

Report of the Early Childhood Care and Education Board

Child Care in Allied Drive

July, 2007

Executive Summary

In 2005 the Office of Community Services examined the demographics of the Allied neighborhood, assessed the need for quality child care and created a proposal for a model early education and care center. In March 2007, the Early Childhood Care and Education Board again examined child care in Allied Drive in response to a request from members of the Allied Task Force. The child care dilemma has not been resolved. Families residing in Allied continue to struggle to secure reliable, quality child care in order to stabilize their employment. The following report explains the challenges of child care in a low income neighborhood and proposes several recommendations to support families, children and the child care programs that serve them.

A full set of recommendations is outlined in the report. At the meeting of June 27, the Early Childhood Care and Education Board prioritized the following:

- Explore the possibility of expanding the YWCA contract to provide additional transportation services for the purpose of allowing families to secure and use accredited child care outside of the neighborhood.
- Provide additional City funding to stabilize the Dane County Parent Council (Head Start) Great Beginnings program on Verona Road, while working with the agency in developing short and long-term plans for financial stability, which may include relocation of the program.
- Provide City of Madison capital budget funding needed to construct and provide for the start-up costs of a model center for early education and care. The City, working in partnership with the University of Wisconsin has developed a design for a 11,000+ square foot child care center for 80 children ranging in age from 6 weeks to 6 years, with the goal of serving 40 children from the Allied Drive area and 40 children of University faculty, staff and graduate students.

The goal of the Early Childhood Board is that all Madison parents, regardless of the neighborhood in which they reside, have access to child care that meets their needs for affordability, scheduling and location, and the quality needs of their children. In 2007, the reality is that it's no longer financially feasible to provide quality child care in low income neighborhoods with the expectation that poor families will be able to support it. Programs serving high percentages of low income children are not financially able to maintain the quality of care that the City of Madison expects.

Introduction

On November 7, 2006 the Allied Task force submitted a letter to Mayor Cieslewicz and the City of Madison Common Council requesting that a specific amount of child care funding be designated for child care in the Allied neighborhood. On February 22, 2007 the Task Force submitted a second letter with a similar request to Joanne Brown, Chairperson of the Early Childhood Care and Education Board. On March 28, 2007 members of the Allied Task Force appeared before the Early Childhood Care and Education Board to request that the City address the child care needs in the Allied neighborhood.

A subcommittee was appointed to assess the state of child care in Allied Drive and to recommend to the board and council a series of options and strategies to address these needs, with a request to include funding in the capital budget.

The subcommittee's immediate goal is for low-income families in Allied to have access to quality child care. Its broader, more comprehensive vision is to create and support a model early education and care center that will give the community's poorest children early advantages that will underlie their entire future, while providing working parents quality, reliable care that enables them to maintain stable employment and be contributing members to the Madison community.

The State of Child Care in Allied Drive

According to Dane County Human Services there are approximately 321 children ages 0-5 in Allied Drive involved in W2 caseloads.

Child care options currently available in Allied Drive are few. They include two licensed Centers: Dane County Parent Council and Small Wonders, along with a limited number of regulated in-home child care providers.

On November 18, 2006 the Department of Health and Family Service Bureau Regulation and Licensing revoked the child care license of Small Wonders for habitual violations of licensing regulations. Small Wonders has appealed the revocation. The appeal hearing was originally scheduled for June 19, 2007, but has been postponed while the owner tries to sell the business. Small Wonders currently serves approximately 25 children but has a licensing capacity of 49. With the likelihood of Small Wonders closing, 25 children will be displaced, with a need to find alternative child care.

Dane County Parent Council (DCPC) provides part-day Head Start programming as well as full-day child care at two locations (Red Arrow and Verona Road). The children enrolled in Dane County Parent Council programs consist of children from the Allied neighborhood as well as surrounding neighborhoods.

Program	Capacity	Enrolled	Enrolled Allied*	Waiting List**
Small Wonders	49	25	unknown	0
DCPC	206	206	see below	123
Preschool full-day	36	36	7	21
Preschool part-day	122	122	40	92
Infant/Toddler full-day	44	44	13	10

**Number of children enrolled who reside in Allied*

***Number of children from Allied neighborhood on waiting list*

Although Dane County Parent Council has a strong reputation in the Allied neighborhood and provides a substantial and valued service to children and families, the Great Beginnings full-day program on Verona Road closed out 2006 with a deficit of \$101,274. This deficit is due to rapid enrollment turnover, inability of families to pay their copays under Wisconsin Shares, the large cost of leasing the building (\$76,014/year) and the high cost of infant care.

There are currently 10 certified and 1 licensed in-home family child care providers in Allied serving an unidentified number of children. Certified child care providers are subject to fewer regulations than licensed providers, and may care for no more than 3 children at a time.

Challenges of child care in Allied Drive

The challenges of providing child care in Allied Drive derive from many sources and apply to both parents and providers. Regulations governing W2, copay requirements, lack of transportation options, lack of regulated care, and children's own characteristics all contribute to the difficulties parents and caregivers experience in the area.

W2 requirements often necessitate a parent finding care immediately in order to stay eligible for the program. A parent's main concern for child care becomes cost and location, and the urgency of the situation leaves little time or ability to inquire about quality. Dane County Parent Council reports that many families on the waiting list have lost their child care funding, as a direct result of not securing child care immediately in order to take a job. The structure of the W2 program rules leaves these parents in an impossible dilemma unless child care is available instantly.

With recent changes in W2, low-income families are faced with higher child care co-payments to the centers/providers. Families are even less able to make these payments, which can be as high as \$84 a week, or more than \$4,300 annually, for a family with 2 children and an income of \$11,000 a year. Because families cannot make the payments, programs serving a high percentage of low-income families often operate at a deficit due to uncollected fees. In 2007 the Early Childhood Care and Education Board held listening sessions in which center directors spoke about the financial struggles associated with caring for low income families:

Center	Uncollected fees 2006	Turnover in 2006 due to loss in funding
Red Caboose	\$28,444	7
Child Development Inc.	\$86,195	35
Head Start	\$27,294	100

Without a stable source of income, quality child care for low-income parents is in jeopardy. "The situation is causing licensed day care providers to carry more bad debt and shrink the pool of spaces for low-income families" (Christie Howell-Yrios, Executive Director, Animal Crackers). When centers and family homes determine that they cannot serve low income families, the quality of care for the children suffers. According to 4-C, 20 licensed centers closed in Dane County in 2006.

Although many families are working full-time and need full-time child care, some parents enroll their child(ren) in part-day Head Start programs, in part, because they cannot afford the full-time child care co-pay. The question then becomes, who is caring for children for the remainder of the day?

There are many regulated and City Accredited child care programs throughout the City of Madison. However, families that reside in Allied are faced with the hurdle of securing reliable transportation to and from programs outside of the neighborhood. Although public transportation may seem like a logical solution, it often becomes a laborious task if a parent is transporting multiple children or working in one place with child care in another. The trek becomes even more challenging if there are multiple siblings enrolled at more than one center.

In-home family child care, although valuable in many regards, is often the least stable form of child care in low income neighborhoods. These small programs typically serve 3 or fewer children, often operate under the lowest level of regulation, and rely on W2 child care payments for their income. In-home family child care providers are rarely able to secure private pay clients due to the perceived reputation and negative association of the Allied neighborhood. In recent interviews of in-home regulated providers in Allied, one caregiver stated that parents who call to inquire about openings "often do not follow up with scheduled interviews once they come to realize my address... it's a red flag to them". Another provider states that she "never charged the rate I could have if I lived elsewhere or cared for private pay clients". From a provider who recently moved out of Allied: "In the beginning families did not have co-pays and the full amount of my fees were paid by the state. Towards the end families did have co-pays, which I rarely collected. One parent paid her co-pay at the end of the year with her tax return".

In-home providers often do not collect the parent co-payment and regularly care for children during gaps in funding from the state/county, with little likelihood of ever being paid for these lapses. It is no surprise that unstable, unpredictable income results in providers closing their businesses, as their child care income does not meet their own living expenses. According to Community Coordinated Child Care, Inc. (4-C), 16% of regulated in-home family child care providers do not accept subsidized children because of inconsistent and unpredictable income. In 2006, 13 in-home family child care providers located in Allied closed their business. In the same year a 113 certified and 44 licensed in-home family child care programs throughout Dane County closed.

Many children come to their caregivers with significant emotional, social and cognitive developmental delays. These children require and deserve high quality child care options with the resources and expertise to support and meet their varying needs. With the disruption of child care funding, children are shifted from caregiver to caregiver, often landing in informal, unregulated settings. Children have no continuity of care that allows them to learn routines and skills that prepare them for school. “Breaks in caregiving arrangements probably have the most negative effects for infants and toddlers.”¹

Objectives

Data tells us there is a clear connection between poverty and achievement rankings in schools. Decades of research shows that students from low-income families tend to begin kindergarten lagging behind. Supporting low-income families and investing in early quality care and education can help to decrease the achievement gap. “Children need consistent, high quality child care settings in order to develop optimally. High quality child care enhances cognitive ability and school readiness”.¹

If the vision for the Allied Community, according to Mayor Cieslewicz, is to “Preserve one of Madison’s affordable and diverse neighborhoods and grow its leadership” with a goal of providing greater access to reliable jobs and overcoming the major barriers to stable employment, then supporting residents’ child care needs must be part of the equation. The Early Childhood Care and Education Board makes the following recommendations to expand, strengthen and improve the quality of child care in the Allied Drive neighborhood:

Short-term recommendations:

To meet the immediate child care needs in Allied, help stabilize families and their employment, and to stabilize the child care programs serving low-income families:

1. Provide additional child care assistance for City of Madison families residing in the Allied neighborhood through the City Child Care Assistance Program. The additional assistance will help parents meet their child care co-

payments as well as stabilize and secure child care during gaps/lapses in funding from the state. Benefits will include:

- Families will be motivated and have an increased ability to utilize accredited quality care.
- Families will feel relief from the inconsistencies of care that currently plagues their efforts to stabilize their employment thus stabilizing their families.
- Child care programs will become more viable and stable in their ability to care for low-income families.

Lack of available quality child care options in Allied, however, remains an obstacle.

2. Provide transportation options/vouchers that will assist families who wish to use child care options outside of the neighborhood. Explore the possibility of expanding the YWCA contract to provide additional transportation services for the purpose of allowing families to secure and use accredited child care outside of the neighborhood. Accredited programs willing and able to participate in this effort will be identified.
3. Provide additional City funding to stabilize the Dane County Parent Council (Head Start) Great Beginnings program on Verona Road while working with the agency in developing short and long-term plans for financial stability.
4. Provide additional funding to the Satellite Family Child Care Program in order to increase and stabilize the number of accredited in-home family child care providers in Allied.

Mid-term Recommendations:

1. Purchase and renovate the Small Wonders building and contribute to its operating budget, in order to provide high quality early childhood care and education. Primary partners that may collaborate on this project include UW Campus Child Care and the Waisman Center, DCPC/Head Start and the City of Madison.
2. Eliminate the \$76,000 lease costs for Great Beginnings by working with Dane County Parent Council to relocate the program into a shared facility to stabilize its operation. This will assure the continuation of the only center-based infant/toddler programming in the neighborhood.
3. Renovate an existing/vacant apartment in the neighborhood to expand quality child care options.

Long-term recommendations:

Contribute to the City's economic development by creating an educated, resourceful and diverse workforce by ensuring education success for young children.

1. Provide City of Madison capital budget funding needed to construct and provide for the start-up costs of a model center for early education and care. The City, working in partnership with the University of Wisconsin has developed a design for a 11,000+ square foot child care center for 80 children ranging in age from 6 weeks to 6 years, with the goal of serving 40 children from the Allied Drive area and 40 children of University faculty, staff and graduate students. Research shows that children in integrated economic settings make larger gains in critical areas than children whose only peers are also low income.

Collaboration between the City of Madison, the University and Dane County Parent Council will focus on combined missions of teaching, research, outreach, service to low income families and economic revitalization. The proposed center will provide the highest quality of education and care to develop competency in social, academic and problem solving skills. Low income children will be retained in the center through periods of parent unemployment, so that gains are not lost due to repeated absences. This will help facilitate stabilization of the family, making job seeking and permanent employment easier.

In the development of the Gorman & Company Avalon Madison Village, the City received \$300,000 as part of the loan repayment from Gorman & Company. The Common Council set that money aside to be used as a match for development of a child care center in the development. Gorman dedicated 17,556 square foot parcel for the development of the center.

\$2.3 million would cover construction costs, as well as provided start-up funding for the center, based on the proposal. In addition, there would need to be an operating subsidy to allow the center to serve low-income children whose families have unrealistic co-payments under the current Wisconsin Shares program.

2. If there is no capital budget contribution, the City could hire or contract for the services of a fund developer to finish the construction of the child care center outlined in proposal #1.

Summary

“It was once said that the moral test of Government is how that Government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life, the sick, the needy and the handicapped.”

Hubert H. Humphrey

The Allied neighborhood has had a history of being vulnerable and unstable. The City of Madison has pledged a commitment to invest resources to improve and strengthen the Allied community.

Quality child care costs money...especially in low income neighborhoods. City of Madison parents, regardless of which neighborhood they reside, should have access to child care that meets not only their needs for affordability, scheduling and location, but that also meets the quality needs of their children. As stated by a representative of the Allied Task Force in a presentation to the Early Childhood Care and Education Board in March 2007, “Residents are accepting what they can pay for, which is substandard in most cases”. In 2007, the reality is that it’s no longer financially feasible to provide quality child care in low income neighborhoods with the expectation that poor families will be able to support it. Programs serving high percentages of low income children are not financially able to maintain the quality of care that the City of Madison expects.

As child care programs struggle financially the City could expect

- fewer child care programs to remain in business
- fewer high quality programs, with an increase in poor quality care
- fewer programs accepting/enrolling low income families
- more parents unable to obtain and maintain employment

If the City, in partnership with others, truly includes early care and education as part of the planning for redevelopment in a poor neighborhood, it has the potential do more than any other action to lift poor families and their children out of poverty by increasing their chances to stabilize employment and for their success in school.

In October 2003 the Mayor asked the Streets Division to study and analyze the potential of alternative operating models for refuse collection and provide a report that would include implications for future capital and operating budgets. As the City continues to grow, most would agree, it is wise to devote considerable time to such a study. It is no surprise, the collection system involved a large capital investment in order to obtain productivity increases and lower operating costs. The report cites the reasons for such an investment:

- To accommodate the continued growth of the city
- Customer satisfaction
- Improved productivity
- Reduction of injuries
- Easier collection and use for public
- Better looking neighborhoods

Price tag: \$6,450,000

Countless studies, years of data collection and common sense tells us that investing in quality early care and education yields valuable benefits to a community:

- Increased academic success for children
- Decreased cost to school systems
- Decreased costs in justice systems
- Stable employment and increased earnings for families
- Net gain for tax payers

Investing in quality child care and education is costly upfront...but it is more costly at the back end if we don't.

APPENDIX A

Stabilizing Child Care + Strengthening Families = Strong Communities

Many low-income families find it nearly impossible to achieve lasting economic security and often live “one crisis away from economic catastrophe”, according to Annie E. Casey Foundation’s 2003 Kids Count Data Book. ²

Municipal officials play a vital role in addressing the needs of their community’s youngest residents. Civic leaders need to be educated and cognizant of the numerous benefits associated with quality care and are challenged to provide programs that support positive early childhood development in their communities. A 2002-2003 survey of the National League of Cities - Strengthening Families in America’s Cities, examined issues affecting children and families and concluded that:

- While elected officials feel their cities are doing an adequate job meeting the needs of young children, one in four city officials still cite child care as one of the most critical program or service needs for children and families in their community.
- Despite the fact that early childhood programming has not traditionally been a municipal function, four in 10 city officials report dedicating funds to early childhood development. Among larger cities, nearly two-thirds of local officials report allocating city resources to early childhood development.
- Cities have a stake in early childhood success. According to municipal officials, reasons for investing in early childhood development are:
 1. Children who enter school healthy and ready to learn tend to receive better grades and have fewer behavioral problems.
 2. It is the right thing to do – cities have a moral responsibility to take care of young children.
 3. Children who have positive early experiences are less likely to become juvenile delinquents and need social services as adults and are more likely to have higher rates of workforce participation and earnings as adults.
 4. The availability of high-quality, affordable child care can improve job performance and economic stability for working parents.

- City officials express strong support for policies benefiting families with young children, including:
 1. Providing affordable quality child care for ALL children.
 2. Providing a preschool education for ALL children.
 3. Providing child care assistance for low-income working families.³

National research on Child Care Subsidies and Work suggests that investments in child care:

- Increases workforce participation of low-income working mothers.
- Result in a net gain for taxpayers
- Prevents more costly long-term problems if child care is of high quality³

Subsidies and Work:

Access to child care makes a difference. Studies have shown that mothers who did not have convenient access to a center-based child care program were nearly twice as likely to leave their jobs as those who had convenient child care. Child care availability had the greatest impact on moderate-wage mothers.

Child care encourages employment. A General Accounting Office study predicted that reducing child care costs increases the likelihood that poor, near-poor and non-poor mothers will work. A full subsidy to others who pay for child care could increase the proportion of poor mothers who work from 29 to 44 percent and that of near poor mothers who work from 43 to 57 percent. The study suggests that providing financial assistance to help low-income families pay for child care may be a key factor that encourages low-income mothers to work.

Child Care Investment and Economic Return:

A recent study in North Carolina demonstrated that when families' child care needs are met and they are able to work, they generate additional tax income for the government that actually offsets the expenditures for the child care. The finding showed that increasing the amount available for child care subsidy can result in a net gain for taxpayers and for society as a whole.

Long-Term Effects of Quality Care:

Several studies, including a Chicago Child-Parent Center study directed by Arthur Reynolds when he was at the University of Wisconsin, found substantial economic benefits from a comprehensive early childhood program. The study found that at age 20, participants were more likely to have finished high school than children who were not in the program, less likely to have been held back in school, less likely to have needed remedial help and less likely to have been arrested. It is estimated for every dollar invested, the return was \$7 based on reduced costs of remedial education and justice system expenditures, as well as the increased earnings and projected tax revenues for participants.⁴

Appendix B

February 22, 2007


Joanne Brown
Chairperson
Early Childhood Care and Education Board
1932 West Lawn Ave.
Madison, WI 53711 - 2010

Dear Chairperson Brown,

The Allied Strategies Task Force was delighted to learn that an additional \$225,000 was included in the 2007 City of Madison budget to provide more child care for low income families. Our Task Force had submitted a letter (see attached copy) dated November 7, 2006 to Mayor Dave Cieslewicz and the Madison Common Council in support of that budget initiative with the request that some of the additional money be directed specifically to Allied Drive. Their commitment to this important investment in our children is an encouraging sign.

As you are aware from your involvement in Allied Drive, child care continues to be a pressing need for families living in our neighborhood. Allied Drive has more children per household while being one of the poorest areas within the City of Madison creating a substantial gap when it comes to caring for our kids. Quality child care is the foundation for many of the initiatives that the Allied Strategies Task Force has focused our attention on. Specifically, child care enables the parent to concentrate on their employment and training objectives while addressing many of the safety concerns that children and families in Allied Drive experience every day.

We would respectfully ask that the Early Childhood Care and Education Board consider directing additional funding to families in the Allied Drive Neighborhood for child care. We would be happy to meet with you to get your insight and discuss how these resources can best serve Allied residents. Please give Alice Howard a call at 217-1109 if you would like to schedule a time to get together. These dollars would be an investment in the future of our kids and our neighborhood. Thank you for your consideration of this important request.

Sincerely,


Alice Howard
Co-Chair, Allied Area Task Force



Michael Zimmerman
Co-Chair, Allied Area Task Force

Cc: Dorothy Conniff

FEB 26 2007

References

1. Roach, M.A., Riley, D.A., Adams, D.B., & Edie, D. (2002). Wisconsin Child Care Research Partnership Issue Brief #5: *Child Care Subsidies: Cost to Participants and the Continuity of Care*, Madison, WI: University of Wisconsin-Extension.
2. National Kids Count Data Book (2003) *The High Cost of Being Poor: Another Perspective on Helping Low-Income Families Get By and Get Ahead*. Annie E. Casey Foundation.
3. Katz, D., Hoene, C., de Kervor, D. (2003). National League of Cities, Institute for Youth, Education, and Families. *Strengthening Families in America's Cities: Early Childhood Development*.
4. Edie, D., Adams, D., Riley, D., Roach, M. (2003). Wisconsin Child Care Research Partnership. *Alternative Policy Options for Child Care Subsidy Programs*, University of Wisconsin – Extension.

