The League of Women Voters
Of Dane County presents...

Issues Forum

Child Care in Wisconsin

Parents Can't Afford to Pay
Providers Can't Afford to Stay

Speakers:

Jen Bailey, Executive Director of Reach Dane
Peggy Haack, Outreach Coordinator - Wisconsin Early Childhood Association

Wednesday, March 6, 2019
7:00 - 8:30 p.m.

Capitol Lakes Grand Hall
333 West Main Street in downtown Madison

The event is free and open to the public.
Free parking in the ramp across the street.
Bring your ticket into Capitol Lakes to get stamped.

For more information visit the League’s website at www.lwvdanecounty.org
or call 608-232-9447.
Discussion Questions

1. Have you or people you know experienced difficulty finding child care for a young child? What was the biggest source of the problem?
2. What was the most surprising thing you learned at this forum?
3. What national, state, or local policy changes, if any, would you support to improve access to child care?

Action steps:

1. Learn more about current proposals to improve access to child care.
2. Volunteer, join, or contribute to an organization that works on young children’s issues.
3. Contact your federal, state, or local representative about child care funding.
4. Attend a governmental meeting about child care, e.g. Madison Early Childcare and Education Committee, Dane County Health and Human Needs Committee, or the Governor’s Early Childhood Advisory Council (ECAC)
5. Review League positions on child care. Are they sufficient as they stand? Do they need updating?

Related League Positions:
LWVUS:

The League of Women Voters support programs, services and policies at all levels of government to expand the supply of affordable, quality child care for all who need it, in order to increase access to employment and to prevent and reduce poverty.


LWVWI:


LWV Dane County:

Human Services – Dane County [updated 2001]

Support of: . . .

3. Day care providers offering care and protection for children of low-income families as well as other cases of demonstrated need, with public support for such care.
WISCONSIN COST OF CHILD CARE

COST OF CHILD CARE

<table>
<thead>
<tr>
<th>CENTER</th>
<th>HOME</th>
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<tbody>
<tr>
<td>$12,268</td>
<td>$9,645</td>
</tr>
<tr>
<td>Annual Cost of Infant Care</td>
<td>Care for an Infant and 4 year old</td>
</tr>
<tr>
<td>$22,222</td>
<td>$18,256</td>
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ANNUAL COST COMPARISONS

Center-based Infant Care $12,268

Public University Tuition $8,962

Average Mortgage Payment $16,692

PERCENT OF INCOME SPENT ON CHILD CARE

<table>
<thead>
<tr>
<th>CENTER</th>
<th>HOME</th>
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<tbody>
<tr>
<td>Infant care for married family</td>
<td>13.6%</td>
</tr>
<tr>
<td>Two children for married families</td>
<td>24.6%</td>
</tr>
<tr>
<td>Infant care for single parent</td>
<td>48.9%</td>
</tr>
<tr>
<td>Two children for single parent</td>
<td>88.6%</td>
</tr>
<tr>
<td>Married family with two children at the poverty line</td>
<td>90.3%</td>
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</tbody>
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LIVING IN WISCONSIN

In Wisconsin, single parents pay 48.9% of their income for infant center care. Married parents of 2 children living at the poverty line pay 90.3% of their household income for center-based child care. The cost of infant care in Wisconsin is more than the annual cost of college tuition at a four year college.


Online Interactive Data - https://childcaredeserts.org/index.html?state=WI
SOME FACTS

ABOUT WISCONSIN EARLY CHILDHOOD PROGRAMS & FAMILIES...

- 54% of all Wisconsin residents live in a “child care desert.” Child care supply is especially low in rural areas with 68% of rural families living in areas without enough licensed child care providers.
- The cost of infant care exceeds the cost of in-state tuition in the University of Wisconsin system. High cost is attributed the very labor-intensive nature of the work and rising costs of meeting quality standards. Wages are suppressed and quality is sacrificed in order to improve affordability for families.
- Federal guidelines for best practices suggest child care subsidy reimbursement rates should be at the 75th percentile of market rate. Currently Wisconsin reimburses at approximately the 15th percentile.
- The number of children served by Wisconsin Shares child care subsidy program for low income families has drastically declined from 58,000 in 2008 to 39,000 today.
- Wisconsin invests in a Child Care Rating and Improvement System, YoungStar, that sets standards for the industry. Standards acknowledge the importance of a well-educated child care workforce, yet there is no positive return on one’s investment in higher education.

ABOUT THE WISCONSIN WORKFORCE & ECONOMIC DEVELOPMENT...

- In a poll of the Wisconsin Economic Development Association at a 2017 conference, 160 attendees ranked lack of available child care as the second highest challenge facing businesses.
- According to the CED, the total economic impact of the child care industry in Wisconsin is $1.75 billion.
- 79% of Wisconsin mothers of young children participate in the labor force.
- Providing families with financial support for child care reduces Wisconsin workforce turnover by up to 60%, lowers absenteeism and improves productivity.

ABOUT THE WISCONSIN CHILD CARE WORKFORCE...

- The early childhood workforce is more educated than the whole of the WI workforce: 52% have an associate degree or higher, compared to 41% of the overall Wisconsin workforce.
- The starting wage in child care is $10/hour; the median wage of a preschool teacher is $11.64/hr, and the average highest wage is $13/hour.
- Over half of Wisconsin’s ECE workforce receives at least one form of public assistance (e.g. FoodShare, BadgerCare, Earned Income Tax Credit, etc.)
- Just 17% of child care teaching staff are both eligible for and participate in employer-provided health insurance.
- There is an average 36% annual turnover rate of teaching staff in Wisconsin child care programs.
- Center-based, licensed family child care and certified family child care have all decreased in availability in the past ten years due to high turnover rates and an on-going staffing crisis; family child care in particular has decreased by more than 60%.

ABOUT OUR CHILDREN... Children who face greater adversity during the first years of life, like living in poverty, are at a greater risk of problems in their cognitive and emotional development. Prevention through high quality ECE can provide the support children need to mitigate the effects of poverty and build a foundation for a healthy and productive future.

REFERENCES: Data from the Wisconsin Dept. of Children and Families (DCF), Committee on Economic Development (CED), Child Care Workforce Study (2016) by COWS and UW Survey Center, Center for American Progress, Early Childhood Workforce Index 2018 (CSCE), Child Care Aware.

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2908 Marketplace Drive • Suite 101 • Fitchburg, WI 53719
"Conservatives and liberals alike recognize that early childhood development is critical to the well-being of the nation as a whole and even align on some possible policy approaches. This is the overwhelming conclusion of a nationwide survey conducted by the Bipartisan Policy Center in 2018. Americans recognize that hardworking families rely on access to high-quality care and early learning to support their engagement in the workplace and to support their children as they build a foundation that allows them to grow and succeed.

Today in Wisconsin access to good child care is a challenge. For too many families, child care is unaffordable or even unavailable, especially for those needing infant and toddler care - the most expensive care to provide. A significant decline in family child care homes has resulted in fewer choices for working parents and less access to the lowest-cost care. Meanwhile many child care centers are facing a staffing crisis; they cannot recruit and retain staff with the educational qualifications needed to provide high-quality care due to the low wages typical in the industry. These challenges have left 54% of Wisconsinites in "child care deserts" or areas where no care is available. Without dependable care, parents reduce their work hours or opt out of the workforce altogether.

Accessible and affordable child care increases labor force participation and supports state and local economic growth. In Wisconsin, the market for child care has a $1.75 billion impact on our economy. Without addressing the funding gap needed to sustain this industry, we will begin to see an even greater decline in the years to come with ripple effects touching almost all sectors of Wisconsin's workforce. So, how will policymakers in Wisconsin and around the country answer to this growing crisis? Wisconsin Early Childhood Association (WECA) proposes two immediate actions. These budget priorities are in line with those of the Early Learning Coalition and are explained in greater detail below:

- **Increase Wisconsin Shares child care subsidy payment rates.** Use available CCDBG and TANF dollars to increase Wisconsin Shares to 75% of market rate, the federally recommended rate.
- **Grow a stable and well-qualified workforce of early educators.** Increase funding for T.E.A.C.H. Early Childhood® scholarships and the REWARD Stipend program in order to improve and retain the child care workforce.

### Increase Wisconsin Shares Payment Rates

**Problem:** For more than a decade, a decline in investment in Wisconsin Shares has resulted in less access for many Wisconsin families, and consequently a dramatic decline in usage. Meanwhile costs of child care have risen, putting a significant burden on low income families to cover co-pays that include both the "family share" and the difference between cost of care and WI Shares assistance. With all we know today about early brain development, we must address the fact that without equal opportunity of access to quality care for all our children, the achievement gap seen in infants as young as 9 months old will continue to cause inequities in our state.

- Wisconsin Shares child care subsidy payments for working families have dropped so dramatically that 2018 subsidies covered the cost of only 15% of available child care slots statewide.
- The number of children supported by subsidies has dropped by nearly 20,000 since 2011.
- The number of family child care programs has declined by 61% over the last decade; this decline is especially significant in rural counties where the population cannot support large child care centers and where job loss exceeds job growth.

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Solution: Every Wisconsin family and every Wisconsin child deserves an equal opportunity; access to stable, affordable, high quality child care supports equal opportunity. While there have been some recent promising improvements in our subsidy system, these are far from what is needed. We recommend substantially increasing the WI Shares payment rates so working families have greater access to child care in their communities. To reach federally recommended guideline of 75% of market rate, the Legislative Fiscal Bureau estimates the cost at $62M over current spending.

Grow a Stable, Well-Educated and Better Compensated ECE Workforce

Problem: Child care is a very labor-intensive occupation and paying early childhood educators is the biggest single expense of operating a child care business. As we learn more about the importance of the first few years of life, demand for higher quality standards for early care and education has grown, to include better teacher preparation and more education. Financial support for higher education and incentives to retain staff are essential. Currently, child care programs respond to this problem by increasing fees for families and/or suppressing wages in what is already one of the lowest paid occupations in the nation.

- Over the past 2 decades, the T.E.A.C.H. Scholarship Program and REWARD Stipend Program have helped thousands of early childhood educators earn credentials and degrees, and encouraged them to stay in the field. Both need more funds. For example, an additional $750,000 this past spring semester would have allowed us to offer scholarships to all who had applied, but are now waiting.
- Wisconsin child care workers and preschool teachers (occupations as identified by the U.S. Bureau of Labor Statistics) have seen a 1% decrease in median wages over the last two years when adjusted for inflation - currently $10.03 and $11.64/ hour respectively.
- Roughly half of this workforce has an Associate degree or more education, well in excess of the 41% of the Wisconsin workforce as a whole. Yet the Wisconsin workforce as a whole with an Associate degree earns on average over $18 per hour.
- Due to low wages, 36% of Wisconsin's ECE workforce receives at least one form of public assistance (e.g. FoodShare or Badger Care).
- Low pay contributes to high turnover. The current annual turnover rate of the child care workforce is 36%, i.e. more than 1 in 3 leave each year, creating a staffing crisis for the industry.
- When child care programs cannot hire or retain staff, they close programs or reduce enrollment. This adds to lack of availability of care, creating "child care deserts." 54% of Wisconsin residents live in a child care desert; this increases to 68% for rural families.

Solution: We recommend an Increase in funding for both T.E.A.C.H. and REWARD in the next biennium to ensure eligible early childhood educators are supported to improve their skills and remain in this field.

References:
Dept. of Children and Families (DCF) 2017 Rate Analysis
Early Childhood Workforce Index 2018, Center for the Study of Child Care Employment, UC-Berkeley
With unemployment rates at historical lows and many employers having difficulty finding workers to fill their open positions, policymakers and employers alike are looking for available labor. In Wisconsin, the labor force participation rate is already well above the national average. Given the age structure and historical trends identified by Kures, Deller, and Conroy 2018 , raising the labor force participation rate further may require careful evaluation of the current constraints on labor availability. These constraints on labor force participation may include training or education mismatches, a lack of transportation, health limitations, or having a criminal record. In addition, finding affordable, reliable, high-quality childcare can be essential for working parents. Women’s work choices, in particular, seem to be acutely impacted by the responsibility of childrearing and securing childcare (Conroy 2018; Bivens et al. 2016).

[T]here may be some households where an adult who is currently caring for children would prefer to work some amount if they had a good childcare option. In such a case, enhancing local childcare options would expand the labor force. The potential for enhanced childcare to expand the labor force is easily evident if we compare male and female labor force participation rates. Young women and men under age 25 participate in the labor force at nearly equal rates, with women even slightly exceeding men in these early years. Beginning at age 25, however, female labor force participation rates drop below male rates and never reach equality in older cohorts. If prime age (25-54 years old) female labor force participation increased to the level of male labor force participation, there would be an additional 72,000 women in the labor force in Wisconsin.

Of course, it is unlikely that all 72,000 of these “missing female workers” would choose to work more given a desirable childcare option, but it does suggest that there is a relatively large pool of workers to consider. Further, this pool of female workers is likely relatively well-educated given that a larger share of women than men hold a bachelor’s degree in Wisconsin’s younger cohorts (Conroy, Kures, and Deller, 2017). Recent research shows that while young children have a negative effect on regional labor force participation for women, childcare availability has an offsetting positive effect on both female labor force participation and female entrepreneurship (Conroy 2018). If even a fraction of the women who are not in the labor force are affected by childcare, it may be worth policymakers, community leaders, and employers considering the local childcare offerings.

Though not costless or easy to address, support for affordable, stable, high-quality childcare options has potential to generate many benefits that go beyond increasing the labor supply:
• **Good for Workers.** Affordable, high-quality, reliable childcare gives adults with families the option to pursue work or education opportunities and thereby increase their income.

• **Good for Employers.** Enhancing childcare has the potential to expand the labor force at a time when many employers are finding it hard to fill positions. Further, retaining current employees once they have children to look after can save recruitment and training costs. With their children in reliable, affordable, high-quality childcare, adults are more productive at work through increased hours, missing fewer days, experiencing less stress, and even the option to pursue additional training (Bartik 2011). The notion of “presentism” comes into play: workers may be present at work but are not as productive as possible due to worries (stress) over the safety and care of their children in less than optimal childcare situations.

• **Good for Children.** Childcare is a setting for early childhood development. Quality childcare can enhance early childhood development and support individual outcomes through adolescence. Several studies have shown that investments in early childhood development are linked to higher test scores and graduation rates, as well as enhanced soft skills (Heckman 2005) and a lower propensity for crime (Rolnick and Grunewald 2003).

• **Good for Communities.** Support for early childhood development, such as high-quality childcare has widespread economic development benefits in that investing in human capital through childcare programs results in a more educated future workforce, and, as previously mentioned, lower crime rates (Rolnick and Grunewald 2003). In addition to these longer-term benefits, each dollar spent on childcare programs will get a roughly $2 return on investment (Warner 2009; Bartik 2011) as measured by income and jobs for residents.

Already communities in Wisconsin are developing innovative solutions to childcare. In Vernon County on the western edge of Wisconsin just south of La Crosse, Organic Valley and Vernon Memorial Healthcare with several other employers have come together to create a shared services network (Kirwin 2018). With grant support from the Medical College of Wisconsin, they have created a system for shared services and shared costs that helps keep childcare providers in business. They also have plans for a community supported relief squad that will provide backup staff in the event providers are unable to provide services. Such an initiative demonstrates how different players can collaboratively support stronger childcare at the community level and serve as one example for communities interested in working on this issue.

*The WIndicator Series is provided with support through the EDA University Center within the Center for Community and Economic Development, University of Wisconsin-Extension*
Request for Proposals from the City of Madison, to be released 1/25/2019 (Legistar item 54251). Grant of up to $535,000 to one or more providers in 2020.

1.1. Purpose . . . . The City is . . . seeking proposals from organizations to provide programming and services for young children and the early childhood care and education community and workforce. This is defined as individuals and programs primarily serving children ages birth to 5 years old.

The City of Madison’s Community Development Division’s programming is reviewed through the lens of its impact on poverty, racial equity, and social justice. . . . Proposals should demonstrate a commitment to equity and inclusion by the promotion of diversity (racial, socio-economic, ability, etc.) at all levels of the program and the implementation of strategic responses.

1.4. Measurements of Success Goals . . . . The programs should contribute to one or more of the following goals:
1. Increase access to high quality care for children who face multiple barriers to success (i.e. children living in poverty or facing housing insecurity, children with special needs, English language learners, etc.)
2. Create more opportunities for and access to infant and toddler care, especially in geographically underserved areas of Madison
3. Reduce expulsion and suspension of children in care
4. Increase skills and capacity for individuals working in child care programs to serve children with multiple barriers to success

The following are community-wide indicators of social change the City seeks to improve with this funding. . . .

- Increased collaboration and coordination between early childhood service providers
- Expansion of the capacity of all early childhood professionals to serve children with high barriers to success
- Reduction in the expulsion rate of children in child care
- Reduction in turnover of the early care and education field

Population Level Indicators
- Increased number of children served by high quality child care programs, especially if the program:
  - Serves infants and toddlers
  - Serves a high proportion of children with high barriers to success
  - Offer flexible schedules for parents
  - Is open for 2nd and 3rd shift care
  - Is in a geographically underserved area of Madison (see Attachment B for a map that shows households in poverty in Madison overlaid with the location of regulated child care providers)
  - Is accredited through the City of Madison
- Increased access and availability of supports to programs who seek to serve children with high barriers to success
- Increased number of children who are meeting developmental milestones and who are prepared to enter school socially, emotionally and academically
A Short and Incomplete Guide to Programs and Agencies that Work on Child Care

4-C - Community  Coordinated Child Care, Inc. (4-C) is part of a network of accredited, non-profit Wisconsin Child Care Resource & Referral agencies providing advocacy and support services for child care in Columbia, Dane, Dodge, Green, Jefferson, Rock, Sauk, and Walworth Counties. The agency strives to ensure that every child has access to high quality early care and education through integrated support and expertise.

Kids Forward (formerly Wisconsin Council on Children and Families) provides research and advocacy on issues related to children, families, health care, education, juvenile justice, equity, taxes, and similar subjects. The mission of Kids Forward is to inspire action and promote access to opportunity for every kid, every family, and every community in Wisconsin. We envision a Wisconsin where every child thrives.

Reach-Dane provides high-quality early childhood services to over 1,000 children ages 0-5 in Dane County through center based and home visitation programs. Our mission is to change the lives of underserved children and families through education and supportive services. The number of infants and toddlers experiencing homelessness enrolled in our programs has tripled over the last four years. Last year, Reach Dane served more homeless children than any other Head Start program in Wisconsin.

Reach Dane is the only agency in Dane County offering Early Head Start and Head Start, which provides a comprehensive system of support for families including physical and mental health, dental services, nutrition, and transportation. All of Reach Dane’s 15 centers are rated 5 stars in Young Star. In fact, Reach Dane enrolled 36% of all the Dane County children attending 5-Star centers who received a state child care subsidy.

Reach Dane offers a variety of program options designed to meet the individual needs of families. One program, Satellite Family Child Care (SFCC), is so unique that there is no other program of its kind in the country. SFCC provides city accreditation to family child care providers in the City of Madison, ensuring that providers have the support and resources they need to provide the highest quality programming for the children in their care.

The REWARD Stipend Program provides salary supplements to eligible child care professionals. Eligibility and experience requirements are explained at https://wisconsinearlychildhood.org/programs/reward/see-if-you-are-eligible/.

TANF (Temporary Assistance for Needy Families) is federally funded but is administrated by each state. TANF is a financial assistance program for low income families that have children and for pregnant women in their last three months of pregnancy. The program provides temporary financial assistance while at the same time helps TANF recipients find jobs that will allow them to support themselves.

T.E.A.C.H. Early Childhood® WISCONSIN provides higher education scholarships to professionals who work in regulated early childhood and school age care settings. Since its inception in 1999, T.E.A.C.H. has provided more than 14,000 scholarships to over 8,000 early childhood teachers to attend credit-based courses. Wisconsin Early Childhood Association (WECA) is a statewide, nonprofit organization serving as a professional association whose members care for and educate Wisconsin’s children, aged birth to eight. We are an affiliate of the National Association for the Education of Young Children (NAEYC).
WECA works to build a foundation for a lifetime of learning for Wisconsin’s young children by promoting excellence in early education programs, supporting professionalism among our members, and calling for a greater public investment in our future.

Wisconsin Shares Child Care Subsidy Program supports low-income working families by subsidizing a portion of the cost of quality child care while the parents or caregivers are working or participating in another approved activity. Wisconsin Shares is implemented locally by counties and tribes.

YoungStar is Wisconsin’s child care quality rating and improvement system. Its goal is to get low-income children into higher-quality child care programs and help them be prepared for school and beyond. The YoungStar program rates the quality of child care programs through a 5-Star system. Quality ratings are based on the educational qualifications of teachers and administrators, the learning environment and curriculum, professional and business practices, and child health and well-being practices. State law requires that child care programs that serve subsidized WI Shares children must participate in the YoungStar program.

For Further Reading
Wisconsin Department of Children and Families, Wisconsin Child Care Regulation Information, https://dcf.wisconsin.gov/ccregulation