

Jim Doyle  
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March 24, 2010

Honorable Mark Miller, Senate Co-Chair  
Joint Committee on Finance  
Room 317 East, State Capitol  
Madison, WI 53702

Honorable Mark Pocan, Assembly Co-Chair  
Joint Committee on Finance  
Room 309 East, State Capitol  
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

Pursuant to Section 9108(7f) of 2009 Wisconsin Act 28, the Department of Children and Families (DCF) submits its plan for the implementation of the child care rating system under s. 48.659, Wisconsin Statutes.

There has been significant progress over the last year to improve the Wisconsin Shares program and child care regulation in Wisconsin. With the Legislature's support, and through new management strategies at DCF, we now have more tools to fight fraud and better ensure the safety of child care, and we are putting these tools to use. The next step in improving child care subsidy and regulation in Wisconsin is the implementation of a Quality Rating and Improvement System (QRIS).

Over forty years of research demonstrates that children who participate in quality child care programs have a greater chance of success in life compared to those who do not. High quality child care can play a significant role in eliminating disparities in school readiness and can lead to higher lifetime incomes as these children become adults. Children who attend quality child care are less likely to use drugs and alcohol, less likely to experience abuse or neglect, less likely to be involved in the criminal justice system, and are more likely to graduate from high school.

If you are a parent of a young child in Wisconsin today, you can find licensing violations on DCF's website, but information on a specific provider's quality of care is unavailable. If you are a child care provider in Wisconsin today, there are insufficient supports to help you improve. In addition, the Wisconsin Shares program does not provide any financial incentive for child care providers to improve, as low-quality providers are reimbursed at the same rate as high-quality providers.

The Legislature directed the Department to develop a child care quality rating system that rates the quality of the care given by child care providers receiving Wisconsin Shares and by other

providers who volunteer to be rated. Nineteen other states have already implemented statewide quality rating and improvement systems.

Wisconsin's quality rating and improvement system plan, YoungStar, which is enclosed, contains five basic elements, including: (a) standards that are research based; (b) assessment and accountability; (c) provider support through training and technical assistance; (d) financial incentives; and (e) parent education. Specifically, the YoungStar program includes funding for quality assurance monitoring, training and technical assistance, microgrants, communications, administration and evaluation.

The YoungStar plan was developed after receiving significant input from a variety of sources, including parents, child care providers, child care advocacy groups, educators, philanthropic organizations, state and local child care regulation staff, and legislators.

As a result of reduced expenditures in the Wisconsin Shares program due in large part to the Department's efforts at reducing fraud and improving program integrity in Wisconsin Shares, YoungStar can be accomplished well within the resources currently available in the child care program. The costs to implement YoungStar will be approximately \$10.3 million over the 2009-11 biennium--which is significantly less than the Wisconsin Shares savings the Department expects to achieve in this fiscal year alone. A critical component of YoungStar, tying Wisconsin Shares reimbursements to the quality rating system, will be implemented on June 30, 2011, which will allow providers time to access training and technical assistance and receive their rating before payments are affected.

We are confident that implementing YoungStar will:

- improve the overall quality for children in child care;
- provide a means for parents to identify and select quality child care;
- create incentives for child care programs to improve services to low-income children;
- link quality to Wisconsin Shares payment; and
- provide another tool in our Wisconsin Shares fraud prevention efforts.

I appreciate your continued attention to Wisconsin's child care system, including the Wisconsin Shares program. I urge you to take swift action to approve the YoungStar plan to allow the Department to continue to improve early child care education and regulation in Wisconsin.

Sincerely,



Reggie Bicha  
Secretary

cc: Michael Morgan, Department of Administration  
Bob Lang, Legislative Fiscal Bureau