Wisconsin Child Care Research Partnership

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 new series on public policies for early childhood care and education.

Our aim with these Public Policy Options Papers is to be a fair broker of 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 a premier 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.
# Table of Contents

Section I. Background Information: Early Care and Education ............................................. 1  
   The National Academies’ Findings on Child Care .......................................................... 1  
   Public Policy Context ..................................................................................................... 2  

Section II. Should Wisconsin Invest in Child Care Quality Improvement? ...................... 3  
   Why Does the Quality of Our Child Care Settings Matter? .......................................... 3  
   What Do We Mean By “Quality” In a Child Care Setting? ............................................ 5  
   How Good is the Quality of Child Care in the United States and in Wisconsin? ...... 6  
   What Does Research Tell Us About the Effects on Children of Poor or Good Quality Child Care? .............................................................................................................. 8  
   Summary of Key Findings from the Research ............................................................... 12  

Section III. What Investments Has Wisconsin Made to Try to Improve the Quality of Child Care? ................................................................................................................. 13  
   Regulation to Protect and Promote Child Health, Safety, and Development ............. 15  
   Efforts to Inform Consumers and Promote Quality Supply ......................................... 17  
   Improving the Qualifications of the Child Care Workforce ....................................... 20  
   Efforts to Promote High Quality Standards ............................................................... 23  
   Creation of Model Programs ....................................................................................... 25  

Section IV: Alternative Policy Options Related to Child Care Quality in Wisconsin ...... 28  
   Policy Alternative #1: Reduction in Funding for Quality Improvement .................... 28  
   Policy Alternative #2: Maintain Ten Percent for Quality Improvement ................. 28  
   Policy Alternative #3: Create a Quality Rating System ............................................ 29  
   Policy Alternative #4: Create a Coherent Governing and Financing Strategy for High Quality Early Care and Education Services ............................................. 30  

   Summary ...................................................................................................................... 32  

   References ................................................................................................................... 33
What National Research Experts Are Saying…

*The early years matter…*

“Although there have been long-standing debates about how much the early years really matter in the larger scheme of lifelong development, our conclusion is unequivocal: What happens during the first months and years of life matters a lot, not because this period of development provides an indelible blueprint for adult well-being, but because it sets either a sturdy or fragile stage for what follows.”

*Quality child care and positive child development are linked…..*

The positive link between quality child care and “virtually every measure” of a child’s development is “consistent and ubiquitous” in the research into the effects of child care.

*The care and protection of children is an important topic for public policy…*

“…as a public issue, questions about the care and protection of children confront many of the basic values that have defined our country from its founding - personal responsibility, individual self-reliance, and restrained government involvement in people’s lives. In a highly pluralistic society that is experiencing dramatic economic and social change, however, the development of children must be viewed as a matter of intense concern for both their parents and the nation as a whole.

“In this context, and based on the evidence gleaned from a rich and rapidly growing knowledge base, we feel an urgent need to call for a new national dialogue focused on rethinking the meaning of both shared responsibility for children and strategic investment in their future.”

SECTION I. BACKGROUND INFORMATION: EARLY CARE AND EDUCATION

THE NATIONAL ACADEMIES’ FINDINGS ON CHILD CARE

In 2000 the National Research Council and the Institute of Medicine issued a report entitled, From Neurons to Neighborhoods: The Science of Early Childhood Development.¹ The National Research Council and the Institute of Medicine are two of four national academies established by Congress to advise the federal government on scientific and technical matters. The report, developed by a distinguished panel of 17 scientists from across the country, reviewed relevant research, provided a careful summary of scientific data on early childhood development, and offered recommendations for government action. What did the report say?

There have been major advances in understanding how children develop
The report indicates that “an explosion of research in the neurobiological, behavioral, and social sciences” has led to major advances in understanding how children develop. These scientific gains have led to a much deeper appreciation of:
- The importance of early life experiences
- The central role of early relationships
- The powerful capabilities and skills that develop during the earliest years

There have been dramatic transformations in the social and economic circumstances families with young children are facing
The report focuses on changes in American society, including:
- Increased parental participation in the workforce and greater difficulty balancing workplace and family responsibilities for families at all income levels
- High levels of economic hardship among families
- Increasing cultural diversity and the persistence of significant racial and ethnic disparities in health and developmental outcomes
- Growing numbers of young children in child care settings of highly variable quality

There is a need to reexamine child care policies and programs
The report strikes a strong note of caution for the risks many children face. Changes in conditions facing families with young children, especially low-income families, combined with scientific findings on the importance of the early years of life, led the panel of experts to urge a thorough re-examination of policies and programs that affect young children and enhance their well-being. The report found “highly fragmented” early childhood policies and practices. It concludes that “the time is overdue” for state and local decision makers to design and implement coordinated, functionally effective infrastructures for early childhood programs.
PUBLIC POLICY CONTEXT

Public policy initiatives to improve the quality of child care are relatively recent and somewhat scattered across the country. In most states, efforts to improve quality often conflict with efforts to fund child care subsidies for needy families.

Child care trilemma: Public policy efforts are often plagued by what many policy experts call the child care “trilemma,” or the difficulty of meeting three program goals simultaneously: (1) affordability for families, (2) availability of services, and (3) quality of services.

In this policy trilemma, trying to meet any one of the three goals often exacerbates the other two. For example, we could supply plenty of high quality care, but the cost would be too high for most parents. Alternatively, we could provide plenty of affordable care, but much of it would not be of high quality. Finally, we could provide high quality affordable care, but we could not deliver very much of it under current budget constraints.

Because child care quality makes a difference to child outcomes, particularly when the children served are from low-income or at-risk populations, some other industrialized nations have instituted government support for early care and education, often integrating services into public education systems. Because the quality of care for the vast majority of young children in out-of-home settings in the U.S. is fair to mediocre, public policy discussions have focused increasingly on improving the quality of child care settings.

Public policy challenge
Changes in parental participation in the workforce and increased interest in school readiness have led to increased but fragmented funding streams for early care and education. Wisconsin faces fundamental questions about the role of government in early care and education. How great a role should government play? Do families and children need assistance for the good of society? If government intervenes, how should investments be structured? Should programs support all families or be targeted? How can the fragmented funding streams be adjusted to create a more coherent, systematic approach? These questions face the governor, the legislator, and the citizenry as public policy for early care and education is formed for the 21st century.
SECTION II. SHOULD WISCONSIN INVEST IN CHILD CARE QUALITY IMPROVEMENT?

Topics to be covered in this paper

- Why does the quality of our child care settings matter?
- What do we mean by “quality” in a child care setting?
- How good is the quality of child care in the United States and in Wisconsin?
- What does research tell us about the effects on children of poor or good quality child care?
- What investments has Wisconsin made to try to improve the quality of child care?
- Alternative policy options to improve the quality of child care in Wisconsin

WHY DOES THE QUALITY OF OUR CHILD CARE SETTINGS MATTER?

Research over the last quarter century shows direct links between indicators of quality in child care settings and outcomes for children, especially children potentially at risk because of poverty or disability. A central question for this paper is whether child care quality should be improved as a goal of public policy. There are at least four reasons why the quality of our child care settings matters.

1. Increasing numbers of children are in care: Child care has become a fact of life for many thousands of children in the United States. Wisconsin, with its strong work ethic, has one of the highest levels of employed mothers: 70 percent of mothers with children under 5 years old are employed. The majority of these children are in primary child care arrangements with someone other than a parent.

| Percentage of Employed Mothers in Wisconsin and the United States, by Age of Child |
|------------------------------------------|----------|--------|
| Age of Child          | Wisconsin | U.S.   |
| Under 5              | 70        | 57     |
| Between 6 and 12     | 75        | 66     |

2. The current child care market is experiencing “market failure”: A key question for public policy is why government should intervene in a private market. Shouldn’t government leave the child care market alone, and allow supply and demand to work? Shouldn’t market forces result in a reasonable level of child care quality for children and families?
Two University of Wisconsin-Madison professors, Deborah Vandell, from the Department of Educational Psychology, and Barbara Wolfe, from the Department of Economics, addressed this question in a November, 2000 special report for the Institute on Poverty, *Child Care Quality: Does It Matter and Does It Need to Be Improved*? Bringing together analytic tools from both developmental psychology and economics, Vandell and Wolfe cite several reasons why market forces do not result in a reasonable level of child care quality:

- Consumers lack the necessary information to select high quality care
- “Externalities” mean that there are specific benefits that accrue to others or to the community, such as lower costs of later education, reductions in crime, and lower need for social services
- The market is imperfect because family income is lowest, and expenses high, during early years of family formation.

Vandell and Wolfe make an economic argument for investing in higher quality child care saying that benefits accrue not only to the family and child, but to society in general, especially through reductions in special education, grade retention, crime, and public assistance costs which have been documented by research. The report concludes, “… in the interest of equality of opportunity, a strong argument can be made for extending the benefits of high-quality child care to children in low-income families.”

> “Benefits of quality child care accrue to other members of society, including all children in schools with children who had child care: taxpayers, who are likely to save in costs of future schooling by reduction in special education and grade retention; employers, who benefit from more productive employees; and citizens, who gain in terms of future reductions in crime and use of transfer programs”

Vandell & Wolfe, *Child Care Quality: Does It Matter and Does It Need to Be Improved?* November, 2000

3. **The public has an interest in protecting its most vulnerable citizens:** Recognizing that in America and in Wisconsin, child care is purchased in the private marketplace, Profession David Riley, University of Wisconsin-Madison, considered what might induce lawmakers to intervene in that marketplace to maintain or improve the quality of care. At Wisconsin’s Family Impact Seminar for legislators and policymakers in January 2002, he argued that the public has an interest in helping to ensure the safety and healthy development of its young children. With 70 percent of our young children with working parents in child care settings, basic protection of those children may be in the interest of our society. Protection of children in child care settings is primarily addressed through state regulatory programs.
4. The public has an interest in improving the quality of care: Riley also argued that higher quality child care promotes tangible social goods such as increased school readiness, lower future delinquency, and lower crime rates, particularly for children from low-income families. Public interest in child outcomes causes the government to create a public school system, and to make efforts to improve it. Investment in high quality child care for children from low-income families is consistent with a primary principle of American democracy: equal opportunity for all.

Wisconsin’s 2002-03 state budget appropriated $306 million for the child care subsidy program to help low-income families afford child care services. While affordable access to the child care market for children from low-income families is a strong public policy goal, in the long run the quality of the care those children receive may be of equal or greater consequence.

WHAT DO WE MEAN BY “QUALITY” IN A CHILD CARE SETTING?

When researchers and practitioners in child care use the term “quality” in referring to child care, they are usually referring to a variety of child care characteristics and the relationship of these characteristics to effects on children. The characteristics are generally presented in research as process and structural features:

- **Process features** measure the quality of child care through observations of what actually occurs in child care settings: responsiveness of the caregiver, language stimulation, children’s interactions with caregivers and other children, health and safety measures, etc. Widely accepted rating scales measure these features.

- **Structural features** measure the characteristics of the child care setting and the quality of the caregivers: child-adult ratio, formal education and training of the caregivers, size of each group of children, etc. These features can be measured by collecting data on staff characteristics and child care settings.

Researchers believe that structural features (such as group size) cause differences in process features (such as amount of language stimulation per child), which cause differences in child outcomes (like vocabulary). Researchers face a challenge in isolating the effects of child care features from other strong influences on children’s development, including family and neighborhood characteristics.
HOW GOOD IS THE QUALITY OF CHILD CARE IN THE UNITED STATES AND IN WISCONSIN?

Recent large-scale studies of child care confirm that the vast majority of care is of “fair” or “mediocre” quality, and only a relatively small proportion of care optimizes the growth and development of children. Depending on measures used, approximately 10 percent of settings are rated “poor” or “inadequate.” These studies all used well-validated measures of quality and provide samples large enough to allow researchers to estimate possible national patterns.

1. The Cost, Quality and Child Outcomes Study in Child Care Centers, 1995

| Quality Findings: The Cost, Quality, and Child Outcomes Study in Child Care Centers, 1995 |
|-----------------------------------|---------|
| Less than minimal                 | 11%     |
| Fair or mediocre                  | 65%     |
| Good                              | 24%     |
| 100%                              |         |

These findings of the Cost, Quality, and Child Outcomes Study show that most child care centers (65%) in a broad study of 401 full-day child care centers in four states were of fair or mediocre quality.⁵


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<th>Quality Findings: NICHD Study, extrapolated to U.S., 2000</th>
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<td>Poor</td>
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<td>Fair or mediocre</td>
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<td>Excellent</td>
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<td>100%</td>
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The National Institute of Child Health and Human Development (NICHD) study of early child care includes a wide range of child care settings, and a large sample of 1,300 children, from ten locations, including Madison, Wisconsin. It is probably the most comprehensive controlled research on child care ever done in the U.S. The findings indicate that child care nationally is neither outstanding nor terrible on average, but that there is significant room for improvement, with 53 percent of care fair or mediocre.⁶
3. **The Wisconsin Child Care Research Partnership (WCCRP), 2002**

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<th>Quality Findings: Wisconsin Child Care Research Partnership Study, 2002</th>
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<td><strong>Total</strong></td>
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The Wisconsin Child Care Research Partnership study, led by University of Wisconsin-Extension, included a random sample of Wisconsin child care centers that received child care subsidies for low-income children. Because 80 percent of Wisconsin’s regulated child care programs provide care for subsidized children, this sample is fairly representative of child care in the state. Using the Early Childhood Environment Rating Scale-Revised (ECERS-R) to measure the quality of care, the study concluded that the average quality of child care in Wisconsin is “mediocre.”

The Research Partnership’s findings are pertinent particularly because all of the settings are Wisconsin-specific. Observations of 292 teachers in 174 classrooms in 28 randomly-selected child care centers in Wisconsin indicated that:

- **Caregiver education made a difference**: Caregivers with more education had higher quality interaction with children than caregivers with less education. Education at the B.A./B.S. level, in any field, predicted good quality.

- **Hourly wage was important**: Wages of child care teachers were linked to better quality of care. Teachers in good quality classrooms (ECERS-R scores > 4.5) earned a full $2.00 per hour more than teachers in minimal quality classrooms (ECERS-R scores < 3.5).

- **Child care center directors may be a key to quality services**: Teachers with more education, more child care experience, and higher wages were more likely to be found in centers led by directors with higher professional qualifications.

Significant correlations were found between the education of child care directors and:

- Teacher education
- Teacher child-centered beliefs
- Quality of teacher interaction
- Teacher wages

![Diagram showing correlations between director education and other factors](image-url)
Overall, the picture is one of a system of fair or mediocre child care that is for the most part not damaging, but is also not taking advantage of the opportunity to help children maximize their potential cognitively, physically, and emotionally.

**WHAT DOES RESEARCH TELL US ABOUT THE EFFECTS ON CHILDREN OF POOR OR GOOD QUALITY CHILD CARE?**

Research has identified strong links between the quality of child care and child outcomes. Some of the strongest research findings focus on the long-term impact of quality child care on children from low-income families. The next section provides a summary of some of the key research studies that may inform public policy.

1. **NICHD Study of Early Child Care: High Quality Child Care Leads to Positive Child Outcomes**

The NICHD Study of Early Child Care is unique because it tracked a large cohort of children through the first seven years of their lives in whatever child care arrangements they were in, studying the families before the children were even born. This study was comprehensive, using rigorous research methods.

The first part of the study, published in 1995, summarized data for children through age three. Family characteristics and the quality of the mother’s relationship with the child were found to be stronger predictors of children’s development than child care factors. However, some child care characteristics were shown to have an impact on children’s development, above and beyond family factors.10

In general, higher quality child care was consistently but modestly associated with positive outcomes, including higher language ability, better school readiness, and fewer reports of children’s problem behaviors. Lower quality child care predicted more problem behaviors, lower language ability, and lower school readiness.

The study also found that long hours of child care were associated with more behavior problems and less harmonious mother-child interactions.
A follow-up study, that followed children through age 4½, found that better caregiver training and lower staff-child ratios in child care settings led to improvements in children’s cognitive skills and social competence.\textsuperscript{11}

2. Positive Long-term Results Found in Intervention Programs

Three controlled studies of the long-term effects of intervention programs demonstrate that high quality early childhood education for disadvantaged children can be an effective way of improving children’s life chances. All three studies were true experiments, in which children were randomly assigned to receive or not receive the program, so later differences between the two groups are known to have been caused by the early childhood program.

- **High/Scope’s Perry Preschool Study.** The Perry Preschool Project followed into adulthood 128 African-American low-income children who attended a high quality half-day preschool with degreed teachers, low staff-child ratios, and weekly home visits. They found that children who had attended the program were more likely to graduate from high school, enroll in post-secondary education, and find themselves employed than were children who did not attend the program. The children who did not attend the preschool were also less likely to be assigned to special education classes, commit crimes, become teenage parents, or receive welfare assistance. The study found that the cost to taxpayers of not operating a high quality program for disadvantaged children was six times higher than the cost of providing the program.\textsuperscript{12}
**Abecedarian Project.** The Abecedarian Project was a carefully controlled study of the effects of five years of exposure to early education in a high quality child care setting. Children in the study were followed from infancy to age 21. In a 1994 paper on the Abecedarian Project, Campbell and Ramey report that low-income children who were enrolled in an intensive early education child care center as preschoolers had higher intellectual and academic gains through age 12 than non-enrolled children. The earlier the children were enrolled, the more enduring the gain. This study reports some of the broadest and most long lasting benefits reported to date for an early childhood program. Wisconsin’s Early Childhood Excellence Initiative (described in Section III of this paper) was based partially on the Abecedarian project. Wisconsin’s Initiative demonstrated an ability to substantially improve the quality of care provided to children from low-income families in Wisconsin by providing funding and technical assistance to targeted child care programs.

![Benefits of the Carolina Abecedarian Project at Age 21](chart)

“The importance of high quality, educational child care from early infancy is now clear. The Abecedarian study provides scientific evidence that early childhood education significantly improves the scholastic success and educational attainments of poor children even into early adulthood.”

*The Carolina Abecedarian Project, October, 2000.*
The Chicago Child Parent Center. This project is an ongoing federally-funded study of a center-based early childhood intervention that includes comprehensive educational and family support services to low-income children in the Chicago public schools. Evaluated by Professor Arthur Reynolds, University of Wisconsin-Madison, this program has shown substantial social and economic benefits for young children. At age 20, participants were more likely to have finished high school than children who were not in the program. They were also less likely to have been held back in school, less likely to have needed remedial help, and less likely to have been arrested. It is estimated for every dollar invested, the return was $7, based on the reduced costs of remedial education and justice system expenditures, and on the increased earnings and projected tax revenues for participants. A distinguishing feature of this study is that it is the first cost-benefit analysis of a large-scale (over 1,500 children) comprehensive early childhood program. This study is especially significant because it is not a demonstration project mounted by university researchers, but rather a large government-run public school operation using primarily public funding (Title I education dollars). The success of this project suggests that similar positive results could be replicated in large systems with multiple sites.

These studies of major intervention projects provide evidence that well-planned early childhood programs can have significant positive impacts on children from low-income families. In addition, these studies were true experiments and allow us to say with some certainty that the early childhood program caused these differences in life outcomes. The overall research is not clear on how to replicate these programs on a broader scale (although the Chicago Child Parent Center project has shown that replication is possible), or on whether the impact of such intervention would be significant for middle- and upper-class children.
Summary of Key Findings from the Research

- **Quality of care in the U.S.:** In general, 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.

- **Effects of child care:** High quality child care has significant effects on higher language ability, better school readiness, and fewer reports of children’s problem behaviors.

- **Long-range positive effects:** Several longitudinal studies show dramatic long-term effects of high quality early care and education intervention programs.

- **Economic case:** An economic rationale can be made for investing in high quality child care and early education, because of benefits to society in general.
SECTION III. WHAT INVESTMENTS HAS WISCONSIN MADE TO TRY TO IMPROVE THE QUALITY OF CHILD CARE?

Wisconsin Expenditures on Quality Improvement
State investment to improve the quality of child care has been a relatively new phenomenon in Wisconsin and nationwide. Prior to the creation of the federal Child Care and Development Block Grant in 1990, only unspent funds ("carryover" funding) that had been originally appropriated for subsidies were made available for efforts to improve child care quality in Wisconsin, except for the funding of:

- **Basic regulation** through licensing of child care homes and centers
- **Child Care Food Program**, a federally-funded program to reimburse child care programs for serving nutritious meals and snacks.

Wisconsin has dramatically increased expenditures on child care quality improvement in recent years, using primarily two federal block grant funding sources: Child Care Development Fund (CCDF) and Temporary Assistance to Needy Families (TANF). Wisconsin budget allocations to improve quality and supply of child care services grew from $4 million in 1995-96 to $35 million in 2002-03.

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<tr>
<td>Increasing the quality and supply of child care</td>
<td>$0 million</td>
<td>$4 million</td>
<td>$26 million</td>
<td>$35 million</td>
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Wisconsin has also explored efforts to coordinate early care and education across departments. In 2001 Governor Scott McCallum proposed creation of a “Kid’s Cabinet” to plan effective services for children, but the funding proposal for staff to the Cabinet was rejected, and the proposal went unimplemented.

**Efforts by Other States**
Nationally, according to the U.S. General Accounting Office (GAO)\(^{16}\) state expenditures on quality improvement initiatives have been on the following:

- 20%: Child care resource and referral (CCR&R)
- 14%: Enhanced inspections through regulation
- 13%: Helping child care programs meet state standards
- 13%: Caregiver training
- 12%: Caregiver compensation
- 8%: Safety equipment
- 8%: Incentives for accreditation

An additional 12 percent of state expenditures went for “other” miscellaneous quality efforts. Expenditures for child care quality improvement initiatives in Wisconsin have been similar to efforts in other states, although CCR&R services have been less heavily
funded. The majority of state child care appropriations have gone to help low-income families afford child care through a child care subsidy program.

In recent years, policymakers have focused increasingly on school readiness strategies, including pre-kindergarten programs and Head Start. Because the vast majority of children in out-of-home care are in child care settings, many governors and state legislatures across the country have begun to coordinate child care and early education systems in order to improve government efficiency, increase school readiness, and provide families with more coherent access to needed early care and education services.

- Three out of four states have enacted laws related to early childhood coordination.
- Many states are layering education funding on top of child care subsidies to improve school readiness.

**Five major Wisconsin quality improvement efforts**

Over the past decade, five major public policy efforts have been used to improve child care quality in Wisconsin:

- Regulation
- Child Care Resource and Referral (CCR&R)
- Improving child care workforce qualifications
- Accreditation
- Model programs

This section provides a rationale and description of these programs and examines information and research available about program impacts. Data presented in this section are from the Office of Child Care in the Department of Workforce Development.

Some of these quality improvement activities are new efforts, and adjustments to the programs are being made as more effective approaches are sought. We note that while Wisconsin’s initiatives have been carefully monitored and fine-tuned, most of the programs have not been subjected to rigorous evaluations. Few studies anywhere in the U.S. have used experimental or quasi-experimental design, which would justify strong conclusions about cause-effect relationships. However, a great deal of published correlational research supports the general causal relationships (or “Logic Models”) we present for each of Wisconsin’s five quality improvement efforts. This report offers information that may be useful in evaluating the effectiveness and impact of efforts to improve quality in Wisconsin.

We focus on these five quality improvement efforts because they are the primary policy initiatives in this area with statewide implications. Funds were also spent on other quality efforts, including local initiatives.
Five major quality improvement efforts in Wisconsin:

1. Regulation to Protect and Promote the Health, Safety, and Development of Children: Licensing and Certification

2. Efforts to Inform Consumers and Promote Quality Supply: Child Care Resource and Referral

3. Improving the Qualifications of the Child Care Workforce: Child Care Scholarship and Bonus Program

4. Efforts to Promote High Quality Standards: Accreditation of Child Care Programs

5. Creation of Model Programs: The Early Childhood Excellence Initiative

1. Regulation to Protect and Promote Child Health, Safety, and Development Program: Licensing and Certification

   2002-03 Budget Level: $14 million (estimate includes $580,000 for safe child care)

   Budget Trend: Slowly rising over the last decade

State Regulation of Child Care: Logic Model of Impacts

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Processes of Impact</th>
<th>Impacts on Child Care Programs</th>
<th>Impacts on Children</th>
<th>Impacts on Parents &amp; Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher standards for license</td>
<td>Higher minimum level of quality before license is issued</td>
<td>Higher quality care in licensed programs</td>
<td>Greater job retention and work hours by low-income parents</td>
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<tr>
<td>Greater monitoring for compliance</td>
<td>More frequent attention to licensing standards by child care programs</td>
<td>Small increase in unregulated (&quot;black market&quot;) family child care</td>
<td>Gains in child development, school readiness, etc.</td>
<td>More competent adults, reduction in future welfare recipiency etc.</td>
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**Program rationale**
The state regulates many industries (restaurants, adult care facilities, hair grooming, etc.) in order to set minimum standards for health and safety. Many child care experts believe that a strong regulatory base creates a foundation so that quality programs can flourish. Regulation is intended to protect children in out-of-home settings and to promote positive development. Regulation establishes minimum standards that must be met for a program to legally operate or receive funds.

**Program description**
Wisconsin has had a child care licensing law since 1949. (The last state to pass licensing regulations was Florida in 1976). Wisconsin increased its capacity to provide oversight and strengthened protection for children in child care settings during the 1990s, streamlining and updating regulations for the health, safety and development of children. Licensing applies to programs serving four or more children (including day camps) and is administered by the Department of Health and Family Services. Certification applies to programs exempt from licensing, usually smaller family child care homes that receive public child care subsidies, and is administered locally by county and tribal government, or their contractees. Special “safe child care” funding totaling $580,000 has been earmarked in the last two budgets annually to counties and tribes to help assure safety in certified child care settings.

In June 2002 Wisconsin regulated 11,003 child care programs, an increase of 22 percent since 1994. The chart below indicates the number of facilities regulated, by category:

<table>
<thead>
<tr>
<th>Regulated Child Care Facilities - June 2002</th>
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<tr>
<td><strong>Licensed child care programs</strong></td>
</tr>
<tr>
<td>• Group day care centers (serving 9 or more)</td>
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<tr>
<td>• Family day care centers (serving 4-8)</td>
</tr>
<tr>
<td>• Day camps</td>
</tr>
<tr>
<td><strong>Certified family day care programs</strong></td>
</tr>
<tr>
<td><strong>TOTAL REGULATED CHILD CARE PROGRAMS</strong></td>
</tr>
</tbody>
</table>

Wisconsin was ranked as one of the top ten states for child care by a national panel of experts for seven consecutive years of ratings in the 1990s, primarily because of its strong licensing program. In recent years, regulation has been strengthened by adding criminal record and other background checks, increasing the range of enforcement options for the protection of children, and adding staff to keep up with the increase in regulated programs.
Impact of child care regulation

Do strong licensing programs make a difference in the quality of child care?

- Researchers from the Cost, Quality and Child Outcomes study concluded: “States with more demanding licensing standards have fewer poor-quality centers.”

- William Gormley, formerly a professor specializing in public policy at University of Wisconsin’s La Follette Institute, and currently at Georgetown University, concluded that regulation has a positive impact on child care quality, after reviewing studies of both center-based and family child care.

- A recent General Accounting Office (GAO) report on Florida’s implementation of more stringent child-to-staff ratios and caregiver education licensing requirements indicated that: reduced child-to-staff ratios and better-trained caregivers significantly contributed to gains in children’s cognitive and language development and attachment to their teachers.

- Research from the Frank Porter Graham Institute suggests that a number of elements of quality in child care are positively affected by regulation, such as child-staff ratios, group size, staff qualifications, and health and safety precautions.

2. Efforts to Inform Consumers and Promote Quality Supply

Program: Child Care Resource and Referral (CCR&R)
2002-03 Budget Level: $1.35 million
Budget Trend: Rising over the last decade, but reduced 20% in 2001-2003
Program rationale
Child Care Resource and Referral (CCR&R) agencies are intended to provide an infrastructure for the child care market. CCR&Rs focus on:

- **Referral services for families.** Help families find and choose child care settings appropriate for their needs
- **Technical assistance and training for child care providers.** Help providers start programs and enhance the quality of their services
- **Support for communities.** Help communities plan and develop needed child care services, using local data

These services are intended to create informed consumers, develop child care supply to meet gaps in the market, increase the quality of child care programs, and engage the community in child care planning, and provide public information about child care. CCR&Rs document changes in the child care market, using standardized data systems.

Program description
Wisconsin developed a statewide network of 17 CCR&R agencies serving all counties and tribes in the 1990s with annual grants based primarily on population and the number of counties served. CCR&Rs in Wisconsin are required to meet standards, validated by a review process every three years. Recent validation visits of the 17 agencies’ self-study ratings indicated that most (84%) of the 176 standards were fully met. Key services provided by statewide CCR&Rs in 2001 are described below:

<table>
<thead>
<tr>
<th>Services provided by 17 CCR&amp;Rs statewide: 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referrals or consultations: 28,782 parents</td>
</tr>
<tr>
<td>Training events (n=947)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Technical assistance: 66,000 child care providers, community members, and employers</td>
</tr>
</tbody>
</table>

Impact of the CCR&R program
Wisconsin CCR&R Network conducts an annual statewide survey of key clients and stakeholders (county agencies, W-2 agencies, technical schools, licensing offices, tribes, etc.). Results of the 2002 survey, collated by the CCR&R Network, from 205 respondents (a 52% response rate) provided the following findings:
<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The CCR&amp;R is effective in achieving its purpose.</td>
<td>Strongly Agree 51%</td>
</tr>
<tr>
<td>2. The CCR&amp;R provides timely and responsive information that meets the needs of low-income families.</td>
<td>Strongly Agree 40%</td>
</tr>
<tr>
<td>3. Information provided by the CCR&amp;R is accurate.</td>
<td>Strongly Agree 45%</td>
</tr>
<tr>
<td>4. The CCR&amp;R is an active partner in local community collaborations focused on child care.</td>
<td>Strongly Agree 62%</td>
</tr>
<tr>
<td>5. I would recommend CCR&amp;R to other agencies and employers in our area.</td>
<td>Strongly Agree 62%</td>
</tr>
</tbody>
</table>

These findings suggest that CCR&Rs deliver important services and provide an infrastructure to a diverse private market in their communities. Key stakeholders appear to be positive about the services provided. Unfortunately, the Research Partnership was unable to identify any controlled research studies on the effects of CCR&R services, possibly because CCR&Rs have multiple purposes and customers. Barbara Wolfe and Deborah Vandell of University of Wisconsin-Madison suggest that a minimum role of the public sector is to provide information on child care services and their characteristics, a task for which CCR&Rs are well suited.\(^{19}\) Child care market failure in delivering quality services may be due in part to lack of quality information for child care consumers. Wisconsin’s CCR&Rs are currently exploring a system of quality indicators or ratings for child care programs that could be used by consumers to improve their abilities to select high quality child care.
3. Improving the Qualifications of the Child Care Workforce

Program: Child Care Scholarship and Bonus program (known as T.E.A.C.H.)
2002-03 Budget Level: $6 million
Budget Trend: First funded in 1999, with significant increases since

Program rationale
Research has shown solid links between qualifications of the child care workforce and outcomes for children. Research has also identified three significant barriers to achieving high quality child care:

1. **Low levels of education and training in the child care workforce:** The highest level of education for the majority of child care providers in Wisconsin is a high school diploma.
2. **Low wages:** Wages are below $8 per hour ($16,000 annually) for most teachers in Wisconsin child care centers.
3. **High turnover rates:** A 1994 study of the Wisconsin’s child care workforce found that the rate of teachers leaving child care centers was 25% for teachers, 39% for assistant teachers, and 51% for directors.

Every major study on the components of quality child care has found a strong connection between the educational level of child care providers and the overall quality of care. High turnover for child care workers has been a problem affecting child care programs nationwide for the past two decades.
**Program description**
The Child Care Scholarship and Bonus program includes three components:

- **T.E.A.C.H. Early Childhood® Wisconsin** (T.E.A.C.H. stands for Teacher Education And Compensation Helps): This initiative, part of a multi-state effort led by North Carolina, links training, compensation and commitment to improving the quality of early childhood care and education experiences for young children and their families. The program administers a scholarship and bonus program for child care workers under the auspices of the Wisconsin Early Childhood Association (WECA).

- **R.E.W.A.R.D™** (Rewarding Education with Wages and Respect for Dedication): This compensation initiative rewards workers who have reached specified educational levels and have stayed in the early care and education field. Stipends range from $250 to $1,750.

- **Mentor Teacher Program**: This program matches experienced mentors with protégés to share educational experiences and on-the-job training. Mentor programs operate across the state, administered by 17 Child Care Resource and Referral agencies.

**Impact of the scholarship and bonus program**
The chart below, drawn from Office of Child Care data, indicates that the program may have affected as many as 3,000 individuals overall (note: some individuals participated in more than one of the programs). These programs have served individuals in 68 of Wisconsin’s 72 counties.

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
<th>Numbers Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>T.E.A.C.H. Early Childhood® Wisconsin</td>
<td>Child care center staff and family child care providers were awarded scholarships to improve their knowledge and skills from August 1999 through September 2002</td>
<td>1,586</td>
</tr>
<tr>
<td>R.E.W.A.R.D™ Wisconsin</td>
<td>Child care center staff and family child care providers were awarded stipends in 2002 for meeting specified educational levels and remaining in the child care field</td>
<td>1,427</td>
</tr>
<tr>
<td>Mentor Teacher Program</td>
<td>Mentors and protégés participated in the mentor program from October 2000 through September 2002</td>
<td>589</td>
</tr>
</tbody>
</table>

**Evaluation of T.E.A.C.H. Early Childhood® Wisconsin**
The Wisconsin Department of Workforce Development’s Office of Child Care reports that Wisconsin’s T.E.A.C.H. scholarship participants have an 11 percent annual turnover rate, compared with a 41 percent annual turnover rate for the Wisconsin child care workforce overall.
Wisconsin’s T.E.A.C.H. Early Childhood® program is part of a multi-state effort, led by North Carolina. A recent review of program evaluation studies by the Institute for Women’s Policy Research concluded that North Carolina’s T.E.A.C.H project, which has operated for 10 years, has helped participants:

- Increase their education and training
- Improve their compensation
- Remain in their jobs longer

**Evaluation of R.E.W.A.R.D.™ Wisconsin**

The Institute for Women’s Policy Research report also found that North Carolina’s WAGES$® program, a program similar to Wisconsin’s R.E.W.A.R.D. initiative, was associated with increased incomes, lower worker turnover, and pursuit of further education.

**Evaluation of the Mentor Teacher Program**

An evaluation of the first years of Wisconsin’s Mentor Teacher project found that it achieved its goal of attracting low-income protégés into the project and helped both protégés and mentors gain additional education and experience. An evaluation completed by the Center for the Child Care Workforce in 2000, concluded that “...the Wisconsin Child Care Mentor Program, by underwriting the cost of ongoing education and providing modest financial incentives made a crucial contribution to the training and support of entry-level and mid-career level child care employees in five communities of Wisconsin.”

A report by the General Accounting Office (GAO) found that only three state quality improvement efforts used rigorous methodological approaches sufficient to produce conclusive findings. Two of those evaluations focused on caregiver compensation, recruitment, and retention rates in Massachusetts and Washington.  

- The Massachusetts study, using control groups, confirmed that caregivers who receive low wages are difficult to hire and retain.
- The Washington state study, with quasi-experimental design, found no effect of compensation on retention.

Although research on the effectiveness of specific state efforts to improve caregiver education and compensation are inconclusive, research on the positive link between caregiver education and quality child care is substantial. The National Research Council report urges that more attention be paid to out-of-home care settings for young children. More rigorous evaluations are expected in the next few years, including an evaluation of Wisconsin’s T.E.A.C.H. and R.E.W.A.R.D. programs.

“The time is long overdue for society to recognize the significance of out-of-home relationships for young children, to esteem those who care for them when their parents are not available, and to compensate them adequately as a means of supporting stability and quality in these relationships for all children, regardless of their family’s income and irrespective of their developmental needs.”

National Research Council, 2000
4. Efforts to Promote High Quality Standards

Program: Accreditation of Child Care Programs
2002-03 Budget Level: $256,000
(note: $500,000 was added later using Early Childhood Excellence fund)
Budget trend: Over the last decade, funding rose, leveled off, then dropped in current biennium

Incentives for National Accreditation: Logic Model of Impacts

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Processes of Impact</th>
<th>Impacts on Child Care Programs</th>
<th>Impacts on Children</th>
<th>Impacts on Parents &amp; Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives for Professional Accreditation</td>
<td>Grants to underwrite accreditation process</td>
<td>6–18 month self-study and systematic changes to child care programs</td>
<td>Higher quality child care</td>
<td>Greater job retention and work hours by low-income parents</td>
</tr>
<tr>
<td></td>
<td>Technical assistance with quality improvement</td>
<td></td>
<td>Accreditation</td>
<td>Gains in child development, school readiness, etc.</td>
</tr>
<tr>
<td></td>
<td>Grants/rewards to accredited programs</td>
<td>Periodic re-accreditation</td>
<td></td>
<td>More competent adults, reduction in future welfare recipiency, etc.</td>
</tr>
</tbody>
</table>

Program rationale
Accreditation for child care is a process to verify that high quality standards have been met. The National Association for the Education of Young Children (NAEYC) established a national accreditation system in 1986 with standards based on research findings. The National Family Child Care Association (NAFCC) developed similar standards for family child care settings. National research has confirmed a link between high quality child care and positive child outcomes.
Program description
Wisconsin has operated a quality initiative program since 1992 to help child care programs achieve and sustain accreditation for meeting high quality child care standards. Child care sites were supported by four different programs:

- **Child Care Quality Improvement Grants**: The Department of Workforce Development (DWD) provided grants from 1992-2001 to child care providers to help them become accredited and to meet other high quality standards.

- **Technical Assistance**: Grantees were provided extensive technical assistance to help them meet high standards and become accredited. The Wisconsin Child Care Improvement Project was the primary technical assistance provider, under a grant from DWD. The budget level for 2002-03 was $256,000, part of the child care technical assistance budget.

- **Higher Reimbursement Rates**: Once accredited, child care programs were eligible for higher reimbursement rates under Wisconsin’s child care subsidy program. Funding for higher rates was included in the child care subsidy budget.

- **Grants to Sustain Accreditation**: Grants were also provided to accredited programs to help them maintain high quality and retain staff. Although these grants were eliminated in the 2001-03 biennial budget, $500,000 was made available to accredited programs in 2002, using funding from the Early Childhood Excellence budget.

Impact of accreditation efforts
By the end of 2001, there were 240 child care centers accredited in Wisconsin. Of those sites, over 80% were recipients of quality improvement grants.

It appears from the data above that the quality initiatives grants program was coincident with (and may have caused) a significant rise in the number of accredited programs. In addition, many programs dramatically improved their compliance with high quality standards, but were not able to meet all of the standards necessary to achieve accreditation.
The Wisconsin Child Care Research Partnership also investigated nationally accredited programs in Wisconsin. The study found that accredited programs had significantly higher ratings than non-accredited programs on several quality features:25

- Education levels of directors and staff were higher
- Wages of directors and staff were higher
- Teacher turnover was lower
- Classroom observations (ECERS-R) indicated higher quality

These findings cannot prove that the quality initiatives program caused improvement in quality, although they suggest that public policy efforts to increase the number of accredited child care programs is likely to result in higher quality child care for young children.

A survey of directors of accredited programs by the Research Partnership further indicated that fiscal incentives (grants and higher reimbursement rates) and technical assistance were important to programs’ successful efforts to become accredited. Some accredited providers had difficulty making the leap from meeting licensing standards to meeting high-level accreditation standards. Many directors recommended establishing interim benchmarks for programs to meet, as part of a step-by-step progress toward accreditation.

5. Creation of Model Programs

**Program: Early Childhood Excellence Initiative**

**2002-03 Budget level: $2,750,000**

**Budget Trend:** Funded for two years, then cut back by two-thirds in current year

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**Early Childhood Excellence Initiative: Logic Model of Impacts**

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Processes of Impact</th>
<th>Impacts on Child Care Programs</th>
<th>Impacts on Children</th>
<th>Impacts on Parents &amp; Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Childhood Excellence Initiative</td>
<td>$1500/child grant (approximate 16% supplement to child care program budgets).</td>
<td>Higher quality child care</td>
<td>Gains in child development, school readiness, etc.</td>
<td>Greater job retention and work hours by low-income parents</td>
</tr>
<tr>
<td>Requirements of participating programs: parent involvement, child health component, community partnership, accreditation, etc.</td>
<td></td>
<td></td>
<td></td>
<td>More competent adults, reduction in future welfare recipiency, etc.</td>
</tr>
<tr>
<td>Ongoing, on-site training of teachers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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25
Program rationale
The Early Childhood Excellence (ECE) Initiative was an effort to invest in high quality early learning centers to serve children most at risk of school failure. It was designed to make welfare reform a two-generation policy, by improving the quality of child care for state-subsidized low-income children and their families. The concept was that selected programs would serve as model centers, and would work with other child care programs to replicate “good practices.”

“Research shows that low-income and at-risk children benefit greatly from high quality learning programs early in life.”
Wisconsin Governor Tommy Thompson, June, 2000, announcing the Early Childhood Excellence Initiative

Program description
In 1999, then Governor Tommy Thompson launched the ECE Initiative, a program to establish model early childhood learning centers, through a public budget supplement to existing child care programs, and then to use the model centers to replicate “good practices” throughout the community.

The centers emphasize innovative, high quality programs to promote positive, holistic child development, with an emphasis on intellectual and social development. Each center is responsible to provide outreach and training to parents, and to train child care providers in its local community. In the first two years of the project, local child care resource and referral agencies administered a grants program that other child care providers could apply for in order to help improve the quality of their programs. The program provided funding to 18 grantees and their 13 partners—31 programs in all. The program also included evaluation and technical assistance, provided by the University of Wisconsin-Extension.

In 2002, the Initiative was adjusted by DWD to provide grants to 179 child care programs that were accredited and had received training from Early Childhood Centers for Excellence.

Impact of the Early Childhood Excellence Initiative
The Wisconsin Child Care Research Partnership issued an evaluation on the Early Childhood Excellence Initiative in June, 2002. The study showed that ratings of observed child care quality were significantly higher for Centers for Excellence than for comparison centers. A summary report concluded that the initiative “… has demonstrated an ability to substantially improve the quality of care provided to children from low-income families.” Quality ratings increased significantly in Centers for Excellence over 15 months of the project, and were also higher than randomly selected comparison centers.
The evaluation showed that investing in child care programs serving low-income children brought about substantial increases in the quality of care and education provided, as measured by the Early Childhood Environmental Rating Scale-Revised (ECERS-R) and the Infant Toddler Environmental Rating Scale (ITERS). These findings are consistent with a substantial body of research that links quality child care to positive outcomes for children.

This intervention, designed by the Thompson administration, differs from the current trend to establish public programs of early childhood education (for example, 4-year-old kindergarten programs). It provides a small public supplement to existing programs that operate primarily in the private marketplace, in exchange for their commitment to pursue specific standards of excellence set by the state.

While evaluation of Wisconsin’s efforts to improve the quality of child care are not definitive, the data presented in this paper can be useful in weighing the public policy options that follow. However, with structural deficits in the state’s General Purpose Revenue (GPR) budget and in its TANF budget, and with a three-year economic slowdown, Wisconsin’s budget choices are likely to be very difficult for the 2003-05 biennium.

**Current Policy Question:**

Should Wisconsin invest in efforts to improve the quality of child care settings?
SECTION IV: ALTERNATIVE POLICY OPTIONS RELATED TO CHILD CARE QUALITY IN WISCONSIN

Policy Alternative #1: Reduction in Funding for Quality Improvement

Under this alternative, annual funding for child care quality improvement would be set at a reduced funding level.

Potential Consequences:

- Reduces spending, helping with state budget deficits: This alternative reduces spending or flattens spending, putting less strain on federal and state funding sources, and helps address the state’s structural deficit. This alternative could free up TANF funds for other services, including the child care subsidy program.

- Prevents expansion of government involvement in private market services: This alternative limits government’s intervention in child care, which is primarily a private market. This approach either assumes that laws of supply and demand should drive private markets, or it supports other uses of public funds.

- Would end recent progress in improving child care: This alternative would very likely damage the infrastructure for the child care industry that the state has built over the last decade, potentially resulting in lower quality care and less protection for Wisconsin’s children. Research suggests that lower quality child care may negatively affect school readiness, school success, and crime rates, especially for low-income and at-risk children.

Policy Alternative #2: Maintain Ten Percent for Quality Improvement

This alternative would allocate at least ten percent of the child care budget for quality improvement, similar to the existing funding level, with the goal of increasing that funding level over time. Under Wisconsin’s 2002-03 budget, $35 million of Department of Workforce Development’s $341 million child care budget—about ten percent—was allocated for quality improvement. This proposal would maintain that proportion, targeting financial support for the primary quality improvement efforts examined in this paper:

- Regulation and licensing to protect and promote the health, safety, and development of children
- Efforts to inform consumers and promote quality supply through CCR&R services
- Improving the qualifications of the child care workforce through the child care scholarship and bonus program
- Efforts to promote high quality standards through accreditation and other methods
- Promoting quality based on the findings of the model programs created by the Early Childhood Excellence Initiative
Potential Consequences:

- **Maintains the statewide infrastructure for quality child care.** This alternative would maintain the existing level of commitment of the state toward systematic efforts to improve the quality of services.

- **Supports improvement of child care quality.** Research indicates that a proportion of child care settings are not only mediocre, but even damaging to children. Continuing to invest in systematic quality efforts can help reduce harmful care and increase the quality of the child care settings that exist.

- **Could negatively affect state budget deficits or other state services.** Assuring ten percent of the child care budget for quality efforts could result in less funding for the child care subsidy or reduced funding for other important services funded by TANF. If additional GPR were used to meet the ten percent standard, it would increase state expenditures at a time of budget deficits.

Policy Alternative #3: Create a Quality Rating System

This alternative would promote high quality child care by establishing clear quality measurements and rating scales. This could be done either through regulation or through systems administered by CCR&Rs. Several states have established rated licensing systems in recent years, setting minimum levels for licensing, but adding 2-5 additional levels based on set criteria related to quality indicators. Other states have set quality standards connected to public funding, with a particular focus on low-income children. Whether the ratings were part of regulation or part of another system, consumers would have rating information by which to assess child care programs, similar to ratings of restaurants, hotels, or HMOs. Once rating systems are established, public and private funding can help programs meet or maintain specified quality levels, and fiscal incentives can be established to encourage programs to meet higher standards. Under directive from the state, the CCR&R system is currently developing options for such a system in Wisconsin.

Potential Consequences:

- **Provides consumers with information on child care quality.** This information on quality, not available now in Wisconsin, could raise public awareness about quality and drive demand for high quality through a better-functioning marketplace.

- **Child care programs would likely strive to meet higher levels than minimum regulatory standards.** Having a quality rating system would set a higher bar for which child care programs could strive. Consumer pressure could cause programs to make efforts to reach higher standards. Public and private funding streams could encourage efforts to meet higher standards.
- **Might be difficult to achieve a rating system that is both fair and inexpensive to administer.** Because quality is usually determined by many structural and process measures, it might be difficult to develop a fair system, since uniform data on all the primary measures are not available. A system might be controversial if fair and accurate standards cannot be developed within cost constraints.

- **Could negatively affect state budget deficits or other state services.** To the extent that implementation of a system was state funded, it would be an additional draw on state and federal revenue, with a potential negative impact on efforts to balance the state budget.

**Policy Alternative #4: Create a Coherent Governing and Financing Strategy for High Quality Early Care and Education Services**

This alternative would develop a broad-based strategy across state departments of government for effective governance and short- and long-term financing of early care and education services. Services that exist today in Wisconsin are duplicative, separate, and uncoordinated. Public school pre-kindergarten and special education programs are usually operated in isolation from child care and Head Start programs, although they serve the same children. Eligibility standards and program standards vary dramatically. Many programs are funded to operate only part-time, even though the parents using them work full-time. Parents are often forced to cobble together multiple care arrangements plus transportation to make sure their children are cared for and have access to educational programs. Parents and community leaders often have difficulty making sense of the maze of services in their communities.

This proposal calls for a governance and financing plan across programs, using models like financing methods used to help families access higher education, housing, and medical insurance. Most of the financing in these areas combines portable funding for families with direct funding to programs delivering services. These service areas also frequently use tax benefits and private funding in the financial planning mix. A coherent plan could clarify roles for state government, local government, employers, foundations, private charities, and faith-based organizations.

Many local school districts and early childhood planning groups across the state are making efforts to coordinate services with a focus on the needs of children and families. Most of the participants report major obstacles in the way programs are governed and funded, encountering conflicting regulations, funding streams, and restrictions. Many have called for a state effort to make it simpler for local communities to plan effective services. Such an effort could be led by the Governor, by key legislative committees, or through a “kid’s cabinet,” or blue-ribbon commission, as it has in other states.
Potential Consequences:

- **School readiness.** Coordinated funding streams could strengthen educational preschool efforts in child care and other settings, where most preschool children receive out-of-home care, thereby improving school readiness for all children, particularly for low-income and at-risk children.

- **More coherent access for families.** A strong plan could result in coordination of services and funding so that working families could have access to a single program to meet their children’s needs for care and education.

- **Better use of existing resources.** A coordinated financing plan could make more efficient use of state and federal resources now available, and could encourage private sector funding. At a time of tight budgets, it is even more essential to avoid duplication and lack of coordinated services.

- **Stability of services.** A more diverse financial strategy might be less likely to put programs in jeopardy when a single funding source is reduced. While more difficult to manage, multiple funding sources strengthen programs.

- **Slow progress likely.** Because current early care and education services include a complex mix of programs, funding streams, and regulations, progress toward a coherent system could be slow and difficult to achieve. Creating a coordinated system would entail initial increased administrative costs.
SUMMARY

This report examined Wisconsin’s effort to improve the quality of child care services:

- Why the quality of child care settings matter
- What we know about the quality upon child care settings in the U.S. and in Wisconsin
- What research tells us about effects upon children of poor and good quality child care
- What investments Wisconsin has made to improve the quality of care, and what we know about the effectiveness of those efforts
- Public policy concerns
- Alternate policy options

Political interest in children and families rises and falls, but may be at one of its peaks in recent years (Hutchins, 1998). 26 When policymakers are asked what issues are most important to address, leaders of state legislatures across the country call child and family issues a “sure-fire vote winner” (State Legislative Leaders Foundation, 1995). 27 This concern is not Republican or Democratic, but is so universal that it can be called American (Jacobs & Davies, 1991). 28

To desire policies that promote child development is one thing, while it is quite another to know which policies are likely to succeed and be cost effective. Fortunately, research studies have begun to catch up to the needs of policymakers. As Washington Post columnist David Broder wrote (1/9/02) about early care and education, “There are problems we do not know how to solve, but this is not one of them…”
References


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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