



## Section 6: Provider Incentives and Support

An essential element of a quality rating and improvement system (QRIS) is the support offered to child care providers. Support helps them understand and meet the standards and quality criteria. States may already have support services in place that can be linked to the QRIS, they may need to invest in new services, or both. This section addresses various types of support services, such as professional development opportunities and targeted technical assistance (TA) approaches, as well as financial incentives for programs and individual staff.

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## Providing Program and Practitioner Outreach and Support

### Recruiting Programs

In many states, participation in a QRIS is voluntary so outreach activities are used to promote QRIS goals and benefits and encourage programs to participate. Recruitment of early and school-age care and education programs into the QRIS can be done through a targeted approach or a general marketing campaign. One example of a targeted approach is when the organization that will be administering the QRIS sends information directly to providers. This information may be customized for the target audience and delivered via e-mail, newsletters, mailings, and social media. A more direct approach is to invite providers to meetings or workshops during which the QRIS is explained and programs are able to ask questions, hear from exiting participants, and enroll.

States may promote participation by using a range of marketing efforts to publicize their QRIS and the benefits to providers:

- ◆ Developing promotional materials that are distributed by licensing and subsidy staff, child care resource and referral (CCR&R) agencies, trainers, college faculty, Child and Adult Care Food Program staff, United Way agencies, professional organizations, and others.
- ◆ Posting QRIS information, answers to frequently asked questions, and resource materials on a QRIS website, as well as on websites hosted by other organizations. More information about QRIS websites can be found in the [Consumer Education](#) section of the QRIS Resource Guide.
- ◆ Sponsoring orientation sessions or webinars for potential QRIS participants and the early childhood community at large.
- ◆ Conducting orientation sessions for other organizations that have contact with early and school-age care and education programs in the community.
- ◆ Designating specific QRIS outreach staff to encourage participation and provide technical assistance.
- ◆ Conducting a provider or consumer survey, or both, to determine familiarity with the QRIS. The survey can provide baseline information and offer an opportunity to send targeted information to those who are not currently familiar with the QRIS.

In some states, the agency responsible for administering the QRIS assigns specific outreach and recruitment activities to staff. **Oklahoma** has outreach specialists and consultation and technical support specialists who encourage programs to participate and assist them with applications. **Pennsylvania** has STARS managers or specialists who take on this responsibility for their specific geographic regions.

## Orientation Sessions and Materials for Programs

Most QRIS offer an orientation to help providers understand what is expected and how to participate. **Kentucky** has STARS quality coordinators who provide STARS overviews and technical assistance for completing the process. **Ohio** offers a Step Up to Quality 101 training session during which providers learn about the requirements and benefits. **Pennsylvania** believes that initial orientation is critical to a provider's QRIS success, so it developed standardized materials and instituted a requirement that directors must complete the STARS Orientation to enroll in Keystone STARS. To ensure that providers have the information needed to participate, **Arkansas** held a series of Better Beginning Regional Clinics with a variety of subject matter specialists available onsite to provide consultation.

Several states have program or policy guides that provide detailed information about the QRIS. Some topics are universally included in these guides, while other topics only appear in a few states' guides. Examples of topics include the following:

- ◆ General information about what a QRIS is
- ◆ Detailed information about the initial and renewal application process
- ◆ Information about adverse or punitive actions that can/will result from failing to meet licensing or other requirements
- ◆ Information about what programs are eligible to participate in the QRIS
- ◆ A list of the QRIS standards
- ◆ A definitions list, glossary, and/or acronyms list

- ◆ Information about financial incentives and other program supports, including professional development and technical assistance
- ◆ Information about the roles, responsibilities, and/or authority of the entities involved (that is, the different agencies and partners)
- ◆ Information about the process for a provider to appeal a rating
- ◆ In-depth information about program assessment tools, such as environment rating scales or the Classroom Assessment Scoring System
- ◆ Detailed information about the evidence required to demonstrate each standard
- ◆ Information about the data system or Web interface used in the QRIS
- ◆ Information about how a program can leave the QRIS
- ◆ In-depth information about either the research specifically behind the state's QRIS or about how the state is evaluating the QRIS's efficacy

In addition to orientation and other customized training to inform and support QRIS applicants, many states also provide online manuals, resource guides, or toolkits. These resources help ensure that participants understand the requirements and expectations of the QRIS program, are aware of the supports and rewards that are available, and have access to tools that can help the programs attain, maintain, and improve their quality ratings.

## Outreach and Support Services

In addition to recruitment and outreach to programs, QRIS staff typically help providers with the application process. Although general information about how to apply for QRIS can be covered in orientation sessions and guidance documents, programs often need individual support to answer their specific questions about expectations and involvement. Several states have developed user-friendly, online applications that can reduce the amount of TA needed.

Supports, such as training and technical assistance, are often made available to QRIS applicants as well as providers seeking to achieve and maintain higher levels of quality. Most states currently have professional development systems that organize training opportunities for early and school-age care and education providers. These systems often include specific certifications or credentials for infant and toddler care, school-age care, and care for children with special needs. These systems create quality parameters for available training and recognize practitioners' achievements. States can use these systems to help programs meet higher professional development standards and progress toward higher QRIS ratings. Examples of state outreach and support activities are as follows:

- ◆ **North Carolina** has worked to ensure that every community college in the state offers early childhood coursework that meets the credentials specified in its QRIS. It also has a statewide articulation agreement to support the transfer of credits and degrees from one higher education institution to another.
- ◆ To help providers meet the QRIS standards, **Delaware** redesigned its professional development system to include stronger quality assurance processes for the development and delivery of training events.

Relationship-based professional development (RBP) opportunities, such as technical assistance, consultation, mentoring, and coaching, are important program supports that can be strategically linked to QRIS participation. These supports can help programs meet specific standards in QRIS areas, such as learning environment or accreditation, ways to work with specific age groups, and ways to integrate children with special needs. RBP services can be delivered through community-based organizations, such as CCR&R agencies and professional development organizations, higher education institutions, or contracts with private consultants.

Technical assistance can help providers understand what quality is and how to achieve it. This type of support is most effective when targeted and specialized, which means it can be costly. It is important to clearly link this type of support to areas of identified need and program improvement plans. In addition, the qualifications and supports for technical assistance providers are also directly linked to successful results. States have begun to test out new, more cost-effective approaches to QRIS technical assistance that focus on strengthening the capacity of participating programs so they can sustain gains and remain focused on continuous quality improvement. States that have linked RBP opportunities to QRIS include the following:

- ◆ Providers who enroll in **Indiana's** Paths to QUALITY QRIS are eligible to participate in specialized coaching relationships through their local CCR&R agency and through the Indiana Association for the Education of Young Children. Through a technical assistance process, the coach helps the provider work to achieve Levels 2 and 3. Once at a Level 4, a coach from the Indiana Accreditation Project helps the provider achieve accreditation and Level 4. Providers also have the option of choosing self-guided study.
- ◆ Programs participating in **Maine's** QRIS have access to targeted assistance from a variety of sources, including the Head Start Quality Initiative, Maine Roads to Quality, and the Center for Community Inclusion and Disability Studies.
- ◆ **Georgia** created a TA cohort approach that assigned a single coach to a network of centers or homes. Cohorts were made up of participants from multi-site child care chains and franchises as well as networks with a similar philosophy, such as Montessori. The goal was to reach out to the mid-level managers in these organizations and strengthen their capacity to provide ongoing support after the time-limited state TA ended. Each cohort was assigned to a single licensing, prekindergarten, and subsidy coordinator to facilitate relationship development.

## Aligning Professional Development with Rating Standards

As QRIS and professional development systems evolve, it is important to ensure that there is service alignment. The **Pennsylvania** QRIS includes requirements for providers in the areas of staff qualifications and ongoing professional development. These requirements focus on attainment of certificates, credentials, and degrees. When the QRIS was launched, the state quickly aligned its delivery of professional development to support providers in accessing required coursework for QRIS, shifting from noncredit and workshop-type training to coursework that either was credit-bearing or could articulate to credit.

States can also focus financial assistance on professional development for QRIS participants through reduced or free coursework, scholarship assistance, and other incentives. Some states target the [T.E.A.C.H. \(Teacher Education And Compensation Helps\) Early Childhood Project](#) initiative toward staff who work in programs that participate in QRIS. The T.E.A.C.H. Early Childhood Project and similar scholarship programs help these staff pay the costs of tuition, books, and travel, and also provide a compensation incentive.

## Creating New Services to Help Programs Meet Standards

When developing a QRIS, it is important to conduct an assessment of existing support services. This inventory, examined against the standard requirements, can provide the state with critical information regarding existing capacity. There may be services that exist in some geographic areas and not others. Some areas of a state may have more resources readily available that can be integrated into the QRIS. Other areas will not have this capacity and may need help building it.

An example would be a QRIS that requires a program director to obtain a director's credential. In addition to ensuring that the required credentialing courses or training are available, consideration must be given to when the courses are offered and how they are accessed. It may be difficult for child care providers to attend evening training sessions when they are still caring for children until early evening. It is also challenging for providers in rural areas to access workshops or courses when they have to drive long distances to reach a course location. Distance education coursework and delivery on demand can ease some of these access issues. These are not the solution for all, of course, since some do not learn as well with these approaches or may not have the technology or skills for this type of access.

States are challenged to develop new and creative ways to deliver training and education. What worked in the past may not work in a new system with heightened requirements. As more is expected of programs participating in the QRIS, more can also be expected of the organizations supporting them. To address this concern, several states have developed trainer and training approval systems. Other states have created performance standards for training organizations based on their clients' QRIS participation and improvement.

As a state gains more experience with QRIS, it may find that it needs to realign or create new training, technical assistance, or outreach services. It is important to collect data on how the QRIS system is working. Data can indicate how long it takes a typical provider to move from one level to another and the most significant barriers to progress. It is possible that by adding a new orientation session, or by requiring training on the use of the environment rating scales, some of these barriers can be eliminated or reduced. A state may also find that strengthening provider support groups, creating networks of directors, adding accreditation support services, or encouraging shared service alliances are worthwhile investments.

## Existing Infrastructure to Provide Outreach and Support

It is an efficient strategy to examine the infrastructure that already exists for outreach and support and, where possible, work toward strengthening it. Integrating QRIS outreach and support services into existing structures in licensing, subsidy, CCR&R, and professional development systems can be helpful for providers and more sustainable in the long term.

Using existing infrastructure to send a comprehensive, consistent message regarding the benefits of QRIS and the details of implementation is important to increasing provider interest and participation. If a QRIS appears complicated and confusing, providers may become frustrated and discouraged and either drop out or not participate at all. States have found that clarity and simplicity are key principals for QRIS messaging. However, it is often necessary to change QRIS policies and procedures, either in response to process evaluation or to be aligned with other early learning initiatives. Thus, change is often inevitable. However, as changes are made to the QRIS, it is important to clearly communicate to the provider community the revisions, steps involved, and rationale. Creating and regularly updating a roadmap, manual, or toolkit for navigating the QRIS process is helpful, especially when there are changes to communicate.

## Continuous Quality Improvement Plans

Many states include a continuous quality improvement plan (CQI) as part of the QRIS process. The CQI helps ensure that there is an intentional and systematic process for programs to improve their quality. Most CQI or improvement plans use self-assessments, observations, or ratings to identify strengths and weaknesses and suggest ways to make improvements. Many QRIS use the results of an assessment tool as a starting point for developing this plan.

- ◆ In **Alaska**, CQI is part of the rating process. At every level the program is required to develop a CQI plan. Programs work with a coach to identify program goals and resources needed to accomplish the goals.
- ◆ In **Nebraska**, the CQI plan is used as an indicator for points toward a QRIS level. Information and outcomes from various assessments are used to create the CQI.

- ◆ In **Virginia**, the 3-year QRIS rating cycle includes access to a state-approved Virginia Quality specialist once a program is registered in the program. The specialist works with the participating program to help design and implement a quality improvement plan.

A program improvement plan, guided by QRIS requirements and results from assessment tools, can serve multiple purposes. In addition to providing a roadmap for a program seeking to attain a higher quality level, it can show what type of technical assistance would be most effective. It can also help the program gather data on provider needs and resources. As resources become more limited and states are increasingly asked to justify their programs and expenditures, program improvement plans can be a helpful accountability tool, both for the individual programs and the system as a whole. Data from assessments can be used to target appropriate services (such as professional development and technical assistance), gauge the effectiveness of a particular interventions, and help develop cost and budget projections for overall system improvement.

## Targeting Program Improvement and Financial Assistance

Revisiting the goals and intended outcomes for a QRIS is helpful when making difficult decisions about who can or cannot access program improvement and financial assistance. If, for example, a state is committed to increasing the quality of care in high need communities, it may focus assistance on providers offering subsidized child care services. In this case, participation in the subsidy program would be a requirement for access to services or grants within the QRIS. Or, the state could base the size of a quality grant on the percentage of low-income families served by the provider.

If a goal is to encourage programs that participate in the QRIS to serve children with special needs or those in the child welfare system or some other priority population, providers serving the specified populations may be given additional QRIS benefits. States that are concerned about raising the bar on quality may choose to target technical assistance to programs at the lowest quality levels. States concerned about provider turnover may want to offer help to providers who are most likely to remain in business and are focused on continuous quality improvement. States concerned about alignment with or transition to public school may limit their technical assistance services to providers in poor performing school districts who are most likely to attain high-quality standards.

Decisions regarding practitioner outreach and support are often based on financial resources. Some helpful steps toward identifying resource needs include projecting costs, examining the feasibility of redirecting current quality initiatives, and testing different financial scenarios to determine what is feasible.

The [Provider Cost of Quality Calculator](#), developed by the National Center on Early Childhood Quality Assurance, is tool that can help determine if there is a gap between the cost of providing quality services and the revenue sources available to support an early care and education service provider. Knowing the size of the gap at different quality levels for various provider types can inform the design of financial support and incentive packages.

## Offering Financial Incentives

### Financial Support

Financial incentives are QRIS monetary awards that help support the costs of improving program quality and/or of maintaining program quality. Awards can encourage programs to participate in a QRIS, serve low-income families, or improve classroom or practitioner quality. Awards can help parents access higher quality programs, encourage educators to seek higher qualifications, and support educator compensation commensurate with qualifications.

In most early and school-age care and education programs, the primary revenue source is tuition and fees or subsidy in lieu of tuition. Because consumers are very price sensitive, and subsidy reimbursement rates are

limited, this revenue source frequently fails to cover the cost of delivering high-quality services. Raising the reimbursement rate via a tiered reimbursement strategy is often an insufficient approach unless it is coupled with a strategy that boosts enrollment (for example, using contracts or guaranteed slots for higher star-rated programs).

An economic recession, coupled with the challenges of tiered reimbursement and full tuition collection, means third-party funding is often essential, especially for programs that serve low- and moderate-income families. Strong programs typically access and layer multiple funding streams, including child care subsidies, Head Start and prekindergarten funding, foundation grants, parent fees, and other public and private resources. In theory, QRIS quality supports could be one of several sources of third-party funding that help fill the gap between the cost of implementing and maintaining a quality program and the fees that parents pay.

QRIS offer a unique framework for providing a wide range of financial incentives. Experience suggests that best results come from a combination, or menu, of strategies. Some of the financial incentives states use to encourage participation in QRIS are presented shortly. There are several common types of incentives: quality improvement grants, quality achievement awards, wage and retention awards, scholarships, grants and loans, refundable tax credits, and tiered subsidy bonuses. Financial incentives can be designed to support quality improvement and quality maintenance. In most cases, the QRIS financial support offered by states is structured as a **supply-side intervention** and awarded directly to a particular program or practitioner. Examples include grants for program improvement, technical assistance to programs, professional development scholarships, and wage supplements for personnel. However, QRIS support can also be a **demand-side intervention** aimed at changing consumer behavior. Examples of this approach include financial incentives for consumers to choose higher quality, such as refundable tax credits, and user-friendly websites that make it easy for parents to identify better quality programs. A strong financing strategy will likely include both supply- and demand-side interventions.

As noted earlier, it is important to think strategically about the relationship between financial awards/incentives and the cost of delivering services at each QRIS quality level. The [Provider Cost of Quality Calculator](#) can help establish or recalibrate the value of awards based on projected costs. Recent experience with the tool suggests that, in many cases, states are inadvertently rewarding providers for remaining at lower star levels because award levels are more than adequate for entry but fail to rise to the level needed to attain or maintain quality at the highest levels. Using the calculator, states can readjust rates to address this concern.

Austin, Whitebrook, Connors, and Darrah (2011) analyzed how a sample of QRIS provided incentives and supported wages and benefits for staff in their policy report [Staff Preparation, Reward, and Support: Are Quality Rating and Improvement Systems Addressing All of the Key Ingredients Necessary for Change?](#) The report includes an analysis of quality rating and improvement system supports for professional development. It also includes quality rating rubrics related to staff formal education, compensation and benefits, and adult work environments in center-based programs.

## Common Financial Incentives in QRIS

This section is focused on the various types of financial incentives that states may offer QRIS participants. Further discussion of incentives can be found in these resources:

- ◆ [Financial Incentives in QRIS](#) (ECQA Center, 2017a), which includes several state examples of incentives used for QRIS;
- ◆ [QRIS Compendium Fact Sheet: Funding and Financial Incentives](#) (ECQA Center, 2017b)
- ◆ [Finance and Quality Rating and Improvement Systems](#) (Mitchell, Hawley, & Workman, 2017); and
- ◆ [Financial Incentives in Quality Rating and Improvement Systems: Approaches and Effects](#) (Mitchell, 2012).

## Tiered Subsidy Reimbursement

Tiered subsidy reimbursement is a commonly used QRIS financial incentive. It works by providing programs that have higher quality ratings with higher child care subsidy reimbursement rates or bonuses. The rate differential typically ranges from 5 percent to 20 percent higher than the base rate but can be much higher in some states, especially for infant and toddler care. In some cases, states offer a set add-on amount to the base rate, as opposed to a percentage.

## Quality Grants, Bonuses, and Merit Awards

Quality grants, bonuses, and merit awards are incentives awarded directly to a child care center, center staff, family child care setting, or home based on participation in QRIS or attainment of a specific QRIS level. Quality grants, bonuses, or merit awards are typically not linked to the child care subsidy reimbursement system. However, in some cases states will require that the program be willing to accept children who receive subsidies or make larger awards available to programs based on the percentage of low-income families they serve. The strategy is often focused on programs serving all children, not just children from low-income families. States may consider offering grants to programs that specifically serve high-need children, including but not limited to children with special needs, those from rural communities, those who need care during nontraditional hours, English or dual language learners, and infants and toddlers.

The award amount varies among states. In most states, providers must apply, and recipients vary in terms of need. The time recipients have to use the funds may also be limited. In both **Pennsylvania** and **Ohio**, the grants vary by a combination of setting, enrollment size, and quality level, and their use must be related to a quality improvement plan.

## Wage Supplements

Wage or compensation supplements are typically connected to the professional development system. In some instances they are linked to QRIS. These awards are generally intended to reward providers for the credentials and qualifications they have achieved and help programs retain qualified staff. States that offer wage supplements include the following:

- ◆ **Maryland** offers Achievement Bonuses for teachers who maintain 1 year of continuous employment in a center that participates in the QRIS and complete continuing training and professional development activities. A one-time bonus at Credential Levels 2, 3, 4 and Administrator Level 1 and yearly bonuses for Credential Levels 4+, 5, 6 and Administrator Levels 2, 3, and 4 are paid directly to participating individuals. One half of the bonus is paid initially and the remainder is paid upon completion of all requirements the following year. Bonuses range from \$200 to \$1,000.
- ◆ In the **North Carolina** WAGE\$ program, salary supplements are tied to the educational level of the individual, the position the individual holds in her program, and the tier level chosen by each participating Smart Start Partnership, at the county level. Partnerships choose which of three tiers of financial supports they are able to provide. Teachers receive supplements in 6-month increments after maintaining 6 months of continuous employment in a licensed center or family child care home. Supplements range from \$200 to \$6,250 and are paid directly to the participating individual.

## Scholarships

Scholarships and financial support to help staff pay for college courses and related expenses are another type of financial incentive states use to encourage QRIS participation. Quite a few states have elected to implement the [T.E.A.C.H. \(Teacher Education And Compensation Helps\) Early Childhood Project](#) scholarship initiative, and some link this benefit to QRIS participation.

## Loans

Some states have crafted loan programs that help child care programs improve their quality as well as increase capacity. **North Carolina** worked with its statewide Community Development Financial Institution, Self-Help, to offer financing for a wide range of purposes, including minor renovations to existing buildings (whether leased or owned), working capital, bridge loans, equipment purchases, and start-up expenses. The loan fund has a special provision to activate a Disaster Relief Child Care Loan program if counties are declared Federal disaster areas by the Federal Emergency Management Agency. Applications are accepted up to 1 year after the date of the disaster. If during the loan period the participating provider raises its QRIS quality level, its loan can get a partial conversion to a grant. Additional information about loan programs is available from the [Self-Help Credit Union](#).

## Tax Credits

All of the financial incentives described previously are supported by funds appropriated by the state. Most tap federal CCDF dollars, and a few allocate state general funds or draw in other resources. A handful of states have begun to tap state general fund dollars to support QRIS incentives by using the tax system. **Louisiana** has the most extensive tax-based incentive system for participation in QRIS, including refundable tax credits for families, providers, teachers, and investors.

Financing and administering QRIS incentives via the tax system is a new, and unique, approach that has both strengths and weaknesses. Tax-based financial incentives are often used to promote economic development and may help garner support for QRIS from a broader group of policymakers and business leaders. A tax-based approach can also be a more stable source of funding because, in most states, an annual appropriation is not required. However, to be effective, tax credits require a deeper level of engagement and understanding among child care providers and consumers. And, to benefit lower-income providers and consumers that most need help, the tax credits must be refundable.

In addition to Louisiana, several other states are experimenting with tax-based financial incentives for QRIS. **Maine** has an innovative child care investment tax credit. **Oregon** and **Colorado** have a child care contributions tax credit. Several states, including **Florida** and **Oklahoma**, have tax credits for proprietary child care providers who meet higher quality standards. Additional information about linking tax benefits to QRIS can be found in [Tax Credits for Early Care and Education: Funding Strategy in a New Economy](#) (Blank & Stoney, 2011).

## The Effect of Tiered Reimbursement on Prices Charged to Nonsubsidized Families

Although there are many benefits to establishing tiered child care reimbursement rates, this strategy can have the unintended consequence of driving up the price of care for nonsubsidized families or actually discouraging some child care programs from participating in the QRIS. As noted earlier, tiered reimbursement is typically structured as a percentage or dollar add-on to the public child care subsidy reimbursement rate. The percentage add-on typically ranges from 5 percent to 20 percent, with higher rates awarded to programs at higher levels in the QRIS or those serving special populations, such as infants and toddlers.

Child care subsidy reimbursement rates are based on fees charged to nonsubsidized families. Fees are often set in relation to the pressures of the local market, that is what other providers charge and what can families afford. When this market pressure is added to the cost of complying with higher QRIS standards, the result may be that programs decide that they cannot afford to pursue higher quality.

One way to avoid this problem is to structure the tiered reimbursement allocation as a bonus rather than a per-child rate increase. Quite a few states have taken this approach, including **Kentucky** and **Pennsylvania**. When the rate add-on is structured as a bonus, participating programs receive a lump sum allocation that is determined by their quality levels and the number of subsidized children they serve. This approach does not require a rate increase and, therefore, does not require a price increase to fees paid by parents. The Urban Institutes'

document, [\*Essential But Often Ignored: Child Care Providers in the Subsidy System\*](#) (Adams & Snyder, 2003), includes an analysis of the financial implications of tiered reimbursement structured as a rate increase or a bonus. Appendix 3 in this brief includes a graphic that illustrates payments providers would receive under three different rate policy approaches.

The value of a tiered bonus is related to the value of the basic subsidy rates. If the subsidy rate ceilings are high compared to average tuition fees in the market, those subsidy rates may be sufficient to cover the cost of programs at the lower levels of quality. In that case, the tiered bonus may only need to be offered at the higher levels of the QRIS. This also serves to support higher quality programs serving children from low-income families. Alternatively, if a state has low subsidy rate ceilings, then tiered bonuses have to be quite large to be effective and offered at all levels of the QRIS.

The unintended consequences of tiered reimbursement can also be mitigated by offering programs that participate in QRIS a range of financial incentives. This is important because for a program to offer higher quality to subsidized children, it must maintain higher quality for all children.

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