

How Child Care Quality Changed under DC's Capital Quality Initiative

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Access to high-quality child care is beneficial for young children's development, allows parents to support their families by working and going to school, and contributes to productive communities in the long run. Capital Quality—the District of Columbia's Quality Rating and Improvement System—aims to increase the supply of high-quality child care in DC by supporting child care providers' quality improvement.¹ To understand if Capital Quality is meeting this goal, we sought to answer two questions below:

1. Have child care facilities in DC improved in quality, as measured by classroom observations?
2. How have improvements to individual facilities affected the overall supply of high-quality child care in DC?

Our analysis of Capital Quality administrative data from 2019, the year after the DC Office of the State Superintendent of Education (OSSE) started fully implementing Capital Quality, to 2024 revealed the following:

- Most facilities improved their scores based on observations conducted under Capital Quality, but some domains of quality were harder to improve than others.
- Higher observation scores led many facilities to achieve higher quality designations.
- DC's supply of high-quality child care increased, but this reflects more than just facilities' quality improvements.
- Improving new facilities' quality may be especially important for building the supply of high-quality care.

The findings highlight DC's successes in fostering quality improvement while suggesting additional areas for further program refinement. Additionally, they demonstrate how policymakers might analyze administrative data to inform their approach to strengthening quality improvement efforts and expanding access to high-quality early care and education.

How Does Capital Quality Work?

In DC, the term "child development facility" refers to the site or location where care is provided. Licensed facilities may be child care centers (child development centers) or home-based providers (child development homes and expanded child development homes). Some child care providers operate multiple facilities. Providers decide whether to participate in Capital Quality, but participation is required for providers that are in DC's child care subsidy program; providers not participating in the subsidy program can opt in (OSSE 2023).

Capital Quality supports child care quality improvement by offering facilities financial incentives (i.e., by tying subsidy reimbursement payment amounts to quality designations achieved) and providing robust technical assistance and resources.

Capital Quality assesses the quality of participating facilities and supports their improvement. Observations are performed and designations are assigned at the facility level. Observations are made using one of the following three instruments, which evidence shows lead to positive outcomes for children:

1. **CLASS Pre-K:** Classroom Assessment Scoring System for Pre-K for preschool classrooms in centers
2. **ITERS-3:** Infant/Toddler Environment Rating Scale (ERS), Third Edition, for infant and toddler classrooms in centers
3. **FCCERS-3:** Family Child Care Environment Rating Scale, Third Edition, for home-based facilities

Each observational instrument generates a score from 1 to 7 and has its own floor and target score established by OSSE. A facility's designation is determined based on a formula, using information from its observation scores (in relation to the observational instrument's floor and target). A facility can receive one of four designations: **Developing, Progressing, Quality, or High-Quality**. Facilities are assigned a **Preliminary** designation until they have at least one year of valid observation data. Quality designations were first assigned in fall 2019, using information from observations conducted from fall 2017 to spring 2019.² After a pause due to the COVID-19 pandemic, designations were updated in spring 2024, using information from observations conducted in spring and fall 2023.

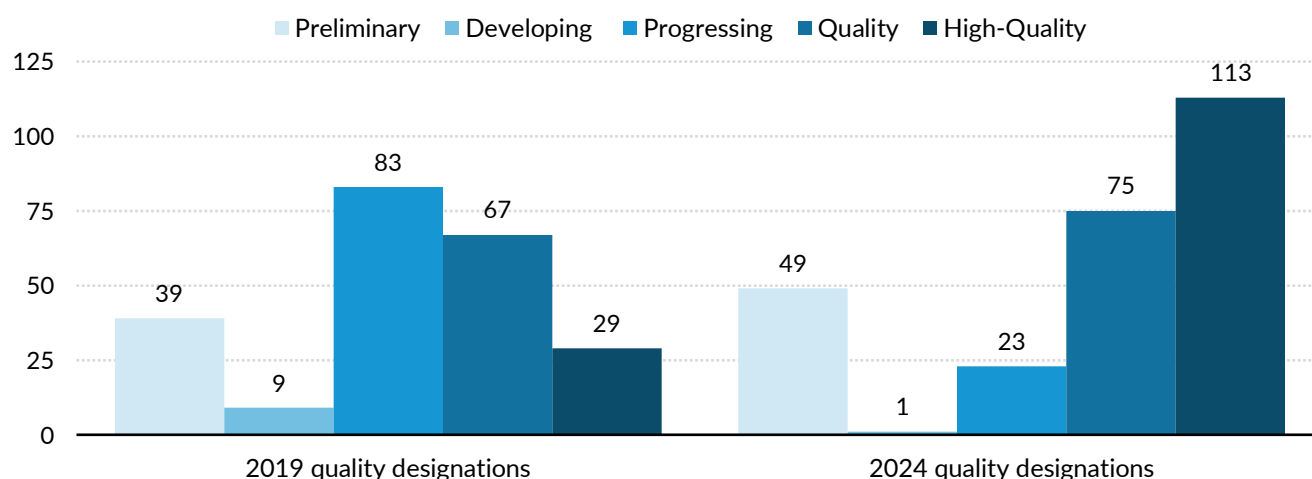
DC's Supply of High-Quality Child Care Increased

Between fall 2019 and spring 2024, the share of DC child care facilities with Quality and High-Quality designations increased from 42 to 72 percent (figure 1). At the same time, the number of facilities with Progressing designation dropped substantially.

FIGURE 1

The Number of High-Quality Child Care Facilities in DC's Capital Quality System More than Tripled between 2019 and 2024

Number of licensed child care facilities in the Capital Quality system, by quality designation



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Source: Urban Institute's analysis of Capital Quality participation data, maintained by the DC Office of the State Superintendent of Education.

Notes: In 2019, 227 facilities received a quality designation based on observations conducted from fall 2017 to spring 2019; however, we only analyzed facilities' most recent observation, which generally occurred between fall 2018 and spring 2019. In 2024, 261 facilities received a quality designation based on observations conducted in spring and fall 2023.

System-level shifts in child care supply, however, mask facility-level quality improvements. For example, were facilities previously rated as Progressing achieving higher scores on their annual observations and moving toward Quality and High-Quality designations? Or had the facilities with the Progressing designation in 2019 stopped

participating in Capital Quality altogether and been replaced by new facilities that had already achieved a High-Quality designation by 2024?

To understand whether supply shifts reflect improvement to designations or something else, we analyzed the 131 facilities that were rated in both years and did not receive a Preliminary designation in either year (referred to as “fixed sample” of child care facilities in this brief). We examined trends in observation scores and quality designations among this fixed sample, then compared them with trends in the full population of child care facilities participating in Capital Quality. Additional information on data sources, methods, and the broader project is provided at the end of this brief.

Most Facilities Improved Their Observation Scores, but Improvements Differed across Observational Instruments and Domains

In general, most facilities met each observational instruments’ established floor, whereas meeting or exceeding the target score was less common (table 1). For the CLASS Pre-K observational instrument, facilities received higher scores on the Emotional Support and Classroom Organization domains, and somewhat lower scores on the Instructional Support domain. This trend mirrors data from other states, which show that most facilities experience the greatest difficulties in achieving high Instructional Support scores.³ For the two Environmental Rating Scales (ERS), ITERS-3 and FCCERS-3, about one-fifth of programs received a score lower than the established floor in fall 2019, although by spring 2024, all facilities had a score above this floor.

TABLE 1
Many Facilities Improved Their Observation Scores but Still Remained Below the Established Target Score

Descriptive statistics, facilities not receiving a Preliminary designation in fall 2019 and spring 2024

	Fall 2019			Spring 2024			Change	
	Mean score	% below floor	% at or above target	Mean score	% below floor	% at or above target	Mean change in scores	% increasing their score
CLASS Pre-K								
Emotional Support (floor = 4.5; target = 6.0)	6.08	0%	65%	6.34	2%	88%	0.26***	75%
Classroom Organization (floor = 4.5; target = 6.0)	5.65	0%	23%	6.03	4%	58%	0.38***	73%
Instructional Support (floor = 2.0; target = 4.0)	2.91	6%	6%	2.93	10%	10%	0.02	44%
ERS								
ITERS-3 (floor = 3.0; target = 6.0)	3.87	14%	0%	5.01	0%	3%	1.14***	91%
FCCERS-3 (floor = 3.0; target = 6.0)	4.38	19%	8%	5.02	0%	19%	0.64*	73%

Source: Urban Institute’s analysis of Capital Quality participation data, maintained by the DC Office of the State Superintendent of Education.
Notes: CLASS = Classroom Assessment Scoring System; ERS = Environment Rating Scale; ITERS-3 = Infant/Toddler Environment Rating Scale, Third Edition; FCCERS-3 = Family Child Care Environment Rating Scale, Third Edition. CLASS and ERS scores range from 1 to 7. A total of 131 facilities received a designation other than Preliminary in both fall 2019 and spring 2024; of these, 52 were rated using the CLASS, 98 were rated using the ITERS-3, and 26 were rated using the FCCERS-3. Statistical significance indicates *p*-values from *t*-tests comparing means in fall 2019 and spring 2024: + = *p* < .1; * = *p* < .05; ** = *p* < .01; *** = *p* < .001.

Overall performance on the observational instruments improved across all facilities in each of the two years. Average scores across observational instruments and domains increased from fall 2019 to spring 2024, with the exception of the Instructional Support domain (table 1). Facilities' scores increased the most on the ITERS-3, where 91 percent of facilities rated in both years received a higher score in spring 2024. Despite the high prevalence of improvements on the ITERS-3, the share of facilities exceeding the District's established target score did not increase substantially.

Three-quarters of facilities improved their scores on CLASS Pre-K domains (except the Instructional Support domain) and on FCCERS-3 observational instruments. The distribution of scores also shifted such that more facilities were reaching or exceeding the target score. For example, in fall 2019, 23 percent of facilities receiving a Classroom Organization domain score exceeded the target score of 6.0; by spring 2024, this share had more than doubled to 58 percent.

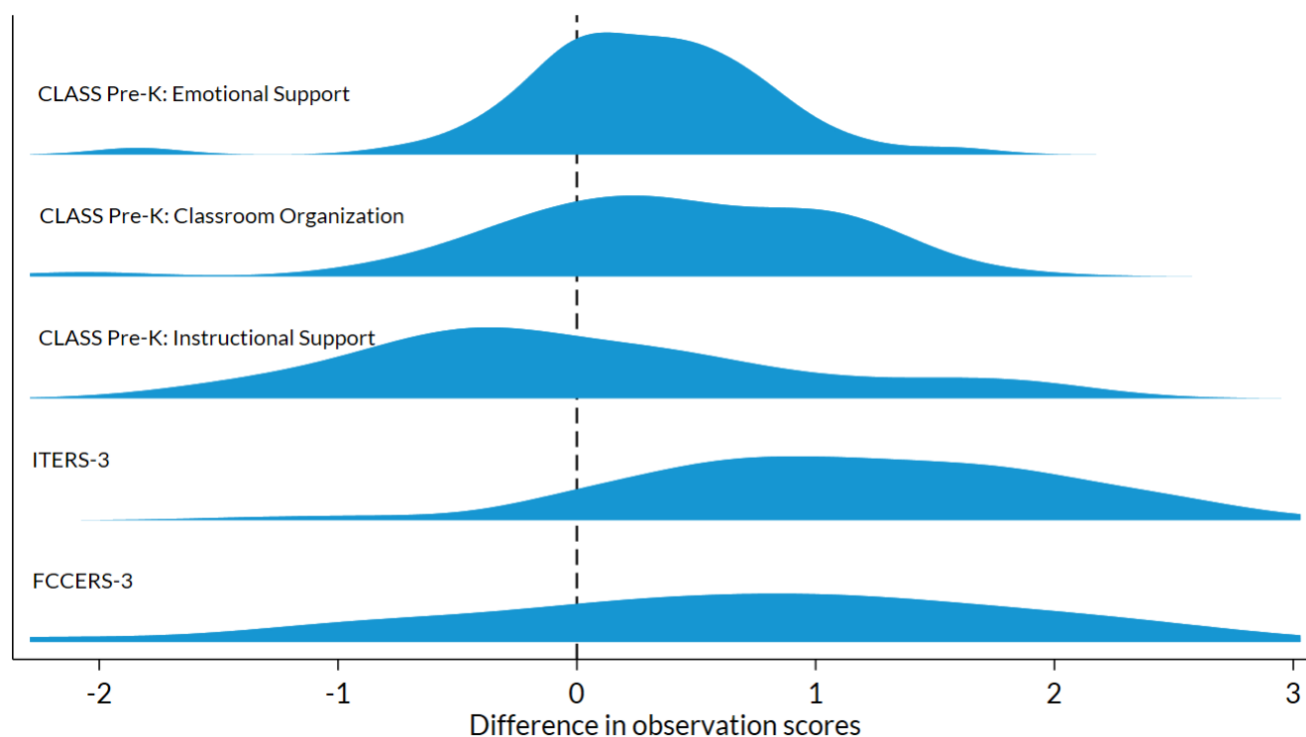
Although average scores for CLASS Pre-K Instructional Support domain did not rise between fall 2019 and spring 2024, 44 percent of facilities still demonstrated an improvement in this domain. In figure 2, we plot the changes in facilities' scores between the two time periods: not only was there a greater prevalence of facilities maintaining or decreasing their Instructional Support score (56 percent), facilities that received lower scores experienced a change that was about equal in magnitude to facilities that improved their scores (median increase of 0.61 points versus median decrease of 0.56 points). For the ERS tools and other CLASS Pre-K domains, fewer facilities received a score in spring 2024 that was lower than in fall 2019; among those facilities, decreases were smaller in magnitude than the improvements other facilities were making.

Administrative data cannot pinpoint the reasons facilities were able to demonstrate improvements in their observation scores, but there are at least three potential hypotheses. First, Capital Quality's resources and trainings were especially helpful in supporting providers in their practice. Second, financial incentives tied to quality improvement may have been effective in encouraging facilities to pursue higher observation scores. Finally, increased education requirements (fully implemented in December 2023) could mean that educators in licensed child care facilities were better equipped on dimensions measured in observational instruments.

FIGURE 2

Fewer Facilities Successfully Improved Their Score on the CLASS Pre-K Instructional Support Domain

Child care facilities' changes in observation scores between fall 2019 and spring 2024



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Source: Urban Institute's analysis of Capital Quality participation data, maintained by the DC Office of the State Superintendent of Education.

Notes: CLASS = Classroom Assessment Scoring System; ITERS-3 = Infant/Toddler Environment Rating Scale, Third Edition; FCCERS-3 = Family Child Care Environment Rating Scale, Third Edition. CLASS, ITERS-3, and FCCERS-3 scores range from 1 to 7. A total of 131 facilities received a designation other than Preliminary in both fall 2019 and spring 2024; of these, 52 were rated using the CLASS, 98 were rated using the ITERS-3, and 26 were rated using the FCCERS-3.

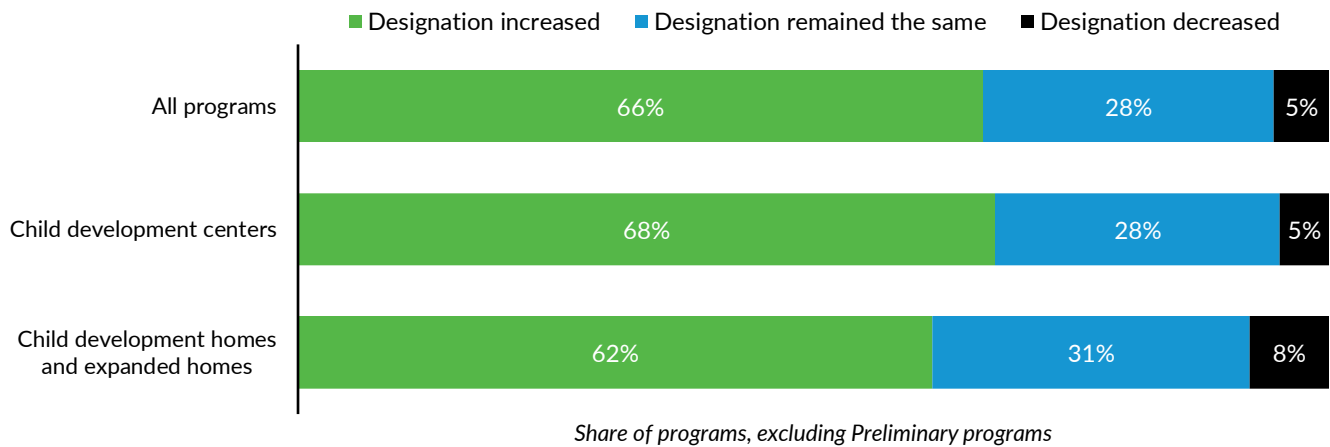
Higher Observation Scores Led Many Facilities to Achieve Higher Quality Designations

About two-thirds of the 131 facilities rated in 2019 and 2024—including 68 percent of centers and 62 percent of home-based facilities—improved their quality designation (figure 3). This occurred because facilities increased their observation scores in ways that moved them closer to observational instruments' target scores. Facilities that did not receive a higher quality designation often maintained the same designation, though about 5 percent of centers and 8 percent of home-based facilities experienced a decrease in their designation. Differences by facility type were not statistically significant.

FIGURE 3

Most Facilities Increased Their Quality Designation

Child care facilities' changes in quality designations between fall 2019 and spring 2024



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Source: Urban Institute's analysis of Capital Quality participation data, maintained by the DC Office of the State Superintendent of Education.

Notes: Estimates based on 105 child development centers and 26 child development homes or expanded homes that did not receive a Preliminary designation in either fall 2019 or spring 2024.

Shifts in the Supply of Child Care Reflect More than Just Facilities' Quality Improvements

We find improvements in quality when measuring changes in mean observation scores across the full population of Capital Quality participants as well. The results are similar to improvements among just the 131 facilities in the previous analysis in several ways (compare tables 1 and 2). For example, for CLASS Pre-K observational instrument, more facilities met or exceeded the established target score for the Emotional Support and Classroom Organization domains. For the two ERS observational instruments, facilities were less likely to be below the established floor by spring 2024.

That said, differences in CLASS Pre-K mean scores measured in the full population of facilities were about double the magnitude of the average facility-level improvement observed in the fixed sample. However, changes measured in the full population versus the fixed sample did not differ when examining scores from the ERS observational instruments.

Several possibilities that could contribute to a shift toward higher quality care across the Capital Quality system over time include the following:

- **Facilities that stopped participating in Capital Quality⁴** may have had lower observation scores in fall 2019 than the facilities that later continued to participate.
- **Facilities that began participating in Capital Quality after its launch⁵** may have had higher observation scores than those that ultimately left Capital Quality.
- **Facilities previously receiving a Preliminary designation⁶** may have received observation scores in spring 2024 that contributed toward a quality designation.

TABLE 2

Across All Capital Quality Participants, Measurable Changes in Observation Scores Are Larger than Facility Improvements

Descriptive statistics, all facilities participating in Capital Quality in fall 2019 or spring 2024

	Fall 2019				Spring 2024				Difference
	N	Mean	% below floor	% at or above target	N	Mean	% below floor	% at or above target	
CLASS Pre-K									
Emotional Support (floor = 4.5; target = 6.0)	100	5.86	6%	57%	81	6.36	1%	91%	0.51***
Classroom Organization (floor = 4.5; target = 6.0)	100	5.35	11%	23%	81	6.06	4%	63%	0.71***
Instructional Support (floor = 2.0; target = 4.0)	100	2.69	17%	5%	81	2.87	12%	10%	0.18
ERS									
ITERS-3 (floor = 3.0; target = 6.0)	145	3.74	19%	0%	159	4.90	1%	4%	1.18***
FCCERS-3 (floor = 3.0; target = 6.0)	37	4.32	24%	14%	43	4.83	7%	14%	0.50+

Source: Urban Institute's analysis of Capital Quality participation data, maintained by the DC Office of the State Superintendent of Education.

Notes: CLASS = Classroom Assessment Scoring System; ERS = Environment Rating Scale; ITERS-3 = Infant/Toddler Environment Rating Scale, Third Edition; FCCERS-3 = Family Child Care Environment Rating Scale, Third Edition. CLASS and ERS scores range from 1 to 7. A total of 131 facilities received a designation other than Preliminary in both fall 2019 and spring 2024; of these, 52 were rated using the CLASS, 98 were rated using the ITERS-3, and 26 were rated using the FCCERS-3. Statistical significance indicates p-values from t-tests comparing means in fall 2019 and spring 2024: + = $p < .1$; * = $p < .05$; ** = $p < .01$; *** = $p < .001$.

Improving Newer Facilities' Quality May Be Especially Important for Building the Supply of High-Quality Care

Among child care centers, those joining Capital Quality after 2019 had observation scores in spring 2024 that were substantially higher, on average, than the observation scores of facilities in fall 2019 that eventually exited the program (figure 4). The new participants also had scores that were comparable to peers that had participated since the program's launch. These findings could indicate that resources and technical assistance targeting the practices of new providers may be working particularly well in supporting their quality, and more broadly, in ensuring that the child care available to families is of high quality. They could also reflect rising credentials among educators in the District.⁷ That said, because of data limitations, we cannot track the trajectory of the new centers' scores from their first observation scores captured in spring 2024. We also cannot identify whether they had already adopted practices aligning with Capital Quality's observational instruments prior to participation.

For child development homes and child development expanded homes, facilities that left Capital Quality had similar fall 2019 scores as those that continued to participate and the spring 2024 scores of new Capital Quality participants. The lack of statistical significance may partially reflect the small number of home-based child care facilities in the District. Newer home-based Capital Quality participants scored about 0.44 points lower, on average, than home-based facilities that participated since 2019, which could suggest that these newer business owners may face challenges to quality improvement.

More broadly, the degree to which quality improvements explain aggregate supply shifts toward higher quality care depends on a few factors, including the prevalence of facilities that are able to stay in the program long

enough to improve their quality, the characteristics of facilities entering and leaving, and the magnitude of the quality improvements that facilities can demonstrate through continued participation. At least in DC, the majority of facilities saw enough stability in Capital Quality to continue participating from fall 2019 to spring 2024. In other states with greater child care provider instability, facilities may not participate long enough to see benefits to their quality, and quality improvements may play less of a role in building the supply of high-quality care.

FIGURE 4

Newer Capital Quality Participants Had Higher Observation Scores than Those that Participated in 2019 and then Left

Child care facilities' changes in observation scores in fall 2019 and spring 2024, by years of participation

	CLASS Pre-K			ERS	
	Emotional Support	Classroom Organization	Instructional Support	ITERS-3	FCCERS-3
Fall 2019					
All facilities	5.86	5.35	2.69	3.74	4.32
Facilities with observation scores in both years	6.08	5.65	2.91	3.87	4.38
Facilities that later left Capital Quality	5.61	5.03	2.45	3.45	4.19
Spring 2024					
All facilities	6.36	6.06	2.87	4.90	4.83
Facilities with observation scores in both years	6.34	6.03	2.93	5.01	5.02
Facilities with a Preliminary designation in fall 2019	6.51	6.18	2.60	4.57	4.44
Facilities joining after Capital Quality launch	6.36	6.09	2.84	4.78	4.58
Difference in means					
Facilities with observation scores in both 2019 and 2024	0.26***	0.38***	0.02	1.14***	0.64*
Facilities that stayed and those that left after 2019	0.26***	0.61***	0.45+	0.42***	0.18
Facilities that left after 2019 and those that joined after 2019	0.75**	1.06***	0.38**	1.33**	0.39

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Source: Urban Institute's analysis of Capital Quality participation data, maintained by the DC Office of the State Superintendent of Education.

Notes: CLASS = Classroom Assessment Scoring System; ERS = Environment Rating Scale; ITERS-3 = Infant/Toddler Environment Rating Scale, Third Edition; FCCERS-3 = Family Child Care Environment Rating Scale, Third Edition. CLASS and ERS scores range from 1 to 7. For CLASS Pre-K outcomes, there were 48 facilities that left Capital Quality after 2019, 52 facilities that participated in both years, and 29 facilities that joined after launch. For ITERS-3 outcomes, there were 98 facilities that left Capital Quality after 2019, 16 facilities that participated in both years, and 61 facilities that joined after launch. For FCCERS-3 outcomes, there were 26 facilities that left Capital Quality after 2019, 11 facilities that participated in both years, and 17 facilities that joined after launch. Statistical significance indicates *p*-values from *t*-tests comparing means in fall 2019 and spring 2024: + = *p* < .1; * = *p* < .05; ** = *p* < .01; *** = *p* < .001.

Looking to the Future of Capital Quality

Child care Quality Rating and Improvement Systems are designed to increase families' access to high-quality child care by shifting child care supply toward higher quality designations. To achieve this, these systems provide professional supports and create market incentives to encourage quality improvement initiatives. Our analysis highlights how, during the first five years of Capital Quality implementation, DC successfully expanded the supply

of high-quality care. Although other child care investments could also have supported facilities' growth in quality, interviews with directors and other program leaders indicate that many of Capital Quality's strategies likely played an important role (Jimenez Parra et al. 2025). More broadly, this review of Capital Quality—including analysis of administrative data—may be instructive for policymakers seeking to identify levers for building the supply of high-quality child care.

About this Brief

In March 2025, OSSE engaged the Urban Institute to conduct a comprehensive review of Capital Quality to assess strengths and challenges of the current system, to explore how evidence and best practices in Quality Rating and Improvement System (QRIS) design and implementation have evolved since Capital Quality's launch, and to offer actionable recommendations for updating and improving the framework and its implementation. This review included analysis of administrative data, a scan of existing literature on QRIS models, and interviews and focus groups with local stakeholders.

To learn about facilities' quality improvement efforts, we analyzed scores from observations conducted between fall 2018 and spring 2019 (referred to as "fall 2019" in this brief for brevity) and compared them to observation scores conducted between spring and fall 2023 (referred to as "spring 2024"). These scores correspond with when quality designations were publicly posted. We focused on 131 facilities that received an observation score and did not receive a Preliminary designation in either year. We performed descriptive analysis and conducted statistical tests to document improvements in scores on observational instruments and shifts in designations between the two time periods. To compare facility-level improvements with broader system shifts, we assessed the differences in means estimated between this fixed sample of 131 facilities and across all Capital Quality participants in each year (188 facilities in fall 2019 and 212 facilities in spring 2024 that were observed and did not receive a Preliminary designation).

An accompanying brief by Nikolopoulos, Doromal, and Kuhns (2025) documents changes over time in Capital Quality participation and explores drivers of facilities' participation. Across both briefs, we provide context about how Capital Quality has helped to support the supply of high-quality child care throughout the District in its first five years of implementation. These briefs, along with a report on stakeholder reflections by Jimenez Parra and colleagues (2025), informed the development of recommendations for system improvement and reducing barriers to improving early learning quality (Kuhns et al. 2025).

Notes

- ¹ For more information on Capital Quality, see Office of the State Superintendent of Education, "Capital Quality (QRIS)," accessed November 18, 2025, <https://osse.dc.gov/page/capital-quality-qris>. Beyond Capital Quality, DC has high licensing standards as a foundation for quality child care, exceeding those found in most states.
- ² We only analyzed facilities' most recent observation, which generally occurred between fall 2018 and spring 2019.
- ³ Bassok, Magouirk, and Markowitz (2021, table A6) present a comparison of CLASS Pre-K scores across studies by domain.
- ⁴ These facilities might have left Capital Quality voluntarily (e.g., they are or were no longer participating in the child care subsidy program), or they could have closed operations altogether.
- ⁵ These facilities could have recently been approved to participate in the child care subsidy program, or they might not be in the subsidy program but recently elected to participate in Capital Quality.
- ⁶ We classify this group of facilities primarily because their observation scores are not represented in either 2019 or 2024, and thus we could not measure their growth. However, as they were both operational and participating in Capital Quality, they likely also engaged in quality improvement practices, some of which could be the result of Capital Quality resources.
- ⁷ Office of the State Superintendent of Education, "Education Requirements for the Early Childhood Workforce: Background and History," accessed November 18, 2025, <https://osse.dc.gov/ecerequirements>.

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