



The term “family child care” generally refers to care of unrelated children in the home of a provider. In Wisconsin, family child care providers are

required to be licensed when 4 or more unrelated children are in care. In order to care for children receiving public subsidy, family child care providers must be regulated (either licensed or certified).

Wisconsin families with employed mothers use non-relative family child care at one of the highest rates in the country (44%). Regulated family child care grosses an estimated \$120 million annually, and providers pay an estimated \$8 million in state taxes. Turnover in regulated care is estimated at about 20% per year.

## Key Research Findings

- Regulation and provider training are linked to higher quality care.
- Family child care providers are often isolated and not very visible in their communities.
- Support groups, networks, and systems may help to improve the quality and longevity of family child care programs.
- Positive relationships with families and children are critical components of quality care.

## Government’s Role in Family Child Care

**1. State licensing of family child care:** To protect children and promote their health and safety.

**Annual state budget:** estimated \$3.6 million, Department of Health and Family Services

**Number of licensed homes:** 3,110 (May 2003)

**Wisconsin compared to other states:**

- Wisconsin has the 2<sup>nd</sup> highest initial training requirements for family child care in the country.
- Twenty-seven states require licensing when fewer than 4 children are in care.
- Wisconsin allows up to 8 children in family child care; most states allow only 6.
- Wisconsin is one of only 10 states that does not have a licensing category for “large family child care;” most states allow 12 or more children with two providers.

**2. Certification of family child care:** To ensure basic protections for children when a family child care provider who is not required to be licensed is paid for providing subsidized care.

**Annual state budget:** estimated \$3.2 million, Department of Workforce Development through subcontracts with counties and tribes

**Number of certified homes:** 5,190 (Jan. 2003)

## Wisconsin compared to other states:

- Few states have more stringent standards for family child care settings.
- Wisconsin has higher training requirements for certified providers than all but 4 states have for **licensed** providers.
- Wisconsin is one of only 4 states where all children who receive state subsidies are in regulated settings.

**3. Child Care Food Program:** To ensure that children in child care facilities receive nutritious meals and snacks, with a focus on children from low-income families.

**Annual budget:** \$12.7 million for family child care, plus \$3.9 million for administration by Department of Public Instruction and subcontracted agencies

**Number served:** 22,181 children in 3,800 participating family child care homes in 2002

**Wisconsin compared to other states:** Lowest per capita ranking for drawing down federal food program reimbursement dollars among 5 midwestern states.

**4. Child Care Resource and Referral (CCR&R):** To provide support for families seeking child care, technical assistance for child care providers, data documentation, and community planning services.

**Annual state budget:** \$1.2 million, Department of Workforce Development with subcontracts to CCR&Rs  
**Number served:** Referrals and consultations to 26,448 families, trainings to 25,462 providers and teachers, technical assistance to 764 employers and 691 potential providers in 2002

**Wisconsin compared to other states:** Wisconsin and Michigan have significantly lower per capita budgets for CCR&R services than 3 surrounding states.

**5. Other supports for family child care:** Wisconsin has also invested in family child care by providing:

- Educational opportunities through university and technical college systems and non-profit agencies like CCR&Rs.
- Scholarships and wage stipends (T.E.A.C.H. Early Childhood@ WISCONSIN and R.E.W.A.R.D.™ WISCONSIN) to increase knowledge and retain qualified providers.
- Technical assistance through the Child Care Information Center and Wisconsin Child Care Improvement Project.

## Current Policy Questions:

To what extent should Wisconsin regulate family child care, and to what extent should public funds be invested to strengthen and improve it?

# Alternative Policy Options for Family Child Care and Potential Consequences

## 1. MAKE NO CHANGE

Under this alternative, no changes would be made to major programs affecting family child care.

### **Potential Consequences:**

- No additional expenditures would be required during a time of tight state budgets.
- Programs would continue to be administered out of multiple agencies; high turnover in family child care would likely continue.

## 2. REDUCE REGULATION OF FAMILY CHILD CARE

Reduction in health, safety, and training standards for family child care would lessen on-site monitoring, reduce need for regulatory staff, reduce training requirements for providers, and establish less stringent regulations.

### **Potential Consequences:**

- Reduced funding would ease state fiscal difficulties.
- Providers would operate with fewer government rules. However, children may be at greater risk, with less oversight and enforcement, leading to lower quality care and reduced school readiness.
- Family child care providers may be less qualified.
- Parents may be less able to locate child care.

## 3. REGULATE MORE FAMILY CHILD CARE HOMES

Wisconsin could change the law to require licensing at a more stringent threshold than the current level.

### **Potential Consequences:**

- More children would be protected by licensing.
- Regulation would be simplified by having only one standard (licensing). Workload and cost for DHFS Bureau of Regulation and Licensing would increase; workload and cost to counties and DWD would decrease.
- Less monitoring and enforcement for existing regulated programs would result. Unless additional resources were added, regulatory staff would be responsible for more family child care providers.

## 4. CONSOLIDATE ADMINISTRATION FOR REGULATION

Three child care regulatory and monitoring efforts (e.g., licensing, certification and subsidy, and child care food program) could be merged into a single department.

### **Potential Consequences:**

- Less duplication and more efficient use of resources.
- Family child care providers could deal with a single regulatory entity.
- Regulatory policy would be easier to understand and debate, with all regulatory rules, requirements, and budget proposals coming from a single agency.
- A new organizational structure would be needed.

## 5. INCREASE PROFESSIONAL DEVELOPMENT

Training requirements could be increased as part of a statewide system of professional development for family child care providers. *Provisionally certified providers* would complete 10 hours of training within six months of initial certification, *regularly certified providers* would complete 25 hours of training prior to becoming certified, *licensed family child care providers* would complete an additional 10 hours of training on child development and literacy.

### **Potential Consequences:**

- Focused training could lead to improved quality of care and better developmental outcomes. Training could help providers stay in business and increase state revenues.
- More stringent training requirements could drive family child care providers out of the regulatory system and discourage some providers from becoming regulated.

## 6. PROMOTE FAMILY CHILD CARE SYSTEMS

New state funding could be used to create a statewide network of family child care systems and support groups operated through the state CCR&R system.

### **Potential Consequences:**

- Improved quality in family child care across the state.
- Reduced turnover in family child care, less isolation, and increased opportunities for professional growth.
- Funding for family child care systems would increase the state budget for child care quality initiatives.
- This approach could leverage private funding for financing of family child care, promoting local responsibility and involvement in Wisconsin communities.
- Family child care systems, operated through a strengthened statewide CCR&R network, could expand Wisconsin's reputation for bold innovation.

This series highlights research-based knowledge, alternatives, and likely consequences of public policy options for early care and education.



Funding for the Wisconsin Child Care Research Partnership is made possible by a grant from the Department of Health and Human Services, Child Care Bureau, project number 90YE0012.

Suggested citation: Edie, D., Adams, D.B., Riley, D. A., and Roach, M.A. (2002). *Wisconsin Child Care Research Partnership Public Policy Paper #3: Family Child Care*. Madison, WI: University of Wisconsin-Extension.

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