Health, Education and Public Safety

MANDATE for MADISON

Wisconsin's childcare subsidies, regulations fail for families

By Angela Rachidi

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EXECUTIVE SUMMARY

Wisconsin's childcare subsidies, regulations fail for families

Spiraling costs, scant benefit from rating system suggest it's time for a new approach

While parents play the most important role in early childhood development, having reliable and affordable childcare is another crucial component to helping working families thrive. This chapter explains the current childcare landscape in Wisconsin, assesses policy changes in the 2025-27 biennial budget, and offers a path forward for the next governor and the Legislature.

Key Findings:

- In an effort to reduce childcare costs for families, policymakers often advocate for increased subsidies to providers or families. However, the effectiveness of this approach is undermined by evidence showing government assistance, including childcare funding, was a major driver of inflation in recent years, given its impact on consumer demand.
- While Wisconsin's policymakers responded to rising costs through programs such as Child Care Counts and Wisconsin Shares subsidy increases, these program expansions likely made families no better off financially, given such high overall inflation.
- The childcare sector is also highly regulated. Many regulations increase childcare costs with little evidence of a positive impact on program quality.
- The biennial 2025-27 budget made substantial changes to childcare policy in Wisconsin, including reducing staffing requirements and giving more operating flexibility to family care providers.

Recommendations:

- Policymakers should pursue additional regulatory changes that make it easier for informal and family care providers to operate.
- The state government can also help address affordability by creating alternative assistance options such as education savings accounts.
- Wisconsin's Legislature should mandate a thorough study of existing childcare regulations to assess the cost and benefit of those regulations.
- The next governor and the Legislature should review the YoungStar quality review system of providers to assess the effects on availability and affordability. This review should consider fundamental reforms to the rating system aimed at supporting quality while making care more affordable.
- Rather than limiting assistance to a defined set of providers as current policy does, policymakers could explore account-based models that give families greater flexibility over childcare spending. Existing examples, such as Arizona's Empowerment Scholarship Accounts or Florida's education choice programs, show how public funding can be structured around family choice rather than provider-specific subsidies.

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Introduction

Children thrive in stable and supportive environments. While parents play the most important role in early childhood development, having reliable and affordable childcare is another crucial component to helping working families thrive. Whether outside the home or with an in-home caregiver, childcare provides working parents a safe and secure place for their children to be during their work hours, while also fostering early development and preparing young children for school.

This chapter explains the current childcare landscape in Wisconsin, assesses policy changes in the 2025-27 biennial budget, and offers a path forward for the next governor and the Legislature.

The government in Wisconsin plays two important roles in childcare services: First, it licenses and regulates childcare providers and, second, it assists low-income families who are unable to afford care. Crucially, childcare assistance from the government can help low-income families find and sustain employment while also supporting early childhood development for those most in need.

As is typical nationwide, Wisconsin's childcare sector comprises mostly private businesses operating under state regulations and licensing requirements. Wisconsin's governor and Legislature broadly establish childcare licensing requirements and regulations, and they task the Department of Children and Families (DCF) with implementing those requirements and monitoring childcare operators for health, safety and quality. Childcare providers fall into a few categories but mostly comprise center-based or group care (operating out of a childcare facility), family care (provided in-home through a caregiver), or informal care (including nannies, babysitters and relatives).

Public pre-kindergarten and Head Start programs are another category of childcare focused on early education. They are not the focus of this chapter.[1]

Wisconsin helps low-income families afford childcare by operating Wisconsin Shares. The program uses federal and state funding to provide eligible families with a subsidy that covers all or part of monthly childcare costs at a state-authorized provider. Subsidies aim to achieve two primary goals: First, to aid in supporting parental employment and, second, to offer quality childcare to low-income children. Subsidy amounts are determined by state officials with guidance from the federal government.

Wisconsin's 2025-27 biennial budget

made substantial changes to childcare operations in the state, including increases in Wisconsin Shares subsidy amounts and changes to provider regulations. These changes have implications for affordability and accessibility of childcare for Wisconsin's working families moving forward. The next governor and the Legislature must build upon these important changes.

The 2022 Mandate for Madison demonstrated that an overemphasis on childcare regulation had reduced the availability and affordability of childcare in Wisconsin without meaningfully improving child outcomes. The Wisconsin Legislature, along with Gov. Tony Evers, made important improvements to childcare regulations in the 2025-27 biennial budget while also increasing the maximum subsidy to cover 75 percent of the market rate for childcare services — an increase from approximately 50 percent.

These rate increases likely put upward pressure on the overall cost of childcare services in Wisconsin, while the regulatory changes likely put downward pressure on costs. Moving forward, Wisconsin policymakers must continue to focus on reducing the cost of childcare. If they do not, they will face pressure to increase state funding even more to cover ever-increasing costs. Higher subsidies can inadvertently raise overall childcare costs and lead to inflation. Instead, efforts to reduce costs should focus on additional regulatory reforms that make informal and family care more accessible and on developing alternative ways to offer financial assistance to working families, including tax-advantaged education savings accounts.

Childcare assistance in Wisconsin

The primary source of childcare assistance to low-income families in Wisconsin comes from the federal government's Child Care and Development Block Grant (CCDBG). The federal government authorizes discretionary funds through the CCDBG and mandatory funds through the Social Security Act which, when combined with state funds, creates the Child Care and Development Fund.[2] The Wisconsin DCF administers the state's subsidy program, called Wisconsin Shares. In federal fiscal year 2025, Wisconsin received approximately $191 million in federal funding for childcare services through the CCDF, which the state supplemented with additional funding.[3]

Subsidy amounts through the CCDF differ by state. Wisconsin covers 75 percent of the market rate for childcare to eligible families, with the subsidy phasing out as a family's income rises through a copayment schedule.[4] The market rate differs by type of provider and geographic area. For example, the highest cost care for fiscal year 2026 was licensed group care for infants, and the maximum subsidy amount (that is, no required family copayment) for infants in Milwaukee County was $20,340 per year.[5] Wisconsin families are eligible for Wisconsin Shares as long as their household income is below 200 percent of the federal poverty level ($54,600 for a family of three in 2026), and the subsidy amount phases out gradually as income rises until the household reaches 85 percent of median household income, which is the federal income limit.

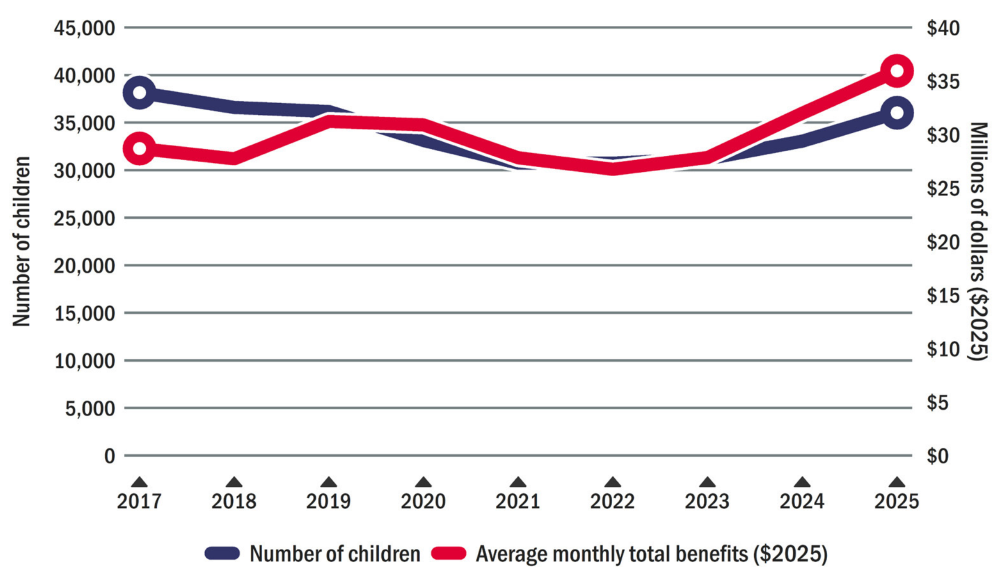
Childcare providers are primarily private businesses and therefore set their own rates. However, providers are reimbursed only for the Wisconsin Shares subsidy amount less any family copayment. This creates pricing pressures for the providers who accept Wisconsin Shares. Thus, subsidy amounts can influence the prices charged for overall childcare services in the state, even though only a small share of young children — less than 5 percent — participate in Wisconsin Shares, given the income eligibility rules, limitations on funding, and demand for services. This has implications for nonparticipating working families.

Changes to Wisconsin Shares participation and the 2025-27 biennial budget

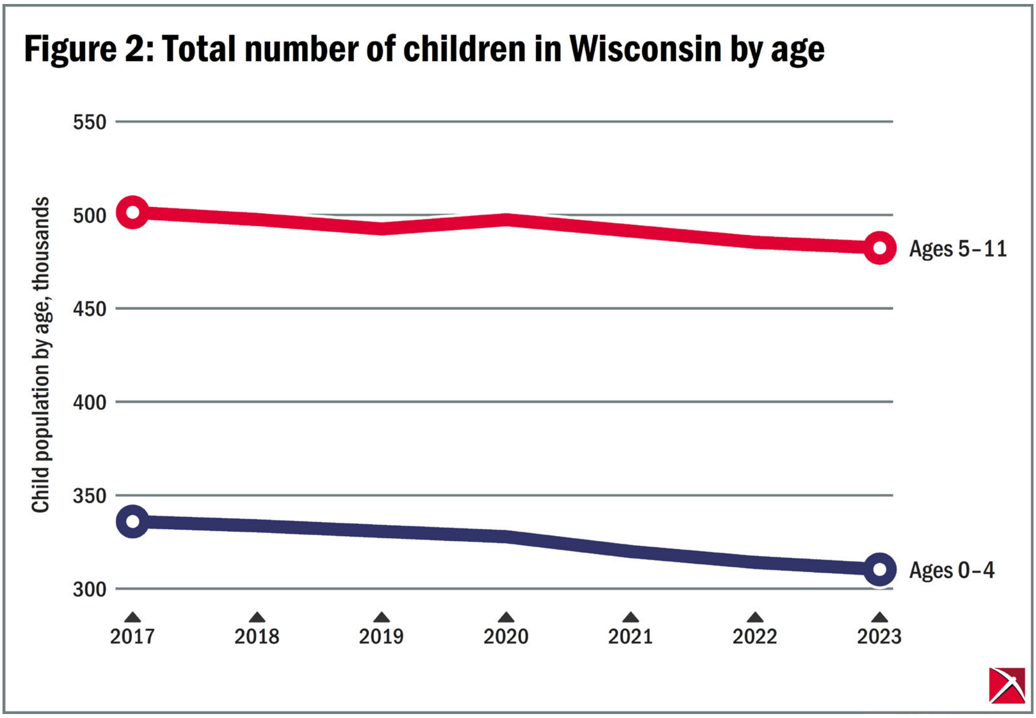
The number of children participating in Wisconsin Shares has evolved over time. Figure 1 outlines both the number of children participating in Wisconsin Shares and the annual average monthly amount of Wisconsin Shares subsidies paid. While the number of children participating in Wisconsin Shares declined from 2017 through 2022, these numbers sharply increased beginning in 2023 through 2025.

There are two important factors underlying these trends. Figure 2 shows a slow decline in the number of young children in Wisconsin, starting in 2017. At the same time, parental labor force

Figure 1: Number of children served by Wisconsin Shares



Source: Wisconsin Department of Children and Families, “Benefits Utilized and Children and Families Served, DECE/BOP, 04/2017-03/2026. final.” Reflects the average monthly number of unduplicated children. 2017 is the first year of reliably comparable Wisconsin Shares data.



Source: Kids Count Data Center, Annie E. Casey Foundation. Data derived from U.S. Census Bureau and subsequently modified by the National Center for Health Statistics.

participation has remained relatively constant. According to U.S. Census Bureau data, the same percentage of households with children under 6 had all parents in the labor force in 2024 as in 2017: 74.5 percent.[6] This combination of fewer children and similar parental labor force participation rates should have reduced the demand for childcare services.

Despite these demographic trends, several adjustments to the maximum Wisconsin Shares subsidy rates in recent years have led to a rising number of children receiving assistance since 2023. From roughly 2006 through 2017, the maximum subsidy for Wisconsin Shares was held constant by Wisconsin lawmakers with only minor adjustments (that is, there were no statewide annual inflationary adjustments). By 2018, the Wisconsin Shares maximum subsidy covered only 15 percent of market rate childcare costs on average.[7] This was far below the 75 percent recommended by the federal government through the CCDBG.

Rate increases in 2018 under Gov. Scott Walker and again during the pandemic years under Evers brought the maximum subsidy rate closer to 50 percent of market rate childcare costs by 2024.[8] Then, in the 2025-27 biennial budget, the Legislature and governor increased the maximum subsidy rate to 75 percent of the market rate cost of childcare services.[9] See Table 1 for a summary of rate changes in recent years.

COVID-19 pandemic-related funding was also used beginning in 2020 to operate the Child Care Counts program in Wisconsin. That program provided direct funding to childcare providers to increase childcare quality and to help childcare providers

Table 1: Wisconsin Shares subsidy rate adjustments

Year	Policy change
2006	Subsidy freeze put in effect.
2007-17	No major statewide maximum rate increases (only limited adjustments).
2018	Rate freeze lifted. Statewide increase in infant rates and for certain providers.
2021-23	Several pandemic-era increases.
2025	Increases to cover 75 percent of market rate costs in 2025-27 biennial budget.

Source: Author's summary of budget documents and pandemic-era state spending.[10]

fund their operations during pandemic-related disruptions.[11] Although the Child Care Counts program did not directly increase subsidy rates, it subsidized childcare provider operations, further lowering childcare prices. This, along with the maximum subsidy rate increases, substantially lowered costs for families and likely contributed to the increases in Wisconsin Shares participation through 2025.

The Child Care Counts program was phased out in the 2025-27 biennial budget by authorizing Child Care Counts bridge payments, which ultimately ended in June 2026.[12] These bridge payments allowed providers previously participating in the Child Care Counts program to slowly wind down their direct government support, with an eventual end by the close of 2026. Child Care Counts began as a pandemic-related temporary program to help providers facing unique workforce challenges and increased costs to serve children during the pandemic. Allowing it to phase out recognized that its pandemic-related purpose had ended, even though continuing the program gained some political support, including from Evers.[13]

The maximum subsidy rate increase, along with the phase out of Child Care Counts, coincided with changes to childcare regulations in the 2025-27 biennial budget. These changes focused on staffing requirements and aimed to lower overall childcare costs. Table 2 summarizes the key regulatory changes.

Childcare affordability

All of these childcare policy changes were happening in the context of affordability challenges. A common complaint among working families with young children is the cost of childcare. In response, policymakers often advocate for increased subsidies to providers or families. However, one important lesson from pandemic-era relief efforts was that government assistance, including childcare funding as well as other direct financial assistance, was a major driver of inflation. According to economists at the Federal Reserve System, relief efforts passed through the American Rescue Plan in March 2021 led to strong demand, exerting "upward pressure on inflation for well over a year following the economy's reopening."[14]

As a result, nominal increases in market rate childcare costs — the sticker price

Table 2: Regulatory changes in the 2025-2027 biennial budget

Regulatory change	Description	Who is affected
Family childcare capacity increase	Family childcare programs can serve up to 12 children (previously 8) without licensing as a group care provider.	Licensed family childcare providers
16-year-old assistant teachers may count in ratios	16- and 17-year-old assistant teachers can count in staff-to-child ratios in group care settings.	Licensed group childcare centers
Group childcare ratio pilot program	Group childcare providers can increase their staff to child ratio to 1:7 for children 18-30 months if they meet administrative requirements (up from 1:6).	Licensed group childcare centers

Source: Author's summary of childcare provisions in the 2025-27 biennial budget, as summarized by the Wisconsin DCF, https://dcf.wisconsin.gov/childcare/biennialbudget/25-27.

increase — neared 20 percent from 2017 to 2025, even though real costs (that is, adjusted for inflation) remained flat.

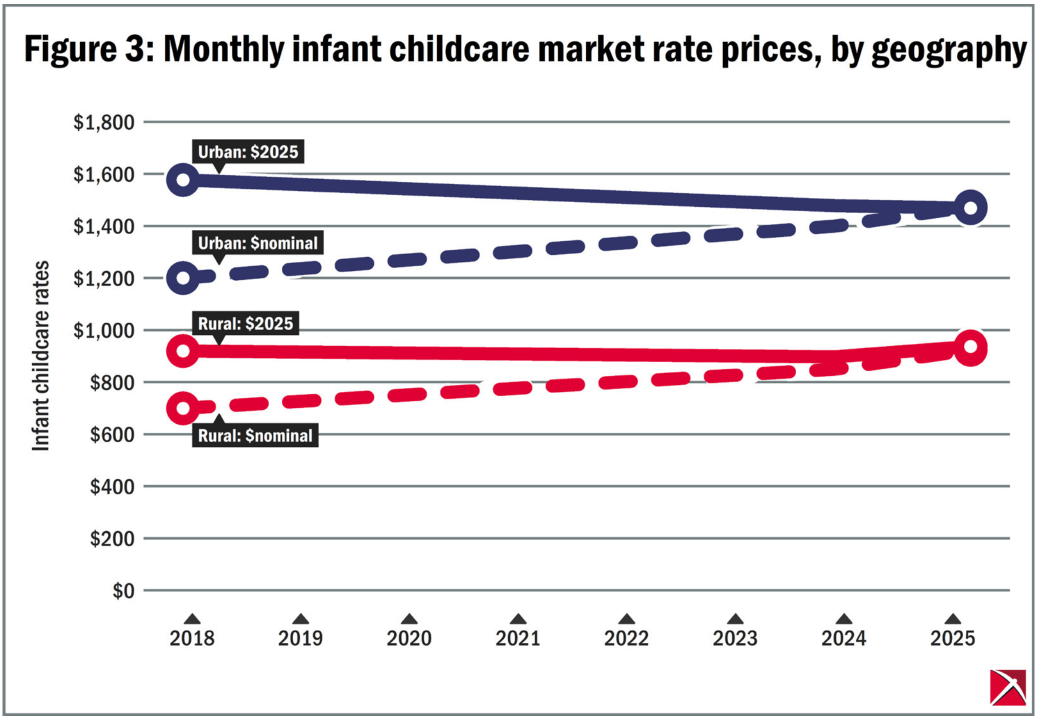
According to the 2026 Market Rate Survey conducted by Wisconsin's DCF,[15] market rate childcare costs for infants have increased in both urban and rural areas since 2017 but have largely kept pace with inflation, as seen in Figure 3. Importantly, however, price increases reached unprecedented levels in 2022 through 2024.[16] While Wisconsin's policymakers responded to rising costs through programs such as Child Care Counts and with Wisconsin Shares subsidy increases, these program expansions likely made families no better off financially given such high overall inflation.

Moving forward, Wisconsin policymakers must carefully assess how additional government assistance, including higher childcare subsidies, might contribute to cost increases. For example, one study found that federal tax credits for childcare were mostly passed through to providers, increasing the total cost of childcare.[17] Another found increased subsidies had helpful, although modest, effects on childcare costs.[18] Although the subsidy increase included in the 2025-27 biennial budget sought to lessen the cost burden on low-income families, if it leads to higher childcare prices, it may have the opposite effect.

A path forward

Wisconsin's state government serves an important role in the state's childcare sector. The DCF licenses and regulates childcare providers, seeking to ensure the health and safety of children when their parents work. The DCF also administers the federal childcare subsidy program and sets related policy. Both aspects of childcare operations influence overall childcare costs in the state.

As mentioned above, the biennial 2025-27 budget made substantial changes to childcare policy in Wisconsin, including



Source: 2026 Market Rate Survey, Wisconsin Department of Children and Families. "Child Care Market Survey Results." DCF Publication No. P-5985. Madison: Wisconsin Department of Children and Families. Accessed July 13, 2026. https://dcf.wisconsin.gov/publication/5985. Inflation adjusted prices reflect the CPI-U published by the U.S. Bureau of Labor Statistics.

reducing staffing requirements and giving more operating flexibility to family care providers. State leaders also increased the maximum subsidy amount to cover 75 percent of market-rate childcare costs, which may help families afford childcare in the short term but could also raise costs over the long term. Wisconsin's next governor and the new Legislature must focus on keeping costs affordable. This can be done by additional regulatory changes that make it easier for informal and family care providers to operate, as well as by creating alternative assistance options such as education savings accounts.

Need for further regulatory changes

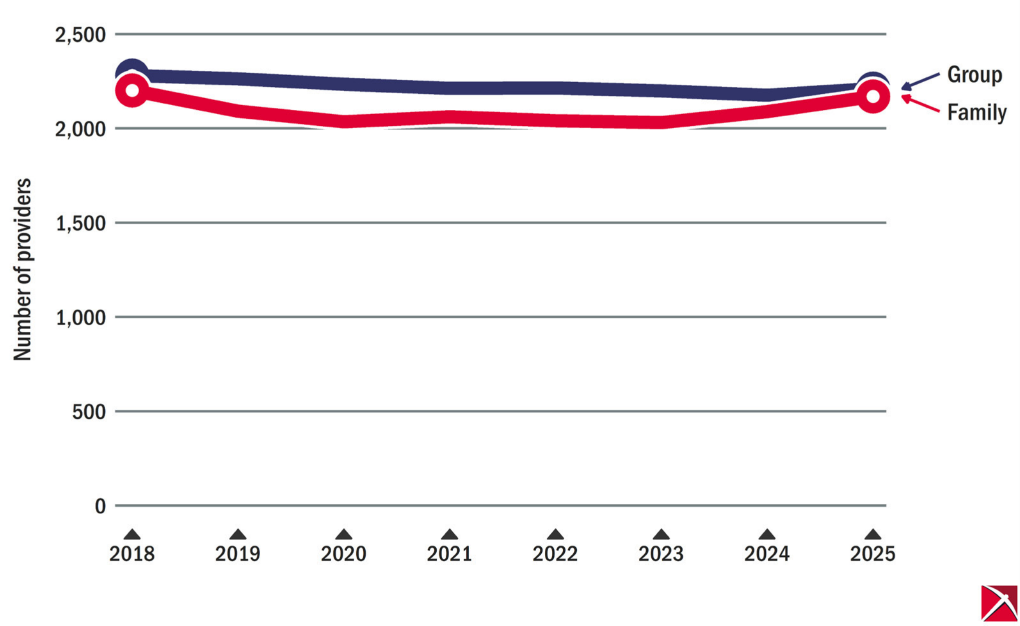
As highlighted in the 2022 Mandate, a study by the University of Wisconsin's Institute for Research on Poverty (IRP) found that from 2005 through 2019, family childcare slots declined by 38 percent in the state.[19] The precise reasons behind such a large decrease are difficult to know, but they likely stem from decreased demand due to demographic changes, new quality requirements through YoungStar, and the subsidy rate freeze.

Since 2019, the number of family and group childcare providers in Wisconsin has stabilized, as seen in Figure 4. This suggests that increased subsidy rates and pandemic-era relief efforts, including Child Care Counts, likely helped preserve the state's childcare supply. However, a 2024 study by the IRP also found a significant number of unfilled childcare slots across providers, suggesting a mismatch between demand and supply, with excess childcare availability in some areas and waitlists for care in others. The top two reasons for unfilled capacity were difficulties finding staff and not enough interest or demand from families.[20]

Childcare regulations can prevent providers from adjusting their operations to meet demand. For example, they might not have the right mix of teachers to meet the demand for infant care, or the costs associated with meeting YoungStar rating criteria might limit their ability to find the right mix of teachers. The 2025-27 biennial budget addressed the need for more flexibility at the provider level. It increased the number of children that family care providers can serve, allowed providers to increase the child-to-staff ratio in group care providers (on a trial basis), and allowed younger staff to meet these requirements. Ideally, these changes will reduce some of the operating burden on childcare providers and allow them to attract more teachers and serve more children, which should better meet demand and reduce overall costs to families. However, none of these changes addressed concerns over YoungStar.

Certain childcare regulations are codified in Wisconsin law, including child-to-staff ratios and staff qualification requirements.[21] A systematic review of the literature (not specific to Wisconsin) found little association between child-staff ratios and child outcomes across various settings.[22] Other research has also questioned whether education requirements lead to better child outcomes.[23] This suggests that policymakers should scrutinize existing childcare regulations and assess the evidence about such requirements.

Figure 4: Regulated childcare providers in Wisconsin, by type



Source: Wisconsin Regulated Child Care Provider Dashboard. Madison: Wisconsin Department of Children and Families. Accessed July 13, 2026. https://dcf.wisconsin.gov/childcare/data/regulated-ccprovider-dashboard

Further, Wisconsin's Legislature should mandate a thorough study of existing childcare regulations and assess the cost and benefit of those regulations.

Additional regulatory changes are needed to further alleviate some of the operating burden on childcare providers. As identified in the 2022 Mandate for Madison, quality requirements, including those monitored by YoungStar, place a burden on childcare providers without demonstrating measurable improvements in child outcomes on average.[24] Childcare providers who accept Wisconsin Shares subsidies must participate in YoungStar, which includes a self-assessment and a rating system operated by DCF-contracted observers who visit childcare providers and monitor their operations.[25] Payments for childcare services through Wisconsin Shares depend on the quality rating, and parents can review quality ratings when making decisions about placements.

While quality childcare is important, evidence suggests that quality is difficult to measure, and higher-rated providers do not necessarily produce better child outcomes. A 2016 validation study of YoungStar found that the quality rating system did not associate with better school readiness.[26] In other words, the time, effort and cost required to achieve higher quality ratings resulted in no better school readiness for participating children.

While a full review of YoungStar is beyond the scope of this chapter, the next governor and the Legislature should review the YoungStar system to assess the effects on childcare provider availability and affordability and should consider fundamental reforms to the rating system. As the 2016 YoungStar validation study showed, attending a higher-rated provider did not result in better school readiness on average. To participate in the federal CCDBG, states must demonstrate efforts to improve childcare quality. Like Wisconsin, most states use a quality rating system, but the federal government does not mandate the types of items rated nor the specific ratings. This gives the state flexibility to review YoungStar and conduct a complete and rigorous assessment that balances the desire to support quality childcare while also keeping care affordable.

Flexible education savings accounts

A strong reliance on subsidies to increase childcare affordability presents policymakers with a dilemma. Increased public support can help families afford care in the short term, but it can also drive up childcare costs and offset the intended affordability relief over the long term.[27] As a result, providers can charge higher rates, and higher prices affect all working families, not only those who receive subsidies. Over time, this dynamic can create a cycle in which rising childcare costs generate pressure for additional subsidies, which may then further contribute to higher prices. Without corresponding increases in childcare supply, which is more challenging under a tight regulatory regime, overall childcare costs and demand for public support continue to increase.

One way to balance these tradeoffs is to support a more competitive and flexible childcare assistance approach that expands family choice. Subsidies provided through Wisconsin Shares can only be used with eligible regulated providers participating in the YoungStar quality rating system, which may limit families' ability to access alternative care arrangements that better fit their schedules or family arrangements. Rather than limiting assistance to a defined set of providers, policymakers could explore account-based models that give families greater flexibility over childcare spending. Existing examples, such as Arizona's Empowerment Scholarship Accounts or Florida's education choice programs,[28] show how public funding can be structured around family choice rather than provider-specific subsidies. States have primarily used this model to fund K-12 education, but adapting this concept to childcare could allow families to select arrangements that best fit their work schedules and family circumstances.

Conclusion

Childcare policy has gone through tremendous change in Wisconsin in recent years, primarily driven by evolving demographics and pandemic-related disruptions and responses. Currently, Wisconsin offers subsidies to a small share of low-income families that cover 75 percent of the market cost of childcare. However, Wisconsin also maintains an inflexible regulatory system, which likely drives up costs. Although the 2025-27 biennial budget offered some regulatory relief, the YoungStar quality rating system remains intact and likely contributes to a mismatch between the demand for childcare services and the available supply of care.

This report identifies two areas of focus for the next governor and the Legislature. First, they must review the purpose and validity of YoungStar with particular focus on its relationship to costs. They must also balance any additional subsidies with additional regulatory relief aimed at reducing overall childcare costs.

Second, the new governor and the Legislature should explore alternative funding mechanisms for working families' childcare needs. These alternatives should involve account-based models, such as empowerment accounts, that offer tax-advantaged ways to fund childcare costs. With these important changes, Wisconsin can meet both the demands of ensuring safe and affordable childcare for Wisconsin families while controlling overall costs.

About the author

Angela Rachidi is a senior fellow at the American Enterprise Institute (AEI), which is a free-market focused public policy research organization based in Washington, D.C. She is the founder and principal of Rachidi Research and Consulting LLC. In her work, Rachidi studies the impact of safety net programs on low-income families and individuals. She researches the effects of government policies and programs on employment, child wellbeing, family income, and economic mobility. Before joining AEI, she was the deputy commissioner for policy research at the New York City Department of Social Services. Rachidi holds a doctorate in public policy from the New School University in New York City, a master's degree in public administration from Northern Illinois University, and a bachelor's degree from the University of Wisconsin-Whitewater. She lives and works from Middleton, Wisconsin.

ENDNOTES

1 This chapter focuses on childcare in Wisconsin and Wisconsin Shares, the state's childcare subsidy program. Wisconsin also operates Head Start, which is a federally supported pre-kindergarten program for low-income children with federal funding going directly to local programs. The DCF regulates Head Start facilities, but the Department of Public Instruction (DPI) receives and distributes federal Head Start funding.

2 U.S. Department of Health and Human Services, Administration for Children and Families, "CCDF Frequently Asked Questions," https://acf.gov/archive/occ/faq/child-care-and-development-fund-final-rule-frequently-asked-questions

3 The federal-only share reflects $191 million for FY2025, with state maintenance of effort and matching funds providing another $50 million. The state's 2025-27 biennial budget included an additional $123 million over the two years to increase the maximum subsidy amount. https://acf.gov/occ/data/gy-2025-ccdf-allocations-based-appropriations

4 For families with income below 200 percent of the federal poverty level, or FPL, Wisconsin Shares establishes a per hour copayment schedule, https://dcf.wisconsin.gov/files/wishares/pdf/wishares-copay-schedule.pdf. For income above 200 percent of the FPL, the subsidy amount is further reduced by $1 for every $5 that income exceeds 200 percent of the FPL.

5 See "Calculating Your Out-of-Pocket Childcare Costs," https://dcf.wisconsin.gov/wishares/maxrates.

6 Reflects one-year estimates from the American Community Survey for Wisconsin, DP03 Selected Economic Characteristics, "Own children of the householder under 6 years, All parents in the labor force," https://data.census.gov/table/ACSDP1Y2024.DP03?q=employment+rate+mothers&g=040XX00US55.

7 https://dcf.wisconsin.gov/files/wishares/ccdbg/2018-market-rate-survey-analysis.pdf

8 Maximum rates are not adjusted automatically on an annual basis. Changes must be authorized by the Legislature as part of the budget process.

9 See information from the Department of Children and Families on the 2025 rate increase, https://dcf.wisconsin.gov/wishares/rateincrease.

10 https://www.wispolitics.com/2018/gov-walker-announces-child-care-subsidy-rate-increases/; https://dcf.wisconsin.gov/wishares/rateincrease

11 See a summary of the Child Care Counts Program: Institute for Research on Poverty. 2023. "Study of the Child Care Counts Stabilization Payment Program: Final Report." Madison: University of Wisconsin-Madison. https://www.irp.wisc.edu/resource/study-of-the-child-care-counts-stabilization-payment-program-final-report/.

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13 See "Evers threatens budget veto over child care center payments, GOP leader signals openness to negotiation." Wisconsin Public Radio, June 24, 2025. https://www.wpr.org/news/gov-tony-evers-threatens-veto-state-budget-without-child-care-center-payments.

14 This study by economists at the Federal Reserve identified supply and demand causes of the unprecedented inflation that started in 2021. However, after the initial supply shock, they attribute the spike in inflation to relief efforts stemming from the American Rescue Plan

passed in March 2021. See Hajdini, Ina, Adam Shapiro, A. Lee Smith, and Daniel Villar. 2025. "Inflation since the Pandemic: Lessons and Challenges." Finance and Economics Discussion Series 2025-070. Washington, D.C.: Board of Governors of the Federal Reserve System. https://doi.org/10.17016/FEDS.2025.070.

15 Wisconsin Department of Children and Families. (n.d.). "Child Care Market Survey Results" (DCF Publication No. P-5985). Retrieved July 13, 2026, from https://dcf.wisconsin.gov/publication/5985

16 Economists suggest that inflation surged starting in 2022 due to the pandemic and policy responses. See Hajdini, Ina, Adam Shapiro, A. Lee Smith, and Daniel Villar. 2025. "Inflation since the Pandemic: Lessons and Challenges." Finance and Economics Discussion Series 2025-070. Washington, D.C.: Board of Governors of the Federal Reserve System. https://doi.org/10.17016/FEDS.2025.070

17 Herbst, Chris M., and Erdal Tekin. 2018. "Give Credit Where? The Incidence of Child Care Tax Credits." Journal of Urban Economics 108: 51–71.

18 Lee, Won Fy, Aaron Sojourner, Elizabeth E. Davis, and Jonathan Borowsky. 2024. "Effects of Child Care Vouchers on Price, Quantity, and Provider Turnover in Private Care Markets." W.E. Upjohn Institute Working Paper 24-394.

19 "Statewide Needs Assessment Summary Preschool Development Grant Birth to 5," Wisconsin Department of Children and Families, October 2020. https://dcf.wisconsin.gov/files/childcare/pdf/pdg/2021-needs-assessment.pdf and Claessens et al. "Capacity Memo" https://dcf.wisconsin.gov/files/childcare/pdf/pdg/pdg-regulated-cc-capacity-memo.pdf. The 38 percent figure reflects a decrease in licensed family childcare and an increase in certified family childcare.

20 Shager, Hilary, Zachary Bauer, and Liesl Hostetter. "Child Care Supply and Demand Challenges in Wisconsin: Final Report." Madison: Institute for Research on Poverty, University of Wisconsin-Madison, September 2024. https://www.irp.wisc.edu/resource/child-care-supply-and-demand-challenges-in-wisconsin-final-report/

21 https://docs.legis.wisconsin.gov/code/admin_code/dcf/201_252/251

22 Perlman, M., Fletcher, B., Falenchuk, O., Brunsek, A., McMullen, E., & Shah, P. S. (2017). "Child-staff ratios in early childhood education and care settings and child outcomes: A systematic review and meta-analysis." PLOS ONE, 12(1), e0170256. https://doi.org/10.1371/journal.pone.0170256

23 Falenchuk, O., Perlman, M., McMullen, E., Fletcher, B., & Shah, P. S. (2017). "Education of staff in preschool aged classrooms in child care centers and child outcomes: A meta-analysis and systematic review." PLOS ONE, 12(8), e0183673. https://doi.org/10.1371/journal.pone.0183673

24 Katherine Magnuson and Ying-Chun Lin, "Wisconsin Early Child Care Study Findings on the Validity of YoungStar's Rating Scale: Executive Summary," May 9, 2016. See also https://dcf.wisconsin.gov/files/youngstar/pdf/validationreport2.pdf and https://dcf.wisconsin.gov/files/youngstar/pdf/validationexecutivesummary.pdf.

25 See website for more details on YoungStar, https://dcf.wisconsin.gov/youngstar

26 Katherine Magnuson and Ying-Chun Lin, "Wisconsin Early Child Care Study Findings

on the Validity of YoungStar's Rating Scale: Executive Summary," May 9, 2016. See also https://dcf.wisconsin.gov/files/youngstar/pdf/validationreport2.pdf and https://dcf.wisconsin.gov/files/youngstar/pdf/validationexecutivesummary.pdf

27 Herbst, Chris M., and Erdal Tekin. 2018. "Give Credit Where? The Incidence of Child Care Tax Credits." Journal of Urban Economics 108: 51–71 and Lee, Won Fy, Aaron Sojourner, Elizabeth E. Davis, and Jonathan Borowsky. 2024. "Effects of Child Care Vouchers on Price, Quantity, and Provider Turnover in Private Care Markets." W.E. Upjohn Institute Working Paper 24-394.

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