



What's Good for Wisconsin's Young Children is What's Good for Wisconsin

STATE BUDGET PRIORITIES: 2019-2021

“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, it's either unaffordable or unavailable—especially for those needing infant and toddler care. When dependable care can't be found, parents decrease their work hours or opt-out of the workforce completely. We have seen a steep decline in family child care programs, and, due to the low wages typical in the industry, child care centers are struggling to recruit and retain staff with the educational qualifications needed to provide high-quality care. This crisis has led to a growing number of “child care deserts;” 54% of Wisconsin residents live in an area where demand for child care exceeds availability.

We know that accessible and affordable child care increases labor force participation and supports state and local economic growth. In Wisconsin, this child care market has a \$1.75 billion impact on our economy. We must address the funding gap needed to sustain this industry that in turn supports the greater Wisconsin 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 align with the goals of the Early Learning Coalition:**

- **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. **Minimally increase funding for T.E.A.C.H. Early Childhood® scholarships and the REWARD Stipend program by \$1.6M in each year of the biennium** to eliminate current waiting list for scholarships.

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 cost of child care has risen, putting a significant burden on low income families to cover the remaining balance. 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.

Solution: Every Wisconsin family and every Wisconsin child deserves an equal opportunity; access to stable, affordable, high quality child care supports equal opportunity. **We recommend substantially increasing the WI Shares payment rates so that working families have greater access to child care in their communities. To reach the 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 this 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 as this important field is one of the lowest paid occupations in the nation.

- 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. Median wages for center directors experienced an 8% decrease in the same time period (\$19.53/hour).
- Due to low wages, 53% of Wisconsin’s ECE workforce receives at least one form of public assistance.
- Low pay contributes to high turnover. The current annual turnover rate of the child care workforce is 36%, with one out of three teachers leaving their classroom each year which impacts quality of care.
- When child care programs cannot hire or retain staff, they close programs or reduce enrollment, leading to less choices for families.

Solution: 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 degrees and encouraged them to stay in the field. Both need more funds. **We recommend increasing funds by an additional \$1.6 million in each year of the 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
- Dresser, L., Rodriguez, J and Meder, M. (2016) *“Wisconsin’s Child Care Workforce: Wages, Benefits, Education and Turnover of the Professionals Working with Wisconsin’s Youngest Children”*
- Child Care in State Economies – 2019 Update (Wisconsin Facts). Committee for Economic Development (CED), Arlington, VA