

An Analysis of Full Day Group
Child Care Centers Closed between
September 2007 and November 2008

By George Hagenauer
Data Coordinator
Community Coordinated Child Care 4-C
6300 Enterprise
Madison Wi. 53719
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608-271-9181 ext. 199 george.hagenauer@4-C.org

Last week, I was asked to generate a list of centers with large numbers of low income children for a project being done at the University. The only easy way to estimate the number of low income children is to compare children on public subsidy to either enrollment or capacity. Since I had not yet determined the enrollment for group centers for 2008, I checked my ratios based on center capacity by comparing them to the 2007 poverty ratios based on enrollment. In doing so I generated a list of closed centers with their Wisconsin Shares percentages of enrollment for 2007 with disturbing results.

The Wisconsin Shares reimbursement rates have been frozen in Dane County for a year longer than the rest of the state since many of the reimbursement rates actually declined for Dane County the first year as that market was combined with other lower cost markets in smaller cities in the new rates structure. Dane County providers have often complained about this use of off market rates and have suggested it may have a negative effect on the survival of centers and their ability to serve low income children.

Proving this fact has been difficult as an analysis of Shares data does not tend to indicate significant changes in the programs acceptance of children funded by shares. This is not surprising given that for a program in a low income neighborhood to refuse Shares funding would be tantamount to suicide when most in the community need a subsidy in order to afford child care. For many other programs Shares is a small portion of their enrollment and thus not a major issue. I have helped several programs in each of the past year with bridge loan applications to deal with funding problems caused by Shares under payments or lost co-pays. Those consultations however are done under strict confidentiality guidelines and I can not give details about them in open testimony. Nor are programs experiencing economic difficulties likely to advertise it when that could further reduce enrollment, especially by parents paying out of pocket for care.

My limited data related to 2007 full day group center closings suggests however that the freeze in rates may well be impacting the ability of programs to stay open. 2007 was a year in which 12 full day group centers closed (8% of all of the centers in the county) which served over 500 children and several others changed hands in sales. The following chart compares all full day group centers opened in 2008 when we completed the survey with the number of centers closed based on the percentage of their enrollment funded by Wisconsin Shares.

Children Referred Dane County					Children Supported by Subsidy		Children Supported by Subsidy			
	all	all	change	%change	2007	2008	change	%change		
		2007	2008							
January		332	300	-32	-11%	186	189	3	2%	
February		291	223	-68	-30%	163	162	-1	-1%	
March		322	305	-17	-6%	159	200	41	21%	
April		274	305	31	10%	154	240	86	36%	
May		344	274	-70	-26%	209	199	-10	-5%	
June		265	265	0	0%	165	226	61	27%	
July		337	283	-54	-19%	219	226	7	3%	
August		291	199	-92	-46%	202	162	-40	-25%	
September		305	200	-105	-53%	204	155	-49	-32%	
October		314	237	-77	-32%	238	202	-36	-18%	
November		264				157				
December		193				119				
		3532	2591	-484		2175	1961	62		
					% Shares	62%	76%			

This data indicates that the market may become more dependent on Wisconsin Shares as the recession continues. With the preceding data indicating a correlation between high levels of shares subsidy use by parents and centers closing, there could be potential problems related to early childhood education in the coming months and the potential for the loss of child care and early childhood education programs. While these services will be in less demand during a recession, they will be a critical component in any future economic recovery.

Another indicator of the economic slowdown is changes in the regulated capacity. The below chart compares regulated capacity for full day centers and after school programs (excluding camps), as reported on the 2007 and 2008 state maximum rates report. The family child care figures are taken from the 2007 and 2008 4-C family child care survey since the state rate survey excludes certified and provisional care. All of the losses in family child are in certified and provisional care.

Dane County	2007 capacity	2008 capacity	Difference
Family Child Care	4169	3984	-185
Full Day Group centers and After school programs	14414	14100	-314
Total	18583	18084	-499

One policy solution to this cyclical economic problem could be the better melding of early childhood education and child care especially for low income families. Currently low income children's access to early childhood education is linked to their parent's employment. As a result a child's ability to consistently attend programs that help them developmentally is disrupted by any instability in their parent's ability to work. This also results in disruptions in income to programs as they lose funding whenever children leave. If the goals of Wisconsin Shares included improving children's early childhood education as well as supporting their parents to work, we would see both better results in terms of preparation for school and future life as well as reduced turnover in children in times of reduced employment and thus more program stability – at least for those able to deliver higher quality developmentally appropriate early childhood education. The end result would also be less loss in terms of the child care infrastructure during times of economic slowdown and thus we would have that infrastructure better ready to support a recovering economy when it occurs.

An initial and more urgent improvement however should be the payment by rates set by the actual marketplace as opposed to artificially imposed caps that do not reflect the cost of care paid for by fee paying parents.

**MARCH 2008 - CHILDREN FUNDED BY WISCONSIN SHARES
BY LOCATION/CERTIFICATION**

Children whose families receive funding from the Wisconsin Shares Child Care Subsidy program in Dane County are cared for in a variety of settings, as shown below. The chart is based on payments to programs for care in March, 2008 with comparisons to March 2007. This chart does not include cases in which the parent was reimbursed.

	2008 NUMBER OF SHARES FUNDED CHILDREN	2007 NUMBER OF SHARES FUNDED CHILDREN	2008 PERCENT OF SHARES FUNDED CHILDREN	PERCENT CHANGE 2007-2008	#CHILDREN CHANGE 2007-2008		
Full-day Centers	2586	2478	61%	4%	108		
In Madison	1605	1569	38%	2%	36		
Outside Madison	945	870	22%	9%	75		
Outside Dane	36	39	1%	-8%	-3		
City Accredited	480	397	11%	21%	83		
All accredited	744	547	17%	36%	197		
Part Day Preschools	1	0	0%	100%	1		
School-Age Programs	387	286	9%	35%	101		
City Accredited PD	194	168	5%	15%	26		
MSCR Safehaven	114	28	3%	307%	86		
Family Child Care	1294	1198	30%	8%	96		
In Madison	828	777	19%	7%	51		
Outside Madison	466	410	11%	14%	56		
City Accredited	87	96	2%	-9%	-9		
* Licensed	443	443	10%	0%	0		
County Certified	652	613	15%	6%	39		
Provisional	199	142	5%	40%	57		
Outside Dane	3	11	0%	0%	-8		
Total	4268	3962	100%	8%	306		
In Accredited	1025	811	24%	26%	214		
In City Accredited	761	661	18%	15%	100		
In NAEYC Accredited	264	150	6%	76%	114		
In Madison	2741	2542	64%	8%	199		
In Dane Outside Madison	1370	1370	32%	0%	0		
Outside Dane/unknown	39	50	1%	na	-11		
	% Shares		% Shares		% Shares		
By Age	Under 2	Market	Age 2-5	Market	Age 6 up	Market	Total
Full Day	519	20%	1512	58%	557	22%	2588
Part Day Preschools	0	0%	1	0%	0	0%	1
After Schools	0	0%	34	9%	351	91%	385 (includes MSCR).
Family Child	284	22%	575	44%	435	34%	1294
License	101	23%	243	55%	99	22%	443
Certified	153	23%	257	39%	242	37%	652
Provisional	30	15%	75	38%	94	47%	199
Total Wisconsin Shares	803	19%	2122	50%	1343	31%	4268
Change 2007-2008	44	12%	118	32%	144	39%	366

4-C Data Related to Child Care Services
For Children with Special Needs

By George Hagenauer

Data Coordinator
Community Coordinated Child Care 4-C
6300 Enterprise
Madison Wi. 53719
December 8, 2008

608-271-9181 ext. 199 george.hagenauer@4-C.org

4-C has limited data related to child care and children with special needs. The following two pages are a chart showing the percent of family child care providers, and group centers that have training related to specific special needs. This data is from the NACCRRWARE referral database and is based on information submitted by the providers. The family child care data is believed to be reasonably accurate. The group center data is most likely less accurate given that most centers update their files yearly and staff turn over.

Information on how many children exist within child care and early childhood education programs with special needs is incomplete. The question is asked on the survey but is in the section near the end as it is not able to be tracked on NACCRRWARE. Many programs do not answer the question and it is possible that many programs have difficulty identifying children with special needs. It seems that in some cases the data is not readily accessible by the person filling out the survey. Likewise since it is loaded on a separate database much of the special needs data related to children served was lost in the fire this year. Incomplete data from family child care homes indicated a minimum of 132 children with one or more of the special needs identified on the NACCRRWARE training chart. Given the percentage of surveys loaded at the time of the fire, the actual number is probably over 200.

The state subsidy database has a section for identifying children with special needs – however it is only used for those children who are receiving a higher rate for their care based on additional services needed. For that subsidy rate to be authorized, the child needs to have been evaluated, the program needs to have staff that have the training to provide the service and there needs to be a rationale for the extra cost. Of the over 4000 children receiving a Shares subsidy in March 2008, only 10 were identified with special needs. 7 were in family child care (one of which was accredited) and 3 in one group center. 4-C has a special procedure to provide extra help with referrals for some families with children with special needs in the subsidy system. We served 53 such families in 2007. It is not known if the difference between the 10 served in March 2008 and the 53 served by 4-C with referrals in 2007 is the result of child turnover, an inability for those parents to find care or the lack of special services at the child care program due to special assistance the child is receiving from other sources. 4-C also has a small program that funds services for children from AODA families which worked with about 113 children in 2007.

The United Way is currently working on a program with Children's Service Society to help identify early children with developmental delays. At this point it is not known how services will be funded to help any additional children evaluated with delays. The database indicates that there are providers with some training in these areas within the early childhood field and willing to serve children with special needs. Further qualifying the level of skills is one area of work that needs to be done. The larger issue is funding services. How the county can fund services through the Shares higher reimbursement rate may be a useful avenue to pursue since the funds involved would not need to come from the local property taxes. Another avenue is making sure there is access to medical procedures that may help address learning disabilities. Neuroscientist David Gozal did an interesting presentation on campus last week on correlations between learning disabilities, and IQ loss and sleep apnea. The project in Louisville found that in a significant number of the cases where sleep apnea was present, correcting the apnea also corrected the learning disability.

Special Needs Training Dec 2008**Dane****Madison****City Accredited**

	% of		% of		% of	
	Count	Responses	Count	Responses	Count	Responses
Child Care Center						
Administer Shots	23	17.04	12	16	2	6.45
Cognitive Disability Experience	66	48.89	37	49.33	16	51.61
Cognitive Disability Training	46	34.07	31	41.33	13	41.94
Emotional/Behavioral Disability Exp.	102	75.56	58	77.33	25	80.65
Emotional/Behavioral Disability Training	70	51.85	40	53.33	16	51.61
Feeding Tube Experience	31	22.96	16	21.33	3	9.68
Feeding Tube Training	23	17.04	12	16	1	3.23
Health/Medical Disability Experience	102	75.56	55	73.33	23	74.19
Health/Medical Disability Training	65	48.15	35	46.67	14	45.16
Monitor Experience	14	10.37	7	9.33	0	0
Monitor Training	9	6.67	5	6.67	0	0
Physical Disability Experience	76	56.3	43	57.33	20	64.52
Physical Disability Training	48	35.56	29	38.67	13	41.94
Provide Special Diet	48	35.56	32	42.67	18	58.06
Sensory Disability Experience	79	58.52	49	65.33	25	80.65
Sensory Disability Training	49	36.3	31	41.33	12	38.71
No Training/Experience	15	11.11	6	8	1	3.23

2008 DANE COUNTY FAMILY CHILD CARE SURVEY REPORT

by George Hagenauer, Data Analyst
608-271-9181 ext.199 george.hagenauer@4-C.org

In March 2008, there were 576 family child care homes in Dane County (a decrease of 28 since 2007). 46% were state licensed, 33% were fully certified and 16% provisionally certified for Dane County by 4-C. 5% were both licensed and certified (included in the licensed totals on the tables). 10% (up 1%) were accredited by the City of Madison through Satellite (on the tables as Madison Accredited). There are also a few small group centers (centers in rented spaces staffed not by the homeowner but by staff hired by outside agencies) that are licensed as family child care homes. Note that since 1996 family childcare has decreased by 190 homes a 25% drop in the number of providers.

COMPARISON BY FAMILY CHILD CARE REGULATION 1996-2008

	1996		1998		2003		2004		2005		2006		2007		2008		Different 2007-20
State Licensed	379	49%	355	51%	268	40%	297	45%	288	45%	289	47%	294	49%	293	51%	-
Certified	387	51%	239	34%	267	40%	235	36%	230	36%	211	34%	214	35%	189	33%	-
Provisional			107	15%	137	20%	124	19%	128	19%	112	18%	96	16%	94	16%	-
Total	766		701		672		656		646		612		604		576		-

EDUCATION/TRAINING 2008:

Whenever possible, as in the case with CDA and NAFCC certificates, data has been confirmed or obtained from certifying authorities. Most education and training data, however, has been obtained from the providers themselves. 3 licensed providers hold NAFCC accreditation and all are members of Satellite. x

EDUCATION	State Licensed	4-C Certified		Madison Accredited	Change 2006-2007	
		Regular	Provisional		Lic	Accredited
Some High School	1%	3%	5%	0%	0%	-2%
High School Diploma	63%	75%	86%	45%	0%	12%
1 year certificate	1%	1%	0%	2%	na	na
Associate Degree	11%	9%	5%	20%	0%	1%
BA Degree	21%	10%	3%	30%	3%	-2%
MA or Ph.D.	4%	3%	1%	7%	1%	4%
W College Degrees	25%	13%	4%	37%	1%	2%

Child Care Training	All	State Licensed	Certified Regular	Provisional	Madison Accredited
None	10%	0%	0%	62%	0%
Certification child care class	50%	37%	100%	20%	47%
Licensed Family child care class	47%	100%	15%	11%	65%
Associate ECE Degree	4%	5%	5%	0%	15%
Early Childhood Degree (BA/BS)	7%	11%	4%	2%	17%
ECE Graduate Study/degrees	1%	2%	1%	1%	3%
With CDA	5%	8%	2%	0%	33%
Group Center Classes & Experience	17%	21%	17%	4%	28%
Infant Toddler Class	41%	49%	42%	13%	52%
Nurse training	5%	3%	5%	14%	12%
CPR	71%	89%	34%	41%	97%
First Aid	52%	65%	25%	28%	87%
School Age Credential	2%	2%	2%	2%	8%
Infant Toddler Credential	10%	12%	8%	4%	60%
Administrator's Credential	4%	2%	2%	0%	17%

MARCH 2008 AVERAGE RATES DANE COUNTY FAMILY CHILD CARE HOMES BY TYPE OF REGULATION

	All Types Dane	Licensed	Certified	Provisionally Certified	City Accredited
Infants Under 1					
# Homes Reporting	281(-53)	195 (0)	63(-39)	23(-14)	36 (-7)
Weekly Range	\$100-\$345	\$110-\$345	\$140-\$280	\$100-\$250	\$150-\$345
Weekly Average	\$199 (0%)	\$199(-2%)	\$199 (3%)	\$173(-2%)	\$245 (2%)
# Homes Reporting	153 (-35)	112(-9)	27 (-21)	11 (-8)	26(-8)
Daily Average	\$46.85 (2%)	\$47.90 (0%)	\$46(+8%)	\$36(-8%)	\$60(11%)
# Homes Reporting	149 (-34)	67	53(-1)	18	15(+5)
Hourly Average	\$5.49 (6%)	\$6.15(7%)	\$5.07 (4%)	\$4.50(19%)	\$6.10(3%)
Toddlers (Age 1-2)					
# Homes Reporting	281(-53)	176(-18)	63(-38)	23(-14)	36 (-7)
Weekly Range	\$100-\$345	\$110-\$345	\$100-\$280	\$100-\$250	\$150-\$345
Weekly Average	\$196 (0%)	\$196(-2%)	\$196 (2%)	\$171 (-3%)	\$239 (1%)
# Homes Reporting	153 (-32)	112 (-8)	27 (-20)	11	26(-8)
Daily Average	\$46.35 (3%)	\$47.29 (2%)	\$46(+8%)	\$36(-8%)	\$59 (9%)
# Homes Reporting	150(-34)	68	48 (+1)	15	15(+5)
Hourly Average	\$5.42 (6%)	\$6.05 (5%)	\$4.92 (3%)	\$4.50(30%)	\$5.96 (4%)
Two Year Olds					
# Homes Reporting	276(-51)	173 (-50)	61(-18)	23 (-2)	35(-7)
Weekly Range	\$100-\$300	\$110-\$300	\$100-\$260	\$100-\$220	\$150-\$300
Weekly Average	\$186 (0%)	\$187 (-2%)	\$185 (1%)	\$162(-2%)	\$228 (1%)
Daily Average	\$44.50(+2%)	\$45.35(2%)	\$44 (9%)	\$35 (-8%)	\$56 (8%)
Hourly Average	\$5.28(5%)	\$5.85(6%)	\$4.82 (3%)	\$4.50 (32%)	\$5.84 (2%)
Preschool Ages 3-5					
# Homes Reporting	263 (-38)	169(-33)	55(-19)	25	33(0)
Weekly Range	\$75-\$290	\$110-\$280	\$100-\$260	\$75-\$215	\$150-\$290
Weekly Average	\$180 (1%)	\$184 (2%)	\$181 (3%)	\$154(-2%)	\$220 (3%)
# Homes Reporting	146(-29)	107 (+4)	27(-18)	27	23(-6)
Daily Average	\$43.50 (5%)	\$44.35 (2%)	\$43(10%)	\$34.50(-4%)	\$54 (6%)
# Homes Reporting	147(-29)	66 (-32)	51 (+6)	21 (-2)	14(+4)
Hourly Average	\$5.14 (4%)	\$5.77 (5%)	\$4.71(4%)	\$4.35 (29%)	\$5.81 (2%)
School Age	188(-19)	118 (-4)	50(-17)	7 (-9)	21(+2)
Hourly Average	\$5.15(2%)	\$5.81 (5%)	\$4.47 (-1%)	\$4.34 (21%)	\$5.84 (-3%)
Summer Weekly Range	\$75-\$290	\$75-\$280	\$100-\$260	\$75-\$200	\$150-\$290
Summer Weekly Av.	\$171 (0%)	\$173 (0%)	\$168 (6%)	\$144(-5%)	\$210 (6%)
Summer Daily Av.	\$45 (6%)	\$42 (+3%)	\$39 (15%)	\$34(-6%)	\$50 (4%)

COMPARISON OF WEEKLY RATES BY REGULATION AND ACCREDITATION

Countywide Rates	Difference				Not			
	Licensed	Certified	Difference	Provisonal	w Licensed	Accredited	Accredited	Difference
Infants Under 1								
Weekly Average	\$199.00	\$199	0%	\$173	13%	\$245	\$191	22%
Preschool Age 3-5								
Weekly Average	\$184	\$181	2%	\$154	16%	\$220	\$177	20%

2008 FAMILY CHILD CARE BENEFITS

Family child care providers receive benefits predominately through contractual arrangements with their customers.. The percentage listed is the percent of the providers surveyed in a category reporting that benefit. Things improved a lot in the health care area . While some of this seems to be the result of better Badger care policies , another fact may be turnover with the new providers having health care and the providers that left not having it.

	Dane Change		Madison Change		Outside Madison Change		Madison Accredited	Change
Use Contracts	94%	-1%	94%	0%	94%	-2%	100%	0%
Payment for holidays 2007	82%	0%	73%	0%	88%	0%	89%	0%
Payment when								
children are ill	68%	-5%	58%	-11%	75%	-4%	87%	2%
children on vacation	62%	-8%	55%	-16%	71%	1%	83%	1%
provider is ill	51%	0%	45%	-3%	56%	2%	83%	3%
provider on vacation	59%	1%	51%	-1%	66%	0%	80%	9%
Provider has health insurance	86%	10%	77%	0%	76%	0%	72%	0%
Provider has respite care*	23%	-1%	23%	0%	22%	-4%	100%	0%
Provider is in support group	38%	4%	33%	0%	36%	0%	100%	0%
Car Insurance	92%	12%	78%	0%	84%	0%	87%	0%
Liability Insurance	64%	-13%	59%	-15%	74%	-6%	100%	0%

The following is an analysis of the fees listed by family Child care providers on the NACCRRWARE referral database. Averages for late pick up fees are based on hourly totals but most fees are charged for either every minute past closing or for every 15 minutes past closing. The use of meal fees, and transportation fees is less than 3% and as such they are not listed.

Family Child Care Fees 2008						
	Licensed FCC		Certified FCC		Provisional FCC	
Value	Count	% of Responses	Count	% of Responses	Count	% of Responses
Activity/Field Trip Fee	17	7.2	7	4.9	2	4.8
Holding Fee	65	27.4	25	17.4	6	14.3
Late Pick-Up Fee	180	76.0	97	67.4	29	69.1
One Time Enrollment Fee	90	38.0	53	36.8	10	23.8
Security Deposit	44	18.6	21	14.6	9	21.4
Supply Fee	10	4.2	4	2.8	2	4.8
Yearly Registration Fee	15	6.3	9	6.3	4	9.5
Other	69	29.1	50	34.7	14	33.3
Median Fees						
Registration Fee		\$50		\$50		\$50
Late Payment Fee		\$10		\$10		\$9
Average Late Hourly Pick Up Fee		\$41		\$38		\$35

4-C

MARCH 2008 AVERAGE DAILY RATES FULL DAY CENTERS IN DANE COUNTY

Definitions: City Accredited are programs accredited by the City of Madison; "Accredited Dane" includes all programs accredited by the City of Madison or NAEYC. The drops in some categories are the results of some higher cost programs deciding to no longer provide part time care for those age levels.

Location /Type:	All of Dane Cty.	Madison	Outside Madison	City- Accredited	Not Accredited Dane
Infants (Age 0-1):					
#Centers	32	8	24	4	28
Range	\$42-109	\$57-109	\$42-77	\$57-84	\$42-109
Average 08	\$62	\$73.00	\$55	\$72	\$59
%change	7.5%	9.0%	5.8%	12.5%	
Toddlers (age 1-2):					
#Centers	35	15	20	7	28
Range	\$31-109	\$31-109	\$40-84	\$54-84	\$54-84
Average 08	\$62	\$68	\$57	\$67	\$66
%change	6.9%	0.0%	7.5%	9.8%	
Two Year Olds:					
#Centers	62	24	38	9	53
Range	\$29-109	\$30-109	\$29-72	\$44-\$70	\$29-109
Average 08	\$53.00	\$57	\$50	\$57	\$52
%change	6.0%	-16.2%	-7.4%	-8.1%	-21.2%
Preschool (age 3-5):					
#Centers	67	25	42	9	58
Range	\$29-102	\$30-102	\$29-72	\$46-65	\$29-102
Average 08	\$50	\$54	\$48	\$65	\$49
%change	8.7%	-1.8%	-2.0%	14.0%	
School Age full day center rate:					
#Centers	55	17	38	8	47
Range	\$20-80	\$38-80	\$20-71	\$38-67	\$37-67
Average 08	\$45	\$48	\$44	\$49	\$45
%change	-11.8%	-15.8%	-6.4%	-7.5%	