FORUM FRIDAY

Funding the First Years and Beyond: Child Care Options for Wisconsin




June 26, 2026

12:30 – 1:30 p.m.

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The Challenging Economics of Child Care

High prices for families

Low wages for workers

Tight margins for providers

Strain on employers, workforce

If not families bearing the primary burden of funding child care, then who and how?

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FUNDING THE FIRST YEARS AND BEYOND

State and Local Options to Raise Revenue for Child Care

The need for affordable child care has become an increasingly pressing policy issue facing families, employers, and governments. Wisconsin residents seeking to raise additional revenue to address the issue will find that they have many more levers available at the state level than the local level, which could mean more opportunity for broad-scale solutions but also fewer opportunities for local initiatives like those seen in other states.

Awareness of and concern about the challenging economics of child care has been growing across the country recently, as have efforts to address the problem. State legislatures across all 50 states introduced over 1,800 bills in 2025 related to early childhood. Past Forum research has documented the source and impact of the care challenges in Wisconsin: high prices for families, low wages for workers, tight margins for providers, and strain on the broader workforce as employers lose current or potential

Acknowledgments

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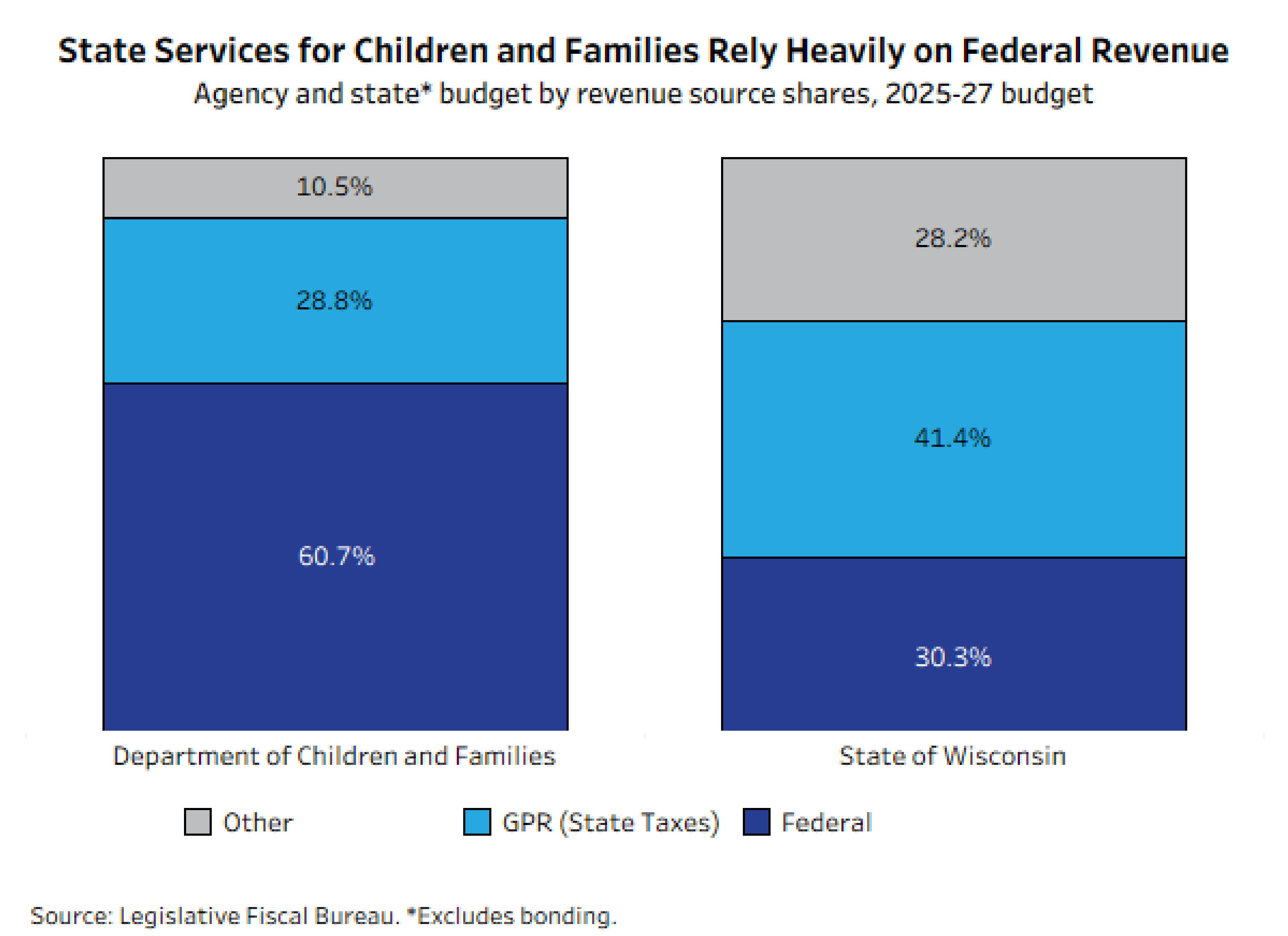
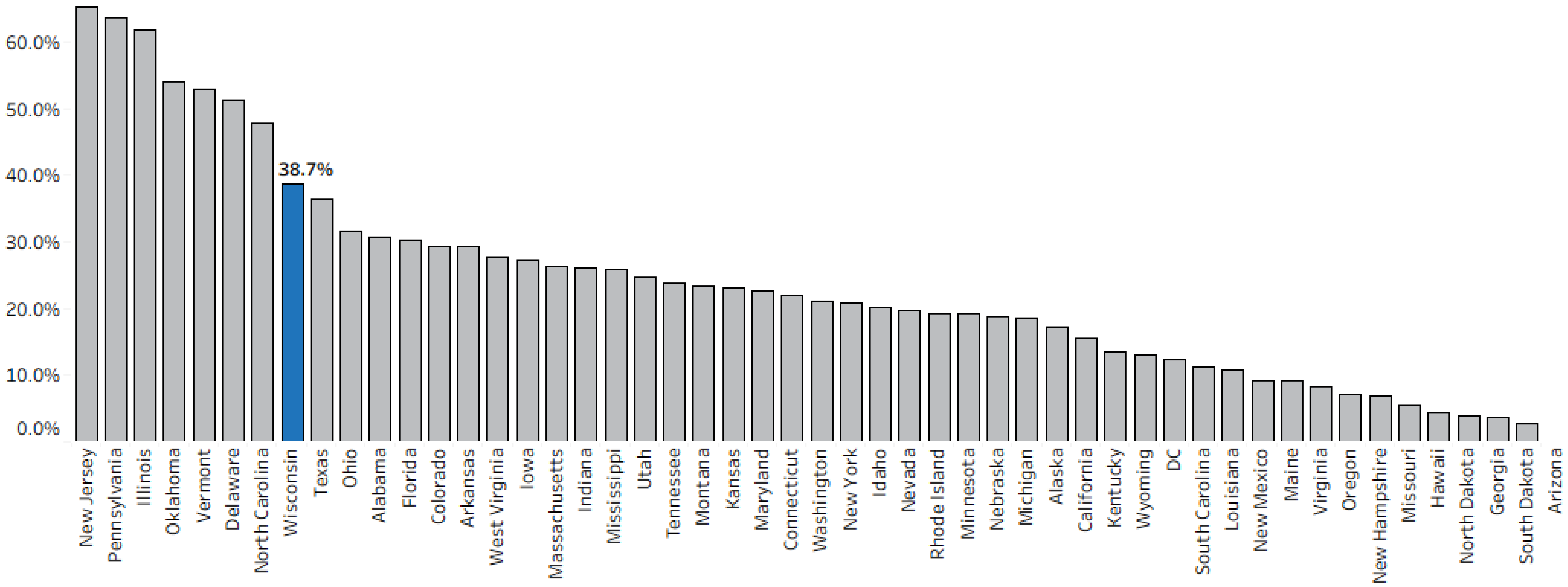
Historically, federal funding has driven the majority of Wisconsin's child care funding



Federal govt earmarks some grants esp. for child care; Wisconsin directs others

Wisconsin in Top 10 of States Directing Temporary Assistance for Needy Families to Child Care

Percentage of 2024 federal TANF block grant and state maintenance of effort allocated to early care and education or transferred to Child Care Development Fund

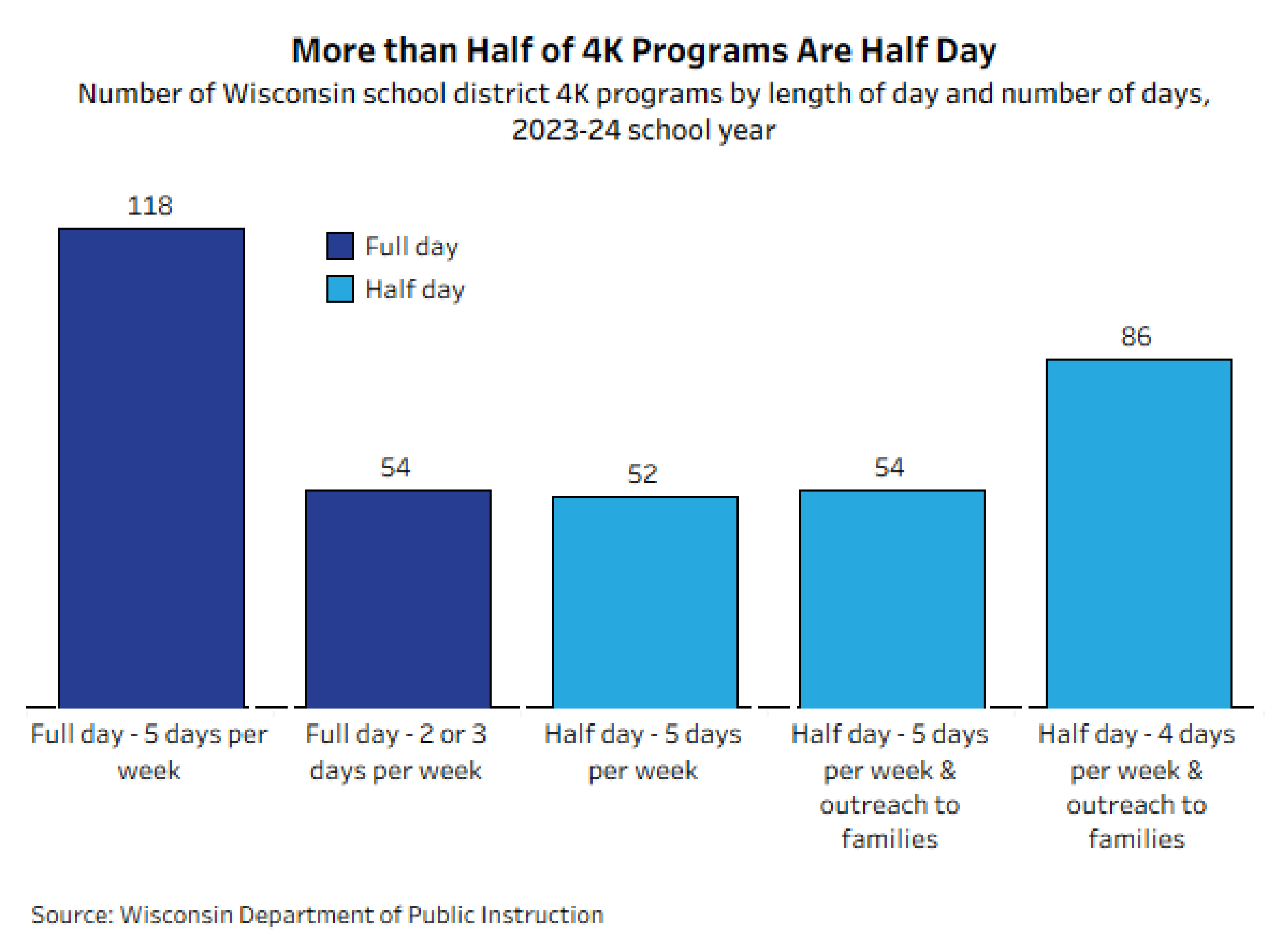


Source: U.S. Department of Health and Human Services

Wisconsin law constrains additional revenue from local sources (unlike other states)

Municipal governments	County governments
Cannot impose an **income tax**	
Annual increases in **property taxes** used for operations are capped by the state (unless exceeded through an approved voter **referendum**)	
Only a handful can impose a **sales tax for limited purposes**	Out of 72 counties, 70 have already imposed their allowable 0.5%* general **sales tax** *0.9% for Milwaukee County

School districts may have more opportunities



School districts may have more opportunities

Possible additional revenue sources

- Increase revenue limit and state general school aids by expanding 4K programming to attract more students
  - Although – each 4K student only counts as 0.6 of a child for funding, and the full additional amount only arrives after 3 years
  - Partnering with child care providers can lessen blow to providers
- Raise property taxes to provide child care by:
  - Levying through Fund 80 – Community Services / Extension Fund
    - For services available to the whole community, not just enrolled children
  - Pass a voter referendum

Widest array of revenue options lie with state

Option	Examples from other states
Increase existing state general fund allocation	• WI: $65M annually for "Get Kids Ready" • ND: $40M to increase access, affordability, and feasibility
Implement or raise taxes	• VT: Payroll tax for $59M in first year • WA: Excise tax on capital gains for $400M-$800M annually • LA: Tax on net proceeds from sports wagering for $99M annually

Widest array of revenue options lie with state

Option	Examples from other states
Establish endowment	• CT: Early Childhood Education Endowment seeded with $300M from 2025 budget surplus • MT: Growth and Opportunity Trust seeded with $1B from budget surpluses
Set tax incentives (credits, deductions)	• Employer tax credit: used in 25 states, including a recently expanded but still limited version in WI • Child and dependent care tax credit: used in 26 states, including a recently expanded version in WI

Widest array of revenue options lie with state

Option	Examples from other states
Cost share with employers	• OH: employers pay 40% of costs, state pays 20%, employee pays the balance • KY: state match for employer contributions
Authorize more local revenue options	• FL: 12 voter-approved county property taxes for children's trusts • MO: 10 voter-approved county sales taxes for children's services funds

For more details on these and other policy options

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Wednesday, November 18, 2026

11:30 a.m. – 1:30 p.m.
Doors open at 11:30 a.m. | Program starts at 12:00 p.m.

Italian Community Center | 631 E Chicago St, Milwaukee

Deadline for nominations is July 31, 2026

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