

POLICY BRIEF

YoungStar: Assuring Program Integrity and Quality Services in Child Care

In 2010 the Legislature approved initial funding for YoungStar, a child care Quality Rating and Improvement System (QRIS) intended to increase and sustain quality services funded by the Wisconsin Shares child care subsidy program. YoungStar was approved initially by the Joint Committee on Finance (JCF) in June 2010, and in December JCF approved a five-year plan for implementation of YoungStar.

YoungStar was part of two major reforms in Wisconsin Shares:

1. **Fiscal integrity:** Major steps were taken to build an oversight and enforcement system to prevent and detect fraud and overpayments, saving over \$100 million over the 2009-11 biennium.
2. **YoungStar:** This quality assurance system rates child care programs on a 5-point scale using a set of quality indicators; provides training and technical assistance to help programs improve; and provides fiscal incentives to help sustain high quality programs.

YoungStar was launched to assure that children in Wisconsin Shares receive quality services to enhance early learning and development.

Efforts to improve early learning and development are particularly needed for children from disadvantaged backgrounds, including the children served by Wisconsin Shares, who come from working families below or near the poverty line.

Continuing implementation of YoungStar is a key issue in the 2011-2013 biennial budget.

What are the key goals of YoungStar?

- Improve the overall quality of child care.
- Create a clear, understandable tool for parents to choose quality child care.
- Create incentives for providers to improve services, particularly for low-income children.
- Establish a connection between child care quality and the level of Wisconsin Shares payments.
- Help prevent fraud in the Wisconsin Shares system.

What are the components of YoungStar?

- **Quality Standards:** Programs are rated on a 5-star system, using a range of quality indicators covering staff qualifications, learning environment, professional practices, and health and wellness.
- **Quality Improvement:** Training, technical assistance and mini-grants help child care providers meet quality standards.
- **Fiscal Incentives:** Wisconsin Shares makes bonus payments to programs that have higher ratings (3-5 stars) in the system.

What do we know about other QRIS systems?

We know that 20 states already have statewide QRIS programs for child care, and evaluations are encouraging. The following states have found significant benefits, even though the programs are relatively new.

- **Missouri:** A 2009 university study of Missouri's system found that programs with higher ratings were linked to children's gains in social/emotional development skills and early literacy, and programs with low ratings actually had negative affects on child development.
 - **North Carolina:** In the ten years from the establishment of North Carolina's QRIS, child care programs meeting high quality standards (4- or 5-star ratings) increased from 20 percent to 56 percent. Over 80 percent meet 3-star standards.
 - **Pennsylvania:** A study of Pennsylvania's Keystone STARS system shows that it reversed a trend of declining quality in the state. Nearly 80 percent of Pennsylvania's child care centers now participate, and in 2008 over 25 percent of participating programs moved up at least one star level in the 4-star system. Since 2003 Pennsylvania's QRIS has played a major role in doubling the percentage of children served in high-quality settings—from 20 percent to 40 percent.
 - **Oklahoma:** An evaluation of Oklahoma's "Reaching for the Stars" program found a significant increase in the quality of programs serving subsidized low-income children.
2. **Accountability:** YoungStar will provide oversight and accountability that Wisconsin Shares funds are being used appropriately. The state should get a higher return on its investments by insisting on higher quality services. Higher payments will go to higher quality programs, and low quality will be not be tolerated.
 3. **Information for Parents:** YoungStar will provide families with more information on which to base their decisions about where to send their child for care and early learning. With better information, families can make more informed choices.
 4. **Quality Improvement:** YoungStar will provide badly needed quality standards for the child care field to strive for, and provide essential support and incentives to help them get there.
 5. **Community Benchmarks:** The quality standards established in the system will serve as benchmarks for communities and the state to measure the effectiveness of child care programs. YoungStar includes a mechanism for local communities to develop public-private partnership to raise the quality bar for our children.

Benefits of YoungStar:

1. **Quality Matters:** The low-income children served by the Wisconsin Shares system are at potentially high risk for difficulty in school and beyond. Extensive research demonstrates that investment in high-quality early learning programs is a sound investment, producing significant short- and long-term benefits, including achievement in school, reduced need for special education, lower crime rates, and higher earnings, with particularly strong results for children from disadvantaged backgrounds. YoungStar is an important step in the right direction.

Bottom line

Improving the quality of child care in Wisconsin should be a top priority. Setting quality benchmarks tied to incentives and resources to help child care programs improve is a sound approach. YoungStar will ensure that Wisconsin Shares funds are used effectively to enhance young children's learning and development, while enabling their parents to work.