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New Report Examines Difficulty of Maintaining Child Care Subsidy Policies Stagnant Federal Funding Creates Strain in Wisconsin Shares Budget

A new report from the National Women's Law Center underscores the challenges states face in maintaining child care assistance programs at acceptable levels. NWLC provides an annual state-by-state analysis of child care subsidy policies, including income eligibility structures, copays, and other program parameters. This year's analysis illustrates that flat funding from the federal government has made it increasingly difficult for states, including Wisconsin, to avoid waiting lists, keep family copays affordable, and reimburse providers at a reasonable rate.

"The Wisconsin Legislature and Gov. Doyle have done a commendable job of protecting our Wisconsin Shares child care subsidy program in the face of immense budgetary pressure," said Charity Eleson, executive director of the Wisconsin Council on Children and Families (WCCF). "But it's not clear how much longer the current situation will be sustainable. We need the federal government to step up and make a financial commitment to child care. States can't do it alone."

The Wisconsin Shares program, a centerpiece of the state's package of supports for low-income families since the welfare reforms initiated over a decade ago, provides subsidies for families at or below 185 percent of the federal poverty level; once enrolled, families may remain in the program until their income exceeds 200 percent of poverty.

In the face of growing imbalances in the state budget, Wisconsin will have a hard time maintaining the program's current policies with regard to copays, waiting lists, income eligibility and payments to providers in the long run. According to Eleson, federal funding, which has failed to keep pace with increased costs, is the key to keeping Wisconsin Shares strong.

"In the face of increasing economic pressures on Wisconsin's low-income working families, the demand for the Shares program has continued to grow. It's an essential support for families, but one that will need an additional infusion of dollars in order to remain financially viable," Eleson said. "The reality is that without increases in the federal Child Care Block Grant to reflect the changing economic landscape, programs like Wisconsin Shares are going to suffer."

Research has shown that investing in quality early care and education pays off in the long run through improved outcomes for children and families, reducing the cost of other remedial programs down the road. WCCF advocates strong government investment in access to early care and education, as well as initiatives to improve program quality through incentives and training.

The NWLC report is available online at <http://action.nwlc.org/subsidyreport>.