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

Mississippi’s Child Poverty Rate is Worst in the Nation

Children in Poverty

| In Single Mother Families | 76% |

Map by National KIDS COUNT
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**

- **Without Assistance**: $4,071
- **With Assistance**: $720

**Available Assistance Doesn’t Meet the Need**

- **Children in Working Families Under 200% FPL**: 143,216
  - 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:

<table>
<thead>
<tr>
<th></th>
<th>Step Up Results</th>
<th>State QRIS – Quality Stars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Star 1 (base)</td>
<td>18.75%</td>
<td>60.00%</td>
</tr>
<tr>
<td>Star 2</td>
<td>50.00%</td>
<td>22.50%</td>
</tr>
<tr>
<td>Star 3</td>
<td>31.25%</td>
<td>10.00%</td>
</tr>
<tr>
<td>Star 4</td>
<td>0</td>
<td>5.00%</td>
</tr>
<tr>
<td>Star 5</td>
<td>0</td>
<td>2.50%</td>
</tr>
<tr>
<td>Center</td>
<td>Beginning Star</td>
<td>Ending Star</td>
</tr>
<tr>
<td>----------</td>
<td>----------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Center 1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Center 2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Center 3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Center 4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Center 5</td>
<td>1</td>
<td>2</td>
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<td>Center 6</td>
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<td>Center 7</td>
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<td>Center 8</td>
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<td>Center 9</td>
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<td>Center 11</td>
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<td>3</td>
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<tr>
<td>Center 12</td>
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<td>3</td>
</tr>
<tr>
<td>Center 13</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Center 14*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Center 15*</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Center 16*</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*While these centers didn’t move up in Star ranking, they did improve their ERS scores

<table>
<thead>
<tr>
<th>Center</th>
<th>Beginning ITERS</th>
<th>Ending ITERS</th>
<th>Beginning ECERS</th>
<th>Ending ECERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center 14</td>
<td>2.29</td>
<td>3.76</td>
<td>2.03</td>
<td>4.51</td>
</tr>
<tr>
<td>Center 15</td>
<td>1.27</td>
<td>2.37</td>
<td>2.22</td>
<td>2.37</td>
</tr>
<tr>
<td>Center 16</td>
<td>1.62</td>
<td>2.57</td>
<td>2.23</td>
<td>2.56</td>
</tr>
</tbody>
</table>
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:
  
  \textit{Base rates are too low}
  
  \textit{Subsidy density is too low}
  
  \textit{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 contact:

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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.**