



Legislative Fiscal Bureau

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May 27, 2009

Joint Committee on Finance

Paper #233

Child Care Quality and Availability (DCF -- Economic Support and Child Care)

[LFB 2009-11 Budget Summary: Page 165, #13]

CURRENT LAW

Child Care Development Block Grant

The child care and development block grant (CCDBG) provides a combination of discretionary and entitlement funds for child care services for low-income families and to improve the quality and supply of child care for all families. States receive discretionary funds based on each state's share of children under age five, the state's share of children receiving free or reduced-price lunches, and state per capita personal income. There is no state matching requirement. Discretionary funds must be obligated in the year received or in the following year. Unused funds are reallocated.

CCDBG entitlement funds are allocated to states in two components. First, each state receives a fixed amount based on funding received under the three child care programs previously authorized under the former aid to families with dependent children (AFDC) program. These funds are often referred to as "mandatory" funds. States are not required to match mandatory entitlements, which remain available until expended.

Second, after the mandatory entitlements are allocated, any remaining entitlement funds are distributed according to each state's share of children under age 13. States must meet maintenance-of-effort and matching requirements for these funds. Specifically, states must spend all of their "mandatory" entitlement funds plus state funds equal to 100% of the amount spent in federal fiscal year (FFY) 1994 or FFY 1995, whichever is higher, under the AFDC-related child care programs. In addition, states must provide matching funds at the FFY 1995 medical assistance (MA) matching rate (approximately 42% in Wisconsin).

Wisconsin's CCDBG funding for FFY 2009 is now estimated at \$86.3 million, which is made up of the following allocations: (a) \$32.3 million in discretionary funds; (b) \$24.5 million in mandatory entitlement funds; and (c) \$29.5 million in matching entitlement funds.

In addition to the CCDBG distributed to states, states may transfer up to 30% of the temporary assistance for needy families (TANF) block grant to the programs funded by the CCDBG and the social services block grant (SSBG). Wisconsin currently transfers 20% of the TANF block grant to the CCDBG and 4.3% to the SSBG. Federal regulations also allow TANF to be used directly for child care subsidies (without formally being transferred to the CCDBG). The use of TANF for child care for unemployed individuals is considered "assistance" and triggers federal time limits and certain other restrictions. Child care provided to employed persons is not considered "assistance" under federal law.

Minimum Spending Requirements

There are a number of federal provisions related to the states' use of CCDBG funds. One of these provisions requires states to spend a minimum of 4% of their child care allotments (discretionary and entitlement CCDBG funds and the TANF funds transferred to the CCDBG) for consumer education activities for parents and the public, to increase parental choice, and to improve child care quality and availability (including resource and referral services). In addition, some of the funds are earmarked for certain kinds of activities. These targets include school age resource and referral services, expansion of quality programs, and quality programs related to infants and toddlers.

In 2008-09, the amount required to be spent for the 4% minimum and the targeted earmarks is \$11,192,400. This figure includes approximately \$2.5 million due to the transfer of TANF funds to the CCDBG. The following table shows the amount budgeted for each quality and availability improvement program in 2008-09.

TABLE 1

Funding for Quality and Availability Programs 2008-09

<u>Program</u>	<u>Funding Level</u>
Child Care Scholarships and Stipends	\$3,475,000
Resource and Referral Agencies	1,225,000
Child Care Information Center	113,000
Technical Assistance	498,000
Day Care Licensing	5,400,600
Time Study	<u>217,300</u>
Total	\$10,928,900

An additional \$263,500 will need to be spent on quality and availability improvement programs in 2008-09 in order to meet the federal requirements. DCF indicates that they anticipate counting \$287,200 GPR toward the minimum requirement that is currently spent on a child care technical assistance project by the supporting families together association and the Wisconsin child care improvement project to assist interested persons and groups in preparing to meet child care licensing requirements. The quality and availability improvement programs are described below.

Child Care Quality and Availability Improvement Programs

Resource and Referral Agencies. Child care resource and referral agencies help parents select child care by connecting parents with child care services. These 15 agencies also develop professionals who care for and educate children, analyze and report child care data that impacts communities, and implement child care quality improvement initiatives.

Child Care Scholarships and Stipends. Child care scholarships and stipends are provided to attract and retain quality child care workers. The teacher education and compensation helps (TEACH) program provides scholarships to child care providers to attend technical or private colleges or universities to achieve a higher educational level by completing a specific education path. The rewarding education with wages and respect for dedication (REWARD) program provides stipends to child care teachers, providers, directors, and administrators based on their level of education specific to the child care field and length of employment with a particular child care provider or in the field of child care.

Child Care Information Center. The child care information center (CCIC) is a mail-order lending library and information center that serves those who work in the field of child care and early childhood education. The CCIC provides free information services, library services, and customized learning packets to help Wisconsin child care professionals. The CCIC is administered by the Department of Public Instruction's (DPI) reference and loan library.

Technical Assistance. Funding for technical assistance to child care providers is provided for: (a) the Registry (a system that documents verified formal and informal education on individuals in the early care and education workforce); (b) supporting families together association (SFTA) and Wisconsin child care improvement project (to provide a system of specialized support services to child care programs to improve program quality and business practices); (c) SFTA Wisconsin model early learning standards (under SFTA, 15 child care resource and referral agencies provide a broad range of training and technical assistance services to persons interested in working in the field of child care and education); (d) inter-tribal child care project (a project to improve the quality of tribal child care programs and increase collaboration among tribal child care, tribal head start, and Wisconsin head start programs); and (e) next door foundation and Educare of Milwaukee (a project for a national model for quality early care and education that uses evidence-based strategies to promote the health, well-being, and later school success of very young children from low-income families).

Local Pass-Through Program. The local pass-through program awarded funds to local public agencies that provided required matching funds to improve the quality of care. The funds could be used for: (a) enhancing the quality and increasing the supply of child care for all families; (b) providing parents with a broad range of child care options; (c) improving the quality of, and coordination among, child care programs and early development programs; (d) increasing the availability of early childhood development care services and before- and after-school care services; (e) educating consumers about child care; (f) improving the health and safety aspects of child care, including regulation; and (g) providing crisis respite child care to children in protective services cases or in need of protective services. No grants have been awarded under this program beginning in 2007-08.

Other Expenditures. Quality care for quality kids funding also supports administration costs in the Department of Children and Families (DCF) and a portion of child care licensing activities.

American Recovery and Reinvestment Act

Additional CCDBG funding is available under the federal American Recovery and Reinvestment Act of 2009 (ARRA). Wisconsin's share of additional ARRA CCDBG is \$30,493,400. Although the ARRA does not require additional state matching funds for receipt of these economic stimulus funds, the ARRA does require that 4% of these additional funds be spent on child care quality and availability improvement activities and requires additional targeted earmarks to expand quality programs and for quality programs related to infants and toddlers.

GOVERNOR

Quality Care for Quality Kids. Eliminate the requirement that DCF spend no more than the minimum amount required under federal law to improve the quality and availability of child care. In addition, require DCF to distribute funds allocated for quality care for quality kids and for child care licensing as follows: (a) at least \$3,457,000 annually for child care scholarships; (b) at least \$1,225,000 annually for child care resource and referral services; and (c) \$4,985,300 annually for day care licensing activities. The amounts under (a) and (b) for scholarships and resource and referral services are the same as current law; the amount under (c) for licensing is an increase of \$184,700 annually to reflect adjusted base funding and standard budget adjustments. DCF would have discretion to allocate any remaining funds for technical assistance, the local pass-through program, and the child care information center.

DISCUSSION POINTS

Required Spending of 4% Plus Earmarks with TANF Transfer

1. Under AB 75, it was estimated that the base amount for determination of the

requirement to spend 4% of child care funds on quality and availability improvement totaled \$183.1 million in 2009-10 and \$183.8 million in 2010-11. As a result, the state would be required to spend \$7.3 million in 2009-10 and \$7.4 million in 2010-11 under the 4% requirement. In addition, there would be required spending of earmarks under the CCDBG and the ARRA of \$6.3 million in 2009-10 and \$6.4 million in 2010-11, for total required spending of \$13.6 million in 2009-10 and \$13.8 million in 2010-11 for quality and availability improvement programs. The following table shows the base amount broken down by fund source, the 4% of the base calculation amount, and the required earmarks as determined under AB 75 in 2009-10 and 2010-11.

TABLE 2

Minimum Spending Requirements of CCDBG Under AB 75

<u>Fund Source</u>	<u>2009-10</u>	<u>2010-11</u>
CCDBG	\$84,480,700	\$85,189,000
TANF Transferred	62,899,900	62,899,900
ARRA	15,246,700	15,246,700
State Matching Funds	<u>20,510,900</u>	<u>20,510,900</u>
Total Base Funding	\$183,138,200	\$183,846,500
4% Requirement	\$7,325,500	\$7,353,900
<u>CCDBG Earmarks</u>		
School Age Resource and Referral	\$263,300	\$270,700
Quality Expansion	2,555,600	2,647,500
Infant Toddler	1,480,100	1,533,300
<u>ARRA Earmarks</u>		
Quality Expansion	\$1,260,400	\$1,260,400
Infant Toddler	<u>730,000</u>	<u>730,000</u>
Total Earmarks	\$6,289,400	\$6,441,900
Total Spending Requirement	\$13,614,900	\$13,795,800

2. However, AB 75 only provides quality and availability improvement funding of \$12.3 million in 2009-10 and \$13.0 million in 2010-11. These amounts are less than the federal requirement by \$1,304,300 in 2009-10 and \$776,300 in 2010-11. The following table shows where these funds would be spent under AB 75.

TABLE 3**Funding for Quality and Availability Programs Under AB 75**

<u>Program</u>	<u>2009-10</u>	<u>2010-11</u>
Child Care Scholarships and Stipends	\$3,475,000	\$3,475,000
Resource and Referral Agencies	1,225,000	1,225,000
Child Care Information Center	113,000	113,000
Technical Assistance	498,000	498,000
Day Care Licensing	5,763,900	5,763,900
Time Study	217,300	217,300
Quality Rating System	<u>1,018,400</u>	<u>1,727,300</u>
Total	\$12,310,600	\$13,019,500

3. DCF has reestimated the amount of CCDBG funding the state will receive in 2009-10 and 2010-11, as well as the calculations of the required minimum spending amounts based on the funding. The following table shows the reestimated base amount broken down by fund source, the 4% of the base amount, and the required earmarks under the CCDBG and the ARRA in 2009-10 and 2010-11.

TABLE 4**Reestimated Minimum Spending Requirements of CCDBG**

<u>Fund Source</u>	<u>2009-10</u>	Change from <u>AB 75</u>	<u>2010-11</u>	Change from <u>AB 75</u>
CCDBG	\$86,266,500	\$1,785,800	\$86,266,500	\$1,077,500
TANF Transferred	62,899,900	0	62,899,900	0
ARRA	15,246,700	0	15,246,700	0
State Matching Funds	<u>20,176,800</u>	<u>0334,100</u>	<u>20,176,800</u>	<u>0334,100</u>
Total Base Funding	\$184,589,900	\$1,451,700	\$184,589,900	\$743,400
4% Requirement	\$7,383,600	\$58,100	\$7,383,600	\$29,700
<u>CCDBG Earmarks</u>				
School Age Resource and Referral	\$274,100	\$10,800	\$274,100	\$3,400
Quality Expansion	2,681,000	125,400	2,681,000	33,500
Infant Toddler	1,552,700	72,600	1,552,700	19,400
<u>ARRA Earmarks</u>				
Quality Expansion	\$1,260,400	0	\$1,260,400	0
Infant Toddler	<u>730,000</u>	<u>0</u>	<u>730,000</u>	<u>0</u>
Total Earmarks	\$6,498,200	\$208,800	\$6,498,200	\$56,300
Total Spending Requirement	\$13,881,800	\$266,900	\$13,881,800	\$86,000
Shortfall Under AB 75		<u>\$1,304,300</u>		<u>\$776,300</u>
Total Shortfall		\$1,571,200		\$862,300

4. Based on these reestimates, the state must spend an additional \$1.6 million in 2009-10 and \$0.9 million in 2010-11 for child care quality and availability improvement programs, compared to the amounts allocated in AB 75. The following table shows the programs, and amounts allocated for each program, that DCF would like to fund with the additional required spending in 2009-10 and 2010-11 (Alternative 1).

TABLE 5
Funding for Quality and Availability Programs
as Requested by DCF Under Reestimate

<u>Program</u>	<u>2009-10</u>	Change from <u>AB 75</u>	<u>2010-11</u>	Change from <u>AB 75</u>
Child Care Scholarships and Stipends	\$4,075,000	\$600,000	\$3,475,000	\$0
Resource and Referral Agencies	1,225,000	0	1,225,000	0
Child Care Information Center	113,000	0	113,000	0
Technical Assistance	498,000	0	498,000	0
Day Care Licensing	5,763,900	0	5,763,900	0
Time Study	217,300	0	217,300	0
Quality Rating System	1,302,400	284,000	2,302,400	\$575,100
Support Families Contract	287,200	287,200	287,200	287,200
Educare	300,000	300,000	0	0
Boys and Girls Club Milwaukee Child Care	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Total	\$13,881,800	\$1,571,200	\$13,881,800	\$862,300

Child Care Quality and Availability Programs

5. Rather than adopt the expenditures for child care quality and availability recommended by DCF, the Committee could provide a different amount of funds for the programs suggested by DCF or provide funds to other child care quality and availability programs described in more detail below (Alternative 2).

Resource and Referral Agencies

6. The child care resource and referral (CRR&R) network consists of 15 community-based agencies that provide an array of services, such as assisting parents in selecting child care, offering start-up information and technical support for potential child care providers, providing technical assistance to existing child care centers, and helping communities develop local solutions to child care problems. During 2008, the CCR&R network provided 14,636 customized referrals, and 4,649 parents received technical assistance.

7. The CCDBG requires a specific earmark for resource and referral services.

However, the required funding amount for school age resource and referral services is only \$247,100 annually. Base funding for the CCR&R network is \$1,225,000.

Child Care Scholarships and Stipends

8. The TEACH program provides scholarships to child care providers and teachers for educational costs directly related to the child care field. The scholarships cover a portion of the costs of tuition, books, and travel, and provide a raise or a bonus upon completion of a credential. Both recipients and the child care center where the recipient is employed are also expected to contribute toward the educational expenses. In addition, recipients are required to commit to six months to one year to the sponsoring child care center upon completion of the program. In program year 2008, there were 1,147 TEACH participants and 704 scholarships awarded. The average scholarship of approximately \$3,338 is paid out over the time that the participant completes their program.

9. According to the DCF website, the turnover rate for child care workers statewide is approximately 40% annually. In comparison, the turnover rate for participants receiving TEACH scholarships is less than 2%. Approximately 65,000 children have been served by recipients of TEACH scholarships.

10. The REWARD program provides stipends to child care providers and teachers who attain a certain level of education. To participate in REWARD, participants must meet educational, employment, and longevity requirements. The stipend increases with the level of education. Stipend amounts are based on which step an individual is placed in the Registry, which documents and quantifies individuals' credit based training. There are 17 steps in the system, ranging from entry level training through completed degrees. REWARD awards stipends beginning with level 9. Individuals can reach level 9 with completed credentials or a minimum of 18 credits. In 2008, the stipends ranged from \$200 for level 9 training to \$900 for a bachelor's degree plus credential (level 15) or higher, with an average of \$610.

11. The intent of these programs is to enhance child care program quality by promoting professional development within the child care workforce, rewarding and retaining professionals who have attained early childhood education, encouraging commitment to the field, and reducing turnover in the child care workforces. Funding for child care scholarships and stipends is budgeted at \$3,475,000 in 2008-09.

Child Care Information Center

12. The CCIC has a collection of over 6,800 books, periodicals, and other publications, and over 4,500 videotapes relevant to child care and early education. The CCIC also handles approximately 4,300 inquiries per year, loans or distributes over 280,000 items, and distributes a newsletter to 10,000 child care and early education programs, staff, teacher educators, and others. In addition, the CCIC maintains a website for individuals to review or download materials that had been distributed through the mail in the past. Funding for the CCIC is budgeted at \$113,000 in 2008-09.

Technical Assistance

13. Technical assistance for child care providers has included a variety of services: (a) on-site technical assistance, training, and peer support for providers in preparation for accreditation; (b) training on integrating child care for disabled and non-disabled children; (c) printed and media materials through the CCR&R network; (d) development of school-age child care; (e) venture development grants to employers who are considering developing on-site child care; and (f) an early childhood credentialing system and clearinghouse for training information. Funding for technical assistance is budgeted \$498,000 in 2008-09.

Local Pass-Through Program

14. Through the local pass-through program, funds were distributed to local public agencies that provided the required matching funds to improve the quality of child care. Funds were provided in the form of grants to support community child care initiatives. These locally-based services were provided: (a) technical assistance to child care providers; (b) quality improvement activities, such as addressing teacher education, improving the learning environment, and enhancing the curriculum and professional practices; (c) parent education in conjunction with child care; and (d) enhanced services for children in child care. No funds have been provided for this program in the 2007-09 biennium.

Pre-Licensing Child Care Technical Assistance Project

15. This child care technical assistance project is currently funded with \$287,200 GPR annually. DCF would like to fund this project with CCDBG funds as part of the required spending for child care quality and availability improvement programs.

16. The supporting families together association and the Wisconsin child care improvement project assist interested persons and groups in preparing to meet child care licensing requirements. The objectives of these projects are to: (a) help potential family and group center licensees prepare to apply; (b) identify potential barriers to licensure and encourage such applicants to consider other career options; (c) disseminate public information on child care regulations; (d) monitor, update, and expand self-help materials on the website; (e) focus on the initial licensing checklists during site visits and make clear to the applicant what remains to be done before licensure; (f) communicate with licensing specialists, regional chiefs, or state certifiers, when appropriate, when unusual circumstances or questions arise and when it is found a provider has an illegal number of children in care; (g) strengthen understanding and relationships with DCF staff through attendance at regional networking meetings and child care forums; (h) exclude work with licensed programs wishing to relocate, add additional sites, or offering new categories of services; (i) provide new technical assistance services when more than 12 months elapse between the date of sign-off and the date the application is received; (j) market additional technical assistance, for a fee, through the training and consulting coordinator; and (k) seek other potential sources of supplemental funding for pre-licensing technical assistance.

17. In 2008, this project provided: (a) 17,359 incidents of technical assistance to child

care providers; (b) 7,547 sessions of technical consulting; (c) 8,010 start-up/recruitment sessions for group centers; and (d) 5,876 start-up/recruitment sessions for family providers. There were over 1,500 training events with over 17,000 participants. There were 3,261 telephone consultations, 774 policy drafts reviewed, and 787 site visits to potential child care licensees. Of the 1,227 individuals or organizations that submitted a request for pre-licensing technical assistance, 676 completed the technical assistance, and 628 quit the pre-licensing process prior to completion.

Educare Milwaukee

18. The Educare Center of Milwaukee provides center-based developmental child care for children from birth to five years old. The first Educare Center was created in Chicago by the Ounce of Prevention Fund. Currently, six centers exist to serve children and their families (Chicago, Omaha, Milwaukee, Tulsa, Denver, and Miami). Another four are under construction, and an additional four are under development. The Educare Center of Milwaukee opened in September, 2005. Currently, 339 children are enrolled.

19. The Educare model has the following characteristics: (a) uses research-based strategies; (b) emphasizes prenatal services; (c) implements reflective supervision and practice; (d) provides strong emphasis on social and emotional development; (e) provides enhanced focus on language and literacy; (f) maintains high teacher qualifications and intensive staff development; (g) maintains high staff to child ratio; (h) provides continuity of care to help children develop secure relationships; (i) offers on-site family support; (j) integrates the arts into the program to strengthen social and emotional development, language, and literacy; and (k) uses an interdisciplinary and effective team approach. DCF would like to provide one-time funds of \$300,000 in 2009-10 for the Educare.

Boys and Girls Clubs of Milwaukee Child Care

20. Boys and Girls Clubs of America currently receive a TANF grant to improve social, academic, and employment skills of TANF-eligible youth (in the amount of \$350,000 annually). DCF would like to provide additional one-time funds to the Boys and Girls Clubs of Milwaukee for child care in 2009-10.

21. The funds would support a Milwaukee school-age child care training initiative, which would provide training for after school child care and youth development. Components of this project would consist of: (a) developing a pool of substitute child care providers to fill in for the regularly scheduled child care staff who undergo training; (b) sharing best practices to enhance child care training in the larger community; (c) expanding ongoing staff development; (d) building communication skills among peers, adult youth workers, teen youth workers, youth, parents, and community members through residencies of coaches with expertise in areas such as the performing arts, recreation, health education, environmental concerns, and specialized academic topics; (e) providing recreation programs cut from school districts due to budget issues; (f) food safety training; and (g) documenting staff development by specific category of competency.

Quality Rating System

22. The quality rating system is addressed in a separate budget paper. The required spending level for child care quality and availability improvement programs includes spending on the quality rating system. As a result, the spending levels for the child care quality and availability improvement programs described above must be made in concert with the decisions made about the quality rating system described in a separate paper.

Required Spending of 4% Plus Earmarks without TANF Transfer

23. Although federal law allows for the transfer of TANF funds to the CCDBG, it is not required. Historically, 20% of the TANF block grant has been transferred to the CCDBG for several reasons. First, using CCDBG funds for child care, rather than TANF, for lower-income child care participants was thought to have avoided the potential need to count their subsidies as TANF assistance. As a result, there was no need to determine who was eligible for TANF-funded child care subsidies as compared to CCDBG-funded subsidies. However, federal regulations indicate that the federal definition of "assistance" as it relates to TANF excludes services provided to those who are employed. In recent years, the majority of Wisconsin Shares participants are employed. Therefore, TANF could be used to support their child care subsidies without triggering time limits that apply to the receipt of TANF assistance. Also, most child care recipients who are not employed are already subject to the time limits because they are receiving cash assistance under W-2.

24. Second, CCDBG funds have had more flexibility in carrying forward an unexpended balance. Any unspent TANF funds could be carried forward, but had to be spent on assistance, and child care for employed individuals is not considered assistance. Unspent CCDBG funds, on the other hand, could be used for any purpose, and the state could take three years to spend the funds. However, a provision under the ARRA allows unobligated TANF carryover to be used for any TANF purpose, not just for assistance. This provision is intended to be a permanent revision of the federal regulations. Also, the amount of TANF carried forward each year has been much smaller in recent years compared to when the program was created in 1996.

25. Finally, additional CCDBG federal funding will be provided in the 2009-11 biennium that was not available before. This increases the over-all CCDBG amount. If TANF needed to be transferred previously, with additional CCDBG funds, this may no longer be the case. The following table shows the 4% minimum spending requirement, and the required earmarks, assuming no TANF funding is transferred to the CCDBG.

TABLE 6**Reestimated Minimum Spending Requirements of CCDBG
Without TANF Transfer**

<u>Fund Source</u>	<u>2009-10</u>	Change from <u>AB 75</u>	<u>2010-11</u>	Change from <u>AB 75</u>
CCDBG	\$86,266,500	\$1,785,800	\$86,266,500	\$1,077,500
ARRA	15,246,700	0	15,246,700	0
State Matching Funds	<u>20,176,800</u>	<u>-334,100</u>	<u>20,176,800</u>	<u>-334,100</u>
Total Base Funding	\$121,690,000	\$1,451,700	\$121,690,000	\$743,400
4% Requirement	\$4,867,600	-\$2,457,900	\$4,867,600	-\$2,486,300
<u>CCDBG Earmarks</u>				
School Age Resource and Referral	\$274,100	\$10,800	\$274,100	\$3,400
Quality Expansion	2,681,000	125,400	2,681,000	33,500
Infant Toddler	1,552,700	72,600	1,552,700	19,400
<u>ARRA Earmarks</u>				
Quality Expansion	\$1,260,400	0	\$1,260,400	0
Infant Toddler	<u>730,000</u>	<u>0</u>	<u>730,000</u>	<u>0</u>
Total Earmarks	\$6,498,200	\$208,800	\$6,498,200	\$56,300
Total Spending Requirement	\$11,365,800	-\$2,249,100	\$11,365,800	-\$2,430,000

26. Without transferring any of the TANF block grant to the CCDBG, the minimum amount required to be spent on child care quality and availability improvement programs would total \$11,365,800 annually. The Committee could direct DCF not to transfer any of the TANF block grant to the CCDBG and, compared to the Governor's spending level for child care quality and availability programs (as shown in Table 3), reduce funding for child care quality and availability programs by \$944,800 FED in 2009-10 and \$1,653,700 FED in 2010-11 (Alternative 3). In addition, the Committee could set new funding levels for the child care quality and availability improvement programs described above with the amount of funding available (\$11.4 million). This option would free up \$2.6 million that could be used to fund child care subsidies, fund other TANF expenditures, or be carried forward to the 2011-13 biennium to help address the TANF structural deficit that will occur when the additional ARRA funds are eliminated.

ALTERNATIVES

1. As requested by DCF, modify the Governor's recommendation to provide an additional \$1,571,200 FED in 2009-10 and \$862,300 in 2010-11 for child care quality and

availability improvement programs. Total funding for these programs of \$13,881,800 annually would be distributed as follows:

<u>Program</u>	<u>2009-10</u>	<u>2010-11</u>
Child Care Scholarships and Stipends	\$4,075,000	\$3,475,000
Resource and Referral Agencies	1,225,000	1,225,000
Child Care Information Center	113,000	113,000
Technical Assistance	498,000	498,000
Day Care Licensing	5,763,900	5,763,900
Time Study	217,300	217,300
Quality Rating System	1,302,400	2,302,400
Support Families Contract	287,200	287,200
Educare	300,000	0
Boys and Girls Club Milwaukee Child Care	<u>100,000</u>	<u>0</u>
Total	\$13,881,800	\$13,881,800

ALT 1	Change to Bill Funding
FED	\$2,433,500

2. Modify the Governor's recommendation to provide a different level of funding for specific child care quality and availability improvement programs, fund additional child care quality and availability improvement programs, or eliminate funding for specific child care quality and availability improvement programs as compared to Alternative 1. Overall funding for child care quality and availability improvement programs would remain the same as Alternative 1.

ALT 2	Change to Bill Funding
FED	\$2,433,500

3. Modify the Governor's recommendation to direct DCF not to transfer any of the TANF block grant to the CCDBG and reduce funding by \$944,800 FED in 2009-10 and \$1,653,700 FED in 2010-11. In addition, set the level of spending for each specific child care quality and availability program such that the overall amount does not exceed \$11,365,800 annually.

ALT 3	Change to Bill Funding
FED	- \$2,598,500

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