

*YoungStar in Wisconsin  
Analysis of Data as of  
July 2014*



**YOUNGSTAR PROGRESS REPORT # 5  
DECEMBER 2014**

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## SUMMARY: KEY FINDINGS AND ANALYSIS

### Key Findings

#### *Children in YoungStar:*

1. Seventy-Two percent (**72%**) of Wisconsin Shares children are served in programs rated 3-Star or higher on a 5-Star scale. YoungStar ratings data shows that more and more children are in higher-rated programs in the fourth year of implementation. The percent of children served by 3- to 5-Star rated programs increased from 47% to 72% from July 2012 to July 2014, an impressive gain of 25 percentage points of children in higher-quality settings.
2. A total of **31,625** children were in 3- to 5- Star programs in July 2014, compared to 17,671 in July 2012 and 4,526 in July 2011—a remarkable increase of children in higher quality programs over a short time span.
3. The actual distribution of children by Star level is **better overall** than initially projected in 2010. It is significantly better (17 percentage points higher) at the 3-Star level but six percentage points worse at the 4-Star.
4. The average number of children served by the Wisconsin Shares child care subsidy program has declined dramatically over the past six years, from a high of 59,501 in 2008 to **46,242** in the first eight months of 2014. Programs serving these subsidized children are required to participate in YoungStar.

#### *Programs in YoungStar:*

5. Ratings data shows an increased number of higher-rated sites, but **56%** of all programs are still at the 2-Star level.
6. Ratings continue to vary dramatically across the four program types: licensed group child care centers, licensed family child care, certified family child care, and public schools. A **much** larger percentage of group child care centers have higher ratings than the other three types.
7. Almost all (**90%**) of group child care centers rated 5-Star received their rating through accreditation rather than the YoungStar point system.

8. A large number of programs have been rated: **4,257** child care programs were rated as of July 2014, compared to 1,516 in July 2011. Wisconsin is 4<sup>th</sup> in the nation in the number of group child care centers and family child care programs rated by a QRIS (Quality Rating and Improvement System).

9. **1,283** child care programs participated voluntarily in YoungStar as of July 2014. This is an increase of 310 over the past two years. Programs serving children subsidized by Wisconsin Shares are required to participate in YoungStar, but programs that do not serve subsidized children are not required to participate in YoungStar.

10. There continues to be progress in moving away from **automated ratings** over the past year. The percentage of programs choosing an automated (2-Star) rating has dropped from 43.5% to 42.5%. The percentage that chose to take a technical rating went up from 52% to 52.5% and for formal ratings, it went up from 4.5% to 5%. Programs that take automated ratings are not assessed on quality indicators and are not working with YoungStar technical assistance to meet higher quality indicators.

### ***YoungStar Regions:***

11. The six YoungStar regions vary appreciably in the number of children served (in rated programs) as of July 2014. The Northern region has the smallest number of children (2,281) and the **Milwaukee** region has the largest (22,068).

12. Regions vary in the percentage of children in higher rated programs. The Northern and Western regions have the highest percentage of children in 2-Star programs. The **Southeastern** (Kenosha/Racine) and **Northeastern** regions have the highest percentage of children in programs rated 3 to 5 Stars.



## **Analysis**

### **1. What does it mean that close to three quarters (72%) of Wisconsin Shares children are in programs with 3- to 5-Star ratings?**

This is a major accomplishment for YoungStar that is designed to ensure access to higher quality early childhood education for almost 32,000 children from low-income families, and represents significant progress over the last 2-3 years.

### **2. Why has the number of children receiving Wisconsin Shares been declining?**

Fewer children served by Wisconsin Shares has likely been caused by lost jobs due to the recession, fraud prevention efforts, higher cost for parents, a significant decline in the supply of regulated child care programs, a drop in child care programs participating in Wisconsin Shares, and more parents choosing to use cheaper unlicensed child care. However, it is difficult to determine which possible causes have had the greatest impacts on the decline.

### **3. How are YoungStar and Wisconsin Shares related?**

The Wisconsin Shares child care subsidy program is the foundation upon which YoungStar has been built. Child care programs participating in Wisconsin Shares serve children from working, low-income families, and these programs are required to participate in the YoungStar quality rating and improvement system.

### **4. What is the “cost of quality” for programs to improve or maintain 3- to 5- Star ratings?**

In analyzing the cost of maintaining higher quality ratings (3, 4 or 5 stars) in a typical mid-sized child care center, it was found that expenses outpaced income by an average of \$1,200 to \$1,900 per child per year. The higher the star level, the bigger was the loss.

### **5. Why is there so much regional variation in quality?**

Compared to two years ago, there is actually much less. Milwaukee has been targeted for quality improvement efforts, especially in the area of staff education, and it seems to be paying off.



## Background

This report is the fifth in a series of WCCF reports tracking the progress of Wisconsin's YoungStar program, a quality rating and improvement system (QRIS) launched in 2011 to improve the quality of Wisconsin child care programs. YoungStar focuses on children of low-income working families receiving assistance from the Wisconsin Shares child care subsidy programs. Programs not serving children subsidized by Wisconsin Shares can voluntarily participate in YoungStar.

YoungStar rates the quality of child care programs on a 5-Star scale and is administered in 6 regions of the state. The analysis in this report is based on data as of the end of July 2014.

Programs are rated 1-Star if they do not meet health and safety standards, and are prohibited from receiving Wisconsin Shares funding. Two-Star programs meet basic regulatory standards for health, safety, program, and personnel (prior to 2011, these were the only standards required to participate in Wisconsin Shares). Star levels 3, 4, and 5 represent progressively improved quality, with an emphasis on early learning and development.

For more background on YoungStar, the quality indicators, and a summary of the program's implementation history, see the Appendix at the end of this report.



## I. CHILDREN: QUALITY RATINGS OF THEIR CHILD CARE SETTINGS

**Good news. Close to three-quarters (72%) of Wisconsin Shares children are served in programs rated 3-Star or higher:**

The most important YoungStar metric is percentage of **children** from low-income families receiving early care and education services in higher quality programs. When YoungStar is analyzed by *where the children are*, the picture looks considerably brighter than an analysis of child care programs and their ratings. The primary desired outcome for YoungStar should be the impact on children. As of July 2014, nearly three-quarters of the children (72%) funded by Wisconsin Shares are in programs rated 3-Star or higher (51% at 3-Star, 5% at 4-Star, and 16% at 5-Star). Only about one-quarter (28%) are in 2-Star programs.

Because center-based programs serve many more children than family child care settings, and because center-based programs are generally rated higher (see Figures 9 and 10), the percentage of *children* served in higher quality programs is significantly higher than the percentage of *programs* rated as higher quality. In fact, over three-quarters (**78%**) of children in Wisconsin Shares were in licensed group centers as of June 30, 2014. Only 12% were in licensed family programs, 6% in certified care, and 4% in school based settings.

So while 52% of **programs** have 2-Star ratings, only 28% of **children** are served in 2-Star rated programs funded by Wisconsin Shares. And while only 48% of **programs** are rated higher than 2 Stars, 72% of **children** attend programs rated at 3 Stars and above. (See Figures 1 and 2)

**31,625 children are now in higher  
quality (3-5 Star) programs funded by  
Wisconsin Shares**

**Figure 1**

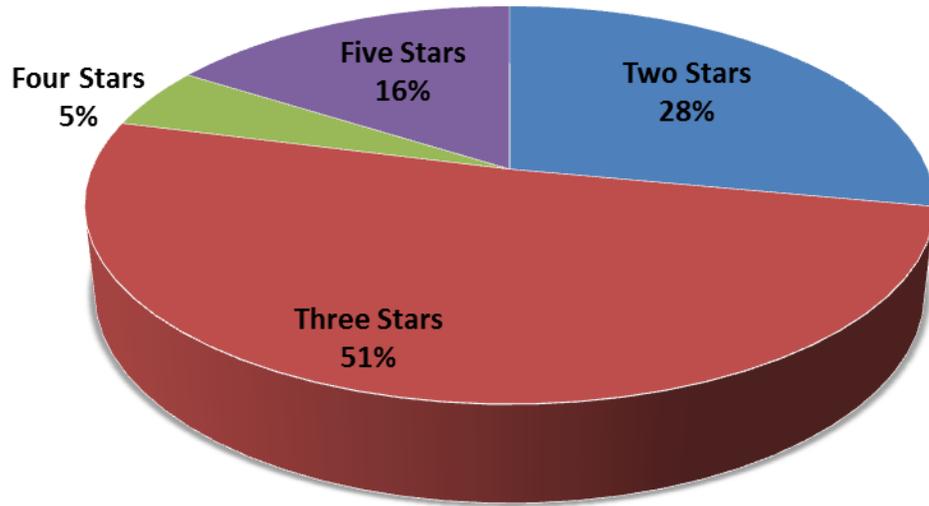
**One-Year Comparison: Providers and Children by Star Rating  
Funded by Wisconsin Shares  
July 2013 & July 2014**

	<b>2 Star</b>	<b>3 Star</b>	<b>4 Star</b>	<b>5 Star</b>	<b>Total</b>
<b>Programs by Star Rating July 2013</b>	1,860	997	129	222	<b>3,208</b>
<b>July 2014</b>	<b>1,534</b>	<b>1,044</b>	<b>144</b>	<b>251</b>	<b>2,974</b>
<b>Percent of Total Programs July 2013</b>	<b>58%</b>	<b>31%</b>	<b>4%</b>	<b>7%</b>	<b>100%</b>
<b>July 2014</b>	<b>52%</b>	<b>35%</b>	<b>5%</b>	<b>8%</b>	<b>100%</b>
<b>Children Served by Star Level July 2013</b>	15,208	20,374	1,790	5,908	<b>43,280</b>
<b>July 2014</b>	<b>12,190</b>	<b>22,318</b>	<b>2,216</b>	<b>7,091</b>	<b>43,815</b>
<b>Percent of Children Served by Star Level July 2013</b>	<b>35%</b>	<b>47%</b>	<b>4%</b>	<b>14%</b>	<b>100%</b>
<b>July 2014</b>	<b>28%</b>	<b>51%</b>	<b>5%</b>	<b>16%</b>	<b>100%</b>

**Note:** Programs and children in this table have funding support from Wisconsin Shares, and the data do not include 1283 rated programs that do not receive Wisconsin Shares funding and the children they serve. Wisconsin Shares does not reimburse providers at the 1-Star level for child care services.

**Figure 2**

**WI Shares Children by Star Level  
July 2014**



**Upward trend: Ratings data identifies more children in higher-rated programs.**

The number of Wisconsin Shares children in higher-rated programs (3- to 5-Star) has substantially increased over the past three years. From July 2011 to July 2014, the number of children funded by Wisconsin Shares in 3- to 5-Star rated programs has increased from 4,526 to 31,625 (Figure 3).

<p align="center"><b>Figure 3</b></p> <p align="center"><b>Number and Percent of Wisconsin Shares-funded Children by Star Ratings Over Time</b></p> <p align="center"><b>(July 2011 - July 2014)</b></p> <p align="center">(Lower quality = 1- to 2-Star rating; Higher quality = 3- to 5-Star rating)</p>				
Year	Number of children in 1- to 2-Star rated programs	Percent of children in 1- to 2-Star rated programs	Number of children in 3- to 5-Star rated programs	Percent of children in 3- to 5-Star rated programs
July 2011	5,867	56%	4,526	44%
July 2012	19,572	53%	17,671	47%
July 2013	15,208	35%	28,072	65%
<b>July 2014</b>	<b>12,190</b>	<b>28%</b>	<b>31,625</b>	<b>72%</b>

## **Substantial progress towards initial (2010) estimates of star level distribution.**

The initial estimate of the distribution of Wisconsin Shares children across the various Star levels was both more optimistic and more pessimistic than the actual distribution of children in July 2014. A Legislative Fiscal Bureau paper in June 2010, provided an estimate of the percentage of Wisconsin Shares children at each Star level from 2010 through 2015, based on a plan proposed by the Department of Children and Families (DCF). Figure 4 demonstrates how those estimates compare to the actual ratings as of July 2014.

The DCF five year estimates misjudged how quickly many programs would move from two stars to three stars. So if we just look at lower quality (2-Star) versus higher quality (3-5 Star (higher quality)), we are exceeding those goals. However, there are significantly fewer 4-Star programs than anticipated.

The percentage of children in 2-Star programs is quite a bit less than predicted, by 10 points, which is a good thing since those are of lower quality. The percentage of children in 3-Star programs is much higher than anticipated, by a whopping 17 points. 4-Star programs come out a disappointing six percentage points below the estimate, and 5-Star just one point off the predicted mark.

One explanation for differences above (i.e., less 4-Star programs than forecast) is that almost all 5-Star programs got their rating through accreditation rather than on the 40 point scale YoungStar process. However, the combined percentage of programs with 3- to 5-Star ratings exceeds the initial projections by 10 points. In the last two years the focus has been on moving programs from 2-Star to 3-Star ratings. A similar effort could help 3-Star programs move to a 4-Star rating, but because costs increase at higher quality levels, it may be difficult to make significant progress without increased financing.



**Figure 4**

**A Comparison of Initial Estimates and Actual Distribution of WI Shares Children by YoungStar Quality Rating**

Star Rating	Initial Estimate: Children by YoungStar Rating SFY 2013-14 *	Actual Data: Children by YoungStar Rating July 2014	Difference: Positive or Negative
One Star	0%	0%	<b>0</b>
Two Stars	38%	28%	<b>-10</b>
Three Stars	34%	51%	<b>+17</b>
Four Stars	11%	5%	<b>-6</b>
Five Stars	17%	16%	<b>-1</b>

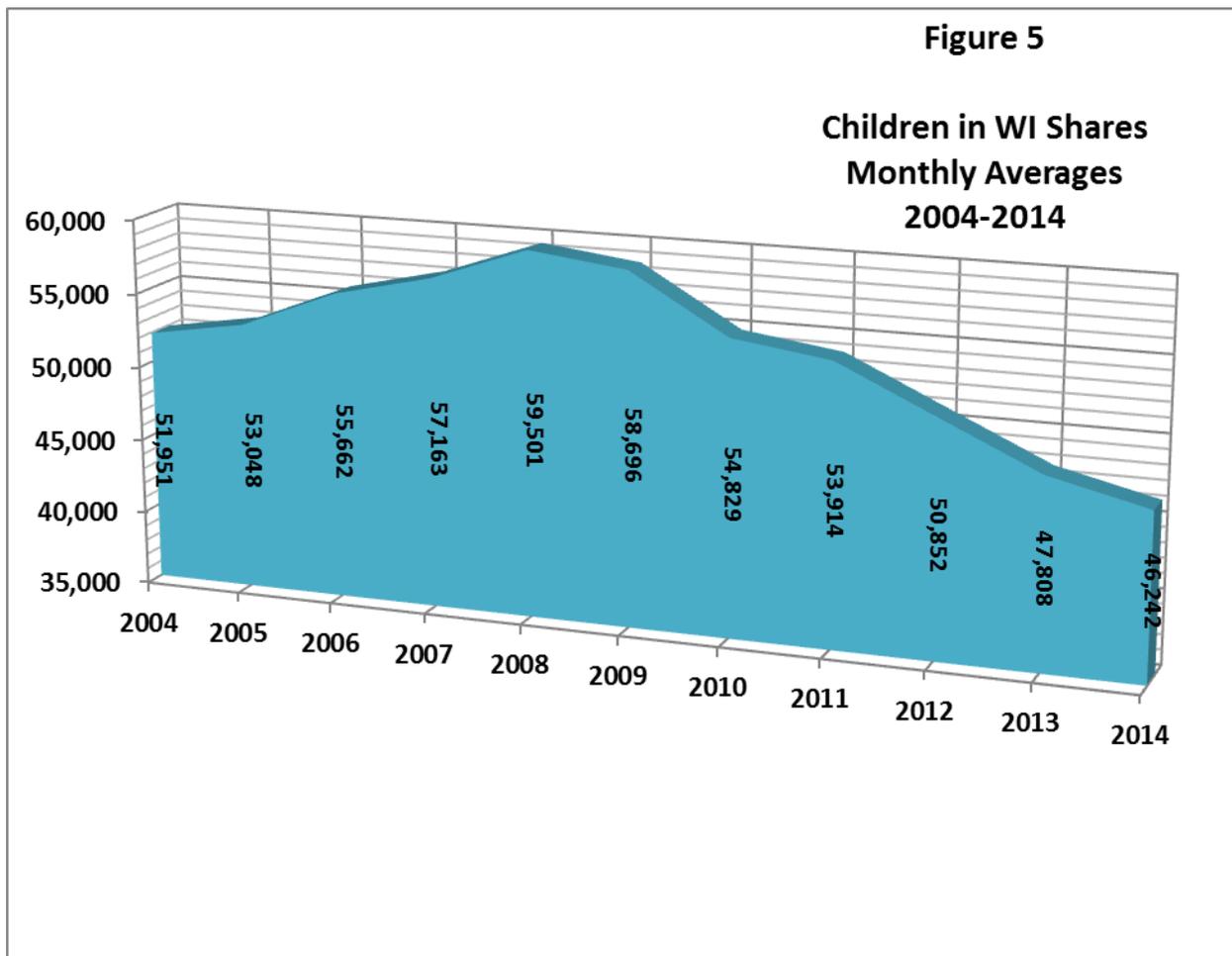
\*Source: DCF and Legislative Fiscal Bureau, June 2010.



## Decline in children served by Wisconsin Shares.

As you can see from the chart below (Figure 5), there are over 13,000 fewer children being served by Wisconsin Shares than there were six years ago. There was a high of 59,501 in 2008. As of the first eight months of 2014, the monthly average is 46,242-- the lowest it has been over the past thirteen years. The decline in children served by Wisconsin Shares is significant because the programs that serve those children are required to participate in YoungStar, which is dedicated to improving and sustaining the quality of early learning and development.

A key YoungStar goal is to prepare children from low-income families for school. With fewer children receiving subsidies from Wisconsin Shares, the impact on school readiness will decline.



## II. PROGRAMS: QUALITY RATINGS AND YOUNGSTAR PARTICIPATION

**Trend over time: Ratings data identifies an increased number of higher-rated programs, but 56% are at the 2-Star level.**

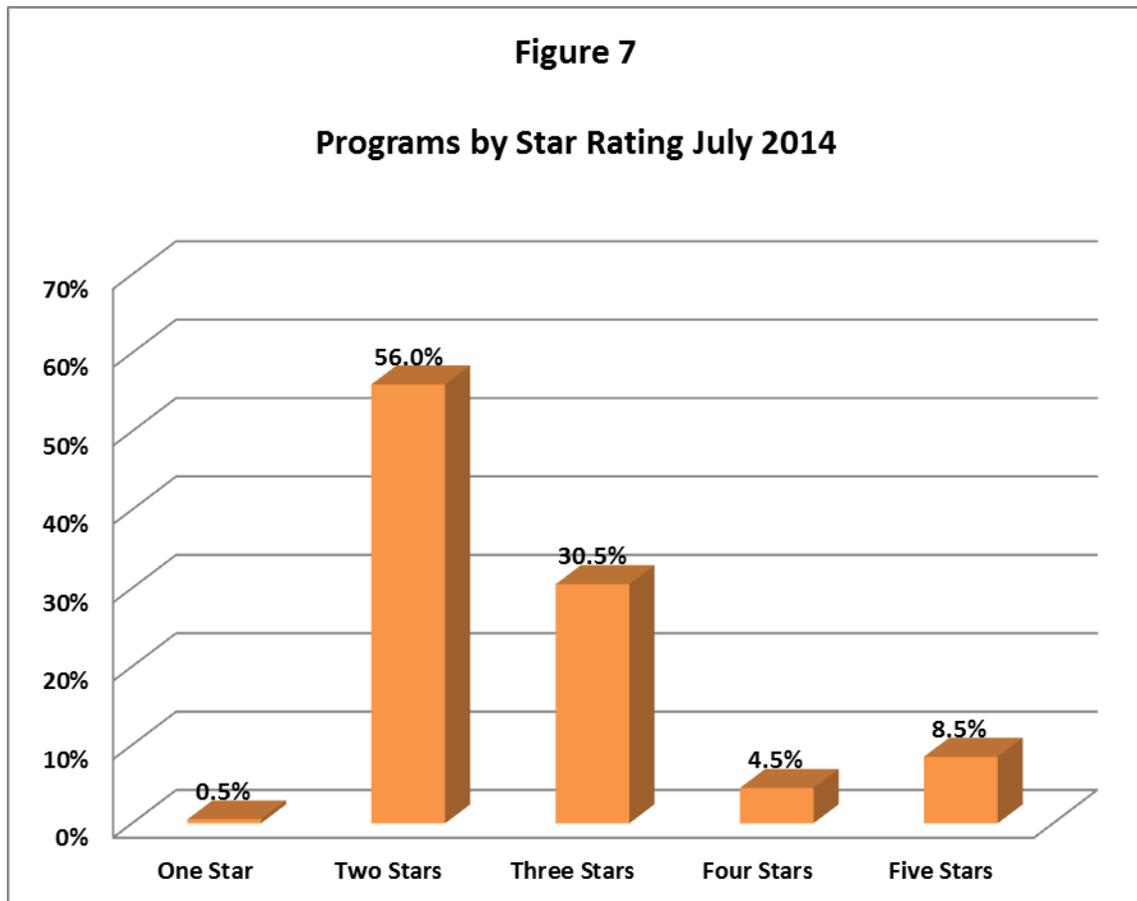
While the number and percent of children in quality settings under YoungStar may be the most important metric, tracking the number and percent of quality child care *programs* is also informative, giving a picture of the supply available for children and families. A comparison of rated programs over the three-year period from July 2011 to July 2014 shows a trend toward higher ratings. The number of child care programs at higher rated levels (3-Star, 4-Star, and 5-Star) continued to grow, with 1,848 programs rated at higher levels in July 2014, compared with 229 in July 2011 (see Figure 6).

Figure 6 Number of programs rated 3- to 5-Stars over time			
July 2011	July 2012	July 2013	July 2014
229	1,172	1,698	1,848

This data includes ALL programs that are rated by YoungStar, not just those that take Wisconsin Shares clients. Substantial improvement is shown here. Also, in interpreting this data, note that many more total programs were rated over time.



While the majority of programs are still at the 2-Star level, the percentage is declining: In July 2011, over **84%** of programs rated were at 2-Stars; one year later, in July 2012, **70%** were at 2-Stars; two years later, in July 2013, **62%** were at 2-Stars; and three years later, in July 2014, only **56%** were at 2-Stars. See Figure 7 for a percentage breakout by Star levels as of July 2014.



In the twelve-month period July 2013 to July 2014, the general trend has been an increase in both the number **and** percent of programs with higher ratings. As more programs were rated and more programs took advantage of training offerings, technical assistance, and micro-grants, there were significant increases in programs rated at the 3- to 5-Star levels.

In the twelve-month period, the **number** of programs rated 3- to 5-Stars increased by 150. The **percentage** of higher-rated programs rose from 37.5% to **43.5%**. Meanwhile,

over the same timeframe, the **percentage** of programs at 2-Stars dropped from 62% to 56%, and the **number** of 2-Star programs also shrank by almost 400. There has also been a large overall decline in the total number of programs participating in YoungStar, from 4,506 (plus 164 pending) down to 4,257 (with 183 pending). See Figure 8.

<b>Figure 8</b> <b>ALL Programs by Star Ratings Over the Last Year</b> <b>July 2013 to July 2014</b>					
Date	July 2013		July 2014		July '13 to July 2014
Provider Ratings	Number of programs by Star rating	Percent of Total	Number of programs by Star rating	Percent of Total	Change in Percentage
One Star	27	0.5%	21	0.5%	+/- 0
Two Stars	2,781	62%	2,388	56%	- 6%
Three Stars	1,209	27%	1,300	30.5%	+ 3.5%
Four Stars	164	3.5%	188	4.5%	+ 1%
Five Stars	325	7%	360	8.5%	+ 1.5%
<b>TOTAL</b>	<b>4,506</b>	<b>100%</b>	<b>4,257</b>	<b>100%</b>	<b>+/- 0</b>

This includes ALL programs rated by YoungStar, whether or not funded by Wisconsin Shares. There are actually well over 200 fewer programs participating, but there have been marked improvements in all areas. There are fewer lower quality two star programs **and** more higher quality three to five star programs.

## Ratings broken out by the four program types

This section looks at quality ratings for the four different service delivery types that comprise the 4,257 programs participating in YoungStar as of July 2014:

1. Licensed group child care centers (serving 9 or more children): **1,859 programs**
  2. Licensed family child care programs (serving 4-8 children): **1,350 programs**
  3. Certified family child care programs (serving 6 or less): **853 programs**
  4. Public school child care programs (mostly after-school): **195 programs**
- 4,257 TOTAL**

### 1. Licensed group child care centers: 67.5% rated at 3- to 5-Stars.

Almost two thirds of group child care centers participating in YoungStar were rated at 3- to 5-Stars, a major increase from two years earlier, when only 55% were rated above 2 Stars. 17% of group centers are rated at 5 Stars. 32% are rated at the 2-Star level.

*Group child care centers* serving nine or more children are licensed for the health, safety, and welfare of children, and must meet a rigorous set of rules and requirements. Most programs serve 50 children or more, and many serve well over 100. Many group child care programs have participated in private accreditation through the National Association for the Education of Young Children (NAEYC), the city of Madison, or other auspices over the last 15 years that have helped them verify high-quality standards and enabled them to receive higher ratings in YoungStar.

### 2. Licensed family child care programs: 66% rated at the 1- to 2-Star level.

About two-thirds of family child care programs are rated at the 2-Star level or lower, with only 34% at 3- to 5-Star levels. *Licensed family child care* programs serve 4 to 8 children and meet standards similar to group child care centers, but adapted for a smaller setting. Accreditation efforts have been more recent for family child care, and may offer an avenue for programs to move up the YoungStar scale.

### 3. Certified family child care programs: 92% rated at the 1- to 2-Star level.

Nearly all certified family child care programs are rated at the 2-Star level. These small family child care homes are not required to be licensed, but must meet regulatory standards considerably less stringent than licensing rules. A *certified provider* serves less than four children under 7 years old unrelated to them (the threshold for family child care licensing), but can serve as many as six children total if some are related or older

than 6 years. Certification allows smaller family providers to receive Wisconsin Shares funding.

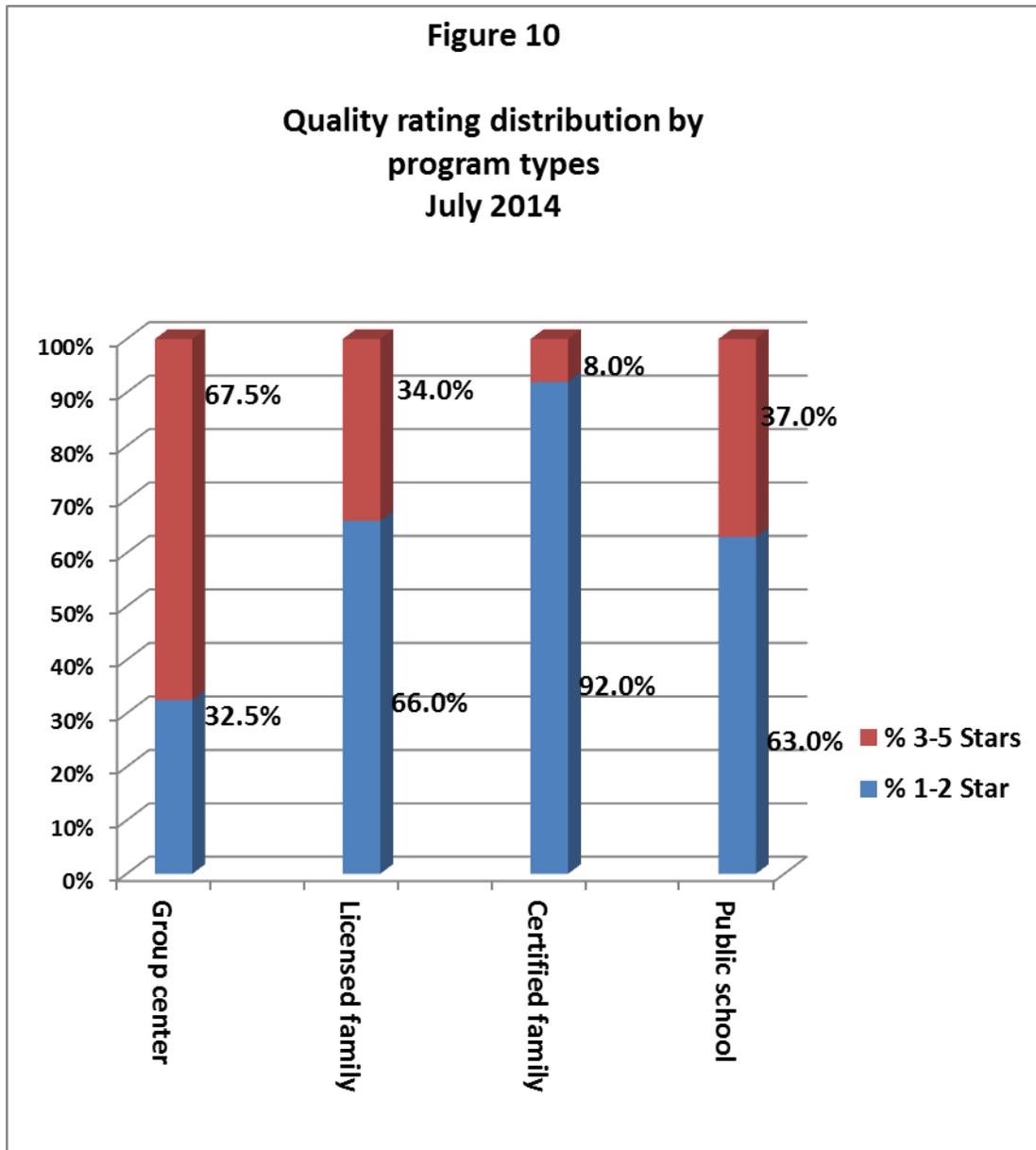
**4. Public school child care: 63% are at the 2-Star level.**

Some public schools provide child care services. Few public schools – only 195 – are participating in YoungStar currently. In July 2012, YoungStar began rating school-age child care using quality standards designed for school-age services. Most school-age child care services are in licensed child care settings, but some are provided by public schools on-site.

Figure 9 provides details of each program type by Star level.

<b>Figure 9</b>						
<b>Child Care Programs Rated Broken Out by Provider Type</b>						
<b>July 2014</b>						
<b>Provider Type</b>	<b>1 Star</b>	<b>2 Star</b>	<b>3 Star</b>	<b>4 Star</b>	<b>5 Star</b>	<b>Total</b>
<b>Licensed group child care</b>	7	598	832	113	309	<b>1,859</b>
<b>Licensed family child care</b>	10	886	343	63	48	<b>1,350</b>
<b>Certified family child care</b>	4	781	57	10	1	<b>853</b>
<b>Public School child care</b>	0	123	68	2	2	<b>195</b>
<b>TOTAL</b>	<b>21</b>	<b>2,388</b>	<b>1,300</b>	<b>188</b>	<b>360</b>	<b>4,257</b>

Figure 10 provides a comparison of Star rating distribution by the four program types, broken out by percent of programs rated 1 to 2 Stars and those rated 3 to 5 Stars. Quality ratings under YoungStar are dramatically higher for group child care centers, with 67.5% rated 3 to 5 Stars, than for all three other types.

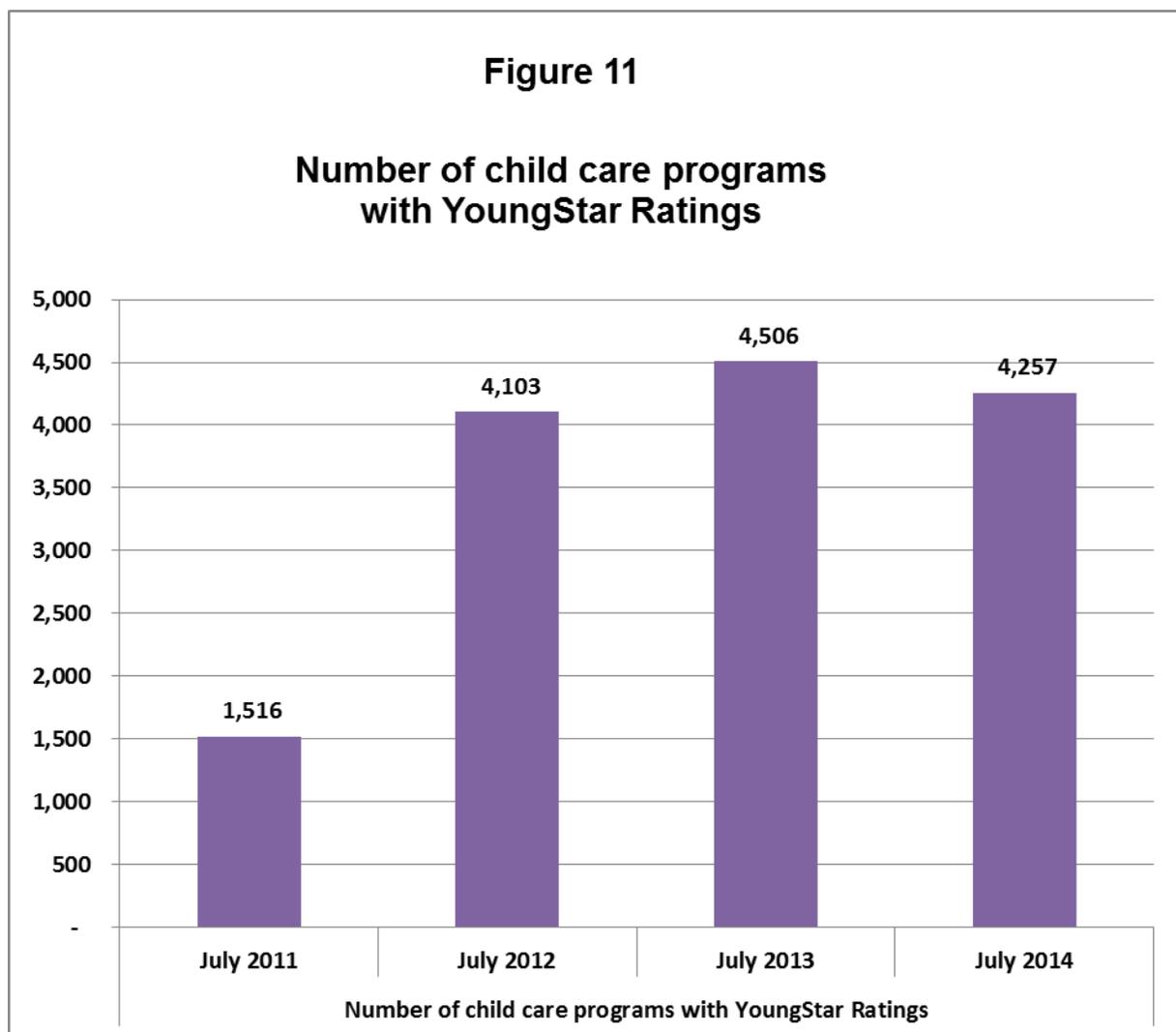


## Data on number of programs rated:

**4,257 child care programs were rated as of July 2014.**

As of July 2014, a total of **4,257** programs had been rated on a scale of 1 to 5 Stars, based either on an assessment of quality (including accreditation) or on a provider's decision not to be rated above a 2-Star level. At that time, there were 183 programs whose rating was pending. Wisconsin is ranked 4<sup>th</sup> in the nation for the number of child care programs participating in a Quality Rating Improvement System, according to 2014 data from BUILD Initiative's *QRIS Compendium*.

Figure 11 illustrates the growth in child care programs rated over time.



**Note:** These statistics apply to all programs rated by YoungStar, including both those receiving Wisconsin Shares funding and therefore required to participate, and other child care programs that are not required to participate but do so voluntarily.

### III. ANALYSIS BY YOUNGSTAR REGIONS

The YoungStar program is divided into six regions (see Appendix B for a regional map). This section looks at data for each region, including a breakout of children by Star levels, and a comparison of each region based on its percentage of children enrolled in programs at the 3- to 5- Star level.

#### **Distribution of children by Star rating across regions.**

Figure 12 shows the distribution of children funded by Wisconsin Shares by region and by Star rating as of July 2014. As the above updated charts indicate, the trend shows continued improvement in almost all areas. The Milwaukee and Kenosha/Racine (Southeastern) regions especially demonstrate sustained gains in the number of children in higher quality programs.



**Figure 12**

**Breakout of CHILDREN by Star Level of Program and by Region  
(Children are funded by Wisconsin Shares) July 2013 & July 2014  
Black = July 2013 data Red = July 2014 data**

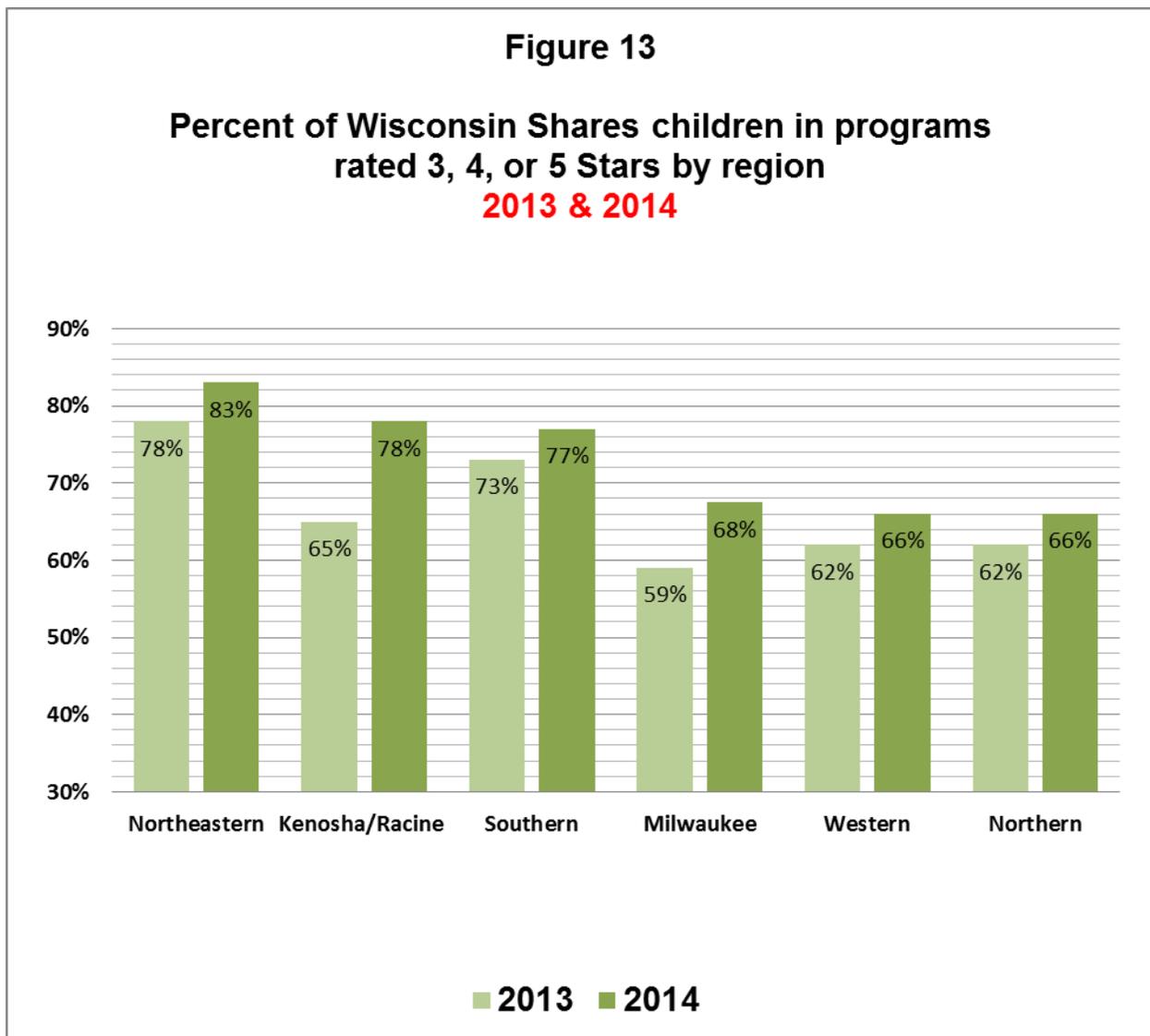
<b>Region</b>	<b>Two Stars</b>	<b>Three to Five Stars Total</b>	<b>% 3-5 Stars</b>	<b>Total Children</b>
Kenosha/Racine (Southeastern)	1,256	2,307	65%	<b>3,563</b>
<b>+ 13%</b>	<b>801</b>	<b>2,806</b>	<b>78%</b>	<b>3,607</b>
Milwaukee	8,475	12,408	59%	<b>20,883</b>
<b>+ 9%</b>	<b>6,968</b>	<b>15,100</b>	<b>68%</b>	<b>22,068</b>
Northeastern	1,273	4,394	78%	<b>5,667</b>
<b>+ 5%</b>	<b>959</b>	<b>4,620</b>	<b>83%</b>	<b>5,579</b>
Northern	967	1,547	62%	<b>2,514</b>
<b>+ 4%</b>	<b>781</b>	<b>1,500</b>	<b>66%</b>	<b>2,281</b>
Southern	1,988	5,390	73%	<b>7,378</b>
<b>+ 4%</b>	<b>1,640</b>	<b>5,609</b>	<b>77%</b>	<b>7,249</b>
Western	1,249	2,026	62%	<b>3,275</b>
<b>+ 4%</b>	<b>1,041</b>	<b>1,990</b>	<b>66%</b>	<b>3,031</b>
<b>Total</b>	<b>15,208</b>	<b>28,072</b>	<b>65%</b>	<b>43,280</b>
<b>+ 7%</b>	<b>12,190</b>	<b>31,625</b>	<b>72%</b>	<b>43,815</b>

**Note:** Programs rated at 1 Star are not eligible to receive Wisconsin Shares funding.

## Percent of children in higher quality programs across regions.

All regions are serving a significantly higher percent of children in 3-5 Star programs compared to a year ago. However, as shown in Figure 12, there is quite a bit of variation by region in percentage of children in programs rated 3, 4 or 5 Stars. Northeastern, Kenosha/Racine (Southeastern), and Southern all come out above the 72% state average. Milwaukee, Northern, and Western are all somewhat lower.

The level of child care quality in each region reflects the development of the child care supply over many years, likely influenced by such factors as the qualifications of the child care workforce, the impact of welfare reform, the level of poverty, and the ability of communities to build higher quality programs.



## IV. ANALYSIS

### **1. What does it mean that close to three quarters (72%) of Wisconsin Shares children are in programs with 3- to 5-Star ratings?**

This is a significant accomplishment for YoungStar and ensures access to higher quality early childhood education for almost 32,000 children from low-income families. Over the last two years, there has been a 25 percentage point increase in the number of kids in 3- to 5-Star settings, and a corresponding 25 point decrease in 2-Star enrollment. Compared with two years ago, there are 13,954 more children in higher quality programs and 7,382 fewer receiving lower quality child care.

### **2. Why has the number of children receiving Wisconsin Share been declining?**

The drop in children served by Wisconsin Shares has likely been caused by lost jobs due to the recession, fraud prevention efforts, higher costs for parents, less availability, a drop in child care programs participating in Wisconsin Shares, and more people choosing to use cheaper unlicensed child care. With fewer children receiving Wisconsin Shares, fewer children will be in programs participating in the YoungStar quality rating and improvement system.

Many child care programs serve middle- and upper-class families not eligible for Wisconsin Shares. Some programs have decided to no longer serve Wisconsin Shares-funded children because of the drop in reimbursement rates that have been frozen since 2006 along with many authorizations being changed from enrollment-based to attendance-based. Also, 2-Star programs received a 5% cut starting July 1, 2012, which may have driven programs out of Wisconsin Shares. Providers often have a difficult time collecting co-pays from parents, particularly when families are struggling. For a detailed look at these issues, please see our blog posts from earlier this year:

<http://www.wccf.org/wisconsin-shares-data-four-year-trends-2009-2013/>

<http://www.wccf.org/major-drop-regulated-child-care-programs-wisconsin/>

<http://www.wccf.org/fewer-children-served-payments-shrinking-wisconsin-shares/>

### **3. How are YoungStar and Wisconsin Shares related?**

The Wisconsin Shares child care subsidy program is the foundation upon which YoungStar has been built. Harry Belafonte used to sing, “House built on a weak foundation, will not stand.” As mentioned above, there are many ways that Wisconsin Shares has been weakened over the past eight years. In order for YoungStar to

continue to be successful, the child care subsidy program needs to be strengthened. Two improvements that could help do this are increasing the base reimbursement rates to make up for eight years of losses due to inflation, and moving all authorizations to enrollment based instead of attendance based.

#### **4. What is the “cost of quality” for programs to improve or maintain 3- to 5- Star ratings?**

The Wisconsin Early Childhood Association (WECA) recently published a report analyzing the cost of maintaining higher quality ratings in a typical mid-sized child care center. Using the Early Care and Education Cost Model, they found that expenses outpaced income by an average of \$1,200 to \$1,900 per child per year. The higher the star level, the bigger was the loss. This is clearly unsustainable. For YoungStar to thrive into the future, this needs to be addressed as soon as possible. Programs should be rewarded for attaining and keeping higher star ratings, not taking the risk of going out of business.

Link to the full report below:

[www.wisconsinearlychildhood.org/assets/assets/Documents/StartingEarlyStartingNowWebSingle.pdf](http://www.wisconsinearlychildhood.org/assets/assets/Documents/StartingEarlyStartingNowWebSingle.pdf)

#### **5. Why is there so much regional variation in quality?**

Compared to two years ago, there is actually much less variation. In 2012 there was a 30-point spread between the highest (Northeastern) and lowest (Milwaukee) in terms of percentage of children in higher quality programs. As of 2013, that was down to a 19 point difference, mainly because the Milwaukee region improved by 25 percentage points! There are now almost 4000 more children in the Milwaukee region enrolled in 3-Star programs than are in 2-Star. Milwaukee has been targeted for quality improvement efforts, especially in the area of staff education, and apparently it is paying off. Overall, the biggest gap in 2014 is a 17 point difference between the highest (still Northeastern) and lowest (Western and Northern are tied).



## VI: APPENDICES

### Appendix A: Background

#### A1. Summary of YoungStar

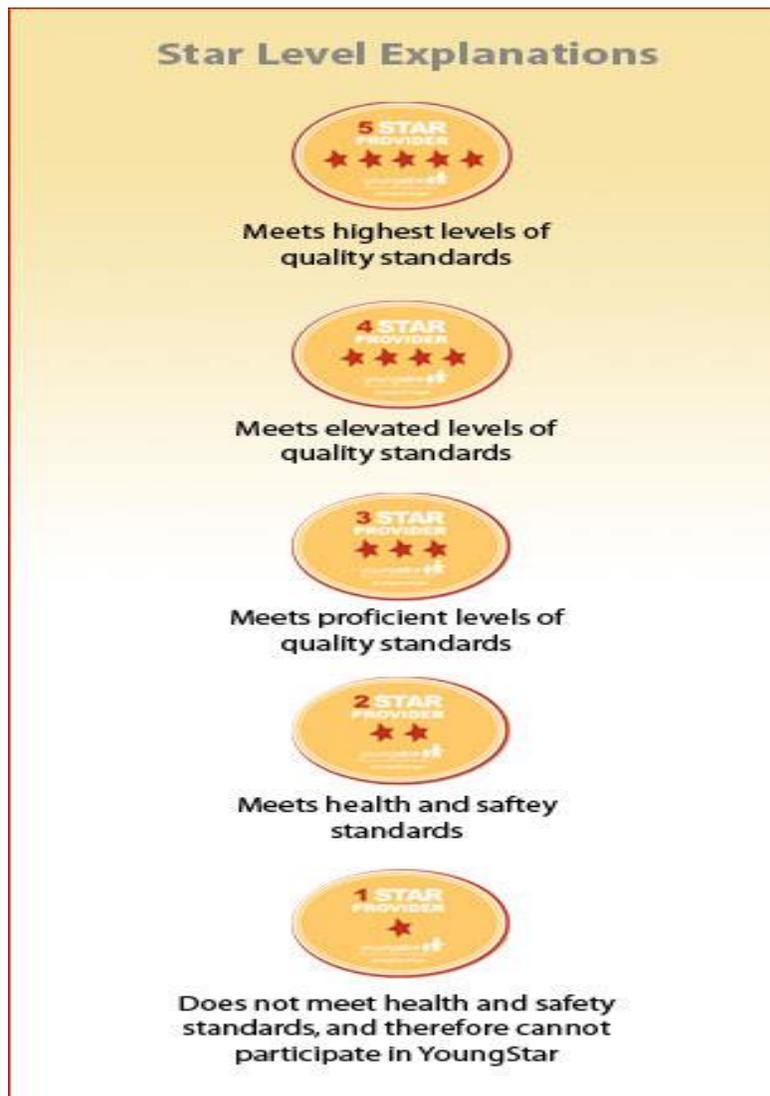
YoungStar is a program of the Department of Children and Families (DCF) to improve the quality of child care for Wisconsin children. YoungStar is designed to:

- 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> )*



## A2. 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:

- Educational 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> )

### A3. 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.

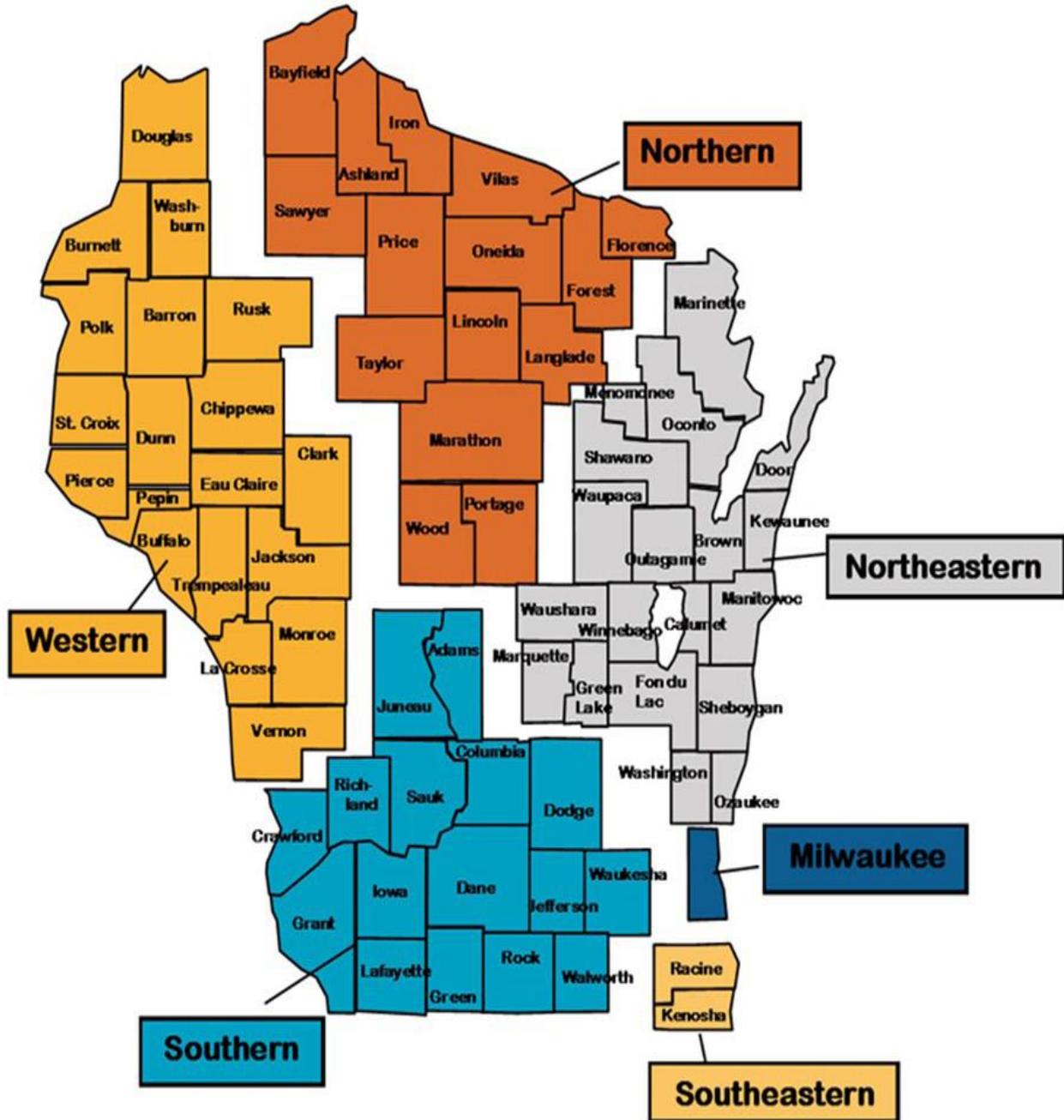
The Consortium is responsible for:

- 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.

The table below shows the tiered reimbursement schedule adopted by the State Legislature in the 2013-15 budget:

Tiered Reimbursement Schedule	
Program Rating	Impact on Wisconsin 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 10 percent, effective July 2013
Five Star	Plus 25 percent, effective January 2013

# Appendix B: YoungStar Regions



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## Appendix D: More information about YoungStar and Early Childhood Issues

- ✓ Wisconsin Council on Children and Families has five progress reports on YoungStar as well as many other early education publications:  
<http://www.wccf.org>
- ✓ YoungStar information on the Department of Children and Families website:  
<http://dcf.wi.gov/youngstar/>
- ✓ The YoungStar Consortium published a report called “Moving Wisconsin Forward”:  
<http://wisconsinearlychildhood.org/assets/assets/Documents/2014ysconsortiumreportweb.pdf>

