

# Are we at the crossroads for Wisconsin child care?<sup>[1]</sup>

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**Source:** Wisconsin Council on Children and Families

**Format:** Report

**Publication Date:** 10 Aug 2016

## AVAILABILITY

Full report PDF<sup>[2]</sup>

### Executive summary

The Wisconsin Shares child care subsidy program (WI Shares), launched in 1997 as part of new welfare reform measures, was developed to support low-income families coming off welfare going to work, and to help low-income working families stay off of welfare.

The YoungStar quality rating and improvement system began in the fall of 2010, to: (1) promote higher quality by helping programs move up through a 5 Star rating system; and (2) provide better information to parents about the quality of early learning programs that they may access for their children.

The two pillars of Wisconsin's child care system, WI Shares and YoungStar, are out of sync. While our state has built YoungStar, which is a good thing, the WI Shares child care subsidy program—once a strong support system for children, families and child care programs—has been seriously eroded and threatens to undermine the YoungStar quality improvement efforts.

A quality child care system works by: (1) helping children thrive so they are ready for school and beyond, (2) supporting working families, (3) gaining a significant return on investment, and (4) strengthening Wisconsin's economy. WI Shares and YoungStar together hold the possibility of meeting these important goals.

YoungStar has made a great deal of progress and also has great promise for future success in improving the quality of child care in Wisconsin. But there are obstacles to sustaining this progress. Our analysis shows that there is a big gap between the total expenses required to operate a quality program and the available revenue.

WI Shares has undergone a huge drop in the number of children participating, especially in rural areas. There has also been an almost \$131 million decline in total payments to providers, and an 18% reduction in average monthly payments per child over the last 7 years. There are many reasons for this decline, but the end result is that low payment rates undermine sustainable high-quality child care.

WCCF has four recommendations to get us back on the right track for developing and maintaining a sound child care system:

1. ECAC Recommendation: Direct Support to High-Quality Programs
2. Improve Child Care Payment Rates
3. Incentives to Maintain a Quality Child Care Workforce
4. Ongoing Research

The success of YoungStar and WI Shares depends on making critical investments that prioritize child wellness. We are confident that the recommendations will lead to healthier children, stronger communities, and a vital and viable economy that benefits us all.

**Related link:** Report details funding problems in Wisconsin's child care quality improvement system<sup>[3]</sup>

**Region:** United States<sup>[4]</sup>

**Tags:** quality<sup>[5]</sup>

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