

West Virginia Quality Rating and Improvement System

Challenges and Opportunities

April 2014

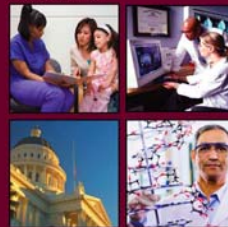
Anne Mitchell, Alliance for Early Childhood Finance

Quality Matters

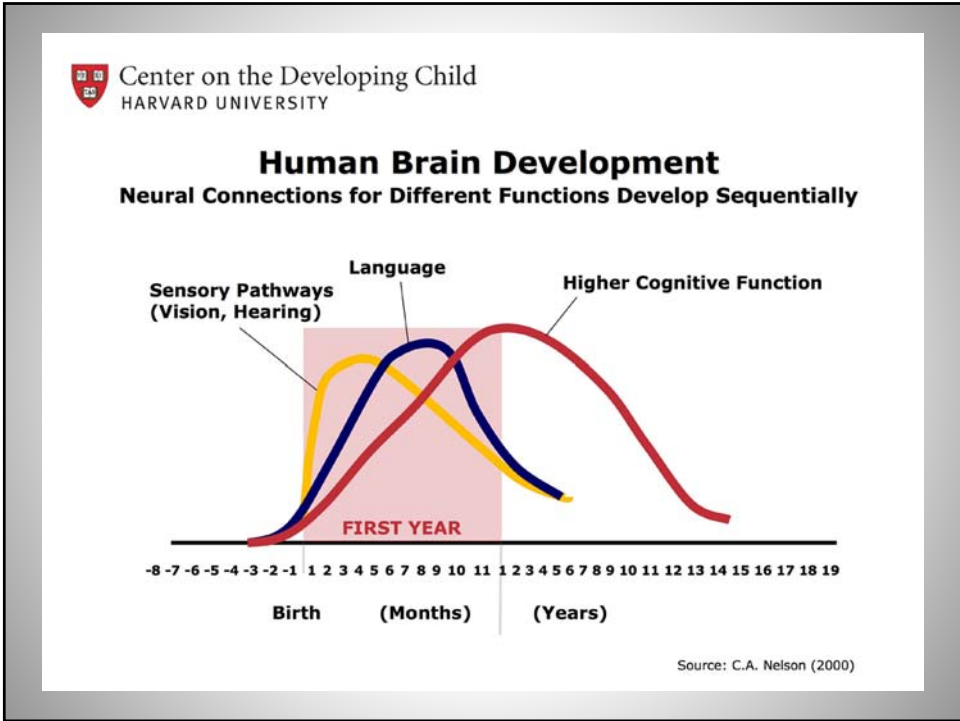
There is strong, scientific evidence for the fact that high quality ECE can have a lasting effect on brain architecture, and child development

A Science-Based Framework for Early Childhood Policy

Using Evidence to Improve Outcomes in Learning, Behavior, and Health for Vulnerable Children



Center on the Developing Child HARVARD UNIVERSITY
NATIONAL FORUM ON EARLY CHILDHOOD PROGRAM EVALUATION
NATIONAL SCIENTIFIC COUNCIL ON THE DEVELOPING CHILD



And Quality Matters because...

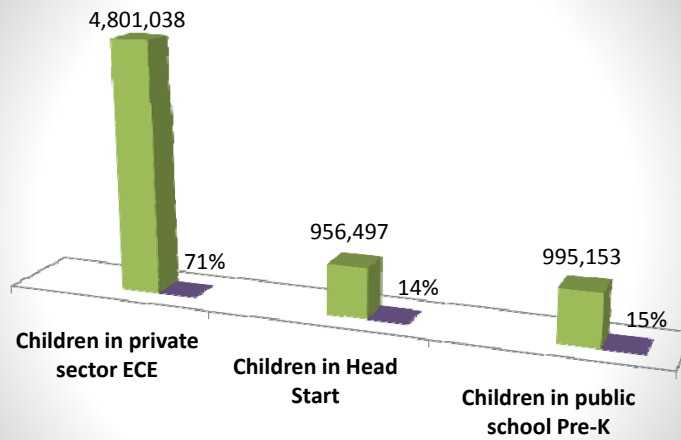
Bad (low-quality) ECE has potential for life-long difficulties

- Low-quality ECE for children under age 5 has negative effects on cognitive and social-emotional development
- More time in low-quality child care, the more likely to engage in impulsive and risky behaviors in adolescence (age 15), and lower academic achievement

System now: The Early Care and Education Market



The EC&E Market: Children's Perspective



Children 0-5 years in Public and Private ECE Programs, 2011

Source: US Census Bureau, 2013

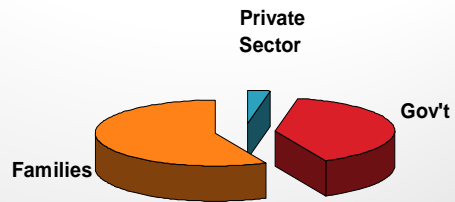
The ECE market: Revenue

Consumer tuition is the largest source of revenue, roughly **58%** of total industry receipts

Private (non-public, non-family) revenue has increased over several decades but still less than **3%** of total

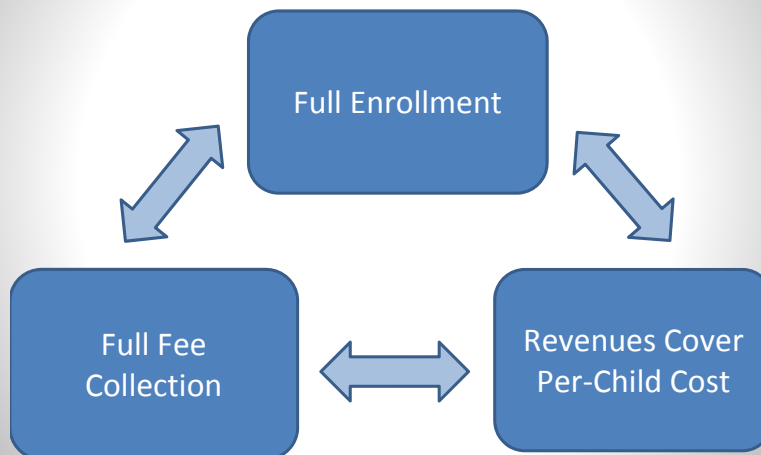
Government funding

39% of total, and is primarily portable funding (vouchers or tax benefits)



National Data (all states)

Provider perspective: 'Iron Triangle' of Financial Sustainability





What drives ECE provider cost of quality?

- Primarily better qualified/more effective teaching staff as quality increases (higher compensation)
- More staff time for child assessment, family engagement and conferences, collaborative curriculum planning, reflective supervision, professional development, etc.



ECE Market: Consumer Demand

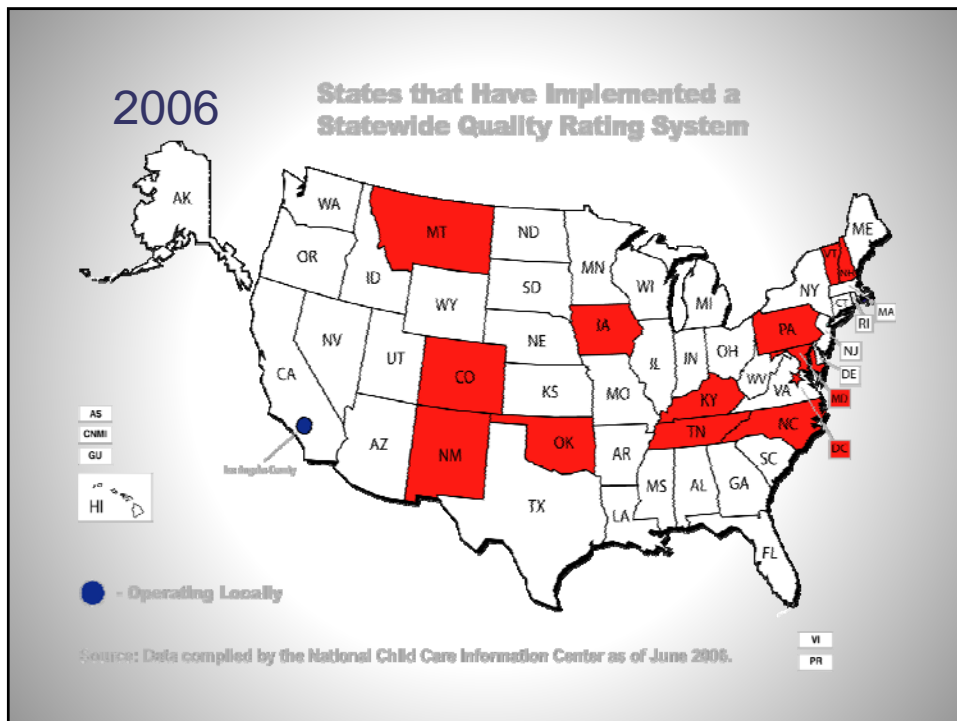
- Families are biggest buyers of ECE, price sensitive consumers
- Higher quality ECE costs more than most families can afford, which lowers demand for quality
- ECE market encourages price competition – low tuition fees – which discourages supplier investment in quality

Intervening for Quality

Quality Rating Improvement Systems are market interventions

- **Quality Assurance** – progressive standards, with assessment & monitoring (define quality)
- **Supply** side interventions – program and practitioner supports (TA and PD) and financial incentives
- **Demand** side interventions – ratings, consumer education and financial incentives

QRIS is the **framework to implement the** program, practitioner, and child standards that define the ECE system.



QRIS in Statute

- Somewhat uncommon
 - About 10 states
- Statutes vary....
 - Rhode Island – 230 words
 - Nebraska – 2,900 words
 - West Virginia – 10,000 words
- More later on this topic...





Common Elements of a QRIS

1. Standards
2. Monitoring & Accountability
3. Program and practitioner outreach and support
4. Financial incentives specifically linked to quality
5. Parent/consumer education



Efficiency in QRIS

Standards

- Few and powerful
- Understandable and significant
- Evidence-based
- Progressive/valid distinction among levels
- Measureable and feasible to monitor

Essential standards

- Teaching and Learning Environment
- Teacher and Director Education
- Staff/Child Ratios and Group Sizes
(*only if...*)
- Continuous Quality Improvement



Provider Cost of Quality Calculator

PCQC is a tool to estimate the cost-quality gap for centers or homes at different quality levels in a QRIS

Here's the link:

[Http://ecequalitycalculator.com](http://ecequalitycalculator.com)

PCQC: Baseline Quality Model

State Settings

Ages, Ratios and Group Size

Cost Drivers

Non-Personnel

Personnel

- Salaries and Benefits
- Program Level Staff
- Additional Staff Time

Revenue Drivers

Tuition (amount & proportion)

Subsidy (amount & proportion)

CACFP

Efficient Enrollment

Collected Tuition and Copays
(amount of bad debt)

QRIS Cost Estimation Model

The CEM is a guide to what the key elements and a tool to estimate what the eventual cost of a QRIS in a given state would be.

Here's the link:

<https://cemocc.icfwebservices.com/>

Cost of QRIS by Element

QRIS Element	% of total Cost of QRIS
Quality Assessment, Monitoring and Administration	7-10%
Professional Development	8-15%
Technical Assistance	10-30%
Financial Incentives	50-75%
Communication and Outreach	1-2%
Evaluation, Data Systems, Other Admin	1-3%



Conclusion

- QRIS is a powerful framework
 - To promote quality throughout the early care and education market
 - To integrate the sectors of the industry
 - To deliver financial support with accountability
- Existing resources from all sectors can be re-aligned to support QRIS
- Leaders in West Virginia can create an effective and efficient QRIS for all



Development Plan for EC in WV...

- B.1. Implement a QRIS for EC services
- A.4. Increase and sustain supply through competitive provider reimbursement rates
- B.3. Recruit & retain qualified staff via addressing compensation
- C.3. Consider/pursue most promising financial options

Questions...Reflections...Comments



For more info...



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