

Summary and Discussion

We conclude from these results that the 5-star licensing system does accurately reflect the overall quality of a child care center. Parents can be assured that there are meaningful program differences among centers that have a 3-star, 4-star, or 5-star rating.

Because on-site observations of the quality of the child care classes are a partial requirement for a center to obtain higher star ratings, it is not surprising that our observations show a positive relationship with the license level. However, these observations were made by an *independent* group not involved in star ratings. In addition, the observers had no knowledge of the centers' future license levels. This study adds independent validation that the star-system does reflect quality.

A limitation of this study is that none of the centers in the existing sample received a 1-star license and only one center had received a 2-star rating. This limits our conclusions about quality to the middle-to-upper range of the star license system; however, we believe that the relation with quality holds across the range of 1 to 5 stars.

Our conclusion about the validity of the star license system applies only to center-based child care. Family child care homes, which provide care for about 28% of children under age 6, are rated with a similar system, but this study just included centers. The Smart Start evaluation team visited 154 family child care homes before the star license system was implemented. We may be able to conduct a similar validity study once enough of the homes have received their star rating.

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For more information about the Smart Start Evaluation, visit the project Web site at www.fpg.unc.edu/~smartstart. To receive additional copies, contact Marie Butts at (919) 966-4295 or email: marie_butts@unc.edu

The new license system poses a challenge to longitudinal evaluators of quality improvement. Since 1994, Smart Start's effects on child care quality have been documented by showing steady increases in the proportion of centers that received the highest child care license rating, an AA license. Now that the state has changed the licensing system, evaluations can no longer use A to AA increases as a sign of progress. The state essentially has a new baseline—the distribution of license levels from 1-5 stars in 2001. Progress can be charted from this point forward using license level but cannot be compared to years past. To document progress since the inception of Smart Start in 1993, the state must continue to collect periodic, independent observations of child care—using the same measures from year to year—on samples of NC child care. The data collected by the Smart Start evaluation team allows a long-term picture of quality improvement across the state throughout the entire existence of Smart Start.

Harms, T., & Clifford, R. M. (1980). *The Early Childhood Environment Rating Scale*. New York: Teachers College Press.

Validating North Carolina's 5-Star Child Care Licensing System



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Frank Porter Graham Child Development Center
UNC-Chapel Hill

FPG UNC-CH
Smart Start Evaluation Team
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Abstract

Independently gathered data from 84 child care centers validates North Carolina's new 5-star child care licensing system. Using data collected as part of the Smart Start evaluation, a significant relationship was found between the star rating level of a center and several other indicators of program quality. Parents and policymakers should be assured that centers with higher star ratings are indeed providing a higher quality of care for young children.

History of the 5-Star Child Care License

North Carolina previously had a 2-tiered child care licensing system—an A license for centers meeting the minimum standards and an AA license for centers that voluntarily chose to meet higher standards of care. Specialists from the Division of Child Development (DCD) visited centers every year to monitor centers and confirm the license level. In 1999 the Legislature approved a 5-tiered system—the 5-star license—in an effort to put more emphasis on quality and to give parents more information about quality. Centers must become licensed at least at the 1-star level, but can voluntarily choose to become licensed at higher levels, up to 5 stars.

The 5-star license system is primarily based on three domains: the quality of care provided to children as observed by a child care licensing specialist (program standards), the average level of education of the teachers and director, and the center's history of compliance with basic child care regulations. Centers can receive up to 5 points in each category, with the total score from 3-15 points determining the final star rating (3-4 points = 1 star; 5-7 points = 2 stars; 8-10 points = 3 stars; 11-13 points = 4 stars; and 14-15 points = 5 stars).

Bringing North Carolina's 4,000 child care centers into this new system has been a challenge as center directors needed to learn about the new system, DCD staff needed to be trained on the new system, and three days of on-site observation visits were generally needed for each center attempting to become licensed at the 3, 4, and 5-star levels. Nevertheless, as of December 2000, over 2,200 centers had received their new license. Thirty-five percent (35%) received a 1-star license, 5% a 2-star license, 39% a 3-star, 15% a 4-star, and 6% received a 5-star license.

The purpose of this study was to determine if these new ratings reflected child care quality differences when measured by independent data collectors. The study included measures of observed quality of classroom practices as well as information on three characteristics of centers related to better quality—higher teacher education, higher teacher wages, and lower teacher turnover.

Procedures and Results

As part of the Smart Start evaluation, the FPG/UNC team collected extensive data on over 200 randomly selected child care centers in 1999, just before the 5-star license system went into effect. During these visits, observers used the *Early Childhood Environment Rating Scale* (Harms, & Clifford, 1990) to document the developmental appropriateness of classroom practices. They looked at daily routines, activities, materials in the classroom, and interactions between the teaching staff and the children. The observers also interviewed the director of the center about education and wages of the teachers in the center and teacher turnover in the past 12 months. These indicators are frequently mentioned in the early childhood literature as important precursors of a good quality program.

As of December, 2000, 84 child care centers in the evaluation sample had received their new star license rating. The distribution of star ratings among these 84 centers was as follows:

- 1-star 0 centers
- 2-stars 1 center (1.2%)
- 3-stars 44 centers (52.4%)
- 4-stars 28 centers (33.3%)
- 5-stars 11 centers (13.1%)

The pattern of results for each of the four quality measures was directly related to the star rating received by the center. The overall quality practices score (ECERS) was significantly related to license level, with higher scores (see graphs) for centers that were licensed at higher levels. A significant relationship to the star ratings was also found on the other three indicators of child care quality. The average teacher education and the average hourly salary were higher at centers with higher star levels. The average annual turnover of teaching staff was lower at higher star levels.

