YoungStar: We’re Turning Five!

FIVE YEAR ANALYSIS AS OF JULY 2015

YoungStar Progress Report 6
November 2015
Summary

The Wisconsin Council on Children and Families (WCCF) believes the YoungStar quality rating and improvement system (QRIS) helps to ensure many of Wisconsin’s children from low-income families have an opportunity for success by creating:

- Affordable access - YoungStar provides increased access (through the Wisconsin Shares subsidy program) to higher quality child care for more children.
- Increased quality - Improving quality by building the supply of 4- and 5-Star child care centers across the state.

Ready to Start Kindergarten?

This fall, YoungStar is turning five years old and has had a great deal of success.

Here are some highlights:

- Seventy-two percent (72%) of Wisconsin Shares children are served in programs rated 3-Star or higher on a 5-Star scale.
- The percent of children served by 3- to 5-Star rated programs increased from 47% to 72% from July 2012 to July 2015, an impressive gain of 25 percentage points of children in higher-quality settings.
- A total of 31,302 children served by Wisconsin Shares were in 3- to 5-Star programs in July 2015.

However, we have several concerns about the long term sustainability of YoungStar:

1. There has been a dramatic decline in the number of children served by Wisconsin Shares over the past six years.
2. The cost of quality to maintain a 4- or 5-Star program is not covered by current reimbursement rates.
3. Changes to Wisconsin Shares, including implementation of an Electronic Benefits Transfer (EBT) system, threaten to further undermine the stability of high quality child care centers.

There is a Solution

We endorse implementing the recommendations under consideration from the Governor’s Early Childhood Advisory Council (ECAC) to, “Provide funding to double the number of children in 4-Star or 5-Star programs over the next 5 years. Build on the progress made in the first 5 years of YoungStar.”
Acknowledgements

Wisconsin Council on Children and Families would like to thank Coral Manning and the Department of Children and Families (DCF) for their generous assistance in providing YoungStar data; most of the data in this report was provided by DCF. Also, thank you to WCCF intern Karissa Propson for help with data and graphs.

WCCF is grateful for funding provided by

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Herzfeld Foundation

[The Oscar & Elsa Mayer Family Foundation logo]

to support the production of this report and WCCF efforts to promote policies and investments that will improve the quality of early learning for thousands of children across Wisconsin.

Thank you!
Contents

Background/Introduction ........................................... 3
Summary of Key Findings ......................................... 5
Children: Quality Ratings of Their Child Care Settings .......... 7
Programs: Quality Ratings and YoungStar Participation ........ 12
Analysis By YoungStar Regions .................................. 17
Final Questions ....................................................... 19

Appendices

Background
  Summary of YoungStar ........................................... A1
  Five-Star Rating Explanations ................................ A2
  Implementation Background ................................... A3
YoungStar Regions .................................................... B1
List of Figures ........................................................ C1
More YoungStar Information ..................................... D1
Background

This report is the sixth in a series of WCCF reports tracking the progress of Wisconsin’s YoungStar program, a quality rating and improvement system (QRIS) launched in 2010 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 40 point, 5-Star scale and is administered in six regions of the state. The analysis in this report is based on data as of the end of July 2015.

Programs are rated 1-Star if they do not meet health and safety standards, and are prohibited from receiving Wisconsin Shares funding. 2-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.
Introduction

The Department of Children and Families (DCF) launched YoungStar in the fall of 2010. In this report, we’ll take a five year look at the successes and challenges of Wisconsin’s Quality Rating and Improvement System (QRIS) for child care, as well as some one year and three year comparisons.

Wisconsin has 346,945 children age birth to four years old. Our state ranks 7th in the country for the highest percent of children ages 0 to 4 in some form of paid child care. There are 296,986 total children under age six potentially needing child care. Yet, the number of available slots in group centers and family child care is only 136,519 (in about 5,000 programs). Around 4,000 of those sites were rated by YoungStar, and about 2,800 YoungStar rated providers serve the 43,613 Wisconsin Shares children who were enrolled as of July 2015.

This paper will provide a close examination of the data on this five-year-old initiative, and explore several questions including:

- Is YoungStar a valid measure of quality?
- Is YoungStar sustainable into the future?
- Is YoungStar working for children, for parents, for providers?
Summary: 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 show more and more children are in higher-rated programs over the five years of implementation. The percent of children served by 3- to 5-Star rated programs increased from 47% in July 2012 to 72% in July 2015, an impressive gain of 25 percentage points of children in higher-quality settings.

2. A total of 31,302 children served by Wisconsin Shares were in 3- to 5-Star programs (higher quality) in July 2015, compared to 17,671 in July 2012 and 4,526 in July 2011—a remarkable increase of children in higher quality programs over that time span.

3. Focusing solely on Wisconsin Shares children in four and five star sites (the highest rated programs), there were 9,942 as of July 2015. This accounts for 23% of the 43,613 total children enrolled in Shares.

4. The distribution of children by Star level is better overall than initially projected in 2010. It is significantly better (14 percentage points higher) at the 3-Star level, but six percentage points worse at the 4-Star.

5. 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 45,597 in the first eight months of 2015. Programs serving these subsidized children are required to participate in YoungStar.
Programs in YoungStar

1. Ratings data show an increased number of higher-rated sites, but 53.5% of all programs participating in YoungStar are still at the 2-Star level.

2. 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.

3. Almost all (90%) of group child care centers rated 5-Star received their rating through accreditation at the national level rather than through the YoungStar point system.

4. A large number of programs have been rated: 4,008 child care programs were rated as of July 2015, compared to 1,516 in July 2011. Wisconsin is 4th 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).

5. There were 1,197 child care programs who participated voluntarily in YoungStar as of July 2015. This is an increase of 270 over the past three 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.

YoungStar Regions

1. The six YoungStar regions vary appreciably in the number of children served (in rated programs) as of July 2015. The Northern region has the smallest number of children (2,163) and the Milwaukee region has the largest (22,865).

2. Regions vary in the percentage of children at various quality levels. The Northern region has 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. The Southern region has the highest percentage of children in 4- to 5-Star programs.
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 the percentage of children from low-income families receiving early care and education services in higher quality programs. The primary desired outcome for YoungStar should be the impact on children. As of July 2015, nearly three-quarters of the children (72%) funded by Wisconsin Shares are in programs rated 3-Star or higher (49% at 3-Star, 6% at 4-Star, and 17% at 5-Star). Only about one-quarter (28%) are in 2-Star programs, a dramatic positive shift in a short period of time (see Figure 1).

Figure 1. WI Shares Children By Star Level, July 2015
Because center-based programs serve many more children than family child care settings, and because center-based programs are generally rated higher (see Figure 7), 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 (79%) of children in Wisconsin Shares were in licensed group centers as of June 30, 2015. Only 12% were in licensed family programs, four percent in regular certified care, and five percent in school programs.

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

**Figure 2.** One-Year Comparison: Providers and Children by Star Rating Funded by Wisconsin Shares July 2014 and 2015

<table>
<thead>
<tr>
<th>Programs by Star Rating</th>
<th>2 Star</th>
<th>3 Star</th>
<th>4 Star</th>
<th>5 Star</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Programs by Star Rating</td>
<td>1,534</td>
<td>1,044</td>
<td>144</td>
<td>251</td>
<td>2,974</td>
</tr>
<tr>
<td>2015 Programs by Star Rating</td>
<td>1,354</td>
<td>1,031</td>
<td>155</td>
<td>271</td>
<td>2,811</td>
</tr>
<tr>
<td>Percent of Total Programs 2014</td>
<td>52%</td>
<td>35%</td>
<td>5%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>Percent of Total Programs 2015</td>
<td>48%</td>
<td>37%</td>
<td>5.5%</td>
<td>9.5%</td>
<td>100%</td>
</tr>
<tr>
<td>Children Served by Star Level 2014</td>
<td>12,190</td>
<td>22,318</td>
<td>2,216</td>
<td>7,091</td>
<td>43,815</td>
</tr>
<tr>
<td>Children Served by Star Level 2015</td>
<td>12,311</td>
<td>21,360</td>
<td>2,646</td>
<td>7,296</td>
<td>43,613</td>
</tr>
<tr>
<td>Percent of Children Served by Star Level 2014</td>
<td>28%</td>
<td>51%</td>
<td>5%</td>
<td>16%</td>
<td>100%</td>
</tr>
<tr>
<td>Percent of Children Served by Star Level 2015</td>
<td>28%</td>
<td>49%</td>
<td>6%</td>
<td>17%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Note: Programs and children in this table have funding support from Wisconsin Shares, and the data do not include 1,197 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.*
31,302 children are now in higher quality (3- to 5-Star) programs funded by Wisconsin Shares.

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) substantially increased over the past four years. From July 2011 to July 2015, the number of children funded by Wisconsin Shares in 3- to 5-Star rated programs increased from 4,526 to 31,302 (Figure 3).

**Figure 3.** Number and Percent of Wisconsin Shares-funded Children by Star Ratings Over Time (July 2011 to July 2015)

<table>
<thead>
<tr>
<th></th>
<th>Number of Children in 2 Star Rated Programs</th>
<th>Percent of Children in 2 Star Rated Programs</th>
<th>Number of Children in 3 to 5 Star Rated Programs</th>
<th>Percent of Children in 3 to 5 Star Rated Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2011</td>
<td>5,867</td>
<td>56%</td>
<td>4,526</td>
<td>44%</td>
</tr>
<tr>
<td>July 2012</td>
<td>19,572</td>
<td>53%</td>
<td>17,671</td>
<td>47%</td>
</tr>
<tr>
<td>July 2013</td>
<td>15,208</td>
<td>35%</td>
<td>28,072</td>
<td>65%</td>
</tr>
<tr>
<td>July 2014</td>
<td>12,190</td>
<td>28%</td>
<td>31,625</td>
<td>72%</td>
</tr>
<tr>
<td>July 2015</td>
<td>12,311</td>
<td>28%</td>
<td>31,302</td>
<td>72%</td>
</tr>
</tbody>
</table>

*Note: Programs rated at 1 Star are not eligible to receive Wisconsin Shares funding.*
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 (at the 4-Star level) and more pessimistic (at the 2- and 3-Star levels) than the actual distribution of children in July 2015. 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 2015.

The DCF five year estimates under estimated 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), we are exceeding those goals. However, there are significantly fewer 4-Star programs than anticipated.

The percentage of children in lower quality 2-Star programs is quite a bit less than predicted, by seven points. The percentage of children in 3-Star programs is much higher than anticipated, by a massive 14 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 most 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 with support from Wisconsin’s federal Race to the Top - Early Learning Challenge grant a strong 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 will be difficult to make significant progress without increased financing.
Decline in Children Served by Wisconsin Shares

As you can see from the chart below (Figure 5), there are almost 13,000 fewer children being served by Wisconsin Shares than there were six years ago. There was a high of 58,696 in 2009. As of the first nine months of 2015, the monthly average is 45,743— the lowest it has been over the past fourteen 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 lower-income children receiving subsidies from Wisconsin Shares, the impact on school readiness for this vulnerable population will decline.
Figure 5. Children in Wisconsin Shares Monthly Averages 2009 - 2015

Programs: Quality Ratings and YoungStar Participation

Trend over time: Ratings data identifies an increased number of higher-rated programs, but 53.5% are still 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 four-year period from July 2011 to July 2015 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 1,858 programs rated at higher levels in July 2015, compared with 229 in July 2011 (see Figure 6).
Figure 6. Number of Programs Rated 3- to 5-Star Over Time

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Count</td>
<td>229</td>
<td>1,172</td>
<td>1,698</td>
<td>1,848</td>
<td>1,858</td>
</tr>
</tbody>
</table>

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

Ratings Broken Out by the Four Program Types

This section looks at quality ratings for the four different service delivery types that comprise the 4,008 programs participating in YoungStar as of July 2015:

1. Licensed group child care centers (serving 9 or more children): 1,878 programs
2. Licensed family child care programs (serving 4-8 children): 1,246 programs
3. Certified family child care programs (serving 6 or less): 686 programs
4. Public school child care programs (mostly after-school): 198 programs
4. Public school child care programs (mostly after-school): 198 programs

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 three years earlier, when only 55% were rated above 2 Stars. Seventeen percent (17%) of group centers are rated at 5 Stars. Thirty-two and a half (32.5%) 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 group child care centers serve 50 children or more, and many serve well over 100. Many group child care programs participated in private accreditation through the National Association for the Education of Young Children (NAEYC), the city of Madison, or other auspices (Head Start or NAC) that have enabled them to verify high-quality standards and thus receive higher (5 Star) ratings in YoungStar.

2. **Licensed family child care programs: 63% rated at the 1- to 2-Star level.**
   Close to two-thirds of family child care programs are rated at the 2-Star level or lower, with only 37% 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, mostly to 4 Stars.

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: 64% are at the 2-Star level.**
   Some public schools provide child care services. Few public schools - only 198 - 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 7. All Child Care Programs Rated, Broken Out By Provider Type July 2015

<table>
<thead>
<tr>
<th>Provider Types</th>
<th>1 Star</th>
<th>2 Star</th>
<th>3 Star</th>
<th>4 Star</th>
<th>5 Star</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Group Child Care</td>
<td>3</td>
<td>609</td>
<td>831</td>
<td>116</td>
<td>319</td>
<td>1,878</td>
</tr>
<tr>
<td>Licensed Family Child Care</td>
<td>4</td>
<td>778</td>
<td>347</td>
<td>66</td>
<td>51</td>
<td>1,246</td>
</tr>
<tr>
<td>Certified Family Child Care</td>
<td>3</td>
<td>627</td>
<td>47</td>
<td>9</td>
<td>0</td>
<td>686</td>
</tr>
<tr>
<td>Public School Child Care</td>
<td>0</td>
<td>126</td>
<td>63</td>
<td>7</td>
<td>2</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10</td>
<td>2,140</td>
<td>1,288</td>
<td>198</td>
<td>372</td>
<td>4,008</td>
</tr>
</tbody>
</table>
Data On the Number of Programs Rated

4,008 child care programs were rated as of July 2015.

As of July 2015, a total of 4,008 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 152 programs whose rating was pending. Wisconsin is ranked 4th 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 8 illustrates the number of child care programs rated over time.

Figure 8. Number of Child Care Programs with YoungStar Ratings

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.
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 9 shows the distribution of children funded by Wisconsin Shares by region and by Star rating as of July 2015. As the updated charts indicate, the trend shows slight improvement in almost all areas. The Kenosha/Racine (Southeastern) region demonstrated sustained gains in the number of children in higher quality programs.

**Figure 9.** Breakout of Children by Star Level of Program and by Region (Children are funded by Wisconsin Shares) July ‘14 & July ‘15

<table>
<thead>
<tr>
<th>Region</th>
<th>2 Stars</th>
<th>3- to 5 Stars</th>
<th>% 3-5 Stars</th>
<th>Total Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenosha/Racine (Southeastern)</td>
<td>801</td>
<td>2,806</td>
<td>78%</td>
<td>3,607</td>
</tr>
<tr>
<td>+ 3%</td>
<td>647</td>
<td>2,832</td>
<td>81%</td>
<td>3,479</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>6,968</td>
<td>15,100</td>
<td>68%</td>
<td>20,068</td>
</tr>
<tr>
<td>- 1%</td>
<td>7,469</td>
<td>15,396</td>
<td>67%</td>
<td>22,865</td>
</tr>
<tr>
<td>Northeastern</td>
<td>959</td>
<td>4,620</td>
<td>83%</td>
<td>5,579</td>
</tr>
<tr>
<td>No Change</td>
<td>878</td>
<td>4,408</td>
<td>83%</td>
<td>5,286</td>
</tr>
<tr>
<td>Northern</td>
<td>781</td>
<td>1,500</td>
<td>66%</td>
<td>2,281</td>
</tr>
<tr>
<td>- 1%</td>
<td>747</td>
<td>1,416</td>
<td>65%</td>
<td>2,163</td>
</tr>
<tr>
<td>Southern</td>
<td>1,640</td>
<td>5,609</td>
<td>77%</td>
<td>7,249</td>
</tr>
<tr>
<td>No Change</td>
<td>1,611</td>
<td>5,318</td>
<td>77%</td>
<td>6,929</td>
</tr>
<tr>
<td>Western</td>
<td>1,041</td>
<td>1,990</td>
<td>66%</td>
<td>3,031</td>
</tr>
<tr>
<td>+ 1%</td>
<td>959</td>
<td>1,932</td>
<td>67%</td>
<td>2,891</td>
</tr>
<tr>
<td>Total</td>
<td>12,190</td>
<td>31,625</td>
<td>72%</td>
<td>43,815</td>
</tr>
<tr>
<td>No Change</td>
<td>12,311</td>
<td>31,302</td>
<td>72%</td>
<td>43,613</td>
</tr>
</tbody>
</table>

**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 three years ago. However, as shown in Figure 10, 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 capacity of communities to build higher quality programs.

**Figure 10.** Percent of Wisconsin Shares Children in Programs Rated 3, 4, or 5 Stars By Region
Final Questions

1. Is YoungStar a valid measure of quality?

Department of Children and Families (DCF) commissioned the University of Wisconsin-Madison’s Katherine Magnuson, PhD, to oversee a study of YoungStar’s validity as a measure of quality. The Wisconsin Early Child Care Study (WECCS) was funded with federal dollars through the Race to the Top—Early Learning Challenge Grant that was awarded to our state in 2012. Results from the first part of the research were recently announced and answered two important questions in the affirmative. Yes, a higher YoungStar rating does correlate to higher “observed quality” and likewise, total number of points also accurately predict a better program.

The next part of the study will look closely at how the quality of an early learning experience translates into children’s school readiness. Those research results are expected in early 2016. Here is a link to the executive summary for the first part of the WECCS.

2. Is YoungStar sustainable into the future?

There are many concerns about the cost of providing high quality child care that is both affordable for parents and fairly compensates teachers with significant education and experience. Many 4- and 5- Star programs in Wisconsin operate at a loss, and are only able to stay in business with assistance from foundations, scholarship fund drives, grants, etc. Wisconsin Council on Children and Families (WCCF) has published several blog posts that discuss this important issue:

Can YoungStar Lead Sustainable High Quality Programs

Early Learning Coalition Calls for 40 Million Increase in Child Care

There is also a great deal of apprehension about the forthcoming implementation of Electronic Benefits Cards (EBT) for Wisconsin Shares child care payments. While payment in advance and moving from attendance based to enrollment authorizations should help stabilize YoungStar programs with large numbers of subsidized children, there is a major concern about the cap on increased payments for 5 Star centers. This recent article in the Milwaukee Journal Sentinel that discusses this in depth.
3. Is YoungStar working for children, for parents, for providers?

*Children*
We are especially interested to find out if providing high quality child care to low-income children produces results; in other words, improved school readiness. As mentioned in number one above, the answer to this question will come when the WECCS releases its second report that focuses on early learning and child outcomes.

*Parents/Families*
Unfortunately study after study shows that parents generally choose child care based on cost (affordability), location, word of mouth, etc. Quality (i.e. star rating) rarely comes up as one of the top three criteria. YoungStar has been an effort to change parents’ priorities, including a public awareness campaign, but we still have a long way to go to make quality a top priority for parents.

*Providers*
There has been a significant drop in the numbers of YoungStar participating family child care providers (especially certified), while the number of group centers has remained fairly steady. So YoungStar does not seem to working very effectively for family child care homes. Of the total number of available child care slots across the state, only 15% are in family child care, and 85% in group centers. The major issue for providers is the cost of achieving high quality standards and sustaining that level.

**Working Families Are Struggling With Child Care Costs**

On a more hopeful note, the Governor’s Early Childhood Advisory Council (ECAC) is considering a recommendation to:

*“Provide funding to double the number of children in 4-Star or 5-Star programs over the next 5 years. Build on the progress made in the first 5 years of YoungStar.”*

This proposal has the ability to help sustain the YoungStar system and give it the potential to be even more successful down the road. Wisconsin Shares reimbursements are not providing adequate funding for four and five star centers to pay for the cost of quality. So the ECAC is looking at alternative solutions.
4. What additional analysis are we planning to do?

Further Analysis in 2016
The research shows how important quality early learning is for future success and well-being. One question this document does not address is the extent that quality of early care provision differs by race and ethnicity, as well as by type of community including urban, suburban, and rural. We have not yet analyzed the data to see if there are differences, but given the significant disparities we face as a state, it seems likely disparities exist. WCCF will conduct further analysis along these dimensions in the coming year.
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 Rating Explanations

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 to deliver specified YoungStar services in six regions in the state including:

- 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:

<table>
<thead>
<tr>
<th>Program Rating</th>
<th>Impact on Wisconsin Shares Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Star</td>
<td>Prohibited from receiving Wisconsin Shares payments</td>
</tr>
<tr>
<td>Two Star</td>
<td>Minus 5 percent, effective July 2012</td>
</tr>
<tr>
<td>Three Star</td>
<td>No Change</td>
</tr>
<tr>
<td>Four Star</td>
<td>Plus 10 percent, effective July 2013</td>
</tr>
<tr>
<td>Five Star</td>
<td>Plus 25 percent, effective January 2013</td>
</tr>
</tbody>
</table>
Appendix B: YoungStar Regions
Appendix C: List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1</td>
<td>WI Shares Children by Star Level, July 2015</td>
<td>7</td>
</tr>
<tr>
<td>Figure 2</td>
<td>One-Year Comparison: Providers and Children by Star Rating Funded by Wisconsin Shares, July 2014 &amp; July 2015</td>
<td>8</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Number and Percent of Wisconsin Shares-funded Children by Star Ratings Over Time (July 2011 - July 2015)</td>
<td>9</td>
</tr>
<tr>
<td>Figure 4</td>
<td>A Comparison of Initial Estimates and Actual Distribution of WI Shares Children by YoungStar Quality Rating</td>
<td>11</td>
</tr>
<tr>
<td>Figure 5</td>
<td>Children in WI Shares Monthly Averages, 2009-2015</td>
<td>12</td>
</tr>
<tr>
<td>Figure 6</td>
<td>Number of programs rated 3- to 5-Stars over time</td>
<td>13</td>
</tr>
<tr>
<td>Figure 7</td>
<td>Child Care Programs Rated Broken Out by Provider Type, July 2015</td>
<td>15</td>
</tr>
<tr>
<td>Figure 8</td>
<td>Number of child care programs with YoungStar Ratings</td>
<td>16</td>
</tr>
<tr>
<td>Figure 9</td>
<td>Breakout of Children by Star Level of Program and by Region (Children are funded by Wisconsin Shares) July 2014 &amp; July 2015</td>
<td>17</td>
</tr>
<tr>
<td>Figure 10</td>
<td>Percent of Wisconsin Shares children in programs rated 3, 4, or 5 Stars by region, 2014 &amp; 2015</td>
<td>18</td>
</tr>
</tbody>
</table>
Appendix D: More Information About YoungStar and Early Childhood Issues

Wisconsin Council on Children and Families has six progress reports on YoungStar as well as many other early education publications: [http://www.wccf.org](http://www.wccf.org)

YoungStar information on the Department of Children and Families website: [http://dcf.wi.gov/youngstar/](http://dcf.wi.gov/youngstar/)