

**Testimony**  
**Joint Committee on Finance**  
**Public Hearings on the 2009-11 State Budget**  
**April 3, 2009**

**David Edie, Early Education Policy Analyst**

**Improving Early Learning**

I am testifying on behalf of the Wisconsin Council on Children and Families to support an agenda developed by the Wisconsin Early Learning Coalition to help children get a great start:

- 1. Child Care Quality Rating and Improvement System:** I strongly support the Governor's proposal for a quality rating system. I also support an additional \$3 million for quality improvement efforts that would strengthen the Governor's proposal. We believe the additional \$3 million can be funded primarily by available federal stimulus earmarked for child care quality improvement.
- 2. 4-Year-Old Kindergarten (4K) Start-up:** I support the Governor's proposal to increase funding for start-up grant for 4K.
- 3. Home Visiting:** I support efforts to strengthen home visiting and to expand training on research-based practices.
- 4. Child Care Tax Credits:** I support building on existing child care deductions by establishing tax credits that are linked to use of high-quality child care.

These efforts are all intended to increase children's access to early learning and development during their first five years. As you know, research provides compelling evidence that investing in high quality early care and education is a wise high-yield investment that prepares children for school and prevents later problems.

**Wisconsin Should Establish a Quality Rating and Improvement System**

I wanted to emphasize the importance of your support for a child care quality rating and improvement system. Wisconsin spends \$375 million for the Wisconsin

Shares subsidy program to help low-income families afford child care, but only a small fraction of that (\$10 million) goes to help ensure the quality of the services provided. As the budget for Wisconsin Shares has grown over the last 8 years, investments for quality continue to decline (see attachment).

The establishment of a quality rating and improvement system is an important effort to assure that we are spending Wisconsin Shares funding wisely, and that the 60,000 children funded are receiving services that help them develop and learn so they are ready for school. These children are at high risk of school failure—half are in poverty, and all live in low-income families, with 90 percent in single-parent families. An effective quality rating and improvement system can be the foundation for efforts to improve early learning for these children.

More than 20 states are operating quality rating systems. North Carolina reports that their system, enhanced by training and technical assistance, has transformed the quality of their child care statewide. Pennsylvania found that its Keystone STARS system has reversed a trend of declining quality. And Oklahoma’s evaluation of its “Reaching for the Stars” system has found a significant increase in the quality of programs serving subsidized low-income children. We have attached a one-page information brief on quality rating and improvement systems.

Our understanding of the federal stimulus package is that \$5 million is earmarked for child care quality improvement efforts (see attachment). Only \$2.7 million of that appears to be allocated in the Governor’s budget proposal. We assume the details of the federal stimulus funding as federal details are more available. If our \$5 million estimate is correct, we support that all those funds go to the establishment of a strong quality rating and improvement system.

Thank you for your consideration.

David Edie  
Early Education Policy Analyst  
Wisconsin Council on Children and Families

**Attachments:**

1. Table Showing Declining Investment in Child Care Quality
2. Analysis of Federal Stimulus Funds for Child Care Quality
3. Information Brief on Quality Rating and Improvement Systems  
([http://www.wccf.org/pdf/QRIS\\_ece\\_032509.pdf](http://www.wccf.org/pdf/QRIS_ece_032509.pdf))

## Attachment 1

### Wisconsin Child Care Quality Budget <sup>1</sup> 1994-2009

<b>STATE FISCAL YEAR</b>	<b>QUALITY BUDGET <sup>2,3</sup></b>
<b>1994-95</b>	<b>\$ 4 million</b>
<b>1996-97</b>	<b>\$ 7 million</b>
<b>1998-1999</b>	<b>\$ 6 million</b>
<b>2000-2001</b>	<b>\$38 million</b>
<b>2001-2002</b>	<b>\$33 million</b>
<b>2002-2003</b>	<b>\$35 million</b>
<b>2003-2004</b>	<b>\$15 million</b>
<b>2004-2005</b>	<b>\$13 million</b>
<b>2006-2007</b>	<b>\$12 million</b>
<b>2007-08</b>	<b>\$10 million</b>
<b>2008-09</b>	<b>\$10 million</b>

Prepared by Dave Edie and Jon Peacock, Wisconsin Council on Children and Families, 10/07.

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<sup>1</sup> “Quality” budget items include items that are intended to improve the quality and supply or child care services, provide information to consumers, and promote health and safety, including: professional development (scholarships and salary stipends), licensing and regulation, Child Care Resource and Referral, technical assistance, quality or start-up grants to providers, quality grants to local communities, and related items. In past budgets these were sometimes referred to as “indirect child care.”

<sup>2</sup> The budget comparison is for budget developed for the use of federal and state Child Care and Development Fund (CCDF) dollars. This comparison does not include other budget items related to child care. The budget totals are not controlled for inflation.

<sup>3</sup> A large percentage of the budgets for 2000-01 through 2002-03 was for quality grants to local communities that provided local match: \$26 million in 2000-01, \$25 million in 2001-02, \$17 million for 2002-03.

## Attachment 2

### **2009 Federal Stimulus Funding Child Care and Development Block Grant Wisconsin**

(based on estimates from the Center for Law and Social Policy)

\$30,493,314	Total Wisconsin Allocation
\$2,520,848	Set Aside for Quality Initiatives
\$1,459,902	Set Aside for Infant/Toddler Care
\$1,060,503	Required 4% for quality (4% applied to the total allocation minus set-asides)
<b>\$5,041,253</b>	<b>TOTAL Required for Child Care Quality Efforts</b>
<b>\$25,452,061</b>	<b>Amount Available for WI Shares Direct Services</b>

**To see estimates for Wisconsin child care allocations from the stimulus package, go to:**

**[http://clasp.org/publications/aara\\_childcarestatealloc.pdf](http://clasp.org/publications/aara_childcarestatealloc.pdf)**

Analysis by Dave Edie, Wisconsin Council on Children and Families, based on CLASP information, 3/20/09.