NEPC Review: Off Track: An Assessment of Wisconsin's Early Care and Learning System for Young Children (Badger Institute, September 2022)

Shutterstock.com

Reviewed by:

W. Steven Barnett
Rutgers University

January 2023

National Education Policy Center

School of Education
University of Colorado Boulder
nepc.colorado.edu

Acknowledgements

NEPC Staff

Faith Boninger
Publications Manager

Mark Paige
Academic Editor

Elaine Duggan
Production Design

Alex Molnar
NEPC Director

Kevin Welner
NEPC Director

Suggested Citation: Barnett, W.S. (2023). *NEPC Review: Off track: An assessment of Wisconsin's early care and learning system for young children*. Boulder, CO: National Education Policy Center. Retrieved [date] from http://nepc.colorado.edu/thinktank/wi-childcare

Funding: This review was made possible in part by funding from the Great Lakes Center for Educational Research and Practice.

The National Education Policy Center (NEPC), a university research center housed at the University of Colorado Boulder School of Education, produces high-quality information in support of democratic deliberation about education policy. We publish original research, policy briefs, and expert third-party reviews of think tank reports. NEPC publications are written in accessible language and are intended for a broad audience that includes academic experts, policymakers, the media, and the general public. Visit us at: http://nepc.colorado.edu

NEPC Review: Off Track: An Assessment of Wisconsin's Early Care and Learning System for Young Children (Badger Institute, September 2022)

Reviewed by:

W. Steven Barnett
Rutgers University

January 2023

Summary

A recent report released by the Badger Institute reviews the current early care and education (ECE) landscape generally before turning to profile the childcare system in Wisconsin. It presents data on trends in that state's system and concludes that government regulations have had the effects of limiting supply, decreasing parental choice in providers, and increasing costs. The report recommends reducing regulation, consolidating state agencies, and increasing parental control over use of government childcare subsidies. Although a case can be made for reducing regulatory burden, the report's findings and recommendations are not supported by evidence and would in fact *increase* costs while placing children and benefits to taxpayers at risk. The report should be applauded for continuing to spotlight the need for quality childcare and education. But because of significant methodological flaws and omission of important literature, its recommendations should be treated with extreme caution, if not avoided altogether.

NEPC Review: Off Track: An Assessment of Wisconsin's Early Care and Learning System for Young Children (Badger Institute, September 2022)

Reviewed by:

W. Steven Barnett
Rutgers University

January 2023

I. Introduction

Public investment in early care and education (ECE)[1] is warranted because of the benefits that accrue to society, including increased maternal employment and earnings, improved child well-being, learning, and development.[2] From an economic perspective, public funds spent on ECE—especially when focused on the most disadvantaged children and families—can yield a wide array of short- and long-term benefits. These include the direct and indirect impacts of a larger and more productive workforce for both parents and children, respectively.[3]

Yet it is far from guaranteed that public investments in ECE invariably lead to their potential benefits because their impacts depend on context and the specifics of policies and programs.[4] Additionally, ECE operates in a complex system of informal and formal arrangements governed and funded by multiple local, state, and federal agencies. The pandemic has only further complicated the context in which ECE operates. For policymakers, these factors present serious challenges in developing strategic policies that maximize return on investment.

Dr. Angela Rachidi's report, *Off Track: An Assessment of Wisconsin's Early Care and Learning System for Young Children,* seeks to address these issues. It claims to identify key problems with Wisconsin's public investments in ECE and recommends policy responses.[5]

II. Findings and Conclusions of the Report

Off Track begins with a broad review of research on the impacts of early care and education

(ECE) on learning and development and concludes that "in order for publicly funded early care and learning to work, it should target the least advantaged children and replicate aspects of successful programs."[6] According to the report, the federal government has had a mixed record in funding successful programs because those it has funded have been of lower quality. Federal policymakers' ultimate recognition of this problem—government subsidies of poor quality programs—led to a bipartisan focus on raising quality when Congress reauthorized the Child Care Development Block Grant (CCDBG) in 2014.[7] This resulted in new regulations that shaped state childcare policy, including the development of quality rating and improvement systems, or QRIS.[8]

However, regulations aimed to improve quality had unintended consequences. The report claims that they were so overly burdensome and taxing that they caused lower-cost providers—primarily home-based providers—to go out of business to be replaced by higher cost, larger centers or not at all.[9] As a result, the supply of affordable childcare available for disadvantaged children declined.

After reaching a general finding that regulation caused a host of problems, *Off Track* then assesses Wisconsin's ECE situation and the impact of quality regulations there. Not surprisingly, it concludes that administrative complexity and state regulation since the 2012 introduction of YoungStar (Wisconsin's QRIS)[10] and 2014 CCDBG reauthorization dramatically reduced the availability of childcare and the number of low-income children receiving childcare subsidies in Wisconsin. It further concludes that regulations changed the composition of childcare providers by causing a large shift from family homes to centers.

Based on its findings, the report makes five recommendations as follows:

1. Reduce the number of leadership bodies that oversee ECE, including Head Start.[11]
2. Review YoungStar and other regulations for reductions to lower the burden on providers.
3. Invest in better data infrastructure and develop an outcomes measurement system to evaluate "the effectiveness of the early care and learning system."[12]
4. Create a new Birth to 5 strategic plan that gives more authority to parents and providers to determine quality.
5. Redirect state childcare subsidies to parent-controlled "education savings accounts," and make these accounts available to all families for "tax-deferred" contributions that could be used for recreation activities as well as ECE.[13]

III. The Report's Rationale for Its Findings and Conclusions

This report draws its findings from reviews of general research on early care and education (ECE) impacts, national and state data on childcare programs, and information in Wisconsin's strategic plan for ECE birth to age 5. It finds that the supply of ECE (including subsidized childcare) has been "dramatically" reduced by overregulation, specifically YoungStar and complex ECE administration.[14] In essence, the brief offers data to suggest that the supply of affordable childcare for disadvantaged children in Wisconsin decreased when government quality control regulations intensified and, therefore, the latter was caused by the former.

Because the brief finds that overregulation and government intervention caused the problems, it concludes less regulation and oversight will solve them. At its core, the report's findings and conclusions assume that with less government regulation, the free market will self-correct the problems of supply and cost. Its five recommendations generally rely on that premise.

IV. The Report's Use of Research Literature

The report's use (or omission) of important literature in the field is problematic. For example, its review of the literature on the "evidence base for early care and learning" is superficial and omits studies that could have better informed its conclusions and recommendations. While it cites a few studies that support a conclusion that childcare subsidies lead to worse developmental outcomes for children,[15] it overlooks those that lead to a more nuanced view, including research on Quebec's universal childcare policy. This research found higher rates of inadequate quality in for-profit centers and home-based care (the types of settings the report wants to expand) and suggested that low quality led to poor child outcomes.[16] Other rigorous studies explaining how outcomes vary with quality, child age, and hours of childcare also were omitted. A recent international meta-analysis of the research reaches consistent conclusions about quality.[17]

Significantly, the report eschews important research about the impact of regulation on quality. Indeed, its general claims that overregulation (specifically related to QRIS such as YoungStar) reduced childcare supply are not rigorously documented or supported in the research. Although literature has found that regulations can reduce supply sometimes, it also has benefits. Moreover, aspects of regulation other than QRIS impact supply.[18] Research indicates that the aspect of QRIS that *Off Track* specifically recommends eliminating can lead to improved quality.[19]

The report also neglects studies of trends in supply and demand that directly counter the claim that changes in policy caused the observed changes in supply.[20] It is noteworthy that the decline in home-based care predates the policy changes blamed in the report.[21]

Finally, extant research suggests that parental choice explains some of the shift from home-based childcare to center-based care. [22] This contradicts the report's claim that parents were forced to enroll their children in centers because home-based providers were forced out by regulations. Put another way, an assumption in the report is that parents would prefer home-based care, if given the choice. Yet, many parents prefer centers when given the option.[23]

V. Review of the Report's Methods

The report suffers from fatal methodological flaws. To begin with, and importantly, it does not adequately describe its methods. Indeed, it does not contain a methods section typically found in high-quality reports. Without a methods section, the reader can only conclude that there was no analysis beyond simple claims based on the data presented and assumptions about free markets. Further, lack of a methodological approach leaves the report subject to the claim that it was reverse engineered: that it started with its conclusion (that overregulation limits supply of childcare opportunity) and then searched for evidence to support that claim.

And, importantly, its central claim lacks any support. It states, *without citation*, at least 10 times that regulation "likely" has reduced childcare supply.[24] A more thorough review and detailed methods discussion would have provided information on the types of regulations likely to have negative impacts and the magnitudes of those impacts, as well as on the benefits from regulation.

At best, the report's attribution of decreases in childcare providers, enrollment, and subsidies to specific policies relies on temporal association. The report includes figures purporting to show a decline in providers and children enrolled in early care and education (ECE) over a time period that starts on or around the implementation years of federal and state quality regulations, including YoungStar.[25]

However, some trends began before the alleged causes, and the report did not investigate the impacts of economic, demographic, and education program trends on childcare. To consider but a few: The number of children under five in Wisconsin declined by 8.8 percent from 2010 to 2020,[26] Wisconsin's public pre-K program expanded dramatically, and the nation experienced a historic decline in child poverty. These trends reduced the number of children needing childcare and the percentage eligible for subsidies. A more rigorous report would have used a more valid approach with an identification strategy (such as difference-in-differences or instrumental variables) and accounted for other potential impacts on demand and supply while estimating the alleged policy effects, and documented that approach in a methods section.

VI. Review of the Validity of the Findings and Conclusions

The validity of *Off Track*'s findings and recommendations is in serious question. Neither the purported problems nor proffered solutions are supported by detailed, methodical analysis or the research literature. As a preliminary matter, the report does not establish that the shift toward centers and decline in the numbers of children in subsidized care are problems in need of a solution. Wisconsin has not had a waiting list for subsidized childcare.[27] And, the report fails to even mention the identification of substantial fraud and its subsequent reduction as a cause for declines in the numbers of children reported to receive subsidy and state spending on subsidies.[28]

Because of the report's failings with respect to methods and literature review, each of its recommendations—discussed in turn below—cannot be considered valid.

The first recommendation—to reduce the agencies with early care and education (ECE) oversight—ignores governance issues arising from the various state and federal agencies having jurisdiction over ECE programs. ECE is offered by a mix of childcare providers, Head Start, and local public schools, often in combination and using funds from multiple public programs. Each has their own set of rules and regulations.

For instance, Head Start is under federal, not state, control.[29] The state has no authority over Head Start unless it is licensed as a childcare provider.[30] Additionally, Wisconsin's school districts offer universal pre-K at age 4 and local control over public education in Wisconsin limits the state role. Thus, simply moving oversight to one agency would not resolve complicated governance issues. Furthermore, the report offers no evidence that a single state agency could reduce bureaucratic hurdles, control cost, and expand supply.

Similarly, its recommendation to review and streamline quality regulations such as YoungStar misses the mark because it neglects evidence that regulation benefits child safety and development.[31] The existing research suggests that, at best, there is uncertainty about the potential downside of regulation. But the report's recommendation ignores this and, thus, obscures the trade-offs policymakers face by focusing on potential costs alone. In addition, specific aspects of state administration claimed to impose costs and harm—the administrative organization, 2014 reforms, and the QRIS—may have had little or no negative impacts and are not plausibly related to the alleged problems, though subsidies likely supported parental decisions to shift from home-based to center-based care.[32]

To be sure, some regulations are unnecessarily burdensome–and *those* should be carefully considered and streamlined.[33] However, *Off-Track* uses too broad a brush that seeks to eliminate the wrong regulations—those that focus on specific adult-child interactions and child experiences that support effectiveness. These are important because families (on their own) might find it difficult to assess the adult-child interactions linked to effectiveness, and continuous improvement systems (such as those emphasized under current regulations criticized) based on observation and feedback can produce desired outcomes.[34] Moreover, Wisconsin already has modified its YoungStar regulations to improve effectiveness, a point obscured in the report.[35]

While appealing on the surface, a recommendation to use outcome data for accountability is impractical and ignores an array of problems that would be created. These include: high costs, limitations of the available assessments for infants and toddlers, the small numbers of children many providers serve, negative impacts on learning and teaching, corruption of the assessment process, and difficulties disentangling effects when providers and families select each other and when children enroll in more than one ECE provider at the same time.[36]

Additionally, the recommendation to invest parents with the authority over determining the quality of a center, because "responsiveness of caregivers and their relationships with children" are intangibles better assessed by parents than by independent observation, is specious. To be sure, parents certainly should have a great say in the quality of the care their child receives. But the idea that parents should make this assessment alone is contradicted by research.[37]

Finally, the recommended course of action to implement "education savings accounts" for parents to direct spending is neither evidence-based nor practical and would lead to unintended consequences. It would shift public funding from ECE programs that promote public purposes to savings accounts used "to cover recreation activities" and available to "stay-at-home parents." These would promote neither children's development nor increased employment.[38]

VII. Usefulness of the Report for Guidance of Policy and Practice

The report should be credited for trying to draw policymakers' attention to early care and education (ECE) policy improvement. But, unfortunately, its methodological flaws and lack of attention to existing research leave the attending recommendations without any substantive support. Policymakers should avoid implementing its recommendations. They would impose unnecessary costs on the state and providers[39] and could harm children.[40] In addition, the appeal to streamline regulations and bureaucracy may distract policymakers from developing policy responses whose effectiveness has been demonstrated. Policies worth considering might include paid parental leave and increased supply-side supports for high-quality programs with strong continuous improvement systems.[41]

Notes and References

1 The report frequently uses the term “early care and learning” as well as the term “childcare.” In this review, I use the term “early care and education” (ECE), which is more commonly used in the research literature, to encompass all of the various types= of preschool education and care programs but use “childcare” only for programs that have as a primary purpose supporting parental employment and other activities.

2 Aos, S., Lieb, R., Mayfield, J., Miller, M., & Pennucci, A. (2004). *Benefits and costs of prevention and early intervention programs for youth*. Olympia, WA: Washington State Institute for Public Policy.

Nores, M. & Barnett, W.S. (2010). Benefits of early childhood interventions across the world: (Under) Investing in the very young. *Economics of Education Review, 29*(2), 271-282.

3 Hahn, R.A. & Barnett, W.S. (2023). Early childhood education: health, equity, and economics. *Annual Review of Public Health, 44*(1). Retrieved November 17, 2022, from https://www.annualreviews.org/doi/pdf/10.1146/annurev-publhealth-071321-032337

Hotz, V.J. & Wiswall, M. (2019). Child care and child care policy: existing policies, their effects, and reforms. *The ANNALS of the American Academy of Political and Social Science*, *686*(1), 310-338.

Nores, M. & Barnett, W.S. (2010). Benefits of early childhood interventions across the world: (Under) Investing in the very young. *Economics of Education Review, 29*(2), 271-282.

4 Herbst, C.M. (2022). *Child care in the United States: Markets, policy, and evidence* (No. 15547). IZA Discussion Papers. Retrieved November 17, 2022, from https://www.econstor.eu/bitstream/10419/265768/1/dp15547.pdf

Meloy, B., Gardner, M., & Darling-Hammond, L. (2019). *Untangling the evidence on preschool effectiveness: Insights for policymakers*. Palo Alto, CA: Learning Policy Institute.

5 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin’s early care and learning system for young children*. Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

6 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin’s early care and learning system for young children* (p. 6). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

7 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin’s early care and learning system for young children* (p. 7). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

8 Although the Badger report does not use the term “quality rating improvement system” (QRIS), this is the accepted term in the field. It is used throughout this review. QRIS denotes the system employed by an agency to assess the quality and make improvements to early care and education (ECE). Wisconsin, as noted, employs a QRIS known as YoungStar.

9 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin’s early care and learning system for young children* (p. 7). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

10 Wisconsin already had in place a quality rating system (YoungStar) that predates the Child Care Development Block Grant’s (CCDBG’s) emphasis on quality regulations with its reauthorization in 2014.

11 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin’s early care and learning system for young children* (pp. 8, 15). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.

org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

12 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin's early care and learning system for young children* (p. 15). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

13 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin's early care and learning system for young children* (pp. 16-17). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

14 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin's early care and learning system for young children* (p. 10). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

15 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin's early care and learning system for young children* (p. 7). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

16 Haeck, C., Lefebvre, P., & Merrigan, P. (2015). Canadian evidence on ten years of universal preschool policies: The good and the bad. *Labour Economics*, *36*, 137-157.

Japel, C., Tremblay, R.E., & Côté, S. (2005). Quality counts. *Choices*, *11*(5). Retrieved November 26, 2022, from http://irpp.org/wp-content/uploads/assets/research/family-policy/quality-counts/vol11no5.pdf

17 van Huizen, T., & Plantenga, J. (2018). Do children benefit from universal early childhood education and care? A meta-analysis of evidence from natural experiments. *Economics of Education Review*, *66*, 206-222.

Felfe, C. & Lalive, R. (2018). Does early child care affect children's development? *Journal of Public Economics*, *159*, 33-53.

Orri, M., Tremblay, R.E., Japel, C., Boivin, M., Vitaro, F., Losier, T., … & Côté, S.M. (2019). Early childhood child care and disruptive behavior problems during adolescence: A 17☐year population☐based propensity score study. *Journal of Child Psychology and Psychiatry*, *60*(11), 1174-1182

18 Blau, D.M. (2007). Unintended consequences of child care regulations. *Labour Economics*, *14*(3), 513-538.

Currie, J. & Hotz, V.J. (2004). Accidents will happen?: Unintentional childhood injuries and the effects of child care regulations. *Journal of Health Economics*, *23*(1), 25-59.

Herbst, C.M. (2018). The rising cost of child care in the United States: A reassessment of the evidence. *Economics of Education Review*, *64*, 13-30.

Hotz, V.J., & Wiswall, M. (2019). Child care and child care policy: existing policies, their effects, and reforms. *The ANNALS of the American Academy of Political and Social Science*, *686*(1), 310-338.

Zanoni, W. & Johnson, A.D. (2019). Child care subsidy use and children's outcomes in middle school. *AERA Open*, *5*(4), 2332858419884540.

Hotz, V.J. & Xiao, M. (2011). The impact of regulations on the supply and quality of care in child care markets. *The American Economic Review*, *101*(5), 1775-1805. Retrieved January 11, 2023, from http://www.jstor.org/stable/23045622

NAEYC and Center for American Progress. (2020). Our *child care crisis is the result of underinvestment, not overregulation*. Retrieved December 1, 2022, from https://www.naeyc.org/resources/blog/childcare-underinvestment-not-overregulation

19 Sabol, T.J., Soliday Hong, S.L., Pianta, R.C., & Burchinal, M.R. (2013). Can rating pre-K programs predict children's learning? *Science*, *341*(6148), 845-846.

20 Herbst, C.M. (2018). The impact of quality rating and improvement systems on families' child care choices and the supply of child care labor. *Labour Economics*, *54*, 172-190.

Herbst, C.M. (2018). The rising cost of child care in the United States: A reassessment of the evidence. *Economics of Education Review*, *64*, 13-30.

Hotz, V.J. & Wiswall, M. (2019). Child care and child care policy: Existing policies, their effects, and reforms. *The ANNALS of the American Academy of Political and Social Science*, *686*(1), 310-338.

NAEYC and Center for American Progress. (2020). *Our child care crisis is the result of underinvestment, not overregulation*. Retrieved December 1, 2022, from https://www.naeyc.org/resources/blog/childcare-underinvestment-not-overregulation

21 Office of Child Care, Administration for Children and Families. (2019). *The decreasing number of family child care providers in the United States*. Retrieved January 3, 2023, from https://www.acf.hhs.gov/occ/news/decreasing-number-family-child-care-providers-united-states

22 Borowsky, J., Brown, J.H., Davis, E.E., Gibbs, C., Herbst, C.M., Sojourner, A., ... & Wiswall, M.J. (2022). *An equilibrium model of the impact of increased public investment in early childhood education* (No. w30140). National Bureau of Economic Research.

Herbst, C.M. (2018). The rising cost of child care in the United States: A reassessment of the evidence. *Economics of Education Review*, *64*, 13-30.

Herbst, C.M. (2018). The impact of quality rating and improvement systems on families' child care choices and the supply of child care labor. *Labour Economics*, *54*, 172-190.

23 Herbst, C.M. (2018). The impact of quality rating and improvement systems on families' child care choices and the supply of child care labor. *Labour Economics*, *54*, 172-190.

Chaudry, A., Pedroza, J.M., Sandstrom, H., Danzinger, A., Grosz, M., Scott, M., & Ting, S. (2011). *Child care choices of low-income working families*. Urban Institute. Retrieved January 3, 2023, from https://files.eric.ed.gov/fulltext/ED578676.pdf

24 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin's early care and learning system for young children* (pp. 3, 4, 6, 7, 10, 12-15, 17). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

25 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin's early care and learning system for young children* (pp. 11-12). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

26 Annie E. Casey Foundation. (2023). Kids Count Data Center. *Child population in Wisconsin*. Retrieved January 3, 2023, from https://datacenter.kidscount.org/data/tables/8208-child-population#detailed/2/

27 Wisconsin Department of Children and Families (2022). *Child Care and Development Fund (CCDF) plan for Wisconsin FFY 2022-2024*. Retrieved November 30, 2022, from https://dcf.wisconsin.gov/files/wishares/ccdbg/wi-ccdf-state-plan-amendment-10-6-22.pdf

Wisconsin Council on Children and Families (2016). *Are we at the crossroads for Wisconsin child care*? Retrieved November 30, 2022, from https://kidsforward.org/assets/Crossroads-in-Early-Education.pdf

28 Wisconsin Council on Children and Families (2016). *Are we at the crossroads for Wisconsin child care?* Retrieved November 30, 2022, from https://kidsforward.org/assets/Crossroads-in-Early-Education.pdf

29 Cohen, S., Spielfogel, J., Alves, S., & Kirby, G. (2022). *Supporting child and family wellbeing: A call for coordinated early childhood systems. Federal, state, local, tribal, and parent perspectives from key informant interviews*. Washington, DC: Office of Assistant Secretary for Planning and Evaluation and Health Resources.

30 Public Health Law Center. *Overview of Head Start & early Head Start programs*. Retrieved December 29, 2022, from https://www.publichealthlawcenter.org/datapages/overview-head-start-early-head-start-programs

31 Herbst, C.M. (2022). *Child care in the United States: Markets, policy, and evidence* (No. 15547). IZA Discussion Papers. Retrieved November 17, 2022, from https://www.econstor.eu/bitstream/10419/265768/1/dp15547.pdf

Hotz, V.J. & Wiswall, M. (2019). Child care and child care policy: existing policies, their effects, and reforms. *The ANNALS of the American Academy of Political and Social Science*, *686*(1), 310-338.

Zanoni, W. & Johnson, A.D. (2019). Child care subsidy use and children's outcomes in middle school. *AERA Open*, *5*(4), 2332858419884540.

32 Hotz, V.J. & Wiswall, M. (2019). Child care and child care policy: existing policies, their effects, and reforms. *The ANNALS of the American Academy of Political and Social Science*, *686*(1), 310-338.

Herbst, C.M. (2018). The impact of quality rating and improvement systems on families' child care choices and the supply of child care labor. *Labour Economics*, *54*, 172-190.

Jenkins, J.M. & Nguyen, T. (2022). Keeping kids in care: Reducing administrative burden in state Child Care Development Fund policy. *Journal of Public Administration Research and Theory*, *32*(1), 23-40.

33 NAEYC and Center for American Progress. (2020). *Our child care crisis is the result of underinvestment, not overregulation*. Retrieved December 1, 2022, from https://www.naeyc.org/resources/blog/childcare-underinvestment-not-overregulation

34 NAEYC and Center for American Progress. (2020). *Our child care crisis is the result of underinvestment, not overregulation*. Retrieved December 1, 2022, from https://www.naeyc.org/resources/blog/childcare-underinvestment-not-overregulation

National Scientific Council on the Developing Child. (2004). *Young children develop in an environment of relationships*. Working Paper No. 1. Retrieved December 1, 2022, from http://developingchild.harvard.edu/wp-content/uploads/2004/04/Young-Children-Develop-in-an-Environment-of-Relationships.pdf

Pianta, R.C., Barnett, W.S., Burchinal, M., & Thornburg, K.R. (2009). The effects of preschool education: What we know, how public policy is or is not aligned with the evidence base, and what we need to know. *Psychological Science in the Public Interest*, *10*(2), 49-88.

Pianta, R.C., Hamre, B.K., & Nguyen, T. (2020). Measuring and improving quality in early care and education. *Early Childhood Research Quarterly*, *51*, 285-287.

Cash, A.H., Ansari, A., Grimm, K.J., & Pianta, R.C. (2019). Power of two: The impact of 2 years of high quality teacher child interactions. *Early Education and Development*, *30*(1), 60-81.

Davidson, A., Burns, S., White, L., Hampton, D., & Perlman, M. (2020). Child care policy and child care burden: Policy feedback effects and distributive implications of regulatory decisions. *Journal of Behavioral Public Administration*, *3*(2), 1-11.

Barnett, W.S. & Jung, K. (2021). Effects of New Jersey's Abbott preschool program on children's achievement, grade retention, and special education through tenth grade. *Early Childhood Research Quarterly*, *56*, 248-259.

35 Sabol, T.J., Soliday Hong, S.L., Pianta, R.C., & Burchinal, M.R. (2013). Can rating pre-K programs predict children's learning? *Science*, *341*(6148), 845-846.

Wisconsin Department of Children and Families (2021). *Changes to YoungStar for 2021/2022*. Retrieved December 3, 2022, from https://dcf.wisconsin.gov/files/youngstar/pdf/ys-changes/2021-2022/ys-cha-

gnes-21-22.pdf

36 Shepard, L.A. (2021). Ambitious teaching and equitable assessment: A vision for prioritizing learning, not testing. *American Educator*, *45*(3), 28.

Gullo, D.F. (2005). *Understanding assessment and evaluation in early childhood education* (2nd ed.). New York, NY: Teachers College Press.

National Research Council. (2008). *Early childhood assessment: Why, what, and how*. National Academies Press.

Epstein, A.S., Schweinhart, L.J., DeBruin-Parecki, A., & Robin, KB. (2004). *Preschool assessment: A guide to developing a balanced approach*. Retrieved November 30, 2022, from https://nieer.org/wp-content/uploads/2016/08/7-1.pdf

Emler, T.E., Zhao, Y., Deng, J., Yin, D., & Wang, Y. (2019). Side effects of large-scale assessments in education. *ECNU Review of Education*, *2*(3), 279-296.

Nichols, S.L. & Berliner, D.C. (2005). The inevitable corruption of indicators and educators through high-stakes testing. NEPC Policy Brief. Retrieved December 1, 2022, from https://nepc.colorado.edu/sites/default/files/EPSL-0503-101-EPRU.pdf

Gopalan, M., Rosinger, K., & Ahn, J.B. (2020). Use of quasi-experimental research designs in education research: Growth, promise, and challenges. *Review of Research in Education*, *44*(1), 218-243.

37 Rachidi, A. (2022, September). *Off track: An assessment of Wisconsin's early care and learning system for young children* (p. 16). Badger Institute. Retrieved November 17, 2022, from https://www.badgerinstitute.org/wp-content/uploads/2022/09/EarlyLearning_091222_FINALforWeb.pdf

Pianta, R.C., Hamre, B.K., & Nguyen, T. (2020). Measuring and improving quality in early care and education. *Early Childhood Research Quarterly*, *51*, 285-287.

Cryer, D., & Burchinal, M. (1997). Parents as child care consumers. *Early Childhood Research Quarterly*, *12*(1), 35-58.

Mocan, N. (2007). Can consumers detect lemons? An empirical analysis of information asymmetry in the market for child care. *Journal of Population Economics*, *20*(4), 743-780.

38 Tax deferral seems to be merely a gimmick in this context. Saving for infant care has a much shorter timeline compared saving for college or retirement and most Wisconsin's face about a 5 percent marginal state income tax rate. Wisconsin Policy Forum. (2022). *Informing the tax debate*. Retrieved December 1, 2022, from https://wispolicyforum.org/wp-content/uploads/2022/03/Taxpayer_22_03_IncomeTaxes-1.pdf

39 The high-stakes assessment requirements by themselves have the potential to increase costs and harm providers and children. See, for example, media stories regarding the problems caused by Florida's attempt to use child assessments for accountability with just one ECE program at age 4 at the links below.

McKinnon, R. (2018, August 6). VPK "readiness" test faces growing scrutiny. *Herald-Tribune*. Retrieved January 3, 2023, from https://www.heraldtribune.com/story/news/education/grade-level-reading/2018/08/06/vpk-readiness-test-faces-growing-scrutiny/6541917007/

Smink, S. (2019, May 6). *Students failing Florida's VPK test, providers say the $400 million system is flawed*. WPTV. Retrieved January 3, 2023, from https://www.wptv.com/news/local-news/investigations/students-failing-floridas-vpk-test-providers-say-the-400-million-system-is-flawed

Postal, L. (2019, August 23). Florida pre-K: State changes rule to judge readiness for kindergarten. *Orlando Sentinel*. Retrieved January 3, 2023, from https://www.orlandosentinel.com/news/education/os-ne-pre-k-florida-new-tests-20190823-sbbuxojlc5dwnmzrczyd4lkrie-story.html

40 Nichols, S.L. & Berliner, D.C. (2005). *The inevitable corruption of indicators and educators through high-stakes testing*. Arizona State University, Education Policy Research Unit. Retrieved December 1, 2022, from https://nepc.colorado.edu/sites/default/files/EPSL-0503-101-EPRU.pdf

Hotz, V.J. & Wiswall, M. (2019). Child care and child care policy: existing policies, their effects, and reforms. *The ANNALS of the American Academy of Political and Social Science*, *686*(1), 310-338.

41 To facilitate policymaking, better information could be obtained at low cost through: (a) state-representative surveys of parents of young children regarding their preferences for and use of ECE and (b) unique identifiers that link children to service use and state educational assessments beginning in third grade.

Bailey, M.J., Byker, T.S., Patel, E., & Ramnath, S. (2019). *The long-term effects of California's 2004 Paid Family Leave Act on women's careers: Evidence from US tax data* (No. w26416). National Bureau of Economic Research.

Barnett, W.S. & Frede, E.C. (2017). Long-term effects of a system of high-quality universal preschool education in the United States. In *Childcare, Early Education and Social Inequality* (pp. 152-172). Edward Elgar Publishing.

Barnett, W.S. & Jung, K. (2021). Effects of New Jersey's Abbott preschool program on children's achievement, grade retention, and special education through tenth grade. *Early Childhood Research Quarterly*, *56*, 248-259.

Burtle, A. & Bezruchka, S. (2016). Population health and paid parental leave: What the United States can learn from two decades of research. *Healthcare 4*(2). Retrieved December 1, 2022, from https://doi.org/10.3390/healthcare4020030

Byker, T.S. (2016). Paid parental leave laws in the United States: Does short-duration leave affect women's labor-force attachment? *American Economic Review*, *106*(5), 242-46.

Herbst, C.M. (2022). *Child care in the United States: Markets, policy, and evidence* (No. 15547). IZA Discussion Papers. Retrieved November 17, 2022, from https://www.econstor.eu/bitstream/10419/265768/1/dp15547.pdf

Hotz, V.J. & Wiswall, M. (2019). Child care and child care policy: Existing policies, their effects, and reforms. *The ANNALS of the American Academy of Political and Social Science*, *686*(1), 310-338.

NAEYC and Center for American Progress. (2020). *Our child care crisis is the result of underinvestment, not overregulation*. Retrieved December 1, 2022, from https://www.naeyc.org/resources/blog/childcare-underinvestment-not-overregulation