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October 18, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
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Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

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FEASIBILITY REPORT ON COUNTYWIDE CHILD CARE RATING SYSTEM

On August 20, 2013, the Board of Supervisors approved a motion introduced by Supervisor Antonovich directing the Chief Executive Office to provide a feasibility report on establishing a Countywide child care rating system for licensed child care programs. Currently, the Office of Child Care administers two different child care quality rating systems¹, and both systems include less than five percent (429 out of over 10,000) of child care providers in Los Angeles County. Similar to the County's restaurant and nursing home grading systems, a more extensive and standardized child care rating system would provide easily accessible and valuable information to the public. Furthermore, the overall goal of a Countywide quality rating system for child care would help inform parents' decisions about selecting quality child care settings, as well as incentivize child care providers to achieve higher quality standards.

In response to the Board motion, the attached report provides the following:

1. Overview of child care in Los Angeles;
2. Description of current child care quality rating programs in Los Angeles County;
3. Comparison with the restaurant and nursing home grading systems; and
4. Recommended options for a Countywide child care quality rating and improvement systems including the scope, parameters, structure, timing, and costs associated with the options.

¹Steps to Excellence Program (STEP) and Race to the Top (RTT)

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

Feasibility Analysis

This report (Attachment) presents findings from our analysis on the feasibility of developing a Countywide quality rating program for child care. In review of lessons learned from the restaurant and nursing home ratings systems, we learned that the majority of facilities did not get rated until the system became mandatory. In addition, consumers only became aware of such ratings after the launch of a public education campaign. However, once consumers understood the value of the ratings, they used the rating systems to make decisions. As a result, nursing homes and restaurants worked to improve quality in order to receive higher ratings.

A review of recent bills suggests that the Governor does not support making the child care quality rating system mandatory. While a clear mandate for a child care rating system would acquire greater participation by providers, research found that greater incentives and support could also help promote participation.²

Recommended Options

Based on the lessons learned from other states' implementation of Quality Rating Improvement Systems (QRIS), the following recommended options could be considered for Los Angeles County:

1. **Incentivize Ratings** – Building on the existing RTT quality rating system used in Los Angeles County, a quality rating scale ranging from one to five could be used, where a one indicates that a program is meeting basic licensing standards, to a five which indicates exemplary practices. Los Angeles County could provide a "1" rating to all child care providers who have received a state license. While the County cannot mandate that providers post their ratings, a County website dedicated to child care ratings could publicize all ratings. Providers interested in receiving a higher rating could participate in the quality rating system.
2. **Working with the State to Seek Legislation to:**
 - Increase the frequency of on-site monitoring of child care programs, centers and family child care homes, to at least once every two years; and
 - Require child care programs to post the results of each monitoring inspection.
3. **Clarify Los Angeles County's Goals** – Although many states have QRIS systems, the goals of these systems vary by state. Los Angeles County would have to reexamine and clarify goals and objectives for a countywide QRIS system. Today, STEP and RTT primarily focus on improving the quality of child care programs. The

²Child-Care Quality Rating and Improvement Systems in Five Pioneer States, RAND, 2008.

Restaurant and Nursing Homes ratings are focused on health and safety. The challenge in California is that since the compliance checks are only done every five years, there are questions as to whether child care providers are meeting basic health and safety standards. In addition, we need to clarify whether the goals of the County's rating system should encompass health and safety and/or quality.

4. **Evaluate the feasibility of working with the state to authorize Los Angeles County to take on the licensing function.** This would require an investment of County general fund dollars as the state would not appropriate sufficient funds to increase the frequency of on-site compliance checks.
5. **Develop a tiered approach for compliance checks,** if Los Angeles County takes on the licensing function. In which, providers with less than a "2" rating would require annual compliance checks; while providers with higher ratings may require compliance checks every two to three years. This could be an incentive for providers to volunteer to participate in the RTT rating system. The overall benefit would provide a much stronger assurance that child care programs are in fact, complying with health and safety standards.

The following recommendations address outreach to both providers and parents, one of the most important aspects of increasing participation and ensuring success.

6. **Launch a public awareness campaign** to educate parents on the Child Care Rating Systems so that they are aware of what the ratings mean and so that they can ask the provider if they have been rated. Having parents ask for provider ratings will incentive providers to seek a quality rating. We need to keep in mind that prior to the mandates; restaurants only posted their scores when the ratings were high.
7. **Develop a web-based search tool** for parents to locate and connect with quality rated child care programs.

Options to Expand Provider Participation

Currently, the County's funding for RTT and STEP is limited, and we only have ability to provide 520 ratings in a two-year cycle. If the County was interested in expanding the number of providers who participate in a rating system, we could consider two options:

Option 1 – Comprehensive RTT Summary

- Applies the existing RTT quality standards;
- Includes quality improvement services (coaching, training);
- Provides grants to providers;

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- Offers ongoing technical assistance;
- Current funding from the California Department of Education (CDE) and Los Angeles Universal Preschool (LAUP) allows for a maximum of 520 ratings per two-year cycle (Table 7);
- Additional ratings (over 520) would require Net County Cost investment; and
- Estimated per provider cost: \$8,525.

Option 2 – RTT Rating Only

- Expand the RTT rating component **only**;
- No quality improvement services through coaching and training;
- No grants awarded to providers;
- Provides technical assistance for recruitment and support throughout rating process;
- Funded solely by Net County Cost; and
- Estimated per provider cost: \$4,359.

The attached report provides an understanding of child care, the current programs that exist in Los Angeles County, a comparison to the restaurant and nursing home rating systems, a feasibility analysis, and options for the Board's consideration. In addition, the report reviews the history on legislative action in the state and other states' efforts in implementing quality rating and improvement systems.

This information serves to provide options for the Board's consideration in the context to understanding the complexity of monitoring and rating child care facilities due to the nature of the client served, a growing and developing child.

If you have any questions or need additional information, please contact me, or your staff may contact Antonia Jiménez at (213) 974-7365, or via e-mail at ajimenez@ceo.lacounty.gov.

WTF:AJ:CT
VD:KMS:HC:ljp

Attachment (1)

c: Executive Office, Board of Supervisors
County Counsel
Los Angeles Universal Preschool



Feasibility Report on a Countywide Child Care Rating System

COUNTY OF LOS ANGELES

October 2013

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Introduction – Overview of Board Motion

On August 20, 2013, the Board of Supervisors approved a motion introduced by Supervisor Antonovich that directs the Chief Executive Office’s Office of Child Care to provide a feasibility report on establishing a Countywide child care quality rating system for licensed programs. Currently, the Office of Child Care administers two different child care quality rating systems, and both systems include less than 5 percent (429 out of over 10,000) of child care providers in Los Angeles County. Similar to the County’s restaurant and nursing home grading systems, a more extensive and standardized child care rating system would provide easily accessible and valuable information to the public. Furthermore, the overall goal of a Countywide quality rating system for child care would help inform parents’ decisions about selecting quality child care settings, as well as incentivize child care providers to achieve higher quality standards.

In response to the Board motion, this report provides the following:

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1. Overview of Child Care in Los Angeles County

There are two types of licensed child care facilities, Child Care Centers and Family Child Care Homes¹. The chart below provides the definition and supply of licensed child care in Los Angeles County.

Types of Licensed Child Care Facilities

Community Care Licensing Division (CCLD) licenses facilities as follows:

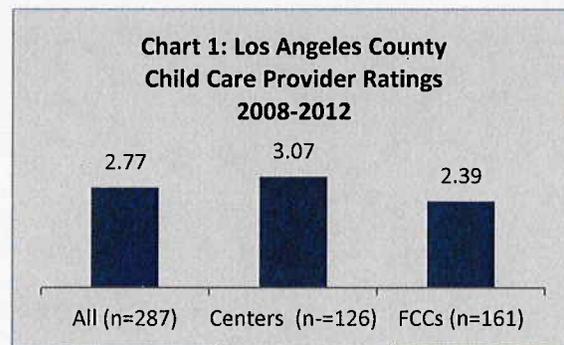
- **Child Care Center** refers to any child care facility of any capacity, other than a Family Child Care Home, in which less than 24 -hours per day, non-medical care and supervision are provided to children in a group setting.
- **Family Child Care Home** means regularly provided care, protection and supervision of children, in the caregiver’s own home for periods of less than 24-hours per day, while the parents or authorized representatives are away.

Table 1: Supply of Licensed Child Care in LA County – August 2013

Type of Care	Ages Served	# of Providers	# of Spaces
Child Care Centers	6 weeks to 2 years	424	170,412
	2 to 5 years	2,684	
Family Child Care Homes	Birth to 12 years	7,114	56,546
Total Licensed Care		10,222	226,958

¹ Families can also use license-exempt care. In August 2013, the Department of Public Social Services issued CalWORKs Stage 1 child care payments to 2,970 license-exempt providers.

For over 30 years, the UCLA Center for Improving Child Care Quality (CICCCQ) has been tracking child care quality in Los Angeles County. In a review of the STEP ratings from 2008-2012, CICCCQ has concluded that the quality of child care programs continues to score low to mediocre. As shown in Chart 1, out of a 5-point scale, the average overall STEP rating falls between 2 and 3.² For both Child Care Centers and Family Child Care Homes (FCCH), the lowest scoring area is primarily *staff qualifications and working conditions*. Studies indicate that a lack of qualified staff can impact the quality of the program that child care providers can deliver.



The following paragraphs will provide an understanding of the various assessments of child care facilities ranging from:

- 1) State Licensing Regulations
- 2) LA County Department of Public Health – Inspections of Child Care Facilities
- 3) National Accreditation Programs

State Licensing Regulations

Before establishing a child care center in California, the provider must obtain a state license issued by the California Department of Social Services (CDSS), Community Care Licensing Division (CCLD). Licensing regulations establish the minimum health and safety standards to safeguard children in licensed child care facilities. While Child Care Centers and Family Child Care Homes differ slightly on their licensing requirements, they are all required to secure California criminal record and Child Abuse Central Index Clearances for all adults. State licensing regulations cover areas such as: the maximum capacity for children, adequate play equipment and outdoor space, and the facility is clean, orderly, and appropriately ventilated.

In many states, compliance checks are conducted annually. In California, due to budget constraints, the CCLD conducts on-site monitoring of licensed child care once every five years or in response to complaints. All complaints to CCLD are responded to within 10 calendar days. While CCLD understands the importance of conducting annual compliance inspections, State budget cuts have precluded them from doing so.

CDSS has indicated that five counties have received delegated authority to conduct the licensing functions for their specific jurisdiction. The State provided the funds for those counties to conduct child care provider compliance checks for their counties. However, all five counties have returned the licensing responsibilities back to the state, because funds allocated

² *Child Care Quality Levels in Los Angeles County*. UCLA Center for Improving Child Care Quality, September 2013. Quality ratings are from the Steps to Excellence Program (STEP), which will be further described in this report.

were not sufficient to do annual compliance checks. In addition, the counties no longer wanted the liabilities associated with conducting child care provider compliance monitoring.

LA County Department of Public Health – Inspections of Child Care Facilities

Until 1975, the County *Department of Health Services operated as the regulatory authority over day care centers for children and residential facilities for children and adults.* The County enforced the California Restaurant Act for food sanitation and Los Angeles County Ordinance 7583 set standards (e.g. classroom, play and rest areas size, ventilation, and general maintenance and sanitation) for the remainder of the facility. Beginning in 1975 to approximately 2006, a series of laws (e.g. Community Care Facilities Act) and amendments (Restaurant Act, California retail Food Code) to State codes along with legal pronouncements by the California Department of Health Services provided a clear understanding that authority for day care centers and preschools rests with Community Care Licensing and local jurisdictions only retained regulatory authority concerning swimming pools, sewage disposal, water purity, and waste treatment.

The County Department of Public Health-Environmental Health (DPH-EH) continued to license and conduct annual inspections of child care facilities, despite questionable authority. The scope of inspections focused only on maintenance and sanitation. The sections of the LACC Title 11 Health and Safety regarding food service, physical requirements of the facility including isolation rooms, size of play yard, and the number of toilets was not enforced. If serious food handling or other violations including the lack of hot water or communicable disease were noted, the findings were referred to the Community Care Licensing Division.

After an internal review of the program, the DPH-EH determined that the factors including the lack of local authority and that the program was largely unfunded were barriers to the continuance of the program. Therefore, upon DPH-EH recommendation, the *Board of Supervisors approved the discontinuance of the licensing and inspection of day care centers and preschools by the Environmental Health Division (EHD) on March 7, 2012.* The inspection inventory at that time included about 2,014 sites. Each of these facilities was inspected once per year, with an average inspection time 1.14 hours per routine inspection. Only about a third of these facilities paid for-profit permit fees which total approximately \$292K. EHD still responds to life-threatening emergency situations at day care/preschools should they occur.

Nationally Accredited Programs on Quality

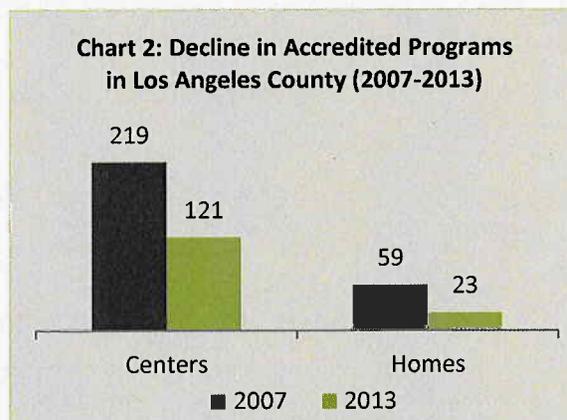
As information on early brain development became more widely available and understood, both local and national efforts shifted from a focus on health and safety to program quality. A national **voluntary** child care accreditation system for centers was launched by the National Association of Education for Young Children (**NAEYC**) in 1985. Two years later, the National Association for Family Child Care (**NAFCC**) established the **voluntary** accreditation program for family child care homes.

These accreditation standards, particularly those for child care centers, far exceed California's licensing regulations in the areas of:

- Staff qualifications
- Staff to child ratios
- Group size
- Curriculum
- Teaching
- Assessment of child progress
- Family and community partnerships

The accreditation process is much more comprehensive than state licensing regulations and focuses more on program quality. Since the accreditation process is voluntary and fee-based, typically only providers that are well-established and well-funded seek national accreditation.

In Los Angeles County, the number of accredited Centers declined by 45 percent between 2007 and 2013 (see Chart 2). Similarly, the number of accredited Family Child Care Homes (FCCH) has declined by 61 percent. The factors that contributed to the reduced participation in accreditation were primarily due to:



1. NAEYC increased fees for center accreditation. Fees range from \$1,425 to \$2,175, depending on the size of the facility.
2. NAEYC increased the percentage of staff required to have a Bachelors of Arts degree.
3. A significant reduction in technical and financial assistance was available to assist child care homes through the accreditation process. First 5 LA provided one-time grants to child care facilities for support and coaching; however, the majority of these funds expired in 2009.

Both NAEYC and NAFCC have suffered from a lack of an effective and sustained parent outreach effort. In other words, there is minimal benefit to providers obtaining national accreditation since the parents are not aware, and in many cases, they do not understand the benefits of accreditation. Recognizing that accreditation places new emphasis on the importance of program quality, yet participation in the accreditation system is limited, LA County initiated a local quality rating and improvement system, as described below.

2. Child Care Quality Rating and Improvement Systems (QRIS)

From the establishment of two national accreditation programs in the mid-1980s, QRIS emerged in the late 1990s in an effort to bridge the gap between ensuring the health and safety of children in child care programs - to implementing practices that maximize the development of a strong foundation for future learning, behavior, and health in young children. The QRIS movement, currently underway in most states, has been fueled by the science of early brain

development and research documenting how high quality child care and development programs can narrow the achievement gap.

QRIS is focused on achieving and maintaining higher levels of program quality. It is also designed to provide parents and caregivers with information regarding program quality. The following five components are essential to an effective QRIS system:

1. **Standards:** Utilizes research-based criteria to rate program quality.
2. **Accountability:** Provides a clear and transparent system to evaluate child care against the identified standards.
3. **Outreach/support to child care providers:** Recruits programs to participate in the rating program and improvement system.
4. **Parent education:** Educates parents on the rating tool and how to use it in their selection of child care.
5. **Financial supports:** Provides financial assistance to facilitate the provider's ability to meet the identified standards.

3. Description of Current Child Care Quality Rating Programs in LA County

In Los Angeles County, we have three quality rating and improvement systems: 1) Steps to Excellence Program (STEP) operated by Los Angeles County Office of Child Care (OCC); 2) Los Angeles Universal Preschool (LAUP) conducts quality ratings for programs targeting 4-Year Olds; and 3) Race To the Top-Early (RTT) Learning Challenge operated by both Los Angeles County and LAUP.

Steps To Excellence Program (STEP)

STEP was launched, with a \$1M grant from First 5 LA in 2007, as a three-year pilot project serving children from birth to five. During the pilot phase, 200 programs were rated and provided professional development training opportunities and quality improvement grants. At the conclusion of the pilot phase, Wold and Associates evaluated STEP and identified process improvements in the areas of technical assistance, coaching, professional development services and multiple program quality ratings. In 2011, OCC secured funding as part of the LAUP's Early Childhood Education (ECE) Workforce Consortium to continue STEP implementation. This contract expires in August 2016.

LAUP – 4-Year Old Program

LAUP is dedicated to building a universal preschool network with the goal of providing every 4-year old child the opportunity to attend a quality preschool in Los Angeles. LAUP uses a 5-star rating system to evaluate the quality level of classrooms for 4-year olds. Although ratings are not made public, LAUP does provide coaching and a tiered reimbursement system to compensate programs based on quality level. The LAUP RTT will focus on rating and improving

the quality of 150 early education providers serving children from birth to age five. Every year, LAUP supports numerous programs that serve over 10,000 children from diverse backgrounds.

Race to the Top-Early Learning Challenge (RTT)

In September 2011, the California Department of Education (CDE) embarked on the Race to the Top-Early Learning Challenge program. RTT is a federal initiative designed to support child care quality rating and improvement systems. RTT is being implemented in 16 counties across the state that had existing child care quality rating systems in place. STEP's existing program rated the entire child care facility, while LAUP's existing system rated preschool classrooms and provided tiered-reimbursement awards to programs serving four-year olds. As a result, CDE provided an RTT grant to both OCC and LAUP.

RTT, launched in 2012, focused on licensed child care programs serving "high-need" populations, including:

- Children in low income families
- Families experiencing homelessness
- Families involved with the child welfare system
- Children who are dual language learners
- Children with special developmental needs,
- Areas with high infants and toddlers concentration

Participants in OCC's RTT receive a quality improvement grant, training and coaching opportunities, and two quality ratings – the initial and the second, conducted a year later.

CDE has requested that by 2015, RTT serves as the one quality rating system for Los Angeles County. In response to this Board motion, LA County contacted LAUP to determine whether we can begin to immediately transition providers from STEP to RTT, without compromising our funding. LAUP was supportive of merging these two programs, contingent upon an agreed transition plan. While this change requires the approval of First 5, LAUP did not anticipate any problems with this change. In addition, CDE will be working to evaluate the RTT rating system to determine whether the RTT program rating tools effectively rate program quality. RTT funding expires in 2015.

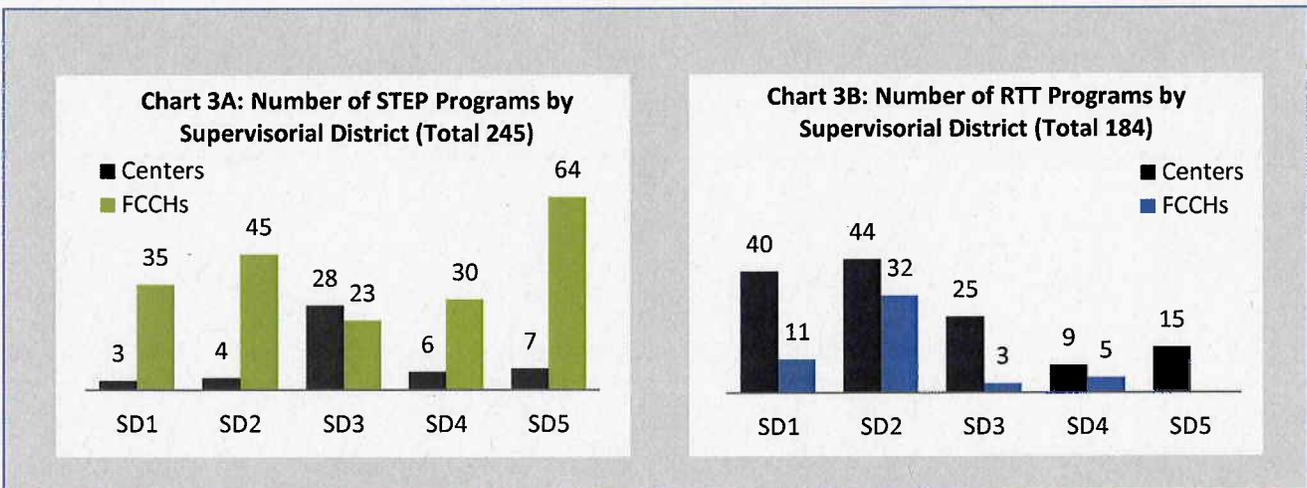
Child care providers who participate in STEP receive a lump sum grant amount of \$4,999 after the initial rating and are expected to have another rating conducted in year two. Centers who participate in OCC's RTT receive two grants totaling \$3K- \$5K after the first rating and \$2K after the second rating. Family Child Care Homes receive \$1K after the first rating and \$800 after the second. RTT provides a small incentive for the providers to undergo a second rating.

The table below provides a side by side comparison of OCC's STEP and RTT.

Table 2: Program Elements of STEP and RTT

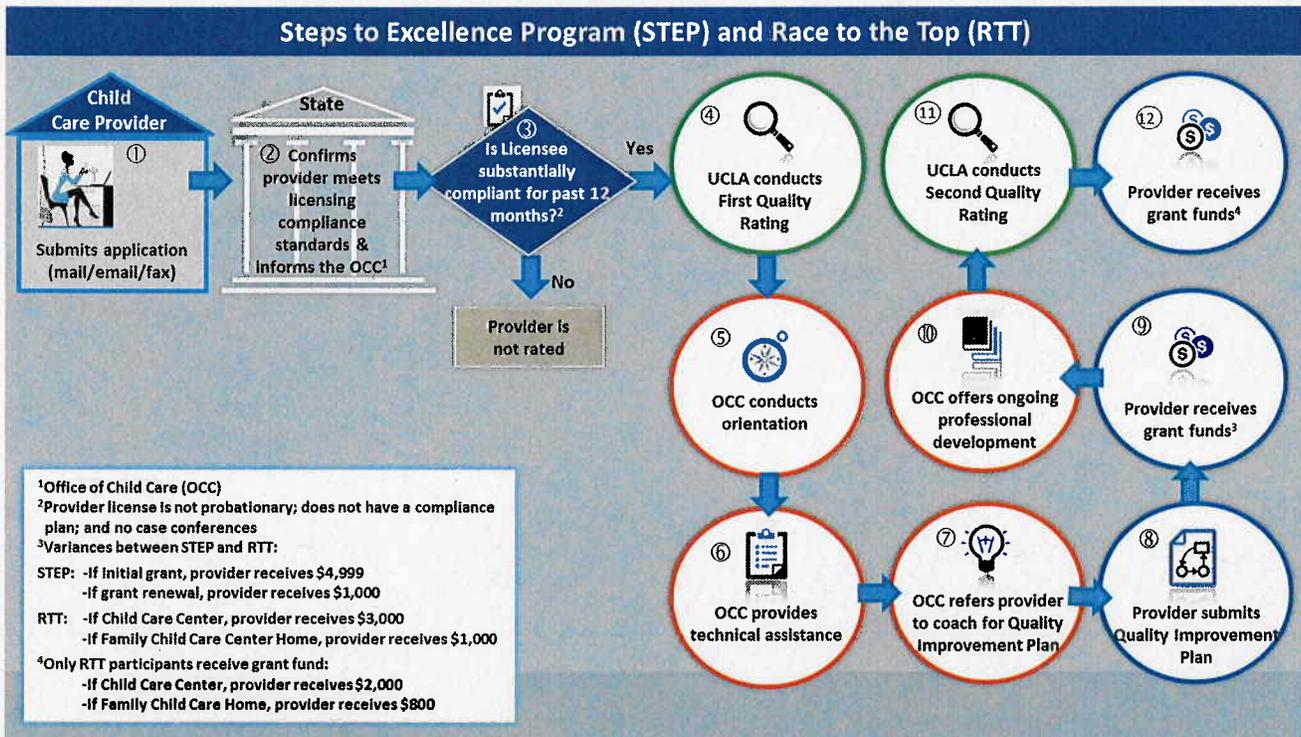
Elements	STEP	RTT-ELC
Launch Year	2007	2012
Funder	<ul style="list-style-type: none"> • 2007-2010 by First 5 LA • 2011-2016 by LAUP 	<ul style="list-style-type: none"> • 2012-2015 by the CDE
Target Population	<ul style="list-style-type: none"> • Licensed Child Care Center and Family Child Care Homes (FCCH) 	<ul style="list-style-type: none"> • Licensed Child Care Center and FCCHs serving high-needs population
Number of Participating Sites	<ul style="list-style-type: none"> • 48 Child Care Centers • 197 FCCHs 	<ul style="list-style-type: none"> • 133 Child Care Centers • 51 FCCHs
UCLA Quality Ratings	<ul style="list-style-type: none"> • 1 rating per year in a two year cycle 	<ul style="list-style-type: none"> • 1 rating per year in a two year cycle
Coaching/Prof Dev't	Yes	Yes
Improvement Grants	<ul style="list-style-type: none"> • Initial grant \$4,999 • Renewal grant: \$500 per Center class; \$1,000 per FCCH • Total Provider Grant: \$362,911 	<ul style="list-style-type: none"> • \$5,000 per Center • \$1,800 per FCCH • Total Provider Grant: \$285,000
Total Grant	\$1.282M	\$2.015M

Below you will find the distribution of providers rated by Supervisorial District for both programs. STEP has rated a total of 245 providers, and RTT has rated 100 out of 184.



Participant Process Flow for STEP & RTT

Programs participating in the OCC's STEP or RTT voluntarily commit to engage in a multi-year quality improvement process. This cycle takes between one to two years to complete. The following delineates the process a provider experiences, when participating in STEP or RTT.



The following describes the major milestones for programs participating in STEP or RTT:

1. Provider submits an application to participate in STEP or RTT to the OCC by mail/email/fax.
2. State CCLD confirms that the provider meets licensing compliance standards and informs the OCC.
3. OCC determines if the provider has been substantially compliant with licensing standards for the last 12 months, to ensure that the license is not probationary, does not have any compliance plans, and does not have any case conferences.
4. If the provider meets substantial compliance, OCC refers the provider to UCLA Center for Improving Child Care Quality (CICCCQ) to conduct the first quality rating within three to six weeks.
5. OCC conducts an orientation for the provider, describing the range of services available to providers and expectations of providers.
6. OCC provides technical assistance to all participating providers.
7. Upon receiving the initial rating results, OCC refers the provider for coaching to develop a Quality Improvement Plan based upon the results of the first rating.
8. Provider submits the Quality Improvement Plan to OCC for approval.

9. After OCC approves the Quality Improvement Plan, the provider receives funds to support implementation of the quality improvement plan. Grant amounts differ for STEP and RTT. For grant amount see footnotes in the pictorial on the previous page.
10. The OCC continues to support the provider with professional development opportunities.
11. One year from the first quality rating, UCLA conducts a second quality rating.
12. Upon completion of the second rating, only providers participating in RTT receive additional grant funds to support the improvement of services provided. This concludes one cycle after which providers are encouraged to renew their application to OCC.

QRIS Rating Domains for STEP and RTT

Providers receive two quality ratings as part of the process delineated on the previous page. The first rating takes place shortly after CCLD verifies licensing and the second rating occurs after one-year from the first rating. The initial rating provides a baseline on the quality of the program, and the second rating allows the provider time to implement quality improvement. The on-site quality rating is focused on several domains with similarities between STEP and RTT. The comparison of the domains is listed below in Table 3.

Table 3: QRIS Domain Components for STEP and RTT

Domain Components	STEP	RTT	Comment
1. Licensing	✓	✓	<ul style="list-style-type: none"> • STEP: Requires provider to be licensed for at least 12 months • RTT: No timeframe requirements
2. Teacher-Child Interactions	✓	✓	<ul style="list-style-type: none"> • Both STEP & RTT includes child to staff ratios for center- based programs • Both STEP & RTT includes an assessment tool to examine teacher-child interactions
3. Learning Environment	✓	✓	<ul style="list-style-type: none"> • Both STEP & RTT utilize the Environment Rating Scale (ERS) tools
6. Child Observation Practices		✓	<ul style="list-style-type: none"> • RTT includes a child observation/assessment tool to inform curriculum planning
5. Special Needs Screening	✓	✓	<ul style="list-style-type: none"> • STEP includes special needs training for staff
6. Staff Qualifications	✓	✓	<ul style="list-style-type: none"> • STEP includes program director, lead teacher, and assistant teacher qualifications • STEP includes additional areas of staff stability, employee access to benefits, and working conditions • RTT includes program director and lead teacher qualifications
7. Family & Community Connections	✓		

The OCC's STEP and RTT are currently working with a combined total of 429 programs that have **volunteered** to open their programs to scrutiny and are committed to making quality improvements. While these programs represent a small portion of the 10,222 programs

countywide, it should be noted that they made a commitment to improving quality despite budget cuts due to the State fiscal crisis and reduced enrollments due to the recession. Both STEP and RTT are enrolled to capacity. The Office of Child Care has been informed that there is a potential to expand both projects, as a result of a recent augmentation to the RTT funding estimated at \$2.738M and based on the multiyear contract with LAUP.

One of the challenges with the STEP program is that since it started as a pilot program, the majority of the providers were not expected to renew their ratings. When funding for STEP was secured from LAUP in 2011, programs now had the expectation of completing two ratings. Since RTT was launched in October 2012, OCC has not completed an entire rating cycle for all participating programs.

4. Comparison of County Rating Systems

The Board motion called for a Countywide Child Care Rating System similar to the restaurant and nursing home grading system currently in place. The restaurants and nursing homes both conduct ratings of facilities. These ratings; however, differ from those conducted for child care facilities. The following will describe the restaurant and nursing home ratings and provide a comparison of the systems.

Definitions of a Health and Safety Rating and a Quality Rating

A Health and Safety Rating is defined as a cumulative rating that summarizes a provider's operation compliance, based on inspection and observation, with requirements set forth in the California Health and Safety Code and other regulations as applicable. Such ratings may look at factors, including: employee health and hygiene, food safety, and facility safety.

A Quality Rating is more comprehensive than health and safety issues and focuses on program quality based on identified standards.

Overview of Existing County Rating Systems

Restaurant Rating System (DPH)

- ✓ State mandated program which authorizes local government bodies to adopt a grading system for food facilities.
- ✓ Rating is conducted one to three times per year and takes between 45 to 75 minutes.
- ✓ Mandatory posting is done via city ordinance.
- ✓ Program fees are covered by the restaurant owners. Restaurants may request additional inspections to increase their rating.
- ✓ Approximately 38,000 establishments have been rated.
- ✓ Consumers have been educated and understand the rating system.

Nursing Home Rating System (DPH and CMS)

- ✓ Nursing Homes that receive federal funding (Medicare or Medicaid) are required to participate in a rating system annually.
- ✓ Rating system consist of 3 domains: Health and Safety, Staffing and Quality Measures. DPH conducts Health and Safety inspections, providers enter staffing and quality measures into a federal system, and CMS conducts the rating.
- ✓ Health and Safety inspection takes 3 to 5 days.
- ✓ State Department of Public Health pays for health and safety inspections.

Table 4A: Overview of County Rating Systems

County Rating System	Entity Conducting Observations		Quality Imp Process	Scope	Entity Providing Score	Scoring System
	Health & Safety	Quality				
Child Care	CCLD	UCLA	Yes	Volunteer only	OCC	1-5
Nursing Home	DPH	Provider	No	Mandatory for Medicare/Medicaid funded	CMS	1-5
Restaurant	DPH	-	-	Mandatory by City Ordinance	DPH	A-C

OCC Race to the Top Child Care Rating System

- ✓ Voluntary Quality Rating System funded by grants.
- ✓ Providers receive two quality ratings in a two year cycle.
- ✓ Providers only participate, if incentives and support are available.
- ✓ Rating conducted by UCLA and takes approximately 4 to 5 hours.
- ✓ A one year Quality Improvement Process occurs between ratings.
- ✓ There are minimal incentives for providers to renew their ratings.

Lessons Learned from Restaurants and Nursing Homes

To advance the child care quality rating and make use more widespread, we need to review lessons learned from the existing County rating systems.

- **Mandatory** – Without mandatory requirements (regulations or city ordinance), participation in program will be limited. DPH did not see an increase in restaurant participation until city ordinance required mandatory posting of the ratings.
- **Public Campaign** – Public consumer education campaign demonstrated the value of the rating system for both the establishment and the consumer.
- **Involving the Industry** – Industry understood the value and impact of ratings as evidenced by increased traffic of consumers.
- **Department Responsiveness** – Departments must continue to assess whether they are responding effectively to the industry and consumer needs and concerns.

The table below depicts the difference between the various rating systems.

Table 4B: Comparison of County Rating Systems

Rating System Features	Steps to Excellence Project (STEP)	Race to the Top (RTT)	Restaurant Rating System	Nursing Home Rating System
# of participating sites	245	175	38,000	359
Purpose	To improve quality of child care programs	To improve quality of child care programs	Health and safety	Health and safety
# of rating indicators	44-59 (6 domains) based on type of facility	49-58 (7 domains) based on type of facility	47	180 (3 domains)
Duration of inspection	4-5 hours	4-5 hours	45-75 minutes	3-5 days for the health inspection; Provider inputs other two domains
Rating frequency	2 (one per year)	2 (one per year)	Based on risk (1-3/year)	Annual
Technical assistance & professional dev't	Yes; on-site coaching subject to availability	Yes; on-site coaching subject to availability	Limited technical assistance via phone and onsite	No, unless provider is out of compliance
Improvement plan	Yes	Yes	Yes, if out of compliance	Yes, if out of compliance
Legislation	No	No	Yes CA Health & Safety Code; LA County Code (Title 8)	No
Eligibility parameters	Voluntary	Voluntary targeting high-need areas	All markets and restaurants must participate in ordinance adopted cities	Yes-only nursing homes funded by Medicare/Medicaid
Lead agency	Office of Child Care (OCC)	Office of Child Care (OCC)	Department of Public Health (DPH)	Federal Centers for Medicare & Medicaid Services (subcontracts DPH for health inspections)
Number of budgeted positions	<ul style="list-style-type: none"> OCC subcontracts with UCLA (4.5 FTE) OCC staff: 3 FTEs & 1.7 FTE consultant 	<ul style="list-style-type: none"> OCC subcontracts with UCLA (4.25 FTE) OCC staff: 1 FTE, 1.3 FTE consultant, 4.5 coaches & 5 coach administrator 	302 (Field inspectors, supervisors, and support staff at DPH)	67 (Inspectors, program managers, and support staff at DPH for the health inspections)
Annual budget	\$1,282,836	\$2,015,473	\$29,820,559	\$3,752,703
Funder	First 5 LA through LA Universal Preschool (LAUP)	California Department of Education	100% funded by restaurant fees (pro-rated based on risk ranging between \$251-\$1,250)	State Department of Public Health

The August 20, 2013 Board Motion called for a feasibility report on developing a Countywide quality rating program. Building upon the **lessons learned from the restaurant and nursing home rating systems**, we learned that:

- ✓ The majority of restaurants and nursing homes did not volunteer to get rated, until the rating systems became mandatory.
- ✓ Even with rating requirements in place, ratings were not easily accessible to the public and consumers were not aware of such ratings.
- ✓ After requiring the posting of restaurant ratings and launching a public education campaign, consumers became aware of these ratings and learned the value in reviewing ratings prior to selecting restaurants and nursing homes.
- ✓ With high public acceptance and awareness of the rating systems, nursing homes and restaurants worked to improve the quality of their services in order to attain higher ratings.

Mandatory

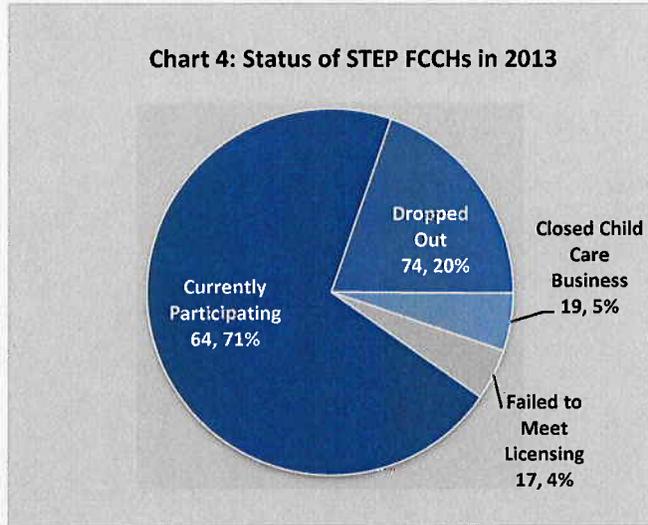
The Restaurant and Nursing Home Rating Systems have indicated that it is difficult to obtain full participation from entities and/or providers unless there is a clear mandate. To that end, we contacted the CA Department of Social Services to determine if they would support a mandatory quality rating system for child care providers. The CDSS indicated that they do not believe that the Governor's Office supports making the quality rating system mandatory. In researching the legislative efforts at the State level on child care, four bills were presented to the Governor which he vetoed. The following is a summary of the bills.

- **SB-1343 (Escutia) Child Care: Infant and Toddler Care Master Plan (2003):** This bill called for recommendations for a master plan for infant and toddler care. The governor **vetoed** this bill with the comments that current systems were already in place that would make the processes established by the bill duplicative.
- **SB-1897 (Burton) Child Care Reform (2003):** This bill called for a baseline assessment of the supply and demand for subsidized and unsubsidized child care. It further required an assessment of the reimbursement rate system for subsidized child care. The governor **vetoed** this bill with the comments that the bill could add significant fiscal pressure to the State's current budget deficit and that California already had the highest child care reimbursement rates in the nation.
- **AB-712 (Steinberg) Preschool for All Program (2004):** This bill would require a cost study on the estimate to provide a voluntary *Preschool for All Program* in the state. The governor **vetoed** this bill with the comments that he wanted to further assess the State's ability to expand the preschool system.
- **AB-1565 (Pavley) Child day care facilities: star quality rating system: study (2005):** This bill called for a study of the development, implementation, and evaluation of a quality rating system for child day care facilities. The governor **vetoed** this bill with the comments that an audit was already requested of the Child Care Licensing Program of the CDSS to examine the oversight of providers and the results may provide areas of concern that should be resolved prior to implementing a study and development of a rating system.

Existing Challenges with Ongoing Participation

While a clear mandate for a child care rating system would acquire greater participation by providers, research finds that greater incentives and support could also help promote participation.³ The attrition rates of STEP are discussed below and shown in Chart 4.

- **Low Renewal Rate** – Of all participants in Los Angeles County’s pilot STEP program, only three providers have actually renewed their participation. In December 2012, the Office of Child Care contacted approximately 80 STEP-rated family child care programs to determine if they would like to renew their ratings; a total of 27 or 33 percent indicated interest. Yet, only three providers felt immediately ready to go through the renewal process, and 24 providers felt they needed more time and support to prepare for a renewal site visit. An additional 21 programs are scheduled to renew their ratings later this year. It appears that additional support could be helpful to encourage providers to continue participation.



- **High Attrition** – There are a total of 374 family child care providers in our STEP database, and 110 (29%) either failed to meet STEP’s licensing standards or dropped out voluntarily.

Lessons from Other States’ Child Care Quality Rating and Improvement Systems (QRIS)

We researched other states that have or are in the process of implementing a child quality rating system. In 1998, Oklahoma’s Reaching for the Stars program became the first statewide quality rating system for licensed child care programs. To date, this program has full participation of all licensed providers, because the rating is a requirement for all licensed providers (Table 5). Similarly, North Carolina also mandates child care rating for licensed providers.

Even without a mandate to rate child care programs, Pennsylvania’s Keystone STARS was able to achieve a 68 percent participation rate by incentivizing and offering support to providers. Moreover, Pennsylvania’s system offers financial incentives based on multiple rating levels and such factors as education level and serving high need populations. Keystone STARS extends strong support to participants, including: mental health support to providers; tailored trainings, and ongoing coaching. As a result, greater support and financial incentives appear to increase participation, even with a voluntary rating program.

³ *Child-Care Quality Rating and Improvement Systems in Five Pioneer States*, RAND, 2008.

Table 5 : Comparison of Five States' Rating Programs

Program	Year Impl	Percent Participating	Legislative Action	Rating Features
Oklahoma: Reaching for the Stars	1998	97% centers	No	Mandatory
North Carolina: Star-Rated License	1999	100%	No, but introduced	Mandatory
Pennsylvania: Keystone STARS	2002	68%	Yes	Voluntary; Tiered Financial System; Robust Support and Coaching
Colorado: Qualistar Rating System	2002	10%	Yes (in practice)	Voluntary
Ohio: Step Up to Quality	2006	25%	Yes	Voluntary
Los Angeles County: STEP and RTT	2007	<5%	-	Voluntary

Sources: *Care Quality Rating and Improvement Systems in Five Pioneer States*, RAND, 2008.
Los Angeles County, Office of Child Care, 2013.

Recommendations

Based on the lessons learned from other states' implementation of QRIS, the following **recommended options** could be considered for Los Angeles County:

- Incentivize Ratings – Building on the existing RTT quality rating system used in Los Angeles County, a quality rating scale ranging from one to five could be used, where a one indicates that a program is meeting basic licensing standards, to a five which indicates exemplary practices. Los Angeles County could provide a “1” rating to all child care providers who have received a state license. While the County cannot mandate that providers post their ratings, a County website dedicated to child care ratings could publicize all ratings. Providers interested in receiving a higher rating could participate in the quality rating system.
- Work with the state to seek legislation to:
 - Increase the frequency of on-site monitoring of child care programs, centers and family child care homes, to at least once every two years; and
 - Require child care programs to post the results of each monitoring inspection.
- Clarify Los Angeles County's Goals for a Child Care Rating System. Although many states have QRIS systems, the goals of these systems vary by state. Los Angeles County would have to reexamine and clarify goals and objectives for a countywide QRIS system. Today, STEP and RTT primarily focus on improving the quality of child care programs. The Restaurant and Nursing Homes ratings are focused on health and safety. The challenge in California is that since the compliance checks are only done every five years, there are questions as to whether child care providers are meeting basic health and safety standards. In addition, we need to clarify whether the goals of the County's rating system should encompass health and safety and/or quality.

- Evaluate the feasibility of working with the state to authorize Los Angeles County to take on the licensing function. This would require an investment of County general fund dollars as the state would not appropriate sufficient funds to increase the frequency of on-site compliance checks.
- Develop a tiered approach for compliance checks, if Los Angeles County takes on the licensing function. Los Angeles County could build upon the RTT system and develop a tiered approach for compliance checks whereby providers with less than a “2” rating would require annual compliance checks; while providers with higher ratings may require compliance checks every two to three years. This could be an incentive for providers to volunteer to participate in the RTT rating system. The overall benefit would provide a much stronger assurance that child care programs are in fact, complying with health and safety standards.

From these lessons learned, one of the most important aspects of increasing participation and ensuring success is the outreach component to both providers and parents. **Incentivizing providers** to understand the benefits of participating in the rating system can lead to greater demand for higher quality programs. **Educating parents** on the quality of child care programs and how to use the rating system would provide them with an important tool to help select child care programs for their children. The education campaign would focus on helping parents to understand the key components of measuring quality, such as the importance of teacher-child interaction and the impact on child development.

- Launch a public awareness campaign to educate parents on the Child Care Rating Systems so that they are aware of what the ratings mean and can ask the provider if they have been rated. Having parents ask for provider ratings will incentive providers to seek a quality rating. We need to keep in mind that prior to the mandates; the restaurants only posted their scores when the ratings were high.
- Develop a web-based search tool for parents to locate and connect with quality rated child care programs.

6. Options to Expand Provider Participation

Currently the OCC's funding for RTT and STEP is limited and we are only able to provide 520 ratings in a two-year cycle. If the County was interested in expanding the number of providers who participate in a rating system, we could consider two options:

Option 1 – Comprehensive RTT

Provide Net County Cost (NCC) to expand the Comprehensive RTT Rating System, which includes, coaching, training and grants to providers for quality improvement efforts. If we decided to double the total number of providers from 520 to 1,040, the total cost would be \$8,866,076; resulting in a per provider cost for this option of approximately \$8,525 (Table 6).

Comprehensive RTT Summary

- Applies the existing RTT quality standards
- Includes quality improvement services (coaching, training)
- Provides grants to providers
- Offers ongoing technical assistance
- Current funding from CDE and LAUP allows for a maximum of 520 ratings per two-year cycle (Table 7).
- Additional ratings (over 520) would require Net County Cost investment

Program Features (Parameters, Structure, and Timeline) – The Office of Child Care will coordinate with contracted agencies and provide technical assistance to the providers. UCLA Center for Improving Child Care Quality (CICCCQ) will be subcontracted to conduct the quality ratings as currently used in the RTT program⁴. The local Child Care Resource and Referral Agencies (R&Rs) through the Child Care Alliance of Los Angeles would continue to provide quality improvement coaching services to participating programs. In addition to coaching, providers will receive professional development training and quality improvement grants to assist with addressing the targeted areas identified from the ratings. The Office of Child Care will begin working with LAUP to streamline STEP into the RTT program, and the additional RTT programs would launch in 2014.

Option 2 – RTT Rating Only

Under this option, the provider would receive a rating but would not receive coaching, training or grants for quality improvement efforts. However, we would provide technical assistance for recruitment and support to providers through the rating process. The per-provider cost would be approximately \$4,359. Therefore, the County could decide how many providers would be rated in a fiscal year. For example, LA County could decide that in addition to the providers rated through the funding from RTT, the County could fund the cost to rate 200 providers (no grants) for a total of \$871,000 or 400 providers for a cost of \$1.7M.

⁴ The full set of RTT-ELC's 49 quality indicators is categorized into the following seven quality rating standards: Program environment; Effective teacher-child interactions; Lead teacher qualifications; Director qualifications; Child observation; Developmental and health screenings; Ratios and group size.

RTT Rating Only

- Expand the RTT rating component **only**
- No quality improvement services through coaching and training
- No grants awarded to providers
- Provides technical assistance for recruitment and support throughout rating process
- Funded solely by Net County Cost

Program Features (Parameters, Structure, and Timeline) – Similar to Option 1, the Office of Child Care would continue to coordinate with contracted agencies and provide technical assistance to providers. In addition, UCLA CICCQ would be subcontracted to conduct quality ratings as currently used in RTT. For this option, coaching services, professional development trainings, and quality improvement grants would not be offered. This option includes: an ongoing rating program with a one-year cycle. Due to this option being voluntary, recruitment efforts would be required to maintain participation. This program would launch in July 2014.

Table 6 Various Cost Options

Program Component	Option 1: Comprehensive RTT Costs (2 year program)			Option 2: RTT Rating Only Costs (1 year program)		
	Per Provider	520 Providers	1,040 Providers	Per Provider	200 Providers	400 Providers
RTT Rating	\$2,703	\$1,405,625	\$2,811,250	\$2,838	567,500	1,135,000
Technical Assist*	2,146	1,116,136	2,232,272	1,200	240,000	480,000
Administration	1,949	1,013,366	2,026,732	321	64,201	128,402
QI Grant	1,727	897,911	1,795,822	-	-	-
Total	\$8,525	\$4,433,038	\$8,866,076	\$4,359	\$871,701	\$1,743,402
Funding Source	CDE and LAUP		CDE/LAUP; NCC (50%)	NCC		

Cost – The cost for this option includes the provision of rating and limited technical assistance to support the provider through the rating process for a total of \$871,701. The cost per provider is \$4,359 and includes the rating, technical assistance, and administration (see Table 7). Technical assistance for this option only includes recruitment and support. This cost is for 200 programs a year. Increasing the number of participating programs would increase costs for this option which is fully funded by Net County Costs.

Options 1 and 2 are similar in that both options will provide quality ratings. The major difference is that Option 1 provides grants and support to assist providers to improve the quality of their service. These options assume that the County will serve as the lead coordinating entity and could build on partnerships with community stakeholders to implement a quality rating system. The table below compares Options 1 and 2 in program features, including the pros and cons of each option.

Table 7: Options for a County Child Care Rating System

Feature	Option 1: Comprehensive RTT	Option 2: RTT Rating Only
Program Features		
Scope	<ul style="list-style-type: none"> • 5% of licensed child care programs <ul style="list-style-type: none"> ○ Existing RTT programs: 175 ○ Additional RTT programs: 100 ○ Transition STEP to RTT: 245 	<ul style="list-style-type: none"> • Overall project goal is 2,000 programs (20% of all facilities). • Estimated annual participation rate at 10% of 2,000 (200 programs).
Total Programs	520 (2-year cycle) ⁵	200 (1-year cycle)
Program Components	<ul style="list-style-type: none"> • RTT Rating • Technical Assistance • Training/Coaching • Quality Improvement Grant Awards 	<ul style="list-style-type: none"> • RTT Rating • Technical Assistance
Implementation Timeline	<ul style="list-style-type: none"> • Builds on current RTT-ELC pilot <ul style="list-style-type: none"> ○ Existing RTT ratings: May 2013 ○ Additional RTT programs: Jan 2014 ○ STEP to RTT Transition: 2014 	<ul style="list-style-type: none"> • July 2014 • Prior to start date recruitment efforts would be necessary to enroll volunteers
Staff	<ul style="list-style-type: none"> • 11.50 FTEs 	<ul style="list-style-type: none"> • 4 FTEs
Funder	External funders: CDE and LAUP	Net County Cost

Pros and Cons		
Pros	<ul style="list-style-type: none"> • Providers receive support and training to improve program quality • Offers providers with incentives to participate and improve quality 	<ul style="list-style-type: none"> • Increased number of child care programs would be rated
Cons	<ul style="list-style-type: none"> • Funding ends (RTT 2015; STEP 2016) 	<ul style="list-style-type: none"> • No services to improve quality • No incentives to volunteer

7. Closing

This feasibility report has provided an understanding of child care, the current programs that exist in Los Angeles County, a comparison to the restaurant and nursing home rating systems, a feasibility analysis, and options for the Board’s consideration. In addition, the report examined the history on legislative action in the state and other states’ efforts in implementing quality rating and improvement systems.

This information serves to provide options for the Board’s consideration in the context to understanding the complexity of monitoring and rating child care facilities due to the nature of the client served, a growing and developing child.

⁵ In addition to the OCC RTT-ELC, by 2015 the LAUP RTT-ELC will continue to serve 150 programs, expand to about 100 programs per the CDE augmentation, and consolidate 300 LAUP classrooms into their RTT program.