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**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2001-02

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on ... Children and Families (AC-CF)

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (May 2012)

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**Re: Proposed Rules -Chapter DWD 56
Administration of Child Care Funds**

Dear Ms. Pridgen:

These comments are submitted in response to the department's proposed amendments to Chapter 56, the administration of child care funds.

(1) Section DWD 56.03(5) authorizes DWD to establish waiting lists and make certain adjustments when funding for child care is insufficient. These changes cannot be adopted because they are contrary to state law. In the most recent Budget Bill the Governor proposed legislation specifically authorizing DWD to promulgate rules similar to those proposed. That legislation was rejected by the legislature. Instead, the legislature recognized the importance of child care to low-income working families and enacted legislation providing for full funding. DWD cannot ignore this clear legislative intent and promulgate rules to the contrary.

The rule as proposed establishes priority status for certain individuals and allows DWD to limit the increase in maximum rates and adjust the co-payment schedule in the event funds are insufficient. The present rules, DWD 56.08(3), already provide for adjustments to the co-payment schedule to reflect certain factors. DWD does not need additional authority.

The priority status list and the authority to limit maximum rates raise significant and difficult policy questions which are better addressed through legislative debate. One

obvious question is the failure to even mention working parents. Priority status is given to W-2 participants, but working parents are not even included in the list. In the mid-90s, Milwaukee County maintained a waiting list for child care assistance. Parents often waited years to receive help and for many low-income families this was the most significant barrier to employment. The possible return to this scenario would be devastating. Single parents who could not obtain child care assistance would be forced to forgo employment. This in turn could overburden the W-2 program and force an increase in W-2 expenditures.¹

Another questionable decision is listing foster parents before kinship relatives. There is no basis to conclude that one group is more in need than the other. For a kinship relative who is receiving only \$215 a month to care for a child, affordable child care is unavailable. As a result, the relative may not be able to care for the child even though it is the best possible placement. The alternative, placing the child through the foster care system, entails more of the system's time, personnel and funds than the kinship placement.

The proposal to allow DWD to hold maximum rates at their current level for one year or to limit rate increases to a percentage amount could result in significant unintended consequences. Child care facilities might be forced to increase their rates in future years more than originally planned to compensate for lost revenues; they may limit the numbers of low-income children they accept or not accept them at all, and some facilities may simply be forced to close.

(2) DWD 56.04(1)(d), as proposed, provides that child care payments may not be authorized to a provider for the care of a child when the care is done by a legally responsible parent. The proposal should be modified to allow child care to be provided by the legally responsible parent in some circumstances. In some cases parents are employed by the same child care facility their children attend. In others, W-2 participants are assigned to training or work at a facility and encouraged to enroll their children at the same site. For many parents such arrangements are not merely

¹ It is also possible that parents who could not obtain child care assistance would be found "job ready" and, as a result, denied all assistance.

conveniences but, due to transportation or health needs, they are necessities.² The proposed rule should encourage these arrangements, not discourage them.³

(3) DWD 56.04(2)(e) and (2)(f), as proposed, should be amended to provide that in those cases where a payment is not authorized due to the provider's actions, the eligible parent cannot be held liable for the payment owed (except for any amounts already due such as the co-payments). This amendment is similar to the practice in the medical assistance program. In that program if a provider's actions result in the denial of payment by the state, the eligible individual cannot be billed for the services. By adopting a similar provision, the rules would ensure that low-income parents are not held liable for services they cannot afford and which would have been paid if the provider had correctly submitted information.

(4) DWD 56.04(7)(d), as proposed, should be amended to provide that written notice should be given to the parent immediately and, at the very least, two weeks before the sanction. The parent should also be offered assistance in locating and securing a new child care provider.

(5) DWD 56.06(1)(b), as proposed, should define the term representative sample to ensure that the county or tribal agency conducts a meaningful survey. A provision should be added allowing interested providers and affected families to seek review of the rates adopted if they feel the rates are not representative of the cost of care in the county.

The legislature made a clear choice- to continue full funding for child care assistance. DWD, as an administrative agency, cannot enact rules that ignore that choice. If implemented the proposed rules will affect more than just the availability of child care - they will affect employment, the W-2 program, the child welfare system and the lives of low-income children. It is the legislature, after careful and considered debate, that

² I have had W-2 clients who could work only if their child could attend the same facility because of the need to administer certain treatments to the child during the course of the day.

³ If DWD is concerned with the sole provider who cares for her children and others that situation should be addressed directly.

must make the policy decisions at issue.⁴

Your time and consideration of the above comments are appreciated.

Very truly yours,

Patricia DeLessio

Patricia DeLessio
Attorney at Law

PDL/eca

⁴ When faced with a need to reduce expenditures the legislature may very well choose to look to programs, other than child care, to save money. For example, streamlining the administration of the W-2 program might be a better alternative.



From: Amy Schuster [aschus@wecanaeyc.org]

Sent: Monday, August 12, 2002 4:53 PM

To: Pridgen, Elaine

Subject: DWD 56 hearing

Elaine,

I would like to share some thoughts with you as I cannot attend the hearing tomorrow concerning Administrative Rule DWD 56. It is my understanding that child care professionals will no longer be able to receive subsidies for their child if they in fact are the child care provider for that child.

I personally spent almost 9 years working in a child care center and remember that many of my peers could not afford to send their children to the program they worked in due to the high cost of child care. DWD 56 I believe would even exacerbate this situation by taking away subsidies used by these individuals. Shouldn't a working parent (who happens to be a child care professional) be able to use their subsidy towards a program they believe is best for their child (the one they work for)? This rule unfairly singles out one group of parents...and surprisingly they are the individuals that are the cornerstone of the child care system in Wisconsin.

A response that I have heard regarding this point is that the child could be placed in another room so that the parent isn't the caregiver. In most programs, this is impossible because they have only one group for each age level. Shifting staff would unduly burden program operations, and create instability for the other children being cared for. We have learned that consistency of caregivers is one of the biggest indicators of quality of care for children, and this rule would work against that goal.

I currently coordinate a program called the R.E.W.A.R.D.(tm) WISCONSIN Stipend Program. It is a compensation initiative that awards annual stipends to child care providers, with the amounts based upon the level of education the individual has attained. We gather a lot of data for this program, and we also gather stories from the recipients. Overwhelmingly we hear that child care professionals are underpaid, receive few if any benefits, and struggle to remain in the field. From a recent study by the UW-Extension, we know that the annual turnover rate for child care professionals in Wisconsin is close to 40% already. I believe that this rule will make it harder for some professionals to stay in this field.

I understand that this rule is being enforced to discourage potential abuse. My thoughts are that the possible abuse situations are few, and therefore all providers should not be punished. Couldn't better monitoring be the answer? Or another way?

The subsidy system was enacted to support low income individuals in purchasing quality child care. Don't establish a rule that would make the very individuals that provide quality child care unable to access the subsidies themselves.

Amy Schuster

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Strategies for Keeping the TANF Structural Deficit from Causing a Statewide Child Care Crisis

Comments On Chapter DWD 56 Rule Changes
Hearing August 13, 2002

Testimony by George Hagenauer, Data Coordinator 608 271-9181
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Introduction – Conceptual Framework:

The revisions to the Child Care Administration Rules Chapter DWD 56 are done within the context of an increasing structural deficit within the state's TANF program that is further overshadowed by a structural deficit in the state's overall budget. As such it makes sense to address the rule changes within this context and to look at larger strategies to solving the structural deficits without seriously harming the state's diverse system of child care and early childhood education.

The Wisconsin Shares system has an impact on child care and early childhood education far beyond its stated mission of providing subsidies for low income predominately working families.

The Wisconsin Child Care Research Partnership has been researching the impact of Wisconsin Shares on the Child Care / Early Child Hood Education Market in Wisconsin. Issue Brief 5 included a comparison between the regulated child care capacity and the number of subsidized children in each county in June 2000. The study created a subsidy density index which is the percentage of regulated child care slots paid partially or fully by the state's child care subsidy.

The analysis showed 20 counties in the state with 28%-50% of the child care slots paid partially or fully by Wisconsin Shares Subsidies. The counties with high percentages of subsidized children range from Milwaukee to Douglas and account for about a third of the state's child care capacity. That of course was a year ago and the numbers of counties with a high percentage of children receiving child care subsidies presumably has grown as the numbers of subsidized children have substantially increased in the past year.

The effect of Wisconsin Shares can also be seen in counties with a very low child care subsidy density index. In the Research Project study, Dane County is in the 5-16% range- the lowest subsidy density tier. However a recent analysis of the subsidy density index in 134 full day group centers in Dane County showed 30 centers whose capacity was 33-100% funded with another 6 funded at between 25 and 33%. As such, even though the overall percentage in Dane County is rather low, there are child care programs with high concentrations of subsidized children.

The centers with high percentages of subsidized children include several in and near major business areas on Madison's West and East Sides as well as downtown. As such

the stability of child care for many professional workers and middle class families using these centers is linked to the ability of the centers to maintain full enrollment which increasingly includes large numbers of children whose care is paid by Wisconsin Shares.

This is a considerable tribute to the effectiveness of the subsidy program and its ability to help low income families pay for child care. It also complicates the process of making changes in the DWD child care rules in order to address the TANF structural deficit . Child care centers operate on very low profit margins. As such when areas or individual centers reach 25% or more subsidized children , major changes in the subsidy system can affect the viability of a center. In these cases, child care can be disrupted not only for the children receiving Wisconsin Shares subsidies but also other families using the centers or family child care homes.

As such what is at stake with the proposed rule changes is not just the future of the low income children and families receiving subsidies but also a wider range of workers and families who share the centers used by subsidized families. Equally at risk are the businesses who employ the workers whose children are in those centers since disrupted child care will often have an impact on the ability for those parents to work.

It is not realistic to expect that child care costs will not rise. The federal subsidy system is based on free market principles. As such the state is buying child care in a market that has seen higher than inflation increases the past 5 years- mainly due to the need to increase wages. As such to maintain the current number of children in care next year will cost more than this year. To expect to be able to have programs not increase rates is not realistic. Either the state or the federal government at some point will need to allocate more funding for child care to address the growth in the program. However to secure that funding , it is necessary to show that the Department has taken all possible actions to address the deficit in a responsible manner that does not disrupt the larger child care market. My comments will address that issue in two ways- through comments on the rules and by addressing larger strategies that can be used to address the structural deficit.

An ideal system of child care/early education related to workforce development really addresses two needs – the short term needs of the workforce for low income families to work and the long term needs of the future workforce for highly skilled workers by providing quality early childhood education for the young children in care who in 15-20 years will be our workforce. This strategy has the potential additional benefit of reducing special education and school costs.

Wisconsin does not yet have this ideal system though there has been significant effort on the part of the Office of Child Care and others to move the state in that direction. Sections of the rules most notably the 10% quality payment to accredited centers are very good moves in this direction as it is very important for the state in its expenditures to maximize the benefits received from its expenditures related to the care and education of young children.

We know a lot about what it takes to provide high quality child care – care that includes proper early childhood education- for young children. It involves having the child

regularly attend a program with skilled trained staff. The most basic cornerstone is stability of both the staff and the child, since as we know from any basic educational program- time on task is essential to gaining skills. This becomes especially crucial for low income children who may not have family members with good reading writing and math skills and thus do not have access to many preschool experiences at home.

DWD Rules Revisions:

I would hope that every other option to reduce TANF costs would be taken before reductions are considered in basic eligibility criteria or in major funding cuts in the child care program.

Most of the options listed under Adjustments due to insufficient funds <**Sect. 14 DWD 56.03(5)**> are not going to result in stability for either the child or the child care program.

Higher Co-Pay Rates <**Sect. 14 DWD 56.03(5) 2 & 2c**>: When W-2 first started, the higher co-pay rates resulted in lots of problems for parents and programs, many of whom lost thousands of dollars when parents were unable to pay co-pays. The result of the earlier co-pays were twofold in our service area. First many parents repeatedly shifted their children from program to program often dodging the co-pay. This resulted in very unstable care for the children and thus little added benefit from the expenditure of state dollars. Secondly programs with large numbers of subsidized children often have little leverage in collecting co-pays. In these cases we often saw large amounts of staff turnover as lost co-pays translated into lower salaries. Today's lower co-pay rates, while high compared to many other states, nonetheless have a far less negative impact. Our experience indicates increasing co-pays is not a good solution to the deficit problem.

Waiting Lists <**Sect 14. DWD 56.03(5)a**> : Establishing a waiting list actually means halting placing new children in care. This was the norm before W2 and it was a disaster for programs and families. Depending on county funding levels, programs often went 3, 5, 6 months or almost a year without being able to replace a subsidized child that left. That resulted in Dane County in the loss of many group centers in low income communities in the late 1980's early 1990's. With today's market and the broader use of the subsidies, the potential disruption of the child care market will be far greater and include non-low income areas if waiting lists are implemented. For low income families the old waiting list strategy was often even more disastrous. Many of the "successes" of the current W2 program involve keeping single mothers employed by having them move from short term job to job. That is feasible under the current situation since the low income parent who works a short term job and loses it, can get child care again when they are hired by a new employer a month or so later. In a waiting list situation, that parent would lose their job and their child care and not be able to get care. The end result would be more instability for the low income family and less success for the W2 program.

Wisconsin Shares priority list <**Sect. 14 DWD56.03(5)a**>: I do not see anywhere a major user of the program -- the low income family who receives child care but does not

access any of the more intensive W2 services and thus is not necessarily considered a W-2 recipient. This preventive use of child care reduces the need for other more expensive services and keeps the family off of welfare. As such it should be noted as a priority.

Suggested Option 1-Saving Child Care Dollars by Reducing Infant Care:

One strategy that would work to reduce the number of children subsidized in care, would be to reduce the number of subsidized children in infant care by expanding the mother's ability to stay home for a longer time after birth. Infant care is the most costly care in the marketplace often 15-25% more expensive than preschool care. It is also the most in demand. As such removing infants supported by the subsidy would have the least impact on the marketplace as child care programs could easily replace them with regular paying families. There is also the question of, "Is the best use of these highly scarce infant toddler slots, the support of low skilled workers entering low paying jobs?"

Wisconsin Shares accounted for about 16% of all children in care in Dane County in 2001 but 29% of all children under two. I know nurses and other skilled workers with infants or toddlers who did not go back to work because they could not find infant-toddler care. At the same time, we are using hundreds of these scarce slots for low income women to leave their children at a very early age to enter usually low wage often unstable employment. The next time you are in a understaffed emergency room or hospital, think that the understaffing may be the unintended result of W2 child care policy.

Setting Maximum Reimbursement Rates <**Sect. 14 DWD 56.03 (5)b 1&2**>: I don't see "limiting the increase in the maximum reimbursement rate" as a realistic strategy for reducing child care costs. The maximum rate should reflect the actual child care market. Limiting it by ignoring major market forces can have serious effects on the viability of many programs with large numbers of subsidized children, as well as the ability of low income families to access the market place. However changes in the proposed rules that work to make the rates paid under Wisconsin Shares conform more accurately to the child care market should be pursued. What makes that strategy work (as opposed to arbitrarily reducing the maximum rate to meet a budget goal) is that you are not adding stress to a program beyond what the regular market is providing. For instance not increasing the maximum rate would in many counties result in some centers potentially losing 6% in income, a major loss. Several years ago changes in the Child Care Food Program reimbursement process reflected just a slightly higher loss of income and greatly reduced the number of licensed family child care homes in many areas. On the other hand, insuring the maximum reimbursement rate and the rates paid are closer to the actual market rate would only affect those programs with rates that are inflated above the normal market.

Rate Category Changes <**Sect. 43 DWD56.06 (1)(c-2), Section 44 DWD 56.06(1) (c-3&4)**>: The rules change from 2 to 4 rate categories is good as it conforms Wisconsin Shares payments to the real market. In many markets the rates drop as the age of the child increases and child/staff ratios change. Adding additional maximum rate categories will

in many cases reduce the maximum amount paid for older children and reduce expenditures. Likewise strengthening monitoring is a logical strategy .

Sampling to determine the Maximum Reimbursement Rate <Sect. 42 DWD 56.06 1(b)>: However moving to a representative sample of licensed providers to determine rates as opposed to a mailing to all licensed providers could lead to problems. I've seen major differences in rates from county to county especially between rural counties. Doing a sample that would be accurate (especially given that the core problem is getting the rates sheets returned from the many providers who do not serve Wisconsin Shares children) on a county by county basis does not seem real feasible from my experience. Also the survey needs to continue to be done on an annual basis as rates in most parts of the state rise annually .

Suggested Option 2-Saving Child Care Dollars by More Accurate Rate Surveys:

There is a rules change, not currently proposed, that would make the survey and thus the reimbursement rate more accurate . The current problem with the survey is that it considers programs with large numbers of Wisconsin Shares children as if they were operating under the free market. Currently rates are only excluded from determining the market reimbursement rate if the group center has not served 3 private pay children or the family child care has not served 1 private pay child during the past year.

Under this rule it is almost impossible to exclude any program from the rates survey. Currently Head Start programs providing wraparound care are the only full day programs whose data I can't include in the Dane County annual rates survey. However there are a number of other group centers who serve large numbers of Wisconsin Shares Children and whose rates are essentially the maximum county reimbursement rate. Some of these programs have high rates because they are accredited and providing a higher cost/higher quality service. But a others (including several with large numbers of licensing violations) are receiving more from the state than they would on the free market. Of course, these programs are not working on a free market principle due to the large numbers of subsidized children they serve.

As such it would make sense to set up a different standard for excluding programs from the survey. A logical approach would be to look at a ratio between site capacity and DWD use. What is interesting about this approach is that it can be done totally from existing records from the data warehouse, the R&Rs or state licensing as opposed to relying on the child care program itself. The data warehouse could select a single or multiple month period compare it to the licensed capacity and if the average ratio is over a specific percent for instance 75%- the program would be excluded from the rates survey. Printouts of the excluded programs could be sent to whoever does the survey in each county. This would lead to a more accurate market rate. If the concern is that this might lower rates and exclude low income families from higher quality care (the care we most want high risk children to attend) DWD could be given the option to increase the quality bonus to 15% above the maximum rate for centers that are accredited.

Limiting Reimbursement to 3 months after service < Sect. 29 DWD 56.04 (2)(f)> : The change to put a 3 month cap on the number of months after service that a provider can file for reimbursement is a positive one as it limits the state's potential unpaid receivables for care. It also makes it easier to remove providers who are no longer regulated from the CARES system since at a certain point they can no longer be paid for care they have provided. Without this rule providers can have a file existing on Cares for a long period after they have dropped their regulation increasing the risk that they will be assigned a new child even though they are unregulated.

Restrictions on Parents Providing Care <Sect 18. DWD 56.04 (1) (d)> Not allowing a teacher at a licensed group center (not a family child care) to be reimbursed for care for their own child at the center, however does not make sense. This excludes a group of low wage workers arbitrarily from the benefits of the Wisconsin Shares system due to the type of work they do.

Beyond the Rules -- Other Strategies to Address the Structural Deficit :

Just as the Wisconsin Shares system has impact on the child care market far beyond its statutory mission, likewise addressing the problem of the TANF structural deficit needs to go beyond just revisions in the DWD child care rules.

1) Making accurate decisions requires good information. The DWD data warehouse project is critical to this process as is the continual maintenance and improvement of data from the state's Resource and Referral agencies. The R&Rs and the data warehouse have worked together the past 2 years on the as part of the Wisconsin Child Care Partnership Project. The data warehouse is a critical tool for managing the Wisconsin Shares system. Comparing its data with the up to date market data at the R&Rs can make the warehouse even more powerful.

2) Increased Collaboration Between Head Start and Wisconsin Shares: Important partnerships have been created in some areas between Head Start and Wisconsin Shares. There are however areas of the state where this still has not occurred often to the detriment of Head Start's ability to recruit students and potentially causing increased costs in Wisconsin Shares. Using the state Head Start funds to leverage more collaboration on the local level between Head Start and Wisconsin Shares may create some savings as well as enabling more low income children to access Head Start.

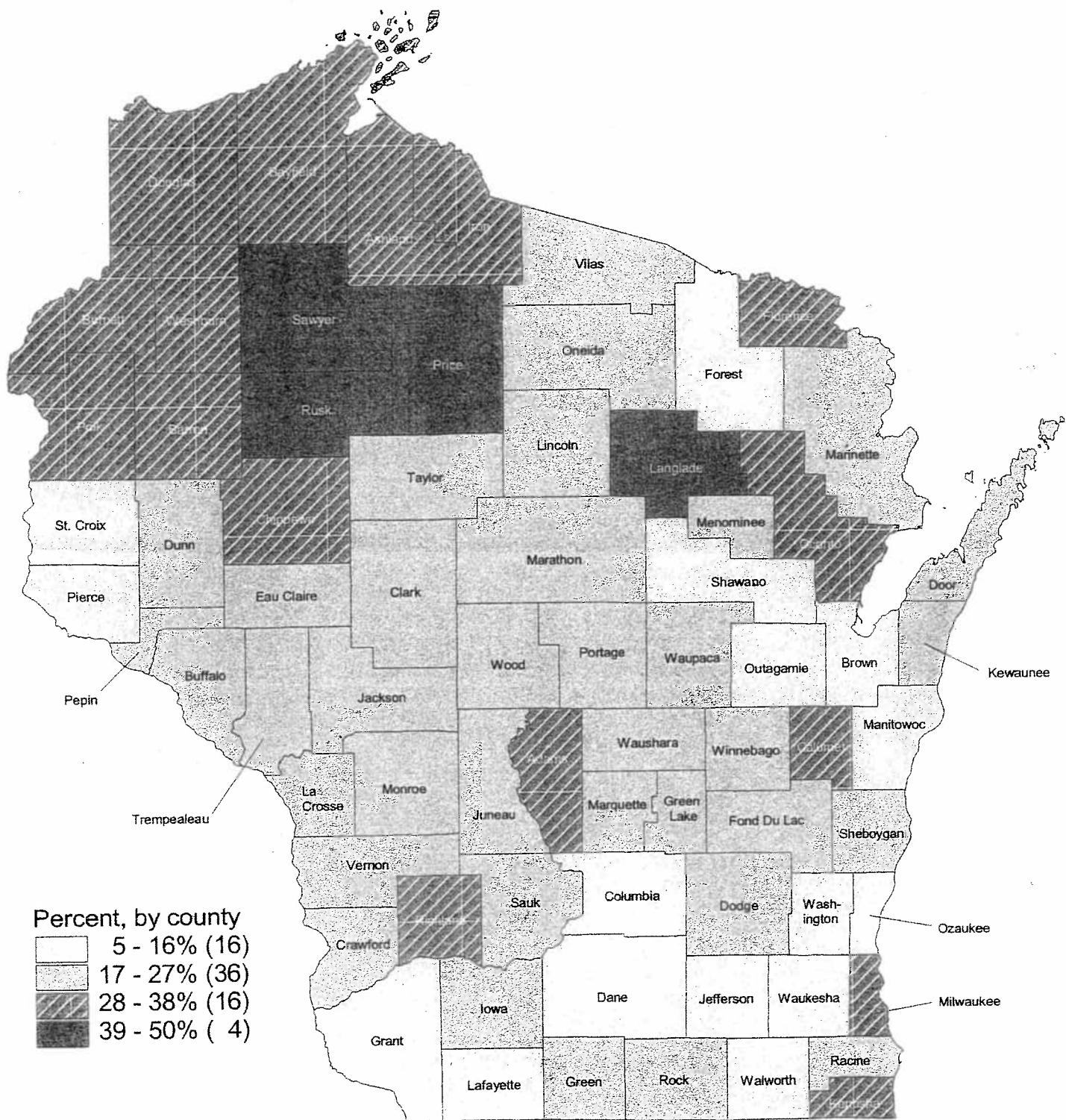
3) Contingency Planning for the Deficit: There should be contingency planning at both the state and local level to deal with the TANF structural deficit. Request the R&Rs convene local task forces involving both county W2 officials , key child care/early childhood groups and local public schools to discuss strategies of how to reduce the impact of the structural deficit. At the state level, contingency plans should be made if revenue is going to be shifted from other funds like the pass through or Centers of Excellence. For instance could staff receiving wage bonuses under those programs be transferred to the Reward program?

4) Coordination with Public School 4 and 5 Year Old Programs: There should be a requirement that any school system instituting or repealing a four year old program or an expansion to full day kindergarten – hold a planning meeting with local child care providers and parents to create an impact plan outlining how the change in school services will help the education of the 4 and 5 year olds as well as impact the education of younger children. The increased dependency of many parts of the state on Wisconsin Shares is not just the result of the growth of the Shares program but also the shrinking of the child care market by the loss of many 5 year olds. Increased coordination and collaboration at the local level could result in better more stable programming for all young children.

5) Combine Office of Child Care, State Licensing and the Child Care Food Program into One Unit: As part of the discussions related to streamlining government to address the other state deficit, serious consideration should be made of combining State Child Care Licensing, the Office of Child Care and the Child Care portion of the Child and Adult Food Program into one office. It makes little sense that there are two payment and authorization systems for Wisconsin Shares and The Child and Adult Food Program when many providers are involved with both. Why not have providers receive one check with both payments and combine the food program monitors for group centers with the licensing staff so that group centers would be monitored by one person. Properly organized, it could make it easier for both family and group centers to offer the food program since many of the families could be pre-approved through the Cares system. It would provide more staff for licensing. While savings may not be major, increasing access to the food program might help balance the more restricted revenues available from Wisconsin Shares.

This could be done by DPI subcontracting the child care portion of the food program to the office of child care while maintaining the school portion at DPI.

Map 5.1: Subsidized slots as a percent of child care capacity, by county



Sources:

1. Child care capacity - Wisconsin Child Care Resource and Referral Network, data from 17 CCR&R agencies as of July, 2001
2. Number of subsidized children - Department of Workforce Development Data Warehouse, June, 200



TESTIMONY

DWD Hearing On Administrative Rule Chapter DWD 56 August 13, 2002

My name is Diane Gallagher. I am the Organizer for the Wisconsin Childcare Union, Local 255 AFSCME Council 40 and the chairperson of the Dane County AEYC Worthy Wage Task Force. I have worked in the childcare field for more than 20 years both as a childcare teacher and center director. I want to speak about the statute administrative rule regarding Wisconsin Shares eligibility for childcare teachers and providers, s,49,155(3m)(d) **This statute denies eligibility for Wisconsin Shares childcare subsidies to childcare teachers and providers if their jobs include caring for their own children, even if they are eligible in all other respects.** This applies to owners of family childcare programs who care for their own children along with the other children in their program, employees of family based childcare programs whose children are enrolled in the program that employs them, and employees of center based childcare programs whose children are enrolled in the classroom they are in charge of or share the responsibility for.

I am here today to represent many teachers and providers who cannot be here because they are providing childcare for the families of Wisconsin. The Union and the members of the Task Force believe that this rule is an unfair restriction on teachers and providers who are already burdened by unacceptably low wages and stressful working conditions. We are also greatly concerned about the unintended impact this rule can have on a significant portion of the childcare workforce and on childcare programs. We believe that it negatively impacts the quality and supply of childcare in the state and exacerbates the already unacceptable 40% turnover rate in Wisconsin. This rule increases the pressure for teachers and providers to leave the field if they cannot pay for the care of their own children.

As one example I will read the words of a union member who is in this situation. READ MEMBER'S TESTIMONY (see attached).

In another case, a member of the Worthy Wage Task Force, who is an employee in a licensed family childcare program in Madison, decided to continue to work at her job when she had her own children. She has been working as team teacher with the owners caring for a group averaging eight children in the family based program for eight years. She has one year toward her associate degree in early childhood education. Her mother was able provide childcare for her children until they were three and five years of age. About a year ago, when that was no longer possible, she enrolled them in the program where she worked. This teacher qualified financially for and received a Wisconsin Shares subsidy to help with the cost of the care for her children so she could continue in her job. Her program has now received notice that she will no longer qualify for childcare subsidies if her children are enrolled in the program.

This rule leaves these parents with two very poor choices. They can either send their children to other centers, disrupting their continuity of care, or leave their positions and look for jobs elsewhere so their children can maintain consistency of care.

These cases are by no means isolated ones. They are repeated in great numbers in childcare programs all over the state. Since notices went out to programs in May clarifying this rule, we have received a number of phone calls from our members in the Madison area alone. We have also heard from childcare programs in Milwaukee and Sheboygan, facing similar issues. Few

childcare programs, either center or family based, offer free childcare to employees. When teachers and providers must pay for care for their children, whether or not they work with their own child, it is unfair and illogical for them to lose their subsidy just because their child is in their classroom.

As you know from the recent Wisconsin Childcare Research Partnership Briefs, 56% of center based childcare teachers in Wisconsin earn less than \$8.00 per hour. Employees in family childcare programs average approximately \$6.00 per hour. Because of low wages many of these teachers and providers who have young children qualify financially for the Wisconsin Shares subsidies. In fact, *many teachers and providers rely on the childcare subsidies in order to remain in the childcare field and childcare programs rely on these employees to maintain the quality of care for the children they serve.* We should not add to the insult of their low wages by making these employees ineligible for a subsidy program when other low-income parents with different jobs are eligible.

Many teachers and providers choose to work in childcare, despite the low wages, in part so they can be close to their children while they work. Forcing them to enroll their children in a different program entirely removes that incentive to stay in the field. Employers in other industries are encouraged to help sponsor childcare close to or on site of the parent's place of employment because it is beneficial to the child, the parent and the employer. We encourage this in employer sponsored childcare settings. Is it fair to discourage onsite care only for childcare teachers and providers who supply the care for other working families in the community?

The Union and the Worthy Wage Task Force urge you to modify this rule to allow **EMPLOYEES OF LICENSED OR CERTIFIED CHILDCARE PROGRAMS who care for their own children, IN ADDITION TO OTHER CHILDREN IN THEIR CHARGE, to be entitled to receive a Wisconsin Shares subsidy, as long as they meet the other eligibility requirements.** This should apply to both center and family based programs. **These teachers and providers do not actually receive any reimbursements from Wisconsin Shares to care for their children.** *The program that employs them* is reimbursed for that care. The employed parents simply receive a wage for caring for all of the children. Well-trained childcare professionals can work with their own child and continue to provide quality care for all of the children in the classroom.

The Child and Adult Care Food Program (CACFP) administered federally by USDA and in Wisconsin by the Department of Public Instruction, provides a precedent that relates to this situation. In the CACFP, low income family childcare providers are eligible to receive reimbursement for the meals and snacks they serve to their own children who are in their care, if they also have at least one day care child present. This assures that the provider is actually providing childcare to other people's children as well as their own, before they can be reimbursed for the food they serve that day. It seems fair that the same logic should apply to eligibility for Wisconsin Shares childcare subsidies.

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For Hearing On Administrative Rule Chapter DWD 56
August 13, 2002

To Whom It May Concern:

I am having Diane Gallagher read you my story because I am afraid of the consequences of revealing my identity. I am a preschool teacher and have been in the field for five years. I have a BA and am a level 7 in the Registry. I enjoy working with children. I have been at my current center for about two years. I have two children of my own, and because of my low income as a childcare professional, I receive childcare assistance from the county. I am concerned because of the new enforcement of the state law that won't allow teachers who receive county assistance to have their children in their classrooms. My older child is moving up to my room in two weeks.

We have five alternatives, all of which are not good for the children, teachers, or center. 1) I find a new job. This is going against everything we know about quality childcare: the key is consistency and experienced teachers. 2) I switch to a different room for the year. This affects the kids in two rooms, and the team teachers in two rooms. Again, there would be no consistency. 3) My child stays in an inappropriate classroom for her age, which would not allow her to grow and learn in an appropriate manner. 4) My child goes to a new center altogether, which would upset her life. 5) We completely change the structure of our classroom, dividing into two distinct groups, with my child always in the "other" group. This is the only acceptable solution, but is by no means desirable.

Our room has had the same structure for at least 19 years, if not longer. We have a group of kids with two teachers, and we team-teach. We cover both rooms, allowing all the children to choose where they want to explore and learn, and we teachers move fluidly between them. This works. This gives children the greatest number of interesting choices, along with giving the teachers the opportunity to learn from each other and get to know all the children in the room, not just the ones in our "groups." The new enforcement of this law is upsetting our room, and making it less than what it should be.

I am also outraged on a different level. I think this law is discriminatory on two levels: it discriminates against women and it discriminates against the poor. Because women are the biggest population of the childcare workforce, it is of course going to affect us the hardest. And because of the low income involved in childcare, it most harshly affects poor women. It also assumes that we are trying to cheat the system, which is A) insulting, and B) impossible. It is not possible for me to obtain the funds the county pays for my daughter for my own personal use. The check from the county goes to the accountant, who deposits it into the proper account for the school. It does not go to me. I get paid to watch many children, not just one.

Please do not allow this law to affect the childcare industry negatively. It is hard enough to keep good teachers. We don't need another obstacle preventing children in our society from getting the best tools they need to grow into amazing adults.



From: Red Caboose E-mail [redcaboose daycare@tds.net]
Sent: Tuesday, August 13, 2002 1:15 PM
To: Pridgen, Elaine
Subject: Administrative Rule DWD 56

Here is a written copy of my verbal presentation at the public hearing on August 13, 2000 re: Administrative Rule DWD 56

Hello. I am Wendy Rakower, director of Red Caboose Day Care Center. I have worked at Red Caboose for twenty-nine years. During that time, there have been many teachers whose children were enrolled at the center, including myself. Some teachers were private-paying, some had city funding, and some had county tuition assistance.

Red Caboose has four classrooms, based on age. A teacher is hired into a particular classroom based on their experience and training working with that age group.

The children, on the other hand, move from room to room as they grow older. Generally they stay in a given classroom for about one year.

At Red Caboose, we team teach. It is very important that the teaching team be as consistent as possible. It takes time to build a strong team that works together to meet the needs of the children in the group. It is important for the quality of the center to keep teams together.

It would be very disruptive to move a teacher to another classroom for the time his/her child is in his/her classroom. In fact, this would disrupt two classrooms and two teaching teams.

On the other hand, it would be unreasonable to expect that a parent would disrupt their child's life by sending them to another center for a year. And obviously, if they are income eligible for county funding, they could not afford to pay for the entire cost of child care for the period of time the child is in their classroom.

A teacher is a teacher to all the children at a center, including their own. During work hours, they are responsible for the care and education of all the children in the class, just like every other teacher.

When a teacher has county tuition assistance, the teacher does not receive money directly from the county. The center receives the money from the county plus a co-pay from the parent. The teacher receives wages and benefits from the center exactly like every other employee.

Administrative rule DWD 56 threatens an already fragile child care system. We need to do everything we can do to support the people who work in the field, so that we can build a stable and strong workforce. I worry about losing good teachers because of this rule.

Please help support the parents who receive county tuition assistance and who work as teachers, now and in the future, by allowing them to continue to work during the period of time their child is in their classroom. This will support the center as well.

On behalf of all the children in child care who need all the good teachers we can provide, I thank you for your consideration.



From: Mary Babula [mbabula@wecanaeyc.org]

Sent: Thursday, August 15, 2002 4:52 PM

To: Pridgen, Elaine

Subject: Comments on Proposed Wisconsin Shares Rules Chapter DWD 56

On behalf of Wisconsin Early Childhood Association, a statewide membership organization representing the early childhood care and education workforce, I wish to make the following comments about the proposed Wisconsin Shares Rules Chapter DWD 56--Administration of Child Care Funds.

Adjustments due to insufficient funds:

We believe that this program was established by the State Legislature to provide the support services low income persons need to be able to accept and maintain employment, and move toward self-sufficiency. If the funds allocated by the State Legislature become insufficient to allow the program to continue to operate within the current rules and policies, we believe the Department of Workforce Development should make recommendations to the State Legislature and the Governor about how to continue to operate the program, and that the decision about any changes to be made in program policies or rules should be made by the State Legislature, not by the Department of Workforce Development.

We believe this is an important safeguard to the program, to be sure the State Legislature and Governor take responsibility for any changes in eligibility guidelines, co-payment levels, reimbursement rates, etc. and to weigh those changes against funding options. We oppose giving this authority to change the rules solely to DWD.

Establishing waiting lists:

Wisconsin Early Childhood Association opposes the establishment of waiting lists for Wisconsin Shares Child Care Funds. Low income families cannot afford to pay the full cost of child care, even at the rates now charged by child care programs, which do not allow for adequate resources to provide high quality child care and education services to young children, and do not allow for adequate wages to attract and retain qualified staff in most programs. Putting families on waiting lists for child care services will seriously jeopardize their ability to maintain employment and support their family. It will put children at risk of being placed in unsafe child care settings or even being left home alone by desperate parents who have to go to work. Wisconsin has an obligation to help provide safe child care options for at least low income families who are required by Wisconsin Works to be employed before those children are old enough to attend our publicly funded public education system, and during the parents work hours before and after school for school-aged children.

Options to consider if funding is insufficient:

One way to limit the costs of Wisconsin Shares Child Care would be to allow parents of infants to stay home with their babies for the first year, or at least the first six months of the infant's life. Due to the high cost of infant child care, this would save the state money, and allow the parent to establish a secure relationship with their infant. Establishing a secure relationship between a parent and his or her infant is not just something that would be nice to support. It is essential to the baby's long term ability to form healthy relationships, to learn to respect authority, and to be able to succeed in school and as an adult. Adopting this policy would

not only save money in the Wisconsin Shares program but would support the healthy development of the next generation.

Miscellaneous:

Wisconsin Early Childhood Association is opposed to the rule DWD 56.04 (1) (d) "The child care administrative agency may not authorize payment to a provider for the care of a child when the care is done by a legally responsible parent."

While we understand the decision to not reimburse a family child care provider for the care of her own children, we would like to discuss this rule at a future time. That is not what we are asking to be changed. The rule we would like to see changed affects child care centers and family child care providers who hire a staff person to assist in providing child care services to a group of children, and that group happens to include a child of that staff person.

We would like this rule to be eliminated or modified. We would like DWD to remember that many people with young children have been encouraged by their W-2 case managers to take a job in child care. Now they are being told that if they work in child care and their child needs to be in the same classroom or group for a variety of reasons, they cannot be reimbursed for a portion of their child care costs, but if they take work at a fast food restaurant or another job, they can get their child care subsidized. It is important to remember that there is a 40% turnover in the child care workforce each year, due to low wages and benefits. Yet W-2 will only work if parents have access to child care while they work. This policy will have a negative impact on the supply of child care, which is already too limited.

This rule could be modified to require a special exemption be granted based on the individual circumstances of the individual situation. Those circumstances could include: the parent has worked at the program for many years, and now has a child, and it would be disruptive to the program and the parent if the parent cannot continue to work in the program. Another special exemption could be that there is not another child care program available in a reasonable distance from the parent's place of employment, or one that provides a program which is acceptable to the parent (options given to other parents participating in W-2.) Granting an exemption could be based on a visit to the child care program by the child care administrative agency staff to assure that the care is actually provided and that the child is part of a larger group. Programs could also be required to submit their policy about whether all parents who are employed by the child care program are required to pay for the child care slot their child uses.

These are some options which could be considered as part of a modified rule, which could protect the public's interests and at the same time provide equitable support to all income eligible parents, where ever they work.

We have heard of many challenging situations in child care programs throughout the state, that will have a significant, negative impact on individual families--the parents and the children--and on the child care program, if this rule is enforced.

We ask that you establish a work group, of representative child care staff/providers, county and W-2 agencies, legislators and other appropriate individuals, to craft a policy that will address the concerns you have heard identified in this public comment process.

Thank you for considering our comments.

Sincerely,

Mary Babula
Acting Executive Director
Wisconsin Early Childhood Association
744 Williamson Street, Suite 200
Madison, WI 53703

Mary Babula
Director of Membership Services and Outreach
Wisconsin Early Childhood Association