The rollout of YoungStar may be too much, too fast. On the other hand, despite the bumps along the way, this might result in greater progress over the long run.
- 4. Barriers to Progress:** As we learn from experience, we should be prepared to identify and address the most common barriers preventing programs from moving up the YoungStar scale.
- 5. Support from the Private Sector:** YoungStar can be strengthened by increased private sector contributions to help increase child care quality in local communities and statewide.
- 6. Sharper Focus on Quality:** YoungStar has resulted in a sharper focus on quality statewide, engaging the early care and education field, parents, local communities, media, civic and business leaders, and other stakeholders.

I. BACKGROUND

Summary of YoungStar

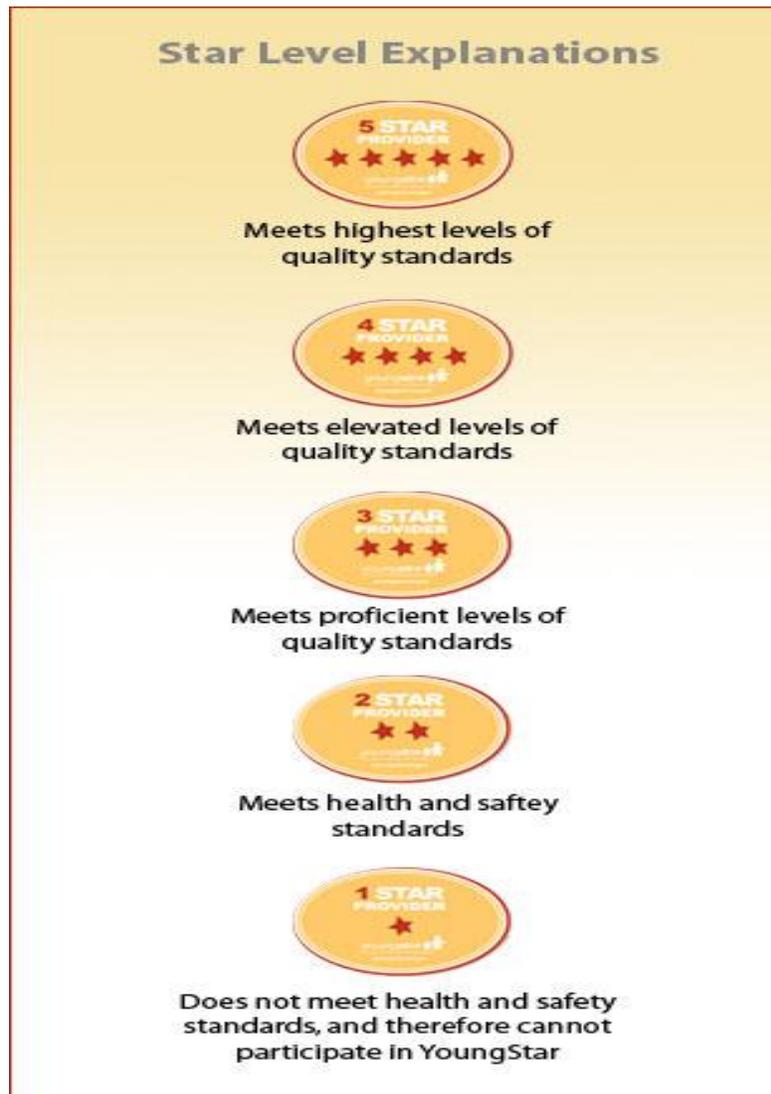
YoungStar is a program of the Department of Children and Families (DCF) created to improve the quality of child care for Wisconsin children. YoungStar is designed to:

- evaluate and rate the quality of care given by child care providers;
- help parents choose the best child care for their kids;
- support providers with tools and training to deliver high-quality early care; and
- set a consistent standard for child care quality.

(Source: YoungStar website, Department of Children and Families, <http://dcf.wi.gov/youngstar>)



Five-star ratings



YoungStar evaluates the quality of care given by regulated child care providers and rates them from 1 to 5 stars, with 5 stars being the highest rating, similar to ratings for hotels, restaurants, or other types of businesses.

A provider's star rating is based on these criteria:

- Education Qualifications and Training
- Learning Environment and Curriculum
- Professional and Business Practices
- Child Health and Well-Being Practices

(Source: YoungStar website, Department of Children and Families, <http://dcf.wi.gov/youngstar>)

Implementation Background

In November 2010, the DCF contracted with a consortium to deliver specified YoungStar services in six regions in the state. The Consortium is made up of three agencies: Wisconsin Early Childhood Association, Supporting Families Together Association, and Celebrate Children Foundation.

The Consortium is responsible for:

- YoungStar administration for six regional areas of the state;
- technical assistance to early care and education providers;
- providing ratings via observation and assessment;
- administering micro-grants to help programs improve; and
- public outreach and communication to provide parents with concrete and understandable information on how to choose child care programs.

By July 2011 significant work had been done to provide information and technical assistance to child care providers statewide, and a website to include rating and other key information on child care programs had been established.

However, implementation of tiered reimbursement policies within Wisconsin Shares was delayed until July 2012 by legislative action. Tiered reimbursement provides payments based on programs' star level, providing incentives for higher quality. The table below shows changes to the tiered reimbursement schedule adopted by the State Legislature in the 2011-13 budget:

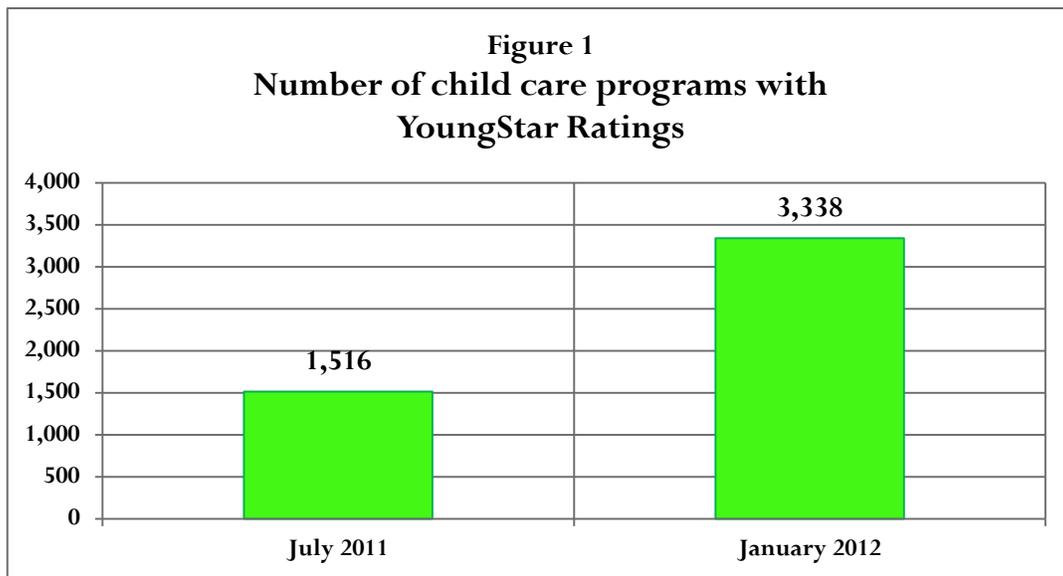
Program Rating	Impact on WI Shares Payments
One star	Prohibited from receiving Wisconsin Shares payments
Two star	Minus 5 percent, effective July 2012
Three star	No change
Four star	Plus 5 percent, effective July 2012
Five star	Plus 10 percent, effective July 2012; increasing to 25 percent, effective January 2013

A major focus for 2011 was to get child care programs enrolled in YoungStar and to do initial ratings on the 5-point scale statewide.

II. YOUNGSTAR RATINGS

More than 3,000 child care programs were rated as of January 2012.

As of January 6, 2012, a total of **3,338** programs had been rated on a scale of 1 to 5 stars, based either on an assessment of quality or on a provider's decision not to be rated above a 2-star level. Given the challenge of rating thousands of programs in a relatively short period, this is a significant accomplishment for DCF and the Consortium responsible for much of the implementation. The number of programs rated more than doubled over the six months from July 2011 (1,516 programs) to January 2012 (3,338 programs).



Now that most child care programs that are required to participate in YoungStar have been rated (only 641 programs have ratings pending), the next step for most programs is to determine if they can move to a higher star level.

79% of child care programs were rated initially as 2-star.

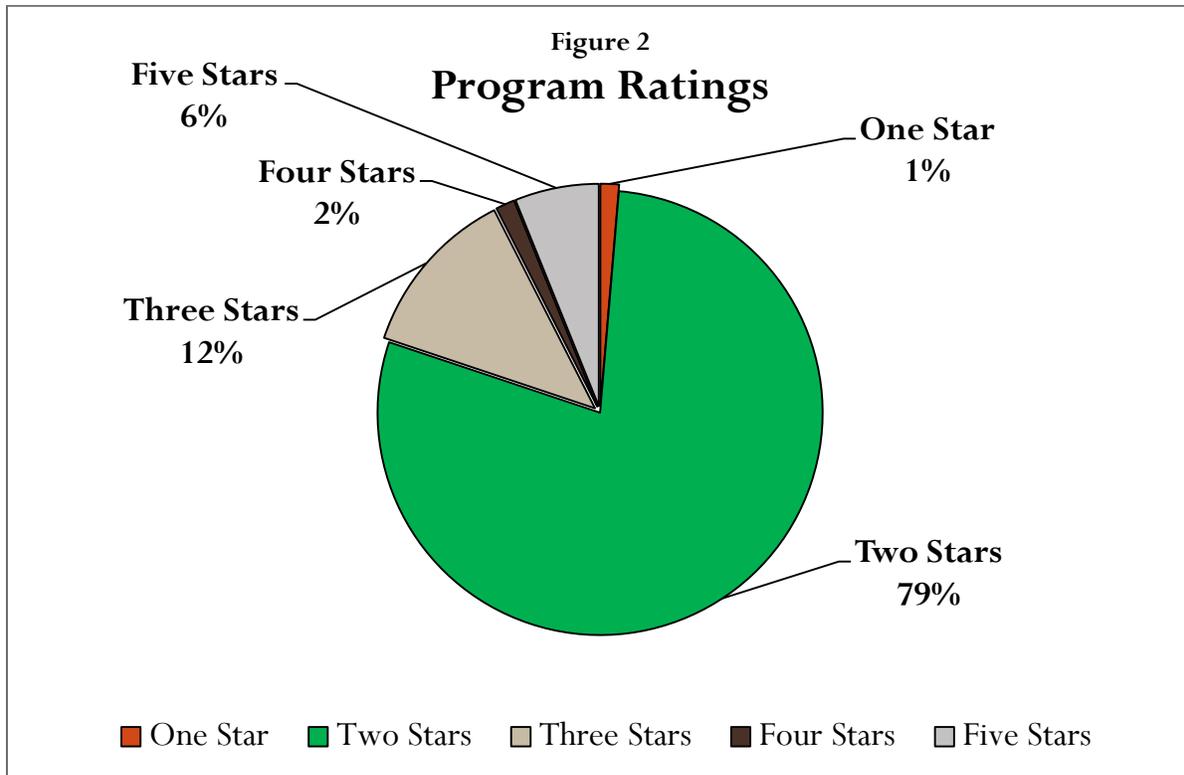
As Figure 2 indicates, the vast majority of programs (79%) were rated at the 2-star level. Child care programs at the 2-star level meet basic standards for health, safety, staffing, and programming as measured by licensing or certification, but have not met quality standards that are higher than basic regulatory requirements. Because YoungStar ratings were new to the field, it is not unexpected that most programs received 2-star ratings initially, since the only standards they were required to meet prior to YoungStar were licensing or certification rules.

As more programs were rated and programs began to take advantage of training offerings, technical assistance, and micro-grants over the last six months, there were significant increases in programs at the 3- to 5-star levels. Table 2 and Figure 2 summarize how programs have been rated as of January 2012.

Table 2
Wisconsin child care programs rated by star-level
January 2012

Provider ratings	Number of programs	Percentage of Total
One Star	45	1%
Two Stars	2630	79%
Three Stars	413	12%
Four Stars	46	1%
Five Stars	204	6%
TOTAL	3,338	99.9%

Note: 641 programs had ratings pending.



An analysis of change over six months (July 2011 to January 2012) shows that:

- 3-star programs increased from 0 to 413
- 4-star programs stayed about the same
- 5-star programs increased from 180 to 204

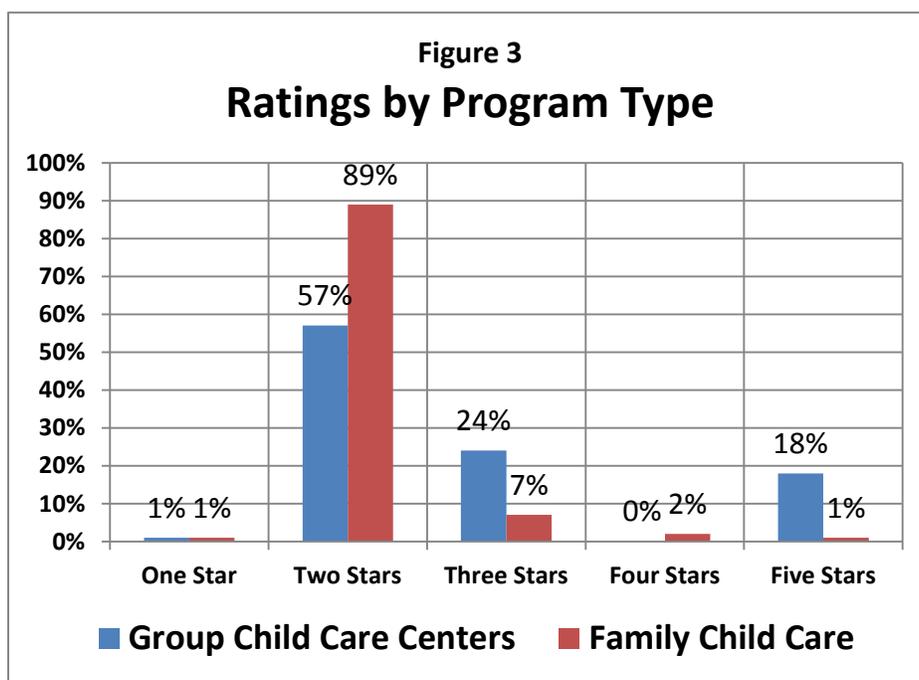
Because an enormous amount of effort in 2011 was spent enrolling programs in YoungStar and completing initial ratings, we expect many more programs moving to 3-, 4-, and 5-star levels in 2012, when the focus will be more on assisting programs to improve their quality.

Group child care centers have higher ratings than family child care.

Based on past studies of child care quality, it is no surprise that center-based child care programs were rated higher than family child care settings in the initial ratings under YoungStar. Forty-two percent of center-based programs were rated at 3-, 4-, or 5-star levels, while only 10 percent of family child care programs were rated at those levels. Family child care programs were much more likely to be at a 2-star level (89 percent), compared to 57 percent for centers.

It's interesting that family child care programs are more likely to be rated at the 4-star level. That is likely attributable to the fact that family child care providers that are accredited through the National Association for Family Child Care and do not meet required education levels in the Registry are automatically rated at the 4-star level. Group child care centers are more likely to be rated as 5-star by being accredited through various accreditation agencies. Over the last 20 years, there has been much more opportunity for centers to be accredited than for family child care programs.

It should also be noted that a significant proportion of the family child care providers participating in Wisconsin Shares are certified providers, which serve fewer children



than licensed family child care centers and meet less stringent regulatory standards to begin with. Figure 3 and the Table 3 summarize the relative ratings.

Provider Ratings	Group child care centers	Percent centers	Family child care	Percent family
One star	15	1%	30	1%
Two stars	627	57%	2003	89%
Three stars	263	24%	150	7%
Four stars	0	0%	46	2%
Five stars	192	18%	12	1%
TOTAL	1,097	100%	2,241	100%

Star levels were considerably lower than predicted in June 2010.

The initial estimate of the distribution of programs across the various star levels was more optimistic than the actual initial ratings showed by January 2012. A Legislative Fiscal Bureau paper in June 2010 provided an estimate of the percentage of programs at each star level from 2010 through 2015, based on a plan proposed by DCF. Figure 4 demonstrates how those estimates compare to the actual ratings as of January 2012.

Star Rating	Estimate of Initial YoungStar Rating Distribution¹	Actual YoungStar Rating Distribution January 2012
One star	0%	1%
Two stars	40%	79%
Three stars	29%	12%
Four stars	8%	1%
Five stars	13%	6%

¹ Source DCF & LFB Paper June 2010.

Some of the differences between initial estimates and reality may have to do with the unrealistic projections of how fast YoungStar could be implemented. YoungStar was delayed in implementation due to legislative deliberations, the enormity of the task, and the usual start-up delays in rolling out a large system. But most programs have now had initial ratings, and the percentages of programs at 3- to 5-star levels are much lower than anticipated.

Significant differences were found across the six YoungStar regions.

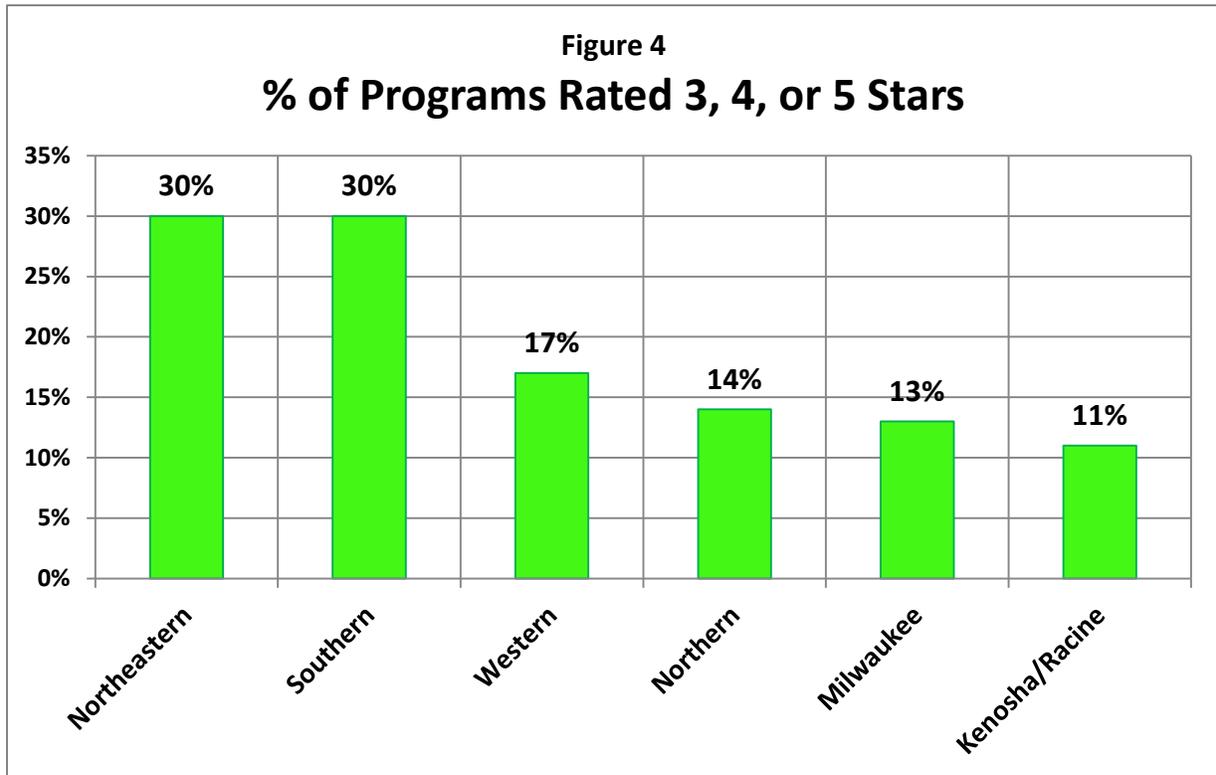
Wisconsin’s YoungStar program is divided into six regions (see Appendix A for regional map). Table 5 shows the distribution of child care programs by region by rating level.

Region	One Star	Two Stars	Three Stars	Four Stars	Five Stars	Total
Kenosha/Racine	0	193	20	1	4	218
Milwaukee	42	743	64	0	52	901
Northeastern	2	346	117	0	32	497
Northern	0	399	52	0	13	464
Southern	1	523	92	44	84	744
Western	0	426	68	1	19	514
Total	45	2630	413	46	204	3,338

An analysis of regional differences reveals significant variations in the number of rated child care programs in each region, ranging from 218 in the Kenosha/Racine region to 901 in the Milwaukee region. In addition, there are 641 programs that have ratings pending, with 71 percent of them in Milwaukee and Southern, the regions with the largest number of child care programs in YoungStar.

The Southern region has by far the highest percentage (17 percent) of programs with the highest ratings (4- and 5-star), probably due to the City of Madison’s accreditation program—the only municipal child care accreditation program in the state. The Northeastern region has the most 3-star programs (117) and the highest percentage of 3-star programs.

Figure 4 illustrates the percentage of child care programs in each region rated at 3-, 4-, and 5-star levels combined.



It's difficult to know what accounts for the variation by region, but the differences are likely related to efforts in communities to improve quality over the last decade, including available training and technical assistance over time. Recent efforts by agencies administering YoungStar in each region may also account for some of the differences.



The Rating Process: Three Different Approaches

To understand the YoungStar ratings, it is useful to know the three different approaches through which programs get rated: automated, technical, and formal.

Automated Ratings: 53.7 Percent of Initial YoungStar Ratings

Automated ratings are given to providers based upon education and/or accreditation alone. Part of automated ratings depends on information about the educational attainment of child care providers and their employees, stored at The Registry, Wisconsin's agency for storing and updating the education qualifications of the childhood workforce. Slightly more than half of child care programs (2028) chose to take an automated rating as of January 2012. It is very likely that many of the programs that automatically received 2-star ratings will strive to move to a higher rating over the next few months.

Technical ratings: 42.6 Percent of Initial YoungStar Ratings

A technical rating is achieved over the course of an on-site visit during which quality indicators are measured, not including environment rating scales. This process was used by 43 percent of programs (1609) as of January 2012.

Formal Ratings: 3.7 Percent of Initial YoungStar Ratings

Formal ratings are delivered utilizing a combination of quality indicators and environment rating scales. Only 138 programs used this approach as of January 2012.

III. RESOURCES TO HELP PROGRAMS IMPROVE

Technical assistance was provided to more than 1,000 programs over six months (July – December 2011).

In the second half of 2011, another 1,073 child care providers received technical assistance. As of January 2012, the Consortium had provided a cumulative total of 6,335 technical assistance visits to 2,087 child care programs across the state—a remarkable achievement. Technical assistance visits occur when a YoungStar staff member goes into a program and provides one-on-one coaching, mentoring, or guidance. Undoubtedly many of these visits as YoungStar was launched were dedicated to helping programs understand how YoungStar works and how to earn points for star ratings. With most programs now rated, technical assistance can focus much more on how to improve quality and achieve higher ratings.

Table 6 shows the number of technical assistance visits and the number of child care programs reached.

<i>Region</i>	<i>Visits</i>	<i>Child care programs</i>
Western	842	272
Northern	671	201
Northeastern	945	332
Southern	1404	478
Milwaukee	2124	678
Racine/Kenosha	349	126
Total	6335	2087

Professional development counseling served more than 1,000 individuals.

Professional development counseling is available to YoungStar participants to help them plan out their training and coursework to improve educational qualifications. YoungStar has provided counseling to 1,087 individuals since YoungStar began.

Micro-Grants were provided to 1,000 child care programs.

Since July 2011, the YoungStar consortium awarded 1,004 micro-grants to help group child care centers and family child care programs improve their quality. As of July 2011, only 100 micro-grants had been awarded. Financial micro-grants are used by child care programs to purchase materials, resources, and pursue professional development opportunities that have been identified to achieve quality improvement goals. Wisconsin Early Childhood Association is responsible for administering micro-grants of \$250, \$500, and \$1,000, depending on the size of the program.

Table 7 shows the cumulative micro-grants awarded by region since the beginning of YoungStar in 2011.

Region	Certified family child care	Licensed family child center	Licensed group child care center	Total
Western	19	67	61	147
Northern	15	41	64	120
Northeastern	13	50	138	201
Southern	25	87	155	267
Milwaukee	43	136	104	283
Kenosha/Racine	16	20	50	86
Total Quantity	131	401	572	1104
Total Amount	\$32,750	\$200,500	\$572,000	\$805,250

Over 1,100 T.E.A.C.H. scholarships were awarded in 2011.

The T.E.A.C.H. Early Childhood® scholarship program, administered by Wisconsin Early Childhood Association, provides scholarships to child care professionals to help them improve their educational credentials through credit-based courses. While not all scholarships go to programs participating in YoungStar, the start of YoungStar has undoubtedly spurred increased interest in T.E.A.C.H. scholarships.

In 2011, the T.E.A.C.H. program awarded 1,175 scholarships to child care professionals, 49 percent more than in 2010, and 63 percent more than in 2009. According to program data, T.E.A.C.H. scholarship recipients had an average grade point average of 3.61.

Progress made in Credit for Prior Learning offerings from technical colleges have provided a helpful pathway for child care teachers and providers in the field to gain credits for their body of work and experience and advance toward degrees.



**Another indicator of change:
Growth in documentation of educational qualifications**

The growth in documentation of educational qualifications in the early childhood field is another indication that YoungStar is triggering a surge in credit-based education. Between 2009 and 2011, first time enrollment in The Registry increased by 41%. In 2009, 7,949 professionals applied to The Registry for the first time. In 2011, 11,187 professionals applied to The Registry for the first time.

Between 2009 and 2011, renewal enrollment in The Registry increased by 62%. In 2009, 4,365 professionals renewed their membership in The Registry. In 2011, 7,090 professionals renewed their membership in The Registry.

Efforts Continue to Raise Private Funds for YoungStar

The Celebrate Children Foundation (CCF), part of the three-agency consortium that is implementing YoungStar, is continuing its campaign to secure private funds to help sustain YoungStar quality improvement efforts.

As of early 2012, CCF has 18 proposals under consideration, with requests totaling \$855,000. CCF has launched social media campaign to encourage private investment. This February through April 2012 initiative has a goal of raising over \$150,000. A successful campaign would bring fundraising up to a total of \$350,000.

The most recent grant was \$55,000 from the Otto Bremer Foundation. Like many funders, the Bremer Foundation desires that grant money stays in "their region;" the Bremer funding will therefore support child care centers in the Western YoungStar Region.



IV. CONSIDERATIONS GOING FORWARD

The review of data on the progress of YoungStar raises some key issues for the future.

1. The high proportion of 2-star programs poses a challenge for substantial movement to high (4- and 5-star) quality ratings in the near future.

With 79 percent of child care programs in YoungStar rated at a 2-star level, it is likely that YoungStar will have a substantial challenge moving these programs up the quality scale as far and as fast as was initially envisioned. The percentage of programs with 2-star ratings was twice as high as the 40 percent initially predicted.

An analysis by the Public Policy Forum in December 2011, *YoungStar at One Year* (<http://www.publicpolicyforum.org/pdfs/YoungStarYearOne.pdf>), found that most 2-star-rated programs in Milwaukee have a major challenge meeting the staff education requirements needed for a 3-star rating. The education qualification gap may prove to be a barrier for 2-star programs statewide as well.

The good news from that Milwaukee analysis was that 3-star programs, both center-based and family child care, on average already meet the 4-star education requirements, which may make it easier for them to advance to the 4-star level by meeting other quality standards that are less time-intensive and costly to achieve. If the Milwaukee analysis of 3-star programs applies to other parts of the state, we may see a substantial increase in 4-star programs.

2. The next year will test the theory that lower payments will motivate 2-star child care programs to move to a higher rating level.

The tiered reimbursement system that begins in July 2012 will reduce Wisconsin Shares payments to 2-star programs by 5 percent. If a 2-star program makes improvement to the 3-star level, the program would receive the same amount as it received prior to YoungStar. Wisconsin's approach is unique among states with quality rating system. Wisconsin is the only state that uses a carrot-and-stick approach that reduces child care subsidy payments if a program fails to progress to a higher rating.

It's possible that the financial penalty for 2-star programs will motivate them to improve their quality and move to 3-star status or higher. It is also possible that the "negative incentive" of reducing payments will not have the intended effect, largely because these providers have limited financial resources to improve. The fact that Wisconsin Shares payment rates have been frozen since 2006 has already diminished fiscal resources for child care providers.

Wisconsin should give serious consideration to taking money saved by its anti-fraud efforts and its reduction in payments to 2-star programs, and reinvesting it in quality improvement under YoungStar.

In 2012, we will see how many 2-star programs move to higher star levels as tiered reimbursement is implemented in fiscal year 2012-13. Even with significant movement up the YoungStar ladder, progress is unlikely in the near future to approach the original estimates of programs at the 3-, 4- and 5-star levels.

3. The rollout of YoungStar may be too much, too fast.

Wisconsin has launched YoungStar at a much faster rate than most states, and is engaging many more child care programs. YoungStar's progress to date is certainly impressive, but YoungStar and the other programs that support it may not be able to meet the demand for training, technical assistance, and micro-grants.

Over half the child care programs took automated ratings, a process that took considerably less staff time than technical and formal ratings. Most of the programs with automated ratings were 2-star-rated programs. If a significant proportion of those 2-star programs want assistance to move to a higher rating, it may be difficult for the Consortium to respond to all of the requests for technical assistance and assessments. In addition, available scholarships are likely to fall considerably short of demand, and micro-grants will be unavailable to many. Moreover, DCF is planning to add school-age programs to YoungStar, which will require even more effort. So the next year will be very busy.

On the other hand, other states that moved quickly and broadly are convinced that it was necessary to take advantage of the opportunity in the state when the political stars were aligned, though they did report speed bumps along the way. As Wisconsin learns more about what works well and what needs adjustment, there may be opportunities to streamline policies and procedures to gain efficiency and effectiveness.

4. With more experience, we should be prepared to identify and address the most common barriers preventing programs from moving up the YoungStar scale.

Department staff and the Consortium administering YoungStar have already identified some quality indicators that needed to be adjusted so that they did not block good programs from receiving higher ratings. Analyzing which quality indicators are serving as unreasonable barriers and adjusting them as needed is a process that most states with quality rating systems have experienced.

The on-the-ground staff providing technical assistance and consultation are learning quickly what is most helpful to programs working to improve their quality. While changing a new program too quickly or too often is not advisable, a careful analysis of lessons learned that engages Department staff, Consortium staff, child care providers, and other stakeholders could be very helpful in 2012 and beyond.

5. Support from the Private Sector: YoungStar can be strengthened by increased private sector contributions to help increase child care quality in local communities and statewide.

The Celebrate Children Foundation has been engaging businesses, foundations, and other private sector entities to contribute to YoungStar's effectiveness at regional levels, essentially establishing a public-private partnership for quality improvement. Wisconsin should give strong consideration to an expanded public-private partnership at state and regional levels, as recommended by the Governor's Early Childhood Advisory Council. Such an effort could greatly help YoungStar and other early childhood initiatives to succeed.

6. YoungStar has resulted in a sharper focus on quality statewide.

Perhaps the most valuable contribution of YoungStar is that it has steered conversation across the state toward **quality**. Practitioners, parents, local communities, media, civic and business leaders, and other stakeholders have all been engaged in that dialog. Other states with quality rating and improvement systems have found that once there were clear quality standards in place, many programs strived to meet those standards even without major fiscal incentives.

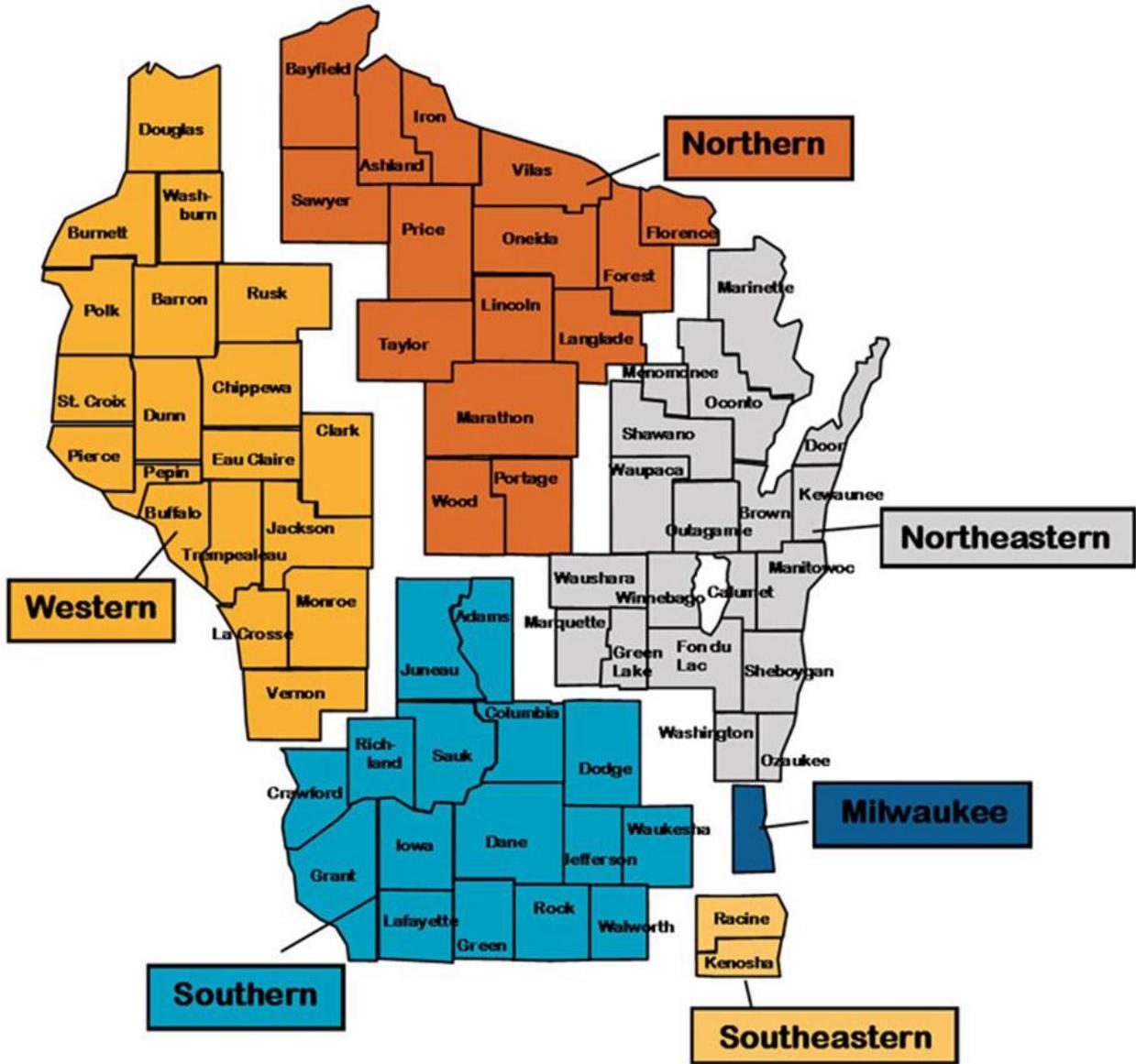
YoungStar is also engaging communities across the state to focus on the quality of child care settings, now that they have a system in place that measures the quality of child care in their area. For the last 30 years, most child care programs focused on meeting baseline licensing standards, with an emphasis on health and safety. Now the focus is on effective early learning and development.

Summary

YoungStar has the potential to be a major force in transforming a large proportion of Wisconsin's child care programs into high-quality early learning agencies, with a laser-like concentration on each child's positive development.

Much has been accomplished in a relatively short time. The YoungStar system both sets standards for improving the quality of early learning for thousands of children and serves as a measure of accountability for taxpayers. That said, there are challenges ahead. We need to build upon the YoungStar framework and ensure that we invest sufficient resources to fulfill the program's potential.

Appendix A: YoungStar Regions



Appendix B:

More information about YoungStar and Early Childhood Issues

- ✓ YoungStar information on the Department of Children and Families website: <http://dcf.wi.gov/youngstar/>
- ✓ Public Policy Forum reports on YoungStar: <http://www.publicpolicyforum.org/pdfs/YoungStarYearOne.pdf> and <http://www.publicpolicyforum.org/pdfs/QRISBrief.pdf>
- ✓ Wisconsin Council on Children and Families early education publications: http://www.wccf.org/education_pub.php

