

Proposals for consideration as pilots to increase access to accredited child care to low income families. There is no new financial impact. The \$850,000 budget for Child Care Assistance funds would be utilized.

1) Increase Stabilization Grants (currently \$40,000)

Background: Stabilization grants have been available since 2000 to assist Madison accredited non-profit child care programs in serving at least 20% low income children because of loss of child care subsidy, debt due to uncollected co-pays, and staff turnover. Originally set at \$20,000, this fund was raised to \$40,000 in 2007. In 2014, 9 centers applied, reporting a total loss of \$131,000. 311 children were served with the \$40,000. In 2015, 13 centers applied projecting a loss of \$182,000.

Proposal: Add \$60,000 for a total of \$100,000 in Stabilization funds. Expand eligibility to family child care providers serving 20% low-income families. Possibly increase the size of stabilization grants.

- Families that have difficulty finding slots in accredited centers turn to family child care, in particular for infant slots and work schedules that vary (i.e. evening and weekend care).
- In 2015 there were 34 City funded children enrolled in accredited family child care (i.e. 20% of city funded children enrolled in family childcare; this is a 5% increase from 2014)
- Out of the 16 FCC providers serving City funded families, one was an English-speaking program, all others are Spanish-speaking programs. (Both Spanish and English speaking families/children enrolled.)

+ Builds on a successful model; stabilizes more programs.

+ Family child care providers are most vulnerable to instability due to limited numbers of children. small groups. Most Latino families receiving Madison child Care Assistance are enrolled FCC homes.

- Requires 20% service to low-income families.

2) Encourage high quality child care programs to serve families on public funding

Background: Many programs are reluctant to serve families receiving public child care funding because of direct loss of income from those families who cannot pay their family share. This reduces access to families

Proposal: Use \$40,000 to entice 5+ centers to serve low-income families by supporting the tuition of each child on WI Shares. Based on family cost, center would receive \$2,000-\$4,000 per year for each child the center enrolls.

- Centers report an average of \$5,000 loss for every WI Share client they serve.
- Madison Accredited programs serve 26% of the WI Shares children in Dane County.
- In Madison, 40% of WI Shares children are in Madison accredited programs.

+ Has more high quality centers serving low income families

- Limited impact; serves between 10-20 children

3) Reduce co-pays for families receiving Madison Child Care Assistance.

Background: Most families receiving Madison CC Assistance have a co-pay. This is in addition to any co-pay that the center charges above our reimbursement rate.

Proposal: \$79,000 would be reallocated from the current Child Care Assistance budget to cut co-pays by at least 50%. (\$157,000 projected to cover the 100% co-pay.)

- 25 families (32%) of the City funded caseload have an assigned co-pay; currently ranging from \$4-\$244 per week.

+ More families will stay in accredited care

- Fewer families will be served in the long run.

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