

POLICY SNAPSHOT

UNDERFUNDING AT THE MOST CRITICAL TIME:

THE IMPACT OF WISCONSIN'S LACK OF INVESTMENT INTO EARLY CARE AND EDUCATION

SNAPSHOT AT A GLANCE: KEY TAKEAWAYS

- **Wisconsin is one of only six U.S. states that invests no additional public dollars into child care beyond federal funding and required state matching funds.**
- **Underfunding impacts everyone: It increases costs for families, contributes to billions of dollars in lost economic productivity, and makes care less accessible.**
- **The first three years of a child's life are the most critical for brain development – they hold the opportunity for the greatest return on investment for spending more state general purpose revenue into early care and education.**



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CHILD CARE FUNDING IN WISCONSIN

In the United States and Wisconsin, child care has long been considered a private responsibility primarily financed by parents and guardians. Unlike public education and state-funded preschool, child care receives limited public investment. In Wisconsin, this includes federal funds from the **Child Care Development Fund (CCDF)** and **Temporary Assistance for Needy Families (TANF)**. To access the full amount of federal funds allocated to Wisconsin, the state must contribute its required share, referred to as **Maintenance of Effort (MOE)** and match contributions, a calculation based on child population and income data. In 2024, Wisconsin provided \$39.8 million to meet this requirement.ⁱ These combined federal and state dollars pay for child care subsidies to families earning less than 200% of the Federal Poverty Level (\$53,304 for a family of 3).ⁱⁱ The remaining funds support services connected to the child care sector, including quality of care and child care regulatory compliance initiatives.ⁱⁱⁱ



STATE INVESTMENT RANKING

Wisconsin is one of only six states in the U.S. that invests no additional public dollars into child care beyond federal funding and required state matching funds.¹ On average, state investment across the U.S. for child care and preschool is \$1,300 per child, with a high of \$8,000 per child in the District of Columbia. These funds help administer initiatives that support the early care and education workforce, keep tuition low for parents, and build child care supply.^{iv}

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¹ The six states are Idaho, Indiana, Nevada, Ohio, Wisconsin, and Wyoming. Nevada, Ohio, and Wisconsin invest in pre-K, but not child care (beyond the federal match and maintenance of effort).

Child Care Aware of America collected funding data on 44 states across the U.S. in the report, [2025 State Funding for Child Care & Early Learning](#). The data show Wisconsin ranks 38 out of 44 states on per-child spending when combining state taxpayer dollars spent on both child care and pre-kindergarten initiatives, placing it in the bottom 15% nationwide. In fact, Wisconsin spends less than 1% of what it allocates to K-12 students from its general revenue on children under age 3.²

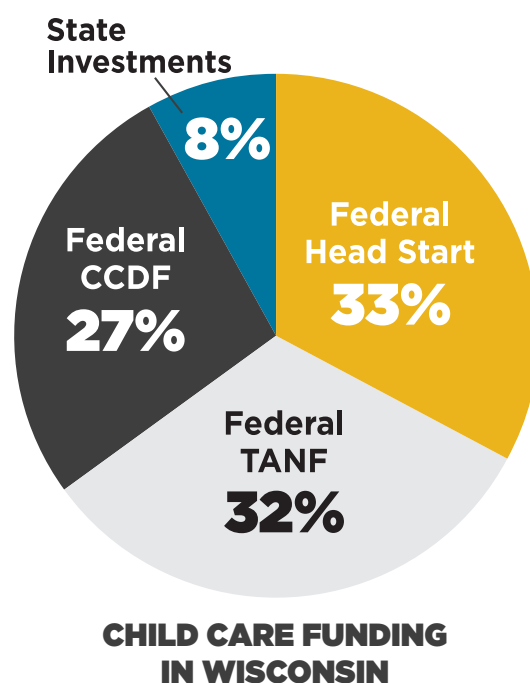
Wisconsin Spending on Care and Education Calculated per Child by Age		
Age of Child	Total Population x Age ^v	State Spending per Child ^{vi}
0-3 yr	261,432	\$44.50
4yr-5yr (4K)	130,556	\$4,880.50
6yr-12yr	502,527	\$8,104.50

The MOE and match funds provided by Wisconsin to draw down the federal block grant are the only state dollars allocated to child care and they provide child care subsidies for children ages 0-12. While there is not an established per child amount, this calculation divided the total MOE and match dollars (\$39,805,320) by the total number of children ages 0-12 (894,515) to determine a per child amount of \$44.50. Wisconsin Department of Public Instruction (DPI) provides a per-pupil amount for both 4K (\$4,030) and K-12 (\$8,060) education.^{vii}

UNDERFUNDING IMPACTS EVERYONE

- Parents pay a lot: exceeding \$12,344 for infant care.^{viii} Wisconsin child care costs are higher than 28 other states.^{ix}
- The availability of child care decreases with less funding available. Currently, only 13% of infants are in regulated child care settings.^x
- Lack of funding negatively impacts the economy by billions of dollars each year.^{xi}

This shortage of care comes at a critical time, when a child's brain is developing more rapidly than at any other stage of life and the incomes of young families are most strained.^{xii}



²State spending per child for children 0-3 is \$44.50/year. This amount divided by the state spending per year for K-12, \$8,104.50 amounts to .05%.

REFERENCES

- ⁱ Department of Children and Families. (2025). *Unpublished data provided in response to a request from WECA.*
- ⁱⁱ Department of Children and Families. (2025). [Wisconsin Shares for parents and caregivers.](#)
- ⁱⁱⁱ Department of Children and Families. (2014). [Child care and development block grant act of 2014.](#)
- ^{iv} Child Care Aware. (2025). [2025 state funding for child care & early learning.](#)
- ^v Team 3si. (2025). [Public resources.](#)
- ^{vi} Wisconsin Department of Public Instruction. (2025). [Comparative cost per member.](#)
- ^{vii} Wisconsin Department of Public Instruction. (2025). [Comparative cost per member.](#)
- ^{viii} Department of Children and Families. (2024). [2024 Child care market survey results.](#)
- ^{ix} Child Care Aware of America. (2023). [Child care at a standstill: 2023 affordability analysis.](#)
- ^x Department of Children and Families. (2025). Unpublished data provided in response to a request from WECA.
- ^{xi} ReadyNation. (2023). [The infant-toddler child care crisis extracts a heavy economic toll nationwide.](#)
- ^{xii} First Things First. (2025). [90% of brain growth happens before kindergarten.](#)



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