

Wisconsin Council on Children and Families  
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## Early Learning Matters – Special Edition Governor’s Budget Related to Early Care and Education

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### **1. CHILD CARE**

#### **a) Cuts to Child Care: Wisconsin Shares Child Care Subsidy Program**

Wisconsin Shares helps low-income working families afford child care. The Governor’s budget would dramatically reduce funding for this program by over \$112 million in each year of the biennium, from the \$402.5 million base in fiscal year 2011 to \$290 million in 2012 and \$288 in 2013. Under the proposal, the Department of Children and Families has authority to take any of the following actions:

- Implementing a waiting list, increase copayments, tightening eligibility, and adjusting payment rates to child care providers;
- Paying lower rates to child care programs rated at the 2-star level (on a 5-star scale) in the YoungStar quality rating and improvement system; and
- Disqualifying child care programs who receive a low rating (1-star) in YoungStar.

The cuts are less severe than they appear because Wisconsin Shares expenditures were well below the \$402.5 million budget for the 2009-10 fiscal year, due to lower participation and lower cost per child. The budget request from Department of Children and Families (DCF) in fall 2010 proposed base funding of \$342 million for Wisconsin Shares, and the Legislative Fiscal Bureau estimated even lower expenditures of \$296 million in the current fiscal year. Estimating future growth of participation in Wisconsin Shares accurately as the economy recovers and more families find jobs may be difficult.

Temporary Assistance to Needy Families (TANF) has been a major funding source for Wisconsin Shares, so it is significant that the Governor’s proposal transfers \$37 million in TANF funds each year to Earned Income Tax Credits, freeing up state general funds for other uses.

To see Milwaukee Journal Sentinel article go to:  
<http://www.jsonline.com/news/statepolitics/117193763.html>

#### **b) YoungStar Changes: Tiered Reimbursement Reductions**

YoungStar is a program begun in 2010 to help child care programs improve their quality and to provide ratings on a 5-star scale. The initial design for YoungStar, approved by the Joint Finance Committee in 2010, included fiscal incentives to programs that met higher quality standards—a tiered reimbursement system. The Governor’s budget would implement the tiered reimbursement system, which makes Wisconsin Shares payments based on the quality rating of a program, but

with significant changes that would reduce quality incentive payments for 3-5 star programs and reduce payments to 2-star-rated programs. The changes are shown below:

<b>YoungStar Rating of Child Care Provider</b>	<b>Impact on WI Shares Payment: Initial Plan</b>	<b>Impact on WI Shares Payment: Governor's proposal</b>
One Star	No reimbursement	No reimbursement
Two Stars	No change	5% reduction
Three Stars	5% increase	No change
Four Stars	10% increase	5% increase
Five Stars	25% increase	10% increase

**To see Wisconsin State Journal article and editorial on YoungStar, go to:**

[http://host.madison.com/wsj/news/local/govt-and-politics/article\\_b0092c4c-46a5-11e0-833b-001cc4c002e0.html](http://host.madison.com/wsj/news/local/govt-and-politics/article_b0092c4c-46a5-11e0-833b-001cc4c002e0.html) and [http://host.madison.com/wsj/news/opinion/editorial/article\\_728f2192-5f86-5624-b39c-0ad09c8d2f7a.html](http://host.madison.com/wsj/news/opinion/editorial/article_728f2192-5f86-5624-b39c-0ad09c8d2f7a.html)

**c) Increase in Child Care Quality Improvement Efforts**

The Governor's budget proposal increases the base budget for child care quality improvement efforts, called "Quality Care for Quality Kids" in the proposal, building on allocations in the 2<sup>nd</sup> half of 2010 to help get YoungStar off the ground. The "quality" budget increases from \$5,384,600 in 2010-11, to over \$13 million in each year of the 2011-13 biennium. Most of the increase is for the YoungStar quality rating and improvement system—more than \$7 million per year) and for the TEACH Early Childhood scholarship and bonus program ( \$500,000 more in both years compared to the 2010-11 base).

<b>2010-11 base</b>	<b>2011-12 Governor's Proposal</b>	<b>2012-13 Governor's Proposal</b>
<b>\$5,384,600</b>	<b>\$13,486,700</b>	<b>\$13,169,400</b>
<p><b>Includes:</b>            \$3,475,000 TEACH Early Childhood            1,298,600 CC Resource &amp; Referral            498,000 Technical Assistance  <u>113,000 Child Care Info Center</u>  <b>\$5,384,600</b></p> <p><i>Note:</i> In June and December 2010, Joint Finance approved \$9.6 m. to begin YoungStar efforts, including \$500,000 addition to TEACH; \$2.9 m. for training and technical assistance; and funding for microgrants, quality assurance monitoring, and state level administration. The Department of Children and Families contracts with a consortium of agencies (Wisconsin Early Childhood Association, Supporting Families Together Assn, and Celebrate Children Foundation) to implement most of these activities.</p>	<p><b>Includes:</b>            \$3,975,000 TEACH Early Childhood            \$1,298,600 CC Resource and Referral            \$491,000 Training and technical assist.            \$120,000 Child Care Info Center  <u>\$7,602,100 YoungStar ORIS</u>  <b>\$13,486,700</b></p> <p>The YoungStar budget includes additional training and technical assistance, quality assurance monitoring, and microgrants to child care providers.</p>	<p><b>Includes:</b>            \$3,975,000 TEACH Early Childhood            \$1,298,600 CC Resource and Referral            \$491,000 Training and technical assist.            \$120,000 Child Care Info Center  <u>\$7,284,800 YoungStar ORIS</u>  <b>\$13,169,400</b></p> <p>The YoungStar budget includes additional training and technical assistance, quality assurance monitoring, and microgrants to child care providers.</p>

#### **d) Child Care Licensing and Child Care State Administration**

The budget proposal for child care licensing and child care state administration is \$21.1 million in both years of the biennium, with \$8,767,000 per year used for child care licensing activities. This budget item includes funding for administration of YoungStar: \$725,100 in year one, and \$719,400 in year two.

### **2. FOUR-YEAR-OLD KINDERGARTEN (4K)**

Four-year-old kindergartens across the state are likely to be affected by the more than \$800 million in cuts to public schools in the Governor's budget. 4K is funded through the school funding formula, which is taking a significant cut. Currently 85 percent of school districts offer 4K. Under the proposal the \$1.5 million in 4K start-up funding would continue with a 10% cut, resulting in \$1.35 m. per year.

### **3. STATE HEAD START SUPPLEMENT**

The state funding that supplements federal Head Start in Wisconsin would continue, but with a 10% cut, resulting in \$6.26 million per year.

### **4. HOME VISITING**

State funding for home visiting would continue at \$985,700 in the Governor's budget. This funding is needed to leverage federal home visiting funds, by meeting state maintenance of effort requirements.

## **Mark your calendars**

#### **Tuesday, March 29, Advocate & Lobby for Kids Day**

Join WCCF for this interactive, advocacy training that will include state budget and legislative session briefings with question and answer time. You'll connect with peers from around the state, have lots of time for networking, learn valuable skills, and leave with tips and connections to enhance your advocacy efforts. And you will be able to put your skills right to work with a visit to YOUR state senator and representative! Go to:

[http://www.wccf.org/event\\_advocacy\\_training\\_2011.php](http://www.wccf.org/event_advocacy_training_2011.php)

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Hey !!--- Go to WCCF's Blog for the latest in children and family news:  
<http://www.wiskids.blogspot.com/>

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