



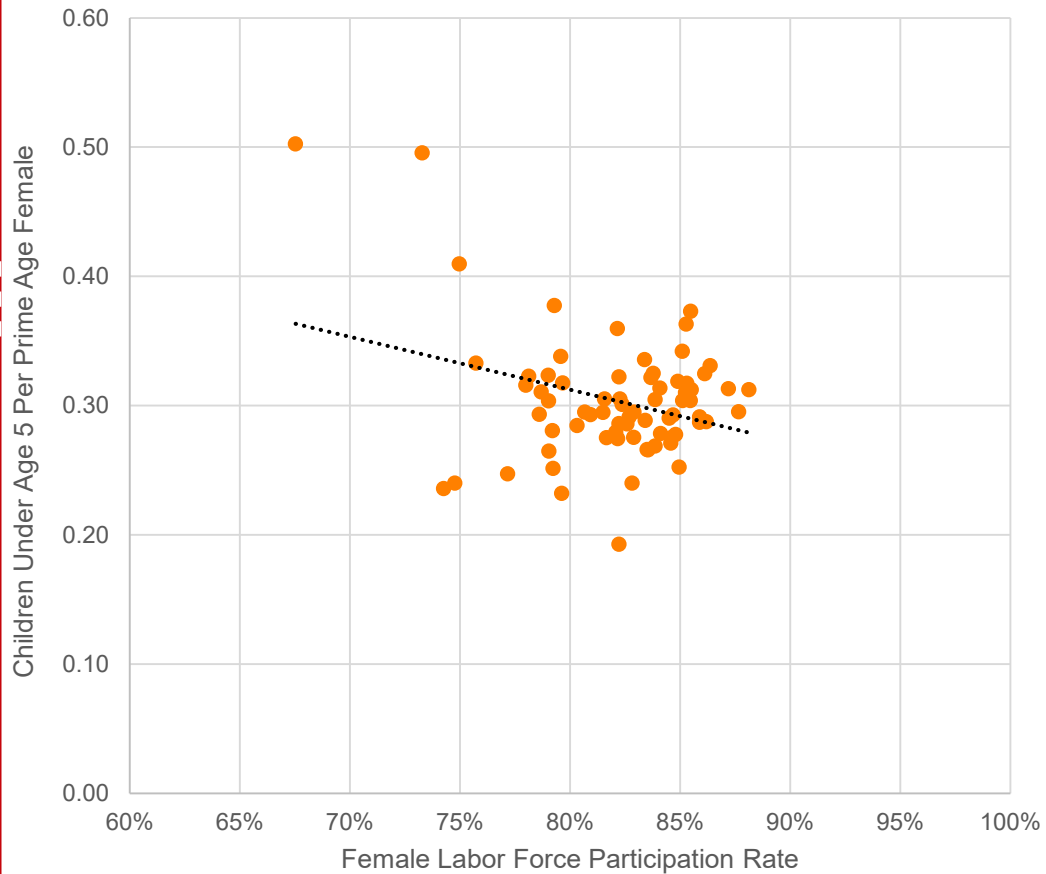
Child Care: Why, How, and Who can I work with?

Tessa Conroy
Assistant Professor

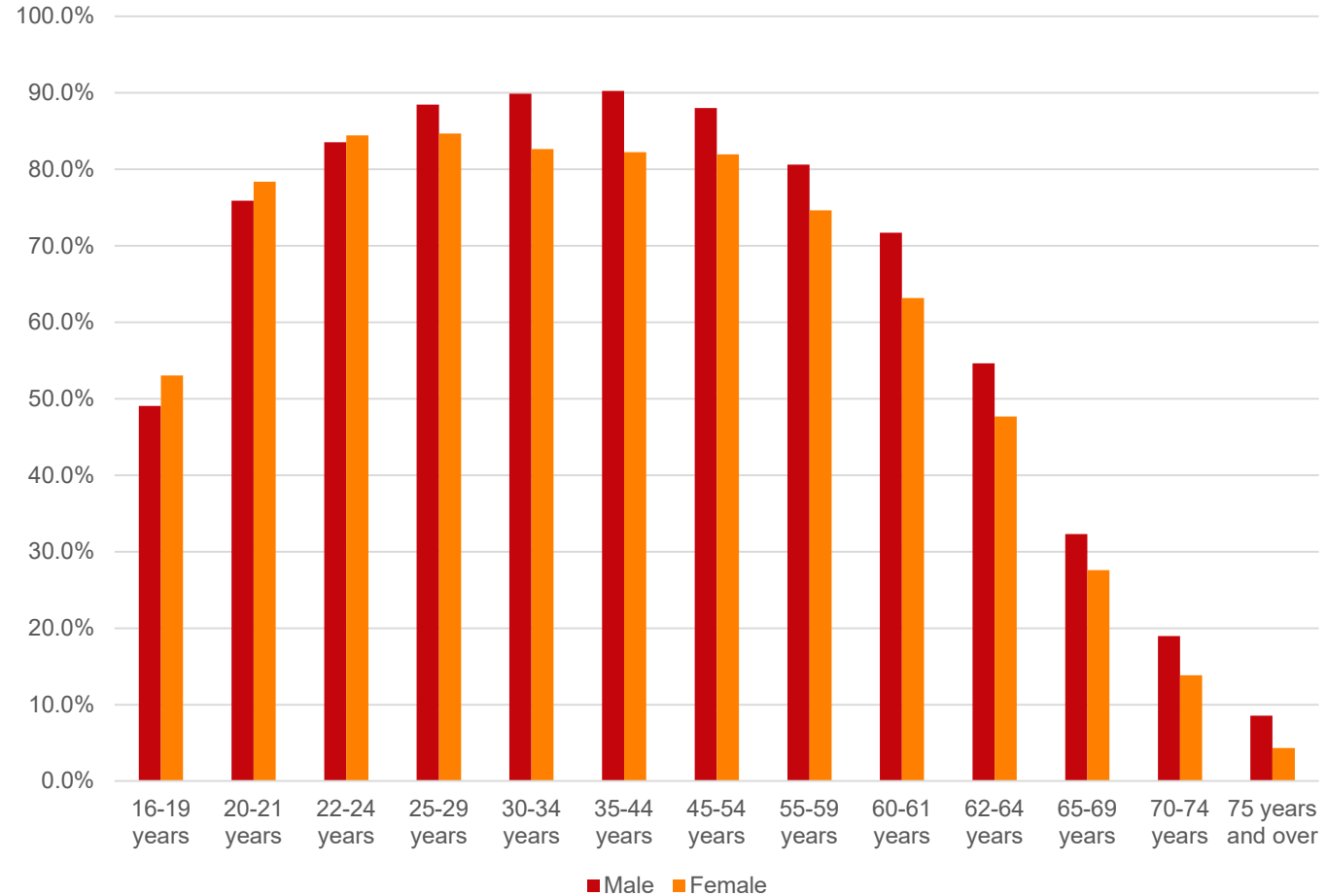


Department of Extension
Department of Agricultural and Applied Economics

Correlation Prime Age Female Labor Force Participation Rate and Children Per Prime Age Male
Wisconsin Counties, 2016



Labor Force Participation Rate by Age and Gender
From ACS 5-yr 2012-2016



Agenda/Speakers

1) Jessie Small

Project Manager for TASC's CEO R&D projects, Total Administrative Services Corporation (TASC)

- Dependent Care FSA and TASC-led initiatives

1) Courtney Berner

Executive Director, University of Wisconsin-Center for Cooperatives (UWCC)

- Three models of child care cooperatives

3) Paula Drew

Early Care and Education Research and Policy Analyst, Wisconsin Early Childhood Association (WECA)

- Shared services model

4) Karl Green

Community Natural Resource and Economic Development Agent, Extension La Crosse County

- Local Child Care Task Force

Was this Zoom on child care a good use of your time?

A Very Good
Use of Time

Not a Good
Use of Time

Do you feel more prepared to engage with your community on this topic?



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Saving Money on Child Care Cost

February 5, 2020



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TASC

- Third-party administrator
- Madison, WI
- 45th anniversary
- 1,200 employees
- Privately-held
- Every day philanthropist in the community
- Employers are our customers



We Care for Dane Kids

- Dependent Care Assistance Plan Accounts
- State Subsidy Enrollment
- Shared Services Network
- Wage increase to \$15/hr.



Three Areas of Focus

- Sharing information on tax-saving strategies and/or subsidy programs related to childcare.
- Proving creative strategies for employers to help employees save for retirement earlier in their careers.
- And lastly, TASC can set the example for an employer to offer a supportive, family-friendly environment.



Tax Strategies

- Dependent Care Flexible Spending Account
 - Employer benefit, offered to employees
 - Pre-tax maximum election of \$5,000, annually
 - Eligible expenses include child care expenses incurred while working, looking for work and/or attending school full-time.
 - Change or enroll into the benefit within 30 days of a childcare coverage change.
- Child & Dependent Tax Credit
 - Same eligible expenses as a Dep. Care FSA, but the tax-math is different.



Child care “subsidy” Programs

“subsidy”: Any form of payment that causes a reduction in the cost of childcare.

- Government Programs
 - City based subsidy programs
 - State Childcare subsidy programs
 - State Funded Pre-K Programs
 - Federal Early Head-start Programs
 - Military and Dept of Defense Fee Assistance and Respite Child Care Program
 - Out of School Subsidies
- Employee Benefits
 - Dependent Care Assistance Plan Accounts
 - On-site childcare facilities
 - Paid or discounted daycare or afterschool programs
 - Paid/held childcare seats.
- Student Resources
 - Colleges have on-site daycare facilities and/or may offer discounts
- Tax Programs
 - Federal Child Tax Credit
 - State Child Tax Credit
 - Additional Child Tax Credit
 - Federal Child & Dependent Tax Credit
 - State Child & Dependent Tax Credit
 - Section 129 - Employer Only
 - Section 125 with a Section 129 - Employer and/or Employee
 - Earned Income Tax Credit
- Other
 - Sliding Fee Scale, income/fee based discounts based on income at some providers e.g. YMCA, Boys and Girls Club, or faith based organizations
 - Local scholarship programs
 - Sibling discounts



Private Letter Ruling

- Private Letter Ruling (PLR): A private letter ruling is a written decision by the Internal Revenue Service (IRS), in response to a taxpayer's request for guidance on unusual circumstances or complex questions about their specific tax situation.
- TASC is requesting the amendment of the defined contribution for TASC's 401k plan to include child care expenses.
- Pay to Play for Employer Match.
- Guidance on student loan payments and qualified retirement plans and 403b plans. See page 12 in this link: https://www.irs.gov/pub/irs-utl/2019-2020_pgp_initial.pdf



Attracting & Retaining Talent

- Flexible work schedules
- Make-up hours for appts or sick days
- Employer contribution to benefit accounts
- Going the extra step for educating the value of benefits
- Flexible compensation options
- Partnering with community programs
- Job sharing

Community Economic Development
Zoom Lunch & Learn:

COOPERATIVE CHILD CARE

February 5, 2020

Courtney Berner, Executive Director

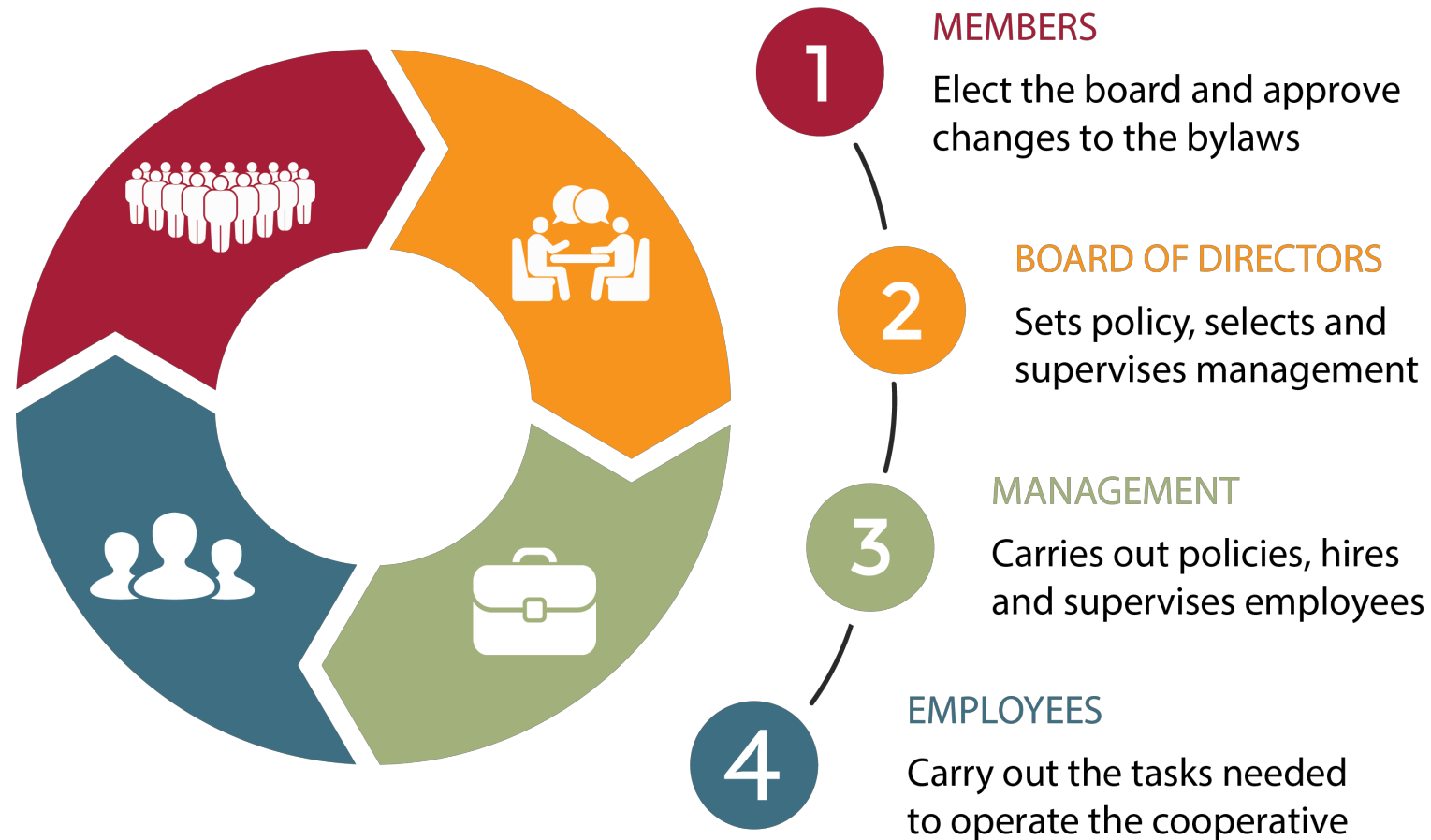


Center for Cooperatives

UNIVERSITY OF WISCONSIN-MADISON

WHAT IS A COOPERATIVE?

A cooperative is an enterprise that is owned and democratically controlled by the people who use its services.



Types of Child Care Cooperatives

- Parent led cooperatives
- Worker owned cooperatives
- Employer assisted cooperatives
- Shared services cooperatives

PARENT LED: Tenney Nursery & Parent Center

- Located in Madison, WI
- Organized as a non-profit preschool and community-based parent cooperative
- Offers two full-day classes and one morning class as well as a parent/child playgroup.
- Board of Directors is made up of volunteer parents and staff who are elected to work closely with the Executive Director.
- Parent participation in center activities is required.



WORKER OWNED: Beyond Care Childcare Cooperative

- Located in Brooklyn, NY
- Offers nanny services, nanny shares, after hours rapid child care, and group child care.
- Founded in 2008 by 17 immigrant women with the support of the Center for Family Life.
- Today, co-op has 38 members who have completed business development and nanny training.
- Co-op promotes safe, living wage jobs and provides social supports and educational opportunities for members.



Our Members

EMPLOYER ASSISTED: Energy Capital Cooperative Child Care

- Opened in May 2017 in Hazen, ND
- Non-profit, employer-assisted parent cooperative
- Offers full-time and part-time care with flexible scheduling options
- Formed by a coalition of community businesses and institutions that were motivated by the child care needs of employees and community members
- Board of directors consists of principals from the founding partners. As operations stabilize, the founding partners will transition to an executive oversight role and parents will take seats on the board of directors.



ENERGY CAPITAL
COOPERATIVE
CHILD CARE



THANK YOU!

Visit us at <https://uwcc.wisc.edu/resources/education/> for additional resources such as:

- Types and examples of childcare cooperatives
- A webinar on the development of Energy Capital Cooperative Child care
- Child care cooperative document templates
- A list of organizations that support child care cooperatives



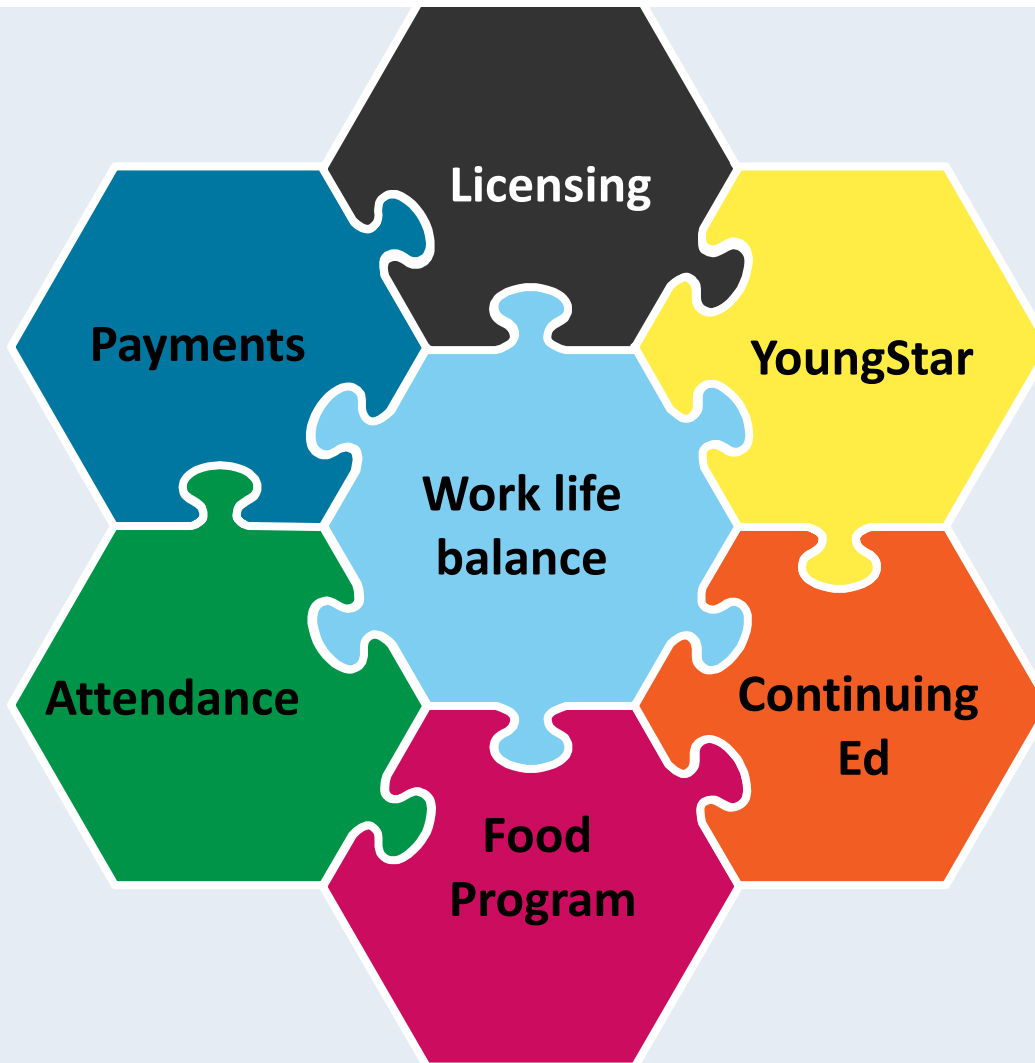
Community Economic Development Lunch – n - Learn



Child Care Providers Work



What the work should be





Family Child Care



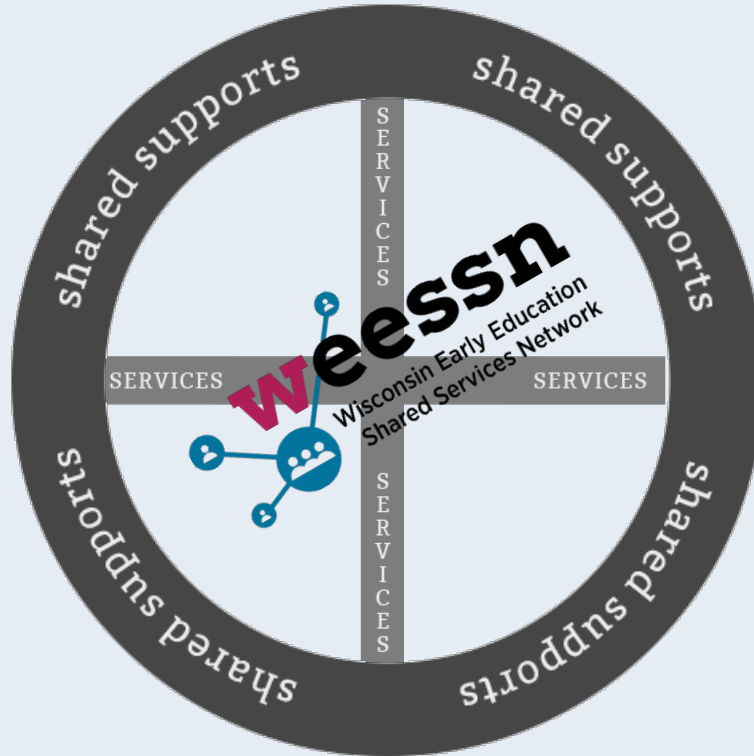
Group Child Care



Group Child Care



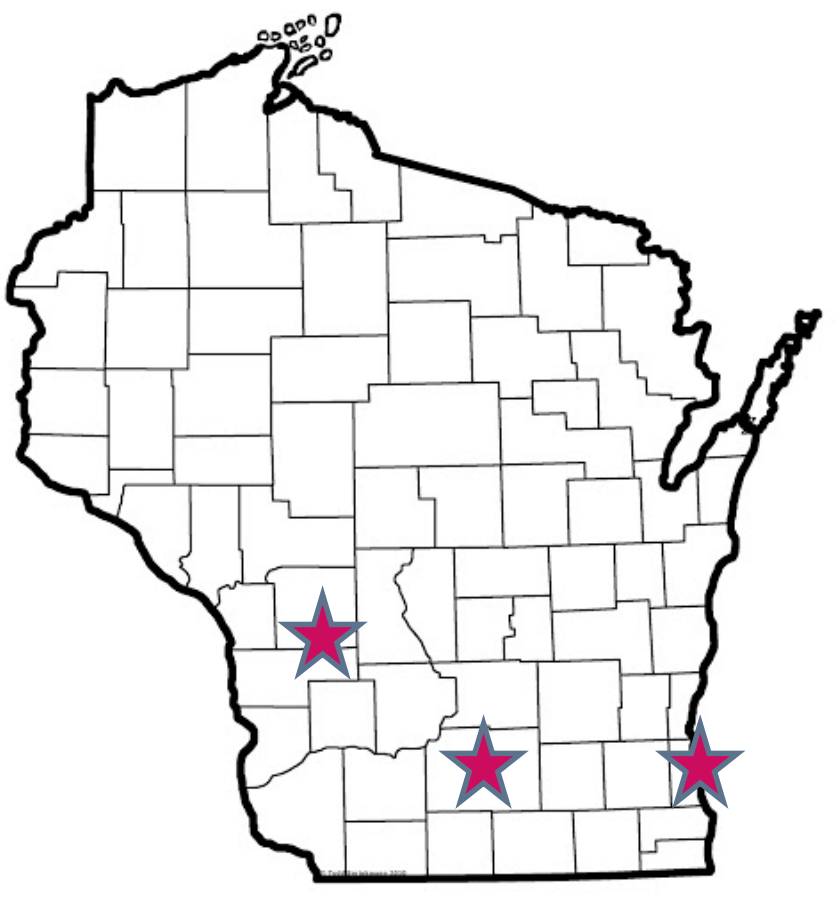
Family Child Care



What does WEESN offer



WEESN Cohorts



- Dane County
- Vernon County
- Monroe County
- Milwaukee

Next Steps:

- Jackson County
- Southwest Corridor

Thank You!

Paula Drew

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Wisconsinearlychildhood.org

We Care for Dane Kids and

WESSN – Dane Co. Project Manager



Child Care 2020

The State of Child Care in La Crosse County

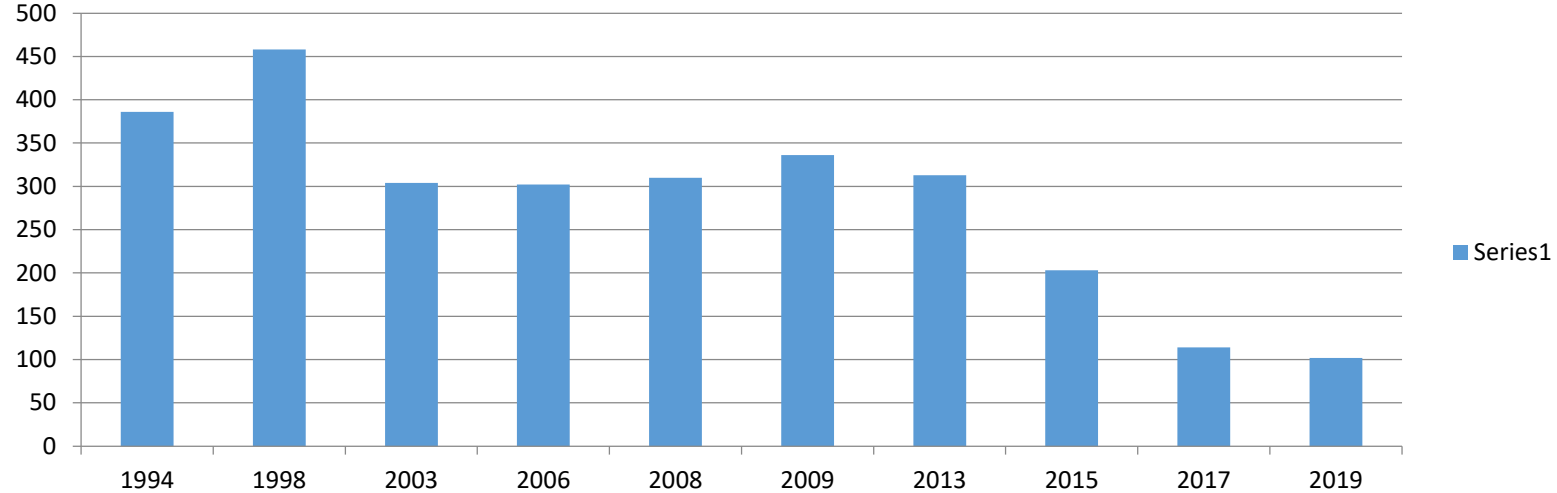
Karl Green, Professor
Community Development Institute
Extension – UW Madison

What Happened In La Crosse County?

In 1998 **450** child care businesses

In 2019 **100** child care businesses

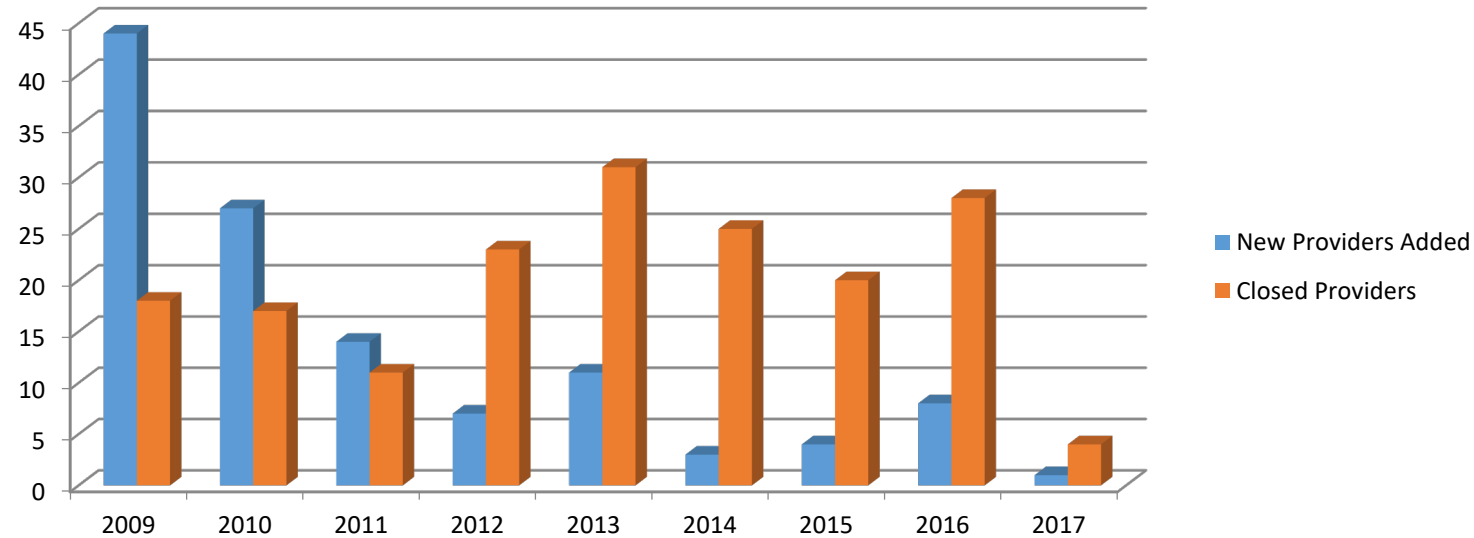
La Crosse County Child Care Trends 1994-2017



Quality and Regulatory Changes

- 2007 Grow In Quality Pilot Project Initiated
 - 2009 Wisconsin Act 28 passed directive for creation of a child care quality rating system
Car Alarms required for vehicles seating 6 or more
 - 2010 Contract issued to YoungStar Consortium
 - 2011 YoungStar Implementation Begins
 - 2012 Tiered Reimbursement goes into effect; School Age providers required to participate
 - 2013 Tiered Reimbursement for 5 star providers increased to 25%
Announcement of requirement of FBI Fingerprint Background Checks
 - 2014 Day Camps required to enroll
 - 2017 Child Care Development Fund will require changes to the initial training requirements for Certified Providers and put a 6 month limit on Provisional Certification
- Interesting note: 2008 Economy crashes

Number of New Providers Compared To Number Who Left Regulated Care



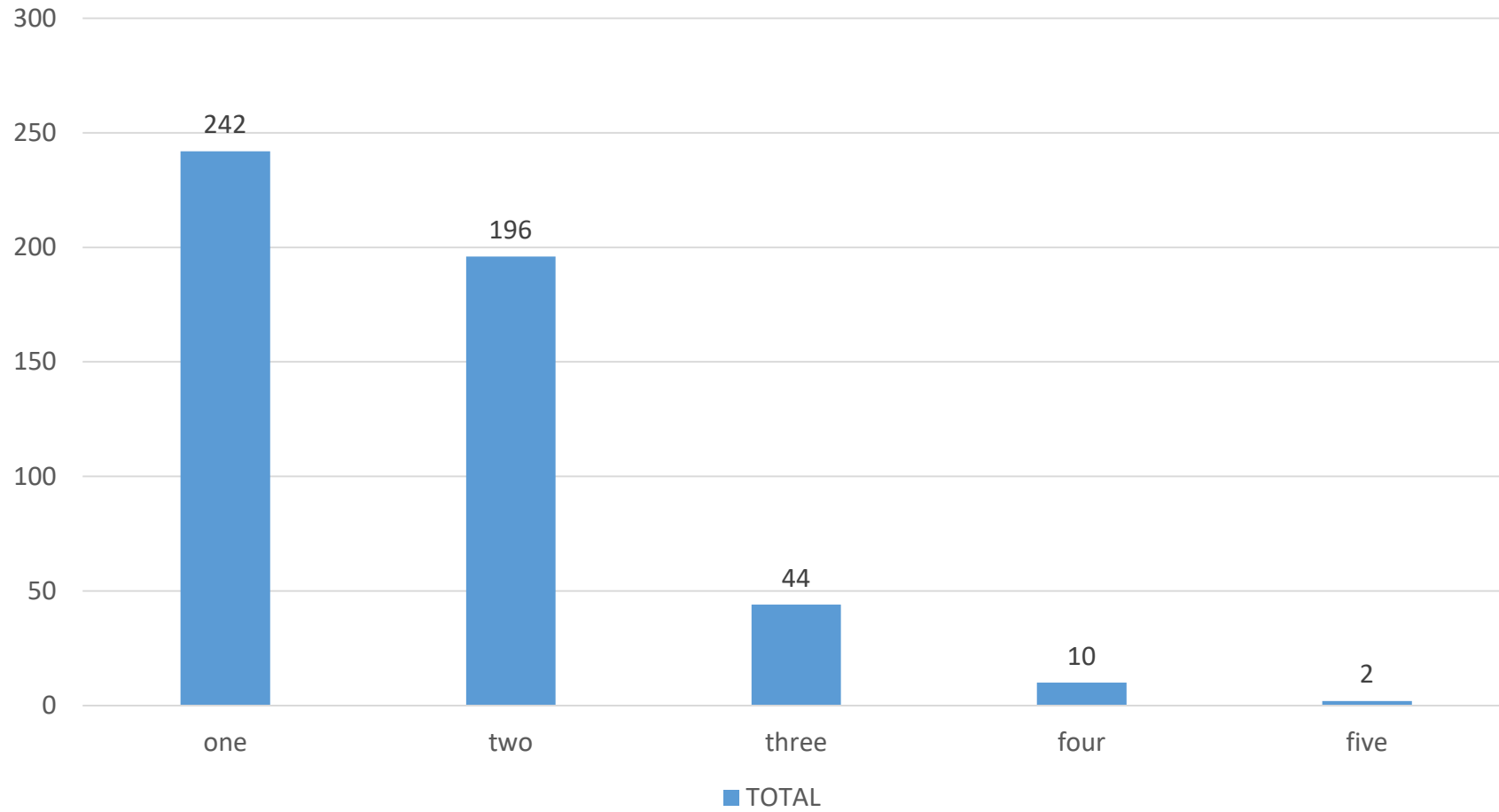
Where have they gone?

- Left field for higher paying position with benefits.
- Providing unregulated care.
- Other – retirements, health concerns, moved out of area, regulatory compliance issues.
- Experienced Child Care Center Directors are leaving.

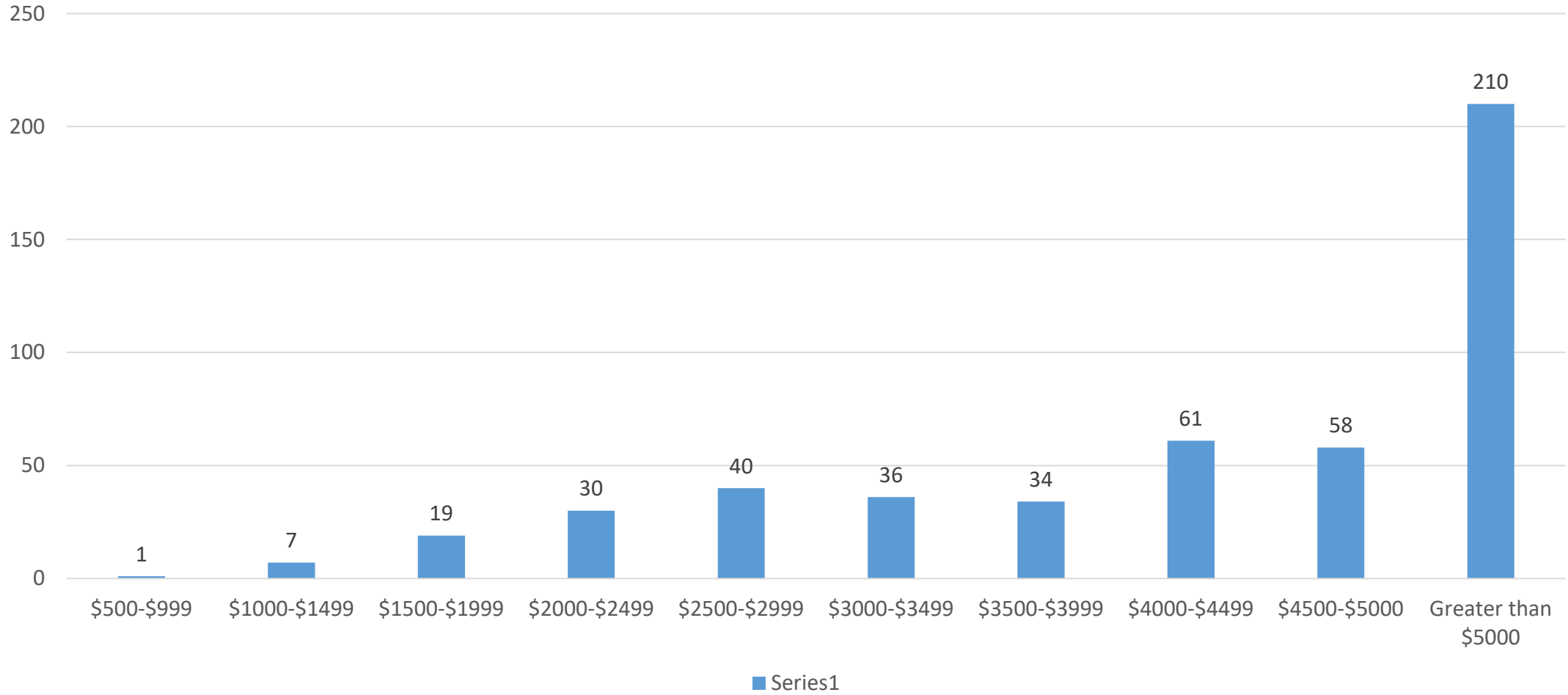
La Crosse County Survey

- Partnership between:
 - 7 Rivers Alliance, Parenting Place, La Crosse County, UW Madison Division of Extension, and La Crosse Area Chamber of Commerce
- 490 responses from La Crosse County families with 1 or more children in child care
- Representative sample (12,031 households with children <18)
- 4.07% response rate (95% CI, 4.34% margin of error)

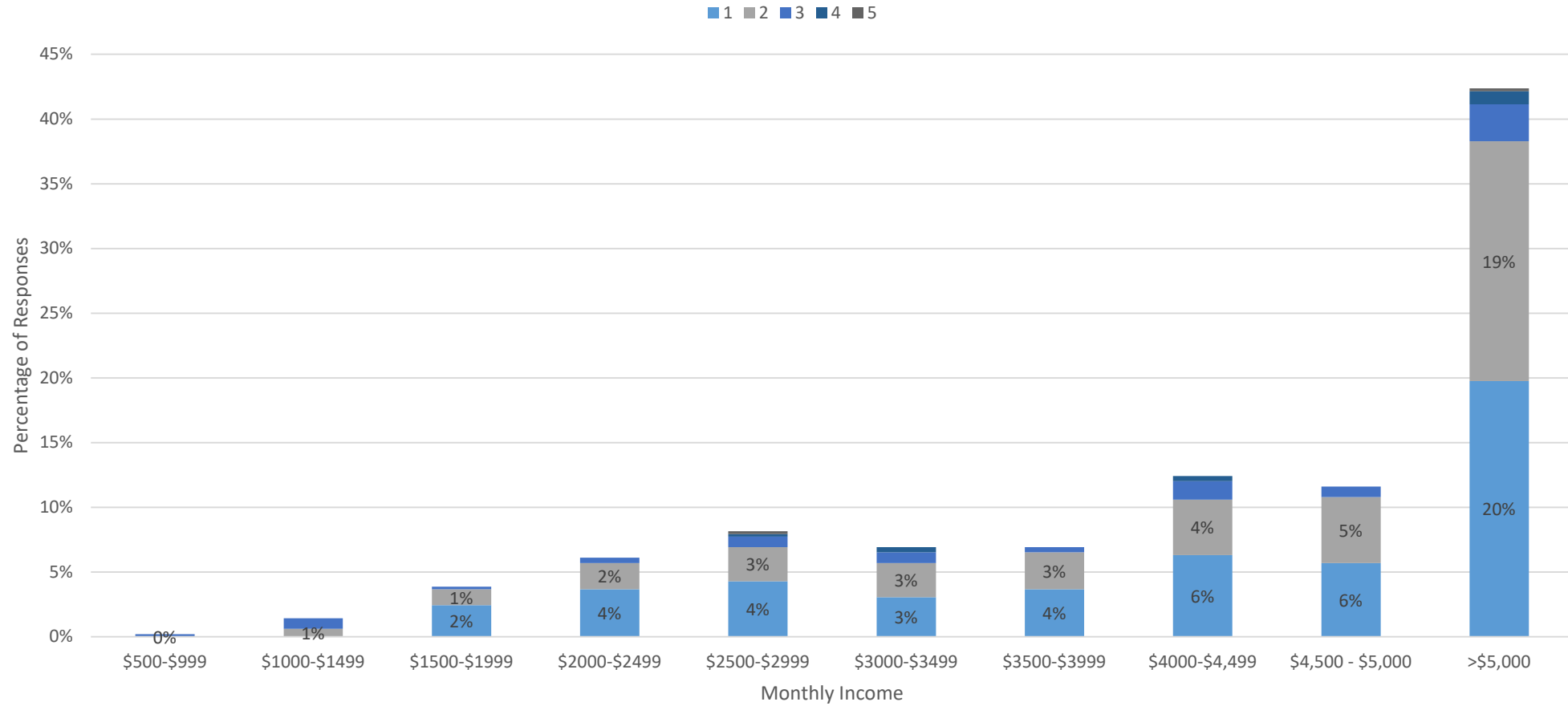
Number of Children Needing Child Care per household



Total Respondents Monthly Household Income

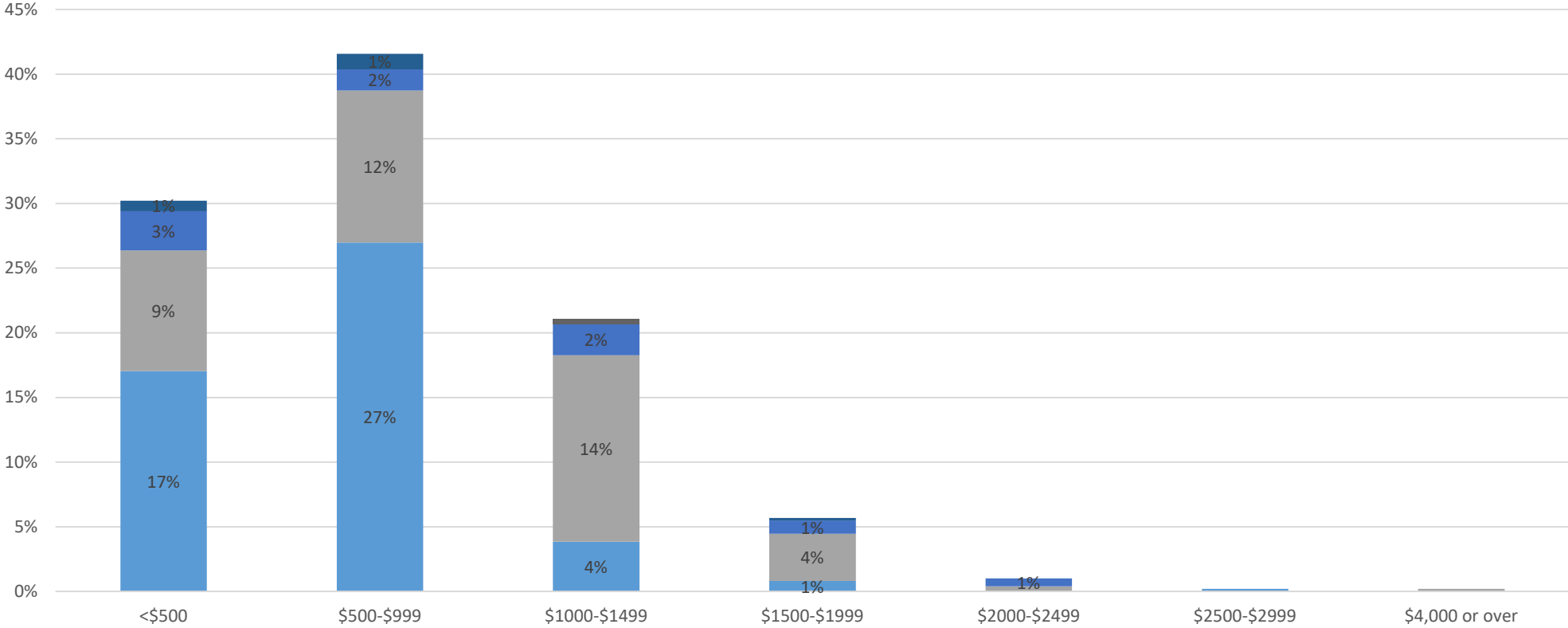


Number of Children vs. Monthly Household Income



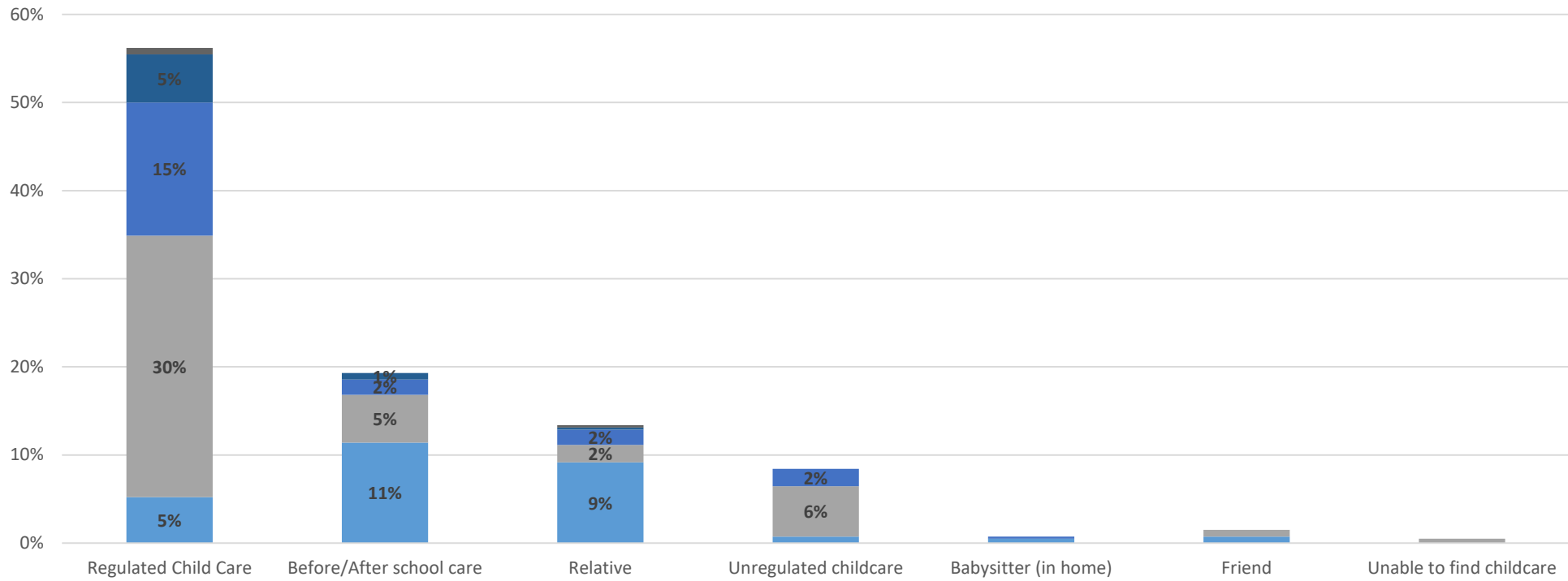
Number of Children vs. Child Care Costs

■ 1 ■ 2 ■ 3 ■ 4 ■ 5



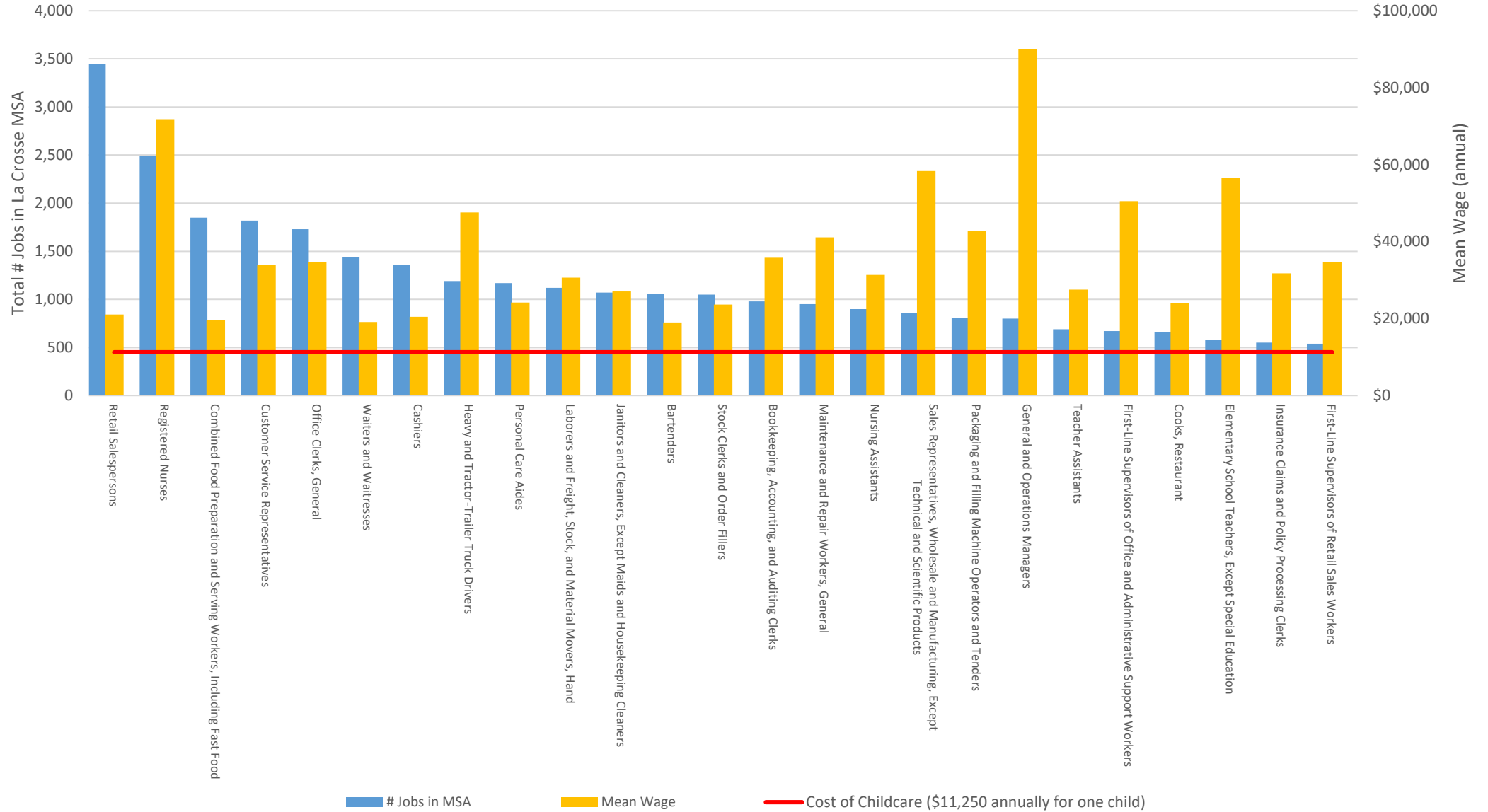
Child Care Options & Cost

■ <\$500 ■ \$500 - \$999 ■ \$1,000 - \$1,499 ■ \$1,500 - \$1,999 ■ \$2,000 - \$2,499



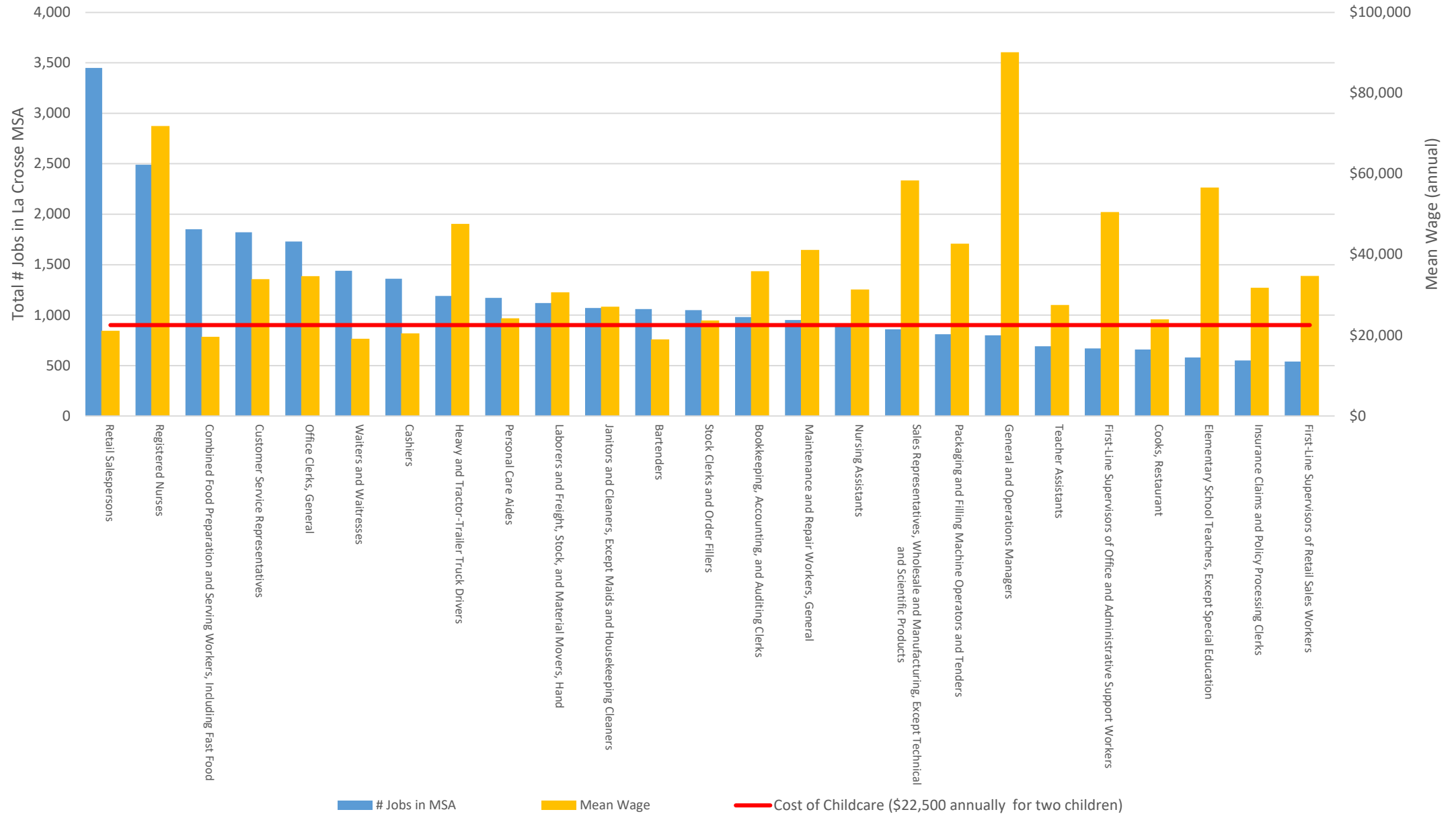
La Crosse MSA Top 25 Jobs & Wages

Represents 29,790 jobs



La Crosse MSA Top 25 Jobs & Wages (2018)

Represents 29,790 jobs



Take Aways...

Child Care Issues

- Parents are struggling with finding and affording child care providers
- At the same time that parents are struggling to afford child care, child care centers are closing due to an inability to find adequate workforce
- As a service industry, local Child Care centers pay 70-90% of expenses on employee wages
- Numeric ratios for Child Care service providers create a ceiling on profitability
- Pre-K programs offered locally in schools also negatively impacts profitability of child care providers

Work Force Impacts

- Child care issue impacts the workforce issue as parents able to quit working will
- Many jobs in your area cannot support a parent paying for child care
- Do all industries have the ability to raise wages to cover their worker's child care expenses?
- When do HR expenses for an employer outpace the wage expenses for employees with child care age children?