

Comparison of Financial Incentives in State's Quality Improvement and Rating Systems

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The information in this table was collected in November and December 2006 from publicly available information on websites.

	Colorado Qualistar Rating System (2000)	District of Columbia Going for the Gold (2000)	Iowa Child Care Rating System (2006)
Structure	4 Levels – point system	3 Levels – Bronze, Silver and Gold	5 Levels – block and points
Participation Rate	16%	unknown	New system
QRS Website	Qualistar Rating System http://www.qualistar.org	Going for the Gold Web site not available	Iowa Child Care Quality Rating System http://www.dhs.state.ia.us/iqrs/
Quality Grants, Bonuses, and Awards	<p>School Readiness Grant - In 2002, Colorado established a school readiness child care subsidization program (HB 1297) that used private funds (from Qualistar) to match federal child care funds. The three-year initiative made grants available to child care centers that feed into low performing public schools. To receive funding the centers were required to obtain a quality rating and show improvement within 18 months (Stoney, 2004, p. 24).</p> <p>In school readiness sites, local organizations receive funds for one-time awards of up to \$3,000 per classroom for program improvements. Up to \$1,000 per classroom is reserved for conducting assessments for the rating (Paula Neth, private communication, December 5, 2006).</p>	None	<p>Achievement Bonus - The amount of the bonus is determined by the size of the program and the quality level achieved. Achievement bonuses are paid each time a rating is re-determined or renewed. A quality rating level is in effect for two years. Award amounts for child development (regulated family child care) homes range from \$400 at Level 2 to \$1,000 at Level 5. Awards for licensed child care centers range from \$400 at Level 2 for programs serving up to 25 children to \$4,000 for programs at Level 5 serving more than 100 children.</p> <p>The Web site is available at http://www.dhs.state.ia.us/iqrs/faqs/index.html</p>
Tiered Subsidy Reimbursements	Yes, county option – no information available on the web	Yes – no information available on the web	None
Loans Linked to Quality Rating Systems	None	None	None
Scholarships	T.E.A.C.H. – Eligibility for Colorado's T.E.A.C.H. program does not appear to be tied to programs participation in QRS.	None	T.E.A.C.H. – Information on Iowa's T.E.A.C.H. program is not available on the web.
Wage Supplements	None	None	None

	Kentucky Stars for Kids (2001)	Maryland Child Care Tiered Reimbursement Program (2001)	Montana Star Quality Rating System (2002)
Structure	4 Levels	4 Levels – Level 1, Bronze, Silver & Gold	3 Levels – Star 1 & 2, Accreditation
Participation Rate	30%	unknown	unknown
QRS Website	STARS for KIDS Child Care Quality Rating System http://www.education.ky.gov/KDE/Instructional+Resources/Early+Childhood+Development/STARS+-+The+Childcare+Quality+Rating+System.htm	Maryland Child Care Tiered Reimbursement Program http://63.236.98.116/cca/creden/tiered.htm	Star Quality Rating System http://www.dphhs.mt.gov/programsservices/starqualitychildcare.shtml
Quality Grants, Bonuses, and Awards	The Participation/Star Achievement Award is a one-time cash award upon reaching each star level. These awards are available to all participating programs, not just those that serve children receiving child care subsidies. For Star 1 the award is \$200 for centers and \$100 for homes. At levels 2–4, the size of the award is based on the enrollment size of centers and star level, ranging from \$500 (Star 2 with less than 50 children) to \$5,000 (Star 4 with more than 100 children). Family child care awards range from \$250 for Star 2 to \$1,000 for Star 4.	None	Montana has two on-going quality grant programs—mini grants and large provider grants—that are linked to participation in the QRS or other quality improvement efforts such as professional development. Mini-grants are between \$1,000 and \$1,500 per year. Large Provider Grants can be up to \$15,000 a year for up to three years (Stoney, 2004, p. 24). Additional information is available on Montana’s Child Care Resource and Referral Network Web site at http://www.montanachildcare.com/provider_grants.htm
Tiered Subsidy Reimbursements	Star Quality Incentive Awards - an annual award paid quarterly to star level 2, 3 and 4 programs serving subsidized children. Reimbursement rates for child care centers depend on the percentage of subsidized children being served, the child’s age and the star level of the program. For centers, the additional per child subsidy for children under age ranges from \$8.00 per subsidized child per month for a star 2 center serving 1-10% subsidized children to \$17.00 per subsidized child per month for a star 4 center serving 76% or more subsidized children. Centers that are nationally accredited (NAEYC, NAA, NAECP) receive an additional \$2 per subsidized child per day (\$40+ per month). For family child care homes, the amount of the subsidy depends on the program’s star level. For a child under age three, a star 2 family child care home would receive \$10.00/month and a star 4 would receive \$15.00/month.	Participation in the Tiered Reimbursement program is voluntary and programs at Level 2 or higher are paid a higher reimbursement for Purchase of Care Vouchers. The additional amounts are based on the level achieved (Bronze, Silver, Gold) and the child’s subsidy level for the Purchase of Care program. Specific information about the amount of the differential payment is not available on web. Information about the Tiered Reimbursement program is available on the Maryland Department of Education, Division of Early Childhood Development, Office of Child Care Web site at http://63.236.98.116/cca/creden/tiered.htm Information about subsidy rates is at http://www.mdchildcare.org/mdcfc/providers/cc_reimb.html	In Montana’s system, according to the State Child Care and Development Plan for FY 2006-2007, reimbursement rates for a 1- star facility are increased by 10% above the base rate; and 15% for a 2–star facility. Section 3.2 Payment rates http://www.dphhs.mt.gov/publications/childcarestateplan.pdf

	Kentucky Stars for Kids (2001)	Maryland Child Care Tiered Reimbursement Program (2001)	Montana Star Quality Rating System (2002)
Loans Linked to Quality Rating Systems	None	None	None
Scholarships	None	None	None
Wage Supplements	None	Achievement Bonuses – To be eligible for an achievement bonus for professional development, an individual must: apply, be accepted, participate in the credential program for a least one year, and complete continued training and professional activities as well as one year of continued employment in a child care facility. A one-time bonus, at each credential level, is paid directly to the participating individual upon completion of all requirements. The bonus amounts are: Credential Level Two - \$200 Credential Level Three - \$300 Credential Level Four - \$500 Credential Level Five - \$750 Credential Level Six - \$1,000	None

	New Hampshire Licensed Plus (2006)	New Mexico Look for the Stars (2005)	North Carolina NC Star Rated License (1999)
Structure	3 Levels – Licensed, Licensed Plus and Nationally Accredited	5 Levels – Star 1 to 5	5 Levels – Star 1 to 5
Participation Rate	Participation increased from 1 to 60 Licensed+ providers in first 6 months.	unknown	100% since Star 1 equals licensed; 73% are above Star 1 according to a recent statistical report at http://ncchildcare.dhhs.state.nc.us/pdf_forms/august_2006_Statistical_Report.pdf
QRS Website	Licensed Plus http://www.dhhs.state.nh.us/DHHS/CDB/licensed_plus.htm	Look for the Stars http://www.newmexicokids.org/caregivers	North Carolina Star Rated License http://ncchildcare.dhhs.state.nc.us/parents/pr_sn2_ov_sr.asp
Quality Grants, Bonuses, and Awards	None	None	<p>Local Partnerships for Children (Smart Start) may offer grants for quality improvement.</p> <p>To support the move from the 3 component rating system to the 2 component rating system (licensing compliance was omitted beginning 1/1/06), North Carolina is offering Rated License Transition Grants for two years (2006 and 2007). The goal is to help child care programs that have achieved 3 Stars or above in the current rated-license system to transition to the new two-component system by providing financial support to help providers to maintain the education of their staff and the quality of their child care settings.</p> <p>Quarterly payments are based on (1) the number of points earned by the program for education and program and (2) the number of children enrolled in a program. The maximum payment amount is \$3,000.00 per quarter. Amounts range from \$7.50 per child per quarter for a program with 5 points to \$20 per child per quarter for a program with 10 points.</p> <p>Rated License Transition Grants http://ncchildcare.dhhs.state.nc.us/pdf_forms/transition_grants.pdf</p>

	New Hampshire Licensed Plus (2006)	New Mexico Look for the Stars (2005)	North Carolina NC Star Rated License (1999)
Tiered Subsidy Reimbursements	<p>Programs that participate and are certified to serve children in protective and preventive care are eligible for cash rewards. http://www.dhhs.state.nh.us/DHHS/CDB/licensed_plus.htm</p> <p>National accreditations accepted are NAEYC, NAA or NAFCC.</p> <p>Recognition awards for participation are \$250 (homes) and \$500 (centers). In addition, Licensed Plus programs receive an annual payment equal to 5% of total subsidy payments for the previous year. Nationally accredited programs receive an annual payment equal to 10% of total subsidy payments for the previous year.</p>	<p>NM's tiered reimbursement rates are based on the star level achieved by the program. The differential per month per subsidized child increases in \$25.00 increments. The range is from \$25.00 for a 2-Star program to \$100.00 for a 5-Star (nationally accredited) program.</p> <p>Regulations are available at: http://www.nmcpr.state.nm.us/nmac/parts/title08/08.015.002.htm</p>	<p>Tiered reimbursement rates are determined for each star level and vary by county. The web links below provide details on the rates by county and star level. For example, according to the market rates effective 4/1/03 the subsidized rate for an infant in Robeson County in a one star center is \$289/month as compared to \$614/month in a five star center (increase is \$325/month). In Wake County, the rate for an infant in a one star center is \$592/month and in a five star center is \$847/month center (increase is \$255/month).</p> <p>Division of Child Development Subsidized Child Care Market Rates for Child Care Centers http://ncchildcare.dhhs.state.nc.us.pdf_forms/Center_Market_Rates.pdf</p> <p>Division of Child Development Subsidized Child Care Market Rates for Family Child Care Homes http://ncchildcare.dhhs.state.nc.us.pdf_forms/child_care_home_market_rates.pdf</p>
Loans Linked to Quality Rating Systems	None	None	Early childhood programs in North Carolina can access special loans to assist with needed repairs. These loans are linked to the quality rating system. Programs that improve their star rating during the loan term may have all or part of the loan converted to a grant, depending on the degree of quality improvement in the star system.

	New Hampshire Licensed Plus	New Mexico Look for the Stars	North Carolina NC Star Rated License
Scholarships	None	T.E.A.C.H – Information on NM’s T.E.A.C.H. program is not available on the web.	T.E.A.C.H. Early Childhood® Project offers scholarships, health insurance and salary supplements to child care workers. Information about T.E.A.C.H. in North Carolina (the founding State) is available on the Web at http://www.childcareservices.org/ps/teach.html .
Wage Supplements	None	None	WAGES - Salary supplements are tied to the education level of the recipient, the position the recipient holds in her/his program and the "Tier" level chosen by each participating county. (Counties choose which of 3 tiers of financial support they will provide.) For example, a teacher or family child care provider is eligible for a \$450 or \$600 annual supplement for having attained the Early Childhood Certificate. The award is \$1,500 or \$2,000 more per year for an AAS in Early Childhood Education. Directors are funded on a different scale than teachers and home providers. In all Tiers, the amount of the supplement increases as the level of education increases. Supplements for part-time employees are prorated based on a 40 hour work week Information available at: http://www.childcareservices.org/ps/wage.html

	Oklahoma Reaching for the Stars (1998)	Pennsylvania Keystone Stars (2002)	Tennessee Child Care Evaluation and Report Card Program & Star-Quality Child Care Program (2001)
Structure	4 Levels – 1 Star, 1 Star Plus, 2 Star, 3 Star	4 Levels – 1 Star to 4 Stars	4 Levels – Licensing, 1 Star to 3 Stars
Participation Rate	53% at 1 Star Plus or above	70% of centers; 30% of family child care homes	100% in Report Card; unknown for Star Quality
QRS Website	Reaching for the Stars http://www.okdhs.org/divisionsoffices/visd/dcc/	Keystone STARS http://www.dpw.state.pa.us/child/childcare/KeystoneStarChildCare	Star-Quality Child Care Program http://www.tnstarquality.org
Quality Grants, Bonuses, and Awards		<p>Pennsylvania’s Keystone STARS offers 2 grant programs. The award amounts are based on the type of program, size of program, and percentage of subsidized children.</p> <p>STARS Support Awards are for programs that are beginning to participate in the QRS, and are at the Start with Stars and Star 1 levels. Start with Stars is a one time award; amounts range from \$300 for a family day care home serving one subsidized child to \$5,000 for a very large center (more than 181 children) with at least 33% subsidy enrollment. Programs that attain a Star 1 rating are eligible for a Support Awards twice; amounts range from \$420 for a family day care home serving one subsidized child to \$7,000 for a very large center (more than 181 children) with at least 33% subsidy enrollment.</p> <p>Annual STARS Merit Awards are for programs with 2–4 stars. At the Star 2 level awards are available to programs three times and the awards range from \$675 for a family day care home serving one subsidized child to \$21,600 for a very large center (more than 181 children) with at least 33% subsidy enrollment. Awards at the Star 3 and 4 levels are awarded on an on-going basis and range from \$1,050 for a Star 3 family child care home to \$45,600 for a very large Star 4 center.</p> <p>Information about STARS financial support is available on the Pennsylvania Early Learning Keys to Quality Web site at http://www.pakeys.org/stars/FinancialSupports.aspx</p>	None

	Oklahoma Reaching for the Stars	Pennsylvania Keystone Stars	Tennessee Child Care Evaluation and Report Card Program & Star-Quality Child Care Program
Tiered Subsidy Reimbursements	<p>Oklahoma's reimbursement rates are determined by star status, setting and the child's age. For example, the full time daily reimbursement rate for an infant (0-12 months) in a one star center is \$15/day and increases to \$28/day for a three star center. The age breakdown is different in a family child care home. For an infant (0-24 months) in a one star family child care home the full time daily rate is \$18 and increases to \$24 for a three star child care home.</p> <p>Child Care Eligibility/Rates Schedule http://www.okdhs.org/NR/rdonlyres/6C1E2B9A-A97A-45E3-BF42-7E0BB6360209/0/OKDHS_ApC4.pdf</p>	None	<p>Programs that participate in the Star-Quality Child Care program receive reimbursements based on the level achieved. Programs that have achieved one-star overall rating receive a reimbursement rate bonus that is 5% above the base, two-star programs receive a 10% bonus and three-star programs receive 20% above the base. The state rate ceiling for full-time infants is \$110/week. The 20% bonus increases the payment to \$132/week.</p> <p>http://www.tnstarquality.org/html/star-quality.htm</p> <p>FY 05-06 Reimbursement Rates (see page 71) http://tennessee.gov/humanserv/adfam/06-07-State-Plan-6.21.05_4.pdf</p>
Loans Linked to Quality Rating Systems	None	None	None

	Oklahoma Reaching for the Stars	Pennsylvania Keystone Stars	Tennessee Child Care Evaluation and Report Card Program & Star-Quality Child Care Program
Scholarships	<p>The Scholars for Excellence initiative provides scholarships to individuals to help pay for tuition and books; Scholar Coordinators in each community college publicize the program and assist students to participate (Mitchell, 2005, p. 42). To qualify for the Scholars for Excellence in Child Care program, an individual must work in a program rated one-star plus or above at time of application. Scholars for Excellence in Child Care program applicants must:</p> <ul style="list-style-type: none"> • Work in a one-star plus or above DHS- or tribal-licensed child care facility with a minimum of 10 percent subsidy children at time of application • Work at least 30 hours per week as follows: Teachers: with children Family child care providers: paid to care for children other than their own Directors: performing administrative duties and/or working with children • Be employed at a child care facility at least three months before beginning coursework. <p>Additional information about the Scholars for Excellence in Child Care program is available on the Oklahoma State Regents for Higher Education Web at http://www.okhighered.org/secc/</p>	<p>T.E.A.C.H. PENNSYLVANIA gives priority to practitioners who work in programs at a two-star or higher level.</p> <p>T.E.A.C.H. Early Childhood® PENNSYLVANIA is administered by the Pennsylvania Child Care Association (PACCA). Additional information is available on the Web at http://www.pacca.org/TEACH/</p>	None

	Oklahoma Reaching for the Stars	Pennsylvania Keystone Stars	Tennessee Child Care Evaluation and Report Card Program & Star-Quality Child Care Program
Wage Supplements	<p><i>R.E.W.A.R.D.TM Oklahoma</i> provides education-based salary supplements to practitioners based on their qualifications. This program is not directly tied to Oklahoma's QRS but these supports are targeted to staff in programs with ratings above the One-Star level (Mitchell, 2005, p. 42 and Center for Early Childhood Professional Development Web site). The <i>R.E.W.A.R.D. Oklahoma</i> program is offered Statewide with funding provided by the Oklahoma Department of Human Services (OKDHS) Division of Child Care. These Participants in the <i>R.E.W.A.R.D. Oklahoma</i> program may increase their supplement amounts by gaining more education. Maximum annual award is \$2,000.</p> <p>http://www.cccpd.org/Reward/rewardoklahoma_new.html</p>	<p>Education and Retention Awards are available to staff that have worked for a minimum of 12 months in same program. The program must also have a 5% subsidy enrollment. Award amounts are prorated for part time staff. For directors (with a BA in ECE) award amounts range from \$3,000 in Star 2 center to \$4,000 in a Star 4 center. A staff person with a CDA in Star 2 center qualifies for \$750 award and in a Star 4 center a \$1,000 award.</p> <p>This information about STARS financial support is available on the Pennsylvania Early Learning Keys to Quality Web site at http://www.pakeys.org/stars/FinancialSupports.aspx</p>	None
Tax Credits	<p>Beginning in tax year 1998, Oklahoma enacted a tax credit for child care businesses that are at least at the Two Star level, working toward accreditation. The credit is equal to 20% of the expense incurred to comply with standards of national accrediting bodies recognized by Oklahoma's Reach for the Stars. The expenses cannot have been incurred to comply with Oklahoma's child care licensing act. The credit can be carried forward into four subsequent tax years.</p> <p>For more information, see http://www.oscn.net/applications/oscn/DeliverDocument.asp?CiteID=92595 http://www.oktax.state.ok.us/oktax/forms00/511cr00.pdf</p>		

	Vermont Steps Ahead Recognition System (2003)		
Structure	5 Levels – point system 1 Star to 5 Stars		
Participation Rate	200 participating, approximately 10% of providers		
QRS Website	STep Ahead Recognition System for Child Care Programs (STARS) http://www.STARSstepahead.org		
Quality Grants, Bonuses, and Awards	<p>Quality Incentive Bonus is a one-time financial incentive payment based on the number of stars earned. The incentive payments for programs are in addition to the current Child Development Division (CDD) system of \$1,000 bonuses for accreditation, credentialing, and renewals.</p> <p>The 2005 incentive payments are: One Star - \$250 Two Stars - \$500 Three Stars - \$1,000 Four Stars - \$1,150 Five Stars - \$1,550</p> <p>STARS programs are given preference for facilities grants from the Building Bright Spaces for Bright Futures Facilities Panel.</p> <p>Programs with three or more stars become eligible to receive a Young Explorers computer learning center donated by IBM in support of STARS.</p> <p>Additional information is available under Provider Incentives in the FAQ section of the STep Ahead Recognition System (STARS) Web site at http://www.starsstepahead.org/.</p>		

	Vermont Steps Ahead Recognition System		
Tiered Subsidy Reimbursements	<p>Participants are eligible for increased reimbursement rates through the Vermont Child Care Subsidy program.</p> <p>The 2005 increased reimbursement rates:</p> <p>One Star – 4%</p> <p>Two Stars – 8%</p> <p>Three Stars – 12%</p> <p>Four Stars – 17.5%</p> <p>Five Stars – 20%</p>		
Loans Linked to Quality Rating Systems	None		
Scholarships	None		
Wage Supplements	None		
Tax Credits	<p>Vermont has a refundable child care tax credit and allows taxpayers a higher credit (from 24% to 50% more) if the program meets national accreditation. For more information on the credit and a list of accredited programs, go to http://www.state.vt.us/tax/creditslowincome.shtml</p>		

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