Alternative Models for an Early Care and Education System

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The Department of Health and Human Services, Administration for Children and Families, Child Care Bureau began funding the Wisconsin Child Care Research Partnership (WCCRP) in October, 2000 as one of nine Research Partnerships across the United States committed to studying child care quality for low-income children.

University of Wisconsin-Extension, Wisconsin Department of Workforce Development-Office of Child Care, and Wisconsin Child Care Resource and Referral Network joined in partnership to assess the quality of child care in Wisconsin, with a particular focus on child care for low-income children. Principal Investigators for the Research Partnership include: Mary Roach, Diane Adams, Dave Riley, and David Edie.

Results of WCCRP findings are presented in a series of Brief and to the Point Issue Briefs. These results, as well as summaries of national research, are now shared in this series on public policies for early childhood care and education.

Our aim with these Public Policy Options Papers is to share research-based knowledge about early care and education issues, and to be an objective presenter of alternatives and the likely consequences of public policy options.

University of Wisconsin-Extension

Congress established Cooperative Extension in 1914 as a partnership among federal, state, and local governments.

“Quite simply, UW-Extension is the people of Wisconsin and their university working together to apply university knowledge and resources to the current needs of their families, professions, businesses and communities. Its practical, issue-focused, problem-solving education is designed to help local citizens and leaders improve the state’s economy, protect its environment, enhance the viability of its communities, and enrich the quality of their lives and work.”

Kevin P. Reilly,
Chancellor, UW-Extension

Cooperative Extension...

- Is often cited as an example of a successful technology-transfer organization.

- Takes research-based knowledge from the university and makes it usable by the public and policy-makers. *This series of Public Policy Options Papers provides one example of how we put research-based knowledge into action.*
What National Experts Are Saying About Early Care And Education...

Times are changing...

“Five or ten years ago, there was little talk of an early care and education system; few dared to look beyond individual programs to discern or address the field’s common infrastructure needs. Now, in contrast, communities and states across the nation are beginning to address such issues....

The question is no longer whether a reform movement in early care and education is going to take place. The question is: will reform remain haphazard and loosely organized, or will it harness the crucial supports needed to surge forward with a coherent vision and strategy? The quality of daily life for millions of American children and families hinges on how the United States solves-- or fails to solve—the quality crisis in early care and education.”


Invest in children...

“…research indicates that it will be more costly in the long run if we don’t take better advantage of the ‘opportunity time’ that children spend in child care to prepare them for the great expectations we have for them in school. Our nation should invest in a system that better integrates the care and education of young children, including those in families with need for full-day, full-year services.”

Rachel Schumacher, Kate Irish, and Joan Lombardi, Meeting Great Expectations: Integrating Early Education Program Standards in Child Care, 2003, p.37.
**Definition of Early Care and Education**

This paper will use the term “early care and education” or “ECE” to refer to the range of non-relative out-of-home settings in which young children are educated and cared for prior to entering kindergarten (usually at age 5). These settings include Head Start, public preschool programs, child care centers, private preschool programs, and family child care homes. In this paper the term “public preschool” or “pre-kindergarten” (“Pre-K”) means public school education programs serving children before they enter five-year-old kindergarten. Early care and education also takes place within families, with the guidance of parents, but for this paper, we focus on care provided out of the child’s home by non-parents.

**Goals of this Report**

The goals of this report are to examine the landscape of early education and child care programs after forty years of dramatic growth, and to explore the possibilities of developing a coherent system for early care and education (ECE). The paper will:

- Provide background on early care and education developments nationwide and in Wisconsin,
- Examine relevant research, efforts by other states, and possible rationale for a system, and
- Present alternative models and criteria for evaluating a potential new Wisconsin early care and education system.

A coherent early care and education system could provide parents with access to high quality early care and education services that enable them to work and prepare their children for school.
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SECTION I. THE LANDSCAPE OF EARLY CARE AND EDUCATION IN THE U.S. AND WISCONSIN

GROWTH OF EARLY CARE AND EDUCATION (ECE) PROGRAMS

In the United States, the number of preschool children in organized early care and education facilities or in non-relative family child care settings has nearly tripled in the last two decades, from 1.5 million in 1977 to 4.1 million in 1999.\(^1\) In Wisconsin, the number of children enrolled in the primary types of early care and education programs (Head Start, public preschools, and regulated child care) has more than doubled since 1990.\(^2\) These changes have been driven by many factors:

- **Remarkable growth in the number of working mothers.** The percentage of mothers in the labor force has grown from about 40 percent in 1970 to about 70 percent in 2000.\(^3\) This striking change has led to extraordinary growth in the need for out-of-home child care.

- **Concerns about poverty and equality of opportunity.** These concerns have led to the development of Head Start in 1965, national increases in child care subsidy funding for low-income families, and increased interest in the provision of universal early education services for three- and four-year-old children.

- **New understanding of child development.** Greater understanding of children’s early capacities has led policymakers to focus on early education efforts.

These factors have led to growth in federal and state funding focused on young children and their families, with two primary goals:

1. **To provide care arrangements for children while parents work**
2. **To prepare children for school**

However, at both federal and state levels, programs and funding streams have usually been separately earmarked, fragmented and segregated, with different public policy agendas, goals, targeted populations, and program standards. Programs that provide child care for children while parents work, programs designed to increase children’s readiness for school, and early intervention programs for children with special needs have typically been treated as separate programs.

Experts in the field and policymakers have only recently begun to consider creation of a systematic delivery system with coordinated planning to combine child care and early education programs. This paper asks the central question: Is it time for Wisconsin to consider establishment of a systematic approach to delivery of ECE services?
“Historically, there have been two separate and at times conflicting traditions in the United States that can be encapsulated in the terms child care and preschool. A central premise of this report, one that grows directly from the research literature, is that care and education cannot be thought of as separate entities in dealing with young children.”


PRIMARY TYPES OF EARLY CARE AND EDUCATION PROGRAMS

Three main ECE programs have developed across the United States and in Wisconsin.

1. **Head Start** is a federally funded program operated by non-profit grantees offered at no cost to families, and targeted primarily to children in poverty, serving 912,345 nationally in 2002. Head Start operates under detailed performance standards, has made significant efforts to increase the qualifications of teaching staff, and has worked to improve literacy and numeric skills for children. While Head Start takes a comprehensive approach to child development, including health and mental health screening and services, as well as social services and counseling for families, the primary stated goal of the program is to prepare low-income children for school.

2. **Public preschool (or pre-kindergarten) programs** are primarily state and locally funded, available at no cost to families, serving an estimated 822,000 children nationally during the 2000-01 school year. About 80 percent of states have established their own public preschool programs. Some states are making unprecedented efforts to expand pre-kindergarten programs, and others are moving toward universal coverage for four-year-olds. Public preschools are entirely publicly financed, and are usually operated as an extension of an elementary school. Their primary goal is to prepare children for school. Public preschool programs include intervention programs targeted at 3- to 5-year-old children with special needs.

3. **Child care** is a highly diverse private sector enterprise. Financed privately, for the most part, through parent fees, child care served over 2.3 million preschool children nationwide in 2000. Only a subset of children in child care receive direct public funding, usually through state and federal funding targeted to help low-income families afford child care, as part of welfare reform efforts. Parents typically spend about 9 percent of their income for child care, but lower-income families pay 17 percent. Annual child care costs for families often exceed the cost of a year of college at public institutions. Child care settings include child care centers, family child care homes, and private preschool programs.

Table 1 identifies the differing structural features typical of the three primary ECE settings that serve approximately 4.1 million preschool children nationally, out of 10.6 million children of employed mothers in care arrangements. Although this leaves over half of preschool children with employed mothers to be cared for by grandparents, parents who alternate work shifts, and other relatives, increasingly ECE programs are being used by parents for the care and education of their young children.
Table 1: Structural Features of ECE Settings

<table>
<thead>
<tr>
<th>Setting</th>
<th>Program: Full-day or Part-day?</th>
<th>Program administration: Public or Private?</th>
<th>Funding: Public or Private?</th>
<th>Payment: Do parents pay significant fees?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Start</td>
<td>Part-day</td>
<td>Private or Public</td>
<td>Public</td>
<td>No</td>
</tr>
<tr>
<td>Public Preschool</td>
<td>Part-day</td>
<td>Public</td>
<td>Public</td>
<td>No</td>
</tr>
<tr>
<td>Child Care</td>
<td>Full-day</td>
<td>Private</td>
<td>Private</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Child care, developed primarily to care for children while their parents work, differs from Head Start and public preschools, which were designed to enhance early learning and prepare children for school. Child care is the only setting among the three that is typically designed to operate full-day to meet working schedules of parents, to be privately administered, and to expect parents to pay for services, often covering the full cost. In contrast, Head Start and public preschool programs typically operate part-day, are entirely publicly funded, and charge no fees to parents. Differences in program goals and structural features logically lead to questions about how services could be more effectively designed to meet the educational needs of children and child care needs of families.

ENROLLMENT OF CHILDREN IN ECE SETTINGS IN THE U.S.

Table 2 demonstrates that while Head Start and public preschool programs represent significant public efforts, the majority (58 percent) of the estimated 4.1 million preschool children enrolled in ECE programs in the U.S. are in child care settings. In fact, because child care estimates rely on Census data on primary arrangements for employed mothers, the number of children in child care settings may be underestimated, since children whose mothers are not employed also use child care settings.

Table 2: Preschool Children in the U.S., Served in Three Primary ECE Settings

<table>
<thead>
<tr>
<th>Type of setting</th>
<th>Year</th>
<th>Number of children (in millions)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Start</td>
<td>2002</td>
<td>912,345</td>
<td>22%</td>
</tr>
<tr>
<td>Public preschool or pre-kindergarten program</td>
<td>2000-01</td>
<td>822,000</td>
<td>20%</td>
</tr>
<tr>
<td>Child care (out-of-home care provided by other than relatives)</td>
<td>1999</td>
<td>2,394,585</td>
<td>58%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4,128,930</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: Child care numbers reflect children who are regularly in non-relative child care settings (4.1 million) minus the estimated number of children served by Head Start (.9 million) and public pre-kindergarten programs (.8 million). These estimates are based on the most current data available, and recognize that many children are served in more than one setting.
More than half of preschool children in out-of-home ECE programs are served in child care settings, to say nothing of an additional five million school-age children (ages 5 to 14 years) in regulated child care settings.\textsuperscript{9} If public policy efforts are to address school readiness, they must be directed at improving school readiness for children in these child care settings, as well as for those in Head Start and public preschool.

**DISTRIBUTION OF CHILDREN IN ECE SETTINGS IN WISCONSIN**

As of 2000, there were 342,340 children under age five among the Wisconsin population.\textsuperscript{10} If we assume that three out of four (75 percent) children under age five are in primary care or early education arrangements with someone other than a parent while their parents are working,\textsuperscript{8} then we can estimate that 256,755 children are regularly in these out-of-home settings. Table 3 provides estimates for the number of Wisconsin preschool children in various early care and education settings, including unregulated child care and care by parents.\textsuperscript{11}

<table>
<thead>
<tr>
<th>Type of Care Arrangement</th>
<th>Year</th>
<th>Settings</th>
<th>Preschool Children Enrolled</th>
<th>Percent of Children Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Start</td>
<td>2001-02</td>
<td>311 centers</td>
<td>15,895</td>
<td>5 %</td>
</tr>
<tr>
<td>Public preschool</td>
<td>2002-03</td>
<td>Four-year-old kindergarten = 174 school districts (serving 16,556 children)</td>
<td>24,700</td>
<td>7 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3-5 Special Ed = all 416 school districts (serving 6,390 children)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other – Title I, three-year-old kindergarten (serving approx 1,710 children)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulated child care</td>
<td>2002</td>
<td>10,709 licensed centers and licensed or certified family child care homes</td>
<td>138,330</td>
<td>40 %</td>
</tr>
<tr>
<td>Unregulated child care</td>
<td>2002</td>
<td>Unknown number of non-regulated out-of-home arrangements</td>
<td>77,830</td>
<td>23 %</td>
</tr>
<tr>
<td>Care by parent or nanny</td>
<td>2002</td>
<td>Parent or nanny in the child’s home</td>
<td>85,585</td>
<td>25 %</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>342,340</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Among the three ECE settings (Head Start, public preschool, and regulated child care), child care serves over three quarters of Wisconsin’s children, as seen in Table 4. The public policy concern is whether all Wisconsin children have equal access to early learning programs that prepare them to succeed in school and help them to develop their full
potential. To begin to address this issue, we next provide comparative information on teacher qualifications and cost in the three ECE settings.

Table 4: Wisconsin Preschool Children Served by Three ECE Settings

<table>
<thead>
<tr>
<th>Type of ECE Setting</th>
<th>Estimated Preschool Children</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Start</td>
<td>15,895</td>
<td>9 %</td>
</tr>
<tr>
<td>Public preschool</td>
<td>24,700</td>
<td>14 %</td>
</tr>
<tr>
<td>Regulated child care</td>
<td>138,330</td>
<td>77 %</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>178,925</strong></td>
<td><strong>100 %</strong></td>
</tr>
</tbody>
</table>

**COMPARISON OF ECE SETTINGS: TEACHER QUALIFICATIONS**

Research on early care and education settings has consistently indicated strong links between staff qualifications and the quality of early care and education. Although teacher-child ratios, group size, and staff turnover are also indicators of quality, the best comparative data are on teacher qualifications, and comparisons provide a clear picture of the disparity across Wisconsin ECE settings.

Public preschool teachers in Wisconsin are required to have a Bachelor’s Degree in education, and they receive salaries commensurate with higher education. A majority (59 percent) of Head Start teachers have a Bachelor of Arts (B.A.) or Bachelor of Science (B.S.) degree or a two-year Associate of Arts (A.A.), but their average salaries are only about half of those of public school teachers.\(^{12, 13}\) An estimated forty-five percent of child care center lead teachers have either a Bachelor’s degree or an A.A. degree, yet child care teachers’ average wages are about 23 percent lower than Head Start wages and nearly 60 percent lower than public school teacher wages.\(^{13, 14}\) Only 20 percent of regulated family child care providers have a Bachelor’s degree or an A.A. degree,\(^{14}\) and reliable wage figures for family child care providers in Wisconsin are not available, since they are self-employed.

Table 5: Teacher Qualifications in ECE Settings

<table>
<thead>
<tr>
<th>Type of Setting</th>
<th>A</th>
<th>B</th>
<th>A+B</th>
<th>Average Teacher Annual Salary (estimated) *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Associate of Arts Degree (A.A.)</td>
<td>Bachelor's Degree or Higher (B.A., B.S or more)</td>
<td>Associate Degree or Higher (A.A., B.A., B.S., or higher)</td>
<td></td>
</tr>
<tr>
<td>Head Start</td>
<td>19%</td>
<td>40%</td>
<td>59%</td>
<td>$22,000</td>
</tr>
<tr>
<td>Public preschool</td>
<td>----</td>
<td>100%</td>
<td>100%</td>
<td>$41,000</td>
</tr>
<tr>
<td>Child care center</td>
<td>29%</td>
<td>16%</td>
<td>45%</td>
<td>$17,000</td>
</tr>
<tr>
<td>Family child care</td>
<td>14%</td>
<td>6%</td>
<td>20%</td>
<td>NA</td>
</tr>
</tbody>
</table>

* Sources for salary information include the Head Start Program Information Report for 2001-02, the 2003 Report from the Wisconsin School Readiness Indicator Initiative, and Wisconsin Child Care Research Partnership's reports on the child care workforce.\(^{12, 13, 14}\) Salary comparisons may not reflect full-time equivalent salaries, since available data is unclear about number of months worked.
Why are qualifications of teachers so much lower in child care than in the other two systems? Most analysts believe the reason is economic. Whereas Head Start and public preschools are publicly financed, with budgets to pay for qualified staff at levels established by regulations, child care services are governed primarily by a private market economy, financed primarily by parent fees. Federal Head Start rules recently required that at least half of teachers move to 2-year Associate Degrees by 2003, and higher requirements are being considered at the federal level as Head Start is being reauthorized. Although child care might like to follow this lead, raising educational requirements for child care teachers presents a dilemma because, even though parents already pay a large percentage of their income on child care, parent payments are often not sufficient to pay wages that attract and retain staff with two-year and four-year college degrees.

**COMPARISON OF ECE SETTINGS: COST**

Table 6 provides estimates for the full-time equivalent annual cost per child (cost for full-day, 12-month services) for the three primary ECE settings in Wisconsin. Head Start and public four-year-old kindergarten costs were converted to rough full-time equivalent costs for comparative purposes.

<table>
<thead>
<tr>
<th>Type of Program</th>
<th>Cost Per Child</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part-time</td>
</tr>
<tr>
<td>Head Start</td>
<td>$5,977</td>
</tr>
<tr>
<td>Public four-year-old kindergarten</td>
<td>$4,228</td>
</tr>
<tr>
<td>Child care</td>
<td>$2,747</td>
</tr>
</tbody>
</table>

*Note: Formula for converting Head Start and public four-year-old kindergarten to full-day, full-year equivalency: Part-day cost x 2 (twice as many hours of care per day) x 1.33 (12 months instead of 9). A similar formula is applied to convert full-time child care costs to part-time.

- **Head Start cost:** $5,977 per child per year for part-time; $15,899 full-time equivalent
  Wisconsin’s Head Start average cost per child was estimated by dividing annual cost ($95 million) by the number of children served annually (15,895). Note that Head Start provides comprehensive preventive health and family support services, as well as a school readiness program, and that it usually operates part-day for nine months a year.\(^\text{12}\)

- **Public four-year old kindergarten cost:** $4,228 per child per year for part-time; $11,247 full-time equivalent
  The cost per child for Wisconsin’s four-year-old kindergarten program was estimated by dividing estimated annual expenditures ($70 million) by the number of children served annually (16,556). Data available did not identify the percentage of children in full-day four-year-old kindergarten.\(^\text{15}\)
- **Publicly funded child care:** $2,747 per child per year for part-time; $7,308 per child per year full-time

  The child care cost per child was estimated by using data from the state child care subsidy program, which helps pay for child care for low-income working families. In November 2003, 52,460 children were served for a total of $29.3 million in subsidy payments, an average of $559 per month per child.\(^\text{16}\) Family co-pays average about 9 percent of subsidy payments or $50 per month. Adding the $559 and $50 together approximates the average total cost per child ($609 per month), including subsidy payments and family co-pays. The annual cost estimate is $7,308 per child. Note that most child care payments are for full-time care, at least twice the number of hours per day typically delivered by public preschools and Head Start programs. If child care costs are converted to part-day care for 9 months to make it comparable to Head Start and public preschool, the cost would be more like $2,747 per year: $7,308 ÷ 2 (half as many hours) ÷ 1.33 (9 months instead of 12). While the subsidy program reimbursement rates are based on market rate surveys, the expenditures used for these estimates may not accurately reflect average costs of child care statewide.

- **Estimated cost of high-quality full-day services**

  Steven Barnett and Leonard Masse, in their book, *Early Childhood Education and Care in the USA*, have estimated the cost of a full-day, full-year intensive program of comprehensive high-quality early care and education at $12,000 per child, using available research on the cost of quality services.\(^\text{17}\)

  Comparisons of widely varying teacher qualifications and program costs across different types of early care and education programs raise troubling questions about whether all of Wisconsin’s children are receiving equal opportunities to prepare them for school and help them meet their full potential.

**SECTION II: WISCONSIN PUBLIC POLICY CONTEXT**

**THE ROLE OF STATE DEPARTMENTS IN WISCONSIN**

Wisconsin state government has three primary departments with roles in early care and education: the Department of Workforce Development, the Department of Public Instruction, and the Department of Health and Family Services. Early care and education responsibilities extend across these agencies, governed by different federal funding streams and state statutes. The departments have different missions, and their goals for children and families vary, although their programs and funding streams often serve the same children and families. Table 7 describes their missions, early care and education programs, and funding sources.
<table>
<thead>
<tr>
<th>Department</th>
<th>Mission *</th>
<th>Key ECE Programs</th>
<th>Primary Funding Sources</th>
</tr>
</thead>
</table>
| Department of Workforce Development (DWD) | “To provide a system of employment-focused programs and services that enable individuals and employers to fully participate in Wisconsin’s economy.” | 1. Wisconsin Shares, the child care subsidy program  
2. Child care certification for public reimbursement  
3. Child care quality improvement initiatives  
4. Support to parents involved in Wisconsin Shares (W-2): family support programs, parent education, etc. | • Federal Child Care and Development Fund (CCDF)  
• Federal Temporary Assistance to Needy Families (TANF) Block Grant  
• State General Purpose Revenue (GPR) |
| Department of Public Instruction (DPI) | “To ensure the opportunity of a quality education for every child.” | 1. Four-year-old kindergarten, kindergarten, and elementary school  
2. Early Childhood Special Education programs (children ages 3-5)  
3. Federal Child Care Food Program  
4. Title I student achievement programs  
5. Head Start state supplement | • State General Purpose Revenue (GPR)  
• Federal Individuals with Disabilities Education Act (IDEA)  
• Local property tax revenue  
• Federal education allocations  
• Federal Title I funds  
• Federal Temporary Assistance to Needy Families (TANF) |
| Department of Health and Family Services (DHFS) | “To lead the nation in fostering healthy, self-reliant individuals and families.” | 1. Child care licensing  
2. Birth to 3 programs for children with disabilities  
3. Family support programs and parent education  
4. Respite and tribal child care | • Federal Child Care and Development Fund (CCDF)  
• Federal Individuals with Disabilities Education Act (IDEA)  
• Federal Social Services Block (SSBG) Grant  
• State General Purpose Revenue (GPR)  
• Local property tax revenue  
• Licensing fees |

* missions stated on department websites.

Figure 1 provides a funding chart developed by Wisconsin Early Childhood Collaborating Partners, a coalition of Wisconsin agencies interested in enhancing Wisconsin’s early care and education system. The chart illustrates the complexity of the funding streams and the inter-linking involvement of the three primary state agencies. With growth in Wisconsin families’ use of early care and education services, and dramatic increases in funding levels for these programs, it may be time for a serious discussion about development of a coherent ECE system in Wisconsin.
Figure 1: Funding for Early Care and Education in Wisconsin
WISCONSIN PUBLIC INVESTMENTS IN EARLY CARE AND EDUCATION

Federal and state policies and funding have contributed to the growth of early care and education services in Wisconsin. This section provides background and current funding levels for the three primary ECE programs: Head Start, public preschool programs, and child care. Budget and program information are also provided for intervention programs for young children with disabilities, including public school special education programs for children 3-5, and the Birth to 3 program. Budget levels are based on information from the 2003-04 state budget, as well as information from state departments.

1. Head Start ($95 million annually)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Start grants to local agencies</td>
<td>Federal government</td>
<td>$87.8 m</td>
</tr>
<tr>
<td>Head Start state supplement</td>
<td>State GPR/Federal TANF</td>
<td>$7.2 m</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$95.0 m</strong></td>
</tr>
</tbody>
</table>

Note: Federal funding levels based on FY 2002 allocation; state supplemental funding for SFY 2004. GPR=General Purpose Revenue, TANF= Temporary Assistance to Needy Families.

Wisconsin has a comprehensive Head Start system serving 15,895 children in 311 sites, as of the 2001-2002 program year. The program is primarily federally funded ($87.8 million for 2002) through contracts with 56 local grantees. In addition, Wisconsin’s state budget adds $7.2 million in supplemental funding -- a mix of state general purpose revenue and federal Temporary Assistance to Needy Families (TANF) funding-- to increase the number of Head Start slots.

At least ninety percent of the children enrolled in Head Start must be from families with incomes at or below poverty ($15,260 annually for a family of 3). Ten percent of the program slots must be available to children with disabilities. About 90 percent of children served in Wisconsin are 3- and 4-year-olds in Wisconsin’s regular Head Start programs, and 10 percent of children participate in the Early Head Start program, a program that focuses on children ages birth to three, and their families.

Head Start is primarily a part-day program: 79 percent of children in center-based programs are enrolled part-day, while only 21 percent are enrolled full-day. Of the 7,954 children for whom full-year/full-day child care is needed to meet the estimated demand of parents who are working or in job training, only 36% received full-year/full-day services through Head Start or Early Head Start.  

12
2. Public Preschool: Four-Year-Old Kindergarten ($70 million annually)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Four-year-old kindergarten</td>
<td>State GPR federal education allocations, local</td>
<td>$70 m</td>
</tr>
<tr>
<td></td>
<td>revenue</td>
<td></td>
</tr>
</tbody>
</table>

Note: Estimated by the Governor’s Task Force on Educational Excellence, 2003. GPR= General Purpose Revenue.

Wisconsin has a long history of funding public preschool programs. In 1848, the state constitution called for school districts to offer education free to all children between the ages of four and 20 years. The first kindergarten in the nation opened in 1856 in Watertown, serving children ages two to five years. Wisconsin’s first public school kindergarten opened in 1873.

Wisconsin is unique among states by directly building funding for public preschool into the state school aid formula. As of 2002, 174 school districts out of 416 districts with elementary schools (42 percent) were operating 4-year-old kindergartens. Since the 1992-93 school year, the number of children served in four-year-old kindergartens sponsored by schools increased from 6,794 to 16,556, an increase of 144 percent.\(^\text{15}\)

Renewed interest has developed as educators and the public consider applying research on child development to education, thereby improving student achievement through early learning.\(^\text{19}\) The Department of Public Instruction provides technical assistance to school districts interested in collaborative four-year-old kindergarten approaches, and some Wisconsin districts are operating four-year-old kindergartens in community-based child care settings to meet the needs of parents and avoid competing with existing ECE programs for children. However, communities differ in their support for universal public preschool and in their abilities to develop coordinated, collaborative approaches to delivering four-year-old kindergarten.

3. Publicly Funded Child Care ($360.1 million annually)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Funding Source</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Child care subsidy program (DWD)</td>
<td>Federal TANF &amp; CCDF State GPR match</td>
<td>$298.4 m</td>
</tr>
<tr>
<td>Community aids: respite and tribal child</td>
<td>Federal Social Services Block Grant</td>
<td>$4.9 m</td>
</tr>
<tr>
<td>care (DHFS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child care licensing (DHFS)</td>
<td>Federal CCDF &amp; SSBG licensing fees</td>
<td>$7.0 m</td>
</tr>
<tr>
<td>Child care quality and access: includes</td>
<td>Federal CCDF State GPR match</td>
<td>$22.2 m</td>
</tr>
<tr>
<td>scholarship program, child care resource</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and referral, grants to local government,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Centers for Excellence (DWD)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Care Food Program (DPI)</td>
<td>Federal USDA</td>
<td>$27.6 m</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$360.1 m</td>
</tr>
</tbody>
</table>

Note: Figures based on SFY 2004, except for community aids, which is estimated, based on 2001 data. GPR=General Purpose Revenue. TANF=Temporary Assistance to Needy Families. CCDF=Child Care & Development Fund. SSBG=Social Services Block Grant. USDA=United States Department of Agriculture. Child care budget figures include services to school-age children, as well as preschool children. Typically about 64% of children funded by the child care subsidy are preschoolers.
Public child care investments can be categorized into three different programs.

- **Child care regulation**
  Child care licensing was established in Wisconsin by law in 1949 to promote and protect children’s health, safety, and welfare. The Department of Health and Family Services (DHFS) licenses child care programs caring for more than three children. Local counties/tribes regulate smaller family child care programs that receive public reimbursement, paid for through the child care subsidy program. In Wisconsin, regulation is required in order for child care programs to receive child care subsidy funding or child care food program funding. As of the end of 2002, DHFS licensed 5,559 child care centers and family child care homes, and counties certified 5,150 family care child homes.\(^{16, 20}\)

- **Child care assistance to low-income families: the subsidy program**
  The budget for child care financial assistance to low-income families began to grow in the 1970s, and received a major boost in the 1990s as welfare reform initiatives were enacted in Wisconsin. Although public policy historically focused on “welfare” families, efforts in recent years have been directed toward helping working low-income families obtain and maintain employment by assisting them in accessing and paying for child care services through Wisconsin Shares, the child care subsidy program. Parents have a range of choices for child care settings in many communities, including licensed child care centers, licensed family child care homes, and more informal care settings that are certified for public funding, including family, friends, and neighbor care.

  As of November 2003, the state’s child care subsidy program, administered by the Department of Workforce Development (DWD), served 52,460 children per month, nearly three times as many as six years earlier. Payments go to about 8,900 child care programs annually, representing over 80 percent of regulated child care programs.\(^{16}\) In addition to the subsidy program, the state budget also provides community aids funds, administered by DHFS, both to tribes for child care services and to counties for respite child care for families experiencing stress or in need of immediate, short-term care.

- **Child care quality initiatives**
  In recent years, the federal government and states have become increasingly interested in the quality of child care received by children of working families, with particular emphasis on those children who are most at risk for developmental delay. Wisconsin has invested its “quality” funding in improved regulation, child care resource and referral services, improving staff qualifications, promoting accreditation of child care programs for meeting high quality standards, and developing model programs called Centers for Excellence. In addition, the Child Care Food Program, administered by DPI, provides reimbursement to child care programs serving nutritious meals and snacks.
4. Early Intervention Services for Preschool Children with Disabilities ($54.1 million annually)

<table>
<thead>
<tr>
<th>Budget item</th>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth to 3 Intervention Program (DHFS)</td>
<td>Federal IDEA &amp; State GPR &amp; local revenue</td>
<td>$25.7 m</td>
</tr>
<tr>
<td>Special Education for 3-5 year olds (DPI)</td>
<td>Federal IDEA &amp; Special Education Block Grant</td>
<td>$28.4 m</td>
</tr>
<tr>
<td></td>
<td>Local expenditure not available</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$54.1 m</strong></td>
</tr>
</tbody>
</table>

Note: Special Education estimate based on $9.2 m. federally earmarked funds plus an estimated percentage (12%) of $160 m. special education block grant to school districts. However, estimates of local expenditures were not available for the 3-5 Special Education program. Annual costs substantially exceed the $28.4 m in funds provided to local school districts. IDEA=Individuals with Disabilities Education Act.

- **Birth to 3 Early Intervention Program**
  Birth to 3 is Wisconsin’s early intervention program for infants and toddlers with developmental delays and disabilities from birth to 36 months. Each county provides services to identified children and their families. Children receive a range of services in natural environments, including the home and community-based settings, such as child care programs. The program was serving 5,323 children at the end of 2002.21

- **Early Childhood Special Education for Children 3-5 Years Old**
  Federal mandates were enacted in 1975 as part of the Individuals with Disabilities Education Act, Public Law 94-142, and later amended to require states to identify children with disabilities, to provide services during the first three years, and to provide school-based services for children from ages 3-5 in natural, inclusive settings.

  State law requires each school board to ensure that appropriate special education programs and related services are available to children with exceptional education needs, beginning at age 3. School districts are mandated to locate, identify, and evaluate children who may be eligible for special education services. Services are to be provided in the “least restrictive environment” within a range of settings, including the home, child care, Head Start, and schools. In the 2002-03 school year, Wisconsin school districts served 6,390 children ages 3-5 in special education programs.15

**WISCONSIN’S CURRENT PROGRAMS AND FUNDING**

The budget summary above confirms that Wisconsin has significant investments of federal and state funds supporting ECE programs. However, the general picture is of mostly categorical funding streams, administered by different departments, serving families and children that fit varying eligibility or funding requirements. The difference in goals, philosophy, and funding methods between the three primary programs may explain the challenges faced by those attempting to blend the programs into a coherent system. Wisconsin, and other states, are trying to figure out how to use those...
investments as a foundation to build a system that works efficiently and effectively for the primary funding targets: children and their families.

While each funding stream may have a well-defined goal and structure, families are often at a loss about how to access services, and how to piece together services for which they are eligible. Parents often use more than one setting in a day, left to manage transportation from one program to the next. In Wisconsin, it is estimated that 45 percent of children under age five with employed mothers are shuttled between two or more regular care arrangements in a week.\(^{22}\)

For instance, in order for a four-year-old child to participate in a part-time Head Start or public preschool program, a working parent may need to arrange child care before and after the part-day program, as well as manage the transportation to and from programs. If the parent has preschoolers of different ages, there may be need to arrange additional settings and transportation.

System planning for ECE programs could alleviate these complications for parents and reduce the number of transitions and adjustments the children must face.

“The obvious relationship between child care and the education of preschoolers has been neglected in part because of institutional disconnections, along with political and ideological predilections. While child care is primarily administered by human-service agencies, paid for primarily by parents, and provided by a range of institutions—including community-based organizations, churches, schools, and small, family-run programs—public schools are supervised by local boards under state oversight and financed mainly through local property taxes.”


**RECENT EFFORTS IN WISCONSIN**

Wisconsin has made dramatic investments in early care and education in recent years, with a growing four-year-old kindergarten program, supplemental funding for Head Start, full funding for the child care subsidy program, a well-regarded regulatory program, and initiatives to improve the quality of child care services. These investments, made primarily over the last decade, can serve as a strong foundation if Wisconsin decides to build a more cohesive early care and education system.

**Head Start**

State budget supplements to the federally funded Head Start program are designed to help Wisconsin Head Start programs improve their services and reach additional eligible children. The state’s federally funded Head Start Collaboration project has worked to build partnerships across ECE programs through Wisconsin Early Childhood Collaborating Partners. Recent improvements in teacher qualifications are a strength of Head Start.
Public education
In the public school arena, the Department of Public Instruction, its Wisconsin Forces for Four-Year-Olds project, funded by the Trust for Early Education, promotes community partnerships in collaboration with Head Start and child care programs. Wisconsin is unique because public school services for all four-year-olds are written into its state constitution, and because its school funding formula supports any school district that establishes a four-year-old kindergarten. In addition, the Child Care Food Program, administered by DPI, supports provision of nutritious meals and snacks for children in child care. DPI has also been working collaboratively with Head Start and child care sectors to redesign teacher certification for early education, with extensive discussions on how an overall professional development system could be developed.

Child Care
Wisconsin has built several child care improvement components that can serve as a foundation for components of an early care and education system:
- A solid regulatory program, including child care licensing and certification
- A strong child care subsidy program, that combines multiple funding streams into a single, automated system with a state-of-the-art data warehouse
- A well-developed scholarship program for child care workers, T.E.A.C.H. Early Childhood® WISCONSIN, and a Registry that documents professional qualifications
- A statewide child care resource and referral system, and a technical assistance system, that provide assistance to programs, parents, and communities
- A system of 25 Early Childhood Centers for Excellence
- Over 200 nationally accredited child care programs
- A strong research base in the University of Wisconsin system

Collaboration Efforts
Wisconsin has made considerable progress toward mechanisms to coordinate ECE programs across state departments, but has not yet created a high-level administrative structure for planning and coordination across programs and departments. Key state departments and the Executive branch have worked together with private partners on several initiatives to improve coordination and planning, including:
- Development of goals, philosophy, and guiding principles for an early care and education system through Wisconsin Early Childhood Collaborating Partners, formed in 1993
- A National Governor’s Association grant to “build public and political will” for early care and education (1999-2002)
- Development of Model Early Learning Standards in 2003
- The Governor’s Task Force on Educational Excellence in 2003, with an agenda including early childhood education
- The PK16 Leadership Council, with an agenda including early education
- A “Think Big, Start Smart” public engagement campaign, promoting early investment in children’s services.
Administrative Efforts
Governor Doyle’s State of the State address on January 21, 2004 highlighted the importance of early education and the wisdom of investing in services for young children and their families. Calling Wisconsin a national leader in early education with “national models for linking four-year-old-kindergarten with Head Start and child care,” Doyle announced the formation of an executive planning team to develop a comprehensive agenda for enhancing collaborative services and improving the lives of Wisconsin’s children.

SECTION III: CONSIDERATION OF A COHERENT ECE SYSTEM

This section examines research on early care and education, efforts by other states, possible reasons to consider creation of an ECE system, and principles and challenges related to ECE system development.

RESEARCH ON EARLY CARE AND EDUCATION

The last quarter century has witnessed an explosion of research on children’s development in various care settings, which has led to major advances in scientific understanding about young children. Research has emphasized the importance of early life experiences on the development of the brain and its impact on human behavior. It has also shed light on the capacity to increase the odds of favorable developmental outcomes through planned early care and education interventions.24

“In sum, the positive relation between child care quality and virtually every facet of children’s development that has been studied is one of the most consistent findings in developmental science.”

National Research Council and the Institute of Medicine, From Neurons to Neighborhoods, 2000, p.313.

Below are key findings by researchers in the field, as found in national reports.

- **Quality of child care:** Child care in the United States shows a wide range in quality, with the vast majority mediocre, a small percentage meeting high quality standards, and a small but disturbing percentage providing poor and possibly damaging care.25, 26

- **Effects of quality care:** Well-planned, high-quality early childhood programs have significant effects on higher language ability, better school readiness, and fewer reports of children’s problem behaviors.26

- **School readiness:** Children entering kindergarten show substantial inequalities in cognitive ability right from the beginning. Disadvantaged children start school with distinctly lower skills and literacy levels, which are predictive of significantly lower levels of success in school.27

- **Positive effects of intervention:** Several longitudinal studies show dramatic long-term effects of high quality early care and education intervention programs.24
Notable among these studies are the High/Scope Perry Preschool Project, the Abecedarian Project, and the Chicago Parent-Child Center Program.

- **Effects of Head Start:** An ongoing federal assessment of Head Start impacts (Family and Child Experiences Survey-FACES) concluded in 2003 that children in Head Start made significant progress toward national averages on test scores for early literacy and math skills during kindergarten. A 2003 report by the General Accounting Office acknowledged progress of children in Head Start, but expressed concern that the studies conducted to date had not been designed to separate the effects of children’s participation in Head Start from other experiences these children may have had. The report concluded that existing research “was insufficient for drawing conclusions about the program as a whole,” and recommended new studies that would use rigorous methodology, including experimental design with random assignment.

- **Effects of public pre-kindergarten programs:** A 2001 review of ten states’ public preschool programs concluded that “states can implement good, comprehensive pre-kindergarten programming, and on an individual basis some states appear to be doing a good job of promoting school readiness.” Two initial evaluations of preschool programs in Georgia and Oklahoma show promising effects of state pre-kindergarten programs in meeting school readiness goals. The Chicago Child-Parent Center Program demonstrated that a large-scale comprehensive public preschool intervention could have dramatic long-term benefits.

- **Teacher qualifications matter:** Educational levels of teachers and caregivers, as well as specialized training in early care and education, predict teacher quality and children’s learning and development. The professional development of teachers is related to the quality of early childhood programs, and program quality predicts developmental outcomes for children.

- **Economic case:** An economic rationale can be made for investing in high quality early care and education, because of long-term benefits that accrue to society in general, and short-term positive effects on the economy that occur from supporting working families and generating income and jobs. A recent analysis at the Federal Reserve Bank of Minneapolis estimated that investments in early childhood development have resulted in a 12 percent rate of return for society in general, much higher than many other government investments.

- **Effects of child care subsidies:** Child care subsidies encourage employment, increasing the likelihood that low-income mothers will work. A North Carolina study found that investment in child care subsidies enabled families to work, thereby generating additional tax income that more than offset the investment.

**EFFORTS BY OTHER STATES**

This section identifies states that have made noteworthy efforts to improve early care and education services, and states that have developed administrative structures for
better coordination and planning. All of these states face the same challenges facing Wisconsin: trying to meet the goals of child care support for working families and school readiness for children, in the midst of a wide array of public and private ECE programs and categorical funding streams.

**Ten states with significant new investments**

Wisconsin has been a leader in services for young children. However, several states may now be surpassing Wisconsin in their investments in early care and education. These states have approached the challenges in different ways, with some efforts driven by concern about low student achievement, some designed to expand pre-kindergarten using a collaborative model with child care and Head Start, some creating state/local partnerships using new funding streams, and some built on the strengths of the Head Start program. Although recent financial crises in many states may have led to reductions in states’ investments indicated below, the following ten states have made significant progress toward early care and education systems, often with efforts to improve school readiness while also improving and expanding child care services for working families. Each of these independent efforts may provide insights for Wisconsin.

**California** instituted a $650 million statewide program for early care and education, child health services, and parenting education and support, called Proposition 10, the California Children and Families Initiative, passed by a state ballot initiative in 1998. The program is funded by a 50-cents-per-pack tax on cigarettes and tobacco. California has also done more than any other state to attach higher quality standards to child care contracts to improve the quality and performance of child care centers serving low-income children.

**Georgia** has had a full-day universal public preschool program since 1996, funded primarily with over $200 million annually from lottery revenue. About seventy percent of Georgia’s four-year-olds are in either Georgia’s pre-kindergarten (Pre-K) program or Head Start, the highest rate in the country. Pre-K classrooms must operate 6.5 hours a day, 180 days a year. In recent years, 57 percent of Georgia’s Pre-K providers were private, non-public school based. Thus, public education funds have been used to strengthen the quality of private child care and Head Start settings, while also providing for the full-day child care needs of working families.

**Illinois** expanded its pre-kindergarten program by $30 million in the FY 2004 budget, and added $50 million to its strong child care subsidy program, previously budgeted at $611 million. Illinois’ Pre-K program is targeted to children “at risk” of academic failure. Illinois’ recent investments are noteworthy because they happened at a time when most states were cutting budgets for early care and education.

**Massachusetts** operates a Community Partnership for Children, distributing over $100 million annually to local community councils. Local councils use the funds to improve affordability and accessibility for preschool children, and to increase inclusive programs for children with disabilities. The program was established in 1993 as part of an effort to develop a universal system of early education to support working families.
**New Jersey** is implementing a high-quality preschool program in several urban school districts, known as Abbott districts, based on a 1998 New Jersey Supreme Court ruling. The court’s mandate is based on research that demonstrates that intensive, high quality preschool programs can close much of the early achievement gap for lower income children. The program has invested over $300 million annually in a six-hour day, 182-day preschool program for all three- and four-year-olds residing in 30 urban school districts. Over two-thirds of the children are served by private providers, rather than by public schools.\textsuperscript{42, 46}

**New York** began gradually phasing in universal pre-kindergarten in 1997. While funding has been insufficient to achieve full implementation, over $200 million has been invested in the program. New York’s legislation mandates that at least ten percent of the funds a school district receives be subcontracted to community-based organizations. In 2001-02, 64 percent of the children served were in child care settings.\textsuperscript{42, 43}

**North Carolina** launched Smart Start in 1993 to make high quality early care and education services available to all children under the age of six. In 2003, the state invested $192 million in Smart Start. Private sector donations since the beginning of Smart Start have totaled more than $200 million. Smart Start is operated through 82 local partnerships designed to improve the quality of child care, make child care more affordable and accessible, provide access to health services, and offer family support.\textsuperscript{47}

**Ohio** led the nation in 2001 by serving 70 percent of Head Start-eligible children, compared to about 45 percent nationally, and 36 percent in Wisconsin.\textsuperscript{48, 49} Ohio was investing over $100 million in state dollars to increase Head Start coverage, frequently through partnerships with child care providers. The Ohio Head Start initiative not only expanded services to eligible children, it also provided full-day options for child care for those families. An evaluation by the Ohio Legislative Office of Education Oversight in 1998 found that Head Start had the capacity to ensure that children are prepared to be successful in school, but that higher priority on literacy readiness might be needed for Head Start to make a significant difference.\textsuperscript{50} In the most recent budget, funding for the initiative has been cut by about one-third, and the source of funding shifted from state funding to federal Temporary Assistance to Needy Families (TANF) funds.\textsuperscript{48}

**Oklahoma** has implemented an extensive universal pre-kindergarten program under legislation passed in 1998, with a majority of school districts participating, and a majority of parents of four-year-olds enrolling their children in the program. In addition, Oklahoma developed “Reaching for the Stars,” a quality rating system built into the child care licensing system. The system informs parents of quality ratings, and ties reimbursement to quality levels.\textsuperscript{32, 51}

**South Carolina** created the First Steps to Readiness program in 1999. The program promotes high quality preschool programs to help children enter school ready to learn. In 2001, $30 million was allocated in the state budget for the program, with an additional $7 million raised from private contributions. The program is operated by partnership boards at the county level, which have funded child care provider training, accreditation
efforts, child care subsidies, family literacy, parent education, and family support services.41

Five states with new coordination mechanisms

The majority of states have passed legislation to coordinate child care and early education systems primarily to improve government efficiency, child development, and families’ access to needed services.52 This report highlights five state mechanisms designed to improve early care and education.

Florida created a Partnership for School Readiness in 1999, led by a state board composed of the Lieutenant Governor, the Commissioner of Education, the Secretary of the Department of Children and Families, the chair of the Workforce Development Board, and ten members appointed by the Governor. The board develops guidelines for the Partnership program, allocates funds to local partnerships, and establishes a system for measuring school readiness. The state board works collaboratively with county local partnerships, which have 18-25 members, primarily from the local early care and education community.41

Illinois established an Early Learning Council in 2003, convened by the Governor. The Council is composed of public and private stakeholders who will work to help create a cohesive system of services to meet the needs of children and families. The Council plans to expand access to preschool and early learning opportunities in a cost-effective way across departments and funding streams.44

Iowa established a 22-member state Empowerment Board in 1998, which includes directors of key state departments, six state legislators, and 12 citizen members appointed by the Governor. The Empowerment Board was established to administer school readiness efforts and improve child care capacity. The Board approves local requests for funding, creates statewide goals for children and families, and identifies performance indicators. Funding flows through local councils, required to have broad-based representation.41

Kansas created a Children’s Cabinet in 1999 to develop a comprehensive service delivery system for children and families. The cabinet consists of nine voting members and six non-voting members appointed by the Governor and the ranking members in the legislature. The Cabinet identifies barriers and gaps in services, and facilitates joint planning and services delivery between the public and private sectors. In addition, the Cabinet allocates funding for Smart Start Kansas, a program to improve access to high quality and affordable child care, health care and other family services.41

Michigan launched Project Great Start in 2003 to better coordinate the services the State of Michigan provides for its children. The initiative entails immediate steps to strengthen Michigan’s early childhood efforts and to create the state’s blueprint to build an early learning system for all children. The project seeks to coordinate both public and private efforts to achieve measurable results. The initiative is led by a Children’s Action Network, a network of state agencies convened by the Governor.53
These and many other states are now grappling with administrative structures that can guide planning and create systems that improve early care and education.

**REASONS FOR WISCONSIN TO CONSIDER CREATION OF A SYSTEM**

Early care and education is a relatively new focus for public policy. Only in the last decade have policymakers at state levels begun to grapple with system approaches. No state has yet developed a comprehensive early care and education system.

- **Current services are inadequate.** Research indicates that the majority of young children in Wisconsin spend significant time in early care and education settings that do not meet high quality standards—settings that do not enhance children’s development, and in some cases negatively affect their development.

- **Services are fragmented and duplicative.** Wisconsin’s current ECE programs are operated by multiple agencies, with different quality standards and eligibility rules, multiple funding sources, and duplicative administrative structures, even though services are often directed at the same children and families. Children are often shuttled from program to program in order to receive services that meet the work schedules of their parents.

- **Access for parents is confusing.** The current system has no clear access point for parents. Often parents need to apply for multiple services at different agencies to get their child care and early education needs met.

- **Quality services are unaffordable.** Most parents cannot find or afford settings that meet their work needs and prepare their children for school. Nationally, parents spend an estimated 20 percent of their take-home pay for full-time licensed child care.\(^5^4\) Even though Wisconsin parents pay a large percentage of their income on child care, their payments are insufficient to pay for the level of quality that meets children’s developmental needs and prepares them for school, according to a wide body of research.\(^5^5\)

- **The time may be right.** Timing may be good for Wisconsin to build on recent efforts to improve public preschool, Head Start, and child care services. Wisconsin has strong ECE programs, but has not yet created an overall strategic plan for ECE.

> “The United States faces a perverse equation: Early Care and Education (ECE) costs too little to provide the quality needed for our children to thrive, but too much for most households to afford to pay more…. Breaking out of this box will require designing universal financing systems, since increasing the cost to allow high quality will make it even less affordable for middle income families.”

GUIDING PRINCIPLES AND CHALLENGES FOR AN ECE SYSTEM

The Wisconsin Early Childhood Collaborating Partners has worked as a broad-based group since 1993 to reach consensus on goals, philosophy, and principles for early childhood education and care. Some key principles developed by this group are described below:

- Parents are the first and foremost teachers of their children. Parents are partners in the planning and delivery of services for their children. Parents and the public need education and information about quality early childhood services to empower them to be well-informed consumers.

- Design and delivery of early childhood services may vary to meet community needs, but should have uniformly adequate and equitable funding to assure quality services for all children and families, regardless of their ability to pay.

- A comprehensive early childhood system should be diverse and encompass a wide variety of service delivery methods including home-based, center-based, and parent-provided arrangements, and early childhood services should be available to all children, including those with special needs.

- Quality early childhood services depend upon a skilled and stable work force.

Louise Stoney and Anne Mitchell, with the Alliance on Early Childhood Finance, have been considering the key components for an effective ECE system. Figure 2 provides their initial work on development of a model early care and education system design.

Figure 2: A Model Early Care and Education System Design

Within this proposed model, a well-functioning ECE system would need to address issues of governance, financing, program standards, and access for parents across the major service areas (Head Start, public preschool, and child care). A well-designed ECE system would also need to address services for infants and toddlers, determine how family child care providers fit into the system, and plan supports for care by families, friends, and neighbors. The more coherent the design, the more likely the system will address the needs of all children and all families.

A 2001 analysis of state initiatives to promote early learning in Georgia, Massachusetts, and Ohio by the Center for Law and Social Policy (CLASP) found five overarching challenges that the states faced:

- Developing a comprehensive vision that encompasses both the need for early education for children and the need for work supports for families
- Expanding fiscal resources
- Addressing regulatory differences among programs and funding streams
- Implementing early education initiatives across different structures and constituencies
- Tracking progress and measuring results

Should Wisconsin decide to take serious steps toward a comprehensive early care and education system, these challenges will have to be addressed.

"The fact that child care has twin goals—to serve as a work support for families and promote the education of children—contributes to the challenge of creating a new financing strategy.

...since child-care funding builds largely on a free market approach, very little attention is being given to building the supply or safeguarding quality to ensure good education or family-support services.

On the other hand, traditional preschool funding and some of the new after-school programs do address the education goal. However, too often they do not meet the needs of working families."


SECTION IV: ALTERNATIVE MODELS AND CRITERIA FOR A WISCONSIN ECE SYSTEM

This section explores alternative models for an early care and education system in this state. These thought-provoking models are offered to encourage long-range strategic planning about the future of early care and education in Wisconsin. Each model has its own strengths, and all of the models would require significant increases in funding, with incremental investment over several biennial budgets in order to be fully operational. Because the ECE field has grown to be a diverse, complex set of services, supported by "silos" of categorical funding, no simple system model is likely to address adequately the complexity of the current array of services. Solutions will likely require strong collaborative planning, involve key stakeholders from different sectors of early care and education, and benefit from sustained input from parents.
The primary questions for Wisconsin ECE public policy over the next decade remain:

- Is there a significant case for an investment?
- If so, is a sizable investment feasible?
- If feasible, which approach would best meet goals for Wisconsin’s children and families in the most cost-effective way?

If Wisconsin policymakers choose to work toward a system for early care and education, specific components or concepts within these models may prove useful for stimulating system thinking. This paper does not endorse or prefer any particular model.

**ALTERNATIVE MODEL #1: EXPANDED HEAD START MODEL**

Concept: The basic design of Head Start could be expanded to serve a wider range of families with options for full-day services.

Head Start is the only early education program in the U.S. in which program design and standards have been formulated at the federal level. The Head Start model has several features that could be applied on a broader basis:

- Focus on school readiness
- A system of professional development for staff
- Comprehensive approach to child development, including family support services and preventive health care services
- Concentration on effective inclusion of children with disabilities
- Clear performance standards that programs must meet
- Parent involvement

To create a broader, expanded model, Head Start could be adjusted so that:

- Services were available to meet full-day needs of working parents
- Income eligibility levels were increased to 200 percent of poverty, to bring Head Start eligibility policies more in line with programs like Medical Assistance and the child care subsidy program, and allow more families to be eligible for services
- Families above the poverty level would pay a fee or co-pay using a sliding fee scale based on income. The intensity of family support services, designed for families in poverty, would be adjusted based on the differential needs of families above poverty.

This expanded model would allow Head Start to maintain its focus on school readiness and family support, while serving a larger low-income population and providing full-time care. Given the impact of welfare reform, with its work requirements for low-income families, these changes would better meet the needs of working Head Start families, but would probably require greater collaboration with existing child care programs.
ALTERNATIVE MODEL #2: PRE-KINDERGARTEN COLLABORATION MODEL

Concept: Integrate public school programs into community child care settings.

A recent publication by the Center for Law and Social Policy, Meeting Great Expectations: Integrating Early Education Program Standards in Child Care, explores how pre-kindergarten programs were delivered in child care settings in six states: Georgia, New Jersey, New York, Ohio, Oregon, and Oklahoma. Each of these states improved child care by providing public early education funds to participating child care centers, which in turn agreed to meet more stringent standards. The study found three key standards addressed by each of the states:

- Lower group sizes and more stringent staff-child ratios than those required by child care licensing
- Significantly higher minimum teacher education qualifications than required by child care licensing
- A required curriculum

A major challenge facing Wisconsin and other states is how to expand public school services to younger ages in a way that strengthens existing community-based ECE programs, and does not produce unintentional negative consequences in that private-market system. Each of these states provided increased monitoring and technical assistance, as well as additional funding at levels sufficient to support the cost of meeting higher program standards, a cost that most child care programs cannot cover with their existing revenues. As Wisconsin considers expansion of its four-year-old kindergarten program, the experience of these states can serve as a model.

A pre-kindergarten collaboration model would establish four-year-old kindergartens in child care and Head Start sites, merging resources to meet the child care needs of working families and school readiness goals. Collaborations would be designed to strengthen existing community-based programs, while meeting the goals of the four-year-old kindergarten program. Wisconsin school districts have already developed several collaborative models for four-year-old kindergarten in school districts across the state, coupled with a system of technical assistance to school districts on forming community-based public-private partnerships. Laws and rules for Wisconsin’s public preschool programs present relatively few barriers to this collaborative approach. Since Wisconsin operates public schools with a local control model, the extent to which this model is used could vary dramatically across the state.

Advantages to this model include a system that requires high educational standards for teachers, a clear point of access for parents, and the integration of services into a public school system that exists in every community of the state.
“Definite potential exists to improve the school readiness of young children by supporting increased program standards in child care. To take advantage of this potential, states developing early education initiatives need to address the relationship their initiatives will have with the pre-existing child care landscape, taking advantage of increased interest in improving early learning opportunities for children to build partnerships with child care.”

Rachel Schumacher, Kate Irish, and Joan Lombardi, Center for Law and Social Policy, Meeting Great Expectations: Integrating Early Education Program Standards in Child Care, 2003, p. 35.

**ALTERNATIVE MODEL #3: SCHOOL OF THE 21ST CENTURY MODEL**

**Concept:** Create an early care and education system built around the public school system.

In 1995 Edward Zigler, one of the initial planners of Head Start, and his colleagues proposed a comprehensive public school model, called the “School of the 21st Century.” Zigler described the School of the 21st Century as a “school-based/school-linked family support program designed to promote children’s optimal development by providing high-quality child care and support services to children from birth through age 12.” The program is based on six guiding principles:

- Strong parental support and involvement
- Universal access to child care
- Non-compulsory programs: families choose to participate
- Focus on the overall development of the child
- High-quality programming
- Professional training and advancement opportunities for child care providers

The School of the 21st Century model combines two core services – year-round child care services for children ages 3-5 and after-school and vacation care for children ages 5-12 – with family support and outreach components:

- Guidance and support for parents
- Health education and services
- Networks and training for family child care providers
- Information and referral services

This model essentially calls for re-designing the current range of child care and before-and after-school programs to be primarily part of the public school system, rather than primarily part of the private sector. However, it leaves family child care as a private sector service, with support from the public system. This model provides a coherent system operated through a highly visible institution, the public schools. Implementation would require significant changes in ECE programs and the delivery system that currently exists.

Initial research results for this model appear promising. The Yale University Bush Center in Child Development and Social Policy has completed the first phase of a longitudinal outcome evaluation of four programs based on the School of the 21st

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Century model. The results show that children with at least three years of participation had higher scores on mathematics and reading achievement tests than children in a control group, and that children participating from age three started kindergarten ready to learn, as evidenced by their scores on kindergarten screening tests.

The “21st Century” model is probably the most comprehensive of the models compared in this report, with potentially the most extensive changes to existing programs, since it merges programs for three- to five-year-old children (and school-age children) into a single administrative structure: the public school.

“The strength and ultimate potential of The School of the 21st Century stem from its comprehensive nature and its integration with the education system. By eliminating the distinction between child day care and education, the model actualizes the notion that learning begins at birth and continues in all settings, not just within the classroom.”


**ALTERNATIVE MODEL #4: MILITARY MODEL**

**Concept:** Develop a system based on the military system of quality standards, training and advancement of personnel, and financial assistance to families.

The U.S. Military operates a child care program systematically designed to address the problems of affordability and quality child care. Prior to systematic changes starting in 1981, child care problems and deficiencies were prevalent in the military community:

- Demand for child care was growing rapidly, with waiting lists for care
- Many facilities were unsafe or unsuitable
- There were no comprehensive standards addressing key ingredients of quality
- Child care staff lacked training and were poorly compensated, and annual turnover rates were high
- Parent fees alone could not support a quality system

Prodded by a General Accounting Office (GAO) report, and then by Congressional action mandating improvements in the system in 1989, the U.S. Military turned its system around in dramatic fashion. As documented in a study by the National Women’s Law Center, the Department of Defense now runs a child care system often touted as a national model. The program serves over 200,000 children daily at locations worldwide. The new system seems to have found a comprehensive approach that provides high-quality, affordable care that could be a model for Wisconsin. Over 95 percent of military child care centers meet accreditation standards for quality set by the National Association for the Education of Young Children (NAEYC), compared to nine percent of Wisconsin’s licensed child care centers.
Key program components include:

- **A single point of entry** where parents use resource and referral services to access centers, family child care homes, and before- and after-school programs.

- **Basic standards** for health and safety, staff/child ratios, and staff training are rigorously enforced in 800 centers operated by the military and 9,000 family child care homes operated by military spouses or family members.

- **Staff training and compensation** are keys to quality in the military system. Systematic, ongoing training is required of all teachers/caregivers, with increased compensation linked to training. Distinct pay increases follow a career ladder that leads to increased compensation upon completion of each level of training and evidence of demonstrated competence. Teachers are required to attain the minimum of a Child Development Associate (CDA).

- **Affordable care** is provided though a subsidy system similar to that operated in most states, except that all military families are eligible for a subsidy that by law must at least equal the total amount paid by parents.

Using the military system as a model, Wisconsin could apply key program components to all types of early care and education programs in order to control and monitor the quality of services, to simplify access for parents, and to ensure affordable services.

“If a child care system as deficient as that confronting the military a decade ago could be turned around so dramatically--- and by an institution as inherently conservative as the military--- then surely similar successes can be achieved in the civilian world, by employing and adapting the specific techniques used by the military to accomplish its turnaround.”

The National Women’s Law Center, *Be All That We Can Be: Lessons From the Military for Improving Our Nation’s Child Care System*, 2000, p.40.

**ALTERNATIVE MODEL #5: SMART START MODEL**

**Concept:** Provide an overlay of funding to local coordinating agencies to improve early care and education services.

Smart Start (described earlier in this paper) established a new funding stream and a new administrative system to improve early care and education in North Carolina. Smart Start has received national attention, and many consider it a model for comprehensive early childhood education initiatives.

Smart Start is unique in that it did not try to rearrange and reorganize existing early care and education programs. Rather, it provided a systematic overlay of funding primarily governed by 82 collaborative local councils called Local Partnerships, established by state legislation, which serve the state’s 100 counties. The funding is administered at
the state level by the North Carolina Partnership for Children, a statewide non-profit organization created by legislation.\textsuperscript{62}

Local Partnerships must use the funds for four purposes:
- Help families afford child care
- Improve the quality of child care
- Provide access to health services
- Provide support for families

In recent years, Smart Start has been involved in the implementation of a public preschool initiative, “More at Four,” a community-based, voluntary pre-kindergarten initiative designed to prepare at-risk four-year-olds for success in school. Both at the state and local partnership levels, Smart Start is promoting collaborative models of public preschool, linking public funding and programs with community-based early care and education programs. "More at Four" sites include public schools, child care programs, and Head Start. Smart Start’s National Technical Assistance Center is providing intensive technical assistance grants to support the development of early childhood initiatives like Smart Start in other states and communities. Some states, like Georgia and Kansas, have adopted their own Smart Start programs.

A recent study by the University of North Carolina at Chapel Hill evaluated the Smart Start program. The evaluation drew three main conclusions, based on a study of 110 preschool child care programs and 512 preschool children:
- Between 1993 and 2002, child care quality steadily and significantly increased.
- Participation in Smart Start-funded activities was significantly positively related to child care quality.
- Children who attended higher quality centers scored significantly higher on measures of skills and abilities deemed important for success in kindergarten than children from lower-quality centers.\textsuperscript{63}

The study appears consistent with other research showing that classroom quality positively relates to children’s outcomes, and that targeted public investments can improve child care quality and school readiness. Smart Start approaches to early care and education could serve as a model for how state-level goals could be met through a local-control, collaborative model.

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“… these North Carolina results confirm what other national studies have shown—higher quality preschool classrooms are positively associated with children’s knowledge and skills. Smart Start appears to be effective in improving child care quality and children’s outcomes, yet much more progress can be made.”

University of North Carolina Smart Start Evaluation Team, \textit{Smart Start and Preschool Child Care Quality in NC: Change Over Time and Relation to Children's Readiness}, March 2003, p.16.
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ALTERNATIVE MODEL #6: ENHANCED CHILD CARE SUBSIDY MODEL

Concept: Enhance the current child care subsidy system.

In their 2002 book, America’s Childcare Problem: The Way Out, Suzanne Helburn and Barbara Bergmann laid out three national child care plans that would build on and enlarge the primary national child care funding program, the Child Care and Development Block Grant.64

The first “relatively modest interim plan” would ensure that all families who are currently eligible for the child care subsidy in a state would receive services. A second plan presented in the book would provide improved quality care at no cost for all children, regardless of the family’s income.

This paper focuses on the third plan as a model for an ECE system. We have named it the “Expanded Child Care Subsidy” model, because it expands upon and enhances features in the child care subsidy program. This plan is more expensive than the first, but less expensive than the second. It would provide affordable care of improved quality for all children, including children from middle-class families. This model has the following features:

- **Eligibility:** All families within established income eligibility limits would be served. Services would be available for both low-income and middle-income families.

- **Cost sharing:** Families would pay no more than 20 percent of that part of their income that is above the poverty line. The co-payment schedule would phase out subsidies gradually, as a family’s income rises, eliminating the “cliff effect” of current state programs.

- **Reimbursement rates:** Reimbursement policies would be set with a base rate that reflects fees in the child care market, but with a $2,000 per child bonus for programs that meet high quality standards.

Under this plan, families with annual incomes up to about $80,000 would pay on a sliding scale for the child care of their choice. The subsidy program would operate similarly to the current system: Families would choose from a wide range of regulated child care options. However, the co-pay structure would change, as described above, and a major incentive for quality would be built into the system by providing a bonus to high quality programs. This plan uses a voucher-type approach to funding, with parents choosing from a wide range of options.

This model offers a plan that could be implemented without major changes to the structure of child care funding in Wisconsin. A weakness of this model is that it only addresses one of the three primary ECE programs: child care.
A program that confers on all families the ability to buy decent child care might ‘pay for itself,’ in the sense that such a program would have beneficial results that could eventually save money that the government would otherwise have to spend. Better child care might be expected to promote improved performance in school, to reduce the need of special education instruction, and to reduce discipline problems.”

“Making child care of decent quality affordable to all families would result in safer, more educational, and more enjoyable care for children, and would give a financial boost in a non-stigmatizing way to families pitifully short of resources.”


ALTERNATIVE MODEL #7: “READY TO TEACH” MODEL

Concept: Focus on teacher qualifications to assure program quality, and build a quality indicator system.

The “Ready to Teach” model uses one feature of ECE programs—teacher qualifications—to build a system across ECE programs to improve quality. This model would not require major changes in the basic delivery system of ECE programs, but would require reorganizing the infrastructure that supports those programs, particularly private-sector child care programs, which need the most assistance to improve program quality. The components of the system would include:

1. An expanded professional development system: This model could build on Wisconsin’s current efforts to create a coherent professional development system for the entire ECE workforce, including child care, Head Start, and public preschools. The system could include:

   ▪ **Career path:** Clear career paths and coordinated curriculum could be features of Wisconsin’s higher education system and private educational offerings, possibly with individual licensure of all ECE teachers.

   ▪ **Integrated curriculum:** Curriculum could be integrated with the Model Early Learning Standards recently endorsed by Wisconsin Departments of Public Instruction, Workforce Development, and Health and Family Services.

   ▪ **Scholarships for courses:** A targeted T.E.A.C.H. Early Childhood® program could provide scholarships and support, particularly to members of the ECE workforce who currently meet minimal qualifications. Courses could be directed toward staff who work with low-income infants, toddlers, and preschoolers.

   ▪ **Stronger regulations:** Licensing rules could be adjusted to require higher levels of education and specific competencies for child care administrators and teachers in licensed programs, and more extensive training requirements could be instituted for certified family child care providers.
- **Financing for compensation**: A coordinated financing mechanism to enable early care and education programs to afford to hire and retain qualified staff could be a part of the system, building on recent efforts to improve compensation in a field with perennially low wages and benefits.

- **Data**: A data system could be implemented to routinely collect accurate statewide information on the qualifications of staff in ECE programs.

- **Evaluation**: Outcome measures or performance evaluations/classroom observations could periodically document actual conditions for children, most likely on a sampling basis.

2. **A quality indicator system**: A tiered quality rating system could be developed, based primarily on the qualifications of staff, to help consumers distinguish between programs, and to improve quality in child care purchased by the state. This system could have the following elements:

  - **A rating system**: A child care quality rating system with multiple (4-5) tiers of quality could be developed as a formal part of the licensing system, or developed based on independent data on the ECE workforce.

  - **Tiered reimbursement**: An expanded tiered reimbursement system, building on the existing system which pays a higher reimbursement rate to accredited programs in the child care subsidy program, could be implemented. However, most child care programs (91 percent) have not been able to meet national accreditation standards, largely for financial reasons, and in the current system higher payments can be made to accredited programs only if parents are charged at higher than market-rate levels. The reimbursement system could be modified to allow provision of higher payments to child care programs that meet stringent criteria for quality, regardless of what parents are being charged.

  - **Information on quality for consumers**: An enhanced child care resource and referral system could be part of the system, to help parents find and assess the quality of programs in their communities, using a data base with quality indicators and up-to-date information on vacancies in child care programs. Empowering consumers with useful information would help them make choices, and perhaps create pressure in both public and private markets for improved quality.

  - **Data and research**: This system could include a statewide data and research system to collect data on child care quality and measure progress toward school readiness indicators.
The Wisconsin Child Care Research Partnership (WCCRP) at University of Wisconsin-Extension has examined an extensive body of research linking education and qualifications of teachers to quality of ECE programs and positive outcomes for children. WCCRP’s investigations of child care in Wisconsin have found:

- Caregiver education and wages are related to quality of caregiver interaction in child care settings.  
- Correlation between the qualifications of child care directors and the qualifications of teachers employed at their centers.  
- Significant relationship between (a) teacher education, wages and experience and director education, and (b) observed measures of classroom quality.

The “Ready to Teach” model offers a way to create a system using a key quality component, staff qualifications. It does not require major changes in the primary ECE programs or the current delivery system. This model may, however, be too narrowly focused to be the basis of a comprehensive ECE system.

"Parents are relying on child care and preschool programs in ever larger numbers. We know that the quality of the programs in which they leave their children matters. If there is a single critical component to quality, it rests in the relationship between the child and the teacher/caregiver, and in the ability of the adult to be responsive to the child. But responsiveness extends in many directions: to the child’s cognitive, social, emotional, and physical characteristics and development.

Much research still needs to be done. But from the committee’s perspective, the case for a substantial investment in a high-quality system of child care and preschool on the basis of what is already known is persuasive."


POTENTIAL CRITERIA FOR EVALUATING ECE SYSTEM MODELS

This section provides a sample set of criteria that could be used to evaluate ECE system models. The criteria are intended to serve as a methodology to begin analyzing alternative models for an ECE system. The following criteria are recommended:

1. **Ages 0-5 served**: The model provides for services to children ages 0-5, including planned direct services for infants and toddlers.

2. **Children with disabilities**: The model provides well-designed inclusive services to all children with disabilities.

3. **Quality control**: The model has a strong quality control system and research-based evaluation system. The model has a system of common high quality standards, measurable outcomes, monitoring, and accountability.

4. **Staff professional development**: The model has a strong focus on high qualifications for teachers/caregivers. The model has a system to train, adequately compensate, and retain qualified staff. The model also has a competency-based career ladder system, with clear articulation in the higher education system.
5. **Parent involvement services:** The model provides for strong parent involvement, including parent education, so that parents and ECE program staff partner to enhance the development of each child.

6. **Affordable for families:** The model keeps costs for parents at a minimum.

7. **Family support services:** The model would provide family support services, including preventive health services, home visits, counseling, and referrals.

8. **Seamless services:** The model is designed to provide seamless services from the child's and the family's perspective. Children do not need to be transported from program to program, and families have access to services across the 0-5 age span.

9. **Family child care role:** The model includes an active and extensive role for family child care providers, and care by family, friends, and neighbors, currently the neighborhood infrastructure of child care in many communities.

10. **Coherent delivery system:** The model creates a clear, simple, and comprehensive delivery system for early care and education, with a clear point of access for consumers, clear lines of authority and responsibility, and coherent and diverse funding streams. The model significantly simplifies the current maze of programs and funding mechanisms. The model provides a variety of options for parents with access for families at all income levels.

11. **Builds on current resources:** The model builds on and strengthens the current infrastructure and programs for early care and education. A minimum of disruptions would occur in public and private sector ECE programs.

12. **All children are served:** The model is designed so that all children are eligible to be served, regardless of income. While parent fees may be part of the model, it is designed so that services are affordable to all families. The model is not likely to lead to segregation of children by family income.

These criteria are used in a matrix (Table 8) to assess the models presented in this paper. Because some models are not yet fully developed and because services vary dramatically from community to community in some models (e.g. Smart Start model), it is difficult to determine with any certainty the extent to which each criterion is met by each model. Nevertheless, the authors forged ahead to use the criteria, with “best estimates” of how the model might rate, using a 3-point system:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 = Strong Yes</td>
<td>The criterion is clearly met and specifically addressed in the model.</td>
</tr>
<tr>
<td>2 = Moderate Yes</td>
<td>The criterion is met in some way, but not fully.</td>
</tr>
<tr>
<td>1 = No</td>
<td>The criterion is not addressed in the model.</td>
</tr>
</tbody>
</table>
Table 8: Matrix for Comparing ECE Models by Criteria

<table>
<thead>
<tr>
<th>Criteria for evaluating ECE models</th>
<th>Expanded Head Start Model</th>
<th>Pre-kindergarten Collaboration Model</th>
<th>School of 21st Century Model</th>
<th>Military Model</th>
<th>Smart Start Model</th>
<th>Expanded Child Care Subsidy Model</th>
<th>“Ready to Teach” Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ages 0-5 served: The model serves children 0-5, including direct services planned for infants and toddlers.</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2. Children with disabilities: The model provides well-designed, inclusive services to all children with disabilities.</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3. Quality control: The model would have a quality control system and a research-based evaluation system for measuring child outcomes.</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4. Staff professional development: The model has a strong focus on high qualifications for teachers/caregivers.</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5. Parent involvement services: The model provides for strong parent involvement, including parent education.</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>6. Affordable for families: The model keeps costs for parents at a minimum.</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>7. Family support services: The model provides for family support services, including preventive health care, home visits, counseling, and referrals.</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>8. Seamless services: The model provides seamless services from the child’s and the family’s perspective.</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>9. Family child care role: This model includes an active and extensive role by family child care providers.</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>10. Coherent delivery system: The model creates a clear, simple, and comprehensive delivery system for all early care and education programs.</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>11. Builds on current resources: The model builds on and strengthens the current infrastructure and programs for early care and education.</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>12. All children are served: The model is designed so that all children are eligible to be served, regardless of income.</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
The ratings in the matrix in Table 8 are provided to stimulate thinking about the potential impacts of different models. High scores do not necessarily indicate that a particular model is the best one, since that judgment depends on the importance given each criterion, or other criteria that might be applied. Since this paper does not fully develop the ECE system models, but rather provides illustrative examples, it is virtually impossible at this time to estimate accurately the costs of each model or to confidently measure them by using the proposed criteria. However, the matrix may help policymakers begin to approximate costs of the models. The matrix illustrates some of the different policy trade-offs in designing a system:

- **Coherent delivery system.** The more a system makes wholesale changes in the delivery system for ECE to create a more comprehensive and coherent system, the more existing programs are likely to face dramatic changes and disruptions — possibly with strong political consequences. With about 11,000 diverse ECE programs operating in the state, a new system cannot be developed in a vacuum. The public policy dilemma is that it may be impossible to create a new coherent ECE system without significant changes to existing programs, probably with unintentional consequences.

- **Quality.** The higher the qualifications of staff, the higher the cost. As a system moves toward high staff qualifications, broadly thought to be the key to positive outcomes for children, the more the cost of the system will increase, since qualified staff require adequate compensation, and staff costs are the primary expenses for ECE programs.

- **Universal coverage.** The extent to which the system is open to all children and free or low cost for parents, the more acceptable it is likely to be for families, but the more expensive it will be for government.

- **Political acceptance.** To the degree that the system provides quality services that meet the schedules of working families, and is available to middle-income families as well as the poor, the more political support it may have from voters. However, a system that serves all children will also be more expensive, and those same voters generally oppose additional taxes.

No state has yet established a comprehensive system for early care and education. Should Wisconsin policymakers decide to design a system, the result is likely to be a hybrid of the models presented in this paper, taking key features of these and other models and adapting them to meet the specific needs of the state. The political and financing issues involved in creating a well-designed early care and education system in Wisconsin are daunting. Determining what can or should be done, what kind of system is appropriate, and under what timeframe changes should be implemented is likely to be the focus of public policy debates for the next few years.
CONCLUSION

This report reviewed major research findings and data relevant to early care and education in Wisconsin. It examined Wisconsin’s government structures and investments affecting services to our youngest residents. Furthermore, the paper explored possible models for an early care and education system.

Possibilities for early care and education are wide-ranging and exciting, with potentially strong payoffs, but the obstacles and challenges can be overwhelming to consider. This paper is written with the hope that the dialogue will begin in earnest. A healthy debate is due about whether Wisconsin should develop a statewide ECE system, and about what kind of system might be best for our state. The combination of rising demand for quality early care and education from Wisconsin’s families and unprecedented growth in early Head Start, public preschool, and child care programs clearly raises serious public policy questions about the appropriate role of government in this field. Decisions made by state government in the next few years will have a major impact on Wisconsin’s families, communities, and future workforce.
REFERENCES


2. Data from Wisconsin Head Start Association, Department of Public Instruction, Department of Health and Family Services, and Department of Workforce Development. Personal communication.


6. Methodology for estimation: Children under age 5 of employed mothers in child care: 4,128,930 according to Census data (spring 1999). This figure is arrived at by determining 39% of the total 10,587,000 children in organized child care facilities or non-relative provider homes minus all children in Head Start and public/preschool (1,734,345 based on data from the Head Start Bureau and the U.S. Dept. of Education’s National Center for Education Statistics). Thus, an estimated 2,394,585 children are in child care settings. Website: http://www.census.gov/population/www/socdemo/child/ppl-168.html.


11. Data sources include Wisconsin Department of Public Instruction; Wisconsin Head Start Program Information Reports for 2001-02, including tribal and migrant Head Start; Department of Health and Family Services; and Department of Workforce Development; extrapolation from the Urban Institute Wisconsin estimates and Census data. We used available data on primary care arrangements of preschool children with employed mothers to estimate the number of preschool children in early care and education, although we recognize that just because children are in these settings does not mean their parents are working.

Child care data in Wisconsin are not precise enough to confidently predict numbers of preschool children in regulated care. This report used a set of assumptions and calculations to arrive at an estimate of 138,330 preschool children in regulated care: 216,140 children are estimated to be in regulated (licensed or certified) settings 138,330 of those children (64%) are estimated to be preschoolers, based on percentages of preschool children served by the subsidy program. The number of preschool children in unregulated child care was estimated by subtracting the estimated number of children in Head Start, public preschool, and regulated child care (178,925) from the estimated number of children in non-parental out-of-home settings (256,755). The estimated number of children in care by a parent or nanny was arrived at by subtracting 256,755 from the number of preschool children in Wisconsin (342,340). Given the data shortcomings, these estimates seem reasonable, and are fairly consistent with Urban Institute Wisconsin estimates, based on data from the 1997 National Survey of America’s families.


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60. The Yale University Bush Center in Child Development and Social Policy, School of the 21st Century website: http://www.yale.edu/bushcenter/21C/guidingprinciples.html.


The Wisconsin Idea has always encouraged a strong connection between research knowledge, the informed involvement of its citizenry, and the democratic process in forming sound public policy. This paper is intended to be a contribution toward that effort.

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1. Alternative Policy Options for Child Care Subsidy Programs
2. Improving Child Care Quality
3. Family Child Care

(available at www.uwex.edu/ces/flp/wccrp/publications.html)
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