



April 2021

Summary of Governor's Proposed Budget for Early Education Issues

The events of 2020 made the importance of investing in early education more obvious than ever. The COVID-19 pandemic shined a light on the fact that child care providers are an essential component of our state's economy. In addition, increased awareness of our nation's severe racial disparities has boosted interest in combating long-standing inequities. Numerous studies have concluded that investing in high quality early education is one of the most effective ways to counter the racial disparities that are holding back people of color and our nation as a whole.

Funding from the federal COVID-19 relief bills have enabled Wisconsin to make some large investments in early education, but far more is needed. Early education teachers are grossly underpaid, and vast areas of Wisconsin are classified as child care deserts. The shortage of access to affordable child care is keeping many parents at home to care for their children, which contributes to a worker shortage in our state.

The governor's budget includes a number of significant changes in early education policy and financing. If approved, these changes would improve the well-being of our young children, reduce racial disparities, help parents participate in the workforce, and boost Wisconsin's long-term prosperity. Every low-income family with an infant or toddler deserves equitable access to high quality, culturally, and linguistically responsive early care and education.

Improving Access to Quality, Affordable Child Care

The Evers budget proposes a historic investment of \$53 million per year of state funds to finance child care quality improvement programs that subsidize child care providers that are certified or licensed by the state or established by a school board. This initiative, known as Child Care Strong, is intended to particularly assist providers located in child care deserts and to those serving a significant percentage of infants and toddlers.

Investing in Social-Emotional Training

The Governor recommends a \$3.3 million investment in social-emotional training and technical assistance. This specifically aims to reduce instances of children being removed from child care for behavioral issues. In a broader context, it addresses the impacts of racism and systemic oppression on children and educators of color. The training and technical assistance can help establish nurturing and consistent relationships within the context of family, community, and culture in Wisconsin's early care systems.

Income Disregard for Direct Care Workers

Many Wisconsin families live near the margins of qualifying for the Wisconsin Shares child care subsidy program, causing them to gain and lose access based on circumstances. When they fail to qualify, many cannot afford the cost of care. This budget proposes a change to Shares qualifications to stabilize Wisconsin families, providing an income disregard of \$10,000 for direct care workers when evaluating

whether they qualify for Shares. For these purposes, a "direct care worker" would include a worker who is primarily paid for caregiving work, such as a personal care worker, home health aide, or certified nursing assistant.

Expanding the 53206 Early Care and Education Initiative

Wisconsin has been at the forefront in promoting the equitable quality of our early care and education. Building on the success of the 53206 early care and education initiative from the previous 2019-21 budget, Governor Evers wants to expand the initiative to adjacent areas in Milwaukee. These are heavily African American neighborhoods suffering from disproportionate poverty, incarceration, and access to quality child care. This expansion will improve child care affordability, professional development opportunities with Milwaukee Area Technical College, and technical consultation for early care and education providers to increase the quality of the child care environment.

Investing in the REWARD Program

The REWARD program provides salary supplements for child care professionals based on educational attainment and longevity in the field. Governor Evers proposes increasing the program by \$500,000 annually to help increase the pay of skilled child care teachers, which has been the lowest of any educators. In 2019 the median hourly wage for Wisconsin child care workers was \$10.66.

Allowing the Use of Family Leave

Child care closures during the pandemic have exposed the challenge for working parents of choosing between working and caring for their children. The budget seeks to address this challenge by allowing working parents to take six weeks of family leave in a 12-month period if a school or child care program that their child attends is experiencing an unexpected short-term closure.

Child Care Tax Credit

The proposed budget bill helps Wisconsinites with the cost of child care by creating a nonrefundable credit equal to a percentage of the federal child and dependent care credit. This new state tax credit replaces the current law deduction from income for child and dependent care expenses, and is expected to increase the child care tax break by nearly \$10 million per year.

Quality Care for Quality Kids

The Governor's budget would provide over \$17.5 million per year for child care quality initiatives under Quality Care for Quality Kids. It would delink the YoungStar quality rating and improvement program from Wisconsin Shares, in order that quality ratings adjustments would no longer be directly tied to Wisconsin Shares subsidy rates. Instead, the proposed Child Care Strong program would provide monthly payments and monthly per-child payments to child care providers that are certified, licensed, or established by a school board. The proposed bill also eliminates funding for microgrants and uses those dollars instead to hold providers harmless from decreases in YoungStar bonuses.