

In 2014, Nebraska created *Step Up to Quality* (*SUTQ*) the state's first quality rating and improvement system for child care providers. The system was designed to:

- Increase fiscal accountability for Nebraska's public investment in early care and education
- Provide parents with the information they need to recognize quality settings and make more informed choices about the child care options in their communities
- Provide quality improvement supports for child care providers to better meet the developmental needs of young children and increase their readiness for kindergarten

To confirm *SUTQ* was on track to fulfill its purpose, First Five Nebraska contracted with APA Consulting, a Denver-based education policy and research firm, to conduct a multi-year evaluation. The following observations are based on key data from the Year One Evaluation Report submitted in February 2016.

## Overview

### ***SUTQ* is collecting the data we need to move Nebraska's investment in subsidized child care toward a greater level of fiscal accountability**

- As defined in the *Step Up to Quality Child Care Act*, child care providers who received \$250,000 or more in child care subsidy reimbursements by the end of December 2015 were required to participate in *SUTQ*. As of the end of December 2016, that requirement will include providers who received \$250,000 or more in the preceding fiscal year.
- By the end of December 2015, 38 operating child care providers met the subsidy reimbursement criteria requiring participation in *SUTQ*. As of January 2016, 33 of the required providers had begun or completed the application process. By April 2016, all 38 required providers were participating in *SUTQ*.
- Providers required to participate in *SUTQ* in its first year of operation reported serving 2,216 subsidy-eligible children statewide in FY2013-14, and received an average reimbursement of about \$6,521 per child in subsidy dollars.

### **Preliminary survey results indicate parents who use *SUTQ* providers prioritize child care settings that help prepare children for school**

- While parents recognized the value of child care in enabling them to participate in the workforce, most respondents considered children's developmental outcomes to be the most important factor in choosing a child care setting.
- A provider's ability to support children's language development, numeracy, social-emotional skills and overall kindergarten readiness were the leading factors in parents' choice of a child care setting.

### ***SUTQ* is enhancing the capacity of the child care workforce to meet the developmental needs of young children, particularly infants and toddlers at risk**

- In its first year of operation, *SUTQ* providers served about 15% of all children at risk from birth to age 3 in Nebraska. Despite this progress, it is necessary to set more child care providers on the path to quality improvement if we are to address the early learning needs of the state's remaining 25,000 infants and toddlers at risk.
- Infants and toddlers account for about half of all children served by all required and most voluntary participants in *SUTQ* (child care centers, family child care homes).
- Of the professional coaching opportunities available through *SUTQ*, providers most commonly requested those intended to improve the learning experiences of the infants, toddlers and preschoolers they serve.

# What do we know about Step Up to Quality providers?

Providers participating in SUTQ must complete an initial application process to be considered fully enrolled and receive a quality rating. Providers at Step 1 have met the requirements for basic licensure in Nebraska. Providers move higher in the rating scale as they improve their family engagement and early learning practices, advance the professional development of their staff, strengthen their program administration and demonstrate positive, measurable results in child outcomes.

| Step ratings as of January 2016 ► | Not Yet Rated | Step 1    | Step 2    | Step 3    | Step 4   | Step 5   | Total      |
|-----------------------------------|---------------|-----------|-----------|-----------|----------|----------|------------|
| <b>Required Providers</b>         |               |           |           |           |          |          |            |
| Child Care Center                 | 11            | 20        | 1         | 6         | -        | -        | 38         |
| <b>Voluntary Providers</b>        |               |           |           |           |          |          |            |
| Child Care Center                 | 69            | 27        | 9         | 6         | 1        | -        | 112        |
| Family Child Care Home I          | 31            | 15        | 2         | -         | -        | 1        | 49         |
| Family Child Care Home II         | 16            | 9         | 9         | 1         | -        | -        | 35         |
| Head Start                        | 4             | -         | -         | 2         | -        | -        | 6          |
| Public School                     | 12            | 1         | -         | 5         | -        | -        | 18         |
| <b>Totals</b>                     | <b>143</b>    | <b>72</b> | <b>21</b> | <b>20</b> | <b>1</b> | <b>1</b> | <b>258</b> |

- **Most subsidy-eligible children enrolled in SUTQ programs are served by providers ranked in the first three steps of quality.** On average, 35% of all children enrolled by providers rated at Step 1 benefit from the child care subsidy. Children who receive the subsidy account for 27% of those served by Step 2 providers, and 30% of those served by Step 3 providers.
- **SUTQ already demonstrates a statewide reach.** By the end of the Year One evaluation, SUTQ providers were located in more than half (50 of 93) of Nebraska counties. Larger clusters of providers were located in areas with a high proportion of children at risk, including Scotts Bluff, Buffalo, Hall, Chase, Douglas and Lancaster counties.

## How do providers pursue their quality improvement options?

SUTQ providers can choose from several quality improvement supports and incentives to make changes in their programs and increase their quality ratings. These include coaching and technical assistance for staff and administrators, financial bonuses for moving beyond a Step 2 rating and tiered subsidy reimbursements from Step 3 to Step 5.

- **Providers opted for supports that grew the quality of their staff, learning environments and administration** More than half (55%) of SUTQ providers chose supports to help them expand professional development opportunities for their staff. Thirty-seven percent of the providers improved the learning environments they offer and about 24% strengthened their administrative practices to run more effective programs.
- **Providers value coaching opportunities and incentivizing bonuses.** Of the surveyed providers who received quality improvement supports through SUTQ, 76% believed that professional coaching was either useful or very useful. More broadly, 88% of the providers who have yet to receive these supports anticipate that coaching will be significantly useful in improving their programs. Providers also indicated that financial bonuses had been useful (82%) or expected them to be useful (76%) in improving or supporting program quality.
- **Providers are confident about their ability to move up the ratings scale.** On average, the majority of participating providers believed they can meet the requirements for quality improvement without significant difficulty across the major domains related to educational practice and administration. More than half (58%) anticipated moving to a higher step rating within the year.