

Step-Up

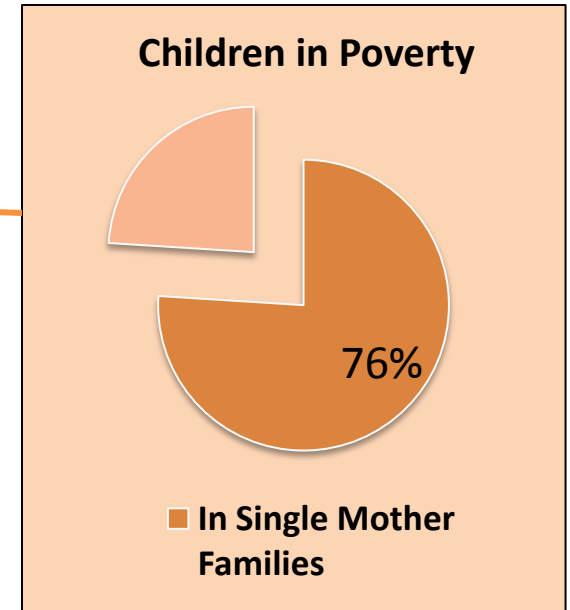
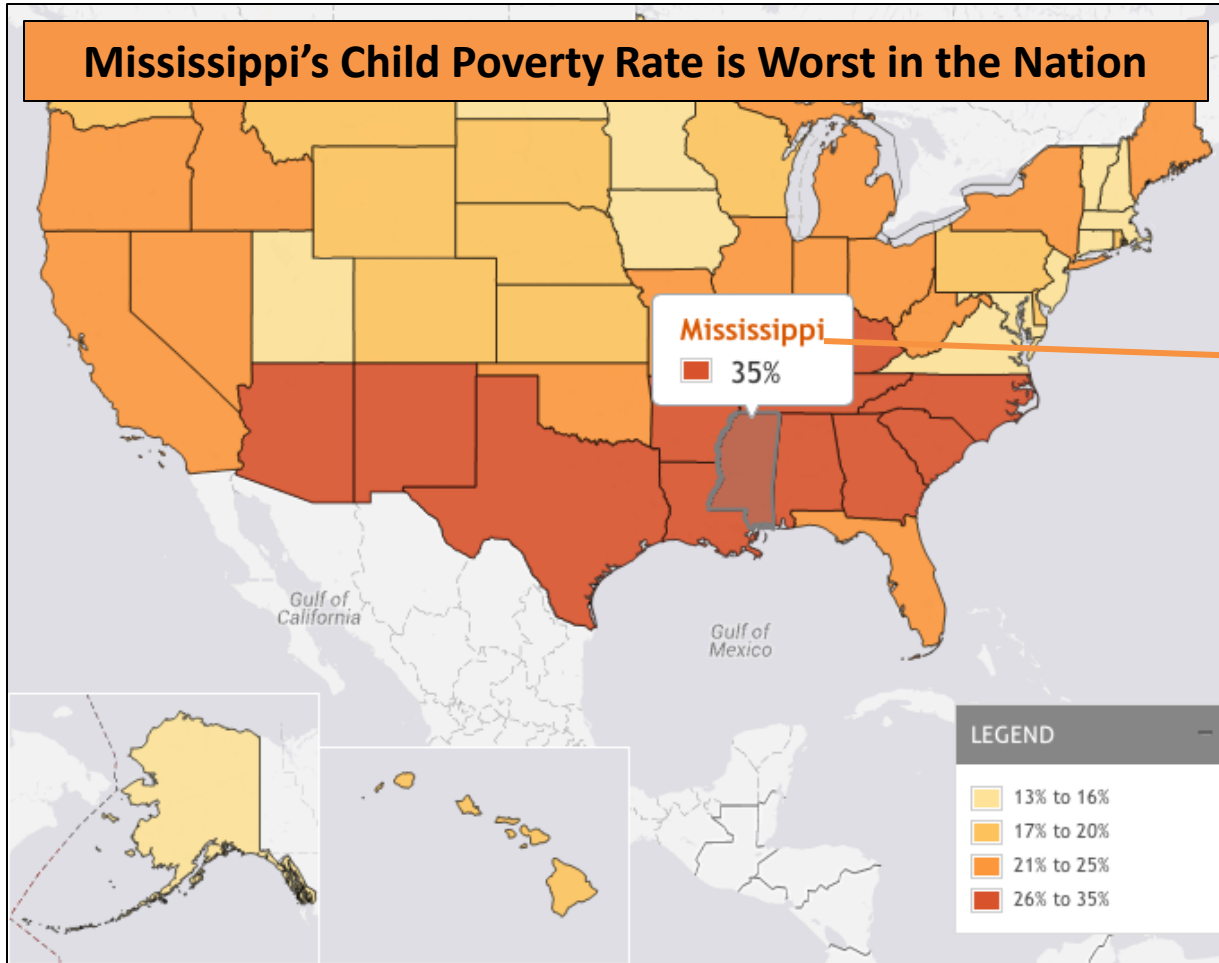
A Pathway to Quality Improvement for
Child Care Centers Serving Low-income
Working Families in Mississippi

August 19, 2014

Implemented by the Mississippi Low Income Child Care
Initiative with generous funding from the W. K. Kellogg
Foundation

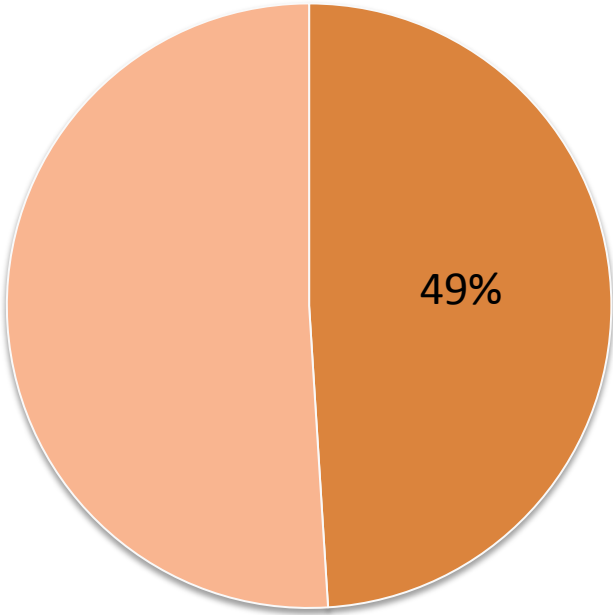


Mississippi Context: Poverty and Workforce



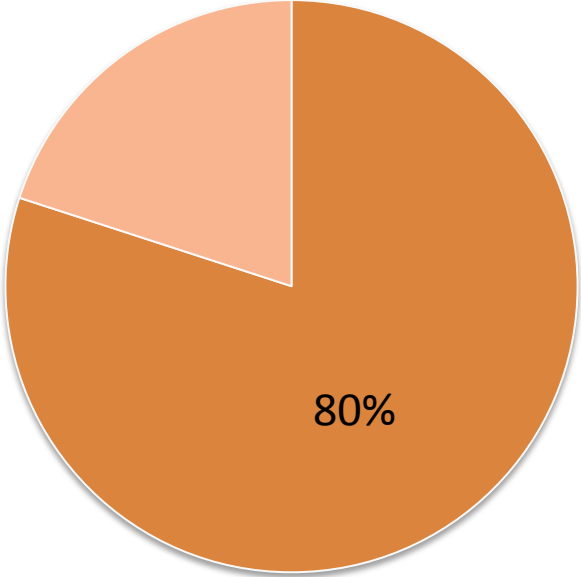
Map by National KIDS COUNT

Mississippi's Workforce



■ Women

Mississippi Minimum Wage Workers

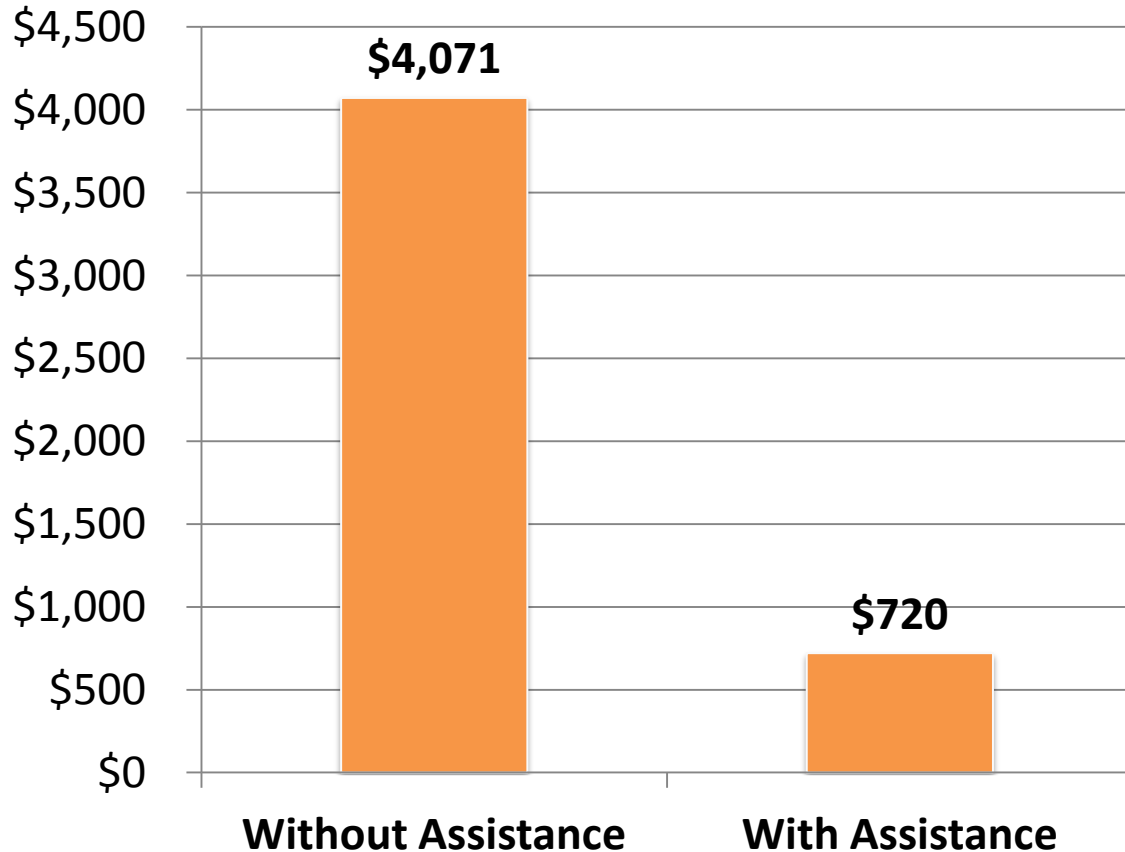


■ Women

MINIMUM WAGE LEAVES FAMILIES BELOW POVERTY
Mississippi Minimum Wage: \$7.25
Full-time Equivalent, 52 weeks/year: \$15,080
2013 Federal Poverty Level, Family of 2 (a mom and one child): \$15,510

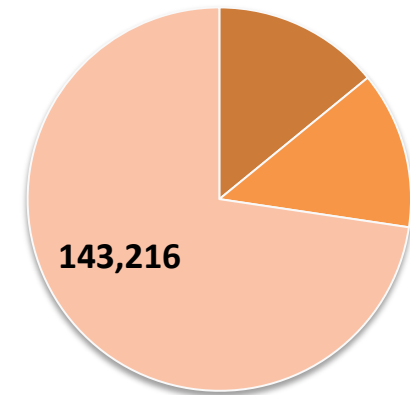
CHILD CARE ASSISTANCE REDUCES CHILD CARE COSTS FOR MISSISSIPPI FAMILIES

Annual Child Care Costs for a Full-time Minimum Wage Earner



Available Assistance Doesn't Meet the Need

Children in Working Families Under 200% FPL



- Served by CCDF (2013)
- Served by HS (2013)
- Not Served by CCDF or HS

Mississippi QRIS – Quality Stars:

- Managed by state CCDF Lead Agency
- Subcontracted to MSU Early Childhood Institute
- Voluntary
- Five-star
- Based heavily on ERS
- Enhanced rate structure in CCDF

Step-Up

- Objective:
 - To Build a Pathway to Quality Improvement for Mississippi Child Care Centers Serving Low income Families
- Process:
 - Step-Up selected and provided TA coupled with financial support to 16 centers serving low-income families from two regions of Mississippi to enter and climb rankings in Quality Stars.

Methodology:

- Pilot Study
- Survey and in-depth interviews
- Regression analysis
- Analysis of center ERS Summary Reports
- Analysis of Quality Improvement Plans
- Qualitative Analysis of Quality Stars Process
- Financial Analysis

Results:

All Step Up centers improved

Step up centers improved more than those in the state QRIS:

	Step Up Results	State QRIS – Quality Stars
Star 1 (base)	18.75%	60.00%
Star 2	50.00%	22.50%
Star 3	31.25%	10.00%
Star 4	0	5.00%
Star 5	0	2.50%

Center	Beginning Star	Ending Star	Number of Classrooms	Expenditure per classroom	Percent ERS
Center 1	1	2	3	\$13,174	74%
Center 2	1	2	5	\$7,979	87%
Center 3	1	2	7	\$7,738	97%
Center 4	1	2	6	\$6,743	95%
Center 5	1	2	2	\$13,194	99.9%
Center 6	1	2	3	\$11,144	99%
Center 7	1	2	3	\$13,014	98%
Center 8	1	2	3	\$10,816	93%
Center 9	1	3	3	\$12,499	76%
Center 10	1	3	4	\$12,510	99.7%
Center 11	1	3	5	\$12,541	95%
Center 12	1	3	2	\$19,370	93%
Center 13	1	3	6	\$8,768	94%
Center 14*	1	1	3	\$14,534	92%
Center 15*	1	1	3	\$9,640	96%
Center 16*	1	1	3	\$9,777	97%
*While these centers didn't move up in Star ranking, they did improve their ERS scores	Beginning ITERS	Ending ITERS	Beginning ECERS	Ending ECERS	
Center 14	2.29	3.76	2.03	4.51	
Center 15	1.27	2.37	2.22	2.37	
Center 16	1.62	2.57	2.23	2.56	

Findings:

COST

- Significant financial support to pay for upfront costs for moving from Star 1 to 2 is required.
- Step-up spent on average \$11,575 per classroom.
- 93% of all expenditures were on ERS

Findings:

TA

- The asset-based character of TA is key
Cultural awareness and sensitivity, inclusion, and racial equity are key to successful TA
- The combination of ABTA and adequate financial resources was critical
- Step-up committed (on average) 190 TA hours per center

Findings:

Link to Subsidy

- Use of subsidy rate enhancements is a flawed strategy for financing participation because:

Base rates are too low

Subsidy density is too low

Subsidy duration is unpredictable

Findings:

Lack of Written Procedures

- Lack of written policies and procedures resulted in experiences of evaluator subjectivity, inconsistencies, anomalies and irregularities.

Recommendations:

- Provide centers in QRIS with intensive, asset-based technical assistance. Utilize *Asset-based* TA (Step Up committed 190 hours per center.)
- Develop detailed quality improvement plans in partnership with child care center staff
- Target *adequate* financial resources to finance the above-referenced quality improvement plan. Step Up committed \$11,575 per classroom.
- All of the above are necessary, but none are alone sufficient.
- Establish written policies and procedures.

Investment Recommendation to Support Center Success in Quality Stars

\$4.5 Million per year will move 100 centers upward in Quality Stars.

- Base cost projections for 10 centers = \$450,000.
(\$40,000 per center plus \$50,000 for 1 TA/10 centers)
- \$4.5 million per year will support 100 centers/year. This investment will scale up the quality improvement effort. In 4 years all 400 centers currently at a Star 1 can move up.
- This will also help with recruitment
- In Mississippi, these funds can come from a combination of TANF and CCDF 4% quality set-aside funds.
- If less funding is available, reduce the number of centers rather than reducing the investment. (For example, \$2.25 million will support 50 centers per year; or \$900,000 will support 20 centers per year.) The **size of the investment is critical to the success** of the effort.

Take Away

Achieving quality improvement
in centers serving low-income families
cannot be done
without adequate financial investment
without exacerbating
current inequities.

Questions for Legislators

- Is your state evaluating your QRIS? (Participation level of centers, experience of participants, rate of success achieved, etc.) What has this information led the state to change?
- Is your state relying on an Environmental Rating Scale (ERS) as an evaluation tool? If so, is your state committing resources to help centers offset the related expenses? (Many states have confirmed our findings that ERS is expensive.)
- Does your state provide resources to assist centers serving customers who cannot afford to finance their center's participation in QRIS through higher fees?
- Is your state relying on rate increases to finance participation in QRIS? If so, does your state have measures to help with upfront costs incurred in the first step before reimbursement increases begin?

For more information,
and for a copy of the full report
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Mississippi Low Income Child Care Initiative

The Mississippi Low Income Child Care Initiative (MLICCI) is a state wide organization of child care providers, parents, and community people who are working together to:

- *Build a strong, grassroots constituency for poor children and families in Mississippi;*
- *Advocate improved child-care policies and greater public investment in child-care subsidy programs for poor families; and,*
- *Enhance the quality of child development experiences for all poor children living in Mississippi.*

