

Parent Aware Quality Rating and Improvement System: Evaluation and One-Star Rating

Report to the Legislature

December 2024

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As required by Minnesota Statutes 2023, section 3.197: This report cost approximately \$8,809 to prepare, including staff time, printing, and mailing expenses.

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I. Executive summary

Parent Aware is Minnesota's Quality Rating and Improvement System (QRIS) for child care and early education programs codified in Minnesota Statutes 2023, section 142D.13. Parent Aware offers tools and resources to help families find quality child care and early education programs, and to help child care programs improve their practices. More information about Parent Aware may be found on the ParentAware.org website.

The Minnesota Legislature directed the Department of Human Services (DHS) to:

- Conduct an evaluation of Parent Aware and report on ongoing evaluation, recommendations for revisions, and continuous quality improvement
- Engage child care providers to assess how the availability of the One-Star Rating may impact the number of providers that choose to work toward higher ratings, the cost to establish the One-Star Rating, and extent to which additional funds are needed to support additional providers that seek higher ratings.

The evaluation was conducted in partnership with Child Trends, a national research organization. The evaluation was conducted from fall 2022 through fall 2024. The evaluation offered findings and considerations in four areas:

- Revise and strengthen the Parent Aware Standards and Indicators.
- Improve the rating process to reduce barriers to participation and ensure participation is meaningful.
- Improve and expand the resources and other supports Parent Aware offers.
- Identify strategies for Parent Aware to better support families.

In 2024, authority to implement Parent Aware was transferred to the Department of Children, Youth, and Families (DCYF). DCYF offers the following recommendations for revisions to Parent Aware:

- 1. Make the process of opting out of One-Star Ratings easy for state licensed child care programs, and allow Tribally licensed child care programs to opt-in.
- 2. Revise and strengthen the Parent Aware Standards and Indicators in phases.
- 3. Improve the rating process.
- 4. Expand resources to support program quality improvement.
- 5. Support families in accessing high-quality and affordable care.
- 6. Provide ongoing evaluation and continuous quality improvement.

Engagement was conducted with state licensed and Tribally licensed child care programs about the One-Star Rating. Based on this information, estimates are provided on the percentages of programs that 1) will accept the One-Star Rating, 2) will want to participate and earn a higher rating, and 3) will opt out of the One-Star Rating. The increase in percentage of rated programs statewide is estimated to increase from 31% in 2024 to 67% in 2029. The amount of funding needed to implement the One-Star Rating and accommodate this increase in participation is provided.

Finally, the report provides information gathered from engagement with the statewide Tribal planning team and Tribally licensed child care programs on the most effective approach for implementing the One-Star Rating in Tribal lands. A suggested, customized process for implementing the One-Star Rating for Tribally licensed programs is provided.

II. Legislative charge

Minnesota Statutes 2021, section 142D.13, subdivision 3, requires DHS to conduct a Parent Aware evaluation and report on ongoing evaluation, recommendations for revisions, and continuous quality improvement. Additionally, Minnesota Laws 2023, chapter 54, section 17, requires DHS to engage child care providers to assess how the availability of a One-Star Rating may impact the number of providers that choose to work toward higher ratings, the cost to establish the One-Star Rating, and the extent to which funding is needed to support providers that seek higher ratings, and to report these findings to the legislative committees with jurisdiction over early care and learning programs. Copies of the statute language associated with this legislative charge can be found in Appendix B.

The work required for each report is naturally woven together because the evaluation informs the implementation of the automatic One-Star Rating. As such, this report fulfills both requirements.

[Note: Parent Aware was transferred from DHS to the Department of Children, Youth, and Families (DCYF) effective July 2024 pursuant to Minnesota Laws 2023, Chapter 70, Article 12.]

II. Evaluation

Pursuant to Minnesota Statutes 2021, section 142D.13, subdivision 3, DHS published a request for proposals process to select the evaluator for the Parent Aware evaluation on October 20, 2021. Child Trends, a national research organization with extensive experience evaluating Quality Rating and Improvement Systems, was selected as the evaluator. Child Trends carried out the evaluation from March 2022 to September 2024. They partnered with Wilder Research to carry out focus groups and listening sessions with early educators and families, and with Portage Partners Consulting to support engagement activities.

To ensure the evaluation could inform meaningful improvements to Parent Aware, these activities leveraged information from multiple sources and used various methodologies, including the following:

- Interviews with Quality Rating Improvement System (QRIS) administrators to understand lessons learned from other states' QRIS.
- Surveys and focus groups with early educators and families to understand their experiences with the early care and education system in Minnesota, including its strengths and challenges.
- Reviews of existing literature and other documentation to understand the extent to which Parent Aware aligns with best practices from the most recent research.

• Analyses of administrative data to explore trends in Parent Aware participation and the extent to which families across the state can equitably access early care and education that meets their needs.

Two parts of the original evaluation plan needed to be executed in a modified manner due to circumstances surrounding the COVID-19 pandemic:

- An examination of the degree to which Parent Aware ratings capture a program's observed quality.
- The extent to which young children's growth and learning over time are associated with Parent Aware ratings.

In fall 2022, Child Trends began recruiting for these areas of evaluation. Child care and early education programs shared that they had too little capacity to participate. This was because they faced ongoing challenges, such as high staff turnover in the wake of the COVID-19 pandemic. Child Trends moved forward a study that included some use of child assessment and onsite observation of program quality that was smaller in scale, resulting in a more limited ability to address these aspects of the evaluation.

The evaluation showcased the system-level issues yet affecting the child care industry and families. Issues like low wages, insufficient benefits and industry wide staffing shortages have significant impacts on early educators' well-being, and the low wages and benefits for the workforce are seen as the key factors behind the pervasive staffing shortages in center-based programming. In a 2024 survey¹ completed by early educators working in center and home-based settings, 15% indicated they may leave their job, or the early care and education industry. While it is reported as better than it was during the COVID-19 pandemic, issues with staffing, costs and enrollment are ongoing. The findings from this evaluation highlight the critical role of early educators in supporting families with young children, as well as many opportunities for Parent Aware and other state systems to better support the needs of not only families but also the early care and education workforce.

The evaluation findings, organized into four areas, highlight various ways that Parent Aware could be strengthened to better serve the needs of children, families, and early care and education (ECE) programs and its workforce. The Parent Aware evaluation web page hosts the final report, Evaluation of Parent Aware: Key Findings and Implications for the Parent Aware Redesign, as well as the other reports from this evaluation. Links to these reports can also be found in Appendix A.

¹ Child Trends. Families and Early Educators Experiences with Early Care and Education System in Minnesota. September 2024.

Key evaluation findings and considerations for improvement

Area 1: Revise and strengthen Parent Aware's Standards and Indicators for defining quality to ensure they are both meaningful and aligned with best practices to support children's development.

Key findings:

- Most programs (92-99%) earn the rating they request and improve their ratings over time.
- Early educators face challenges navigating Parent Aware Standards and Indicators, and many want to see requirements simplified and streamlined.
- Indicators in the Professionalism category are barriers to earning higher ratings for some programs.
- The Classroom Assessment and Scoring System (CLASS) observation tool is a well-researched global
 measure of quality in ECE settings; however, because of limitations in its use, especially as a high-stakes
 point-in-time measure, it may be more meaningful if used primarily as a reflection tool for quality
 improvement.
- Although families and early educators' views on what makes an ECE program high quality are wellaligned with Parent Aware Standards, some early educators (1 in 3) don't feel that ratings are accurate.
- Recent literature highlights opportunities for state QRIS to better promote equitable and culturally inclusive practices in ECE settings.
- Frequently assessing the alignment between Parent Aware Quality Standards and requirements for other ECE systems can help ensure rating pathways are consistent and equitable.
- Findings from across activities highlight the various ways in which family child care educators experience the rating process differently and often face greater barriers to meeting requirements.
- Most early educators and families thought children were "on track" across developmental domains, but child care center educators had concerns about children's social-emotional and self-regulation skills.

Considerations for continuous improvement:

- Identify ways to streamline and simplify Standards and Indicators to those that are most important to children's learning and development.
- Assess indicators that might pose barriers to programs seeking higher rating, particularly related to requirements in the Professionalism category.
- Explore new ways to use the CLASS and other observation tools within Parent Aware to ensure the process is supportive of the diverse needs of programs and families.
- Continue to examine the extent to which rating pathways are equitable and aligned and develop clear messaging about any differences to promote transparency and trust.
- Explore strategies to address the barriers many family child care programs face to becoming rated and continue identifying opportunities for improved supports.
- When considering whether to use child assessment measures within Parent Aware, recognize that children's development is shaped by a complex network of factors, of which participation in early care and education is only one part.

• In future evaluations of Parent Aware, identify an evaluation approach that leverages varied and equitable methods and measures that center the needs and experiences of the community.

Area 2: Improve the rating process to reduce barriers to participation and ensure participation is meaningful and worth the investment for early educators.

Key findings:

- States are reexamining how their QRIS define levels of quality, and some are moving away from an emphasis on ratings to make the process more meaningful for and supportive of early educators.
- In light of emerging evidence regarding how well rating levels differentiate programs' quality, some states are thinking about collapsing quality levels within their QRIS.
- By engaging in a system-level Continuous Quality Improvement process, states can help ensure that QRIS revisions are equitable and meet the needs of families and the ECE workforce.
- Early educators want to see changes to make the rating process simpler and more streamlined particularly related to documentation requirements and the frequency of re-ratings.
- Language accessibility within Parent Aware materials, including the Parent Aware application process itself, may be a barrier to some programs' and families' ability to engage with Parent Aware.
- Rated programs have seen tangible benefits of participating in Parent Aware, though center-based and family child care programs have different experiences of certain benefits.
- Some unrated early educators are hesitant to join because they either don't see how a rating would benefit them or don't think they need the benefits Parent Aware advertises.

Considerations for continuous improvement:

- Explore ways to simplify or eliminate documentation requirements and offer more hands-on technical support to help early educators navigate the rating process.
- To ensure Parent Aware can support the needs of the diverse early educators and families across Minnesota, continue efforts to make Parent Aware content more accessible.
- Better integration between Parent Aware and other parts of Minnesota's early care and education system could help reduce burden and promote more awareness of Parent Aware among early educators.
- Consider ways to tailor Parent Aware incentives to the unique needs of early educators.

Automatic One-Star Rating findings and considerations:

- Early educators and other Parent Aware stakeholders have a lot of concerns about the upcoming move to Automatic One-Star Ratings.
- Families' misconceptions about ratings underscore the importance of careful framing and clear public messaging.
- DCYF should carefully consider stakeholders' concerns about Automatic One-Star Ratings as they make decisions about other changes related to the Parent Aware Redesign. For example, moving to

"recognition levels" instead of "ratings" could alleviate concerns that families will perceive One-Star Ratings as low quality.

Area 3: Improve and expand the resources and other supports Parent Aware offers to promote programs' ongoing quality improvement and ensure the well-being of the ECE workforce.

Key findings:

- Early educators want more support and professional development options related to several topics.
- Parent Aware rated early educators reported they are most interested in more training and coaching on the following topics:
 - Managing and supporting children's behavior
 - o Supporting children's social-emotional development
 - Individualizing play and learning activities
 - Working with families and children from different backgrounds
- Using culturally inclusive practices.
- Many early educators say that collaboration with families is needed to address concerns about children's social-emotional and self-regulation skills, though the time and cost needed to access other professional development supports is also a key barrier.
 - Early educators said many families seem hesitant to follow through with Early Childhood
 Screening or other steps for various reasons.
 - The type of training they are seeking is not always available at the cadence or level needed.
- Early educators see coaches as a crucial resource for getting help with their professional development needs and navigating the rating process, though some experience inconsistencies in coaching quality.
- To promote equitable and culturally inclusive practices in early care and education programs, some state QRIS are embedding equity-focused tools and resources into their coaching processes.
- Other states are rethinking how observations are used in QRIS, including how to support quality and equitable practices in all settings, reducing burdens to early educators.

Considerations for continuous improvement:

- Expand professional development options related to topics early educators say they need more support in, keeping in mind that their needs might vary.
- Continue to refine and strengthen the Parent Aware coaching model and create structures to ensure all early educators can access consistent and high-quality support.
- Increase investments to support early educators' well-being, adequate compensation, opportunities for advancement, and longevity in the early care and education field.

Area 4: Identify strategies for Parent Aware to better support families in finding and accessing affordable, high-quality care that meets their unique needs and prepares their children for success in school and life.

Key findings:

- Being Parent Aware rated is highly correlated with programs' willingness to accept children receiving Child Care Assistance Program subsidies.
- Although some challenges related to the COVID-19 pandemic have improved with time, many families still struggle to find affordable care that meets their needs, especially in rural areas.
- Families want more up-to-date information about early care and education programs' tuition costs and openings online and would also appreciate knowing more about early educators' backgrounds and caregiving philosophies. From interviews with other states, many states are starting to provide more information on their online profiles, such as photos, videos, ways to showcase providers' special skills or areas of expertise, such as if they are a Montessori program, or if they are a nature-based program.

Considerations for continuous improvement:

- Continue to explore trends in early care and education availability to identify gaps in families' access.
- Make improvements to the Parent Aware online search tool and explore ways to encourage programs to more frequently update information about tuition costs and openings.

III. Recommendations

Based upon the legislatively required evaluation conducted by Child Trends, prior evaluations, and additional engagement work, the following recommendations for revision, ongoing evaluation, and continuous quality improvement are made.

Recommendation 1: Make the process of opting out of One-Star Ratings easy for state licensed child care programs, and allow Tribally licensed child care programs to opt-in

Engagement with providers showed that many child care providers have concerns about the upcoming Automatic One-Star Rating. In particular, the fact that it will be issued automatically, unless they opt out, often did not feel like recognition for some currently unrated child care providers. Instead, some feel distrustful of the idea, worried the policy will force them to appear on a website with the lowest available rating, resulting in a loss of trust with families. Tribal early care and education leaders shared feedback that they are particularly concerned about the relationship with the state the Automatic One-Star Rating creates, and many Tribally licensed providers shared their preference to opt-in rather than opting out.

There are also some currently unrated child care providers who are interested in earning the One-Star Rating. These providers see this new policy as an opportunity to be recognized for the significant quality achievement being licensed represents and appreciate that it will allow them to accept Early Learning Scholarships for children in their care. There are also some currently unrated providers who will accept the One-Star Rating, but do not plan to stay at this rating. Many of these providers have been considering participation in Parent Aware, and this opportunity will encourage them to join and work toward earning a rating of Two Stars or higher.

Ways to implement this recommendation include:

- Developing updated marketing strategies for families to help explain the Automatic One-Star Rating, to ensure understanding that it recognizes the significant achievement of becoming licensed.
- Planning for the increased participation in Parent Aware among programs that wish to receive higher ratings that will be generated as a result of the new option to automatically receive a One-Star Rating.
- Considering additional resources to accommodate the anticipated growth in Parent Aware participation in state and Tribally licensed child care programs as a result of the new Automatic One-Star Rating.
 More information on estimated costs are provided in section IV.

Considerations for implementation for state licensed programs:

Making the process to opt-out of the Automatic One-Star Rating for state licensed programs as easy and
user-friendly as possible by building it into the state's Provider Hub database, which all licensed
programs have or will have access to and use regularly for Licensing, the Great Start Compensation
Support Payment Program, Early Learning Scholarships, and the Child Care Assistance Program.

Considerations for implementation for Tribally licensed programs:

- Allowing Tribally licensed child care programs to opt-in to receive the One-Star Rating, rather than requiring them to opt out.
- Creating a customized, easy, user-friendly process for Tribally licensed child care programs in collaboration with the Minnesota Tribal Resources for Early Childhood Care (MNTRECC) Planning Team, using a form designed specifically for Tribally licensed programs.

Recommendation 2: Revise and strengthen the Parent Aware Standards and Indicators in phases

Based on feedback received from child care and early education program engagement, changes to address the barriers experienced with the current Parent Aware rating process are too significant to address in just one round of updates. Early educators want a streamlined process, provided through a more robust data system. This would save them substantial time and effort and make their participation in Parent Aware easier and less time consuming.

This will require revising the Parent Aware Standards and Indicators in two phases. In the first phase, the new Automatic One-Star Rating would be implemented, along with some small changes that would take small steps towards the larger revision. The second phase would include transitioning to a new Framework and Quality Practices. This would allow time to build the more robust data system.

Early educators in child care programs also shared they want the process to be more focused on quality improvement with support from a Parent Aware coach, and less time focused on the rating process and associated uploading of documents to a database. Ensuring the system is ready prior to offering support will create a stable starting point for the new quality improvement process.

Ways to implement this recommendation include:

- Using an iterative process that puts providers at the center of problem-solving to create options for testing and designing the quality improvement and rating processes needed to implement a new Parent Aware Framework and Quality Practices.
- Building a new online experience for Parent Aware that is easier to use and more user-friendly could be created.
- Establishing a new Parent Aware Framework and Quality Practices to replace the <u>Parent Aware</u>
 <u>Standards and Indicators</u>, including the Parent Aware House Framework, which were last updated in 2016.

Recommendation 3: Improve the rating process

Making the rating process easier to access will increase the likelihood of participation in quality improvements and reduce burdens on participants. Any process improvements will be best implemented with continued feedback from parents and early educators.

Ways to implement this recommendation include:

- Continuing to partner with the Parent Aware Advisory Committee, a diverse group of Minnesota parents, early educators and community partners.
- Providing increased flexibility in the rating process.
- Extending the Parent Aware rating duration.
- Eliminating current rating pathways, instead offering rating processes customized by program type.

Recommendation 4: Expand resources to support program quality improvement

The current Parent Aware coaching model was developed to support early educators in child care programs through the current Parent Aware rating process. It includes the option to receive coaching to help them implement quality programming through a track called "Building Quality." Programs can receive up to 30 hours of coaching over six months or up to 60 hours of coaching over 12 months. However, participating in Building Quality is optional. The other pathways include the option for some coaching, but the experience is primarily focused on supporting early educators in licensed child care with technical assistance needed to earn a rating. A new coaching model could support moving toward a quality rating and improvement process that is primarily focused on quality improvement, and less on ratings, with the ultimate goal of supporting early educators in all types of child care and early learning programs to better support children.

Ways to implement this recommendation include:

Modifications for child care and early education programs with different levels of needs, including an
assessment that will help early educators reflect on the depth of their knowledge of the quality
practices, and the extent to which they are using them regularly.

- Providing for different modes of coaching, with learning communities, peer-to-peer mentoring, and one-on-one coaching all available as options.
- Expanding the number of Parent Aware coaches with specialized linguistic skills and cultural knowledge available to serve diverse communities statewide.
- Providing ongoing training on diversity, equity and inclusion, along with training to earn the Relationship-based Professional Development Credential, for all Parent Aware coaches.
- Expanding availability of inclusion coaching, and training on trauma-informed care and positive behavior guidance to reduce suspension and expulsion rates.
- Continuing to offer mental health consultation.

Recommendation 5: Support families in accessing high-quality and affordable care

Listening sessions with families as part of the Parent Aware evaluation documented that searching for child care is challenging, and families want more information about child care programs to help them find openings in programs that include features that are consistent with their families' needs and values.

Ways to implement this recommendation include:

- Exploring ways to encourage child care programs to provide more information for families on openings and costs.
- Adding family search criteria to ParentAware.org to highlight things that make programs unique.

Recommendation 6: Provide ongoing evaluation and continuous quality improvement

Ongoing evaluation and continuous quality improvement of Parent Aware should answer several questions about the system and be informed by the Successful Learner Equation.

The Successful Learner Equation is a multi-faceted framework that recognizes and uplifts the individuals, programs and systems that set the stage for each learner to be successful. The four components highlight that it is the responsibility of adults, schools/programs, environments, communities and systems to be ready to support each child and not the responsibility of children to be "ready." In other words, ready families, ready communities, ready schools and programs, and a ready state with ready systems will inherently lead to children being ready to learn.

Successful Learner Equation components:

- **Ready families:** Establish the foundation for their child's health, development and learning within the context of their family's cultural values, norms and beliefs.
- **Ready communities:** Offer services to enhance the health, safety, economic stability, development and learning of children and families within their cultural context.
- Ready schools and programs: Deliver high-quality, developmentally appropriate, culturally and linguistically responsive care and education that supports families in nurturing their child's healthy development and learning.

• **Ready state with ready systems:** Provide equitable access to comprehensive services and resources that support families and children from all backgrounds.

Through this lens of the Successful Learner Equation framework, Parent Aware fits in the ready schools and programs component that together, with the other three components of the framework, support successful learners. Below are the questions that support understanding of how well Parent Aware is achieving the goal of delivering high-quality, developmentally appropriate, culturally, and linguistically responsive care and education that supports families in nurturing their child's healthy development and learning.

Quality of Minnesota's child care and early education programs and workforce. Is the quality improvement process working? In other words, are participating programs earning higher ratings, are more children in quality programs, are early educators deepening their use of the quality practices and improving their program's overall quality?

Data on Parent Aware ratings

Data collected regarding ratings earned by programs participating in Parent Aware is currently used to track whether participating programs are earning higher ratings, and if the overall percentage of eligible programs participating is increasing. This data should continue to be used to measure progress on improving the number of programs earning ratings and increasing the percentage of programs participating over time.

 Data on children receiving child care assistance or early learning scholarships enrolled in Parent Aware rated programs

Data routinely collected by the Child Care Assistance Program and Early Learning Scholarship Program is currently used to assess if the number of children receiving either of these programs enrolled in quality rated programs is increasing. This data should continue to be used for ongoing evaluation of Parent Aware.

Quality practices assessment data

A quality practices assessment tool could be implemented for the purpose of documenting programs' improvement and supporting a deepening of their implementation of quality practices. Data could be collected routinely by coaches as they help early educators set goals for improvement. It could also be used by coaches to track progress supporting programs in meeting their goals and deepening their implementation of quality practices.

CLASS observation data

Classroom Assessment and Scoring System (CLASS) onsite observation data could be collected by quality coaches. This data measures child-adult interactions and is currently collected only in center-based licensed child care settings serving preschool-aged children. Quality coaches who are qualified CLASS observers could collect this data in all settings. CLASS data could be used by early educators to set goals

as part of the quality improvement process, while also supporting efforts to track progress supporting programs' improvement of child-adult interactions.

Training and professional development data

Training and professional development data could be analyzed to document if early educators are gaining competencies as a result of training, higher education and coaching received. Increased training, higher education and coaching are expected outcomes of the coaching and professional development advising received by participating programs. It could also be used by coaches and professional development advisors to set goals as part of the quality improvement process. This data could be collected through existing data sources specific to each provider type.

Early educators' experiences and ability to serve children and families, including those from racially, linguistically, ethnically or culturally diverse backgrounds. Are early educators having positive experiences participating in Parent Aware, and are they able to serve children and families, including racially, linguistically, ethnically and culturally diverse families?

• Early educator survey data

Survey data is currently collected from early educators to learn about their experiences and receive their feedback about their experiences in Parent Aware. Data of this kind could continue to be collected and used to improve the program.

Coaching data

An updated coaching model could include coaching on competencies related to culturally responsive practices. Data collected by coaches through the quality practices assessment could be used to help Parent Aware understand the extent to which early educators are deepening their practices in these areas.

Families' experiences and ability to access and use meaningful information about child care and early education programs' quality. Is the quality improvement process resulting in improved experiences for families, and improved ability to access and use information about child care and early education program quality?

Routinely collected data on use of ParentAware.org

Data collected regarding unique visitors on ParentAware.org is currently used to track if the number of users of the ParentAware.org consumer education website is increasing. This data can continue to be used to measure progress on increasing the number of people using information from this website.

Family survey data.

Surveys of families enrolled in a Parent Aware rated program could be implemented to gather information about families' experiences. This data could inform if families are having the experiences the quality practices are designed to ensure. Programs could receive the survey results with identifying

information removed, for them to use in program improvement and goal setting. The state should only use the data for statewide system evaluation purposes.

Successful learners. How are children learning and growing?

Child data

Any child-level measurement intended to inform Parent Aware's progress on supporting successful learners must be considered in the context not only of the role of Parent Aware in supporting school and program readiness, but also in the context of the readiness of the child's family and community and the broader system supporting children, families and communities. Therefore, a comprehensive plan for using child outcome data in the context of also understanding the other components of the Successful Learner Equation is critical for understanding the role of early care and education in supporting young children's growth and development. Any plan should consider evidence-based developmentally appropriate practices, include input from families and early educators, and align with a holistic view of the elements that set a child up for success.

IV. One-Star Rating implementation and Tribal consultation

Data from a question about the One-Star Rating asked in an engagement process conducted in partnership with Child Trends was analyzed. In the question, participants were given the information that the Minnesota Legislature passed a law that all licensed child care programs, in good standing with licensing, will be assigned a One-Star Rating, unless they opt out using a check box on a website. They were asked what they thought this change would mean for programs that were not currently rated. Respondents were provided space to write in their answer.

Based on responses to this question, it is estimated that among currently unrated child care programs approximately:

- 36% will accept the One-Star Rating.
- 16% will want to participate in Parent Aware and earn a higher rating.
- 48% will opt out of the One-Star Rating and will remain unrated.

Incorporating these estimates into projections for future growth, the result of the new One-Star Rating option would increase the overall number of rated programs statewide from 31% in 2024 to 67% in 2029.

This increase will happen incrementally, from 2026 through 2029. As a result, additional funds are needed to increase the number of Parent Aware support staff, including coaches and grant administrators, to provide quality improvement supports and grants for the programs that will choose to earn ratings of Two Stars or higher.

Costs to implement the One-Star Rating and accommodate increased participation

The following table provides the costs to implement the Automatic One-Star Rating.

Table 1. Costs to implement Automatic One-Star Rating

Description of cost	FY 2026	FY 2027	FY 2028	FY 2029
Market research about One-Star Ratings	\$50,000	\$0	\$0	\$0
Training for coaches and professional development advisors	\$60,000	\$0	\$0	\$0
Additional staff for Parent Aware rating team	\$0	\$60,000	\$0	\$0
Cost to create opt-out option in Provider Hub	\$70,000	\$9,000	\$9,000	\$9,000
Cost to update Parent Aware data system to issue Automatic One-Star Ratings	\$260,000	\$0	\$0	\$0
Total	\$440,000	\$69,000	\$9,000	\$9,000

The following table provides the costs to provide more Parent Aware coaching, ratings, database help desk services, and grant administration, and additional funds needed for Parent Aware grants, to serve the additional programs that will participate in Parent Aware due to the new Automatic One-Star Rating.

Table 2. Costs to serve additional programs that will participate in Parent Aware

Description of cost	FY 2026	FY 2027	FY 2028	FY 2029
Additional coaches	\$501,000	\$997,000	\$997,000	\$1,107,000
Additional raters	\$52,000	\$132,000	\$132,000	\$132,000
Additional grant administrators	\$425,000	\$425,000	\$425,000	\$425,000
Additional grant funding	\$123,000	\$624,000	\$913,000	\$913,000
Additional database help desk services	\$20,000	\$20,000	\$20,000	\$20,000
Total	\$1,121,000	\$2,198,000	\$2,487,000	\$2,597,000

Tribally licensed providers and One-Star Ratings

Engagement was conducted with the Minnesota Tribal Resources for Early Childhood Care (MNTRECC) Planning Team. MNTRECC is a DCYF grant program administered by the Leech Lake Band of Ojibwe Early Childhood Development Division that exists to support Tribal child care programs and facilitate collaboration between Tribal child care programs and the Child Care Aware of Minnesota system. The MNTRECC Planning Team is a group of representatives from Tribal child care and early education programs in Minnesota, coordinated by MNTRECC staff. DCYF, in collaboration with MNTRECC, also surveyed child care and early education Tribally licensed programs to learn how they would prefer the process was carried out.

Two options for issuing One-Star Ratings to Tribally licensed child care programs were identified:

- Tribally licensed child care programs automatically receive a One-Star Rating, consistent with the requirement in state law for how state-licensed programs will participate.
- Tribally licensed programs opt-in to receiving a One-Star Rating and do not automatically receive a rating.

Tribally licensed child care programs were surveyed in July 2024. Approximately 58% indicated they would like the ability to opt-in to the One-Star Rating, 25% preferred the opt-out option, and the remaining 17% indicated they did not have a preference.

Many Tribally licensed programs are not accustomed to interacting directly with Minnesota state government. In addition, many Tribally licensed child care programs do not currently participate in state programs, like the Child Care Assistance Program, and therefore do not have a log-in for the state's Provider Hub database.

The following process could be used for Tribally licensed programs:

- Tribal licensors would let Tribally licensed child care and early education programs know about the opportunity to receive the One-Star Rating and whether or not they are eligible. They would work with the programs to answer their initial questions.
- The licensor would then refer them to talk to the local Child Care Aware agency's Parent Aware Recruiter to learn about the benefits of receiving the rating, including eligibility for children in their programs to receive funding through the Minnesota Early Learning Scholarships program.
- A form would be available through Parent Aware for Tribally licensed programs to complete to opt into receiving a One-Star Rating.

V. Appendices

Appendix A: Links to 2024 Parent Aware evaluation reports

- 1. Evaluation of Parent Aware: Key Findings and Implications for the Parent Aware Redesign Report
- 2. Insights on QRIS from Six State and a Literature Review Report
- 3. Families' and Early Educators' Experiences with the Early Care and Education System in Minnesota Report
- 4. Methods and Measures for Understanding Children's Experiences in Parent Aware Rated Programs Report
- 5. Early Educators' Experiences with Parent Aware, Minnesota's QRIS Report
- 6. Parent Aware Ratings and Standards and Indicators: A Multi-Cohort Analysis Report
- 7. Statewide Participation in Parent Aware Among Early Care and Education Programs Report

Appendix B: Statute language related to the Parent Aware evaluation and One-Star Ratings

Direction for conducting the Parent Aware evaluation

Minnesota Statutes 2023, section 142D.13, subdivision 3.

Subd. 3. Evaluation.

- (a) By February 1, 2022, the commissioner of human services must arrange an independent evaluation of the quality rating and improvement system's effectiveness and impact on:
 - (1) children's progress toward school readiness;
 - (2) the quality of the early learning and care system supply and workforce;
 - (3) parents' ability to access and use meaningful information about early learning and care program quality; and
 - (4) providers' ability to serve children and families, including those from racially, ethnically, or culturally diverse backgrounds.
- (b) The evaluation must be performed by a staff member from another agency or a consultant. An evaluator must have experience in program evaluation and must not be regularly involved in implementing the quality rating and improvement system.
- (c) The evaluation findings, along with the commissioner's recommendations for revisions, potential future evaluations, and plans for continuous improvement, must be reported to the chairs and ranking minority members of the legislative committees with jurisdiction over early childhood programs by December 31, 2024.
- (d) At a minimum, the evaluation must:
- (1) analyze the effectiveness of the quality rating and improvement system, including but not limited to reviewing:
 - (i) whether quality indicators and measures used in the quality rating and improvement system are consistent with evidence and research findings on early learning and care program quality; and
 - (ii) patterns or differences in observed quality of participating early learning and care programs in comparison to programs at other quality rating and improvement system star rating levels and accounting for other factors;
- (2) perform evidence-based assessments of children's developmental gains aligned with the state early childhood indicators of progress, including in ways that are appropriate for children's linguistic and cultural backgrounds;
- (3) analyze the extent to which differences in developmental gains among children correspond to the star ratings of the early learning and care programs, providing disaggregated findings by:
 - (i) children's demographic factors, including geographic area, family income level, and racial and ethnic groups;
 - (ii) type of provider, including family child care providers, child care centers, Head Start and Early Head Start, and school-based early childhood providers; and

- (iii) any other categories identified by the commissioner, in consultation with the commissioners of health and education or the entity performing the evaluation;
- (4) analyze the accessibility for providers to participate in the quality rating and improvement system, including ease of application and supports for a provider to receive or improve a rating, and provide disaggregated findings by children's demographic factors and type of provider, as each is defined in clause (3);
- (5) analyze the availability of providers participating in the quality rating and improvement system to families, and provide disaggregated findings by children's demographic factors and type of provider, as each is defined in clause (3);
- (6) analyze the degree to which the quality rating and improvement system accounts for racial, cultural, linguistic, and ethnic diversity when measuring quality; and
- (7) analyze the impact of financial or administrative requirements of the quality rating and improvement system on family child care providers and child care providers, including those providers serving racially, ethnically, and culturally diverse communities.
- (e) The evaluation must include a comparison of the quality rating and improvement system with at least three other quality metric systems used in other states. The other chosen metric systems must incorporate methods of assessing and monitoring developmental and achievement benchmarks in early care and education settings to assess kindergarten readiness, including for racially, ethnically, and culturally diverse populations.

Direction to consult with Tribes to develop a process for the One-Star Rating for Tribally licensed programs Minnesota Statutes 2023, section 142D.13, subdivision 2(b).

(b) By July 1, 2026, the commissioner of human services shall establish a process by which a program may opt out of the rating under paragraph (a), clause (1). The commissioner shall consult with Tribes to develop a process for rating Tribally licensed programs that is consistent with the goal outlined in paragraph (a), clause (1).

Statute requirements for the Parent Aware One-Star Rating

Minnesota Statutes 2023, section 142D.13, subdivision 2(a)(1)(i-iv).

Subd. 2. System components.

- (a) The standards-based voluntary quality rating and improvement system includes:
- (1) at least a one-star rating for all programs licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed that do not opt out of the system under paragraph (b) and that are not:
- (i) the subject of a finding of fraud for which the program or individual is currently serving a penalty or exclusion;
- (ii) prohibited from receiving public funds under section <u>245.095</u>, regardless of whether the action is under appeal;
- (iii) under revocation, suspension, temporary immediate suspension, or decertification, or is operating under a conditional license, regardless of whether the action is under appeal; or

(iv) the subject of suspended, denied, or terminated payments to a provider under section <u>119B.13</u>, <u>subdivision</u> <u>6</u>, paragraph (d), clause (1) or (2); <u>245E.02</u>, <u>subdivision 4</u>, paragraph (c), clause (4); or <u>256.98</u>, <u>subdivision 1</u>, regardless of whether the action is under appeal;