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Removing Barriers to Employment: The Child Care-Jobs Equation

John Pawasarat

University of Wisconsin - Milwaukee, pawasara@uwm.edu

Lois M. Quinn

University of Wisconsin - Milwaukee, lquinn@uwm.edu

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Employment & Training Institute

Removing Barriers to Employment:

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Removing Barriers to Employment: The Child Care-Jobs Equation

by

John Pawasarat
Lois M. Quinn

Employment and Training Institute
University of Wisconsin-Milwaukee

May 1998

Project Staff

John Pawasarat, Director
Lois M. Quinn, Senior Research Scientist
Frank Stetzer, Senior Information Processing Consultant
Philip E. Lerman, Consultant
Dorothy E. Smith, Program Assistant
Chera L. Roovers, Research Assistant
Tiffany N. Slade, Research Assistant
Ann H. Hendrix, Research Assistant

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Removing Barriers to Employment: The Child Care-Jobs Equation

University of Wisconsin-Milwaukee Employment and Training Institute, May 1998

One of the critical concerns facing parents seeking employment is provision of adequate care for their children while they are at work. Employment and Training Institute surveys of central city Milwaukee female job seekers identified lack of child care as a primary barrier to employment, and a recent assessment of AFDC mothers with very young children found that most needed help finding and financing child care. It was expected that the influx of state and federal funds for child care support could increase the numbers of children receiving consistent, quality child care and that a number of central city residents might find family-supporting jobs offering child care to other families.

This study examined the utilization of child care subsidies by low-income parents in Milwaukee County over a 21-month period from January 1996 through September 1997, analyzed payments to 2,826 providers of care and 31,863 child care placements, and reviewed AFDC, food stamp and medical assistance records in December 1995, September 1996 and June 1997 in order to assess use and type of child care subsidized in the county. It also explored the experience of adults offering provisional, certified and licensed child care to gauge income received for this work.

Previous employment and training initiatives for the AFDC population have excluded mothers with young children because of the high cost of child care and low success rates of the population in finding employment. Most programs focused instead on those parents most likely to succeed in the labor force, that is, parents who had fewer children and older children, and were better educated. The use of child care in Milwaukee County in 1996 and 1997 reflected these concerns -- showing high costs for care for young children and large families and more consistent child care rates for single parents with more years of schooling, fewer children and older children.

- The cost of providing subsidized child care has increased as AFDC families with younger children and more children were required to meet work requirements during 1996 and 1997. In January 1996, 2,515 families received subsidies totalling \$1.3 million and averaging \$513 per family. By July 1997, 3,832 families received subsidies totalling \$2.9 million, at an average cost of \$763 per family.
- The cost of providing child care to large families headed by a single parent may exceed the earnings of the mother. In 1996, 443 families received over \$10,000 in subsidized child care from Milwaukee County and 18 of these families received subsidized care which exceeded \$20,000 in annual costs. During the first nine months of 1997, costs were even higher with 438 families exceeding \$10,000 in care payments and 15 families exceeding \$20,000 in payments for their children's care.
- High turnover and high volume patterns of child care appeared to mirror the employment experience of many new entrants to the labor force and have flooded the Milwaukee County payment and regulatory system with thousands of short-term child care placements. Previous analysis of employment patterns for AFDC recipients showed that 75 percent of new hires in the second quarter of 1996 failed. Similar patterns can be seen in the consistency of care for children in day care settings where 69 percent of new care placements subsidized by Milwaukee County in the first half of 1996 failed to last into 1997.
- Those few families able to maintain consistent care for their children had the characteristics of those most likely to remain off AFDC and hold sustained employment. Placements of children in low-income non-AFDC child care settings were tracked for sixteen weeks in February 1996 and February 1997. The parents of children who had consistent care for sixteen weeks were better educated (85 percent had 12 or more years of schooling) and most (68 percent) had a driver's license; 75 percent of the children in consistent care were aged four or older.

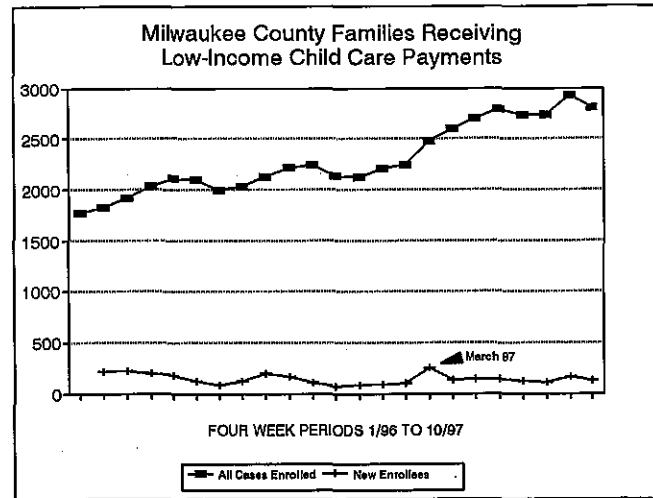
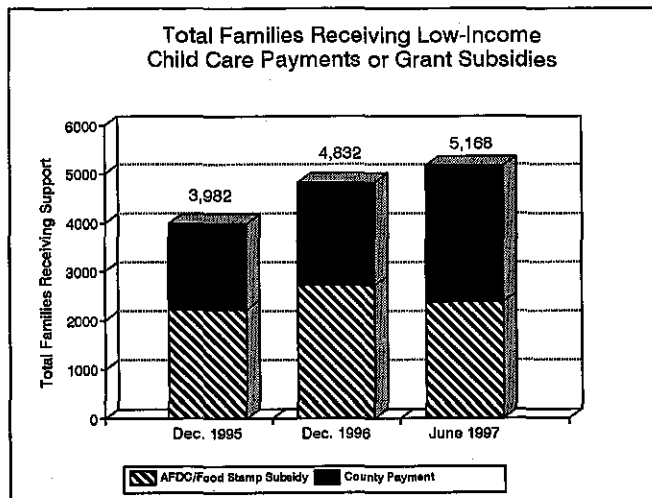
Barriers to Utilization

The study found substantial underutilization of child care support compared to the numbers of employed families eligible and projected to need assistance. State policies created under Wisconsin's new welfare initiatives may have contributed to much of the underutilization of child care support by employed parents in Milwaukee County. Factors likely contributing to low-usage of child care subsidies include:

1. **State policies emphasized moving families off of AFDC** and into work placements rather than providing services for non-AFDC low-income employed parents. As a result, by June 1997, 87 percent of families receiving low-income child care subsidies were current or former welfare recipients in 1996 or 1997.
2. For low-income families not on welfare, one administrative entity has been replaced with **three levels of bureaucracy**, with conflicting responsibilities, to supervise the provision of child care payments. Low-income families not on welfare and seeking child care subsidies must now become part of the W-2 welfare system. The five W-2 vendors register all families requesting child care support, the County's economic support unit verifies financial eligibility of families, and the County's day care unit approves and issues payments.
3. High turnover and the large volume of children and providers in non-licensed settings have **flooded the county regulatory system** with responsibility for 5,253 children placed at various times with 1,001 different certified providers and 3,393 children placed with 1,449 provisional providers during the study period. (The State of Wisconsin licenses day care centers and family providers, while Milwaukee County certifies non-licensed providers.) Many of these cases were previously in child care arranged informally with family and friends under the AFDC/food stamp indirect subsidy program.
4. As partial reimbursements through **indirect subsidies to parents** for informal child care arrangements through the AFDC grant calculations were **ended**, they were only partially replaced with the county direct subsidies program. Direct child care subsidies require more expensive regulated care, regulatory oversight and county payments to providers even when relatives and friends are providing care.
5. Child care **copayment schedules** are tied to family income rather than cost of care. These schedules tend to subsidize high cost high volume child care use where the copayment can be ignored and penalize low-cost use for parents employed part-time or with school-age children.
6. Previous analysis of families leaving AFDC has shown that one-third are employed in **part-time or temporary jobs**. Single parents with part-time, evening and variable work hours may have difficulty arranging consistent child care, particularly care that meets present regulatory requirements and registration procedures.
7. The low rate of job retention and the concentration of AFDC parents in high turnover jobs in temp agencies, retail and service sectors increase the **financial risk for the child care provider**, particularly given potential difficulties in receiving timely authorization for care provided. Reviews of 1996-1997 wage data by the Employment and Training Institute showed that 75 percent of new jobs for AFDC parents failed.

Child Care Subsidy Use vs. Potential Demand

While the Milwaukee County AFDC caseload declined as expected in 1996 and 1997, receipt of Wisconsin child care subsidies for low-income families did not rise at a comparable rate. For those cases on AFDC, food stamps or medical assistance in December 1995 or eligible as a low-income family, use of child care subsidies was much less than predicted.



Milwaukee County Families Expected to Use Child Care Subsidies	Actual Usage
25,125 single parent families on AFDC in December 1995	1 out of 15
5,629 single parent families receiving food stamps or medical assistance only in December 1995	1 out of 9
22,000 Milwaukee County low-income "working poor" families not on public assistance	1 out of 30

- Most of the growth in subsidized child care was due to a gradual increase in the use of day care by low-income families from former AFDC and food stamp populations. Of 25,125 single parent families on AFDC in December 1995, only 545 families received low-income (non-AFDC) child care subsidies in January 1996 and 1,624 received subsidies in September 1997.

The increases in low-income child care for former AFDC families were attributable to increasing numbers of new enrollees, particularly during the implementation of "Pay for Performance" during 1996. However, only 11 percent of the 10,926 single parent cases leaving AFDC by June 1997 received child care support in June-September 1997, while 89 percent received no support after leaving AFDC.

- A non-AFDC group expected to be likely users of Milwaukee County subsidized low-income child care were those 5,629 single parents in food stamp and medical assistance cases who were expected to be working and were on assistance in December 1995. However, only 656 of these families received child care subsidies in January 1996. By September 1997, the number of these families receiving child care support had dropped to 620.

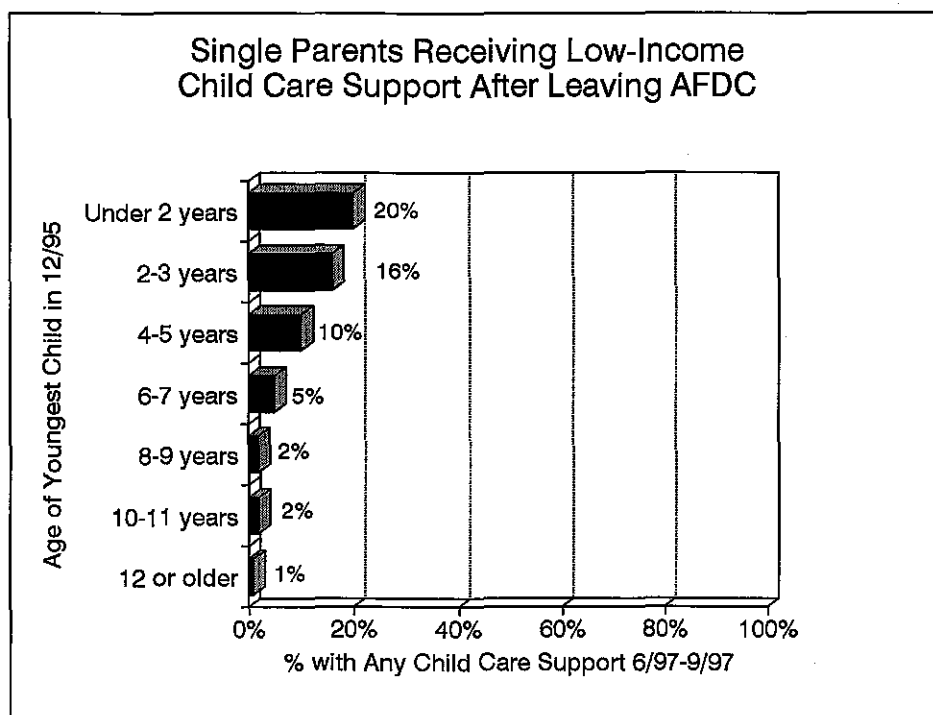
These single parents were in large part employed with 73 percent (2,701) of food stamp cases showing earned income in December 1995. However, most were employed only part-time, with only 42 percent reporting monthly earnings above \$1,000. Fewer than 1 in 5 of the food stamp and medical assistance cases with children under five years of age showed receipt of any child care subsidies in the period from June-September 1997.

- While child care appropriations were increased to accommodate eligible "working poor" families, very few non-welfare families actually received assistance. Only 583 of the estimated 22,000 low-income Milwaukee County families (with children aged 12 and under and not on any AFDC, food stamps or medical assistance in December 1995) were receiving child care subsidies in January 1996 and that number reached only 692 by September 1997.

Factors in Use of Subsidies: Age of Children, "Knowing the System," Level of Education

Most families who left AFDC did not use the child care subsidy. Milwaukee County child care payments to families were matched with December 1995 AFDC single parent cases expected to work and tracked to assess their child care use during and after departure from AFDC as of June 1997, 18 months later.

- Families with the youngest child of school age were least likely to use subsidized care. Over half of families with the youngest child aged 6-12 years left AFDC by June 1997 but of these, less than 1 out of 20 received a child care subsidy after leaving AFDC.
- Of the 11,404 single parent families with the youngest child under four years, 47 percent left AFDC by June 1997, and of those who left, less than one out of five received day care subsidies after June. Only 20 percent of families with the youngest under two years received child care support and only 16 percent of families with two to three-year olds received care after leaving.
- Very few school-age children were in county-supported child care after their parents left AFDC. Of those receiving care support, most had younger brothers or sisters also in child care.



- The low usage of child care subsidies by families leaving AFDC reflects in part the relatively low numbers of families finding full-time employment. An analysis by the Employment and Training Institute of single parent Milwaukee County cases leaving AFDC in September 1996 found that 34 percent showed no earnings during Fourth Quarter 1996 and another 27 percent showed earnings of less than \$2,500 (or full-time minimum wage work).
- Single parents with more than 12 years of schooling showed considerably higher use of child care subsidies (across age groups of children) and were most likely to leave AFDC and receive care afterwards. Families using low-income child care appeared to be better educated (more having 12 or more years of schooling), had older children and fewer children, were more likely to have a driver's license, and had prior employment experience. Those few who were successful in obtaining the child care subsidy were much more likely to move off AFDC.

Expenditures for Milwaukee County Child Care Subsidies

Expenditures for Milwaukee County child care subsidies were examined for the 21-month period from January 1996 through September 1997 to assess the type of care provided, consistency of care, and public assistance outcomes of families receiving child care assistance.

- A total of 1,176 parents in the **Learnfare** program had child care subsidies of \$5 million during 1996 and 1997 (up to October 1st). The Learnfare group showed the highest percentage of children enrolled full-time, the highest percentage in infant care and the highest percentage in licensed group centers. The high rates of reported consistent full-time care may, however, be a factor of state payment policies which guarantee licensed providers payment regardless of attendance since many children were reported as showing almost perfect attendance in child care.
- Subsidies for families **on AFDC under the JOBS programs or in their first two months of employment** totaled nearly \$8.1 million for 3,489 families in 1996 and \$8.2 million for 3,052 families in 1997 (January-October). Much of this population received only short-term child care: 47 percent received fewer than 13 (out of 52) weeks of care in 1996 and 43 percent received fewer than 13 (out of 40) weeks of care in January-October 1997. A great deal of the high volume short-term care resulted under state policies which covered child care for the first two months of employment during AFDC after which time families remaining on AFDC or food stamps were expected to pay their own child care costs and deduct child care expenses (up to \$200 a month for infant care) toward the calculation of their AFDC or food stamp allotments.
- **Low-income/transitional child care support** was provided to 3,434 families during 1996 with payments totaling \$15.7 million. Ten percent of these families received child care support of at least \$10,000 and accounted for 30 percent of payments for the low-income/transitional group; 15 percent of the cases had payments totaling less than \$1,000. Child care payments for the first nine months of 1997 rose considerably to \$17 million in subsidies for 3,983 families.

Child Care as a Job

It was anticipated that the many projected child caring opportunities would create jobs for mothers in the AFDC/food stamp population. Milwaukee County contracted with 2,561 individuals to provide care for 12,020 children during the period January 1, 1996 - October 1, 1997. A total of 1,183 of these providers were in the provisional class of care pending certification or caring only for relatives. Another 802 certified providers (with fifteen or more hours of training) and 136 individuals who were state licensed family providers offered care. Licensed and certified individuals were more likely to earn 1996 payments of \$12,000 or above.

- In 1996 only 10 of 1,183 individuals contracting with Milwaukee County as provisional providers showed payments over \$12,000 in the year. Of certified providers, 144 of 802 contracting in 1996 had income from Milwaukee County subsidies greater than \$12,000. For licensed family providers, 46 of 136 individuals had payments greater than \$12,000 in 1996.

Type of Child Care Provider	Providers Earning Over \$12,000 in 1996 County Payments
1,183 provisional providers	1 out of 100
802 certified providers	1 out of 5
136 licensed family providers	1 out of 3

- Given the considerably higher income for family licensed care, it was anticipated that many certified providers would move into the licensed care class. However, only 15 of the 806 certified providers offering subsidized care in 1996 moved to licensed family care status. In 1997, only 11 of the 821 certified providers offering care were shown later as receiving payments as licensed family providers. Licensed family providers received \$3 million for subsidized care in 1996 and 1997.

Licensed Group Care Highly Concentrated

- Group care providers accounted for most of the child care expenses for subsidized care and received two-thirds of the \$63 million spent during January 1, 1996 to October 1, 1997. Most of these payments were concentrated for 19 provider agencies with contracts totaling \$24 million. For many providers the enrolled county-subsidized population approached or in some cases exceeded the capacity of their licensed centers. At the other end of the spectrum, 90 child care centers accounted for less than 15 percent of expenditures for group care in 1996 and 15 percent of expenditures for group care in 1997.

Availability of Child Care

- Capacity and openings for licensed family and group care were examined for Milwaukee County. According to state records, licensed capacity in the central city increased significantly from 8,982 in February 1996 to 11,078 in January 1998 for group centers and from 904 to 1,104 for licensed family providers. The number of licensed group and family providers increased by 35 in the central city and decreased by 6 in the balance of the county.
- In August 1997 to assess the availability of care in Milwaukee County, the Employment and Training Institute conducted a phone survey of licensed group and family child care centers offering full-time year-round care. Openings for child care totaled 1,124 in the central city, including 310 openings for infants. Family and group licensed providers reported 373 openings for infant care (310 openings in central city Milwaukee and 63 openings in the balance of the county). Central city providers reported 1,814 openings for children aged one and above.
- Compared to the ETI February 1996 survey, openings for infants decreased by 96 in August 1997 in central city Milwaukee. The greatest decreases occurred in zipcode areas 53206, 53212 and 53209. The largest increases in openings for infants occurred in zipcode 53216, which showed 21 more openings than last year.
- Central city group day care providers reported a 14 percent overall vacancy rate; providers in the balance of the county showed a 23 percent vacancy rate in August 1997.

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Introduction

Changes in state methods and policies regarding child care subsidies have had much to do with the limited use of child care support in Milwaukee County. In the past there were two primary ways economically-eligible employed parents could receive child care subsidies in Milwaukee County.

- **Employed parents not on public assistance:** These parents were eligible for a very limited pool of funds which provided direct payments to child care providers licensed by the State of Wisconsin or certified through Milwaukee County. Favorable copayment schedules based on family income used a sliding scale which gradually took effect only after family income reached the poverty level. The Milwaukee County child care unit determined family eligibility and processed payments for these cases.

Under "W-2," the low-income population seeking child care subsidies must now apply through three sometimes conflicting bureaucracies and in effect "go on welfare" by reporting first to the W-2 agency, then to the county's economic support unit, and finally to the county's child care unit.

- **Employed families on AFDC or food stamps:** Most families previously received child care subsidies through indirect reimbursements made through the AFDC/FS grant calculation process. Both the AFDC and food stamp systems provided substantial encouragement for parents to seek employment through a grant calculation process which allowed deduction for child care and work related expenses. The December 1995 experience is typical -- 15 percent of female single parents on AFDC with children aged 12 and under reported earned income, and over 40 percent of these parents claimed the child care credit. For the food stamp non-AFDC population of single parents with children aged 12 and under, most (75 percent) women were employed, and over one-third claimed the child care credit.

Child care deductions taken through AFDC/food stamp disregards required recipients to pay the provider of their choice (regulated, certified or not) and present proof of payment to the AFDC/food stamp case worker. The advantages of this system were several: (1) no reimbursements to providers were necessarily made by Milwaukee County but instead by the recipient, eliminating both the cumbersome payment system and the regulatory function for the county; (2) the flexibility of provider choice matched the part-time nature of most employment. (Ninety percent of employed AFDC single parents earned under \$1,000 a month.)

With the implementation of "Pay for Performance," increasing numbers of AFDC cases were moved off of AFDC and onto the food stamp only category or into the Milwaukee County direct subsidy program and replaced by increasing numbers of working AFDC families. Dramatic caseload reductions in AFDC, however, resulted in large numbers of AFDC/food stamp cases moving from unregulated indirect subsidies (under AFDC/food stamp disregards) to direct subsidies, requiring not only county payments and regulation but also W-2 agency review, thereby flooding the system with welfare cases to the exclusion of the low-income population.

Agency responsibilities for determining eligibility for welfare and child care support, certifying day care providers and establishing eligible hours of care are now divided among state, county, private and non-profit systems with overlapping and sometimes conflicting responsibilities. All families requesting child care support, including low-income employed parents, must register with one of the five W-2 agencies and become part of the W-2 welfare system. Milwaukee County's economic support unit verifies financial eligibility of families for child care support. The State of Wisconsin licenses day care centers and providers, while Milwaukee County's child care unit certifies non-licensed providers, authorizes child care services, and makes payments to providers.

I. Forecasts vs. Reality for Use of Child Care for Low-Income Families

While the Milwaukee County AFDC caseload declined as expected, demand for Wisconsin child care subsidies for low-income families did not rise at a comparable rate. For those cases on AFDC, food stamps or medical assistance in December 1995, use of child care subsidies was much less than predicted. In addition, Milwaukee County waiting lists for low-income (non-AFDC) child care subsidies had been reported to include some 4,122 children in March 1996 and potential demand was considered to be even higher, assuming that the long waiting lists kept larger numbers of families from even applying. However, when families on the waiting lists were contacted in March 1997, the increases in new enrollees for low-income care were not even close to the anticipated demand. New 1997 monthly enrollments peaked in March at only 172 families.

This analysis explores the usage of child care subsidies for low-income Milwaukee County families. (Subsidies for AFDC cases enrolled in JOBS or Learnfare child care are considered in separate analyses in other sections of this report.) Those cases which had a subsidy attributable to a child care funding category called "low-income" or "transitional care" were by definition employed and not receiving AFDC. Enrollment in subsidized "low-income" child care was projected to increase dramatically with the decrease in the number of Milwaukee County families receiving AFDC, anticipated increase in the number of AFDC parents finding employment, and the elimination of county waiting lists for subsidized child care. While the enrollment in "low-income" subsidized child care increased from 1,770 families in January 1996 to 2,928 families by September 1997 and the number of children in subsidized care almost doubled from 2,552 to 4,788 during the same period, use of the child care subsidy was much less than anticipated.

Most of the growth in subsidized child care was due to a gradual increase in the use of day care by low-income families from the former AFDC population. Of 25,125 single parent families on AFDC in December 1995, 545 families received "low-income" child care subsidies in January 1996 and 1,624 were receiving subsidies in September 1997. The increases in "low-income" child care for former AFDC families were attributable to increasing numbers of new enrollees, particularly during the implementation of "Pay for Performance" during 1996.

The usage of subsidized child care by non-AFDC cases grew at a much lower rate. Of the 5,629 single parent families not on AFDC in December 1995 but receiving food stamps (FS) or medical assistance (MA) and the estimated 22,000 other low-income Milwaukee County families not on any AFDC/FS/MA, only 1,152 were receiving child care subsidies in January

1996 and that number reached only 1,312 by September 1997. These non-AFDC low-income groups remained at fairly constant low enrollment levels during the biweekly periods examined, until March 1997 when the number of non-AFDC/FS/MA families in low-income care showed a very modest rise as families on Milwaukee County's low-income child care waiting lists were offered subsidized child care. In subsequent months the number of new applicants remained at 70 per month through September 1997.

Public assistance status was checked in June 1997 for those families who had received low-income (non-AFDC) child care subsidies at some time during the 21-month study period. Eighty percent (or 3,914 of 4,915 families receiving low-income care subsidies) remained off AFDC that month. The AFDC population transitioning to low-income care was more likely to continue to receive child care subsidies during the period June 1997-September 1997. Most former-AFDC families that were off AFDC in June and had received low-income child care subsidies at some time continued to receive care during the June-September period following their departure. Seventy percent of former AFDC single parent families shown as receiving low-income child care support were also shown as not receiving AFDC in June 1997, 88 percent of non-AFDC families on food stamps or medical assistance who showed receipt of low-income child care subsidies were not on AFDC in June 1997, and 91 percent of non-FS/MA/AFDC families receiving low-income care subsidies were not on AFDC in June 1997.

Use vs. Potential Demand

Particularly puzzling was the high number of families who left AFDC and yet showed no child care subsidy use or continued subsidy use after leaving welfare. To examine this experience, Milwaukee County child care subsidy files were matched with files of 21,874 single female parents (aged 21 and over) who were on AFDC in December 1995 and expected to work. By June 1997, 10,926 of these single parents had left AFDC, but only 11 percent (or 1,250 cases) of those leaving showed any receipt of child care aid from June 1997 - September 1997.

The low usage of child care subsidies by families leaving AFDC reflects in part the relatively low numbers of families finding full-time employment. An analysis of the employment earnings of 7,502 single parent Milwaukee County cases leaving AFDC in September 1996 found that 34 percent showed no earnings during Fourth Quarter (October-December) 1996 and another 27 percent showed earnings of less than \$2,500 (or full-time minimum wage work).¹

Another group expected to be likely users of Milwaukee County subsidized low-income child care included those 5,629 single parents in food stamp and medical assistance cases who were on assistance in December 1995 and expected to be working. These single parents were in large part already employed with 73 percent of the 2,701 food stamp cases showing earned income in December 1995. However, over half (52 percent) of those employed in December 1995 appeared to be working part-time and were earning between \$500 to \$999 a month; 38

¹ John Pawasarat, **Employment and Earnings of Milwaukee County Single Parent AFDC Families: Establishing Benchmarks for Measuring Employment Outcomes Under "W-2"** (University of Wisconsin-Milwaukee Employment and Training Institute, 1997). The report is summarized on the Internet at <www.uwm.edu/Dept/ETI/afdcearn.htm>.

percent earned \$1,000-1,499; and only 4 percent were earning \$1,500 or more. The age of children in the family clearly played a factor in child care subsidy usage since about half had only school-age children (the youngest children aged five years or older) in December 1995. Of the remaining cases with children under five years of age, fewer than 1 in 5 showed receipt of any child care subsidies in the period from June through September 1997.

Single Parent Families on AFDC in December 1995 and Expected to Work

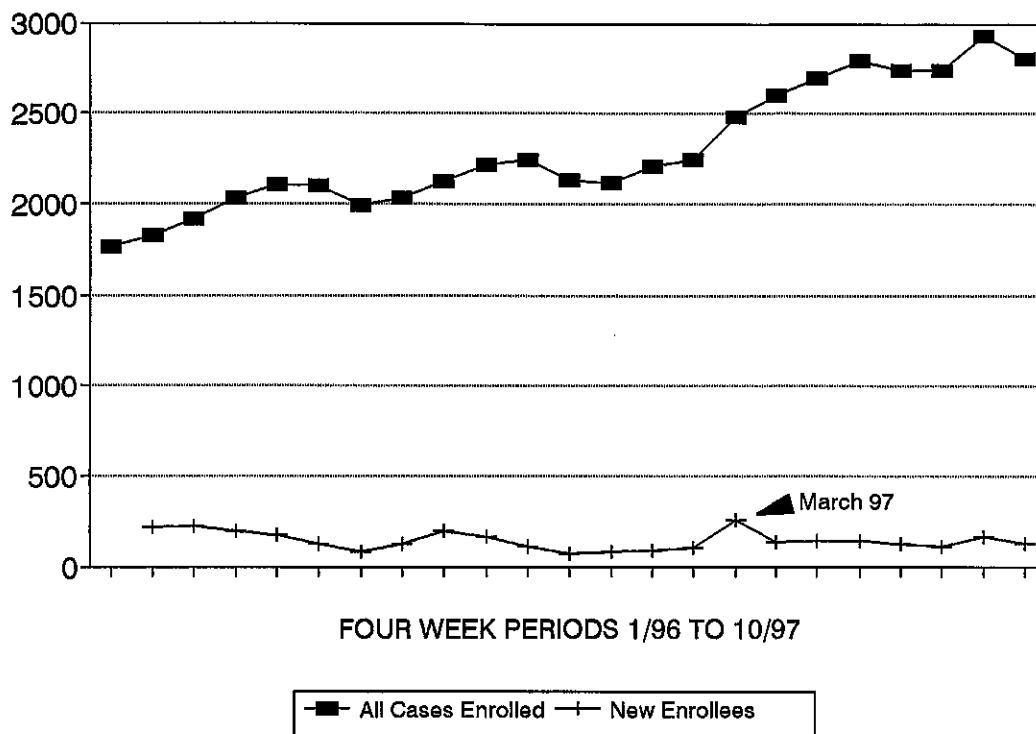
<u>Cases</u>	AGE OF YOUNGEST CHILD IN DECEMBER 1995:				
	<u>6 or More</u>	<u>5 Yrs</u>	<u>3-4 Yrs</u>	<u>Under 3</u>	<u>ALL</u>
Total Cases on AFDC in Dec. 1995	7,144	1,488	4,188	9,054	21,874
Cases Off AFDC in June 1997	3,851	764	2,049	4,262	10,926
- # with child care subsidy in 6/97-9/97	89	62	256	843	1,250
% with care subsidy	2.3%	8.1%	12.5%	19.7%	11.4%
- # with child care subsidy between 1/96-5/97 but not in 6/97-9/97	128	103	387	660	1,278
% with subsidy	3.3%	13.5%	18.9%	15.9%	11.7%
- # <u>never</u> receiving child care subsidy in 1/96-9/97	3,634	599	1,406	2,759	8,398
% never receiving subsidy	94.4%	78.4%	68.6%	64.4%	76.9%

Includes all single parent cases headed by female aged 21 and over and expected to work.

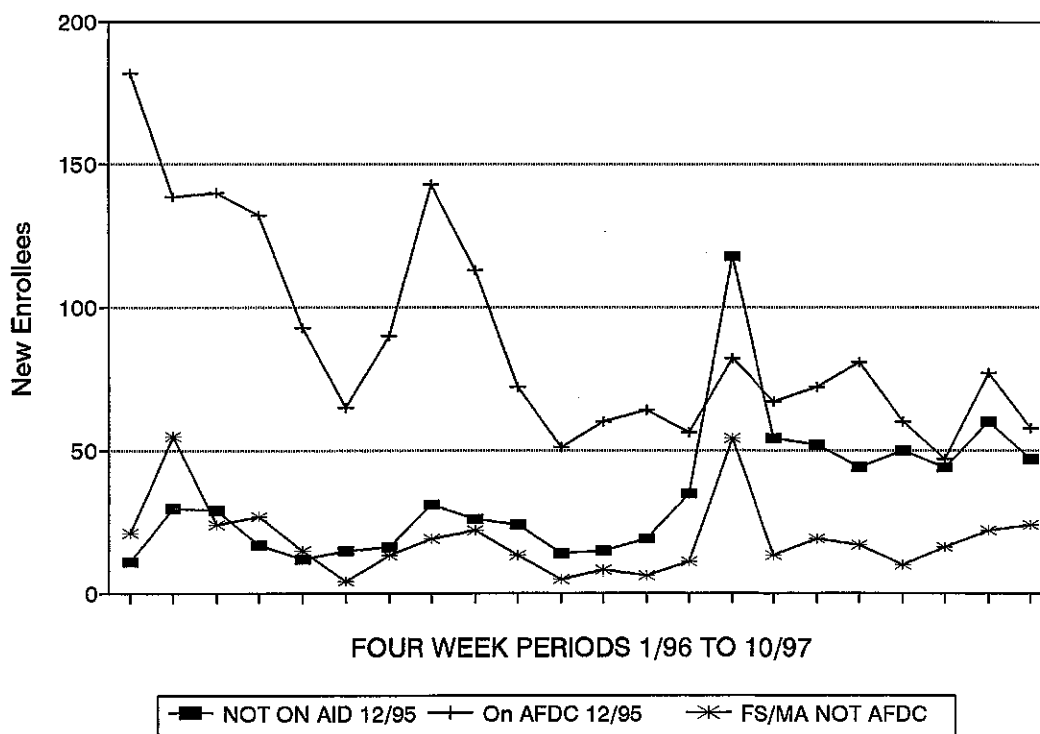
Single Parent Families on Food Stamps or Medical Assistance (But Not AFDC) in December 1995

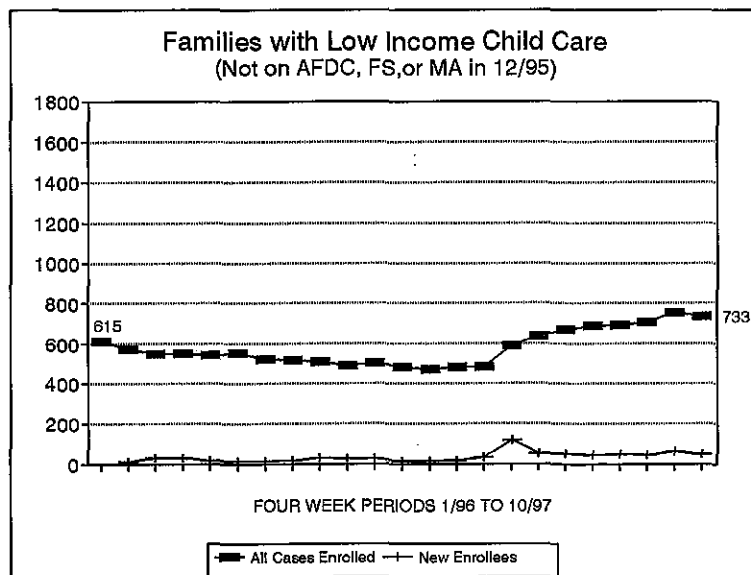
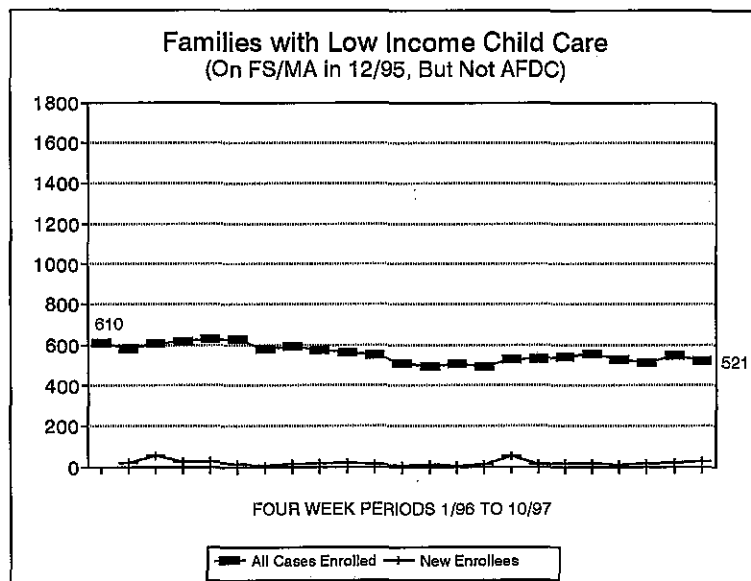
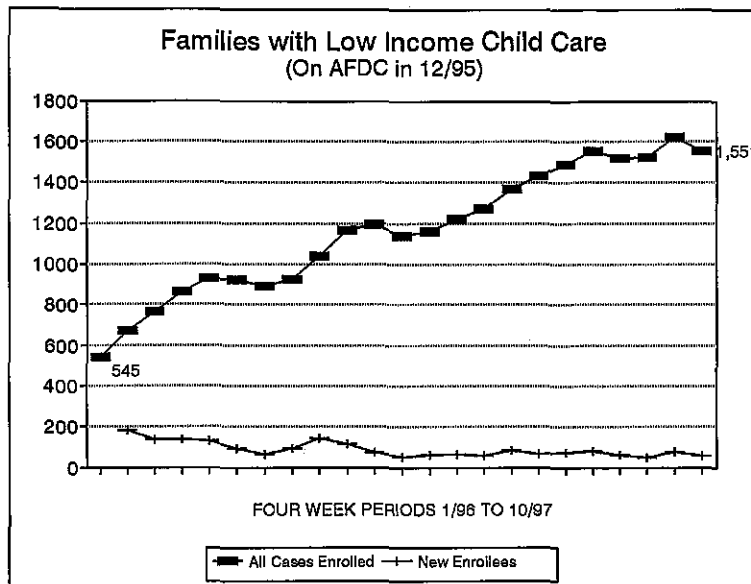
<u>Cases</u>	Age of Youngest Child in December 1995:				
	<u>6 or More</u>	<u>5 Yrs.</u>	<u>3-4 Yrs.</u>	<u>Under 3</u>	<u>ALL</u>
Total Cases on FS/MA in Dec. 1995	2,288	448	1,184	1,709	5,629
Cases Not on AFDC in June 1997	2,065	407	1,041	1,548	5,061
- # with child care subsidy in 6/97-9/97	37	41	157	242	477
% with care subsidy	1.8%	10.1%	15.1%	15.6%	9.4%
- # with child care subsidy between 1/96-5/97 but not in 6/97-9/97	51	44	133	137	365
% with care subsidy	2.5%	10.8%	12.8%	8.9%	7.2%
- # <u>never</u> receiving child care subsidy in 1/96-9/97	1,977	322	751	1,169	4,219
% never receiving subsidy	95.7%	79.1%	72.1%	75.5%	83.4%

Milwaukee County Families Receiving Low-Income Child Care Payments



New Enrollees in Low Income Family Child Care by 12/95 AFDC/FS/MA Status





II. Shifting Child Care Costs from Public Assistance Grants to Direct Payments

Prior to the advent of "W-2," AFDC and food stamps policies allowed caseheads to deduct a portion of their child care expenses from their gross income in the calculation of their AFDC grant and food stamp allotments. Caseheads could make out-of-pocket payments to a child care provider and then deduct these child care costs from their gross monthly income. This resulted in a partial child care reimbursement to working families through increased AFDC and food stamp payments. Up to \$200 in monthly costs for each child in infant care and up to \$175 for each non-infant could be deducted from the family's monthly gross income. The child care deductions taken by these families did not have to be for regulated care and could include payments made to relatives. Credit for child care payments made by the casehead were based upon proof of purchase. Under the food stamp/AFDC deductions, no direct government payment was required for the day care provider nor was the county or state required to regulate the care provided. In some cases, however, county subsidy payments could be made for the share of child care costs above the income disregard. Earnings data for both AFDC and food stamp cases showed that most families using the deductions were working less than full-time and over half earned below \$1,000 a month.

In 1996 and 1997 as AFDC cases with an employed parent were moved off of AFDC and food stamps in Milwaukee County, the child care subsidy (when provided) moved from being a simple income deduction for the family's AFDC or food stamp grant calculation to a direct government payment to the day care provider via Milwaukee County. Reimbursements made through the dependent care deduction mechanisms did not require that the provider be regulated or certified nor did they require the state or county to exercise regulatory oversight of providers. The shift from child care reimbursements to direct payments to providers (including family providers) makes monitoring the child care providers a responsibility of the county and state, and resulted in increased administrative costs for regulation and financial reimbursements as well as causing higher overall government costs for the child care subsidies. Much of the increase shown in Milwaukee County payments to child care providers resulted from the addition of payments for parents on food stamps and AFDC who had previously paid for their own child care and deducted a portion of their expenses in the calculation of the grant amount.

Public Assistance Cases Claiming Child Care Deductions

Type of Case	Number of Cases Claiming Child Care Deductions in:		
	<u>Dec. 1995</u>	<u>Dec. 1996</u>	<u>June 1997</u>
AFDC	1,522	1,556	1,192
Food Stamps	<u>690</u>	<u>1,655</u>	<u>1,182</u>
TOTAL	2,212	3,211	2,373

The number of employed AFDC cases claiming child care deductions rose slightly from 1,522 in December 1995 to 1,556 cases in December 1996 and then dropped to 1,192 in June 1997, while the number of employed cases on food stamps only with child care deductions rose from 690 in December 1995 to 1,156 in December 1996 and then dropped to 1,182 in June 1997. The increase in non-AFDC food stamp cases claiming the child care deduction resulted

from AFDC cases closing and moving to food stamp (non-AFDC) cases. By June 1997 both AFDC and food stamp cases showed drops in the number of families claiming child care deductions. These drops in use of AFDC/FS child care deductions resulted in some shifts to the county child care payment system by June 1997. One-third of cases on food stamps or AFDC that had claimed child care deductions in December 1995 later showed receipt of child care payments through the county's payment system, and well over half of these cases remained in subsidized care in June 1997.

Milwaukee County child care payments for 435 AFDC cases claiming child care deductions in December 1995 and moving to the subsidized payment system totaled \$1,303,732 in 1996 and \$1,302,684 in the first nine months of 1997. (The average county payment was \$5,992 per case for the 21-month period.) Similarly, for those 239 food stamp only cases who had claimed child care deductions in December 1995 and then moved onto the county subsidy program, child care subsidy payments totaled \$1,177,549 for 1996 and \$899,582 for the first nine months of 1997 (or an average of \$8,691 for each case in the 21 months studied in 1996 and 1997).

Milwaukee County Families Receiving Child Care Subsidies or Deductions

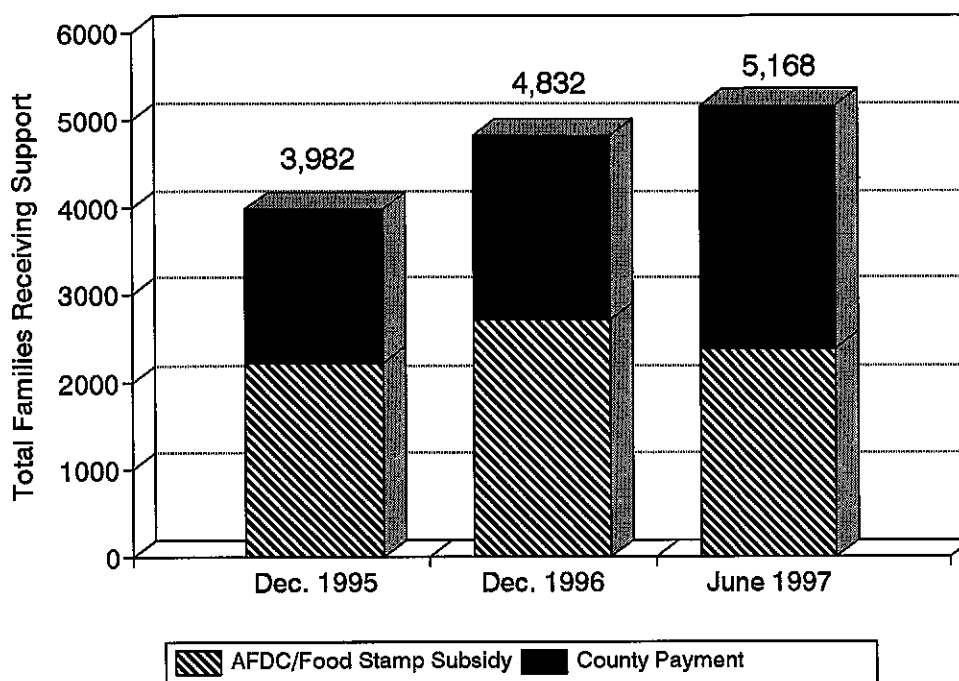
<u>Type of Subsidy Provided</u>	<u>NUMBER OF FAMILIES IN:</u>		
	<u>Dec 1995</u>	<u>Dec. 1996</u>	<u>June 1997</u>
Child care deductions toward AFDC or food stamp calculations	2,212	2,712	2,373
County payments to child care provider for low-income child care	<u>1,770*</u>	<u>2,120</u>	<u>2,795</u>
TOTAL	3,982	4,832	5,168

*The county payments shown are for January 1996.

In December 1995, 2,212 families received AFDC or food stamps and deducted child care expenses, and in January 1996, 1,770 non-AFDC low-income families were paid a direct child care subsidy. By December 1996, 2,712 families were claiming the food stamp or AFDC child care deductions and 2,120 families were receiving direct county child care subsidies. By June 1997, 2,373 families claimed the AFDC/FS deductions and 2,795 low-income families were receiving direct subsidies. Part of the decline in the number of families taking food stamp and AFDC child care deductions was due to movement of cases from AFDC/FS deductions onto the county paid low-income child care subsidy system. Monthly enrollment in 1996 for low-income child care payments grew as cases previously subsidized through AFDC/food stamp income deductions moved to county paid care. These shifted cases made up one-third of cases on low-income child care support by the end of 1996 and early 1997.

The combined number of families getting direct subsidies (through county child care payments to day care providers) or indirect subsidies (through FS/AFDC deductions) increased from 3,982 in December 1995/January 1996 to 4,832 in December 1996 and 5,168 in June 1997. The increases in the number of families receiving low-income child care assistance were offset partially by the reduction in the numbers of AFDC/food stamp cases taking deductions.

Total Families Receiving Low-Income Child Care Payments or Grant Subsidies



III. Summary of Child Care Expenditures

Expenditures for Milwaukee County child care were examined for the 21-month period from January 1, 1996, through October 1, 1997, to assess the type of care provided, consistency of care and public assistance outcomes for the population receiving child care assistance. Subsidized child care was provided to families who were financially eligible and to foster care parents. Foster care cases accounted for \$3,632,319 for 1,588 cases in 1996 and \$4,531,920 for 1,476 cases in 1997. Most child care funds went to non-foster care cases; 7,883 Milwaukee County families with 14,707 children in subsidized child care accounted for a total of \$26.5 million in child care assistance in 1996. During the first nine months of 1997, 7,847 non-foster care child care cases received support totalling \$27.5 million for 15,183 children in care.

Weekly checks for all child care payments were examined to profile the experience of providers, families and children. Cases in the Milwaukee County's "Child Care and Provider" file were matched with public assistance files to identify each family's AFDC, food stamps (FS) and medical assistance (MA) status over time. Expenditures for non-foster care families were also examined by the type of child care funding provided. Expenditures were analyzed for three types of families: Learnfare cases, families receiving low income/transitional child care, and the remaining cases not on Learnfare and not in low income/transitional care. This last group consisted primarily of AFDC cases with JOBS/1st 2 Months Employment-funded child care funding and/or in their first two months of employment. Expenditures are shown in the attached tables for both 1996 and 1997 with ranges of expenditures per family for each group.

A total of 1,176 parents in the **Learnfare** program had child care subsidies of \$5 million during 1996 and 1997. A total of 960 Learnfare cases had expenditures of \$2.7 million in 1996; and 812 cases accounted for \$2.3 million in the first nine months of 1997. The Learnfare cases typically had fewer children in care and received child care only during the school year. However, they required infant care in higher proportions than the non-Learnfare groups. Much of this population received only short-term care subsidies with 25 percent (237 cases) in 1996 and 23 percent (188 cases) in 1997 in subsidized child care at a cost of less than \$1,000 for the first nine months. At the other end of the spectrum, 16 percent of families had child care payments of \$5,000 or more in 1996 and 15 percent of families had payments of \$5,000 or more in the first nine months of 1997.

Low-income/transitional child care was provided to 3,434 families during 1996 with payments totaling \$15.7 million. Most of these families had higher child care costs, attributable to the length of care provided and to their family size. Ten percent of these families received child care support of at least \$10,000 and accounted for 30 percent of costs for the low income/transitional group, while 15 percent of the cases had payments totaling less than \$1,000. Three-fourths (75 percent) of families receiving child care support in 1996 carried into 1997 and received \$13.7 million in payment support in 1997. Total expenditures for the first nine months of 1997 rose considerably with \$17 million in child care subsidies for 3,983 families. Most costs were for the 2,591 families who carried over from 1996 while 1,392 new entrants accounted for \$1.3 million in payments. New families consisted mostly of cases receiving less than \$1,000 in expenses due to late enrollment during the summer of 1997.

Subsidies for the **AFDC JOBS/1st 2 Months Employment (non-Learnfare, non-low-income care) group** totaled nearly \$8.1 million for 3,489 families in 1996 and \$8.2 million for 3,052 families in 1997. Much of this population received only short-term child care; 47 percent of families receiving care in 1996 and 43 percent of families receiving care in 1997 showed twelve or fewer weeks of care during both years. (The 1997 population, however, may show a considerably different pattern when subsequent months of 1997 and 1998 expenditures are considered.) Much of the high volume short-term care resulted under the state policy which covered the first two months of employment during AFDC with subsidized care after which time families remaining on AFDC or food stamps were expected to pay their own child care costs and deduct expenses (up to \$200 per month for infant care) in the calculation of their AFDC or food stamp allotment.

SUMMARY OF MILWAUKEE COUNTY CHILD CARE EXPENDITURES

CALENDAR YEAR 1996 PAYMENTS	LEARNFARE		LOW-INCOME TRANSITIONAL CHILD CARE		JOBS/ MONTHS 1 & 2		TOTAL	TOTAL
	Families	Dollars	Families	Dollars	Families	Dollars	FAMILIES	DOLLARS
Less than \$1,000	237	131,364	518	286,504	1,246	631,215	2,001	1,049,083
\$1,000- \$2,499	268	467,446	791	1,380,796	1,158	1,903,548	2,217	3,751,790
\$2,500- \$4,999	306	1,098,789	967	3,558,697	686	2,387,841	1,959	7,045,327
\$5,000- \$7,449	109	637,416	485	2,975,919	232	1,399,569	826	5,012,904
\$7,500-\$9,999	27	237,184	319	2,760,468	91	784,021	437	3,781,673
\$10,000 or more	13	150,386	354	4,748,412	76	980,680	443	5,879,478
TOTAL	960	2,722,585	3,434	15,710,796	3,489	8,086,874	7,883	26,520,255

1/1/97 - 10/1/97 PAYMENTS	LEARNFARE		LOW-INCOME TRANSITIONAL CHILD CARE		JOBS/ MONTHS 1 & 2		TOTAL	TOTAL
	Families	Dollars	Families	Dollars	Families	Dollars	FAMILIES	DOLLARS
Less than \$1,000	188	105,754	691	336,712	1,006	491,816	1,885	934,282
\$1,000- \$2,499	233	392,129	846	1,467,906	940	1,572,190	2,019	3,432,225
\$2,500- \$4,999	268	989,742	1,147	4,161,702	644	2,265,035	2,059	7,416,479
\$5,000- \$7,499	85	497,959	612	3,753,427	243	1,495,026	940	5,746,412
\$7,500-\$9,999	27	236,568	357	3,079,094	122	1,046,494	506	4,362,156
\$10,000 or more	11	120,392	330	4,240,009	97	1,307,998	438	5,668,399
TOTAL	812	2,342,544	3,983	17,038,850	3,052	8,178,559	7,847	27,559,953

IV. Consistency of Care for Those Receiving Child Care in February 1996

The payment history and units billed (for biweekly hours) were analyzed for each child in an attempt to identify the characteristics of both the families and the providers where consistent full-time care occurs. Full-time care was defined to be 70 hours or more per 2-week period. Two cohort groups were examined: (1) those using the child care subsidy in the first two weeks of February 1996, and (2) those using the child care subsidy in the first two weeks of February 1997. In order to identify measures of consistent full-time care for a child with the same provider, bi-weekly payments for children in the care of the same vendor were tracked over 16 weeks to determine (1) those cases where a payment was made in every 2-week period and (2) those cases where payments were made in every 2-week period at a level which would indicate full-time care for each of sixteen 2-week periods.

These groups were further analyzed by four general child care fund categories:

- Learnfare cases,
- low-income cases not on AFDC in December 1995,
- low-income cases formerly on AFDC in December 1995, and
- JOBS/1st 2 Months Employment cases on AFDC in December 1995 not in the above groups.

Examination of the February 1996 cohorts revealed distinct differences in the four populations which impacted use and consistency of care.

Each child in a **Learnfare** case and receiving subsidized care in the first two weeks of February 1996 was tracked for 16 weeks. These cases had the highest percent of children in care for all bi-weekly periods (78 percent). The **Learnfare** group also had the highest percent enrolled full-time (42 percent), the highest percent in infant care (37 percent), and the highest percent in licensed group centers (79 percent). The high rates of reported consistent full-time care may be primarily a factor of state payment policies guaranteeing licensed providers payment as many of these children were reported as showing almost perfect attendance in child care. One year later in February 1997 only 22 percent remained in the care of the same provider.

Low-income child care families not on AFDC in December 1995 were similarly tracked and showed the next highest rates of consistent care with 70 percent enrolled each payment period throughout the 16 week period and 32 percent enrolled full-time for the period. Most (94 percent) of these children were already in the same child care arrangements in January 1, 1996, the beginning of the study period. Also, most of these families had the characteristics shown by prior analysis as cases most likely to be successful at remaining off AFDC and employed. That is, 85 percent of caseheads had 12 or more years of schooling, 68 percent had a driver's license, and 75 percent had a child older than 48 months of age. One year later in February 1997, 38 percent of the children in this population remained in the care of the same provider.

Children in **low-income cases who were in families formerly on AFDC as of December 1995** showed a much lower percentage (51 percent) in consistent care during the 16 weeks beginning February 1996, and only 16 percent were in consistent full-time care. This is in part due to the fact that many of these cases moved from the JOBS/1st 2 Months Employment program to low-income child care and many were new entrants in the child care system.

Those in the last **group consisting of children in AFDC (non-Learnfare non-low-income) JOBS/1st 2 Months Employment families** showed the lowest levels of consistent care with 43 percent receiving 16 weeks of continuous care support and only 10 percent receiving support for continuous full-time care. The lower participation rates were explained in large part by the nature of the JOBS child care policies which resulted in short term care subsidies where the first and second months of child care were paid by the county for the parent's first two months of employment.

Experience of Children in Subsidized Care: February 1996 and February 1997

Children in Care in February 1996	FAMILY CASE STATUS:			
	On <u>Learnfare</u>	Low-Income (Not On <u>AFDC 12/95</u>)	Low-Income (On AFDC <u>in 12/95</u>)	On JOBS/ 1st 2 Mos. <u>Care</u>
TOTAL CHILDREN (N=)	559	1,824	1,075	1,267
Type of Care				
Group	79%	65%	62%	67%
Family	3%	5%	4%	3%
Certified	11%	21%	19%	13%
Provisional	4%	6%	13%	13%
Consistency of Care				
Subsidy Continued for 16 Weeks	78%	70%	51%	43%
Subsidy Continued for 16 Weeks Full-Time	42%	32%	16%	10%
Age of Child as of 12/96				
Less Than 24 Months	37%	3%	7%	4%
More Than 36 Months	29%	88%	80%	81%
More Than 48 Months	10%	75%	63%	64%
Children in Care in February 1997	FAMILY CASE STATUS:			
	On <u>Learnfare</u>	Low-Income (Not On <u>AFDC 12/95</u>)	Low-Income (On AFDC <u>in 12/95</u>)	On JOBS/ 1st 2 Mos. <u>Care</u>
TOTAL CHILDREN (N=)	594	1,575	2,273	2,070
Type of Care				
Group	76%	60%	57%	66%
Family	2%	4%	5%	5%
Certified	15%	25%	24%	18%
Provisional	4%	7%	11%	10%
Consistency of Care				
Subsidy Continued for 16 Weeks	69%	70%	64%	36%
Subsidy Continued for 16 Weeks Full-Time	35%	28%	27%	11%
Age of Child as of 12/96				
Less Than 24 Months	65%	12%	16%	17%
More Than 36 Months	14%	76%	68%	69%
More Than 48 Months	5%	64%	54%	52%

Table reports on each child's experience with the same vendor.

V. Consistency of Care for Those Receiving Child Care in February 1997

The experience of children in the care of the same provider was examined for a similar population one year later to track children in subsidized care as of the first two weeks of February 1997. Enrollment of children in low-income families not on AFDC dropped from 1,824 to 1,575 while the enrollment of Learnfare children rose from 559 to 594. Enrollment of children on AFDC in December 1995 and subsequently on low-income care rose from 1,075 to 2,273 while the "JOBS/1st 2 Months Employment" group rose from 1,267 to 2,070.

The 594 children in Learnfare families receiving support for child care in February 1997 showed lower rates of consistent care than those in February 1996, with 69 percent receiving care with the same provider for all 16 weeks and 35 percent receiving full-time care for all 16 weeks. Most cases (76 percent) were again concentrated in licensed group centers. The children in these families were again much younger than the other categories of users, requiring infant care in many cases.

The 1,575 children low-income cases (not on AFDC in December 1995) had similarly high rates of consistent care in February 1997 as in February 1996 with 70 percent in care all 16 weeks and 28 percent in full-time care all 16 weeks. The type of care shifted somewhat with the proportion of children in licensed care dropping to 60 percent for group centers and 4 percent for licensed family providers.

The 2,273 children in low-income (formerly on AFDC in December 1995) cases showed higher rates of consistent care than in 1996 with 64 percent receiving care for all 16 weeks and 27 percent for all 16 weeks at the full-time level.

The JOBS/1st 2 Months Employment-funded group (not on Learnfare or low-income care at any time) again showed the lowest rates of consistent care. The rates were lower than February 1996 with only 36 percent receiving care for all 16 weeks and 11 percent receiving care at a full-time level.

VI. Characteristics of Families Using Subsidized Child Care

Consistency of care was tracked in a slightly different way for families. Because two or more children can be in different providers' care at one time, a measure of consistent care regardless of vendor was used to assess the characteristics of the population. Payments for all children were aggregated at the family level and tracked for each family. This analysis examined the experience of families receiving child care subsidies in the first two weeks of February 1996. These 2,905 families were broken down in groups by type of child care subsidy and AFDC status in December 1995.

- Overall the families using low-income child care in February 1996 appeared to be much better educated than the overall population and tended to have the same characteristics of those most likely to be employed and leave AFDC.

- Most of the 1,106 **low-income families not on AFDC in December 1995** were already employed and receiving child care as of January 1, 1996. These families were relatively well educated (85% had 12 or more years of education), had older children and fewer children, were much less likely to be on AFDC in December 1996 (only 6 percent were on AFDC that month), and were more likely to have a driver's license (69 percent had a license).

- Those families in **low-income care and formerly on AFDC in December 1995** were considerably different than non-AFDC low-income cases but still relatively well educated with 76 percent having 12 or more years of schooling. Compared to the group above, they had more children in care, younger children, and were less likely to have a driver's license (54 percent had a license). Still, 67 percent of this population was off AFDC in December 1996.

- The **"JOBS/1st 2 Months Employment"** population showed 70 percent with 12 or more years of schooling and 44 percent with a driver's license, but fewer had younger children and 47 percent had only one child in care.

As was the case when individual children in care were tracked, the Learnfare population was the group most likely to receive consistent full-time child care subsidies during the 16-week period (followed by non-AFDC low-income families, former-AFDC low-income families and finally, JOBS/1st 2 Months Employment participants). One year later 40 percent of Learnfare cases remained in child care and 32 percent showed consistent care over 16 weeks. Non-AFDC low-income families showed 49 percent remaining in care and 41 percent receiving consistent care for 16 weeks. The former-AFDC low-income families showed 58 percent still in care, with 43 percent in care full-time. Only 22 percent of JOBS/1st 2 Months Employment participants received subsidized child care one year later and only 13 percent received support for full-time care.

Consistency Of Care For Families Receiving Child Care Subsidies

February 1996 <u>Cohort Cases</u>	FAMILY CASE STATUS:			
	On <u>LEARNFARE</u>	Low-Income (Not On <u>AFDC 12/95</u>)	Low-Income (On AFDC <u>in 12/95</u>)	On JOBS/ 1st 2 Mo. <u>Care</u>
TOTAL CASES IN CARE (N=)	407	1,106	581	811
Received Subsidy for 16 Weeks beginning 2/96	82%	77%	59%	53%
Still in Care in 2/97	40%	49%	58%	22%
Received Subsidy for 16 Weeks beginning 2/97	32%	41%	43%	13%
Number of Children In Care				
1	66%	41%	33%	47%
2	28%	39%	35%	31%
3	5%	15%	22%	14%
4	1%	4%	7%	6%
More than 4	0%	1%	2%	2%
Casehead Has 12 or More Years of Schooling	N/A	85%	76%	70%
Casehead Has Driver's License	15%	69%	54%	44%
<hr/>				
February 1997 <u>Cohort Cases</u>	FAMILY CASE STATUS:			
	On <u>LEARNFARE</u>	Low-Income (Not On <u>AFDC 12/95</u>)	Low-Income (On AFDC <u>in 12/95</u>)	On JOBS/ 1st 2 Mo. <u>Care</u>
TOTAL CASES IN CARE (N=)	462	898	1,159	1,010
Received Subsidy for 16 Weeks beginning 2/97	71%	78%	73%	44%
Number of Child in Care				
1	73%	36%	33%	39%
2	24%	39%	37%	28%
3	3%	18%	21%	20%
4	0%	6%	6%	9%
More Than 4	0%	1%	3%	4%
Casehead Has 12 or More Years of Schooling	N/A	81%	76%	56%
Casehead Has Driver's License	8%	62%	50%	26%

VII. Child Care as a Source of Employment: The Provider Experience

Payments for all certified and provisional providers were examined for the period January 1, 1996 - October 1, 1997 to assess the experience of providers and their payment levels.

Provisional Providers

The provisional class of providers is for care provided by a person who has not completed the fifteen hours of training required for regular certification or is caring only for relatives. During the period examined, 1,449 provisional providers were paid by Milwaukee County, accounting for \$2.2 million in 1996 and \$1.1 million in 1997. By August of 1997, only 211 provisional providers (or 15 percent) continued to receive payments. Few providers received payments anywhere close to a full-time level of income. Only 7 percent of 1996 providers had more than \$5,000 of income from county payments and only 10 percent of 1997 provisional providers were above the \$5,000 level. Only 1 percent of provisional providers received annual payments exceeding \$10,000 in either 1996 or 1997.

Certified Providers

The experience of the 1,001 certified providers receiving payments during the study period showed a high number of short-term episodes but considerably higher percentages of providers earning above the \$10,000 or \$15,000 per year level, compared to provisional providers. During 1996, 802 individuals received payments for certified care totaling \$5.5 million. In 1997, 821 providers were paid \$5.8 million in the period from January 1 to October 1997.

The 1996 certified providers showed 46 percent earning over \$5,000, 23 percent earning over \$10,000 and 12 percent earning over \$15,000. Similar percents for the first nine months of 1997 suggest that the provider experience may be improving. By October 1, half (50 percent) of the 1997 providers had earned above the \$5,000 level, 25 percent earned above \$10,000 and 12 percent earned over \$15,000 in payments.

Provision of certified child care offers an employment option for Milwaukee County families on public assistance. Of providers offering certified care in 1996, 30 percent (N = 187) of certified providers had been on AFDC or food stamps in December 1995, and over half (57 percent) of these providers had a record of offering certified care since at least January 1996, the beginning of the periods examined. For those 107 cases already providing care in January 1996, 35 percent posted over \$10,000 in income during 1996. (Of those making over \$10,000, 46 percent were not on AFDC by December 1996.) Of the 107 providers on AFDC or food stamps in December 1996, 87 continued to provide certified care in 1997 and 25 made over \$10,000 in the first nine months of 1997.

Licensed Family Care Providers

Licensed family care providers are allowed to care for a maximum of 8 children at a considerably higher rate of payment compared to certified providers. During 1996, 83 licensed family providers were paid \$1.4 million and in 1997, 89 licensed family providers were paid \$1.6 million. During 1996, 53 percent of family providers were paid at least \$10,000, while in the first nine months of 1997, 55 percent were paid \$10,000 or more.

1996 and 1997 Milwaukee County Payments to Licensed and Certified Providers

	Certified Providers		Licensed Family Providers	
	<u>1996</u>	<u>1997*</u>	<u>1996</u>	<u>1997*</u>
Number of Providers	802	821	83	89
Providers With Total Yearly Payments of:				
\$1 - 999	116	107	8	7
\$1,000 - 2,499	149	122	9	9
\$2,500 - 4,999	166	178	12	12
\$5,000 - 9,999	190	211	10	12
\$10,000 - 14,999	82	101	13	13
\$15,000 - 19,999	48	62	7	13
\$20,000 - 24,999	25	23	7	5
\$25,000 - 29,999	12	13	4	2
\$30,000 plus	14	4	13	16
Total Sum Paid	\$5,547,219	\$5,776,281	\$1,379,217	\$1,593,404

* Payments made from January 1-October 1, 1997.

Given the considerably higher income for family licensed care, it was anticipated that many certified providers would move into the licensed class. However, of 806 certified providers offering subsidized care in 1996 only 15 moved to the licensed family status. Of 821 certified providers offering care in 1997 only 11 were shown as later receiving payments as licensed family providers.

VIII. Experience of Licensed Group Facilities

All Milwaukee County child care subsidies paid to Milwaukee County licensed group centers for the period January 1, 1996, to October 1, 1997, were compiled to assess use, location and level of care. In any given month most child care was provided by licensed group centers. During 1996, 143 agencies provided licensed group care which received child care subsidies; during 1997, 149 agencies provided licensed group care which received subsidy payments.

Most subsidized child care was heavily concentrated in a few agencies with large capacity centers and/or multiple sites. Fifteen agencies accounted for the majority of the subsidized care payments and enrollments in 1996. In the first nine months of 1997, 19 agencies accounted for 54 percent of all payments. Some central city day care centers appeared to serve almost entirely children with county subsidized payments. In June 1997, almost one-third of central city providers showed licensed capacity close to or below the total number of Milwaukee County subsidized enrollments that month. (Enrollments may exceed licensed capacity if some children are enrolled in different shifts or only part-time.)

While half of the providers showed high concentrations of children with child care subsidies, most of the other providers enrolled just a few county-subsidized children. In 1996 65 agencies enrolled a total of only 288 children, or about 4 children per site.

The following tables show usage for 1996 and 1997. Total yearly amounts paid and biweekly use for the last two weeks of December 1996 and July 13-26, 1997 are also presented to show point-in-time child care enrollment.

LICENSED DAY CARE OPERATORS

RANGE OF 1996 PAYMENTS	TOTAL PAYMENTS	% of Total	# OF CHILDREN ENROLLED LAST 2 WKS OF 12/96	% of Total	NUMBER OF PROVIDERS	% of Total
\$1 TO 4,999	\$34,261	0.2%	11	0.2%	18	12.6%
\$5,000 TO 9,999	\$82,820	0.4%	28	0.6%	11	7.7%
\$10,000 TO 24,999	\$178,517	0.8%	52	1.1%	11	7.7%
\$25,000 TO 49,999	\$930,553	4.3%	197	4.3%	25	17.5%
\$50,000 TO 99,999	\$1,868,537	8.7%	413	9.1%	25	17.5%
\$100,000 TO 199,999	\$2,672,625	12.5%	609	13.4%	20	14.0%
\$200,000 TO 299,999	\$3,307,590	15.4%	704	15.5%	14	9.8%
\$300,000 TO 399,999	\$1,283,056	6.0%	294	6.5%	4	2.8%
\$400,000 TO 499,999	\$2,581,740	12.0%	561	12.4%	6	4.2%
\$500,000 TO 749,999	\$2,831,007	13.2%	510	11.2%	5	3.5%
\$750,000 TO 999,999	\$1,929,442	9.0%	402	8.9%	2	1.4%
\$1,000,000 or above	\$3,742,900	17.5%	761	16.8%	2	1.4%
ALL	\$21,443,048	100.0%	4,542	100.0%	143	100.0%

RANGE OF 1997 PAYMENTS (1/1/97-10/1/97)	TOTAL PAYMENTS	% of Total	# OF CHILDREN ENROLLED LAST 2 WKS OF 7/97	% of Total	NUMBER OF PROVIDERS	% of Total
\$1 TO 4,999	\$32,567	0.1%	11	0.2%	17	11.4%
\$5,000 TO 9,999	\$48,923	0.2%	16	0.3%	7	4.7%
\$10,000 TO 24,999	\$385,768	1.7%	93	1.7%	23	15.4%
\$25,000 TO 49,999	\$605,072	2.6%	164	3.1%	16	10.7%
\$50,000 TO 99,999	\$1,986,952	8.6%	500	9.3%	27	18.1%
\$100,000 TO 199,999	\$3,783,347	16.4%	821	15.3%	25	16.8%
\$200,000 TO 299,999	\$3,884,193	16.8%	917	17.1%	15	10.1%
\$300,000 TO 399,999	\$2,846,155	12.3%	662	12.4%	8	5.4%
\$400,000 TO 499,999	\$823,355	3.6%	213	4.0%	2	1.3%
\$500,000 TO 749,999	\$3,067,001	13.3%	715	13.4%	5	3.4%
\$750,000 TO 999,999	\$1,831,190	7.9%	363	6.8%	2	1.3%
\$1,000,000 or above	\$3,819,774	16.5%	879	16.4%	2	1.3%
ALL	\$23,114,297	100.0%	5,354	100.0%	149	100.0%

Note: Multi-site providers are included as one entry.

IX. Analysis of Child Care Use by Public Assistance Status for Single Parents

All AFDC, food stamp and medical assistance cases receiving aid in December 1995 were matched against county child care cases to provide a base for examining the use of child care subsidies during and after public assistance episodes. **This analysis examined the use of child care support for cases with dependent children and headed by single parent females age 21 and older and expected to work.** The number of AFDC cases in this category totaled 21,874, the number of food stamp cases not on AFDC totaled 2,701, and the number of cases receiving medical assistance but not AFDC or food stamps totaled 2,928 families. It was anticipated that use of the child care subsidies would be high, particularly for the food stamp and medical assistance groups since most of these caseheads were already employed and in many cases had previously been on AFDC. Cases on AFDC were expected to show high usage of child care subsidies as well with the phasing in of "Pay for Performance" during Spring 1996.

Receipt of Child Care Subsidies by Cases on Public Assistance in December 1995 (Cases Headed by Single Parent Females Expected to Work)

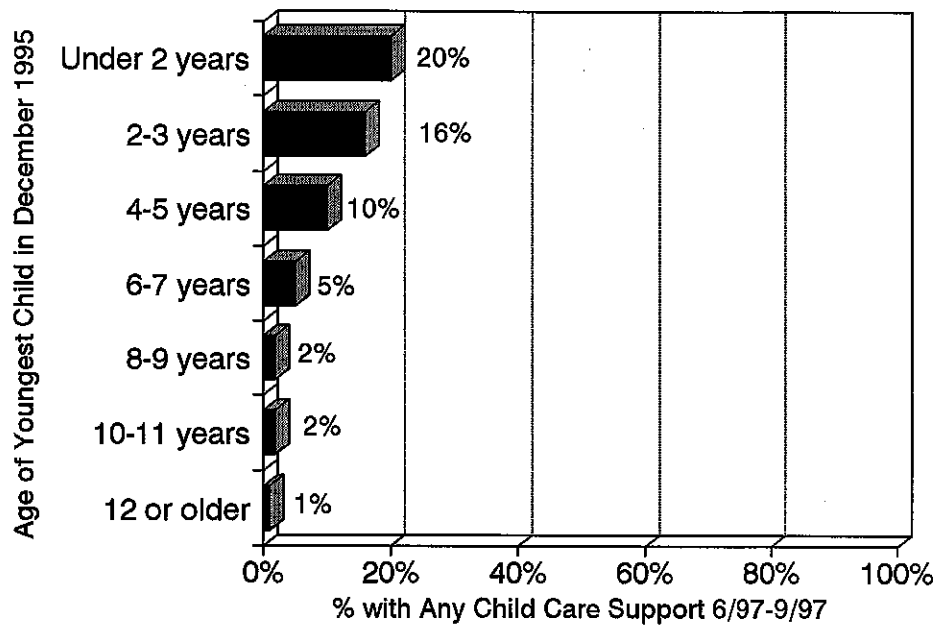
<u>Type of Case</u>	<u>Number of Cases</u>	<u>Cases Receiving Child Care Subsidy Payments During 21-Month Period:</u>	
		<u>Number</u>	<u>Percent</u>
AFDC	21,874	5,437	25%
Food Stamps	2,701	322	12%
Medical Assistance Only	2,928	455	16%

Use of Subsidized Child Care by December 1995 AFDC Cases

The population on AFDC in December 1995 and having left AFDC as of September 1996 was examined to assess the use of subsidized child care for those single parent cases age 21 and above and expected to work. Cases were examined separately for caseheads with 12 or more years of schooling and those with less. The age of the youngest child was also examined for a variety of groupings including children of school age, preschool age, and infants.

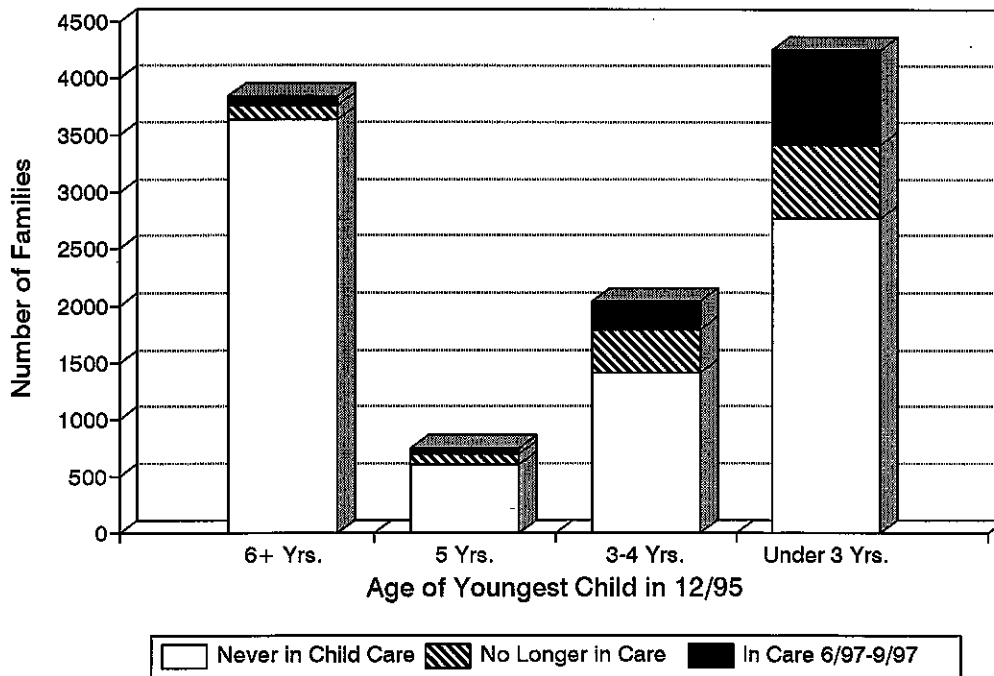
- A total of 21,874 female single parent cases 21 years and older were on AFDC in December 1995 and expected to work. Of these cases, 10,926 or 50 percent were not on AFDC 1-1/2 years later in June 1997.
- One-fourth (25 percent) of all 21,874 cases received a child care subsidy at some time during the 21-month period. Of the 10,926 cases who were no longer on AFDC by June 1997, only 25 percent received child care subsidies anytime during the 21-month period and only 11 percent received child care support after June 1997 (in July through September 1997).

Single Parents Receiving Low-Income Child Care Support After Leaving AFDC



Population includes families headed by female single parents expected to find employment. All cases (N=10,926) received AFDC in December 1995 and were no longer on AFDC in June 1997.

12/95 AFDC Cases No Longer on in 6/97: Families Receiving Child Care Support



December 1995 AFDC Cases Receiving Child Care Subsidies
(Cases Headed by Single Parent Females Aged 21 or Older and Expected to Work)

<u>Age of Youngest Child in Dec. 95</u>	<u>Cases on AFDC in in Dec.95</u>	<u>% of Cases With Child Care Subsidies Jan.96-Sept.97</u>	<u>% of AFDC Cases Closed by June 97</u>	<u>% of Closed Cases With Care Subsidies June 97-Sept 97</u>
12 or older	2,257	2%	60%	1%
10-11 years old	1,104	4%	51%	2%
8-9 years old	1,577	7%	52%	2%
6-7 years old	2,206	12%	50%	5%
4-5 years old	3,326	26%	50%	10%
2-3 years old	5,205	37%	47%	16%
Less than 2 years old	<u>6,199</u>	35%	47%	20%
ALL	21,874	25%	50%	11%
(Number =)		(5,437)	(10,926)	(1,250)

- Those families who obtained low-income child care were clearly set apart from the balance of the population. Use of child care subsidies and access to consistent child care were heavily influenced by the level of education of the casehead, age of the children, and number of children.

- Families with the youngest child age 8 years and over in December 1995 were least likely to use the child care subsidy. Of these 4,938 cases, only 201 (4 percent) were paid the child care subsidy, and only 37 of these cases who left AFDC by June 1997 (1 percent of the group) were still receiving subsidized care in the period June 1997 through September 1997.

- Those families with the youngest child aged 6 or 7 years in December 1995 were also less likely to be paid for subsidized care. Only 12 percent of these 2,206 cases were paid for any care and only 52 of the 1,109 cases which left AFDC by June 1997 were paid for care during the period June 1997 through September 1997.

In those cases which left food stamps and AFDC by June 1997, few continued to receive child care during the period June 1997 through September 1997. The age of the youngest child in December 1995 was used to assess child care needs for families and the likelihood of a subsidized care payment being made at all and after the AFDC case closure. Just over half of December 1995 AFDC cases were closed by June 1997 (18 months later) with just slightly lower closure rates for families with very young children. Those families with the youngest child more than 12 years of age showed rates of 60 percent off AFDC, while cases with children under 2 years showed 47 percent off AFDC. Few families with the oldest child of school age used the child care subsidy at all, and almost none of those who left AFDC showed child care payments from June 1997 through September 1997.

Those families with the youngest child under four years of age made up over half of all AFDC cases and showed the highest overall use of subsidized child care with over one-third of families using county-paid care at some time. However, of those who left AFDC by June 1997,

few (only 1 in 5) received child care payments during June through September 1997. Even for those single parents with a child under 2 years of age in December 1995, only 20 percent of those who left by June 1997 showed evidence of a child care payment. Of families who left AFDC by June 1997 with a youngest child aged 2-3 years, 16 percent showed one or more payments, and for families with a 4-5 year old, only 10 percent showed a payment.

Use of Use of Child Care by December 1995 Medical Assistance Cases

There were 2,928 female single-parent families on medical assistance in December 1995 but not on food stamps or AFDC who were expected to work and were 21 years of age or older. Of these cases, 455 (16 percent) had some child care subsidy payment in the 21-month period examined. Most of these cases (86 percent) received "low-income" child care support, and most of those receiving payments were families where the youngest child was less than six years old.

December 1995 Medical Assistance Cases Receiving Child Care Subsidies
(Cases Headed by Single Parent Females Aged 21 or Older and Expected to Work)

<u>Age of Youngest Child in Dec. 95</u>	<u>Cases on Medical Only in Dec.95</u>	<u>% of Cases With Child Care Subsidies Jan.96-Sept.97</u>	<u>% of Cases Off AFDC + FS by June 97</u>	<u>% of Closed Cases With Care Subsidies June 97-Sept 97</u>
12 Years or Older	279	2%	86%	1%
10 - 11 Years	176	1%	83%	0%
8 - 9 Years	195	4%	82%	1%
6 - 7 Years	300	10%	84%	2%
4 - 5 Years	516	22%	84%	9%
2 - 3 Years	712	24%	83%	11%
Less than 2 Years	<u>750</u>	17%	88%	9%
Total (Number =)	2,928	16% 455	85% 2,488	7% 172

Few families in the medical assistance group used subsidized care during the months examined. Overall, only 1 out of 5 cases with children under six years of age received any subsidy and only 1 in 10 of those who were off both AFDC and food stamps in June 1997 with children under six years old had payments in June 1997 through September 1997.

Use of Subsidized Child Care by December 1995 Food Stamp Participants

The population of December 1995 food stamp cases not on AFDC, expected to work and headed by a female single parent 21 years or older were tracked over time to assess child care use and consistency of child care. Of the 2,701 cases in this group, 533 received some sort of child care subsidy, with 79 percent receiving low-income care. Use of low-income child care was most often seen in families with the youngest child under six years of age.

December 1995 Food Stamp Cases Receiving Child Care Subsidies

<u>Age of Youngest Child in Dec. 95</u>	<u>Cases on Food Stamps Only in Dec.95</u>	<u>% of Cases With Child Care Subsidies Jan.96-Sept.97</u>	<u>% of Cases Off AFDC + FS by June 97</u>	<u>% of Closed Cases With Care Subsidies June 97-Sept 97</u>
12 Years or Older	486	1%	57%	0%
10 - 11 Years	232	2%	55%	0%
8 - 9 Years	271	7%	55%	3%
6 - 7 Years	349	11%	58%	4%
4 - 5 Years	479	29%	56%	16%
2 - 3 Years	539	38%	52%	20%
Less than 2 Years	<u>345</u>	36%	59%	22%
Total (Number =)	2,701	20% (533)	56% (1,508)	10% (157)

Characteristics of Families Receiving Child Care Support for Low-Income Families

Those families most likely to have consistent child care were the low-income population eligible for child care because they had left AFDC and were employed. They were more likely to remain off AFDC as well, but made up only a small portion of the total population. Because of their status as the low-income (i.e., non-AFDC) population, they are more likely to remain off because by definition they have already left AFDC, are employed, and have secured child care. The groupings below by age of the youngest child and level of schooling of the casehead show the difference for families in the low-income child care category and those not.

Use of Child Care Subsidies by Age of Youngest Child and Casehead's Education Level
(for Single Parent Female Cases on AFDC in December 1995)

	12 or More Yrs. Schooling and Youngest Child Aged:			Less than 12 Yrs. Schooling and Youngest Child Aged:		
	<u>0-2</u>	<u>3-4</u>	<u>5-7</u>	<u>0-2</u>	<u>3-4</u>	<u>5-7</u>
Cases Receiving "Low-Income" Child Care Subsidies (N=)	552	177	75	272	98	34
% Receiving Child Care Subsidies in 6/97-9/97	88%	84%	87%	90%	84%	85%
% Off AFDC in 12/96	51%	46%	56%	35%	38%	38%
% Off AFDC in 6/97	72%	65%	73%	54%	60%	59%
% of Those Off AFDC in 6/97 Who Had Child Care Subsidies in 6/97-9/97	(87%)	(84%)	(87%)	(87%)	(80%)	(80%)
All Other Cases (N=)	3,562	1,808	1,799	3,743	1,721	1,504
Number <u>Ever</u> in Any Subsidized Child Care	920	491	243	938	373	140
% <u>Ever</u> in Any Subsidized Child Care	26%	27%	14%	25%	22%	9%
% Receiving Child Care Subsidies in 6/97-9/97	10%	8%	3%	10%	7%	3%
% Off AFDC in 12/96	42%	43%	46%	29%	30%	34%
% Off AFDC in 6/97	50%	54%	56%	36%	39%	42%
% of Those Off AFDC in 6/97 Who Had Child Care Subsidies in 6/97-9/97	2%	1%	1%	3%	1%	0%

*1,277 cases had no grade of school listed. Of these cases, 40 percent were not on AFDC in 12/96, 48 percent were off AFDC in 6/97, and 20 percent had ever received subsidized child care.

Use of Child Care Subsidies by Age of Youngest Child and Casehead's Education Level
(for Single Parent Cases on Food Stamps and Not AFDC in December 1995)

	12 or More Yrs. Schooling and Youngest Child Aged: <u>0-2</u> <u>3-4</u> <u>5-7</u>			Less than 12 Yrs. Schooling and Youngest Child Aged: <u>0-2</u> <u>3-4</u> <u>5-7</u>		
Cases Receiving "Low-Income" Child Care Subsidies (N=)	138	117	49	30	32	17
% Still in Subsidized Child Care 6/97-9/97	75%	58%	57%	80%	72%	65%
% Off AFDC in 12/96	84%	83%	86%	81%	75%	82%
% Off AFDC in 6/97	85%	87%	90%	84%	88%	94%
All Other Cases (N=)	261	228	320	137	132	149
% <u>Ever</u> in Any Subsidized Child Care	13%	10%	4%	12%	7%	3%
% Receiving Child Care Subsidies in 6/97-9/97	8%	2%	2%	4%	2%	1%
% Off AFDC in 12/96	81%	81%	87%	82%	75%	85%
% Off AFDC in 6/97	84%	81%	90%	82%	80%	84%

Use of Child Care Subsidies by Casehead's Education Level and Age of Youngest Child
(for Single Parent Cases on Medical Assistance Only in December 1995)

	12 or More Yrs. Schooling and Youngest Child Aged: <u>0-2</u> <u>3-4</u> <u>5-7</u>			Less than 12 Yrs. Schooling and Youngest Child Aged: <u>0-2</u> <u>3-4</u> <u>5-7</u>		
Cases Receiving "Low-Income" Child Care Subsidies (N=)	139	111	47	19	19	11
% Off AFDC in 12/96	93%	91%	89%	74%	84%	82%
% Off AFDC in 6/97	92%	93%	87%	89%	84%	91%
All Other Cases (N=)	478	325	309	165	107	110
% <u>Ever</u> in Any Subsidized Child Care	4%	4%	4%	4%	1%	4%
% Receiving Child Care Subsidies in 6/97-9/97	3%	1%	1%	2%	1%	3%
% Off AFDC in 12/96	94%	89%	92%	93%	91%	85%
% Off AFDC in 6/97	95%	92%	94%	90%	92%	90%

X. Characteristics of Families With Young Children Using and Not Using Subsidized Care

Families on public assistance were further analyzed to assess the characteristics of the population expected to show high demand for child care, especially during the period beginning in March 1997 when the county waiting list for low-income child care was eliminated. The prior section examined all public assistance cases and found that few cases received child care subsidies where the youngest child was at least school age. This section focuses on the population with a youngest child less than eight years of age in December 1995 and then further breaks out child care subsidy usage by children in three age groups and by the level of education of the mother.

Overall, 20,924 Milwaukee County AFDC, food stamp and medical assistance cases had a youngest child less than eight years of age in December 1995. Of these, 81 percent (16,934 cases) were AFDC cases. Of the 6,179 cases showing a child care payment, 85 percent were AFDC cases.

Public Assistance Cases With a Youngest Child Under Age Eight in December 1995

<u>All Public Assistance Cases</u>	<u>Children Under 8</u>	<u>AGE OF YOUNGEST CHILD IN 12/95:</u>		
		<u>0-2 Years</u>	<u>3-4 Years</u>	<u>5-7 Years</u>
AFDC	16,934	9,052	4,188	3,694
Food Stamps	1,712	605	540	567
Medical Assistance	<u>2,278</u>	<u>1,104</u>	<u>644</u>	<u>530</u>
TOTAL	20,924	10,761	5,372	4,791

<u>Cases Receiving Subsidized Child Care</u>	<u>Children Under 8</u>	<u>AGE OF YOUNGEST CHILD IN 12/95:</u>		
		<u>0-2 Years</u>	<u>3-4 Years</u>	<u>5-7 Years</u>
AFDC	5,235	3,262	1,376	597
Food Stamps	504	230	189	85
Medical Assistance	<u>440</u>	<u>211</u>	<u>150</u>	<u>79</u>
TOTAL	6,179	3,703	1,715	761

When the casehead's level of schooling was considered, the population of AFDC cases with the youngest child under eight years of age was almost evenly split, with 52 percent having 12 years or more of schooling and 48 percent have less than 12 years of schooling. However, child care subsidies were more likely for those caseheads with 12 or more years of schooling and with younger children. For the medical assistance only population casehead education levels were higher (77 percent had at least 12 years of schooling), but child care subsidy usage was considerably lower. The food stamp population (where 69 percent of caseheads had attained 12 years of schooling) showed the highest levels of child care subsidy use for children under age five.

**Female One-Parent Cases on AFDC in December 1995 and Expected to Work:
(Cases With a Child Under Eight Years of Age)**

<u>AFDC Cases (N=15,345)</u>	<u>Age of Youngest Child:</u>			<u>Total</u>
	<u>0-2 Yrs.</u>	<u>3-4 Yrs.</u>	<u>5-7 Yrs.</u>	
Caseheads with 12 or More Years of Schooling	4,440	2,136	1,926	8,502
% Receiving Care Subsidies	40%	38%	19%	
Caseheads With Less Than 12 Years of Schooling	4,104	1,854	1,568	7,526
% Receiving Care Subsidies	32%	27%	13%	
<u>MA Only Cases (N=1,834)</u>				
Caseheads With 12 or More Years of Schooling	617	436	356	1,409
% Receiving Care Subsidies	26%	28%	16%	
Caseheads With Less Than 12 Years of Schooling	184	120	121	425
% Receiving Care Subsidies	14%	16%	12%	
<u>Food Stamp Cases (N=1,610)</u>				
Caseheads With 12 or More Years of Schooling	399	345	369	1,113
% Receiving Care Subsidies	43%	40%	17%	
Caseheads With Less Than 12 Years of Schooling	167	164	166	497
% Receiving Care Subsidies	27%	25%	13%	

The level of education and age of the youngest child clearly had much to do with child care subsidy use patterns as did public assistance status. However, even within these subgroupings there are circumstances which appear to result in more consistent use of child care. Those cases which had a subsidy attributable to a funding category called "low-income" or "transitional care" were much more likely to sustain care over time and after departure from AFDC. Those cases which remained off AFDC were very high for the medical assistance only population where over 93 percent remained off in June 1997 and for food stamp cases where 86 percent were not on AFDC in June 1997. For the December 1995 AFDC population, half (50 percent) of cases were off AFDC by June 1997.

Use of child care did not appear to have much impact, if any, on whether the case returned to AFDC for the FS/MA population, when those cases in low-income child care were compared to the population not in the low-income child care group. For the AFDC population, however, the population which moved into low-income child care showed fairly similar rates off AFDC in December 1996 compared to the cases not obtaining low-income child care. By June 1997, however, considerably more of the cases showing low-income child care subsidies remained off AFDC. This, of course, can be explained at least in part by the fact that low-income child care cases are by definition employed (as a condition for the care subsidies) and may as a result be more likely to show continued earnings than other AFDC cases.

XI. Survey of Licensed Day Care Availability in Milwaukee County

In August 1997 the University of Wisconsin-Milwaukee Employment and Training Institute conducted a phone survey of full-time, year-round licensed group and family day care centers to assess the availability of child care in Milwaukee County. All group and family child care providers licensed by the State of Wisconsin and offering full-time year-round care (that is, care at least Monday through Friday, January through December) were included in the survey. The providers were asked to give information on their current openings for infants and other children. Family providers were also questioned about the number of children they would prefer to have in their care. Findings were aggregated for Milwaukee central city zipcodes with large numbers of families receiving AFDC/W-2 and for the balance of Milwaukee County and compared to results from a similar survey in February 1996.¹ Eighty-one percent of group day care centers and 87 percent of family providers responded to the survey.

- Licensed providers reported a total of 373 openings for infant care in Milwaukee County. These included 310 openings in central city Milwaukee and 63 openings in the balance of the county.
- Compared to the February 1996 survey, the 1997 openings for infants decreased by 96 in central city Milwaukee neighborhoods, with the greatest decreases occurring in 53206, 53212, and 53209. The most significant increases in infant openings occurred in zipcode 53216, which showed 21 more openings than last year.
- Central city providers reported 1,814 openings for children aged one and above. Non-central city providers reported openings for 987 children aged one and above.
- In central city Milwaukee, zipcodes 53209 and 53216 had the highest number of total openings for group and family licensed care. Zipcodes 53203 and 53225 had the lowest number of available openings.

¹ Central city Milwaukee zipcodes included: 53202-53210, 53212, 53215, 53216, 53218, 53225 and 53233. Zipcode 53209 crosses municipal boundaries, and southside Milwaukee zipcodes with smaller numbers of AFDC/W-2 recipients are included in the "balance of county" subpopulation.

Openings for Child Care in Central City Milwaukee Zipcodes
(Licensed Group and Family Providers: August 1997)

	<u>Openings for Infants</u>	<u>Openings for Ages 1-12 Years</u>	<u>Total Openings</u>
53202	3	67	70
53203	4	23	27
53204	0	58	58
53205	6	33	39
53206	26	75	101
53207	0	67	67
53208	39	157	196
53209	46	290	336
53210	36	202	238
53212	22	245	267
53215	5	112	117
53216	71	273	344
53218	30	144	174
53225	4	7	11
53233	18	61	79
Total	310	1,814	2,124

Openings for Child Care in the Balance of Milwaukee County
(Licensed Group and Family Providers: August 1997)

	<u>Openings for Infants</u>	<u>Openings for Ages 1-12 Years</u>	<u>Total Openings</u>
53110	2	19	21
53129	4	35	39
53130	2	3	5
53132	3	66	69
53154	1	57	58
53172	6	63	69
53211	0	46	46
53213	1	67	68
53214	8	132	140
53217	16	102	118
53219	2	54	56
53220	1	37	38
53221	1	72	73
53222	1	86	87
53223	2	23	25
53224	0	5	5
53226	6	37	43
53227	4	67	71
53228	2	12	14
53295	1	2	3
53235	0	0	0
Total	63	985	1,048

A. Openings in Licensed Group Child Care

Group child care providers were asked the total number of full-time child care openings they had at that time and the number of full-time openings for infant care (less than one year of age), toddler care (one and two years of age), children aged three through five, and school aged children (aged six through twelve). Eighty-one percent (207 of 254 providers) responded to the survey. This included 118 central city providers and 89 non-central city providers.

Telephone Contact

Licensed child care providers are required to have a working telephone as a condition of their contract to provide child care so that parents can contact their children and caregivers can summon services in case of an emergency. However, 13 percent of the total population of active licensed providers for group day care in the central city could not be reached at the phone number listed. Despite repeated phone calls during work hours, 8 percent of the group care providers did not answer their phones, while another 5 percent had phones which had been disconnected or were no longer at the listed number. (An additional 9 percent did not respond for other reasons, e.g., stating that they were too busy to answer the questions or that the supervisor was not available at the time.)

Outside of the central city neighborhoods, 4 percent of the population of active licensed providers for group day care could not be reached at the phone number listed. Despite repeated phone calls during work hours, 1 percent of the group care providers did not answer their phones and 3 percent had phones which had been disconnected or were no longer at the listed number. (An additional 7 percent did not respond for other reasons such as those listed above.)

Number of Openings Compared to Licensed Capacity

In August 1997, there were 1,825 openings for children ages infant through 12 years in the central city and 993 openings in non-central city group day care providers.

Total Openings Among Group Day Care Providers Surveyed (August 1997)

<u>Location</u>	<u>OPENINGS REPORTED FOR:</u>			<u>Total Openings 0-12 Yr.</u>	<u>Licensed Capacity</u>	<u>Number of Providers</u>
	<u>Infants</u>	<u>1-2 Yr. Olds</u>	<u>3-5 Yr. Olds</u>			
Central City	214	341	670	1,825	7,834	118
Balance of County	<u>50</u>	<u>122</u>	<u>468</u>	<u>993</u>	<u>6,886</u>	<u>89</u>
TOTAL	264	463	1,138	2,818	14,720	207

Some group day care providers throughout the county had high numbers of openings in relation to their capacity. A few had more openings than their total capacity allowed. In some cases this discrepancy may result from enrollment of children in after-school or part-time care. In other cases, the provider may be accepting more children than allowed by capacity limits.

Vacancy Rate

The vacancy rate among group day care providers responding was 19 percent for Milwaukee County as a whole (based on their total licensed capacity of 14,720). Central city providers showed a vacancy rate of 14 percent, providers in the balance of the county had a vacancy rate of 23 percent. When subpopulations were analyzed, the reported 16 percent vacancy rate for children ages 5 and younger in the central city centers was almost double the 9 percent vacancy rate for this same age group in the non-central city population.

There has been a significant change in the vacancy rate when compared to the data from 1996. Last year, 70 percent of group day care center providers in central city Milwaukee had less than a 10 percent vacancy rate. In August 1997, only 35 percent of these same providers had a vacancy rate of less than 10 percent. In areas outside of central city Milwaukee, 45 percent of group day care providers had a vacancy rate of less than 10 percent in August 1997. (This group was not surveyed in 1996.) Vacancy rates may reflect a number of factors, including increases in capacity to meet new anticipated needs, expansion of capacity beyond the present child care demands of the community, "poor performance" by a provider, or mismatches between available families needing care and available care.

Infant Care

Of group providers licensed for infant care, 36 percent of non-central city and 53 percent of central city providers reported openings for infants. The lower rate of openings for non-central city providers was also true for 1 and 2 year olds (47 percent vs. 57 percent). For 3 through 5 year olds, both populations had approximately the same rate of openings, 69 percent and 67 percent.

Group Care Providers with Openings for Children Ages 5 and Younger

<u>Location</u>	<u>NUMBER OF PROVIDERS WITH OPENINGS FOR:</u>			<u>Total With Openings for Under 6 Yr.</u>
	<u>Infants</u>	<u>1-2 Yr. Olds</u>	<u>3-5 Yr. Olds</u>	
Central City	49	63	77	89
Balance of County	21	37	61	72

	<u>% OF PROVIDERS WITH OPENINGS FOR:</u>			<u>Percent With Openings for Under 6 Yr.</u>
	<u>Infants</u>	<u>1-2 Yr. Olds</u>	<u>3-5 Yr. Olds</u>	
Central City	53%	57%	67%	75%
Balance of County	36%	47%	69%	81%

In the central city neighborhoods openings for infants made up 18 percent of all openings for children ages five and under. In the balance of the county most of the openings for young children in group care centers were for children ages 3-5.

Openings for Young Children in Group Child Care Centers

<u>Location</u>	<u>REPORTED OPENINGS FOR:</u>			<u>TOTAL</u>
	<u>Infants</u>	<u>1-2 Yr. Olds</u>	<u>3-5 Yr. Olds</u>	
Central City	222	353	676	1,251
% of Total	18%	28%	54%	100%
Balance of County	50	122	468	640
% of Total	8%	19%	73%	100%

B. Openings in Licensed Family Care

A total of 203 full-time, year-round licensed family child care providers located in Milwaukee County were surveyed and 177 providers responded (for a response rate of 87 percent). These providers were asked to report their current total openings, openings for infants, number of children currently in their care, and number of children they preferred to care for. Respondents included 105 central city providers and 72 providers from the balance of the county. In August 1997, these providers reported 299 openings for children ages infant through 12 years in central city Milwaukee and 57 openings in non-central city neighborhoods. The average number of openings available was higher among central city providers (3) than for non-central city providers (1) as was the average number of children providers preferred to care for (8 in the central city and 7 outside of the central city).²

The survey did not attempt to elicit information on the quality of care available. In some cases a surveyor had to make as many as four or five attempts to receive a response of any kind from the provider, and in some cases, a child would answer the phone. When asked how many children the provider preferred to care for, responses from individual providers ranged as high as 16, 21, and 51.

Telephone Contact

Licensed child care providers are required to have a working telephone as a condition of their contract to provide child care so that parents can contact their children and caregivers can summon services in case of an emergency. However, 9 percent of the population of active licensed providers for family day care in the central city could not be reached at the phone number listed. Despite repeated phone calls during work hours, 8 percent of the licensed family care providers did not answer their phones, and 1 percent had phones which had been disconnected or were no longer at the listed number. Three percent of the central city providers stated that they were no longer in business. (An additional 8 percent did not participate in the survey for other reasons, e.g., reporting they were too busy to answer the questions.)

² One central city provider identified "51" as the preferred number of children to care for. This response was eliminated from the data set when averages were calculated so as not to skew the statistic.

In the neighborhoods in the balance of the county, 11 percent of the population of active licensed providers for family day care could not be reached at the phone number listed. Despite repeated phone calls during work hours, 9 percent of the licensed family providers did not answer their phones and 2 percent had phones which had been disconnected or were no longer at the listed number. An additional 3 percent of those we attempted to reach did not respond for other reasons such as those listed above. Two percent of the non-central city providers were permanently or temporarily closed for business.

Child Care Preferences of Licensed Family Day Care Providers

<u>Location</u>	<u>Number of Providers</u>	<u>Total Licensed Capacity</u>	<u>Children in Care (Average)</u>	<u>Children Preferred (Average)</u>	<u>Openings (Average)</u>	<u>Openings for Infants</u>	<u>Total Openings</u>
Central City	105	840	6	8	3	88	299
Balance of County	72	576	7	7	1	13	57

Sixty-six percent (N=69) of the central city respondents and 46 percent (N=33) of the non-central city respondents preferred to care for 8 children, the maximum number a family provider may care for at one time. Of those, 39 percent of central city providers were caring for 8 children compared to 58 percent of the non-central city providers. More than half of the central city providers were caring for less than their preferred number of children.

Family Providers Who Prefer to Care for Eight Children

<u>Location</u>	<u>Prefer 8, care for 8</u>		<u>Prefer 8, care for less than 8</u>		<u>Prefer 8, care for more than 8</u>		<u>TOTAL</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Central City	27	39%	39	57%	3	4%	69	100%
Balance of County	19	58%	12	36%	2	6%	33	100%

Infant Care

The vacancy rate for central city Milwaukee was 36 percent for children of all ages and 11 percent for infants. Among non-central city providers, the vacancy rate was 10 percent for all children and 2 percent for infants. A total of 35 licensed family providers in central city Milwaukee and 10 providers outside of the central city had openings for infants.

Openings for Infants in Licensed Family Child Care

<u>Location</u>	<u>Providers with Infant Openings</u>	<u>Providers with Non-Infant Openings</u>	<u>Total Openings for Infants</u>	<u>Total Openings</u>
Central City	35	58	88	299
Balance of County	10	24	13	57

XII. Analysis of Licensed Capacity in Milwaukee County

According to records from the state, from 1996 to 1998 the number of licensed group and family child care providers in the central city increased by 35 while the number of providers in the balance of the county decreased by 6. Total child care capacity in the central city zipcodes increased by nearly 2,300 while the child care capacity in the rest of the county increased by only about 100. Most of the increased capacity in the central city was in group day care, although the central city zipcodes showed an increase in both group and family providers.

Licensed Day Care Providers in Milwaukee County

<u>Number of Providers</u>	<u>2/1996</u>	<u>8/1997</u>	<u>1/1998</u>
Group Centers:	(253)	(254)	(260)
Central City	148	154	158
Balance of County	105	100	102
Family Centers:	(205)	(203)	(227)
Central City	113	121	138
Balance of County	92	82	89
TOTAL	458	457	487

<u>Total Capacity</u>	<u>2/1996</u>	<u>8/1997</u>	<u>1/1998</u>
In Group Centers:	(16,679)	(17,812)	(18,901)
Central City	8,982	10,158	11,078
Balance of County	7,697	7,654	7,823
In Family Centers*:	(1,640)	(1,624)	(1,815)
Central City	904	968	1,104
Balance of County	736	656	711
TOTAL	18,319	19,436	20,716

*Family center capacity is based on eight children per family center.

A. Group Child Care Providers

As of January 1998, Milwaukee County had a total of 260 licensed group day care providers offering full-time, year-round child care. This includes 158 providers in central city neighborhoods and 102 providers in the balance of the county. Milwaukee County providers had a licensed capacity totaling 18,901 (with 11,078 slots in the central city and 7,823 slots in centers in the balance of the county). A total of 124 central city providers (78 percent of central city providers) and 67 non-central city providers (66 percent of non-central city providers) were licensed for infant care. Ten of the central city providers and 3 of the non-central city providers had provisional licenses only which allow them to operate for 6 months at which time they must reapply for a regular license or cease operations.

Group Day Care Providers Offering Daily, Year-Round Care

<u>Location</u>	<u>Number of Providers</u>	<u>NUMBER OF PROVIDERS LICENSED FOR:</u>			<u>Total Licensed Capacity</u>
		<u>Infants</u>	<u>1-2 Yr. Olds</u>	<u>3-5 Yr.Olds</u>	
Central City	158	124	142	158	11,078
Balance of County	102	67	89	102	7,823

Regular and Provisional Licensed Group Day Care Providers

<u>Location</u>	<u>Licensed for Infants:</u>		<u>Licensed for 1-2 Years:</u>		<u>Licensed for 3-5 Years:</u>	
	<u>Regular</u>	<u>Provisional</u>	<u>Regular</u>	<u>Provisional</u>	<u>Regular</u>	<u>Provisional</u>
Central City	117	7	134	8	148	10
Balance of County	64	3	86	3	99	3

Hours of Operation

The majority (71 percent) of the central city providers opened between 6 a.m. and 7 a.m. and closed between 5 p.m. and 7 p.m. These providers were licensed to serve 8,370 children. Twenty providers (with a capacity of 907) did not close until after 7 p.m., including 12 providers who remained open until midnight or 1 a.m. Six providers (with a capacity of 389) operated 24 hours per day.

Most (86 percent) of the day care providers in the non-central city neighborhoods opened between 6 a.m. and 7 a.m. and closed between 5 p.m. and 7 p.m. Only 2 providers remained open until midnight and none of the other providers stayed open after 7 p.m.

Hours of Operation for Group Day Care Providers

<u>Examples of Hours of Operation</u>	<u>CENTRAL CITY:</u>			<u>BALANCE OF COUNTY:</u>		
	<u>Providers No.</u>	<u>%</u>	<u>Licensed Capacity</u>	<u>Providers No.</u>	<u>%</u>	<u>Licensed Capacity</u>
Open before 6 am	8	5%	423	4	4%	230
Open 6-7 am; close 5-7 pm	112	71%	8,370	88	86%	6,803
Open 7-9 am	2	1%	142	2	2%	94
Close after 7 pm	20	13%	907	3	3%	124
Close before 5 pm	2	1%	38	1	1%	24
Open 24 hours a day	6	4%	389	0	0%	0

Family Care Providers

A total of 207 full-time, year-round family child care providers were licensed in Milwaukee County in August 1997. This included 125 providers located in Milwaukee's central city and 82 providers in the balance of the county. These providers had the capacity to care for 1,655 children, including 1,000 in central city neighborhoods and 655 in the balance of the county.

Of the central city providers, 93 (77 percent) with a capacity of 744 had operating hours between 6 a.m. - 7 a.m. and 5 p.m. - 7 p.m. Twenty-one providers stayed open after 7 p.m. and 11 providers were licensed to operate 24 hours per day. Of the non-central city providers, 75 (91 percent) had hours between 6 a.m.-7 a.m. and 5 p.m.-7 p.m. Only 4 providers stayed open after 7 p.m. and one provider operated 24 hours per day.

Hours of Operation for Family Day Care Providers

<u>Examples of Hours of Operation</u>	<u>CENTRAL CITY:</u>			<u>BALANCE OF COUNTY:</u>		
	<u>Providers No.</u>	<u>%</u>	<u>Licensed Capacity</u>	<u>Providers No.</u>	<u>%</u>	<u>Licensed Capacity</u>
Open before 6 am	2	2%	16	0	0%	0
Open 6-7 am; close 5-7 pm	93	77%	744	75	91%	599
Open after 7 am	5	4%	40	8	10%	64
Close after 7 pm	21	17%	168	4	5%	32
Close before 5 pm	4	3%	24	2	2%	16
Open 24 hours a day	11	9%	88	1	1%	8

MARCH 1996				AUGUST 1997				JANUARY 1998				
Family Providers:		Group Providers:		Family Providers:		Group Providers:		Family Providers:		Group Providers:		
Number	Capacity	Number	Capacity	Number	Capacity	Number	Capacity	Number	Capacity	Number	Capacity	
53110	4	32	4	198	3	24	3	188	3	24	3	188
53129	1	8	1	150	1	8	1	125	1	8	1	125
53130	0		1	110	0		2	233	0		2	233
53132	4	32	4	349	3	24	5	373	4	32	5	373
53154	4	32	2	181	2	16	4	261	3	24	4	261
53172	4	32	4	239	3	24	5	318	7	56	5	343
53202	2	16	3	207	1	8	3	207	1	8	3	216
53203	0		1	130	0		1	120	0		1	120
53204	0		6	588	1	8	7	756	1	8	7	844
53205	2	16	4	487	0		3	450	1	8	6	665
53206	12	96	11	515	12	96	12	527	17	136	13	619
53207	5	40	3	281	8	64	3	281	9	72	3	281
53208	6	48	11	499	6	48	13	714	10	80	14	725
53209	17	136	21	1432	18	144	23	1682	18	144	24	1868
53210	16	128	15	778	24	192	15	879	21	168	14	895
53211	6	48	10	705	6	48	9	645	5	40	9	772
53212	9	72	15	810	9	72	19	1100	9	72	19	1181
53213	8	63	7	545	12	95	6	509	12	95	7	551
53214	10	80	4	205	9	72	6	297	9	72	8	387
53215	6	46	7	687	7	56	9	924	6	48	9	989
53216	18	144	16	685	22	176	21	941	27	216	22	1038
53217	8	64	16	1192	7	56	16	1292	6	48	15	1194
53218	13	104	11	580	12	96	12	715	12	96	12	864
53219	3	24	7	428	2	16	7	443	2	16	7	443
53220	3	24	2	89	3	24	2	89	3	24	3	139
53221	5	40	5	421	9	72	5	386	10	80	5	386
53222	8	64	7	475	5	40	7	452	5	40	7	461
53223	4	32	4	460	4	32	5	464	6	48	5	464
53224	3	24	1	133	2	16	1	133	2	16	1	133
53225	4	32	3	149	5	40	3	155	6	48	3	155
53226	5	40	9	780	6	48	8	677	5	40	8	677
53227	2	16	4	475	1	8	4	463	2	16	4	463
53228	3	24	2	162	3	24	2	162	3	24	2	162
53233	0		7	528	0		8	638	0		8	618
53235	1	8	0		1	8	0		1	8	0	
53295	0		1	68	0		1	68	0		1	68
ALL	196	1565	229	15721	207	1655	251	17667	227	1815	260	18901

Appendix A

Milwaukee County Maps

Full Time Year Round Licensed Group Day Care Centers as of August 1997

Licensed Group Care: Enrollment Receiving County Subsidies September 1, 1997

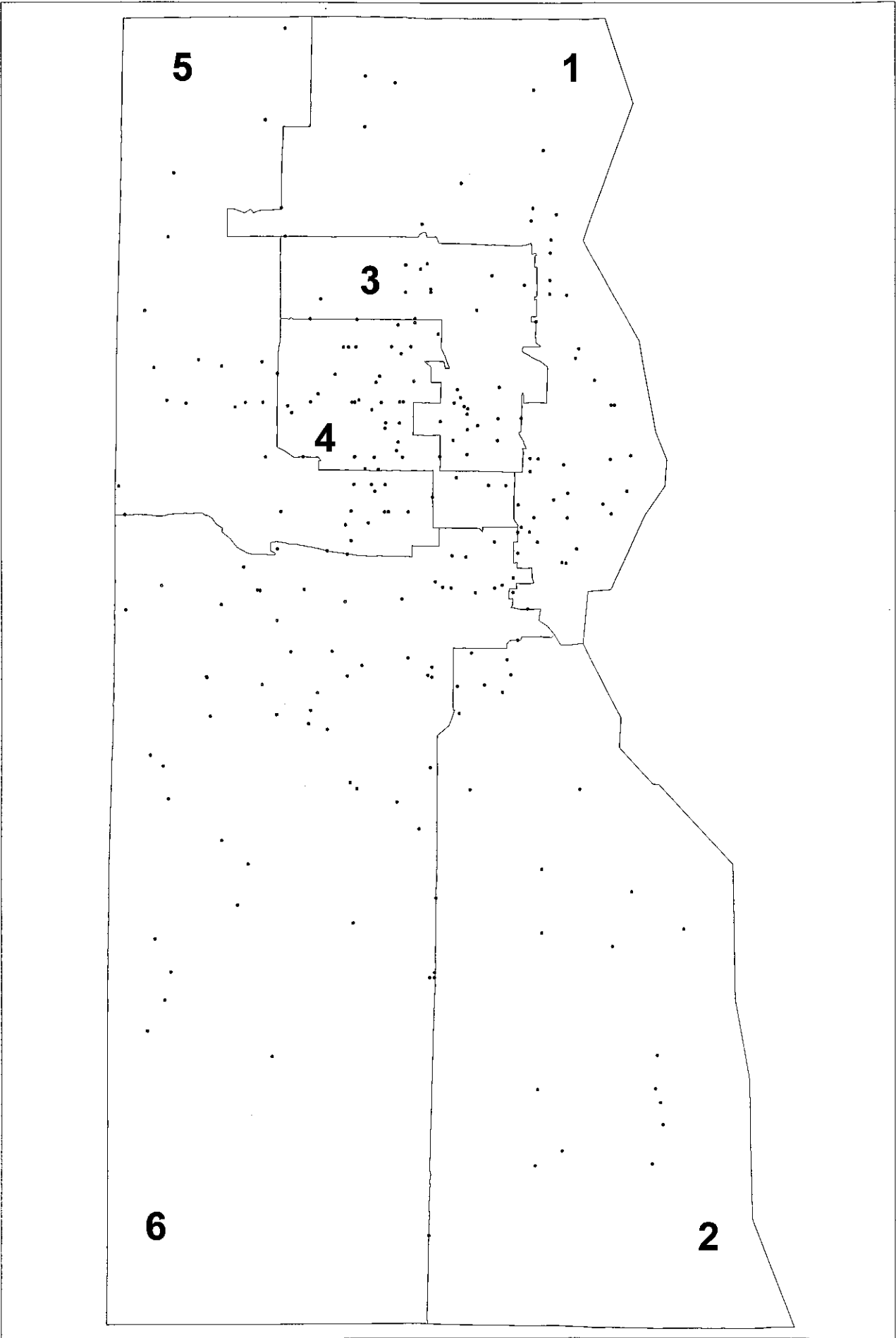
Full Time Year Round Licensed Family Providers as of August 1997

Licensed Family Care: Enrollment Receiving County Subsidies September 1, 1997

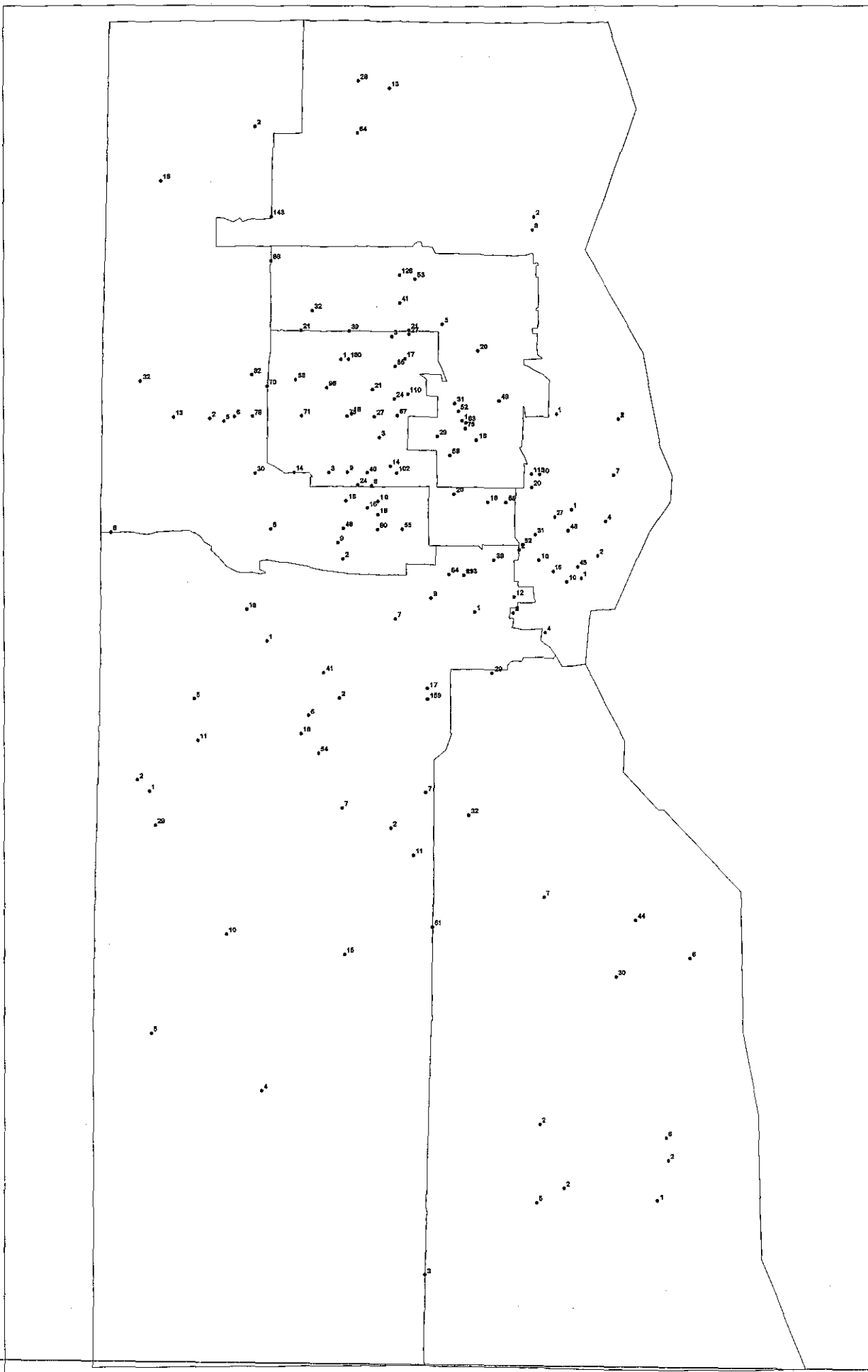
Certified Family Providers Receiving County Subsidies September 1, 1997

Provisional Care Providers Receiving County Subsidies September 1, 1997

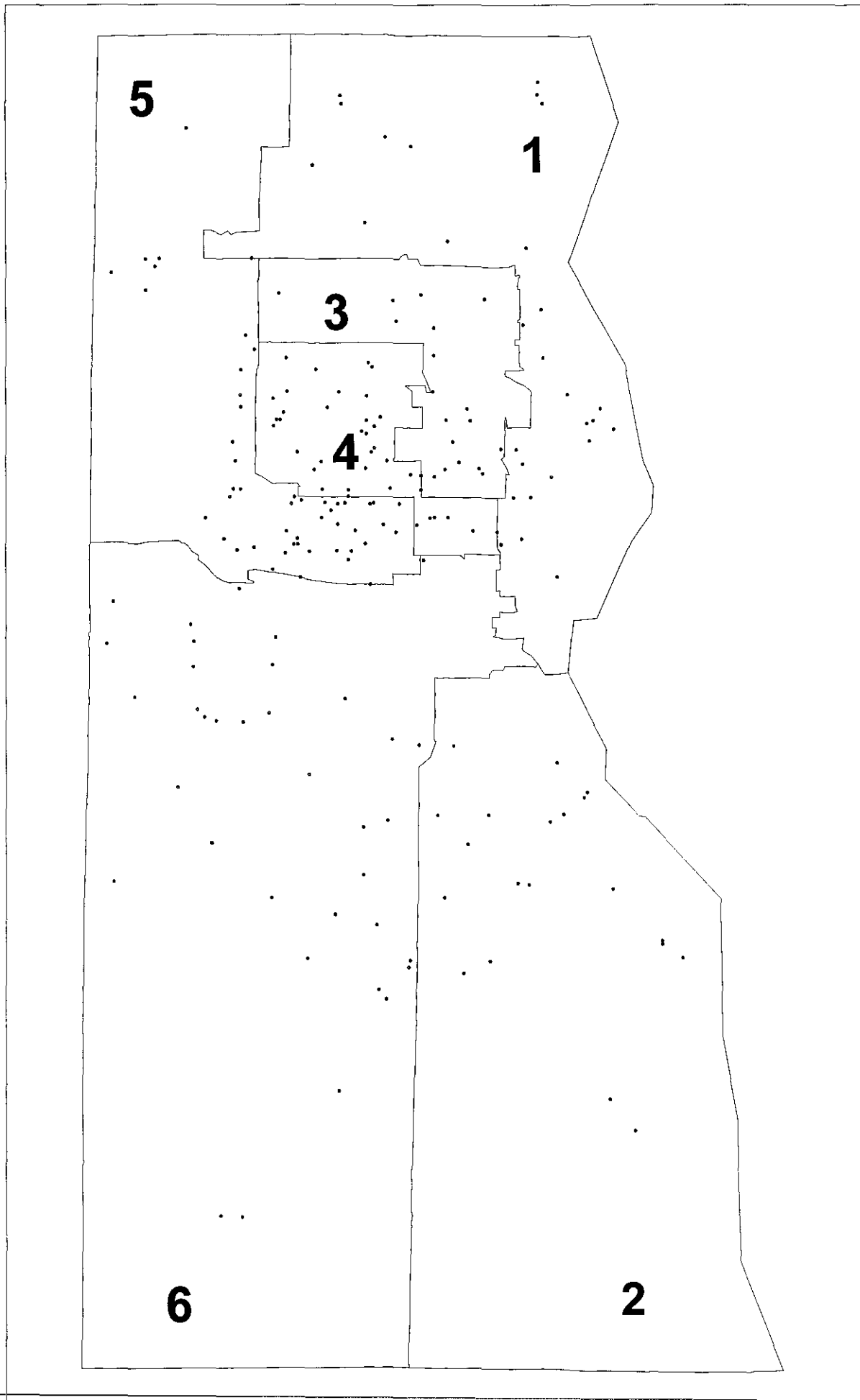
FULL TIME YEAR ROUND LICENSED GROUP DAY CARE CENTERS AS OF 8/97



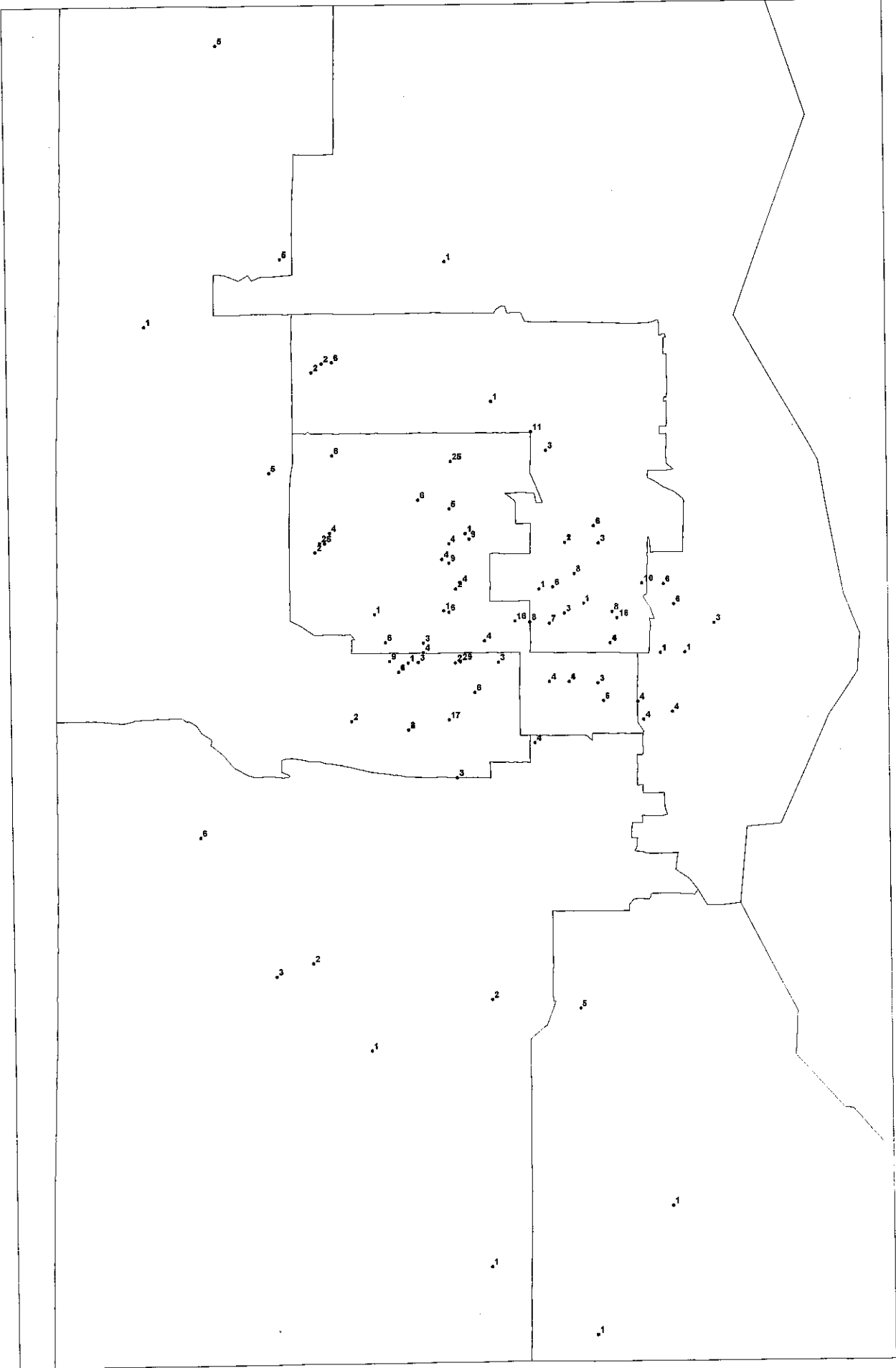
LICENSED GROUP CARE: ENROLLMENT RECEIVING COUNTY SUBSIDIES 9/1/97



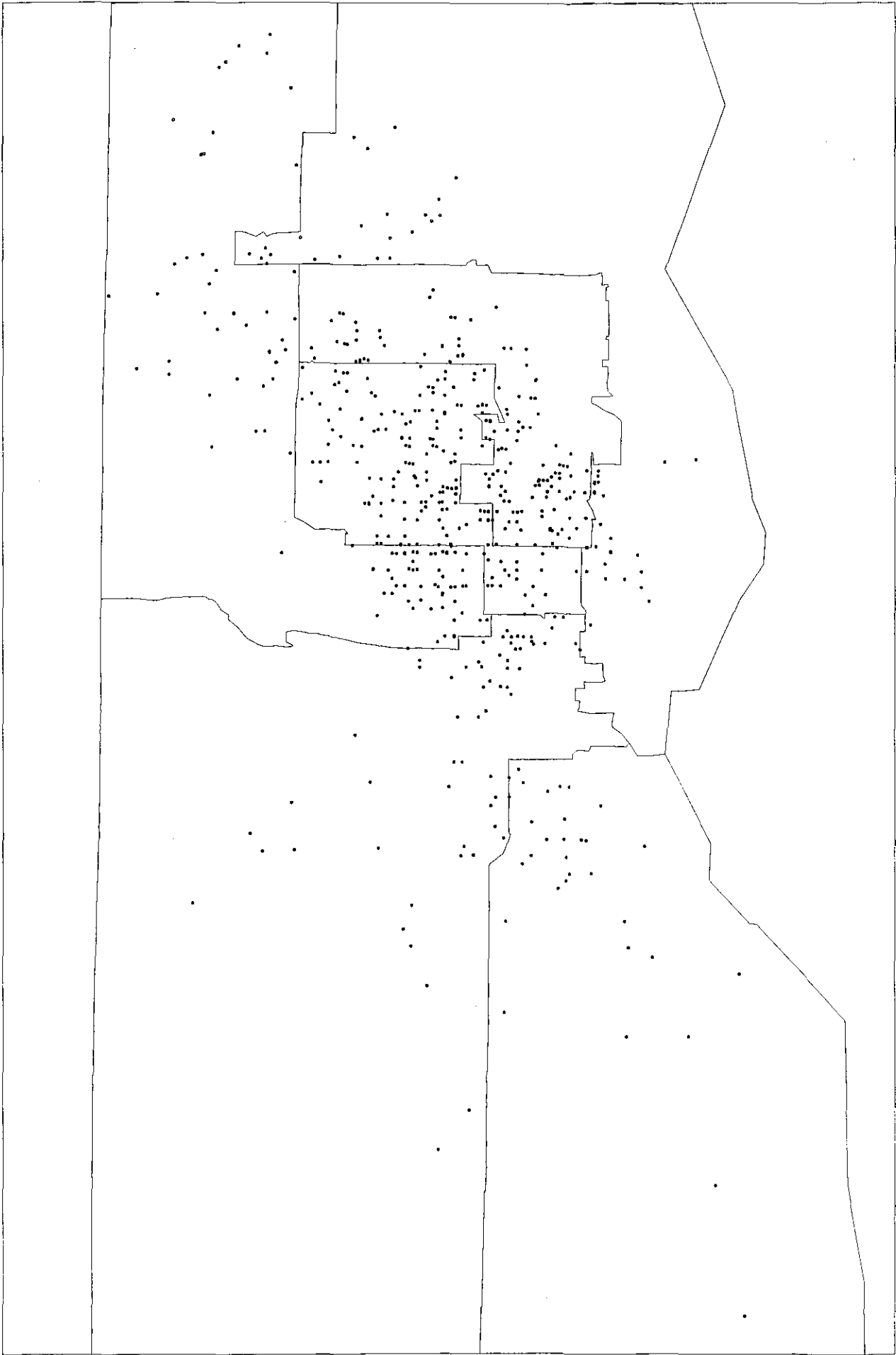
FULL TIME YEAR ROUND LICENSED FAMILY PROVIDERS AS OF 8/97



LICENSED FAMILY CARE: ENROLLMENT RECEIVING COUNTY SUBSIDIES 9/1/97



CERTIFIED FAMILY PROVIDERS RECEIVING COUNTY SUBSIDIES 9/1/97



PROVISIONAL CARE PROVIDERS RECEIVING COUNTY SUBSIDIES 9/1/97

