



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #205

### Quality Care for Quality Kids (Children and Families -- TANF and Economic Support)

[LFB 2021-23 Budget Summary: Page 90, #13; and Page 91, #14]

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#### CURRENT LAW

Federal law requires states to use a portion of federal and state funding sources for child care quality improvements. In addition, funding the state receives under the federal child care and development fund (CCDF) is earmarked for certain kinds of activities, including expansion of child care, child care quality improvements, and resource and referral services.

Approximately \$16.1 million was expended from the TANF budget in 2019-20 and \$16.7 million is budgeted in 2020-21 for programs to improve child care quality and availability.

As discussed in a separate paper, the Department of Children and Families (DCF) received a substantial award of funding under the American Rescue Plan Act (ARPA) of 2021, including one-time supplemental funding under the Child Care and Development Block Grant (CCDBG) in an estimated amount of \$223.2 million.

This paper presents alternatives to improve early care and education through preexisting child care quality initiatives funded via the TANF allocation for Quality Care for Quality Kids programs.

#### DISCUSSION POINTS

1. In its 2020 report, the Governor's Early Childhood Advisory Council (ECAC) recommended three initiatives to strengthen Wisconsin's early care and education system: (a) supporting the compensation, recruitment, and retention of early care educators; (b) strengthening family resource centers; and (c) reducing early childhood suspension and expulsion by providing

additional training and supports for caregivers.

### **Staff Recruitment and Retention -- Child Care Scholarships and Stipends**

2. According to a report published in 2016 by the Wisconsin Early Childhood Association (WECA) on Wisconsin's childcare workforce, based on survey data submitted by child care providers collected by the Survey Center at UW-Madison and the Center on Wisconsin Strategy research center, early care staff in Wisconsin has a 30% annual turnover rate for lead teachers and a 45% turnover rate for assistants.

3. The industry's high turnover rate is largely attributable to low pay and benefits child care providers offer. According to the WECA report, in 2016 a teacher with an associate's degree in early childhood education could expect to start at a median wage \$10.00 per hour with few additional benefits, and rarely make more than \$13.00 per hour. This pay is far lower than the average pay that could be received by holders of associate's degrees in other fields (\$18.57 per hour in 2016). Fewer than one in five teachers received health care benefits through their employer. Pay for assistants was measured even lower at a median wage of \$8.50 per hour, which was lower than the food sector (\$9.06).

4. According to the Department of Workforce Development's report of data from the Occupational Employment Statistics and Wages statistics program, in 2019 child care workers in Wisconsin had an average annual salary of \$23,650 (\$11.37 per hour). For entry level positions (bottom third of wage earners), the average was \$17,790 (\$8.55 per hour), whereas the average wage for experienced workers (the top two-thirds of wage earners) was \$26,580 (\$12.78 per hour).

5. Because of low pay, child care workers are often better off taking jobs in other industries, or once trained in early care and education, moving on to public or private schools as a pre-school or kindergarten teacher.

6. The teacher education and compensation helps (TEACH) program and the rewarding education with wages and respect for dedication (REWARD) program are designed to address child care staffing shortages and low retention rates.

7. The TEACH program provides scholarships to teachers and child care providers for educational costs directly related to the child care field. The scholarships, which covers 75% of the cost of attending credit-based education, including a portion of books, travel, and the costs of tuition. After completing the necessary coursework, child care employees may also obtain a monetary raise or bonus from the scholarship program and/or their employer. Scholarships are intended to support access to credits, credentials, and degree pathways that prepare teachers and care providers to deliver high quality practices for infant toddler classrooms.

8. In 2020, there were 1,029 active scholarships for 904 recipients from 404 child care providers. The average beginning wage for these teachers was \$12.42 per hour, and the average wage increase for completed TEACH contracts was 4.7% (or \$0.57 per hour). The turnover rate of TEACH participants during the commitment year was 7%. Approximately 70% of participants are teachers or assistance teachers, 16% are family providers, and 14% are administrators or directors.

9. The REWARD program provides stipends to child care providers and teachers, provided that they meet certain requirements for education, employment, and longevity. Stipend amounts are based on the individual's career level in the Registry, a credential system for the child care and education profession. The Registry awards certificates for specialized teaching fields and determines an individual's placement into the career levels system based on the individual's education and training.

10. In 2019-20, the REWARD program had 1,782 active participants in 977 child care programs across the state. Approximately 40.6% of participants increased their Registry level during the REWARD agreement period. The average stipend for a six-month agreement was \$276. Approximately 28.2% of stipend recipients have been TEACH recipients.

11. TEACH and REWARD program expenditures totaled \$4.0 million in 2019-20. In 2020-21, \$4.0 million is budgeted for these programs. Of this funding, \$1.6 million is budgeted for TEACH scholarships, \$0.7 million is provided for REWARD stipends, \$1.0 million is provided for scholarship college counselors, \$0.2 million is provided for direct expenses for scholarships and stipend staff (such as space, printing, and consulting), and the remaining \$0.5 million is provided for various administrative costs. DCF indicates that counselors assist early childhood education staff navigate the education field to help them successfully achieve their credentials and remain in the child care field.

12. According to DCF, there was a wait list for TEACH scholarships in 2020. However, DCF used \$500,000 received under the federal preschool development grant (PDG) program to temporarily mitigate the waitlist by covering scholarship expenses. Over the next few years, DCF has budgeted \$500,000 in 2021, \$400,000 in 2022, and \$300,000 in 2023 from PDG funding for such purposes. DCF expects the wait list to increase once PDG funding is no longer available.

13. According to DCF, REWARD stipend amounts are adjusted based on demand and participation in TEACH scholarships. There is no wait list for the program. Instead, if demand increases, reward stipend amounts are adjusted downward based on funding availability.

14. The Committee could increase funding by \$500,000 FED annually for child care stipends under the REWARD, as recommended by the Governor (Alternative A1). This funding would be used by DCF to increase stipend amounts. As previously indicated, the average stipend was less than \$50 a month in 2020.

15. Alternatively, the Committee could also provide \$500,000 annually to increase funding for TEACH scholarships to expand the number of scholarships available and reduce the need to waitlist participants (Alternative A2).

### **Social Emotional Learning Initiative**

16. Research indicates that preschool children are three times more likely to be removed from programs than children in kindergarten through grade 12 combined. See e.g., Gilliam, W. S., "Prekindergarteners left behind: Expulsion rates in state prekindergarten systems." New York, NY: Foundation for Child Development (2005). DCF indicates that programs with consultation and

support in addressing the behavioral needs of children can help decrease behavioral issues and the levels of expulsion of children in early childhood programs.

17. Social emotional learning (SEL) assists children and youth to manage their emotions, develop self-control, sustain supportive relationships, and reduce problem behaviors. Base funding for SEL activities in Wisconsin is \$535,000 FED.

18. DCF supports SEL through the pyramid model, which is a framework of evidence-based interventions for child care providers, parents and professionals to support optimal early childhood development and to prevent challenging behaviors by infants, toddlers, and preschoolers. Key components of the pyramid model include positive teacher-student relationships, partnerships between teachers and families, structured classroom environments, explicit instruction in social and emotional skills, and individualized supports for children demonstrating more challenging behaviors.

19. Based on ECAC's recommendation to support greater access to SEL and to provide SEL training and coaching to early learning programs, the Governor proposed the following. First, \$864,000 FED in 2021-22 and \$1,152,000 FED in 2022-23 would support training and technical assistance to early childhood education programs provided by staff in five preschool development regions across the state. Each region would have two coaches, as well as two additional coaches to serve Milwaukee County.

20. Second, funding of \$476,700 FED in 2021-22 and \$635,600 FED in 2022-23 would add three regional lead staff to the three currently available to provide oversight of program coaches and trainers, support community integration teams, and support data collection and analysis. This change would eliminate the need to conduct staff work by three regional leads through the pyramid model contract, which totals \$360,000 annually.

21. Third, \$219,800 FED in 2021-22 and \$302,600 FED in 2022-23 would support statewide management staff that would provide coordination and support for SEL and quality improvement, and represent SEL efforts on groups involved in child development issues.

22. Finally, funding of \$301,700 FED in 2021-22 and \$408,800 FED in 2022-23 would support statewide training, materials, an evaluation, technical support, and various indirect costs.

23. Total costs would be supported with base funding for SEL activities (\$535,000 FED) and require new funding of \$1,327,200 FED in 2021-22 and \$1,964,000 FED in 2022.

## **ALTERNATIVES**

### **A. Staff Recruitment and Retention**

1. Provide \$500,000 FED annually to provide additional REWARD stipends to child care providers and teachers.

ALT A1	Change to Base
FED	\$1,000,000

2. Provide \$500,000 annually to provide additional REWARD stipends and \$500,000 FED annually to provide for additional TEACH scholarships to child care providers and teachers.

ALT A2	Change to Base
FED	\$2,000,000

3. Take no action.

**B. Social Emotional Learning Initiative**

1. Provide \$1,327,200 FED in 2021-22 and \$1,964,000 in 2022-23 to fund social emotional learning for young children, including program coaches and trainers, regional leads, statewide management, and training. Base funding of \$535,000 would also support these activities.

ALT B1	Change to Base
FED	\$3,291,200

2. Take no action.

Prepared by: John D. Gentry