

A large, light gray, stylized letter 'C' is positioned on the left side of the page, extending from the top to the bottom. It has a white outline and a white interior. The background is white.

SUSTAINABILITY OF PRACTICE AND PRACTICES

A Report for Wake County SmartStart

SUBMITTED BY:

Compass Evaluation and Research, Inc.
5720 Fayetteville Rd., Suite 202
Durham, NC 27713

Toll Free: **877.652.0189**

Phone: **919.544.9004**

Fax: **919.321.6997**

www.compasseval.com

TABLE OF CONTENTS

Executive Summary	1
Introduction	5
Methodology	5
Findings	8
Local Consultant Survey	8
Expert Interviews	11
On-Site Interviews and Site Visits	12
Key Findings	53
Summary and Implications	54
Recommendations	55

Acknowledgements

We wish to thank all of the sites that participated in this study. Site directors, owners, and teachers gave generously of their time and information and allowed this study to occur.

We also thank the local consultants and subject-matter experts who consulted on this project and also gave generously of their time and expertise. The content and quality of the information these experts provided was of critical value and importance for the study's conceptualization and implementation framework.

Finally, we wish to thank the collaborative study team and our partners at Wake County SmartStart for their input, feedback, and suggestions throughout the study process.

Wake County SmartStart Sustainability of Practice and Practices Report

Executive Summary

In spring 2013 Wake County SmartStart commissioned a study into the maintenance of high quality practices at local child care facilities, with a focus on centers. Wake County SmartStart contracted with Compass Evaluation and Research, Ms. Linda Leonard, and Ms. Gloria Cook to develop and conduct the study. The study team proposed one focal and five supportive questions to guide its efforts. The focal question was “*why do some child care sites sustain high quality practices while others struggle*”? For this study, “sustaining high quality” was interpreted as the daily provision of high quality classroom and educational services.

The focal question was further developed through the identification of five supportive questions:

1. To what extent is sustainability a function of budgeting and financial operations?
2. To what extent is sustainability a function of leadership and management (leader qualifications, experience, training, technical assistance)?
3. To what extent is sustainability affected by provision of high quality services? In other words, does a commitment to high quality services jeopardize facility sustainability?
4. What level of quality is sustainable given current resources? What level of quality is sustainable if current resources decrease?
5. What opportunities, if any, exist to assist facilities in promoting and achieving sustainability?

The supportive questions, together with the focal question, grounded the study’s approach and ensuing methodology.

The study team collaborated with Wake County SmartStart to identify local, Wake County, child care sites that could be considered to have achieved and sustained very high quality care (Group 1) and sites that had not achieved and sustained this level of very high quality care (Group 2). In this, the team relied upon both quantitative and qualitative metrics of sustained practice: program standard scores from the state’s Star Rating System and local consultant input. Group 1 sites were those five star facilities that achieved high program standard scores over multiple assessment periods and/or were five star facilities identified by multiple local consultants. Group 2 sites were those four star facilities that had not achieved high program standard scores over multiple assessment periods.

The study team developed a framework for investigating the factors that might allow sites to sustain high quality practices. The scarcity of existing research and literature regarding sustainability of high quality practices in the child care industry led the team to review and adopt a framework developed for non-profits and grassroots organizations. This framework, developed and published by The Finance Project, contains eight “elements” of interest for sustaining practices; these elements were modified for use in the study and are presented in Table ES1.

Table ES1. Elements of Interest for Sustaining High Quality Practices

Element	Finance Project definition	Interpretation for Child Care
Key Champions	Rallying leaders from businesses, faith-based institutions, government and other parts of the community who are committed to an initiative's vision and are willing to use their power and prestige to generate support for that program will help to ensure long-term stability	The practice's key leader (owner, director, etc.) is committed to the vision and mission with regard to high quality practices and will use the power of his or her position as leader to ensure maintenance of effort.
Strong Internal Systems	Building strong internal systems, such as fiscal management, accounting, information, personnel systems and governance structures, enables an initiative to work effectively and efficiently.	The practice has strong internal systems (such as fiscal management, accounting, information, personnel systems and monitoring, professional development planning and follow through) that enable the practice to efficiently and effectively maintain high quality practices.
Vision	A clear-cut objective that articulates how an initiative's programs or activities will improve the lives of children, families and communities.	A clear-cut objective that articulates how the child care practice will contribute to/ improve the lives of young children.
Results Orientation	Demonstrating program success through measurable results (e.g., established indicators and performance measures)	Demonstrating the practice's success with measurable child-level results (e.g., developmental progress)
Strategic Financing Orientation	Identify the resources they need to sustain their activities and then develop strategies to bring these resources together to achieve their goals.	Practice identifies resources needed to maintain the business at a high-level of quality services (i.e., high maintenance of effort) and develops and uses strategies to acquire these resources.
Adaptability to Changing Conditions	Adjusting to changing social, economic, and political trends in the community enables initiatives to take advantage of various opportunities that can help to achieve sustainability.	Practice recognizes changing social, economic, and political trends in the community and takes advantage of opportunities that promote sustainability of high quality practices.
Broad Base of (Community) Support	Determining who within the community loves an initiative, who needs it and who would care if it were gone.	Practice has community-advocates who encourage and support high quality practices and can assist the practice in acquiring resources that aid the maintenance of effort with regard to high quality practices.
Sustainability Plan	Creating sustainability plans helps initiative developers and managers clarify where they want their initiatives to go in the future. They provide benchmarks for determining whether initiatives are successfully reaching their goals.	The practice has plans that allow for continuous improvement, training, and staff oversight. The plans clarify practice vision, mission, goals, and benchmarks as a function of staff-specific tasks and objectives.

The team used this framework, along with local consultant survey-based input and subject-matter expert interview data to develop an interview and on-site visit protocol and a rating rubric for interpreting participant responses and data. The team solicited individual site participation and completed 25 on-site visits and interviews, including interviews with two teachers from each site, where applicable. Of the 25 sites, 12 were considered Group 1 sites and 13 were considered Group 2 sites.

Two study team members reviewed each site's data and completed the rating rubric for each site. Team members

completed ratings without consideration of a site’s status as either Group 1 or Group 2. The rating rubric contained 50 indicators across the eight domains identified in Table ES1. Each domain contained at least four indicators; one domain (internal systems) contained 14 indicators. The team members reviewed both sets of ratings for each site; if there were discrepancies, the team members reviewed applicable and available documents, discussed the differences in ratings, and reached a consensus on a rating score for each indicator and each site.

Once the ratings were completed, the team calculated average rating scores for each indicator and each domain for both Group 1 and Group 2 sites. Table ES2 presents these average rating scores, expressed as a percent score (average ratings summed across all indicators within a domain and divided by total available points for that domain).

Table ES2. Average Rating Scores across Eight Domains of Sustainability

	Key Champions	Internal Systems	Vision	Results Orientation	Strategic Financing	Adaptability	Support	Sustainability Plan	Total
Group 1	87.5%	78.6%	70%	93.3%	78.9%	84.7%	83.3%	72.7%	80.5%
Group 2	78.3%	75.5%	66.7%	87.2%	72.8%	79.3%	80.8%	70.7%	76.1%
Difference in Percent Scores	9.2	3.1	3.3	6.1	6.1	5.4	2.5	2	4.4

As shown in Table ES2, Group 1 sites received higher average scores in each domain. The greatest differences were achieved in (a) key champions; (b) results orientation; (c) strategic financing; and (d) adaptability.

As regards key champions, the team focused on the presence and perception of leadership for quality practices; both director or owner and teacher data were used to rate indicators in this domain. The higher average ratings achieved by Group 1 sites suggested that these centers (more often than Group 2 sites) have a team-based approach to quality, in which all staff report being champions for quality, as opposed to individual or selected staff.

As regards results orientation, the team focused on the presence and assessment of child and family outcomes and director (or owner) and staff fluency in discussing outcomes. The team identified differences between Group 1 and Group 2 sites that were tied to director fluency in discussing and using individual student outcomes and the use of planned and budgeted investments that were linked to quality standards. The findings from this domain speak to questions regarding the duality of sustainability (sustainability of high quality practices within a sustainable business environment), or the site’s ability to plan to provide high quality services, by providing sufficient, budgeted support. Our findings suggest that Group 1 directors or owners have more skill or experience in planning to provide quality, which may be influenced by their access to budgets or ability to provide information to or influence the site’s budget.

Strategic financing was assessed through concrete measures of financial viability, such as diversity in tuition sources, willingness to raise rates, and willingness to carry bad debt. Group 1 sites were more likely than Group 2 sites to avoid bad debt, have diverse tuition resources, have access to an operating budget, and have sites that were financially viable (meeting expenses, if not experiencing revenues in excess of expenses). These scores also speak to study questions regarding the duality of sustainability, or the extent to which the ability to consistently provide high quality practices is integrated with the ability to run a stable business.

Finally, the domain of adaptability contained measures of a director or owner's engagement in the larger professional community and willingness to use information from this community to inform changes. This domain also addressed site willingness to continuously assess and improve practices and a willingness to include staff in the change process. The greatest differences between Group 1 and Group 2 sites reflected a more continuous and integrated process of change and quality improvements (more frequently a Group 1 practice) as well as greater participation by Group 1 sites in the professional community. Of interest, Group 1 sites were more likely to have quality- **or** business viability-related goals. In comparison, Group 2 sites were, on average, more likely to have both quality- **and** business viability-related goals. The finding from this indicator stands in contrast to earlier findings regarding the duality of quality and business practices at Group 1 sites although overall, Group 1 sites achieved higher average ratings in this domain.

Several summative findings emerge from the data collected and analyzed in this study. First, the difference between Group 1 and Group 2 sites may be one of degree rather than absolute differences in practices or mindset. Second, the difference in degree appears to reflect fluency and comfort with the language, expectations, and requirements of quality practices, more so than distinctly different strategies, tools, or knowledge. This being said, it is important that Group 1 sites achieved higher ratings on indicators such as teacher education, director ability to operationalize site vision, director ability to articulate child outcomes, absence of bad debt, and awareness of future challenges and opportunities.

Third, quality is not a function of site structure as for-profit, non-profit, corporate chain, or family-owned. High quality practices can be achieved wherever there is leadership that is committed to quality and positive outcomes for children and families. At the same time, quality costs more and the **ability to sustain** high quality educational practices may require more than the team's commitment. The ability of the director or owner to diversify resource streams and implement other business strategies to ensure financial viability may be critical for ensuring the site has the resources necessary to continuously provide high quality educational services.

From a practical approach, it may be that the ability to sustain quality practices is a result of many small practices and strategies that directors or owners implement on a daily (or very frequent) basis. The **habit of quality** can be born from these many small, daily, practices. What is harder to measure is the overall mindset and vision established for the site and the degree to which the director or owner can ensure this vision is pervasive in staff attitudes and practices. The ability to conceptualize success as more than business success, as child and family success and stability for example, may be a leading indicator of a qualitative difference between Group 1 and Group 2 sites.

Introduction

This report presents findings from a study conducted by Wake County SmartStart (WCSS) in spring 2013. The goal of the study was to determine why some child care sites are able to sustain high quality practices while others struggle. To complete the study, WCSS contracted with Compass Evaluation and Research, Ms. Linda Leonard, and Ms. Gloria Cook. The Compass team conducted site visits and interviews with 25 Wake County child care sites, each of which is rated as either four- or five-stars on the North Carolina star rating system (in which five-stars is the highest possible rating).

The issue of sustainability carried two interpretations. First, and the highest priority, was the sustainability of high quality practices. In this, the team sought to understand what factors, strategies, tools, and resources individual directors and owners used to ensure their sites provided consistent, developmentally appropriate, and high quality early learning environments. The second interpretation, which is tightly integrated with the first, is sustainability of practice, whereby each facility is a business and understanding that the provision of high quality early education and learning practices bears higher business costs. For this second interpretation, the team sought to understand the practices and strategies directors and owners used to maintain a profitable (or at least financially viable) business that provides consistently high quality practices. As shown in this report, directors and owners cannot attend to one aspect of sustainability without examining the challenges and opportunities presented by the other. In short, the team sought to understand not only the factors and strategies that promoted consistently high quality classroom practices but also to understand the business practices and acumen that ensured facilities could bear the higher cost of high quality classroom practices.

This study occurs at a time when many in the child care profession are struggling to maintain both high quality practices and a business practice—the current economy places downward pressure on quality in the form of reduced enrollment and therefore revenues. It is important to identify successful, influential, and cost effective strategies that can be shared across sites throughout the field.

What follows is a description of the team's methodology, followed by findings from the site visits and interviews, and a summary and implications section. There are six appendices, containing the study's literature review, details of the study sample, interview protocols, and rating system.

Methodology

Data for the project were collected from (1) local child care consultants, (2) content experts, and (3) four- and five-star Wake County child care facilities that were identified for participation in the project. (Appendix A contains the list of facilities identified for participation.)

Local child care consultants. Local consultants were surveyed by Wake County SmartStart (WCSS) to determine local opinions regarding the creation and sustaining of high quality practices. Nineteen (19) consultants contributed responses.

Content experts. Content experts were interviewed by members of the Compass team. Six (6) content

experts, with experience in local, state, and national efforts to achieve and sustain high quality practices, participated in the telephone interview.

Four- and five-star facilities. Twenty-one (21) five-star and twenty-two (22) four-star sites were identified using NC Division of Child Development and Early Education (DCDEE) licensing data over three licensing cycles. The five star facilities were considered potential Group 1 facilities and the four star facilities were considered potential Group 2 facilities. Site identification for the two categories was based on program standard scores (which are used to determine the site's overall star rating) and input from community consultants. The Compass team did not conduct activities to independently verify a site's assignment to either the Group 1 or Group 2 category.

The Compass team next had to identify 25 sites to participate in a comprehensive, on-site, interview and site visit. To proceed, the Compass team worked with Wake County SmartStart staff to define "Group 1" and "Group 2" sites and then prioritize them using the criteria described below:

Defining Group 1 and Group 2

The definition of "Group 1" was informed not only by current program standard scores but also the site's ability to maintain relatively high program standard scores over time. Group 1 sites maintained program standard scores of 7 points over two if not three licensing cycles or were centers that had maintained at least 6 program standard points and were identified by multiple local consultants with on-site experience and knowledge of the site. Facilities in the Group 1 pool all had five-star ratings. Star rating was an artifact more than a condition of the definition of Group 1: it would be very difficult (but not impossible) for a site to achieve a five-star rating if it did not have relatively high program standard scores. In contrast, sites included in the Group 2 pool all had a current program standard score of between 2-5 points. While these sites all were four-star sites (with one Group 2 site achieving a five-star rating during the study), the program standard scores were useful indicators of level of quality practices at the site.

Prioritizing sites for recruitment

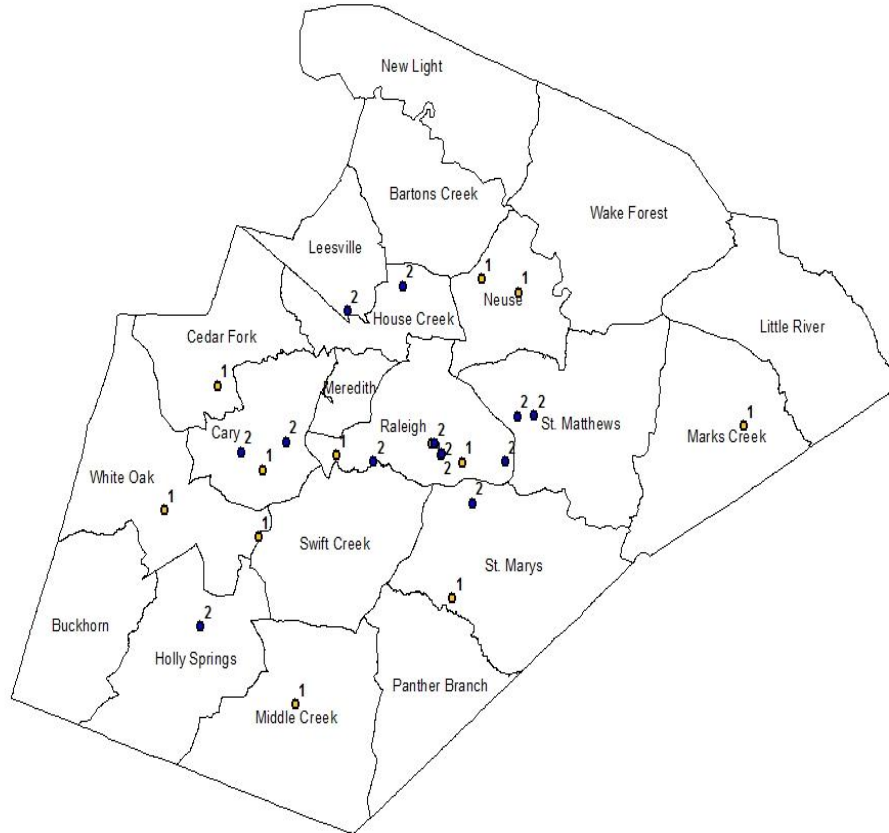
- (1) Within Group 1 and Group 2 categories, sites were prioritized for participation according to program standard points and identification by multiple local child care consultants. After prioritizing sites based on program standard points and consultant identification, the team sorted and ranked sites based on the percent of subsidy children enrolled. The goal was to ensure that the top third of each sample contains both "high" and "low" subsidy proportions.
- (2) Finally, sites were ordered according to participation in Quality Maintenance activities, ensuring that the top third of the sample had at least three sites with no participation in QM activities.

The prioritizing system generated three tiers of sites within each category and was used to identify which sites to recruit first into the on-site interview and site visit. Thus, the final sample of sites reflected not only their initial prioritization but also the site's willingness to participate in the study. The study sites were mapped to ensure each "tier" contained sites in various areas of the county; the final participants also were mapped to demonstrate the representativeness of the data. Appendix B contains the list of participating sites from each category. Exhibit 1 illustrates the location of sites within Wake County. In Exhibit 1, sites labeled with a "1" are Group 1

sites and sites labeled with “2” are Group 2 sites.

The final Group 1 sample included 10 five star centers that had maintained 7 program standard points and 2 five star centers that had maintained at least 6 program standard points and were identified by multiple local consultants. The final Group 2 sample included 9 four star centers with 2-3 program standard points and 4 four star centers with 5 program standard points.

Exhibit 1. Participant Site Locations



Concurrent to site ranking, the Compass team developed an interview protocol to use during on-site visits with the site director, owner, or owner/director team. The “director” interview protocol was developed using local consultant survey findings and findings from a research and literature review that included research on the sustaining of local community initiatives. (Appendix C contains findings from the literature review; Appendix D contains the director’s interview protocol.) The interview protocol was pilot tested with two sites and finalized using information and feedback from these pilot efforts¹. As shown in Appendix D, the interview protocol included requests for the following documents:

¹ Pilot sites are identified in Appendix B.

- Organizational chart
- Business plan or operating budget
- Environment rating scales scores
- Parent handbook
- Sample professional development plan
- Annual budget
- Staff or employee handbook
- Staff list with roles

The Compass team also developed a teacher interview protocol, found in Appendix E. Two teachers from each site were randomly selected for this brief interview.

On-site data were collected in April and May 2013. The data were entered into an Excel spreadsheet and coded by two Compass team members, using the protocol found in Appendix F. The Compass team members jointly reviewed the independent ratings and discussed any differences to reach consensus for ratings for each site on each indicator.

Not all documents were available at each site. For example, very few sites had formal business plans available for the study. Some documents only were available for review on site; this often was the case with the operating budget, if a budget was available at all. When available (i.e., when provided as a sample that the Compass team could keep), documents were used to inform ratings whenever director responses could be verified through document review. Appendix G contains a list of documents received or reviewed for each site. It is not surprising that many documents were not available, particularly as with regard to business practices. Few business owners or directors had any type of formal business training that would have provided the knowledge and necessity to create these types of documents as well as effectively utilize them. In addition, the few budgets that the team reviewed or received were not broken down in any useful way, often clumping large amounts of spending under a few categories. These attributes made the analysis and comparison of budget information impossible, and yielded little meaningful data.

Findings

Local Consultant Survey

Nineteen (19) local consultants responded to the survey. Of these, 36% (n=8) were involved with WCSS' quality initiative, 23% (n=5) were Child Care Health Consultants, 18% (n=4) were involved with Project SEED, 9% (n=2) represented Division of Child Development and Early Learning licensing, 9% represented the North Carolina Prekindergarten program, and one represented LINKS.

All consultants were knowledgeable of Wake County child care sites, having spent time working with the site director and staff and on-site conducting observations, licensing, or technical assistance visits. Therefore, all of the responding consultants had knowledge about local sites and knowledge about quality practices.

The responding consultants answered a series of questions about quality in local child care facilities. These questions included:

- (1) In your experience, what are the best indicators of high quality child care? Identify up to five.

- (2) Based on my experience, the centers below have been able to achieve and sustain high levels of quality care for at least the past five years, including between licensing visits.
- (3) Based on my experience, the centers below have achieved high quality at some point within the past 5 years have NOT been able to sustain high quality care, including between licensing visits.
- (4) Based on my experience, the centers below have NOT been able to achieve high levels of quality child care within the past five years, even for a limited period of time.
- (5) In your experience, WHY are some centers able to achieve and sustain high quality care and some are not? Choose UP TO FIVE factors listed below (or identify your own) that you think are MOST SIGNIFICANTLY related to a center's ability to sustain high levels of quality over time:
- (6) In your experience, what are the main barriers to the ability to achieve and sustain high quality child care?

The answers to questions 2 through 4 were used to generate the list of sites for possible participation in this study.

Best Indicators of Quality

As documented in the literature review (Appendix C), 19 responses were received from local consultants. When asked to identify the best indicators of quality, the most popular responses included:

- Teacher education and experience (12 responses)
- Teacher: child ratios (12 responses)
- Positive and constructive teacher-child interactions (10 responses)
- Involvement of informed and supportive director (9 responses)
- Low staff turnover (7 responses)
- Presence of and level of engagement with families (6 responses)
- Developmentally appropriate practices (6 responses)

Additional factors that multiple participants noted included:

- Healthy and safe environment (5 responses)
- Positive work climate (4 responses)
- Everyday commitment to quality (3 responses)
- Attention to child socio-emotional development (3 responses)
- Consistency in application of policies and procedures and staff interactions (3 responses)

Less popular (1 or 2 participants noted the quality factor) responses included:

- Child-focused philosophy (2 responses)
- Leadership that is responsive and respectful (2 responses)
- Financial planning/stability (1 response)
- Well-compensated staff (1 response)
- Child engagement in activities (1 response)
- Intentional teaching (1 response)
- Child-focused individualized planning and assessment (1 response)
- Use of child portfolios (1 response)
- Teachers work with children on activities that involve problem solving (1 response)
- High star rating (1 response)
- Positive discipline (1 response)

- Diversity (1 response)
- Effective and timely problem solving (1 response)

Ability or Inability to Achieve and Maintain Quality

When asked why some facilities were able to achieve and maintain high quality practices (and others were not), the most popular responses included:

- Perception/definition of high quality care (62%; n=13)
- Workplace environment (57%; n=12)
- Staffing patterns (57%; n=12)
- Director and staff communication skills (52%, n=11)
- Management/organizational structure (48%; n=10)
- Leadership skills (43%; n=9)

Other factors that received multiple responses included:

- Director/staff compensation and benefits (29%; n=6)
- Policies and procedures (24%; n=5)
- Clarity and enforcement of expectations (24%; n=5)
- Child/family interaction skills (24%; n=5)
- Organizational mission/vision/goals (19%; n=4)
- Size (14%; n=3)
- Budgeting priorities (14%; n=3)
- Other (10%; n=2)
 - Understanding the importance of building relationships with children and families in a consistent and caring way
 - Understanding of the importance of social and emotional support for young children

Items that received only one response included:

- Demographics of enrollment
- Financial management practices
- Family engagement
- Use of community resources

The only item that no one indicated as a barrier was “community location”.

Finally, when asked to expand upon barriers, respondents reported:

- **Insufficient or chronically short-staffed teaching staff.** The absence of sufficient lead teachers, or the presence of high absenteeism and **turnover**, leads many directors to perform teaching or other duties (such as cooking and custodial tasks). This leaves less time for critical observations, mentoring, modeling, planning, and review activities, which are important for directors to exhibit leadership and operationalize the site’s vision. Directors at sites that attract and retain lead teachers (i.e., experience low turnover of experienced and educated teachers) have more flexibility and opportunity to be the champions and guardians of site quality.
- **Balanced expectations.** Child care facilities must respond to and be in compliance with many regulations. It may, at times, be overwhelming for teaching staff to be knowledgeable about much less consistently providing

early education services that meet every expectation. This underscores the importance of staffing a facility with experienced and educated teachers and providing teachers the compensation and support needed to retain their services.

- **Committed and professional environment.** It is one thing to set expectations and another to consistently perform to these expectations. The director is a key figure for motivating and ensuring teaching staff consistently performs at their best and provides high quality, developmentally appropriate early learning experiences.
- **Sufficient funding.** Quality costs. High student turnover or low enrollment hampers the ability of sites to attract and retain teachers and to purchase materials to fully implement a high quality experience.
- **Communication.** With the multiple daily tasks that must be accomplished, there is a danger of insufficient communication (between director and staff or between staff and parents) or lack of follow-up on prior communications.
- **Consistency.** Children learn best in consistent, high quality environments. Often, however, as child enrollment varies over the week and year, children are moved into different classrooms with different teachers. While this helps the site manage its expenditures, this practice also creates a strain on children and negatively impacts the early learning experience. Consistency also is an issue for some sites who invest in quality at the time of a licensing or rating assessment, but then fail to consistently implement high quality practices after the assessment is completed.

Expert Interviews

The findings from six (6) expert interviews are found in the literature review, Appendix C. Experts included national consultants, state and local leaders from Smart Start, and the Division of Child Development and Early Education. Interviewees reported that high quality was represented in multiple aspects of a site's operations including:

- **Quality of staff.** More specifically, the more educated directors and staff are with regard to child development and developmentally appropriate practices, the higher the quality. Further, staff experience with children, especially experience in sites that provided high quality, was an important aspect not only of quality classroom practices but also of mentoring and coaching relationships and overall educational approach.
- **Leadership.** It most often falls to the facility director or owner (or experienced lead teachers) to provide leadership to staff and parents. One means of expressing leadership is the mentoring and coaching that experienced directors can provide to less experienced staff. In fact, several interview participants identified mentoring and coaching, as well as a director's ability to successfully engage staff on quality in the classroom, as critical for achieving and maintaining high quality practices. Leadership itself can be developed, for example through technical assistance to coaches. At its core, however, are strong beliefs regarding the provision of high quality services to young children and their parents and families.
- **Educational approach.** Interview participants identified several core ingredients that contribute to a quality educational approach, which include:
 - Use of developmentally appropriate practices and curricula
 - "Whole" child-focus
 - Parent and family engagement
 - Continuous and integrated educational services
 - Focus on teacher-child interactions and classroom environmentImportantly, these ingredients occur in concert—that is, high quality is present when numerous ingredients occur to support the whole child's development.
- **Business practices.** Many child care facilities, especially facilities for very young children, are private small

businesses. The directors or owners of these facilities must balance the demands of quality with the demands of running a business that earns a normal profit. Interview participants identified several “quality” factors that relate to the ability of a facility to also sustain its practice; the most important of these is staff compensation and wages. Quality is correlated with teachers that have more education and experience. However, it is difficult to compensate such educated and experienced staff in a way that’s competitive with other industries, including public education.

- **Compliance with licensing requirements.** Licensing requirements are a foundation of quality. North Carolina’s quality rating system requires facilities to meet and maintain a minimum level of health and safety, as codified in regulations for (a) licensed capacity, (b) supervision (staff: child ratios), (c) pre-service staff health checks and protocols, and (d) criminal records check. The minimum education necessary for a lead teacher is a high school diploma and a two-year Child Care Occupational Home Economics course in high school (or a high school diploma, at least one year’s experience, and at least 20 hours of child development training during the first six months). Additionally, facilities must demonstrate compliance with state standards for certification, professional development, physical space, equipment and furnishings, and child nutrition, as well as a daily routine for activities. Facilities are prohibited from using harsh discipline and must maintain basic records for each enrolled child, staff, and for the center. Interview participants noted the importance of these basic requirements in providing quality, particularly requirements related to child: staff ratios, child health and safety, and classroom environment.

One final note: expert interviewees also stressed the importance of “intangible” factors that are challenging to measure with standardized tools yet evident in practice and observation, namely an affinity (and love) for working with children and a passion for and philosophy of quality.

On-Site Interviews and Site Visits

Interview data was collected and entered into an Excel spreadsheet. Interview questions ranged across eight (8) domains, which originated in research on factors and strategies that contribute to the sustaining of community initiatives. The eight elements found to be important for sustaining practice² are listed in Table 1. Table 1 also provides a “translation” of each element into elements that may be important for the sustaining of high quality child care practices.

Table 1. Sustainability Domains and Indicators in Child Care Practices and Practice

Sub-Scale	Element	Finance Project definition	Interpretation for Child Care
A	Key Champions	Rallying leaders from businesses, faith-based institutions, government and other parts of the community who are committed to an initiative’s vision and are willing to use their power and prestige to generate support for that program will help to ensure long-term stability	The practice’s key leader (owner, director, etc.) is committed to the vision and mission with regard to high quality practices and will use the power of his or her position as leader to ensure maintenance of effort.

² The Finance Project. (2002). *Sustaining Comprehensive Community Initiatives: Key Elements for Success*. Washington D.C.: The Finance Project.

B	Strong Internal Systems	Building strong internal systems, such as fiscal management, accounting, information, personnel systems and governance structures, enables an initiative to work effectively and efficiently.	The practice has strong internal systems (such as fiscal management, accounting, information, personnel systems and monitoring, professional development planning and follow through) that enable the practice to efficiently and effectively maintain high quality practices.
C	Vision	A clear-cut objective that articulates how an initiative's programs or activities will improve the lives of children, families and communities.	A clear-cut objective that articulates how the child care practice will contribute to/ improve the lives of young children.
D	Results Orientation	Demonstrating program success through measurable results (e.g., established indicators and performance measures)	Demonstrating the practice's success with measurable child-level results (e.g., developmental progress)
E	Strategic Financing Orientation	Identify the resources they need to sustain their activities and then develop strategies to bring these resources together to achieve their goals.	Practice identifies resources needed to maintain the business at a high-level of quality services (i.e., high maintenance of effort) and develops and uses strategies to acquire these resources.
F	Adaptability to Changing Conditions	Adjusting to changing social, economic, and political trends in the community enables initiatives to take advantage of various opportunities that can help to achieve sustainability.	Practice recognizes changing social, economic, and political trends in the community and takes advantage of opportunities that promote sustainability of high quality practices.
G	Broad Base of (Community) Support	Determining who within the community loves an initiative, who needs it and who would care if it were gone.	Practice has community-advocates who encourage and support high quality practices and can assist the practice in acquiring resources that aid the maintenance of effort with regard to high quality practices.
H	Sustainability Plan	Creating sustainability plans helps initiative developers and managers clarify where they want their initiatives to go in the future. They provide benchmarks for determining whether initiatives are successfully reaching their goals.	The practice has plans that allow for continuous improvement, training, and staff oversight. The plans clarify practice vision, mission, goals, and benchmarks as a function of staff-specific tasks and objectives.

As can be seen in Table 1, there is a relatively high degree of overlap of the eight elements with factors, strategies, tools, etc. noted by local child care consultants and content experts. The information contained within Table 1 was used to (a) construct and pilot test the Sustainability Assessment Protocol for on-site interviews and (b) establish sub-scales and rules that were used to review and code interview data.

Each of the eight domains contains at least four (4) indicators. A site could receive a score from 1-3 on each indicator whereby 1 reflected the absence or minimal implementation of a practice, mindset, approach, strategy, etc. and 3 represented high quality implementation of a practice, etc. The data were coded by two team members using the coding instructions found in Appendix E. Team members coded each site's responses and reached consensus of any items for which there was disagreement. Coding resulted in a score and sub-scores for each site across the eight domains³. Table 2 contains summary domain scores, expressed as percentage scores.

³ Table 2 scores are percentage scores, whereby the highest possible score is 100.

It is important to remember that all participating sites had either a four- or five-star rating; thus, **all participating sites can be considered high quality using North Carolina's star rating system.** Therefore, the coding of responses attempted to tease apart those practices, strategies, and mindsets that set the Group 1 sites apart from the Group 2 sites. Table 2 presents percentage scores for the two types of sites; a percentage score for each domain is presented along with a total aggregate percentage score. The percentage scores were calculated by summing the average points achieved (on the 1-3 point rating scale used for rating individual responses) for each indicator (i.e., if there were four indicators in a domain, the average scores for each of the four indicators were summed) and dividing this sum by the total points available for the domain (calculated by multiplying the number of indicators by the maximum of three points available for each indicator).

Table 2. Sustainability Domain Percent Scores

	Key Champions	Internal Systems	Vision	Results Orientation	Strategic Financing	Adaptability	Support	Sustainability Plan	Total
"Group 1"	87.5%	78.6%	70%	93.3%	78.9%	84.7%	83.3%	72.7%	80.5%
"Group 2"	78.3%	75.5%	66.7%	87.2%	72.8%	79.3%	80.8%	70.7%	76.1%
Difference in Percent Scores	9.2	3.1	3.3	6.1	6.1	5.4	2.5	2	4.4

What follows are data and discussion on each of the 50 indicators used to review and analyze data. These indicators are grouped into the eight domains described above and shown in Table 2.

A. Key Champions

This domain contained the following indicators:

- A.1 Director serves as a champion for quality within the center.
- A.2 Staff identify director as source of encouragement and direction with regard to quality practices
- A.3 Director identifies professional resources and support agents as champions for quality
- A.4 Director identifies team as champions for quality

This domain was created to assess which individual(s) at a site were quality leaders. The indicators allow for the director, staff, and local resource teams all to exhibit leadership. As can be seen in Table 3, Group 1 and Group 2 sites received very similar ratings with regard to director serving as champion within the site and identification of local resources in support of quality, with greater differences emerging in staff and director identification of the entire team as leaders. Overall, Group 1 had a higher average score for this domain, suggesting that sustaining site directors and owners are more frequently inclusive of their entire team, as well as outside resources, as champions and leaders for quality.

Table 3. Average Scores in the Key Champions Domain

	Director serves as a champion for quality within the center.	Staff identify team as source of encouragement and direction with regard to quality practices	Director identifies professional resources and support agents as champions for quality	Director identifies team as champions for quality	Key Champions Sub-Score Total	Total Percent Score
Group 1 Average Score	2.5	2.5	2.7	2.8	10.5	87.5%
Group 2 Average Score	2.4	2.0	2.5	2.5	9.4	78.3%
Point Difference	0.1	0.5	0.2	0.3	1.1	9.2%

A.1 Director serves as a champion for quality within the center. This indicator assessed the degree to which the director served as a champion for quality. The highest ratings were given to sites in which the director or owner reported frequent or daily observations, monitoring, and interactions with staff related to quality classroom practices. The lowest ratings were given to sites in which the director or owner reported monitoring and observations on a less-than-monthly basis. This indicator was informed by the following interview questions:

- *Do you make observations of teachers? Who make these? How often are they made? Do you discuss these with staff?*

Table 4 presents the distribution of ratings across Group 1 and Group 2. Group 1 and Group 2 reported very similar behaviors with regard to frequency of observations of teachers with Group 1 more frequently engaging in frequent if not daily observations and feedback to teaching staff. Other important factors to consider are the frequency with which directors discussed their observations with teachers and the number of modes for communication of observations, in particular combinations of formal and informal teacher assessments.

Table 4. Indicator A.1 Distribution of Ratings

Director serves as a champion for quality within the center	Group 1	Group 2⁴
Average indicator score	2.5	2.4
Director provides monitoring and observations on a less-than-monthly basis	1 of 12 (8%)	3 of 12 (25%)
Director provides frequent monitoring and observations of staff	4 of 12 (33%)	1 of 12 (8%)
Director provides daily monitoring and observations of staff	7 of 12 (58%)	8 of 12 (67%)

A.2 Staff identify team as source of encouragement and direction with regard to quality practices. This indicator assessed staff perceptions regarding vision and leadership on quality practices. The highest ratings were given to sites in which staff identified the entire team as leaders or champions for quality; the lowest ratings were given to sites in which staff identified only the director or owner. (For this indicator, staff refer to the two teachers randomly

⁴ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

selected for interviews at each site, where applicable.) This indicator was informed by the following teacher interview question:

- *Who at your site do you consider a champion for quality?*

Table 5. Indicator A.2 Distribution of Ratings

Staff identify team as source of encouragement and direction with regard to quality practices	Group 1	Group 2⁵
Average indicator score	2.5	2.0
Staff identify director or owner	1 of 12 (8%)	1 of 12 (8%)
One staff person identifies the director while the other staff person identifies the director or a limited number of staff (rating 1.5)	--	3 of 12 (25%)
Staff identify director and self, or one or two other teachers	2 of 12 (17%)	3 of 12 (25%)
One staff person indicates the entire team while the other staff person indicates the director or a limited number of staff (rating: 2.5)	4 of 12 (33%)	4 of 12 (33%)
Staff identify entire team	5 of 12 (42%)	1 of 12 (8%)

A review of average ratings and distribution of responses presented in Table 5 suggests that at Group 1 sites, staff more frequently identify the entire team as leaders for quality. This finding may be indicative of a “**climate for quality**”, in which staff are encouraged to look to each other as well as management for inspiration and encouragement. While the Compass team did not ask questions specifically addressing “climate”, it is reasonable to expect that a “climate for quality” is a product of director or owner leadership and skill.

A.3 Director identifies professional resources and support agents as champions for quality. This indicator addresses other individuals and resources, external to the site, that may serve as champions for quality. The highest ratings were given to sites in which the director or owner identified external resources as inspiration or support for quality practices. The lowest ratings were given to sites in which the director or owner did not identify any professional resources and support agents. This indicator was informed by the following question:

- *Is there anyone in the county or state that you believe are champions for quality practices? Please explain who these individuals are, and why you consider them champions.*

Table 6. Indicator A.3 Distribution of Ratings

Director identifies professional resources and support agents as champions for quality	Group 1	Group 2
Average indicator score	2.7	2.5

⁵ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

Director identifies professional resources and support agents as champions for quality	Group 1	Group 2
Average indicator score	2.7	2.5
Director does not identify local resources and supports as sources of information, support, and resources for providing high quality services	--	1 of 13 (8%)
Director identifies local resources and supports as sources of information, support, and resources for providing high quality services	4 of 12 (33%)	5 of 13 (39%)
In addition to (2), director identifies professional associations and similar groups as resources for providing high quality services	8 of 12 (67%)	7 of 13 (54%)

Both Group 1 and Group 2 directors and owners identified local, state, and national individuals that informed quality practices at their sites with a higher percentage of Group 1 identifying both local (e.g., Wake County SmartStart) and professional (e.g., NAEYC or NCAEYC) resources. There are no large and apparent differences between the types of individuals identified by both types of sites. Of interest, two Group 2 sites reported being unaware of or out of contact with one or more local resources.

A.4 Director identifies team as champions for quality. This indicator assesses the extent to which the director identifies herself and her team all as champions for quality, or in comparison, if the director solely identifies herself or selected members of her team. This indicator was informed by the question:

- *Who at your site do you consider a “champion” for quality?*

The highest ratings were given to sites in which the director identified the entire team as champions for quality while the lowest ratings were given to sites in which the director solely identified herself as a champion. As shown in the responses in Table 7, below, and in the indicator average scores in Table 3 above, Group 1 sites were slightly better at creating an inclusive environment for leadership in quality. As regards individual response, while some directors or owners acknowledged the “team” commitment to quality, others identified individual teachers and, in so doing, identified the great majority if not all of the site’s staff as quality leaders.

Table 7. Indicator A.4 Distribution of Ratings

Director identifies team as champions for quality	Group 1	Group 2
Average indicator score	2.8	2.5
Director identifies self as a champion for quality	--	2 of 13 (15%)
Director identifies self and one or two teachers	2 of 12 (17%)	2 of 13 (15%)
Director identifies entire team as champions for quality	10 of 12 (83%)	9 of 13 (69%)

B. Internal Systems

This domain contained the following indicators:

- B.1 Director Education
- B.2 Director Experience
- B.3 Teaching staff are educated
- B.4 Teaching staff have experience
- B.5 Teaching staff receive mentoring and modeling of high quality practices
- B.6 Teaching staff have professional development plans
- B.7 Center supports the ongoing education and professional development of teaching staff
- B.8 Director ensures staff are providing high quality practices.
- B.9 Little to no turnover of staff
- B.10 Compensation is linked to quality
- B.11 Decision-making
- B.12 Expenditures in support of quality staff
- B.13 Hiring
- B.14 Communication

The internal systems domain was created to assess the site-based infrastructure for recruiting, maintaining, and developing high quality staff and environments. Indicators for this domain reflect factors that contribute to a high quality program: (a) education and experience of staff; (b) ongoing professional development, training, and mentoring; (c) compensation and benefits packages (which reduce turnover among staff); and (d) the ability to implement site-based decision making with regard to hiring and quality improvements. Table 8 presents individual indicator average scores and the average sub-score for the internal systems domain. As can be seen, Group 1 and Group 2 sites, on average, maintain very similar internal systems related to quality (when examining total sub-scale scores). There are two factors that may contribute to the similarity in average scores. First, the Group 2 category contained several sites that were “chain” affiliates; these sites depended upon the parent company’s infrastructure with regard to hiring, compensation, and quality practices. Further, these sites received support from the parent company in the form of additional leadership and oversight and financial management as well as financial security. These factors may create an infrastructure for a site that might not otherwise exist. Second, many of the indicators in this domain capture concrete aspects of infrastructure: the presence or absence of a salary scale or benefits, for example. As compared with other domains in this assessment, there were fewer indicators that relied upon director or owner interpretation and degree of implementation of quality practices.

Table 8. Average Scores in the Internal Systems Domain

	Director education	Director experience	Teaching staff are educated	Teaching staff have experience	Teaching staff receive mentoring and modeling of high quality practices	Teaching staff have professional development plans
Group 1 Average Score	2.3	2.9	2.4	2.1	2.0	2.8

Group 2 Average Score	2.0	3.0	1.6	2.3	2.3	2.8
Point Difference in Scores	0.3	-0.1	0.8	-0.2	-0.3	0

	Center supports the ongoing education and professional development of teaching staff	Director ensures staff are providing high quality practices.	Little to no turnover of staff	Compensation is linked to quality	Site based decision-making	Expenditures in support of quality staff
Group 1 Average Score	2.3	1.8	2.1	2.1	3.0	2.5
Group 2 Average Score	2.8	1.4	2.1	1.8	2.8	2.1
Point Difference in Scores	-0.5	0.4	0	0.3	0.2	0.4

	Quality-informed hiring	Frequency and modes of communication	Internal Systems Sub-Score Total	Total Percent Score
Group 1 Average Score	2.3	2.4	33	78.6%
Group 2 Average Score	2.0	2.7	31.7	75.5%
Point Difference in Scores	0.3	-0.3	1.3	3.1%

B.1 Director Education and B.2 Director Experience. Indicator B.1 assessed director education. The highest rating was given to directors with advanced degrees and the lowest ratings to directors with less than four year degrees. The Compass team hoped to observe degrees in Early Childhood Education or related fields; the responses provided in Appendix H illustrate the range of educational backgrounds actually represented.

Indicator B.2 assessed director experience. The highest ratings were given to sites in which the director had 10 or more years of experience in early education; the lowest ratings were given to sites in which the director had fewer than five years of experience.

These indicators were informed by the questions:

- *How long have you been in early childhood? How long have you been director here? What was your education level in the beginning and what is it now?*

Group 1 and Group 2 received similar ratings with regard to director education, as ratings were assigned based on the presence of a degree and not the field in which the degree was achieved. Further, when responses are reviewed for degrees in education (early childhood or other fields; see Appendix H for responses), eight of 12 Group 1 (directors or owners; 66.7%) had four year degrees in education. In contrast, 3 of 12 Group 2 (25%) held Bachelor's degrees in education.

Table 9. Indicators B.1 and B.2 Distribution of Ratings

Director Education	Group 1	Group 2 ⁶	Director Experience	Group 1	Group 2
Average indicator score	2.3	2.0	Average indicator score	2.9	3.0
Director has less than a four year degree in ECE or equivalent.	--	3 of 12 (25%)	Director has fewer than five years experience.	--	--
Director has a four year degree in ECE or equivalent.	8 of 12 (67%)	7 of 12 (58%)	Director has between five and 10 years experience.	1 of 12 (8%)	--
Director has an advanced degree in early education.	4 of 12 (33%)	3 of 12 (25%)	Director has 10 or more years of experience.	11 of 12 (92%)	12 of 12 (100%)

B.3 Teaching staff are educated and B.4 Teaching staff have experience. Indicator B.3 assessed teacher education while indicator B.4 assessed teacher experience. As regards teacher education, the highest ratings were given to sites in which the majority of the teaching staff held four year degrees while the lowest ratings were given to sites in which the majority of staff held two year or higher degrees or less. With regard to teacher experience, the highest ratings were given to sites in which average lead teacher experience was 10 or more years; the lowest ratings were given to sites in which average lead teacher experience was zero to five years. These indicators were informed by the interview prompts:

- Describe teacher education at this site. Describe teacher experience at this site.

Table 10. Indicators B.3 and B.4 Distribution of Ratings

Teaching staff are educated	Group 1 ⁷	Group 2 ⁸	Teaching staff have experience	Group 1 ⁹	Group 2
Average indicator score	2.4	1.6	Average indicator score	2.1	2.3
Teachers have less than two year degrees	--	1 of 12 (8%)			
Majority of lead teaching staff have two year or higher degrees	3 of 11 (27%)	6 of 12 (50%)	Average lead teacher experience is between 0 and 5 years	1 of 11 (9%)	1 of 12 (8%)
Minority of lead teaching staff have four year or higher degrees	1 of 11 (9%)	2 of 12 (17%)	Average lead teacher experience is between 5 and 10 years experience.	8 of 11 (73%)	7 of 12 (58%)
Majority of lead teaching staff have four year or higher degrees	7 of 11 (64%)	3 of 12 (25%)	Average lead teacher experience is more than 10 years	2 of 11 (18%)	4 of 12 (33%)

⁶ Two Group 2 sites were represented by the same director/owner. Thus, indicators B1 and B2 only reflect 12 responses.

⁷ 1 of the 12 Group 1 sites did not provide sufficient detail in her response to make a rating

⁸ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

⁹ 1 of the 12 Group 1 sites did not provide sufficient detail in her response to make a rating

It is apparent from indicator scores for education that Group 1 sites are more likely to have lead teaching staff with four year or higher degrees but not more likely to have a higher level of experience. The highest quality sites very often have North Carolina Prekindergarten program classrooms, which require four year degrees—this may be one factor that contributes to the difference in scores between Group 1 and Group 2. The other factor that the team tried to assess was the commitment of the director or owner to finding and hiring staff with four year degrees and a focus on early education. It appears from director and owner responses that Group 1 sites have a higher expectation for teacher education than Group 2 sites, which may be an important factor in the sustaining of high quality practices.

B.5 Teaching staff receive mentoring and modeling of high quality practices. This indicator assessed the extent to which sites provided on-the-job mentoring and modeling. The highest ratings were given to sites in which support was provided by the director (or assistant director) as well as peer teachers. The lowest ratings were given to sites in which support was inconsistent or limited to new or inexperienced teachers. This indicator was informed by the interview questions:

- *Do you mentor or coach your teachers? If so: please describe how this works. If so: who, specifically, provides the mentoring or coaching?*

Table 11. Indicator B.5 Distribution of Ratings

Teaching staff receive mentoring and modeling of high quality practices	Group 1	Group 2¹⁰
Average indicator score	2.0	2.3
Mentoring is inconsistent or limited to new teachers	4 of 12 (33%)	3 of 12 (25%)
Mentoring provided by experienced staff (such as director OR other lead teachers)	4 of 12 (33%)	3 of 12 (25%)
Mentoring provided by experienced staff (such as director AND lead teachers)	4 of 12 (33%)	6 of 12 (50%)

Average scores reveal that this is one indicator in which Group 2, on average, scored higher than Group 1. As noted earlier, this may be due to the presence of several “chain” sites, which relied on parent company policies and procedures for guiding practice. The Compass team did not have an opportunity to observe mentoring or coaching in practice and could not verify that such practices were consistent or high quality in any of the participating sites. In fact, it was clear from responses (see Appendix H) that there were varying degrees of depth and formality to coaching and mentoring. Further, teachers were not asked to describe mentoring or coaching specifically; rather, teachers were asked if they had what they needed to provide high quality classrooms.

B.6 Teaching staff have professional development plans. This indicator assessed whether or not teaching staff have formal professional development plans (PDPs). The highest ratings were given to sites in which formal PDPs exist for all teaching staff; the lowest ratings were given to sites in which there were no formal PDPs. Only two sites (1 Group 1 and 1 Group 2) reported not having formal PDPs for their staff, leading to equal average scores for Group 1 and Group 2 on this indicator. Child care licensing requires a yearly professional development plan on each staff member and that requirement would certainly be a factor in the close scores between Group 1 and Group 2.

¹⁰ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

Table 12. Indicator B.6 Distribution of Ratings

Teaching staff have professional development plans	Group 1	Group 2¹¹
Average indicator score	2.8	2.8
There are no professional development plans (PDP)	1 of 12 (8%)	1 of 12 (8%)
Some form of PDP exists for at least some staff.	--	--
Formal PDPs exist for all teaching staff.	11 of 12 (92%)	11 of 12 (92%)

B.7 Center supports the ongoing education and professional development of teaching staff. This indicator assessed if and how the site supported teachers in continuing their education, both through degree-bearing coursework and non-degree bearing trainings and workshops. As regards non-degree bearing trainings, the Compass team placed an emphasis on non-mandated trainings and opportunities, giving the highest ratings to sites in which the site supported most if not all professional development opportunities and ongoing, formal, education (by assisting with tuition, providing release time, etc.). The lowest ratings were given to sites in which support was limited or inconsistent.

This indicator was informed by the question:

- *How, if at all, do you support the ongoing education and professional development of your staff?*

Table 13. Indicator B.7 Distribution of Ratings

Center supports the ongoing education and professional development of teaching staff	Group 1	Group 2¹²
Average indicator score	2.3	2.8
The center provides limited support (not all staff can receive support at the same time; support is restricted to certain trainings or courses, etc.)	1 of 12 (8%)	--
The center provides support for most if not all professional development activities BUT NOT college courses	7 of 12 (58%)	3 of 12 (25%)
The center provides support for most if not all professional development activities AND supports college courses through TEACH, etc.	4 of 12 (33%)	9 of 12 (75%)

¹¹ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

¹² One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

Given that the Group 1 sites were more likely to have an educated staff, it is perhaps not surprising that Group 2 sites received, on average, higher scores on this indicator. In other words, the indicator scores may reflect the fact that some Group 1 sites only hired teachers with four year degrees; thus, the only support necessary was non-degree bearing trainings. Group 1 sites consistently supported their staff in this way.

B.8 Director ensures staff are providing high quality practices. This indicator assessed the extent to which director has strategies for ensuring staff consistently provide high quality practices. The highest ratings were given to sites in which the director or owner makes observations of teachers and reviews teacher products such as lesson plans. The lowest ratings were given to sites in which the director or owner described what was provided to promote or support quality but did not include observational evidence in her response. In reviewing this indicator, it is important to keep in mind that all sites reported doing some level of observations of teaching staff (indicator A.1). However, the team reviewed the respondent’s answers to the following question alone when rating this indicator:

- *How do you ensure your staff provide and continue to provide high quality practices?*

Table 14. Indicator B.8 Distribution of Ratings

Director ensures staff are providing high quality practices	Group 1	Group 2¹³
Average indicator score	1.8	1.4
Director identifies what is PROVIDED to support quality (such as training, incentives, etc.)	6 of 12 (50%)	8 of 12 (67%)
Director identifies what is OBSERVED in teacher practices	3 of 12 (25%)	3 of 12 (25%)
In addition to (2), director reviews teacher products such as lesson plans or educational advancement.	3 of 12 (25%)	1 of 12 (8%)

As can be seen in Table 14, most directors or owners interpreted this question in such a way as to describe what the site provided to promote quality (e.g., incentives, bonuses, compensation, etc.). Fewer respondents repeated their earlier responses regarding frequent observations and review of lesson plan or teacher materials as an important means of managing quality practices. The dissonance between responses in indicator A.1 and this indicator suggests that many directors or owner lack awareness of the relation of observations and review to quality assurance—when asked directly if they made observations, directors and owners uniformly gave a positive response. When asked indirectly, as in this interview question, directors and owners failed to make the association between observations and quality.

B.9 Little to no turnover of staff. This indicator assessed the scale of turnover within the past year. The highest ratings were given to sites in which there was no turnover or in which turnover reflected the discharge of staff who could not maintain quality standards. The lowest ratings were given to sites in which turnover was 25% or more within the past year. This indicator was informed by the interview questions:

- *What is your turnover rate over the past year? What influenced this turnover rate? Are there other barriers that contribute to staff turnover?*

¹³ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

Table 15. Indicator B.9 Distribution of Ratings

Little to no turnover of staff	Group 1	Group 2¹⁴
Average indicator rating	2.1	2.1
There is high turnover (25% or more) in the past year	1 of 12 (8%)	5 of 12 (42%)
There is low turnover (less than 25%) in the past year	9 of 12 (75%)	1 of 12 (8%)
There is no turnover among staff in the past year OR turnover occurred because staff could not meet quality expectations	2 of 12 (17%)	6 of 12 (50%)

Group 1 and Group 2 sites were equivalent in indicator average scores with a greater percentage of Group 2 sites reporting either no turnover or turnover due to discharge of staff for failure to meet quality expectations. One factor that influences turnover is the current job market and unemployment rate; current economic conditions coupled with low enrollment may make turnover less appealing to staff. Directors and owners frequently cited these factors as reasons for low turnover rates.

B.10 Compensation is linked to quality. This indicator assessed the degree to which compensation was linked to quality, primarily through educational standards. The highest ratings were given to sites that reported using the NC Prekindergarten (NCPK) program salary scale for all lead teachers; the lowest ratings were given to sites that reported their pay scale was not linked to education or experience. This indicator was informed by the interview questions:

- *How do you set pay rates for educated staff? Do you have minimum pay levels based on education? Experience?*

Table 16. Indicator B.10 Distribution of Ratings

Compensation is linked to quality	Group 1	Group 2¹⁵
Average indicator score	2.1	1.8
Pay scale is not linked to education and experience	1 of 12 (8%)	2 of 12 (17%)
Scale links compensation to education and experience	8 of 12 (67%)	10 of 12 (83%)
Compensation varies between NCPK and non-NCPK classrooms (rating of 2.5)	1 of 12 (8%)	--
NCPK scale	2 of 12 (17%)	--

¹⁴ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

¹⁵ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

On average there were few differences between Group 1 and Group 2 sites in that the majority of both sites linked compensation to education and experience. Group 1 sites earned higher average ratings, perhaps due to the prevalence of NCPK classrooms at these sites.

B.11 Decision-making. This indicator assessed the ability of the director or owner to make decisions on-site and in response to site and teacher needs. The highest ratings were given to sites in which the director was the owner (and therefore had the ability to make site-based decision) or there was shared decision-making between the director and owner (or parent company) in which the director’s ability to make site-based quality decisions was not limited (i.e., the director was ability to use site-based information to make and enforce decisions about quality for the site). The lowest ratings were given to sites in which the director reported limited ability to make or enforce decisions for the site. This indicator was informed by the questions:

- *Who has the authority to make decisions here at the site? How are decisions made? If director indicates owner: Please describe how you work with the owner to inform and then implement decisions. If director indicates Board (nonprofit): What decisions have to be made by the Board? How are decisions communicated to staff?*

Table 17. Indicator B. 11 Distribution of Ratings

Decision-making	Group 1	Group 2
Average indicator rating	3.0	2.8
Director indicates limited power to direct resources, have important information, or make or enforce necessary decisions.	--	1 of 13 (8%)
Shared decision making (i.e., with Board or owner) limits director's ability to direct resources, have important information, and make necessary decisions.	--	1 of 13 (8%)
Director is primary owner and decision maker OR shared decision does not limit ability of director to direct resource, have important information, and make necessary decisions.	12 of 12 (100%)	11 of 13 (85%)

Ratings and responses show that Group 1 and Group 2 sites were relatively equivalent with regard to site-based decision-making, with Group 2 having a slightly lower average score. In general, where present, a Board of Directors or a parent corporation assumed control of major financial decisions and oversight to the governing body. This did not limit the ability of most directors, however, to make important site-based decisions with regard to quality practices.

B.12 Expenditures in support of quality staff. This indicator assessed the level of benefits provided for staff, with the highest ratings given to sites that provided some form of health and retirement benefits and the lowest ratings given to sites that did not provide any benefits. This indicator was informed by the interview questions:

- *What types of benefits do you provide for your staff? Are they employer or employee paid? What are the percentages for each?*

Table 18. Indicator B.12 Distribution of Ratings

Expenditures in support of quality staff	Group 1	Group 2¹⁶
Average indicator score	2.5	2.1
Site offers no health benefits.	1 of 12 (8%)	4 of 12 (33%)
Site offers health benefits (with some level of employer contribution)	4 of 12 (33%)	3 of 12 (25%)
Site offers health and retirement benefits.	7 of 12 (58%)	5 of 12 (42%)

To the extent that Group 1 sites supported a higher number or proportion of NC Prekindergarten programs, it is not surprising that these sites had a higher score with regard to benefits. Health was the primary benefit provided. Group 1 sites were more likely to provide both health and retirement (again, this may be due to the prevalence of NCPK classrooms at Group 1 sites): seven of 12 (58%) Group 1 provided both health and retirement, compared to five of 12 (42%) Group 2.

B.13 Hiring. This indicator assessed site hiring practices. The highest ratings were given to sites that included an observation of the prospective teacher working with children as part of the hiring process; the lowest ratings were given to sites in which a hiring decision was made by the director or owner without additional input such as teacher feedback or observations. This indicator was informed by the interview question:

- *How are hiring decisions made?*

Table 19. Indicator B.13 Distribution of Ratings

Hiring	Group 1	Group 2¹⁷
Average indicator score	2.3	2.0
Hiring decisions made by director or owner	3 of 12 (25%)	2 of 12 (17%)
Hiring decisions made through team interview or input	3 of 12 (25%)	8 of 12 (67%)
Hiring decisions include observation of teachers working with children	6 of 12 (50%)	2 of 12 (17%)

¹⁶ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

¹⁷ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

Not all sites used observations of prospective teachers working with children to make hiring decisions. Group 1 sites tended to use observations more frequently than Group 2 sites (six sites versus two sites, respectively), but there only was a small difference in average rating given that one quarter of Group 1 sites reported using director or owner discretion alone to make hiring decisions.

B.14 Communication. This indicator assessed the frequency and modes of communication between director or owner and teaching staff. This indicator was informed by the interview questions:

- *Do you make observations of teachers? Who make these? How often are they made? Do you discuss these with staff? (see also indicator A.1)*
- *How are decisions communicated to staff? (see also indicator B.11)*

Table 20. Indicator B.14 Distribution of Ratings

Communication	Group 1	Group 2¹⁸
Average indicator score	2.4	2.7
Director identifies one primary mode of communication	2 of 12 (17%)	1 of 12 (8%)
Director identifies two or more modes for communicating with staff on a regular basis; methods are verbal	3 of 12 (25%)	2 of 12 (17%)
Director identifies two or more modes for communicating with staff on a daily basis; at least one method involves written documentation	7 of 12 (58%)	9 of 12 (75%)

The highest ratings were given to sites in which the director or owner reported two or more modes of communicating with staff with at least one mode representing written communication. The lowest ratings were given to sites in which the director or owner reported one primary means of communication.

As shown in Table 20, Group 2 sites tended to more frequently use multiple modes of communication, including written communications, to relay information and decisions to staff.

Teacher interview responses were used to verify the information provided by directors. Teachers responded to the interview questions:

- *Tell me about your work environment. How is information communicated to you? Who provides support to your classroom? Is there opportunity to share information and ideas?*

Teacher responses support the presence of open environments in which a lot of **information, ideas, and feedback are shared verbally and informally** (see Appendix H for responses). From teacher responses it appears that what may be less common across both types of sites are formal mechanisms for conveying information, such as written notes or emails written to follow-up on observation, provide clarifying information, etc.

¹⁸ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

C. Vision

This domain contained the following indicators:

- C.1 Articulating a vision, mission, or philosophy
- C.2 Directors role in operationalizing vision
- C.3 Vision is public
- C.4 Staff can articulate a statement about quality
- C.5 Workplace ideal
- C.6 Director's definition of quality includes positive outcomes

This domain addressed the degree to which a climate of quality is envisioned and operationalized at each site, with the director identified as the primary individual for visioning and creating an environment that demands consistency in quality practices. As shown in Table 5, Group 1 and Group 2 sites were similar with regard to director's ability to articulate a vision (mission or philosophy) statement as well as making the vision public, envisioning an ideal workplace that includes positive child and family outcomes, and articulating quality as inclusive of positive child and family outcomes. The major difference between Group 1 and Group 2 was director self-efficacy with regard to operationalizing the vision.

Table 21. Average Scores in the Vision Domain

	Articulating a vision, mission, or philosophy	Directors role in operationalizing vision	Vision is public	Staff can articulate a statement about quality	Workplace ideal	Director's definition of quality includes positive outcomes	Visions Sub-Score Total	Total Percent Score
Group 1 Average Score	2.7	2.4	2.2	2.0	1.5	1.8	12.6	70%
Group 2 Average Score	2.6	1.8	2.2	2.0	1.5	1.9	12	66.7%
Point Difference in Scores	0.1	0.6	0	0	0	-0.1	0.6	3.3%

C.1 Articulating a vision, mission, or philosophy. This indicator assessed the ability of the director to articulate a vision, or related statement that connected site practices to child outcomes. The highest ratings were given to sites in which the director clearly linked site practices to the developmental success or growth of children. The lowest ratings were given to sites in which the director could not clearly articulate a vision statement. This indicator was informed by the questions:

- *Do you have a "vision" statement or motto for your site? If not: that's fine. Instead, how would you describe the type of services you are trying to provide?*

Table 22. Indicator C.1 Distribution of Ratings

Articulating a vision, mission, or philosophy	Group 1	Group 2
Average indicator score	2.7	2.6

Director cannot articulate a vision (mission or philosophy) for the practice	--	--
Director can articulate a vision et.al., but the statement does not link the quality of practices to child development and well-being	4 of 12 (33%)	5 of 13 (38%)
Director can articulate a statement that connects the center's practices to the developmental progress or success of young children.	8 of 12 (67%)	8 of 13 (62%)

As noted above, Group 1 and Group 2 achieved similar average ratings with regard to the ability of the director or owner to articulate vision statements that linked site practices to positive child outcomes such as developmental progress, growth, or success. Group 1 more frequently articulated child outcomes as part of the vision statement: eight of 12 Group 1 (66.7%) and eight of 12 Group 2 (62%) included child outcomes.

C.2 Directors role in operationalizing vision. This indicator assessed the ability of the director to operationalize the site's vision. The highest ratings were given to sites in which directors or owner identified many frequent practices used to ensure the site achieved its vision. The lowest ratings were given to sites in which directors or owners struggled to identify such practices or in which there was little sense of empowerment or self-efficacy in helping the site achieve its vision. This indicator was informed by the interview questions:

- *What is your role in ensuring the vision gets realized/services get provided? How are staff informed?*

Table 23. Indicator C.2 Distribution of Ratings

Director's role in operationalizing vision	Group 1	Group 2 ¹⁹
Average indicator score	2.4	1.8
Director struggles to identify practices in support of statement OR has very limited self-efficacy to drive practices in support of statement)	--	3 of 12 (25%)
Director identifies two or three practices in support of statement and there is self-efficacy and empowerment.	7 of 12 (58%)	9 of 12 (75%)
Director identifies many daily or frequent practices that support statement (e.g., there is a good sense of self-efficacy and empowerment in directing practices in support of statement)	5 of 12 (42%)	--

A review of rating scores and responses reveals that this is an area in which Group 1 and Group 2 differ. Directors and owners from Group 1 sites were better able to articulate their role and contributions to ensuring the site achieved its vision. In comparison, Group 2 directors were more likely to cite regulations and procedures, without specifying specific acts or examples of director behaviors that contribute to a site's vision for quality. This is a qualitative difference that may reflect a deeper understanding of and sense of self-actualization with regard to quality that can be found in Group 1 sites.

¹⁹ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

C.3 Vision is public. This indicator assessed the degree to which the site’s vision is a public statement. In most sites, the statement was published in either the parent or the parent and employee handouts. The statement was less frequently published in public areas, such as the lobby or staff break room.

The highest ratings were given to sites in which the statement was published in public areas; the lowest ratings were given to sites in which the vision statement did not exist in writing. This indicator was informed by the question:

- *Is it (i.e., the vision statement) posted somewhere? Perhaps in a handbook?*

Table 24. Indicator C.3 Distribution of Ratings

Vision is public	Group 1	Group 2
Average indicator rating	2.2	2.2
Vision statement exists but not in writing.	--	--
Vision statement exists in writing but is not posted in public areas.	10 of 12 (83%)	10 of 13 (77%)
Vision statement is posted in public areas.	2 of 12 (17%)	3 of 13 (23%)

While Group 1 and Group 2 sites were equivalent in their average ratings on this indicator, a higher proportion of Group 2 sites reported a vision statement posted in a public area. All sites were able to identify where the vision statement was located.

C.4 Staff can articulate a statement about quality. This indicator assessed whether or not staff could articulate a statement about quality that was inclusive of positive child and family outcomes. The highest ratings were given to sites in which staff articulated quality as team-based practices that were inclusive of parents, in working to support all children. The lowest ratings were given to sites in which staff statements reflected teacher activities, roles, and responsibilities but were not inclusive of child or family outcomes or partnerships. This indicator was informed by the teacher interview question:

- *What is your definition of quality?*

Table 25. Indicator C.4 Distribution of Ratings

Staff can articulate a statement about quality	Group 1	Group 2²⁰
Average indicator score	2.0	2.0
Staff quality statements reflect teacher activities, roles, and responsibilities	5 of 12 (42%)	3 of 12 (25%)
One staff person articulates quality as teacher activities, etc. while another staff person articulates quality as responding to children’s needs (rating of 1.5)	--	2 of 12 (17%)
Staff articulate quality as responding to children’s needs within the classroom environment (e.g., how I respond to the child)	4 of 12 (33%)	2 of 12 (17%)

²⁰ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

One staff person articulates quality as responding to children’s needs while another articulates quality as inclusive of family outreach and partnerships (rating of 2.5)	2 of 12 (17%)	2 of 12 (17%)
Staff articulate quality as a team-process and environment that includes family outreach and partnerships (e.g., how we help all adults respond to child)	1 of 12 (8%)	3 of 12 (25%)

Group 1 and Group 2 sites were very similar in their responses and equivalent in average ratings. In both cases, a relatively high proportion of both Group 1 and Group 2 teachers (42% and 25%) articulated quality solely in terms of teacher responsibilities, without reference to child needs or outcomes. This in turn may reflect upon a director or owner’s ability to communicate values or philosophy regarding quality. As shown in indicator C.1, Group 1 and Group 2 sites were very similar with regard to ability to articulate a vision, mission, or philosophy of quality, with 33% of Group 1 and 38% of Group 2 articulating statements that were not inclusive of child development or needs.

C.5 Workplace ideal. This indicator assessed the director or owners concepts about an ideal workplace. The highest ratings were given to sites in which the director articulated an ideal workplace as inclusive of a team, working together to support children and families. The lowest ratings were given to sites in which the director articulated an ideal workplace as inclusive of staff experiences, supports, and “perks”. This indicator was informed by the questions:

- *What do you consider the ideal workplace environment? Do you have it? What must happen to achieve it?*

Table 26. Indicator C.5 Distribution of Ratings

Workplace ideal	Group 1	Group 2
Average indicator score	1.5	1.5
Cannot articulate an ideal workplace	--	1 of 13 (8%)
Focuses on staff experiences and issues related to reducing staff turnover and improving staff satisfaction (staff are happy, content, etc.)	8 of 12 (67%)	7 of 13 (54%)
In addition to number (1), a focus on team that works together to respond to children's needs	2 of 12 (17%)	2 of 13 (15%)
In addition to number (1) and (2), a focus on environment where team works to include and support families	2 of 12 (17%)	3 of 13 (23%)

Group 1 and Group 2 sites were equivalent in their average ratings, and few sites articulated the ideal workplace as working to support **both** children and families (i.e., parents are encouraged to provide feedback or the site provides resources specifically for parents or families). It was more common for sites to include the development or welfare of children and even more frequent for sites to conceptualize an ideal workplace in staff-terms, as shown below.

C.6 Director's definition of quality includes positive outcomes. This indicator assessed the degree to which the director’s definition of quality was inclusive of positive child and family outcomes. The highest ratings were given to

those sites in which the director articulated positive outcomes both for children and families; the lowest ratings were given to sites in which the director's definition focused on what the site provided rather than what the site achieved. This indicator was informed by the director/owner interview question:

- *What is your definition of quality?*

Table 27. Indicator C.6 Distribution of Ratings

Director's definition of quality includes positive outcomes	Group 1	Group 2
Average indicator score	1.8	1.9
Definition focuses on what is PROVIDED rather than what is achieved with regard to child and family outcomes	5 of 12 (42%)	5 of 13 (38%)
Definition references ONLY child outcomes	5 of 12 (42%)	4 of 13 (31%)
Definition references positive child and family outcomes	2 of 12 (17%)	4 of 13 (31%)

Group 1 and Group 2 sites achieved very similar scores on this indicator. Further, the average score and responses suggest that most directors think about quality in terms of what is provided rather than what is achieved. Group 2 sites, on average, were slightly more capable of articulating quality in terms of serving child **and** family needs (such as family growth, or the ability to meet family needs).

D. Results Orientation

This domain contained the following indicators:

- D.1 Director can articulate child-level outcomes
- D.2 Child-level outcomes are shared
- D.3 Child-level outcomes are assessed
- D.4 Child-level outcomes inform practice
- D.5 Investments informed by standards for quality
- D.6 Quality improvements are planned and budgeted

This domain was designed to assess the degree to which sites make child outcomes a priority, by assessing children, using assessments and quality standards to inform practices, and budgeting for expenses related to quality (as quality practices often are more experience, in terms of educated and experienced staff, ongoing oversight, and ongoing professional growth and development).

Table 28 presents average scores for indicators in this domain. Group 1 sites received higher ratings with regard to director ability to articulate child-level outcomes, site investments informed by quality standards, and budgeting for quality.

Table 28. Average Scores in the Results Orientation Domain

	Director can articulate child-level outcomes	Child-level outcomes are shared	Child-level outcomes are assessed	Child-level outcomes inform practice	Investments informed by standards for quality	Quality improvements are planned and budgeted	Results Orientation Sub-Score Total	Total Percent Score

Group 1 Average Score	2.6	3.0	2.9	2.6	2.8	2.9	16.8	93.3%
Group 2 Average Score	2.2	3.0	3.0	2.5	2.5	2.5	15.7	87.2%
Point Difference in Scores	0.4	0	-0.1	0.1	0.3	0.4	1.1	6.1%

D.1 Director can articulate child-level outcomes. This indicator assessed the extent to which directors could articulate the presence of individual, child-level, outcomes. The highest ratings were given to sites in which the director articulated child-level outcomes that referenced development, growth, school readiness, etc. The lowest ratings were given to sites in which the director could not articulate or indicated the site did not have individual outcomes for children. This indicator was informed by the interview questions:

- *Do you develop specific outcomes for each child in care? What are they?*

Table 29. Indicator D.1 Distribution of Ratings

Director can articulate child-level outcomes	Group 1	Group 2
Average indicator score	2.6	2.2
Director cannot articulate child-level outcomes.	1 of 12 (8%)	4 of 13 (31%)
Director articulates child-level outcomes but does not reference specific outcomes related to school readiness or development	3 of 12 (25%)	3 of 13 (23%)
Director articulates child-level outcomes that reference "school readiness", "development", etc.	8 of 12 (67%)	6 of 13 (46%)

Generally speaking, Group 1 site directors or owners were more fluent when discussing individual child outcomes and more likely to indicate the site developed or assessed outcomes for individual children. In comparison, directors at Group 2 sites were less able to articulate such statements. Of note, staff at both types of sites indicated using assessments to track child-progress, even in those cases where directors reported the site did not develop or use child-level measures (see indicator D.3). Directors of many sites had difficulty expressing individual child goals while many teachers routinely identified individual child outcomes. Some sites did not have individual goals for younger children (i.e. infants and toddlers) but did have goals for older children or children in NCPK classrooms.

D.2 Child-level outcomes are shared. This indicator assessed the extent to which staff are included in the assessment and tracking of child outcomes and share child assessment information with parents. The highest ratings were given to sites that were inclusive of staff and parents. The lowest ratings were given to sites that did not involve staff in the assessment or tracking process. This indicator was informed by the questions:

- *Do you make staff aware that you are interested in seeing these outcomes?*
- *Do you make parents aware that you are interested in seeing these outcomes?*

Table 30. Indicator D.2 Distribution of Ratings

Child-level outcomes are shared	Group 1	Group 2²¹
Average indicator score	3.0	3.0
Director can discuss child-level outcomes but staff are not informed	--	--
In addition to (1), staff are informed about child outcomes	--	--
In addition to (1), staff and parents are informed about child outcomes	12 of 12 (100%)	11 of 11 (100%)

In contrast to information provided in indicator D.1, directors reported that staff at all but two sites (one of which did not have staff) were made aware of child outcomes and tracked child progress, although some sites performed this task informally (i.e., staff did not use formal assessment tools). Directors also reported that findings from assessments were shared with parents.

This indicator also was assessed by responses to the question “*How do you know if children are making the type of progress you hope them to make?*” which were used to rate sites for indicator D.3. The combination of these questions, in addition to the question used for indicator D.1, suggests that while directors, especially at Group 2 sites, struggle to articulate specific child-level outcomes, staff routinely implement and share information about child outcomes.

D.3 Child-level outcomes are assessed. This indicator assessed site practices for assessing children. The highest ratings were given to sites in which the director reported regular staff assessment of children. The lowest ratings were given to sites in which the director reported that staff did not assess children. This indicator was informed by the question:

- *How do you know if children are making the type of progress you hope them to make?*

As noted above, it is readily apparent that staff are utilizing assessments (both formally and informally) at each site. Sites reported using a variety of industry approved tools to checklists and self made tools. This stands in contrast to some director responses that indicated the site did not develop child-level outcomes. There clearly is a practice for assessing child progress and status at each site, yet some directors struggled to make the connection between individual assessments and individual outcomes (perhaps stemming from a lack of awareness of the term outcome, in this context).

Table 31. Indicator D.3 Distribution of Ratings

Child-level outcomes are assessed	Group 1	Group 2
Average indicator score	2.9	3.0
Staff do not assess child progress	--	--

²¹ Two sites indicated that they did not track child outcomes. Of these, one of the sites did not have staff and was not included in the rating for this indicator. The other site was given a rating of “N/A” on this indicator, to reflect the fact that the director’s response to an earlier question indicated no outcomes were tracked.

Staff variably assess child progress (e.g., on an "as needed" basis, as time allows, per parent request, per IEP, etc.)	1 of 12 (8%)	--
Staff routinely assess child progress for all children	2 of 12 (92%)	13 of 13 (100%)

Indicator D.3 ratings also were informed by and verified through teacher interview responses to the questions “Do you do any type of formal or informal assessments with children in your classroom? What do you do with the results? Do you have any individual goals for the children in your classroom? Please explain.”

Teacher responses, contained in Appendix H, support what appears to be dissonance between directors and teachers with regard to knowledge of assessment practices, especially at those sites in which directors indicated there were no child-level outcomes. The staff that participated in the teacher interview were uniformly capable of discussing child assessments, including specific information about the assessments used, frequency of assessments, and use of findings.

D.4 Child-level outcomes inform practice. This indicator assessed the extent to which child assessment findings were used to inform teaching and classroom practices. The highest ratings were given to sites in which the director reported using findings to individualize education while the lowest ratings were given to sites in which the director reported the staff did not use assessment information to inform practice.

This indicator was informed by the question:

- *What happens if there is a child who is not making progress? Does that affect how you or the staff work with that child or family?*

While not every director reported using assessment findings to individualize education for each child, all sites communicated assessment findings to parents and used findings to make referrals. Group 1 and Group 2 sites were very similar in their ratings.

Table 32. Indicator D.4 Distribution of Ratings

Child-level outcomes inform practice	Group 1	Group 2
Average indicator score	2.6	2.5
Staff do not use information on child assessments	--	--
Staff use child assessments to communicate with parents and/or make referrals	5 of 12 (42%)	6 of 13 (46%)
Staff use information from child assessments to reflect on practice or individualize education for children (developing strategies for working with children, etc.)	7 of 12 (58%)	7 of 13 (54%)

D.5 Investments informed by standards for quality. This indicator primarily assessed the extent to which resources such as the Environment Rating Scales (ERS) were used to make investments in quality. Not every site in the sample had exposure to the ERS; other quality standards or resources also were considered in rating this item. The highest ratings were given to sites in which some form of quality standards were used to guide investments; the

lowest ratings were given to sites in which investments were not informed by quality standards or resources. This indicator was informed by the interview question:

- *Do you use the Environment Rating Scale scores to determine where you need to invest?*

Table 33. Indicator D.5 Distribution of Ratings

Investments informed by standards for quality	Group 1	Group 2
Average indicator score	2.8	2.5
Center does not make investments or expenditures based on quality standards or needs.	--	1 of 13 (8%)
Center acknowledges the importance of quality standards and makes investments when possible.	2 of 12 (17%)	5 of 13 (38%)
Center uses quality standards (e.g., Environment Rating Scale scores, teacher experience or education) to guide investments.	10 of 12 (83%)	7 of 13 (54%)

This is an area where Group 1 and Group 2 were different, with Group 1 more likely to use quality standards and resources such as the ERS to guide investments. Because all Group 1 had a 5 star rating, it makes sense that these directors would be knowledgeable about the ERS. Not all Group 2 sites used the ERS; it was not surprising that ratings were lower for this group (i.e., Group 2). At three of these sites, the four-star rating was achieved through the accrual of teacher education points; the sites did not receive an assessment using the ERS and their program standards score were relatively low. One can wonder whether or not these three four-star sites would in fact be assigned a five-star rating if they were to participate in an ERS assessment.

Of note, several Group 1 sites noted that investments were teacher driven; this topic also is addressed in indicator F.5.

D.6 Quality improvements are planned and budgeted. This indicator assessed the extent to which quality improvements were built into the site’s budget. The highest ratings were given to sites in which the director reported quality investments were budgeted; the lowest ratings were given to sites in which the director reported the site only responded when in need or in crisis. This indicator was informed by the question:

- *Is the amount you spend primarily dependent on your cash flow, budgeted amount, or donations?*

Group 1 and Group 2 differed in whether or not the director or owner planned to make quality investments; with Group 1 more likely to have quality investments budgeted for the year and Group 2 more likely to be reliant upon cash flow and availability of funds. Ten of 12 Group 1 (83%) reported regularly budgeting for quality investments with another Group 1 site reporting that she would do “whatever it takes” to ensure quality. Seven of 13 Group 2 (54%) reported budgeting for quality improvements (as with Group 1, one Group 2 site indicated spending what was necessary for quality, despite the limitations of cash flow).

Table 34. Indicator D.6 Distribution of Ratings

Quality improvements are planned and budgeted	Group 1	Group 2

Average indicator score	2.9	2.5
Center does not regularly invest in quality (center responds as needed or in crisis).	--	--
Center regularly plans to invest in quality but relies upon donations and availability of funds	1 of 12 (8%)	6 of 13 (46%)
Center regularly plans to invest in quality	11 of 12 (92%)	7 of 13 (54%)

This topic further is informed by data regarding site expenses for quality supports. Directors and owners were asked: “In a typical month how much would you budget or spend for resources, materials, training, or other quality supports?” Not every site provided specific budget data; the data that were made available are presented in Table 35. Also, operating budgets were not available for every site to confirm or verify these data. In general, the budget materials presented during the study did not contain a high level of detail. The variation in expenditures presented in Table 35 correlates with facility size; larger facilities had greater expenses for both materials and trainings.

Table 35. Materials and Training Budgets

Group 1	Materials Budget	Training Budget	Total	Group 2	Materials Budget	Training Budget	Total
1	\$4,950	\$2,000	\$6,950	1	\$9,600		\$9,600
2	No figure provided	\$1,000	Cannot estimate	2	\$2,952	\$3,200	\$6,152
3	\$19,200	\$5,520	\$24,720	3	\$1,800		\$1,800
4	\$8,220	\$2,340	\$10,560	4	\$1,800	\$600	\$2,400
5	\$24,000	\$3,500	\$27,500	5	\$6,200	\$2,500	\$8,700
6	\$12,000	\$2,040	\$14,040	6	\$4,800	Cannot estimate	Cannot estimate
				7	>\$5,000	No figure provided	\$5,000
				8	\$6,000	No figure provided	\$6,000
				9	\$12,000		\$12,000
				10	\$2,800	\$1,400	\$4,200

E. Strategic Financing

This domain contained the following indicators:

- E.1 Center has diverse resource streams
- E.2 Center has an operating budget
- E.3 Director/owner/finance officer has training (or related experience) in business or program administration
- E.4 Center is financially viable
- E.5 Center willing to raise rates
- E.6 Center always collects full tuition or subsidy payment

This domain was developed to further explore how adept directors and owners are at maintaining fiscal health and viability. Generally speaking, Group 1 were more adept at maintaining fiscal health, through a variety of strategies. While Group 1 and Group 2 were similar with regard to financial experience, there were larger differences with regard to diversity of resource streams, presence of an operating budget, financial viability, willingness to raise rates, and presence of bad debt.

Table 36. Average Scores in the Strategic Financing Domain

	Center has diverse resource streams	Center has an operating budget	Director/owner/finance has training (or related exp.) in business/program administration	Center is financially viable	Center willing to raise rates	Center always collects full tuition or subsidy payment	Strategic Financing Sub-Scale Total	Total Percent Score
Group 1 Average Score	1.9	2.6	2.6	2.5	2.3	2.3	14.2	78.9%
Group 2 Average Score	1.5	2.2	2.8	2.2	2.7	1.7	13.1	72.8%
Point Difference in Scores	0.4	0.4	-0.2	0.3	-0.4	0.6	1.1	6.1%

E.1 Center has diverse resource streams. This indicator assessed whether or not sites were reliant upon one primary tuition resource. The highest ratings were given to sites in which there were two or more revenue sources and no one source accounted for more than 50% of total revenue. The lowest ratings were given to sites in which there was one primary revenue source, generating more than 80% of total revenue. This indicator was informed by the question:

- *Please describe how revenue comes into your site. What percentages are each revenue?*

Table 37. Indicator E.1 Distribution of Ratings

Center has diverse resource streams	Group 1	Group 2
Average indicator score	1.9	1.5
More than 80% of revenue generated by one tuition source	5 of 12 (42%)	7 of 13 (54%)
Center earns revenue from two tuition sources and no one source accounts for more than 75% of revenue	3 of 12 (25%)	5 of 13 (38%)
Center has more than 2 revenue streams and no one source accounts for more than 50% of revenue	4 of 12 (33%)	1 of 13 (8%)

Group 1 generally achieved higher ratings than Group 2; the principal revenue sources were private tuition, subsidy, and the NC Prekindergarten program. Overall scores were low (average 1.9 for Group 1 and 1.5 for Group 2), indicating reliance on one or two principal sources of revenue and a failure to remove the risk associated with having any one revenue source account for more than 50% of total revenue.

This topic also is informed by the question “*Is someone providing some type of private donations to your center? Are you receiving resources at no charge outside of government funded programs? If yes, please provide information on the source and levels of donations. Are they cash or in-kind donations?*” Most sites did not receive large donations,

with the exception of one Group 1 and one Group 2. The Group 1 received \$86,951 in space donated annually along with facility maintenance. The Group 2 received \$96,000 in space donated annually. Other donations included utilities, use of community resources, books and toys, volunteer hours, supplies, and contributions to a scholarship fund. Only eight facilities in total reported receiving either financial (in kind donation of space) or other donations.

E.2 Center has an operating budget. This indicator assessed the presence or absence of an operating budget, an important business administration and planning tool. The highest ratings were given to sites in which the site had an operating budget that the director or owner either created or was allowed to make contributions or provide feedback. The lowest ratings were given to sites that did not have an operating budget. This indicator was informed by the question:

- **Do you have a monthly or annual operating budget?**

Table 38. Indicator E.2 Distribution of Ratings

Center has an operating budget	Group 1	Group 2
Average indicator score	2.6	2.2
Center has no operating budget	1 of 12 (8%)	3 of 13 (23%)
Center has operating budget but does not have access	3 of 12 (25%)	4 of 13 (31%)
Center provides input to (or creates) and has access to operating budget	8 of 12 (67%)	6 of 13 (46%)

Eight of 12 (67%) directors or owners reported having an operating budget that they contributed information to or helped create. An additional three sites reported having a budget that was not available for the team (of these, one director reported that she did not have an operating budget when in fact she did have these data available to her). In contrast, eight of 13 Group 2 reported that the site had an operating budget. Of these, six directors/owners reported providing input to or helping to create the budget. Two additional sites were corporate “chain” affiliates for which a budget existed, although the director did not have knowledge of it or did not have a current version.

Limited director “access” to the budget was in some cases an artifact of a non-profit structure, in which a Board of Directors assumed responsibility for major fiscal decisions. For other sites, belonging to a corporate “chain” also created a hierarchy in which the director did not have complete autonomy with regard to expenditures for quality. The lack of access to an operating budget or the inability of provide input to or help create the annual budget raises questions and concerns about the ability of the director to request necessary funds for quality investments.

E.3 Director/owner/finance officer has training (or related experience) in business or program administration. This indicator assessed whether or not the site had qualified fiscal guidance such as a Certified Public Accountant or an individual with a business or accounting background that could assist with budgeting and maintaining financial records. The highest ratings were given to sites in which there was an individual with formal training available to assist the site while the lowest ratings were given to sites in which there was no one with training assisting with fiscal matters. This indicator was informed by the question:

- *Do you (the owner or any other management staff) have any training in business, business administration, or program management? If yes: please describe the training you’ve received and where and how you received it.*

Table 39. Indicator E.3 Distribution of Ratings

Director/owner/finance officer has training (or related experience) in business or program administration	Group 1	Group 2
Average indicator score	2.6	2.8
Individual has no business or program administration training	1 of 12 (8%)	--
Individual has informal or "on-the-job" training	3 of 12 (25%)	3 of 13 (23%)
Individual received formal training or education in business or program administration	8 of 12 (67%)	10 of 13 (77%)

Several participating sites were members of a chain or corporation; these sites benefit from the presence of formally trained staff that can assist with budgets and fiscal management. This happened more frequently in the Group 2 than in Group 1. Access to professional assistance may be a resource that could benefit all private or family-owned sites, whether Group 1 or Group 2.

E.4 Center is financially viable. This indicator assessed whether or not the site was financially viable at the time of the interview. The highest ratings were given to sites in which the director reported the site’s revenues exceeded expenses; the lowest ratings were given to sites in which revenues fell short of expenses. This indicator was informed by the question:

- *At the current time, is the center financially viable? Do revenues meet or exceed expenses annually; can you meet your monthly fiscal obligations?*

Table 40. Indicator E.4 Distribution of Responses

Center is financially viable	Group 1	Group 2
Average indicator score	2.5	2.2
Center is losing money (owner has to borrow or use personal funds to keep site open and struggles to make monthly obligations)	1 of 12 (8%)	3 of 13 (23%)
Center is breaking even (normal profit; can meet monthly obligations including business or personal debts used to support business)	4 of 12 (33%)	5 of 13 (38%)
Center is making a profit (excess funds)	7 of 12 (58%)	5 of 13 (38%)

Nine of 12 (75%) Group 1 reported having revenue that met if not exceeded expenses—a typical answer was “yes to all”. Of these nine, one site reported being financially viable but only because the owner personally financed its losses. Another of the nine reported revenues met or exceeded expenses but the owner at times did not pay herself

a salary. Despite the director’s positive responses, these latter two sites did not receive the highest possible rating. The one site that reported a lack of financial viability cited smaller summer classes as a major source of burden in this regard.

Six of 13 (46%) Group 2 reporting having revenues that met if not exceeded expenditures. Of these, one director qualified her answer as “having little left”; this response did not receive the highest rating. The selected responses provided in Appendix H reveal some of the fiscal challenges private sites experience.

Both Group 1 and Group 2 noted exceptional losses of subsidized children related to recent cuts in local subsidy spending.

E.5 Center willing to raise rates. This indicator assessed the frequency with which sites raised rates so as to afford the costs of quality (such as higher compensation for more education and experienced staff). The highest ratings were given to sites that raised rates within the past two years while the lowest ratings were given to sites that have not raised rates within the past five years. This indicator was informed by the question:

- *When was your last rate increase to families?*

Table 41. Indicator E.5 Distribution of Ratings

Center willing to raise rates	Group 1	Group 2²²
Average indicator score	2.3	2.7
Center has not raised rates within the past 5 years	2 of 12 (17%)	--
Center has raised rates between 2 and 5 years ago	5 of 12 (42%)	4 of 12 (33%)
Center has raised rates less than two years ago	5 of 12 (42%)	8 of 12 (67%)

Group 2 were more likely to have raised rates recently, as shown in the ratings in Table 41. The team did not capture additional data that would explain the pattern or timing of rate increases across sites. The current economy, loss of subsidized children, and overall lower enrollment may have led some sites to raise rates as one means of maintaining fiscal viability.

E.6 Center always collects full tuition or subsidy payment. This indicator assessed the extent to which sites, especially subsidy sites, collected full revenues for their enrollment. The highest ratings were given to sites that had no bad debt while the lowest ratings were given to sites that carried bad debt that was never resolved (and written off on taxes). This indicator was informed by the question:

- *Do you always collect your parent fees? What percentage of parent fees becomes bad debt that you are unable to collect?*

Table 42. Indicator E.6 Distribution of Ratings

Center always collects full tuition or subsidy payment	Group 1	Group 2

²² One Group 2 site provided an answer that could not be rated.

Average indicator response	2.3	1.7
Center has bad debt that is never resolved (written off on taxes)	3 of 12 (25%)	8 of 13 (62%)
Center has periodic bad debt	2 of 12 (17%)	1 of 13 (8%)
Center has no bad debt	7 of 12 (58%)	4 of 13 (31%)

Group 1 sites were more likely to not carry bad debt, as shown in the ratings in Table 42, individual responses contained in Appendix H, and Table 43, below. Table 43 illustrates the presence and amount of bad debt according to private pay and subsidy tuition percentages (as reported by directors). Lack of bad debt contributes positively to financial sustainability, as do the policies and procedures that sites use to manage or avoid bad debt.

Table 43. Percent Enrollment of Private Pay and Subsidy Supported Students and Accumulation of Bad Debt

Group 1	Percent Private Pay	Percent Subsidy	Percent Bad Debt	Group 2	Percent Private Pay	Percent Subsidy	Percent Bad Debt
1	45%	6%	0%	1	6%	94%	10%
2	5%	45%	5%	2	98%	2%	0%
3	100%	0%	0%	3	10%	90%	Site did not report a percent
4	50%	0%	0%	4	2%	98%	10%
5	99%	1%	0%	5	54%	43%	Minimal
6	28%	12%	0%	6	100%	--	0%
7	70%	30%	1%	7	50%	46%	0%
8	5%	5%	Site did not report a percent	8	75%	5%	Does not charge subsidy parents the overage; plans to write off bad debt
9	99%	1%	Very small % if any	9	95%	--	0%
10	100%	--	0%	10	50%	50%	5% or less
11	39%	24%	<5%	11	40%	40%	5%
12	65%	15%	0%	12	85%	15%	<1%
				13	74%	26%	0%

F. Adaptability

This domain contained the following indicators:

- F.1 Director participates in professional community
- F.2 Director uses information to inform center practices
- F.3 Center open to changes
- F.4 Center goals aligned with quality standards
- F.5 Classroom changes are driven by director and teachers

This domain was created to assess each site's ability to receive and incorporate change, in response to changes

primarily in the professional community and especially changes that reflect quality practices. As shown in Table 44, Group 1 sites, generally, were rated as more adaptable, with higher ratings with regard to participation in a professional community and openness to change.

Table 44. Average Scores in the Adaptability Domain

	Director participates in professional community	Director uses information to inform center practices	Center open to changes	Center goals aligned with quality standards	Classroom changes are driven by director and teachers	Adaptability Sub-Scale Total	Total Percent Score
Group 1 Average Score	2.4	2.9	2.6	2.2	2.6	12.7	84.7%
Group 2 Average Score	2.1	2.7	2.2	2.4	2.5	11.9	79.3%
Point Difference in Scores	0.3	0.2	0.4	-0.2	0.1	0.8	5.4%

F.1 Director participates in professional community. This indicator assessed whether or not the director participated in a professional community. The highest ratings were given to sites in which the director participated in more than one professional community (local, state, or national). The lowest ratings were given to sites in which the director did not participate in a professional community. This indicator was informed by the question:

- *Do you participate in any professional associations, director's groups, groups like NCAEYC or NAEYC or the Licensed Child Care Association?*

Table 45. Indicator F.1 Distribution of Ratings

Director participates in professional community	Group 1	Group 2
Average indicator score	2.4	2.1
Director does not participate in local, state, or other professional communities	2 of 12 (17%)	4 of 13 (31%)
Director is member of at least one professional community	3 of 12 (25%)	4 of 13 (31%)
Director is member of more than one professional community	7 of 12 (58%)	5 of 13 (38%)

Two of 12 (17%) Group 1 reported that they did **NOT** participate in a professional community, compared to four of 13 (31%) Group 2 (one site reported that she did not participate but then described her connection and involvement with local universities, colleges, and thought leaders). There was additional variance when the degree of participation (one versus more than one professional community) was examined. This indicator may be a clue as to director fluency and capacity in other quality domains; participation in professional communities is a source of ideas and support for directors and helps directors develop their site as a member of a profession as well as a business. Directors who fail to participate in at least one professional community may experience professional or collegial isolation, which may in turn be a barrier to the fluency and professional comfort necessary to develop and sustain

high quality practices.

F.2 Director uses information to inform center practices. As a follow up to indicator F.1, directors who reported being a member of a professional community then were asked “*If yes: please describe your participation. If yes: does your participation in these groups inform any changes you’ve made or want to make? Please explain.*” The responses to this question informed indicator F.2. The highest ratings were given to sites in which the director used the professional community as a source of information for making quality improvements and changes. The lowest ratings were given to sites in which the director reported that she did not use information from the professional community to inform her site’s practices.

Table 46. Indicator F.2 Distribution of Ratings

Director uses information to inform center practices	Group 1	Group 2
Average indicator score	2.9	2.7
Director receives information but does not use information to revise or refine center practices	--	1 of 9 (11%)
Director receives information but only attends to licensing-related issues	1 of 10 (10%)	1 of 9 (11%)
Director receives information and identifies opportunities for practices to mirror developments from the field	9 of 10 (90%)	7 of 9 (78%)

Group 1 and Group 2, on average, were similar in their use of information to inform site practices, with the majority of sites who reported belonging to professional communities also reporting using the information and knowledge received through these communities to inform practice. The two Group 2 sites that did not receive the highest ratings for this indicator reported using information to keep abreast of changes in the industry and using information on social media marketing to market the site.

F.3 Center open to changes. This indicator assessed the director’s willingness and openness to change. The highest ratings were given to sites in which the director reported regularly looking for opportunities to make changes or a willingness to make changes in response to teacher feedback and emerging concerns and needs. The lowest ratings were given to sites in which the director reported that she has not made recent changes or does not identify practices that may deserve change. This indicator was informed by the question:

- *At what point do you decide to make a change in your practice or practices? Is there an example of a recent change that you can describe, including why and how the change was made?*

Table 47. Indicator F.3 Distribution of Ratings

Center open to changes	Group 1	Group 2
Average indicator score	2.6	2.2
Center does not identify or has not made recent changes.	--	2 of 13 (15%)
Center makes changes in order to stay financially viable or to improve quality (in response to changing conditions and expectations)	5 of 12 (42%)	7 of 13 (54%)

Center regularly examines opportunities to make changes (i.e., not in response to crisis or change in licensing or ratings standards) OR center seeks to continuously improve practices and viability	7 of 12 (58%)	4 of 13 (31%)
---	------------------	------------------

Group 1 were more highly rated than Group 2 with regard to openness and willingness to change. However, in both groups, the source of change currently is skewed towards financial viability. Group 1, in general, appear to have greater sensitivity for changes beyond those mandated by the economy or licensing regulations.

F.4 Center goals aligned with quality standards. This indicator assessed, where applicable, whether or not a site's goals were linked primarily to viability, quality, or both viability and quality. The highest ratings were given to sites that established goals linked to both viability and quality while the lowest ratings were given to sites that did not identify goals. This indicator was informed by the question:

- *Do you have goals for the center? If yes: what are your goals?*

Table 48. Indicator F.4 Distribution of Ratings

Center goals aligned with quality standards	Group 1	Group 2
Average indicator score	2.2	2.4
Center does not identify any goals for the site.	1 of 12 (8%)	--
Centers goals are linked to viability OR quality standards.	8 of 12 (67%)	8 of 13 (62%)
Centers goals are linked to viability AND quality standards.	3 of 12 (25%)	5 of 13 (38%)

Group 1 and Group 2 were similar in their responses, with all but one site identifying goals for the site and a majority of both Group 1 and Group 2 identifying goals related to either business viability or quality practices. As with indicator F.3, the realities of the current economy make goals related to viability a priority.

F.5 Classroom changes are driven by director and teachers. This indicator assessed the extent to which classroom changes were influenced by directors and teachers as a team. The highest ratings were given to sites in which teachers were the driving force behind classroom changes (with assumed director oversight and permission) while the lowest ratings were given to sites in which the director or owner alone engineered classroom changes. This indicator was informed by the question:

- *Do you as director inform changes in the classroom or is that teacher-driven?*

Table 49. Indicator F.5 Distribution of Ratings

Classroom changes are driven by director and teachers	Group 1	Group 2 ²³
Average indicator score	2.6	2.5
Director or owner alone direct classroom changes.	1 of 12 (8%)	3 of 12 (25%)

²³ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

Director receives teacher input and makes decision.	3 of 12 (25%)	--
Both director and teacher inform classroom changes.	8 of 12 (67%)	9 of 12 (75%)

Group 1 and Group 2 were similar in ratings. A review of individual responses (Appendix H) suggests that Group 1 more frequently allow teacher-driven classroom changes. More specifically, 11 of 12 Group 1 (92%) reported giving teachers input or authority to make changes, compared to nine of 12 Group 2 (75%)²⁴.

G. Support

This domain contained the following indicators:

G.1 Center works with local resources designed to support center practices

G.2 Center participates in advocacy initiatives

G.3 Center participates in community outreach and engagement

G.4 Center identifies with community

This domain was created to assess the level and extent of community support for the site. In creating items for this domain, the Compass team focused its questions on actions of the site (director and/or owner) with regard to community engagement and outreach. The team did not have the opportunity to interview community members to objectively determine the nature and level of community support given to the site.

In general, Group 1 were assessed as being more active with regard to community engagement and outreach, especially in areas such as frequency of involvement with local resource and participation in community events.

Table 50. Average Scores in the Support Domain

	Center works with local resources designed to support center practices	Center participates in advocacy initiatives	Center participates in community outreach and engagement	Center identifies with community	Support Sub-Scale Total	Total Percent Score
Group 1 Average Score	2.9	2.2	2.6	2.3	10	83.3%
Group 2 Average Score	2.5	2.3	2.4	2.5	9.7	80.8%
Point Difference in Scores	0.4	-0.1	0.2	-0.2	0.3	2.5%

G.1 Center works with local resources designed to support center practices. This indicator assessed the frequency with which sites engaged with local resources. The highest ratings were given to sites that reported active and ongoing (at least once a quarter) engagement with local resources; the lowest ratings were given to sites in which the director or owner reported that she did not work with local resources²⁵. This indicator was informed by the questions:

- *Who or what people, programs, or agencies do you consider support for your center? Who do you turn to for guidance or suggestions about providing high quality services? How often do you work with these individuals, programs, or agencies?*

²⁴ One owner gave responses on behalf of two sites; each site contributed to this indicator. Thus, eight directors or owners responded, reflecting decision-making at nine sites.

²⁵ Note: a response of "as needed" was interpreted as less than once a quarter.

Table 51. Indicator G.1 Distribution of Ratings

Center works with local resources designed to support center practices	Group 1	Group 2
Average indicator rating	2.9	2.5
Center does not work with local resources	--	1 of 13 (8%)
Center sporadically or variably works with local resources (less than once a quarter)	1 of 12 (8%)	4 of 13 (31%)
Center typically maintains active engagement with local resources (at least once a quarter)	11 of 12 (92%)	8 of 13 (62%)

Group 2 sites, on average, reported less frequent interactions with local resources than Group 1 sites. There was little difference, however, in the types of local resources used by both types of sites, which included Wake County SmartStart, Project Enlightenment, the Division of Child Development and Early Education licensing consultants, Child Care Services Association, the Child Development Services Association and myriad other professional (i.e., early education-focused) and other community or neighborhood resources.

G.2 Center participates in advocacy initiatives. This indicator assessed whether or not directors or owners participated in advocacy for early childhood issues. The highest ratings were given to sites in which the director or owner reported writing letters or otherwise engaging with the media or elected representatives on behalf of early childhood issues. The lowest ratings were given to sites in which the director or owner reported no advocacy work. This indicator was informed by the question:

- *Do you ever engage in advocacy on early childhood issues? If yes: please explain the type of advocacy work you've done.*

Table 52. Indicator G.2 Distribution of Ratings

Center participates in advocacy initiatives	Group 1	Group 2
Average indicator rating	2.2	2.3
Center does not participate in ANY advocacy initiatives	4 of 12 (33%)	4 of 13 (31%)
Center provides information to parents, staff, and/or local community groups about emerging issues	2 of 12 (17%)	1 of 13 (8%)
Director writes letters or engages with legislators, media, or state/national groups on issues	6 of 12 (50%)	8 of 13 (62%)

Group 1 and Group 2 were very similar in their average ratings, with a higher proportion of Group 2 sites engaging legislators, the media, or other stakeholders on early childhood issues. A review of responses reveals that four of 12 (33%) Group 1 reported NOT engaging in advocacy compared to 4 of 12 (33%) Group 2 (two Group 2 directors/owners reported that they do not (currently) engage in advocacy but then described writing letters to or asking questions of political representatives on behalf of early education). Of note, several sites reported that advocacy was frowned upon or disallowed by the parent company. Another site reported enrolling children of politically-active parents; the director believed this created a conflict for her with regard to advocacy.

G.3 Center participates in community outreach and engagement. This indicator assessed the nature and extent of community outreach and engagement by the site. The highest ratings were given to sites that participated in activities for the community outside of their enrolled parents and children; the lowest ratings were given to sites that

conducted little or no community outreach or engagement, including activities to their enrolled families. This indicator was informed by the question:

- *Please explain the type of community outreach and engagement work you have done. Cite specific examples.*

Table 53. Indicator G.3 Distribution of Ratings

Center participates in community outreach and engagement	Group 1	Group 2
Average indicator rating	2.6	2.4
Center does little or no community outreach and engagement (including outreach to families)	--	2 of 13 (15%)
Center engages in outreach and engagement focuses on staff and families	5 of 12 (42%)	4 of 13 (31%)
Center engages in outreach and engagement outside of staff and families	7 of 12 (58%)	7 of 13 (54%)

On average, Group 1 sites received higher ratings than Group 2, which indicates a higher degree of community outreach and engagement. A review of responses reveals that all Group 1 participated or provided activities for their enrolled families, if not the larger community. In comparison, two of the 12 (17%) Group 2 directors or owners reported no engagement. Another reported engagement in the form of subsidy assistance for parents; this response was given a rating of “2” for this indicator as the director believed enrolling subsidized children was a form of community and family outreach and engagement.

G.4 Center identifies with community. This indicator assessed the degree to which directors or owners felt a bond with their community. The highest ratings were given to sites in which the director or owner indicated bonds with both families and businesses; the lowest ratings were given to sites in which there was no bond expressed. This indicator was informed by the question:

- *Do you believe you have a bond with the families and businesses in the community? If yes: please describe the bond you feel.*

Table 54. Indicator G.4 Distribution of Ratings

Center identifies with community	Group 1	Group 2
Average indicator rating	2.3	2.5
Center director and staff do not identify with the community in which the site is located	--	--
Center director expresses comfort and familiarity with families OR businesses	8 of 12 (67%)	7 of 13 (54%)
Center director expresses a bond with both businesses AND families	4 of 12 (33%)	6 of 13 (46%)

Group 1 and Group 2 sites, on average, had similar responses and ratings; a greater proportion of Group 2 sites reported bonds with both businesses and families in their home communities. Some sites cited barriers to interfacing

with businesses such as construction or existing in a primarily residential area. The nature of business cited by the director or owner and the nature of the interaction between the facility and the “business” also varied. Some sites, for example, cited working with local government agencies (e.g., elementary schools, fire departments, police departments, etc.) as examples of business outreach and engagement. In these cases, collaboration with the “business” was used to supplement the site’s curriculum (e.g., provide field trips, come in and talk with students, etc.) In other cases, the director or owner cited for-profit businesses such as the local supermarket or the office supply store; in these cases, the businesses were sources of discounts, incentives, or bonuses.

H. Sustainability Plan

This domain contained the following indicators:

H.1 Director has goals for the center

H.2 Director is aware and mindful of future opportunities and challenges

H.3 Director can articulate strategies for maintaining the business practice at a high quality level

H.4 Director plans to assess goal achievement

H.5 Staff are included in goal setting and achievement

This domain was created to assess the extent to which directors or owners were planning and strategizing for the future. On average, Group 1 sites were better equipped to discuss future opportunities and challenges and were more likely to include staff in goal setting and goal achievement strategies. Group 2 sites, in contrast and on average, received higher ratings with regard to plans for assessing goal achievement.

Table 55. Average Scores in the Sustainability Plan Domain

	Director has goals for the center	Director is aware and mindful of future opportunities and challenges	Director can articulate strategies for maintaining the business practice at a high quality level	Director plans to assess goal achievement	Staff are included in goal setting and achievement	Sustainability Plan Sub-Scale Total	Total Percent Score
Group 1 Average Score	2.5	2.1	2.1	1.8	2.4	10.9	72.7%
Group 2 Average Score	2.6	1.5	2.2	2.1	2.2	10.6	70.7%
Point Difference in Scores	-0.1	0.6	-0.1	-0.3	0.2	0.3	2.0%

H.1 Director has goals for the center. This indicator assessed whether or not the director or owner expressed goals for the site. The highest ratings were given to sites in which the director or owner articulated one or more specific goals for the site. The lowest ratings were given to sites in which the director or owner could not articulate even a vague goal for the site. This indicator was informed by the question:

- *Do you have goals for the center? If yes: what are your goals?*

Table 56. Indicator H.1 Distribution of Ratings

Director has goals for the center	Group 1	Group 2
-----------------------------------	---------	---------

Average indicator rating	2.5	2.6
Director cannot articulate future goals for the center	1 of 12 (8%)	1 of 13 (8%)
Director articulates goal areas but does not articulate one or more specific goals	4 of 12 (33%)	3 of 13 (23%)
Director articulates one or more specific goals for the center	7 of 12 (58%)	9 of 13 (69%)

Group 1 and Group 2 sites received relatively similar ratings on this indicator. A review of responses (Appendix H) reveals that most directors/owners had multiple goals for the site and, as was discussed earlier, had goals that focused on business viability and/or quality practices. A few directors or owners from both types of sites struggled to articulate a specific goal, or a goal statement whose measurement was implicit. For example, the goal to “*build on summer program*” was not considered a specific goal whereas the statement “*go to a five star [rating]*” was considered a specific goal.

H.2 Director is aware and mindful of future opportunities and challenges. This indicator assessed the extent to which the director or owner was aware of emerging opportunities and challenges. The highest ratings were given to sites in which the director reported opportunities and challenges related to viability, quality, and development of the profession. The lowest rating was given to directors who reported on either viability or quality. This indicator was informed by the questions:

- *What do you see as challenges for your site over the next few years?*
- *What do you see as opportunities for your site over the next few years?*

Table 57. Indicator H.2 Distribution of Ratings

Director is aware and mindful of future opportunities and challenges	Group 1	Group 2
Average indicator rating	2.1	1.5
Director's challenges and opportunities focus on viability (enrollment, revenue streams, etc.) OR quality	3 of 12 (25%)	7 of 13 (54%)
Director's challenges and opportunities focus on viability AND quality	4 of 12 (33%)	5 of 13 (38%)
Director's current challenges and opportunities focus of viability AND quality; director contributes to development of the profession when possible (rating of 2.5)	1 of 12 ²⁶ (8%)	--
Director's challenges and opportunities focus on viability AND quality AND development of profession	4 of 12 (33%)	1 of 13 (8%)

This topic was a source of some of the greatest differences between Group 1 and Group 2. As shown in Table 57, Group 1 sites were more fluent in a variety of challenges and opportunities expected over the next few years, as compared to Group 2 sites. Generally speaking, Group 1 sites cited a wider range of issues, including development of the profession, in their responses. What is clear from both sets of responses is that the economy is a critical factor in current operations as well as operations in the near future.

²⁶ One Group 1 site described active engagement in professional communities and the development of the profession. However, this director was clearly focused on current and critical site-needs related to quality and viability.

It is very encouraging that all directors or owners could identify future opportunities and that in multiple responses, the future opportunities were specific to local conditions (“*tapping into changing environment in downtown area*”) or new initiatives (“*building outdoor classroom*”). The specificity of director/owner goal, challenge, and opportunity statements may be an early indicator of the director/owner’s capacity to manage change.

H.3 Director can articulate strategies for maintaining the business practice at a high quality level. This indicator assessed the extent to which the owner or director could articulate specific strategies for maintaining quality and viability. The highest ratings were given to sites in which the director reported strategies for viability and quality while the lowest ratings were given to sites in which the director or owner could not articulate specific strategies for either viability or quality. This indicator was informed by the question:

- *What strategies do you have for maintaining your center’s quality over the next few years?*

Table 58. Indicator H.3 Distribution of Ratings

Director can articulate strategies for maintaining the business practice at a high quality level	Group 1	Group 2
Average indicator rating	2.1	2.2
Director has considered the importance of maintaining quality in general but cannot articulate specific strategies (keep on keeping on)	2 of 12 (17%)	1 of 13 (8%)
Director has strategies for viability OR quality	7 of 12 (58%)	9 of 13 (69%)
Director has strategies for viability AND quality	3 of 12 (25%)	3 of 13 (23%)

Group 1 and Group 2 sites received very similar ratings for this indicator; director and owners from both types of sites struggled to articulate specific strategies that covered both business viability **and** quality practices. Most responses from both Group 1 and Group 2 reflected strategies for maintaining quality. Two responses, from 1 Group 1 and 1 Group 2, best exemplify a mix of strategies for viability and quality:

- *Re-accredited every 5 years, ITERS, ECERS every 3 years, Administrative review for food program every 3 years, Reviews are staggered so you are constantly in a review, improve status.*
- *Will probably get in the 5 star game or go back to NAEYC accreditation; May have to limit amount of subsidized children in future because of instability it has caused.*

Four other sites (two Group 1 and two Group 2) also received the highest rating on this indicator as their responses, combined with earlier comments and discussion, suggested the director or owner was likely to focus both on quality and viability. These responses are highlighted in Appendix H.

H.4 Director plans to assess goal achievement. This indicator assessed whether or not directors or owners had specific plans for assessing progress towards goals. The highest ratings were given to sites in which the director or owner reported plans to collect data from the business, staff, and parents to inform goal achievement. The lowest ratings were given to sites that only planned to use business data (such as enrollment and profit/loss statements) to inform goal achievement. This indicator was informed by the question:

- *How do you know or plan to know if you’re achieving your goals?*

Table 59. Indicator H.4 Distribution of Ratings

Director plans to assess goal achievement	Group 1	Group 2
Average indicator rating	1.8	2.1
Plans to use viability data alone (informed by enrollment and revenue data)	5 of 12 (42%)	2 of 13 (15%)
In addition to (1), director plans to use data from parents OR staff	4 of 12 (33%)	8 of 13 (62%)
Director uses data from business, staff, and parents to inform goal achievement	3 of 12 (25%)	3 of 13 (23%)

All sites reported having goals. In general, Group 2 sites received higher ratings than Group 1 sites, indicating a willingness and desire to use multiple sources of information to understand and assess goal achievement. In general, sites that focused on business stability and viability intended to use internal sources of information, which may include staff feedback. The most common information source was enrollment statistics, followed by revenue or other financial data.

H.5 Staff are included in goal setting and achievement. This indicator assessed the extent to which staff were informed of and involved in creating goals and strategies for goal achievement. The highest ratings were given to sites in which directors reported staff input and involvement while the lowest ratings were given to sites in which staff were not made aware of goals and strategies. This indicator was informed by the question:

- *How do you make sure your staff understand your goals and strategies?*

Table 60. Indicator H.5 Distribution of Ratings

Staff are included in goal setting and achievement	Group 1	Group 2 ²⁷
Average indicator rating	2.4	2.2
Director does not have strategies to ensure staff are made aware of goals	--	--
Director provides training and communication to staff (all top-down)	7 of 12 (58%)	10 of 12 (83%)
Director involves staff in goal and strategy setting (top-down and bottom-up)	5 of 12 (42%)	2 of 12 (17%)

All sites provided information to staff about site goals. Group 1 sites received slightly higher ratings than Group 2 sites, suggesting that these sites more frequently involved staff in goal and strategy setting. It is important to note that directors/owners were not directly asked if or how they involved staff in setting goals and strategies. Rather, the question was how directors or owners kept staff informed of goals and strategies. Therefore, the responses may underestimate the extent to which some sites use staff to generate goals. To wit, 67% of Group 1 and 75% of Group 2 indicated incorporating teacher feedback or making teachers the lead agent in making classroom-level changes (see indicator F.5). It may be helpful to clarify the language on this question if there are future iterations of the protocol.

Key Findings

Group 1 sites achieved higher average ratings than Group 2 sites in all sub-scales, but not all indicators. The greatest differences between Group 1 and Group 2 were in (a) key champions (9.2 percentage point difference), (b)

²⁷ One Group 2 site was a facility with one lead teacher/director but no other staff. Therefore, this facility was not rated on this indicator.

results orientation and (c) strategic financing (6.1 percentage point difference, each), and (d) adaptability (5.4 percentage point difference), followed by (e) vision (3.3 percentage point difference), (f) internal systems (2.9 percentage point difference), (g) support (2.5 percentage point difference), and (h) sustainability plan (2 percentage point difference). A discussion of key differences in key champions, results orientation, strategic financing, and adaptability sub-scales follows.

As regards key champions, the team's interpretation of **key champions** incorporated measures of internal and external champions for quality. The data included director and teacher perceptions regarding leaders for quality as well as a rating of director behaviors. The higher average ratings achieved by Group 1 indicate that these sites (more often than Group 2 sites) have a team-based approach to quality, in which all staff report being champions for quality, as opposed to individual or selected staff. We believe this mindset or climate may be an important distinction of Group 1 sites.

As regards **results orientation**, the team's interpretation incorporated measures that focused on the presence and assessment of child and family outcomes and director (or owner) and staff fluency in discussing outcomes. The largest differences between Group 1 and Group 2 in this sub-scale were director fluency with regard to individual student outcomes (*see recommendations 1 and 2, below*) and the use of planned and budgeted investments that were linked to quality standards such as Environment Rating Scale scores (*see recommendation 2, below*). Budgeting for quality speaks to the **duality of sustainability** (sustainability of high quality practices within a sustainable business environment), or the site's ability to plan to provide high quality services, by providing sufficient, budgeted support. Our findings suggest that Group 1 directors or owners have more skill or experience in planning to provide quality (*see recommendations 5 and 6, below*). This may be influenced by their access to budgets or ability to provide information to or influence the budget. As shown by indicator B.11 scores, directors in Group 1 sites, on average, received higher ratings with regard to decision-making authority. The ability to plan and budget for quality may be another aspect of this decision-making skill or ability. The willingness to budget for quality also reflects a director or owner's commitment to quality, especially when quality investments translate into lower profits.

Strategic financing is another sub-scale in which Group 1 and Group 2 had relatively high differences. Strategic financing was assessed through concrete measures of financial viability, such as diversity in tuition sources, willingness to raise rates, and willingness to carry bad debt. Group 1 were more likely than Group 2 to avoid bad debt, have diverse tuition resources, have access to an operating budget, and have sites that were financially viable (meeting expenses, if not experiencing revenues in excess of expenses). Interestingly, Group 2 were more likely to have raised rates within the past two years, perhaps in an attempt to catch up to the costs of quality. These scores again highlight the **duality of sustainability**: the ability to consistently provide high quality practices is integrated with the ability to run a stable business (*see recommendations 5 and 6, below*).

Finally, the domain of **adaptability** contained measures of a director or owner's engagement in the larger professional community and willingness to use information from this community to inform changes. This domain also incorporated a willingness to continuously assess and improve practices and a willingness to include staff in the change process. The greatest differences between Group 1 and Group 2 sites reflected a more continuous and integrated process of change and quality improvements as well as greater participation by Group 1 in the professional community (*see recommendation 4, below*). Of interest, Group 2 sites, on average, received higher ratings when site goals were described; higher ratings reflected the inclusion of both business viability- and quality-related goals. Group 1 sites were not, on average, more likely to have quality-related goals. Rather, Group 1 sites were more likely to have quality- or business viability-related goals. In comparison, Group 2 sites were, on average,

more likely to have both quality- and business viability-related goals. The finding from this indicator stands in contrast to earlier findings regarding the duality of quality and business practices at Group 1 sites.

Summary and Implications

Several summative findings emerge from the data presented in this report. **First**, the **difference between Group 1 and Group 2 sites may be one of degree** rather than absolute variance in practice or mindset. To wit, Group 2 sites achieved higher ratings than Group 1 sites on 16 indicators (32% of indicators across all eight domains) and the distance between the Group 1 and Group 2 sites was 0 or .1 point on 16 of 50 indicators (or 32% of indicators across all eight domains).

Second, the difference in degree appears to reflect **fluency and comfort** with the language, expectations, and requirements of quality practices, more so than distinctly different strategies, tools, or knowledge. This being said, it is important that Group 1 sites achieved higher ratings on indicators such as teacher education, director ability to operationalize site vision, director ability to articulate child outcomes, absence of bad debt, and awareness of future challenges and opportunities. Altogether, the findings suggest a higher capacity for and attention to critical infrastructure (such as revenue viability and teacher quality) as well as a willingness to focus the site on child and family outcomes rather than business outcomes (*see recommendations 1, 3, 5, and 6*).

Third, from a practical approach, it may be that the ability to sustain quality practices is a result of many small practices and strategies that directors or owners implement on a daily or very frequent basis. The habit of quality can be born from these many small, daily, practices. What is harder to measure is the overall mindset and vision established for the site and the degree to which the director or owner can ensure this vision is pervasive in staff attitudes and practices. The ability to conceptualize success as more than business success, as child and family success and stability, may be a leading indicator of a qualitative difference between Group 1 and Group 2 sites (*see recommendations 1, 2, and 3*).

Fourth, just as sustaining quality may require many small and frequent actions, assisting directors in sustaining quality may involve many small and frequent actions. This bears implications for how local resources engage with non-sustaining sites in efforts to facilitate a transition in mindset and practice.

Fifth, quality is not a function of site structure as for-profit, non-profit, corporate chain, or family-owned. High quality practices can be achieved wherever there is leadership that is committed to quality and positive outcomes for children and families.

Sixth, quality costs more. However, the revenue necessary to sustain quality can be generated from a variety of sources. The ability to sustain the practice may in fact depend upon diversifying of resources, so long as there is a commitment to quality and a willingness to hold parents accountable for their support (both financial and interpersonal) (*see recommendations 5 and 6*).

Recommendations

First, intensive work should be done with all sites to improve the understanding of **individual** child outcomes and its relationship to quality. There seems to be a disconnect between understanding that quality is related to positive

individual child outcomes. In many sites, assessments are not completed on the youngest children (i.e. infants and toddlers) even when there is some type of assessment on older children.

Second, improve the usage and implementation of high quality evidence based assessment tools in child care classrooms. Several directors noted the high cost of evidence based assessment tools, their inability to afford them, and their lack of knowledge of how to use them. Encourage the holistic use of these tools from Director and Owner, to Lead and Assistant Teachers, and finally to parents. Participant interviews clearly outlined the lack of knowledge about the usage of these tools between staff and their link to individual child goal planning, day to day activities, and lesson planning. Extensive training and funding should be provided.

Third, develop deeper understanding among sites of quality and its relationship to children and families. Parents should be educated on what they need to know. Collaboration with parents means all involved are doing their part for each child. It appears there is still some division between what parents desire and what high quality child care is providing as it relates to what constitutes school readiness, developmentally appropriate activities, and best practices in the classroom.

Fourth, encourage an increase in participation in professional communities among child care programs. Several sites reported feeling isolated and disconnected from resources outside their own programs. There seemed to be a lack of awareness about programs and services that were available in the community. In addition, Directors groups need to be made available to all programs within the community to improve networking, knowledge about promising practices within the field, and mentoring between sites.

Fifth, strengthen capacity to provide business management technical assistance or trainings for directors. Partner with local business leaders or nonprofits to provide training around key topics such as personnel, financial, budgeting, marketing strategies, community engagement, and others. If the business capacity of these facilities improves, the investments made on behalf of these programs will go further with more sustainable and viable high quality child care.

Sixth, investigate and provide assistance around developing a shared services approach to child care. Shared services is a local community-based effort where small businesses and non-profits work together to share costs and deliver services in a more cost effective manner. This allows businesses to operate more efficiently, become more financially solvent, and provides access to services they could not afford on their own. This approach would also work well for family child care programs. By creating stronger and more financially solvent businesses and nonprofits through a shared services approach, they are able to afford to continue improving the quality of their programs. Examples of programs that have engaged in this shared services approach regularly reflect a higher degree of quality in the services they provide to children and families.

For more information on shared services, <http://opportunities-exchange.org/> and http://www.bos.frb.org/commdev/c&b/2010/fall/Stoney_Poppick_early_education.pdf