

Office of Community Services

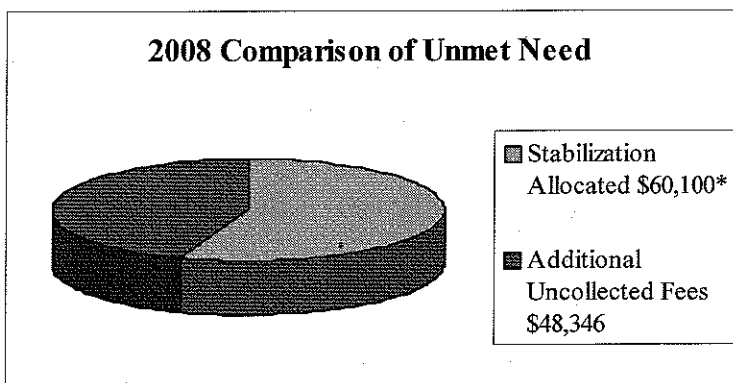
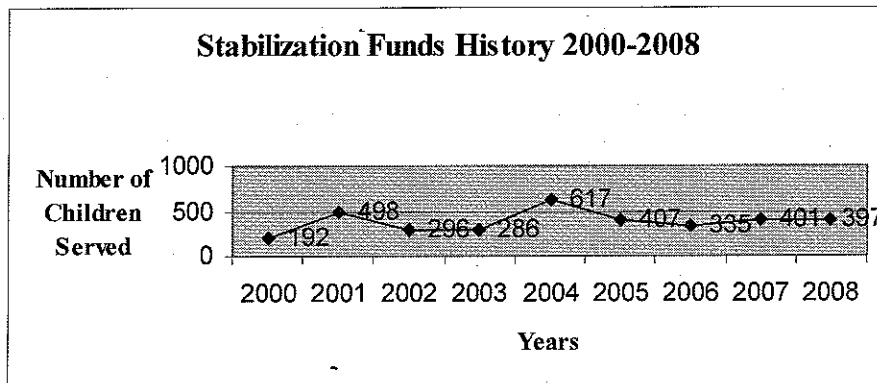
Child Care Program Stabilization Funds

February 25, 2009

The City of Madison has provided a Stabilization Fund to eligible City of Madison accredited child care programs since 2000. Since that time, Stabilization Funds have helped support an estimated **3,429 children, 17 accredited centers and 17 accredited family child care programs**. The funds help to ensure continuity of care for children that would otherwise have been disenrolled due to bad debt and have helped stabilize, financially, quality programs caring for low-income children.

STABILIZATION FUNDING 2008

Type of Program	Number of Programs	Average Request	Average Award	Assisted Children (Estimated)	Unmet Need (2008 Debt)
Family Child Care	13	\$5,614	\$594	76	\$31,580
Centers	9	\$7,649	\$5,753	321	\$16,765



*Includes one-time \$20,101 reallocation of Community Resources Funds.

HISTORY

The 2000 Office of Community Services budget provided \$20,000 as part of the child care tuition aid assistance account to assist City of Madison accredited child care programs serving low-income children. Programs serving low-income children are less stable financially than others for several reasons:

- Low-income families more often lose their jobs and in turn lose their child care subsidies.
- Low-income families on state assistance are often unable to pay their co-payments and therefore fall behind, which leaves the center with bad debt.
- Staff turnover in centers serving low-income children is higher due to lower wages and the children are often more difficult to work with.

The fund was designed to provide timely help to prevent the closing of badly needed services for children and families.

Resolution 56977 was adopted in March 2000 by City of Madison Common Council and identified the criteria for use of the funds:

- In order to receive funding under this program, a child care program/provider must, in one of the two immediately preceding school years, have had enrollment consisting of 20% or more children receiving public funding.
- The child care program must also demonstrate that because of one of the following reasons: persistent bad debt due to uncollected fees; unanticipated vacancy rates; and/or unstable enrollment or high staff turnover; it may be in financially jeopardy.
- Programs receiving funds will be required to complete quarterly reports detailing how the funds were used and the number of children and families that were helped.

Resolution 25799 was adopted by Council in March 2007 and provides an additional allocation of \$20,000 by amending the 2007 Operating Budget to appropriate \$20,000 from Contingent Reserve and authorizing the expenditure of an additional \$20,000 in Child Care Stabilization Funds through the City Child Care Assistance Program.

The 2008 Office of Community Services budget provided \$40,000 as part of the child care tuition aid assistance account to assist City of Madison accredited child care programs serving low-income children.

In September 2008, Resolution 08-00793 provided an additional one-time increase in Stabilization Funding of \$20,101.16 to three specific programs. This one-time funding was a reallocation of 2008 Community Resources Funding.

A CHANGING CITY

As the population of the City continues to increase, so does the percentage of low-income children enrolled in MMSD. **From 1991 to 2008 the percentage of low-income children enrolled in MMSD elementary schools continued to climb from 24.8% to 48%.**

As the demographics in the City shift, so, too, do the needs of early childhood care and education programs. Early childhood care and education programs are challenged with less income, while a higher percentage of children they serve require an increasing level of resources and well-skilled, educated teachers to meet their needs.

WISCONSIN SHARES

28% of Wisconsin Shares children enrolled in programs located in Madison are in City of Madison Accredited programs (4-C, 2008).

Once summarized, data from 4th quarter stabilization surveys will provide additional information regarding the effects of Wisconsin Shares on programs receiving stabilization funding.

SUPPORT TO PROGRAMS AND FAMILIES

Center Directors testified before the Early Childhood Care and Education Board on February 28, 2007. Bad debt is an increasingly serious problem for many programs. The main causes, reported by center directors include:

- The inability of parents in WI Shares to keep up with their co-pays.
- Gaps in funding of parents in WI Shares – delays or non-payment of tuition for several weeks.
- Inability of private paying parents to pay even the lowest of fees. Many families previously qualified for assistance through the City or WI Shares but were terminated from the program when they exceeded the income guidelines. For many families tuition represents a large percentage of their income.

"Two families have worked themselves off of W2 with the help of these Stabilization Funds and in return, the parents are paying back the money they received to the Center because they felt so strongly about the benefits of these funds." - Center Director

"One mother had to take a leave from work to care for a terminally ill child and Stabilization Funds allowed the center to keep the sibling enrolled while the mother cared for the sick child. Another parent was keeping up with her co-payment until she had to have surgery due to a broken ankle. As a result of the long recovery, the mother lost her job. The center was able to use Stabilization Funds to keep her child enrolled until she eventually found another job." – Executive Director

