



# **What Will Happen If Child Care Counts Stabilization Funding Ends? Implications for Wisconsin**

## **Executive Summary**

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Submitted March 26, 2025

The research reported in this executive summary was supported by an Interagency Agreement between the Wisconsin Department of Children & Families (DCF) and the Institute for Research on Poverty (IRP, Contract Number: AWD00003071). Any views expressed in this paper are those of the authors and not necessarily those of the sponsoring institutions. We are grateful for consultations from Karen Zoladz and Jen Dykema at the University of Wisconsin Survey Center, beta-testing of questionnaire items by child care providers, research support from Reina Wu production assistance from Judith Siers-Poisson and Dawn Duren, and assistance with data and expert review from DCF staff.

## Introduction

The following executive summary presents findings from the latest questionnaire in a series developed by the Institute for Research on Poverty (IRP) and the Department of Children & Families (DCF) to study the Child Care Counts (CCC) Stabilization program in Wisconsin.<sup>1</sup> Wisconsin child care providers answered questions embedded in the November 2024 CCC Stabilization application with the goal of learning about the potential impact of reduced public funding for child care and early education in Wisconsin. To achieve this goal, we asked a series of questions about the anticipated impacts on child care programs and communities if CCC funding ends in June 2025. Providers' responses to these questions were grounded by an additional series of questions documenting Wisconsin child care providers' experiences and behaviors between May 2023 and November 2024, when they experienced an approximately 50% reduction in CCC payments compared to previous funding levels. Respondents (N=3,646) composed a large, diverse, and representative sample of the full population of child care providers throughout Wisconsin.

Descriptive quantitative results for each of the questions regarding the potential end of CCC funding are presented below. These represent the full statewide sample as well as statewide results for group centers and family child care programs. The authors also summarize results from the questions asking about providers' experiences and behaviors during the time of reduced CCC funding and present prominent themes from responses to an open-ended question asking how sustained public funding at original CCC Stabilization program levels could impact child care programs and communities.

The full final report also includes analyses by region (including by individual region and Southeastern compared to Balance of State), urbanicity, YoungStar rating, and Wisconsin Shares enrollment, as well as selected results by county. Some results are presented individually by each of these factors and in combination with other provider characteristics such as number of children enrolled full time and whether infant care was available. A discussion of responses to the open-ended question, including illustrative quotes, is also available in the final report.

## Key Takeaways

Many child care providers anticipate negative impacts for their programs and communities if CCC funding ends in June 2025.

- One quarter of respondents (25%, N=812) said they are at least somewhat likely to close; more than one-third of providers (36%) said they are at least somewhat likely to

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<sup>1</sup> See [Study of the Child Care Counts Stabilization Payment Program: Final Report](#) and [Child Care Supply and Demand Challenges in Wisconsin: Final Report](#) for findings from previous questionnaires.

close classrooms or reduce the total number of children served, or reduce hours available for care.

- Most providers expect to increase tuition, across all age groups. Reported increases, in terms of both proportion of providers and dollar amounts, are greatest for infant and toddler care.
- Providers also anticipate challenges with staffing. Two-thirds of respondents said it is at least somewhat likely that they will reduce compensation and experience increased difficulty in hiring new, qualified staff. More than half of providers said they are at least somewhat likely to reduce benefits and experience increases in quitting.
- About half of providers said it is at least somewhat likely that they will experience increased difficulty providing high quality care, and that they will experience more difficulty in providing additional services such as meals and transportation. Many providers also anticipate increased difficulty serving infants and toddlers, children with special needs, and children receiving Wisconsin Shares subsidies.

These anticipated impacts are consistent with providers' reported experiences and behaviors during a time of reduced CCC funding (May 2023 through November 2024). For example:

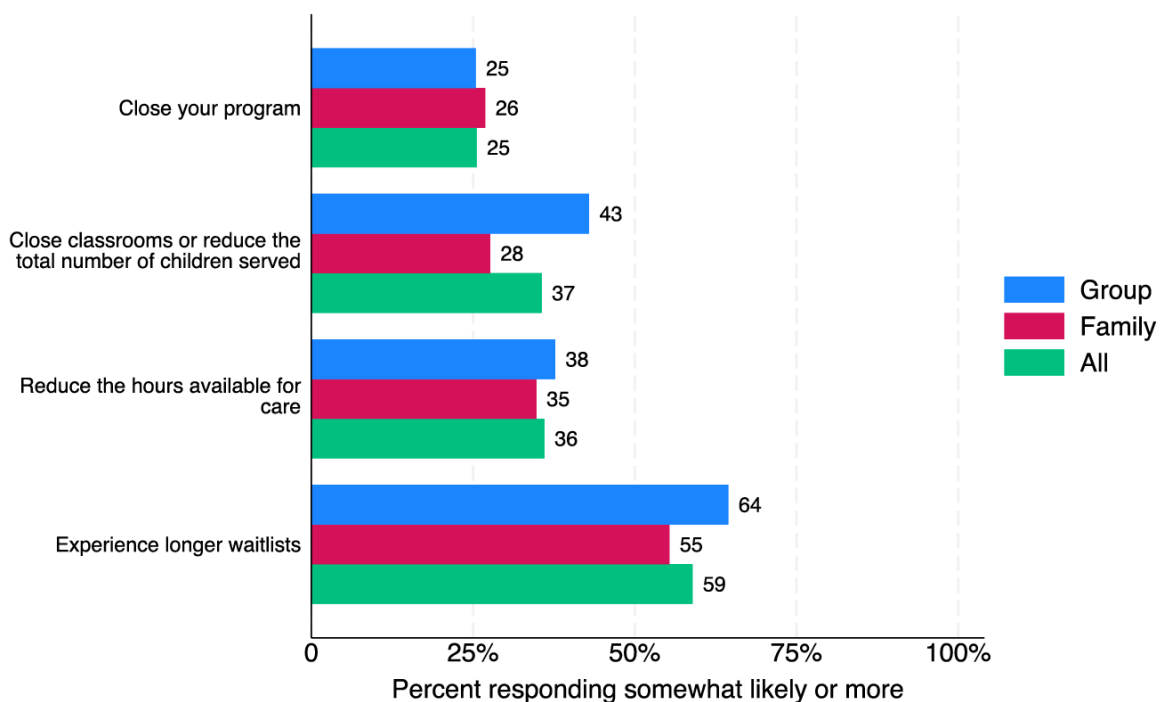
- Over one-third (38%) of respondents said their ability to provide competitive compensation decreased after CCC funding was reduced, and almost half (43%) of group providers reported a decrease in their ability to hire new, qualified staff as needed during this time.
- Almost two-thirds of providers reported increasing tuition during the reduced CCC funding period, across all age groups, although rate changes were highest (in terms of both proportion of providers and dollar amounts) for those serving infants.
- About a quarter of providers (24%) reported decreases in their ability to provide high quality care, and about one-fifth of providers reported decreases in their ability to serve infants and toddlers, serve children with special needs, and provide additional supports such as transportation or meals.
- The majority of providers who reported these types of changes attributed at least some of the changes directly to reductions in CCC funding.

Responding to the open-ended question, many providers are hopeful about the opportunities that would be provided if CCC funding were made permanent at its original level.

### Questions Regarding the Impact of Ending CCC Stabilization Funding on Program Operations

Figure 1 shows that 25% of responding providers (N=812; 25% of group providers and 26% of family providers) report that they are somewhat or more likely to close if CCC payments end. An even greater proportion of providers reported that they are at least somewhat likely to close classrooms or reduce the total number of children served (37%), or reduce the hours available for care (36%). More than half of providers (59%) reported that they are at least somewhat likely to experience longer waitlists if CCC funding ends.

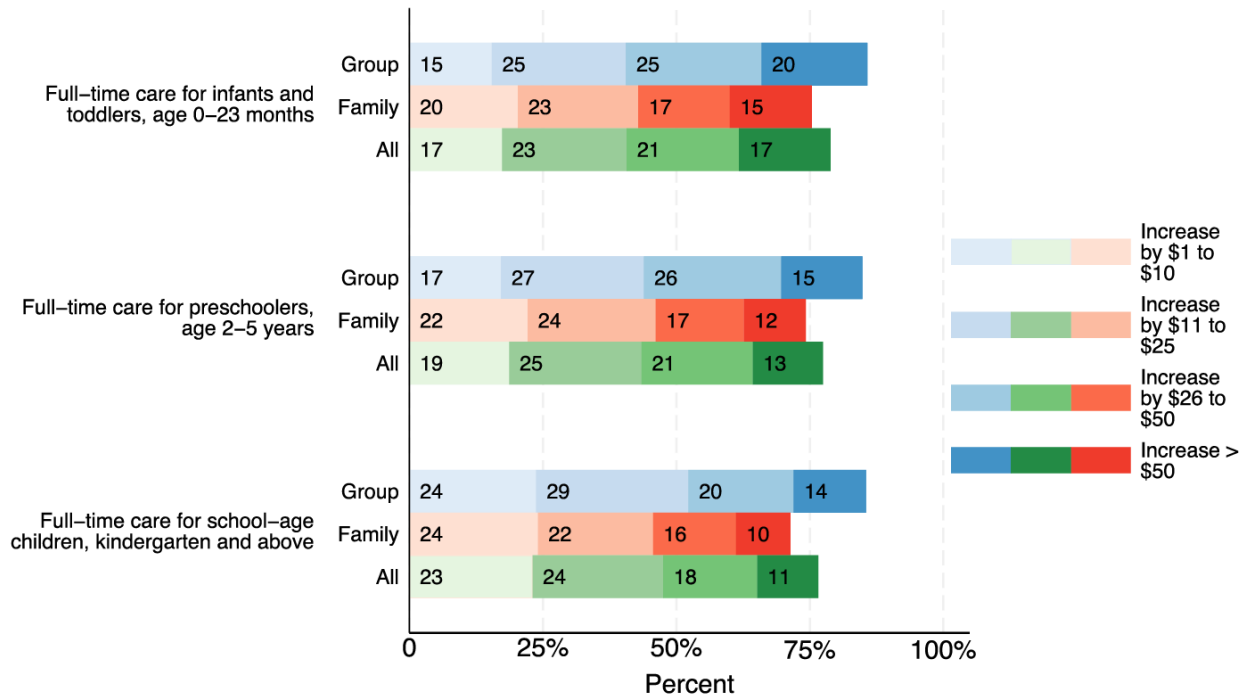
**Figure 1: If CCC Stabilization payments end in June 2025, how likely are you to...**



### Questions Regarding the Impact of Ending CCC Stabilization Funding on Weekly Tuition

Figure 2 shows that if CCC payments end in June 2025, most families will experience increases in weekly tuition, across all age groups. Each bar in the figure represents the percentage of providers who reported that weekly tuition would increase if CCC payments end, and darker gradients for each color represent greater dollar increases per week. For example, 78% of providers reported that weekly tuition for full-time infant and toddler care is likely to increase, and 38% reported anticipated increases of \$26 per week or more. Substantive proportions of both group and family providers reported anticipated increases in weekly tuition across all age groups, although group providers reported larger likely increases.

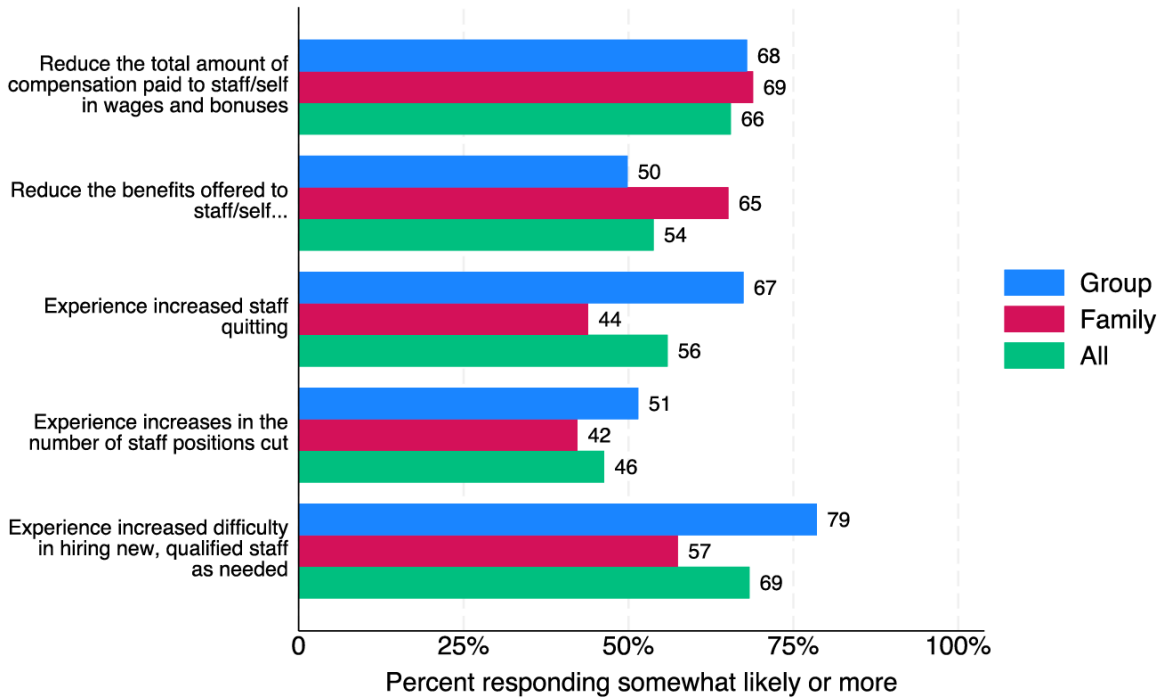
**Figure 2: If CCC Stabilization payments end in June 2025, how do you anticipate the price of tuition per week for the following groups in your child care program will change?**



**Questions Regarding the Impact of Ending CCC Stabilization Funding on Recruitment and Retention of Child Care Professionals**

Figure 3 shows that if CCC funding ends in June 2025, most providers expect challenges with staffing. For example, 66% of providers said that it is at least somewhat likely they will reduce the total amount of compensation paid to staff or themselves. Over half of providers (54%) reported they would be at least somewhat likely to reduce benefits. More than half of providers (56%) also said they were at least somewhat likely to experience increases in staff quitting, and 46% said they were at least somewhat or more likely to experience increases in the number of staff positions cut. Most providers (69%) reported that it was at least somewhat likely that they would experience increased difficulty in hiring new, qualified staff as needed.

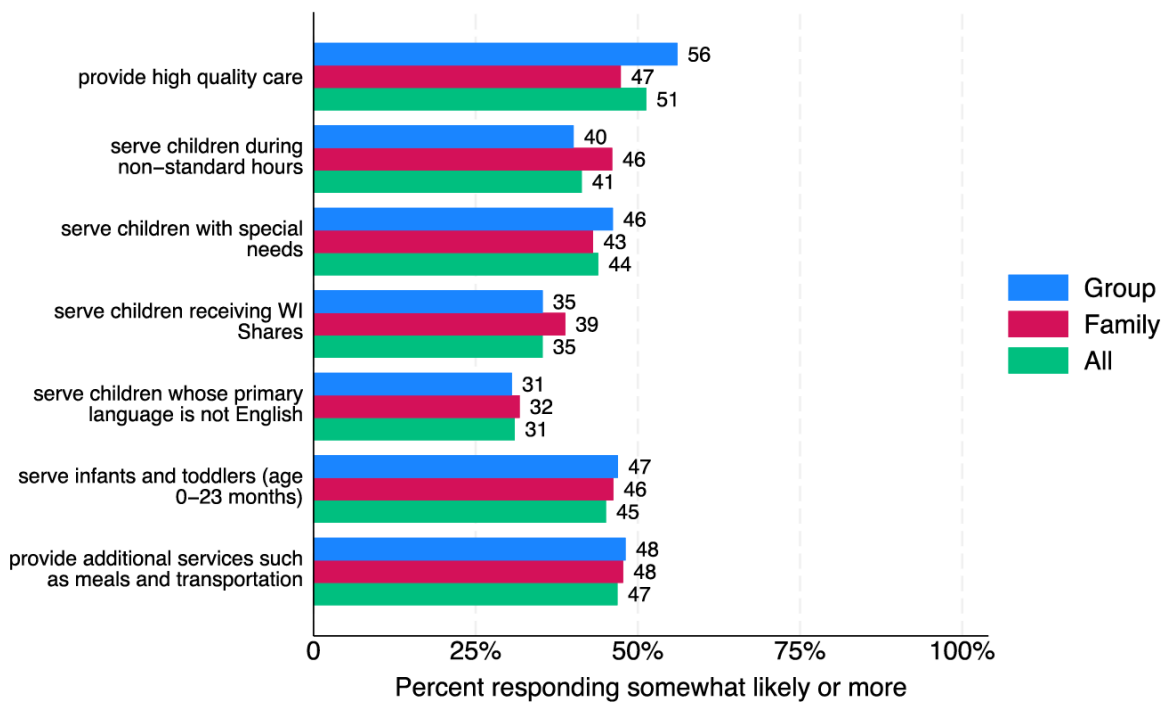
**Figure 3: If CCC Stabilization payments end in June 2025, how likely are you to...**



**Questions Regarding the Impact of Ending CCC Stabilization Funding on the Ability to Meet the Needs of Families Served**

Figure 4 shows providers’ expectations regarding the likelihood of increased difficulty in meeting the needs of the families they serve. Within this set of questions, providers predict the greatest impact of the loss of CCC funding on their ability to provide high quality care. About half of providers (51%) said it is at least somewhat likely that they will experience increased difficulty providing high quality care under this scenario. Many providers also expect at least somewhat increased difficulty serving children during non-standard hours (41%), children with special needs (44%), children receiving Wisconsin Shares (35%), and infants and toddlers (45%). Nearly half of providers (47%) also reported being at least somewhat likely to experience more difficulty in providing additional services such as meals and transportation.

**Figure 4: If CCC Stabilization payments end in June 2025, how likely are you to experience increased difficulty to...**



**Questions About Change in Programs Since May 2023 and the Impact of Reduced CCC Funding**

To reduce bias due to overreporting for questions about the anticipated impacts of the end of CCC funding, these questions were ordered so that they appeared after behavioral and experiential questions about actual changes to a respondent’s child care program since May 2023 and how much the reduction of CCC Stabilization payments contributed to those changes. Indeed, providers’ reports of anticipated impacts of the end of CCC funding were consistent with their reported experiences and behaviors during a time of reduced CCC funding (May 2023 through November 2024).<sup>2</sup>

- For example, over one-third (38%) of respondents who had received CCC funding prior to May 2023 said their ability to provide competitive compensation decreased after CCC funding was reduced, and almost half (43%) of group providers reported a decrease in their ability to hire new, qualified staff as needed during this time.

<sup>2</sup> To allow for accurate comparison, results for this set of questions are limited to providers who received CCC funds before May 2023 (N=3,126). Full results for this set of questions are available in the final report.

- Almost two-thirds of providers reported increasing tuition across all age groups during the reduced CCC funding period, although rate changes were highest in terms of both level and amount for those serving infants.
- About a quarter of providers (24%) reported decreases in their ability to provide high-quality care, while about one-fifth of providers reported decreases in their ability to serve infants and toddlers, serve children with special needs, and provide additional supports such as transportation or meals.
- Most providers who reported these types of changes attributed at least some of the changes directly to reductions in CCC funding.

### **Responses to Open-Ended Question**

Most providers (N=3,145; 86%) responded to the question, “Imagine Child Care Counts Stabilization funding became permanent at its original level. Considering issues like staffing, capacity, quality, and tuition, how would this type of sustained public funding impact your program and community?” Prominent themes among responses included:

- Increased ability to ensure adequate and equitable access to high-quality care and the positive impacts for children, families, and communities that would follow.
- Opportunities to address staffing challenges, as well as trade-offs between sufficient compensation and affordability for families.
- Ways in which sustained public funding would enable providers to improve their programs and meet community demands, as well as how such funding would help recognize and elevate the child care and early education field.