



# A Coalition of Caring: How Wisconsin Advocates Are Building a System of Child Care for Infants and Toddlers

## Introduction

In 2020, approximately 40% of Wisconsin's working families with children under 5 years old did not have access to child care due to a lack of supply.<sup>1</sup> At the same time, early childhood professionals are leaving the field due to low wages, resulting in the closure of facilities. Meanwhile, working families are struggling to cover the mounting costs of child care. The trends in Wisconsin are not unique. Across the nation, states are grappling with the lack of accessible, affordable, and high-quality child care and services for young children.

[Wisconsin Early Childhood Association \(WECA\)](#) has served the needs of children, families, and child care providers for more than 45 years. In recent years, WECA gained momentum in addressing the state's pressing child care needs by pursuing two key approaches: (1) building a cross-sector coalition of advocates and (2) identifying goals and developing a strategic financing plan necessary to achieve their goals. Strategic financing work details the true costs of child care and maps existing funding sources available to support services for children and families. By comparing true costs alongside existing funds, communities identify critical areas and inequities to address, and advocates can then organize their efforts to increase investments.

Thanks to WECA's leadership and a coalition of cross-sector leaders, Wisconsin advocates now have a coordinated approach to advance state and local policies designed to support a high-quality sustainable model of child care. The coalition even secured several child care and early learning priorities in the governor's 2021-2023 state budget recommendations. Additionally, the Wisconsin state legislature recently approved an allocation of \$194 million in State Fiscal Recovery Funds through the American Rescue Plan to support early care and education.<sup>2</sup>

## Building the Coalition

To address Wisconsin's child care challenges, Ruth Schmidt, WECA's executive director, worked with

community partners to build a coalition designed to influence policies that impact child care and services for young children from the prenatal stage to age 3.

Coalition planning began in 2019 and received financial backing through private philanthropy to support operating costs. Schmidt helped catalyze the formation of the coalition along with initial planning partners including statewide associations of towns, counties, and municipalities; civic and faith-based organizations; health care associations; educators; United Way; and others. At this stage, there was a “tight planning team” made up of people working in the [Supporting Families Together Association](#)—a member association of child care resource and referral agencies—as well as Wisconsin’s Department of Children and Families, Department of Public Instruction, Head Start Collaboration Office, and advocacy networks, Schmidt explains.

To increase engagement among the private sector, Kimber Liedl, WECA’s business engagement director, built partnerships with business leaders from organizations like [Wisconsin’s Economic Development Association](#) to engage in the coalition and contribute to legislative action. Liedl applied her previous political experience working with Wisconsin governors and legislators to further the coalition’s reach and influence.

Paula Drew ensured that there was a strong provider voice in the coalition. Drew is the co-director of WECA’s [Wisconsin Early Education Shared Services Network](#). The shared network brings together family and center-based early care and education programs to pool resources and leverage economies of scale. Drew connected child care providers and their on-the-ground perspectives to the coalition’s work.

The WECA team’s work continues as the coalition has grown to include more than 40 organizations that make up the state collaborative team. The state collaborative team is responsible for driving efforts around the [Wisconsin Infant and Toddler Policy Project \(WITPP\)](#), an initiative to expand access to affordable, high-quality infant and toddler child care across the state.<sup>3</sup> The coalition first identified the scope of challenges that existed across the state’s child care system, which then informed WITPP’s goals and led to the development of a strategic financing plan to expand child care access across the state. This case study refers to this group as the coalition, state collaborative team, and the WITPP team interchangeably.

### *Engaging the community and gathering data*

Early in the planning stages, the coalition conducted parent surveys and hosted focus groups. A subset of coalition members also served as an internal planning team that met weekly to vet policies that balanced the needs of infants and toddlers, providers, and families alongside those of the community.

Through community engagement, the coalition collected dynamic data that it paired with data from Wisconsin’s Department of Children and Families. Having this source of state data proved to be a unique strength in early planning. Together, these sources of information provided a comprehensive view of child care needs across the state and exposed deep inequities along racial and socioeconomic lines that negatively impact access to quality services for children and families.

For instance, [Kids Forward](#), a community-based research and advocacy organization that supports children and families in Wisconsin and a member of the coalition, finds that “thirty percent of Wisconsin’s white children live in households below 200% of the poverty level, while nearly 80% of African-American children experience that level of economic insecurity. Meanwhile, about two-thirds of Wisconsin’s Latino and American Indian kids live in households below 200% of the poverty line.”<sup>4</sup> Similarly, Wisconsin’s Black families with children report food insecurity and housing instability at four times higher rates than their white counterparts, according to the [2021 KIDS COUNT® Data Book](#).<sup>5</sup>

“What we really see is that in the state of Wisconsin you have 1 percent of Wisconsin’s white children living in high poverty areas compared to 35 percent of African-American children and 18 percent of Latino children. So these disparities remain extraordinarily high,” Erica Nelson, advocacy director at Kids Forward, says in an article for [Madison 365](#).<sup>6</sup>

Moreover, the children who are most likely to live in high-poverty areas were the least likely to participate in the state’s subsidized child care programs prior to the COVID-19 pandemic. Among children served in Wisconsin Shares, one such program, “about 1 in 6 Black children (17.3%) and about 1 in 5 Asian and Pacific Islander children (21.3%) received high quality care, compared to about 1 in 3 among Latinx, Native American, Multiracial, and white children,” according to a [Kids Forward report](#).<sup>7</sup> The report continues that Black children received high-quality care, as defined by YoungStar ratings, through Wisconsin Shares at approximately half the rate of white children. These statistics remained consistent into 2020.<sup>8</sup>

## *Formalizing goals and planning*

Through community engagement, data collection, and research into economic and racial disparities the coalition mapped an extensive list of goals. At this stage, Schmidt partnered with [Children’s Funding Project](#) to lend expertise around public financing systems and to evaluate financial viability of the coalition’s goals. This work helped consolidate and crystallize the coalition’s three primary goals pertaining to Wisconsin’s infants and toddlers:

1. All low-income families have equitable access to the information and supports they need to promote optimal early childhood development and well-being.
2. All low-income families will have equitable access to a range of affordable, high-quality, culturally and linguistically responsive child care options that meet their employment and family needs.
3. The early childhood workforce will have the skills, training, and support to deliver high-quality care with commensurate compensation.

These goals define and drive the work of the state collaborative team. Jackie Anderson serves as WITPP’s project manager to organize the collaborative team’s operations and activities. In this role, Anderson supports coalition-building efforts and coordinates WITPP’s inner workings by facilitating quarterly meetings, preparing monthly newsletters, and communicating between the three subcommittees that make up the state collaborative team. Each subcommittee focuses on one of the collaborative’s goals. These subcommittees review policies and act as the decision-makers to advance their specific goal.

The state collaborative team identified the following plan to achieve its goals:

- Work with early childhood educators and other multisector partners to form a unified voice on the importance of infant and toddler care in Wisconsin.
- Build a strong network of early childhood education champions composed of research and advocacy organizations, business leaders, grassroots coalitions, philanthropic partners, early childhood educators, parents, chambers of commerce, and other community leaders.
- Advance a robust policy and budget action plan to support the critical needs of Wisconsin's low-income families with infants and toddlers.

### *Prioritizing equity work in the coalition*

The WECA team recognized that a focus on internal equity in WITPP's work was central when working toward its goals. WECA staff partnered with the Wisconsin Department of Children and Families to adopt the use of the [Equity Action Framework for Racial Equity in Early Childhood Systems](#) developed by Sherri Killins Stewart, EdD; Michelle Stover-Wright, MS; and Aisha Ray, PhD. WECA established equity councils to advise and support its equity work among coalition members.

Soon, WECA will apply the equity framework to engage professionals in the early care and education workforce. Meanwhile, the Department of Children and Families currently uses the framework to engage parents and families. WECA and the Department of Children and Families maintain communication and plan to share insights and outcomes that result from their respective equity work, which they will then incorporate into their advocacy.

## **Developing a Strategic Financing Plan**

With the state collaborative team in motion working toward its goals, the coalition focused on identifying the funding necessary to support those goals. Typical questions surfaced among the group:

- What funding sources already exist to support child care?
- How much does it cost to make child care accessible, affordable, and high quality statewide?
- What are the current child care subsidy rates?
- What are the funding gaps between cost of care and the state subsidy?
- How can the state set aside funds and/or generate new revenue to support children and families?

The coalition worked with Children's Funding Project to answer these questions by creating a [fiscal map](#) and [cost model](#) to inform a fiscal strategy.

### *Cost modeling and fiscal mapping*

Children's Funding Project completed a comprehensive [cost model](#) to decode the true cost of child care in Wisconsin. According to Schmidt, WECA's executive director, the value of the cost model to gain a clear view into spending "could not be overstated." Schmidt added that the most compelling

and instructive elements of the cost model were the examination of the state's child care costs and subsidy rates broken out by age group. The findings revealed that the subsidy rate for school-age children was 16% above the true cost of care. This was in dramatic contrast to the subsidy rates for infants and toddlers which were 72% *below* the true cost of care for infants and 51% *below* the true cost of care for toddlers. The cost model also added precision to understand variability between child care costs among home and center-based providers as well as levels of provider quality as defined by the state's YoungStar Quality Rating and Improvement System.

In tandem with the development of the cost model, Children's Funding Project created a [fiscal map](#) to detail existing budgets and funding sources for programs and services directly related to the infant- and toddler-focused priorities of the WITPP implementation plan and [federal COVID-19 child care relief funds](#) from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. With a completed fiscal map and an accurate accounting of the true cost of child care provided in the cost model, the state collaborative team could identify the gap between current funds available and additional funds needed to adequately invest in accessible, affordable, and high-quality child care. Together, this information helped determine the policy requests to elevate in the 2021 state budget session.

### *Preparing a strategic financing plan*

To address the funding gaps, WECA and the state collaborative continued work with Children's Funding Project to develop a [strategic financing plan](#). Strategic finance planning identifies ways to leverage existing funding sources and/or generate new sources of public revenue. The research around new revenue generation proved especially helpful, says Anderson, WITPP's project manager, since it enabled "honest conversations" among business leaders around what types of taxes the team could pursue that could be palatable to legislators. Understanding Wisconsin's taxing structures within a national perspective also allowed the team to compare options and explore new funding avenues, which prompted further dialogue among policymakers, Anderson adds.

## **Outcomes of Strategic Finance Planning**

The strategic finance planning provided the state collaborative team with access to powerful budget advocacy messaging and an identified path to pursue its goals. On February 9, 2021, Gov. Tony Evers released an overview of his 2021-2023 state budget proposal that included \$106 million in new funds for early care and education. The governor's recommendations reflected WITPP's priorities of providing bonus payments and per child stipends to providers to address quality, affordability, accessibility, and equity for children in a shared service model that included all types of care.

Unfortunately, Gov. Evers' proposal to make comprehensive [investments in child care did not pass as the legislature opposed the allocation of state funds](#).<sup>9</sup>

## Advocating for federal relief funds

When the COVID-19 pandemic became widespread, the work to secure funding based on the strategic financing plan shifted to address immediate needs and make use of the federal COVID relief funding packages. [Wisconsin received a combined \\$201 million](#) from the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) to invest in child care.<sup>10</sup> The state also allocated approximately [\\$80 million](#) of its CARES Act Coronavirus Relief Funds to support providers as part of the Child Care Counts Emergency Program.<sup>11</sup>

A third round of federal relief is available through the [American Rescue Plan](#). The American Rescue Plan allocated approximately \$580 million in [child care-specific funding to Wisconsin](#) through Child Care Stabilization Grants and Child Care Development Discretionary Funds. In addition, the state will receive \$2.5 billion in State and Local Fiscal Recovery Funds with eligible uses that include investments in child care, children, and families.

On February 10, 2022, Wisconsin's state legislature approved an allocation of \$194 million in State Fiscal Recovery Funds through the American Rescue Plan to support early care and education.<sup>12</sup> Investments align with WITPP's priorities and include the following:

- **\$112.3 million** to extend the monthly [Child Care Counts](#) payment program through the end of 2023;
- **\$30.6 million** to expand the [T.E.A.C.H.](#) and [REWARD](#) programs;
- **\$15.9 million** to pilot a child care assistance program aimed at connecting families receiving birth-to-3 services with high-quality, affordable child care;
- **\$10 million** to build an employer-supported child care program where employers can receive funding to secure local child care slots;
- **\$8.4 million** to continue and enhance the [Wisconsin Early Education Shared Services Network](#);
- **\$5 million** to build a statewide Infant Early Childhood Mental Health Consultation program to assist early care and education providers in addressing challenging behaviors and reduce program expulsions;
- **\$4.8 million** to expand early childhood-related services provided by Family Resource Centers;
- **\$2.5 million** to design a new grant program to assist child care providers in becoming regulated;
- **\$906,760** to implement an early childhood education workforce employee assistance program; and
- **\$480,000** to support healthy child development through evidence-based social-emotional tools.<sup>13</sup>

Additionally, combined funding from CRRSA and the American Rescue Plan's Child Care Development Block Grant has supported the creation of Wisconsin's [Partner Up! Grant Program](#) to enable essential businesses to purchase child care slots at existing regulated providers.<sup>14</sup> Wisconsin uses a cost modeling tool to determine the monthly true cost of care that sets the purchase price for businesses.

The WITPP state collaborative team also includes advocates from [Milwaukee Succeeds](#) who successfully secured \$7 million in City of Milwaukee American Rescue Plan funding to bolster child care and [fund innovative programs](#) to strengthen the early childhood education field in Milwaukee. WECA staff participated in [Milwaukee's Early Childhood Education Coalition](#) that helped secure the American Rescue Plan funding. The joint efforts between Milwaukee advocates and the WITPP state collaborative team demonstrate how local- and state-level advocacy networks can leverage their collective power to advance shared goals.

## Addressing Sustainability

In Wisconsin, and echoed across other states, federal COVID relief funding has highlighted sustainability challenges to address child care disparities in the short and long term. In the short term, some state legislators believe that additional state funding is unnecessary given the influx of federal funding specific to child care. At the same time, other state legislators seem reluctant to approve long-term plans that use currently available federal funding if those plans would require the commitment of state funds once federal relief ends.

Like most investments, diversification is important. Maintaining sustainable investments in programs and services that support children and families requires buy-in at the local, state, and federal levels. For example, local communities have successfully secured funds for children by creating [voter-approved children's funds](#).

Meanwhile, state legislatures also can initiate taxing options that provide a dedicated source of local funding for children. For example, Wisconsin has a local taxing option through the Community Service Fund via each local school district property tax levy. This dedicated source of funding is known as [Fund 80](#) and was added into the Wisconsin school funding formula through the legislature. The fund provides a portion of funding to nearly 200 child care programs across the state. Once established through the state, local funding sources such as Fund 80 can operate at the discretion of the local government or the school board to manage the use of the dedicated funds for children.

Schmidt and her WECA colleagues remain optimistic about the sustainability of individual programs and are encouraged by the coordinated efforts to build sustainability into models that support early learning and care across the state. Through the state collaborative effort, providers and partners are “working to build a system of child care where one doesn’t currently exist,” says Drew. In other words, the more that care providers and advocates work together to build a solid model of child care on the ground, the more power they can wield to make quality child care a policy and funding priority across the state.

## Lessons Learned

- Community engagement is integral for building a successful coalition and understanding the needs that exist for children, families, providers, and the community. Once a coalition defines its goals and financing strategies, advocates can influence policy at the local and state levels together.

- Coalitions do not need to be experts in everything. Seek out national partners with specific expertise and a national perspective to strengthen state and local work.
- Shifting policy and securing funds for children often requires a slow moving, long-game approach. Remember that mission-driven advocacy work does not begin or end in city halls and capitals. The work progresses on the ground, organized through coalitions coordinating with providers, families, and communities working together to achieve shared goals that ensure all children have equitable access to affordable, high-quality early learning and care.

## Acknowledgements

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- Jackie Anderson, project manager, Wisconsin Infant Toddler Policy Project
- Paula Drew, co-director, Wisconsin Early Education Shared Services Network
- Kimber Liedl, business engagement director
- Ruth Schmidt, executive director

To learn more about WECA's coalition building and fiscal strategy work, contact Jackie Anderson at [janderson@wisconsinearlychildhood.org](mailto:janderson@wisconsinearlychildhood.org).





# American Rescue Plan in Wisconsin: County Investments in Child Care

## **Calumet County: \$689,783**

County investments to recruit and retain child care professionals by offering entry-level training, incentives through discounts for child care, and staff bonuses. Each facility will receive assistance through a quality support specialist.

## **Door County: \$438,500**

The county intends to hire a new, full-time staff coordinator at the Door County United Way to support the recruitment, retention, and training of child care providers in the area. Funds also will establish start-up and expansion grants for home-based child care.

## **Richland County: \$335,099**

The county will use funds to offer grants up to \$150,000 to local child care programs to cover operating, staffing, and building expenses.

For more examples of how Wisconsin cities and counties are allocating their American Rescue Plan funding, visit Children's Funding Project's online [American Rescue Plan database](#). Please note that we update content in the database on a rolling basis as new information is available. To learn more about how local communities are using funding from the American Rescue plan, watch the Children's Funding Project webinar [How States and Communities Are Maximizing American Rescue Plan Funding for Kids in 2022 and Beyond](#). This webinar highlights work from Milwaukee along with examples from across the United States of how localities are using federal relief funds to support children and youth.

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# Endnotes

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## ABOUT CHILDREN'S FUNDING PROJECT

Children's Funding Project is a nonprofit social impact organization that helps communities and states expand equitable opportunities for children and youth through strategic public financing.

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