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REFORMING CHILDCARE **IN WISCONSIN**

Reducing Regulatory Burdens to Expand Access



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INTRODUCTION

Access to affordable, quality childcare remains an ongoing policy challenge in the US. The same is true for Wisconsin. According to Child Care Aware of America, the average monthly price for full-time childcare for one child is \$915 per month in Wisconsin.* For families with children under the age of 6, this is 17% of the median household income. By comparison, families in Iowa, Illinois, and Indiana are paying 3-7% less of their income on childcare.†

If families are not able to access childcare, it can affect labor force participation. Nearly 80% of women and almost 25% of men that leave the workforce do so to provide home and family care.‡ Families dropping out of the labor force to provide childcare is an important contributing factor to Wisconsin's skilled worker shortage. The US Department of Commerce classifies the skilled worker shortage in Wisconsin as "more severe" with only 54 workers available to potentially fill each 100 job openings in the state.§

Policymakers in Wisconsin have been attempting to address the challenges Wisconsin families are facing in accessing childcare. In 2023, a package of bills was introduced aimed at increasing supply and lowering costs of childcare through a variety of regulatory reforms, some of which have been reintroduced in 2025.

- AB 389 would have created a new licensing category for family childcare centers to care for an additional four children, with more adult supervisors, without being regulated as a group childcare center.
- AB 391 would have allowed childcare centers to lower their staff-to-child ratios to match the ratio required for the school district they reside in, if it is lower.
- Currently, certified childcare operators can care for only three children who are unrelated to them but six children in total. AB 392 would make it so certified childcare operators can care for six children total regardless of whether the children are related to them.

Two other bills in this package also aimed to address affordability and industry burnout. AB 387 would have allowed families to contribute up to \$10,000 to a tax-advantaged account to pay for childcare expenses, and AB 390 would have lowered the minimum age for assistant teachers from 17 to 16, and removed restrictions on when they can provide sole-supervision for a group of children. These bills passed the State Assembly but did not receive a vote in the Senate.

* <https://www.childcareaware.org/our-issues/research/ccdc/state/wi/>

† <https://www.uschamber.com/workforce/understanding-americas-labor-shortage-the-scarce-and-costly-childcare-issue>

‡ Ibid.

§ <https://www.uschamber.com/workforce/the-states-suffering-most-from-the-labor-shortage?state=wi>

While these proposals sought to improve access and reduce costs through regulatory and market-based reforms, much of the policy debate has focused on raising subsidies for childcare providers. However, it is important to note that childcare providers already receive significant state and federal funding. In grant year 2024, Wisconsin received more than \$487 million from two federal block grants that can be used to support childcare and related services. The federal Child Care and Development Fund is the primary source of money for childcare quality and subsidies in Wisconsin, and the Temporary Assistance for Needy Families program which mainly funds employment programs but also noncustodial parent services family emergency assistance.* In October of 2023, Governor Evers also applied \$170 million in emergency funding to further subsidize childcare providers through the Childcare Counts Stabilization Payment Program.† Of those who opposed the previously mentioned bills, many advocated for making this a permanent program and increasing its funding.

In this report, we will present evidence to illustrate that additional subsidies are not the right remedy for addressing the root cause of the problem. Childcare is one of the most highly regulated industries in the United States. Smart regulation that limits accidents and holds childcare centers responsible for fraud and negligence is important. But it is also equally important that regulations do not impose unnecessary burdens on childcare centers. Overly stringent regulation raises the cost of operating a childcare center, limiting entry into the market and likely resulting in higher prices for services.

We will begin by summarizing the academic literature on childcare regulation. We will then share how Wisconsin fares on the Knee Center's first national Childcare Regulation Index ranking. After providing more details on childcare regulations in Wisconsin, we analyze the implications for the state and offer some recommendations for future reform.

ACADEMIC RESEARCH ON THE EFFECTS OF CHILDCARE REGULATION

Economists have extensively studied the effects of childcare regulation on a variety of outcomes. In general, the evidence suggests that childcare licensing creates significant costs, while some requirements have little effect on quality. One of the more heavily cited studies published in the American Economic Review by Hotz and Ziao (2011) estimates that reducing the average ratio of infants per staff member by

* https://docs.legis.wisconsin.gov/misc/lfb/informational_papers/january_2025/0048_economic_support_programs_child_care_and_wisconsin_works_w_2_informational_paper_48.pdf

† <https://content.govdelivery.com/accounts/WIGOV/bulletins/3760dd9>

one infant is associated with a 9.2 to 10.8% reduction in the number of childcare centers.* Further, the authors find that increasing the required education for childcare center directors by one year is associated with a 3.2 to 3.8% reduction in the number of childcare centers.

Interestingly more recent research by Ali, Herbst, and Makridis (2024) finds evidence that stricter childcare regulations reduce the number of job postings for childcare professionals.† In short, the authors find that strict regulations change the composition of the workforce and may not be serving their intended purpose.

Another influential and important study by Gorry and Thomas (2017) estimates the effects of childcare regulation on the cost of childcare.‡ The authors estimate that increasing the ratio of infants per staff member by one infant would reduce the cost of childcare by 9 to 20%. Further, requiring lead teachers to have a high school degree is associated with a 25 to 46% increase in the cost of childcare. The authors also find negative effects for facilities that provide care to older preschool children, but the staffing ratios are not as costly (a 2 to 4.7% reduction by allowing one more child per staff member) at these childcare facilities.

Although stricter regulations seem to be associated with fewer childcare centers, fewer job postings for staff, and higher prices for consumers, the evidence on the quality side is much more mixed. Blau (2006) finds no evidence that childcare regulations affect the quality of childcare.§ Using accreditation as a proxy for quality, Hotz and Ziao (2011) find some evidence of improvements in quality in areas with stricter regulations, but only for higher income consumers.¶ The authors find evidence of lower quality of childcare services for lower income consumers. Gorry and Thomas (2017, pp. 4138) provide an excellent multidisciplinary summary of the literature and reach the conclusion that: “regulation intended to improve quality often focuses on easily observable measures of the care environment that do not necessarily affect the quality of care but that do increase the cost. Thus, we find that the regulatory environment could be improved by eliminating costly measures that do not affect quality of care.” Summarizing the academic literature, it is not clear that childcare regulations as currently constructed are serving their intended purpose. They have very clear and measurable consequences, but there is little evidence that consumers benefit.

* Hotz, V. Joseph, and Mo Xiao. 2011. “The Impact of Regulations on the Supply and Quality of Care in Child Care Markets.” *American Economic Review*, 101 (5): 1775–1805.

† Ali, U., Herbst, C. M., and Makridis, C. (2024). “Minimum quality regulations and the demand for child care labor.” *Journal of Policy Analysis and Management*, 43 (3): 660-695.

‡ Gorry, D., & Thomas, D. W. (2017). Regulation and the cost of childcare. *Applied Economics*, 49(41), 4138–4147.

§ Blau, D. (2006). Unintended consequences of child care regulations. *Labour Economics*, 14(3), 513-538.

¶ Hotz, V. Joseph, and Mo Xiao. 2011. “The Impact of Regulations on the Supply and Quality of Care in Child Care Markets.” *American Economic Review*, 101 (5): 1775–1805.

CHILDCARE REGULATIONS IN WISCONSIN

Wisconsin regulates childcare at the facility and staff level. All data that we report are taken directly from the Wisconsin Administrative Code DCF 251* and subchapter XV of Wisconsin Statutes dealing with childcare providers.†

FACILITY REGULATIONS

The operation of a facility that cares for four or more children under the age of seven requires a valid business license, which must be obtained prior to opening. This license is reviewed by the department every two years and requires the holder to submit specific materials and fees for continuation. This includes a fee of \$60.50 for centers supervising 4 to 8 children. If a center has 9 or more children, the fee is \$30.25 plus an additional \$16.94 per child. The facility must maintain general liability insurance in case of an accident. The department is empowered to conduct inspections of childcare centers at any time. During an inspection, the inspector shall have unrestricted access to the premises identified in the license, including access to children in care, staff and child records, and any other materials or individuals with information on the group childcare center's compliance with state regulations.

The building that the childcare center operates in must meet certain standards as well. Indoors, facilities are required to have 35 square feet per child to ensure adequate space for activities. If children are on premises for more than 3 hours per day, then the facility is required to have outdoor play space enclosed by a 4-foot-tall fence. The outdoor space must be 75 square feet per child over 2 years old and 35 square feet for a child under 2. Childcare facilities also have requirements on toilets and wash bins based on the size of the facility.

STAFF REGULATIONS

Childcare facilities in Wisconsin have five classifications of staff members. All facilities must have an administrator, director, and childcare teacher. Additionally, they may employ assistant childcare teachers and program aides and have competent volunteers. Each of the professions are licensed, and professionals must meet minimum quality standards.

* <https://licensingregulations.acf.hhs.gov/licensing/regulation/wisconsin-administrative-code-dcf-251-licensing-rules-group-child-care-centers>

† <https://docs.legis.wisconsin.gov/statutes/statutes/48/xv/65/3/a>

ADMINISTRATOR

The childcare center must have an administrator, who is responsible for the center's management and day-to-day operation. The administrator must be at least 21 years old and have a high school diploma or its equivalent. Additionally, they must complete the following requirements in two steps:

1. Step one includes:

- a. One year of experience as a manager,
- b. Completion of a noncredit department–approved course, or
- c. Completion of at least 2 credits in business administration.

2. Step two includes:

- a. One year of experience as a center director, a childcare teacher in a group childcare center or kindergarten, a licensee of a family childcare center, or
- b. Satisfactory completion of a non–credit department–approved course or of 2 credits in early childhood education or its equivalent.

CENTER DIRECTOR

Center Directors qualifications are separated by facility size, with different requirements depending on the number of children in the center. The licensing requirements for both can be found in Table 1. Facilities caring for more than 50 children have stricter standards for directors. Directors must be 21 years of age and have completed high school or received an equivalent degree. They must have 2 years of experience as a childcare teacher or center director in a group childcare center or other similar, approved setting. Finally, they must have completed one of eight different preservice training options. Directors have six relatively short options, which then require them to obtain a Registry Administrator Credential within three years of beginning work. The other two options require an associate degree or bachelor's degree in childhood education or childcare and have no additional training requirements.

Table 1. Childcare Center Director Licensing Requirements

Facilities with more than 50 students:		Facilities with fewer than 50 students:	
21 years of age.		21 years of age.	
High school diploma or its equivalent		High school diploma or its equivalent	
2 years of experience as a childcare teacher		240 hours of experience as a childcare teacher	
One of the following:		One of the following:	
Preservice Training	Additional Training	Preservice Training	Additional Training
Eight credits in early childhood education	The Registry Administrator Credential within 3 years of assuming the position	Four credits in early childhood education	One course in the Registry Administrator Credential within one year of assuming the position
The Registry Program Development Credential	The Registry Administrator Credential within 3 years of assuming the position	The Registry Program Development Credential	One course in the Registry Administrator Credential within one year of assuming the position
The Registry Preschool Credential	The Registry Administrator Credential within 3 years of assuming the position	The Registry Preschool Credential	One course in the Registry Administrator Credential within one year of assuming the position
The Registry Infant Toddler Credential	The Registry Administrator Credential within 3 years of assuming the position	The Registry Infant Toddler Credential	One course in the Registry Administrator Credential within one year of assuming the position
A combination of 4 credits and 2 noncredit department-approved courses in early childhood education	The Registry Administrator Credential within 3 years of assuming the position	Two non-credit department-approved courses in early childhood education.	One course in the Registry Administrator Credential within one year of assuming the position
A certificate from The Wisconsin Registry indicating that the person is preliminarily qualified as a director for a center licensed to care for 51 or more children	The Registry Administrator Credential within 3 years of assuming the position	One noncredit department-approved course and 2 credits in early childhood education	One course in the Registry Administrator Credential within one year of assuming the position
An associate degree in early childhood education or childcare	No additional training required	Forty-eight credits from an accredited institution of higher education with at least 3 credits in early childhood education	One course in the Registry Administrator Credential within one year of assuming the position
A bachelor's degree in early childhood education, education, or child development	No additional training required	A Child Development Associate (CDA) credential issued by the Council for Professional Recognition	One course in the Registry Administrator Credential within one year of assuming the position
A license to be a pre-kindergarten, kindergarten, or early childhood regular or special education teacher.	No additional training required	A certificate from the Wisconsin Registry indicating the person is preliminarily qualified as a director for a center licensed to care for 50 or fewer children	One course in the Registry Administrator Credential within one year of assuming the position
		A one-year diploma in childcare or early childhood education	No additional training required
		An associate degree in early childhood education or childcare	No additional training required
		A bachelor's degree in early childhood education, education, or child development	No additional training required
		A license indicating that the person is qualified to act as a pre-kindergarten, kindergarten, or early childhood regular or special education teacher.	No additional training required

Center Directors of facilities with fewer than 50 children have somewhat lower requirements. Directors must be 21 years of age and have completed high school or received an equivalent degree. They need 240 hours of experience as a teacher or assistant teacher in a childcare center. They also have two pathways to licensure, one with low entry requirements and subsequent credentials, and another with higher initial requirements and no subsequent credentials. Those seeking licensure through the first pathway must obtain a Registry Administrator Credential within 3 years of licensure to maintain it. Those seeking licensure through the other pathway, which requires a one-year diploma in childcare or early childhood education, do not need any additional training.

CHILDCARE TEACHERS

Childcare teachers plan, implement, and supervise the daily activities for a group of children, and provide the bulk of the care within facilities. They must also be licensed. To be eligible for a license, they must be at least 18 years of age and have a high school diploma, or its equivalent. They must have at least 240 hours of experience as an assistant childcare teacher in a group childcare center, as a licensed family childcare provider, or in another approved early childhood setting. Prior to assuming the position, a childcare teacher must meet an education requirement, which can be as little as four credits in early childhood education. Table 2 provides a full list of the childcare teacher's entry requirements.

Table 2. Licensing Requirements for Teachers

Teachers

18 years of age
High school diploma or equivalent
240 hours of experience as an assistant childcare teacher
No statewide initial license fee*
Plus one of the following:
Four credits in early childhood education
Two non-credit department-approved courses in early childhood education
Two credits in early childhood education and one noncredit course in early childhood education
A certificate from the Wisconsin Registry indicating that the person is qualified as a childcare teacher
The Registry Preschool Credential
The Registry Infant Toddler Credential
Forty-eight credits from an institution of higher education with at least 3 credits in early childhood education
A one-year childcare diploma in childcare or early childhood education
An associate degree in early childhood education or childcare
Certificate from American Montessori Society, Association Montessori International, or Montessori Accreditation Council for Teacher Education
A licensed to be a pre-kindergarten, kindergarten, or early childhood regular or special education teacher
A certificate from the department of workforce development as a child development specialist

* While there is no state level initial licensing fee, counties with more than 750,000 residents may charge a licensing fee to childcare teachers.

ASSISTANT TEACHERS

Childcare facilities can also hire Assistant Teachers, who work under the supervision of a childcare teacher. They must be licensed and can obtain a license through multiple pathways. If they are 18 years old, they must complete two credits in early childhood education within 6 months of assuming the position. If they are 17, they must complete an assistant childcare teacher training program and 2 credits in early childhood education. Childcare centers can also hire program aides and substitutes, and can rely on volunteers and student teachers. Their requirements can be found in Table 3.

Table 3. Licensing Requirements for Assistant Teachers

Age	Education/Training
18 years old	2 credits in early childhood education within 6 months
18 years old	One, non-credit department- approved course in early childhood education within 6 months
17 years old	An assistant childcare teacher training program
17 years old	2 credits in early childhood education
17 years old	Noncredit department-approved course in early childhood education

GROUP SIZE REGULATIONS

Wisconsin relies on minimum staff to child ratios to ensure adequate supervision of children. Each child must always be within the sight and sound of the childcare worker. Childcare teachers must be present to supervise groups of children, but they can be assisted by other professions. Assistant teachers may provide some direct oversight during nap times and drop off/pick up. The minimum staff to child ratios and maximum group sizes are smallest for infants, and as the children age, the groups can be larger. A complete list of staff to child ratios and maximum group sizes can be found in Table 4. When there is a mixed-age group, the staff to child ratios are adjusted based on the age composition of the children in the group.

**Table 4.
Maximum Group Size and Minimum
Number of Child Care Workers in
Group Child Care Centers**

Age of Children	Staff to Child Ratio	Maximum Group Size
Birth to 2 years	1:4	8
2 years to 2.5 years	1:6	12
2.5 to 3 years	1:8	16
3 to 4 years	1:10	20
4 to 5 years	1:13	26
5 years and over	1:18	36

STATE COMPARISON

When analyzing the differences between states, it becomes clear how Wisconsin can reform childcare regulations without going too far. Wisconsin already has less strict educational requirements for childcare center directors and teachers. However, we could align more with Michigan's requirements, which requires just 12 months of schooling for directors compared to Wisconsin's 31 months, to make the profession more accessible. There is also room to improve staff-to-student ratios and maximum group sizes, especially with the 2-2.5 age group where three bordering states allow additional children.

FACILITY REGULATIONS

Facility-level regulations are generally consistent between states. Each of the states in our sample requires business licenses and general liability insurance to operate childcare facilities. They also regularly inspect childcare facilities to ensure that they meet regulations.

Wisconsin's building requirements are typical. Like most states, Wisconsin mandates a minimum of 35 square feet of indoor space per child, although some states specify more space for areas that will hold infants with cribs. There are a few states with lower requirements such as North Carolina which only requires 25 square feet of indoor space per child.*

For outdoor spaces, nearly all states mandate a minimum of 75 square feet per child. Although a few states differ such as Michigan which sets a fixed minimum of 1,200 square feet and Florida which only requires 45 square feet.† Fencing requirements have the most variation. Wisconsin, Illinois, and Michigan require 4 feet tall fences to surround outdoor play spaces. Indiana requires fencing but does not specify its height. Iowa and Minnesota do not require fencing for childcare facilities.

Table 5. Facility Requirements

	Wisconsin	Indiana	Illinois	Iowa	Michigan	Minnesota
Indoor space	35 sq ft	35 sq ft	35 sq ft	35 sq ft	35 sq ft	35 sq ft
Outdoor space	75 sq ft	75 sq ft	75 sq ft	75 sq ft	1,200 sq ft	75 sq ft
Fencing	4 ft	Required, no height	4 ft	None	48 in	None

STAFF REGULATIONS

* https://ncchildcare.ncdhhs.gov/Portals/0/documents/pdf/B/basic_info_center_providers.pdf

† http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0400-0499/0402/Sections/0402.305.html

We compare the licensing requirements for the two professions that are most consistently used across

the sample states, childcare center director and teacher. Most states offer multiple pathways combining education and experience. For this comparison, we include the least onerous education requirement which is directly related to childcare. In some cases, states will allow any degree in any subject with additional experience. For time to completion, we count time as starting after high school graduation. Each state in our analysis requires a high school diploma or GED. We do not include initial licensing fees in our analysis because of inconsistencies in how fees are levied between states and some states appearing to not charge licensing fees.

While Wisconsin’s professional licensing requirements compare favorably to some of the states in the sample, Wisconsin does have room for reform. For a childcare center director, the quickest path to licensure in Wisconsin takes about two and a half years, combining education and experience. By comparison, Michigan has the least stringent requirements, allowing applicants to qualify in about one year with a Child Development Associate (CDA) credential and 960 hours of childcare experience. Importantly, Wisconsin allows childcare center directors to fulfill some of the necessary licensing requirements even after obtaining their license.

Childcare teachers are similar. An applicant can obtain the necessary education and training in about 7 months to become a childcare teacher in Wisconsin. This path requires 4 credits in early childhood education and 240 hours of experience in a childcare setting. This requirement compares favorably to Illinois and Iowa, but is similar to Michigan and longer than Indiana. In Indiana, childcare teachers do not need any education past a high school diploma.

Table 6. Licensing Requirements for Childcare Staff



	Director Requirements	Director Time to Complete	Teacher Requirements	Teacher Time to Complete
Wisconsin	8 credits in early childhood education + 2 years' experience + The Registry Administrator Credential within 3 years of assuming the position	2 years 7 month	4 credits in early childhood education + 240 hours of experience	7 months
Indiana	Associate's degree in early childhood education and 3 years experience	5 years	high school diploma/ GED	0 months
Illinois	30 credits in courses related directly to child care and/or child development and proof of enrollment in a university until 2 years of credits have been achieved. Two years (3120 clock hours) of child development experience	4 years	30 credits in courses related directly to child care + 1560 hours of experience	2 years
Iowa	Child development associate (CDA) + 2.25 years of experience	2 years 9 months	Child development associate (CDA) or one-year diploma in child development + 15 months experience in a childcare center or preschool setting	2 years 3 months
Michigan	Child development associate credential (CDC) + 960 hours of experience	1 year	Child development associate credential (CDC) + 480 hours of experience	8 months
Minnesota	90 credit hours in staff supervision, human relations, or child development + 1040 hours of experience	3 years 6 months	Child Development Associate credential + 1,560 hours of experience	1 year 6 months

GROUP SIZE REGULATIONS

Wisconsin compares reasonably well for minimum staff to child ratios and maximum groups size regulations. We provide a comparison by age group in Tables 6 and 7. In some cases, states split age groups differently, so we averaged the numbers across the combined groups. For staff to child ratios, Wisconsin stands out for the youngest age groups. Wisconsin is tied for the most stringent requirements for the 0-2 age group, although there is little difference between states. For the 2-2.5 age group, childcare facilities must have 1 staff member per 6 children. Iowa and Minnesota allow 1 per 7 children, and Illinois allows 1 per 8 children. For every other age level, Wisconsin is not the most permissive. The state has room for reform without changing ratios to a uniquely low level of child supervision.

Table 7. Staff to Child Ratio

Age Group	Wisconsin	Indiana	Illinois	Iowa	Michigan	Minnesota^
0 - 2 years	1 to 4	1 to 4.5*	1 to 4.5*	1 to 4	1 to 4	1 to 4
2 years to 2.5 years	1 to 6	1 to 5	1 to 8	1 to 7	1 to 4	1 to 7
2.5 to 3 years	1 to 8	1 to 7	1 to 8	1 to 7	1 to 8	1 to 10
3 to 4 years	1 to 10	1 to 10	1 to 10	1 to 10	1 to 10	1 to 10
4 to 5 years	1 to 13	1 to 12	1 to 10	1 to 12	1 to 12	1 to 15
5 years and over	1 to 18	1 to 15	1 to 20	1 to 15	1 to 18	1 to 15

Note: *Average of two separate age groups ^Age bins do not quite match

For maximum group sizes, again, Wisconsin is most stringent for earlier ages. Wisconsin allows a maximum of 8 children in the 0-2 age group, which is stricter than 3 states. Illinois allows an average of 13.5 and Michigan allows 12 in a group. For the 2-2.5 age group, Wisconsin limits groups to 12 at most, while Illinois allows 16 and Minnesota allows 14. Iowa does not regulate group size for any age group. For younger age groups, Wisconsin has room to relax requirements without being more liberal than bordering and regional states.

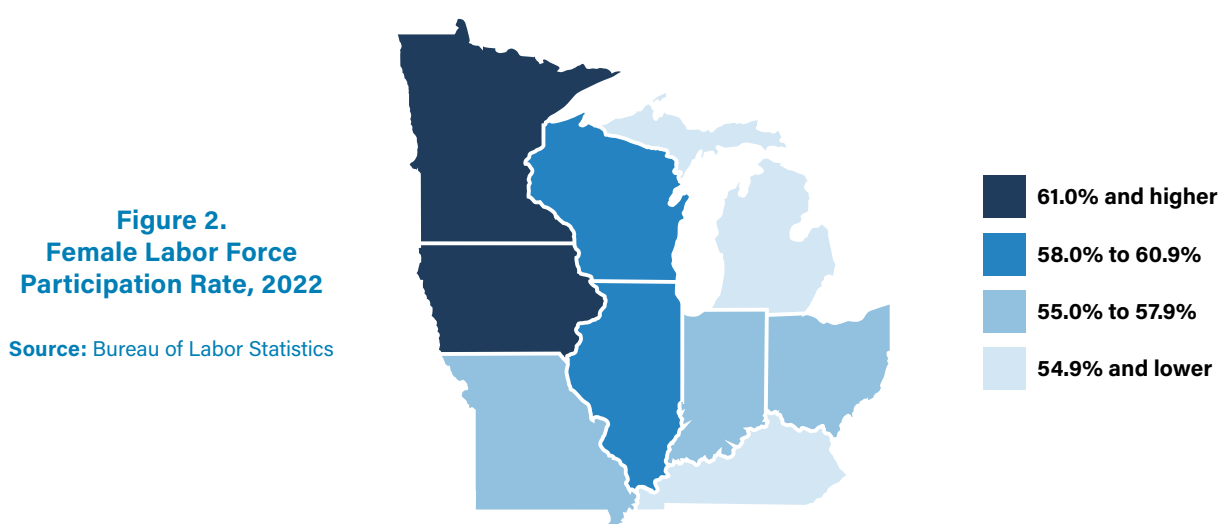
Table 8. Maximum Group Size

Age Group	Wisconsin	Indiana	Illinois	Iowa	Michigan	Minnesota^
0 - 2 years	8	9*	13.5*	n/a	12	8
2 years to 2.5 years	12	10	16	n/a	12	14
2.5 to 3 years	16	14	16	n/a	16	20
3 to 4 years	20	20	20	n/a	30	20
4 to 5 years	26	24	20	n/a	36	30
5 years and over	36	30	20	n/a	36	30

Note: *Average of two separate age groups ^Age bins are a close, but not exact match

CHILDCARE REGULATION & OUTCOMES

How is childcare regulation in Wisconsin impacting the citizens of the state? One of the goals of childcare is to prevent family members from being forced to leave the labor force. If childcare regulations are too onerous or increase costs for providers, they can restrict the supply of childcare, reducing labor force participation. Figure 2 illustrates labor force participation rates for females of bordering and regional states in 2022.



Wisconsin's female labor force participation is 59.3% — 2.5 percentage points higher than the national average. Regionally, Illinois, Iowa, and Minnesota all have higher female labor force participation rates. Indiana and Michigan have lower female labor force participation rates.

With a single year of data, it is difficult to perform meaningful analysis, but economic theory would suggest that lowering the availability of childcare via more stringent regulation would reduce female labor force participation. Females are more likely to stay out of the labor force if they are not able to access childcare.

The stated goal of regulating childcare is to ensure quality and protect children from harm. To examine whether regulations achieve that goal, we gathered the complaint and serious injury data from a variety of state childcare regulators for the most recent year available. For the number of complaints, Wisconsin performed slightly better than average, with 1,335 complaints. Wisconsin did see more serious injuries than most of the comparison states; however, there was considerable variation between states, likely due to different thresholds or definitions. It is also worth emphasizing how Wisconsin compares to

Iowa. Iowa has the 11th least restrictive score in the Childcare Regulation Index, yet also has the fewest number of complaints and serious injuries. Even if we accounted for population differences (Wisconsin is slightly less than double the population of Iowa), the gap between Wisconsin and Iowa's complaints and serious injuries is quite large. Taken together, it does not appear that the current childcare regulations in Wisconsin, which are more burdensome, improve the quality of childcare in the state. It is not possible to make causal claims with a single year of data, but the evidence presented here casts doubt on tougher regulation improving quality. This evidence is also consistent with the current economic literature.

Table 9. Complaints and Serious Injuries in Child Care Facilities for Years 2022, 2023 and 2024

State	Total Number of Complaints	Serious Injuries
Wisconsin*	1335	1147
Indiana**	1857	n/a
Illinois***	2097	117
Iowa*	214	2
Michigan	1625***	298*
Minnesota	1291**	1201*



Conclusion



Average	1406.8	587.6
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Source: State websites and Freedom of Information Act requests for most recent data

*2022 **2023 ***2024

Affordable, widely available childcare has proven difficult to find across the United States and Wisconsin is no exception. Some of the issues are structural—childcare is a labor-intensive industry. However, well-intentioned regulatory policy can add considerable costs, restricting the supply of childcare centers and making care more expensive for parents. Ensuring that regulations are properly designed to support child safety without burdening childcare providers and limiting access is an important policy challenge.

Overall, Wisconsin is more heavily regulated than many surrounding states and the nation as a whole. For the regulations that we considered, the staff to child ratio and maximum group size offers two areas where Wisconsin can safely reform and significantly reduce the costs of complying with regulations without sacrificing child safety. The staff to child ratio for the 2-2.5 age range could be increased from six to seven like in Iowa and Minnesota, or eight like Illinois. It may also be worth considering reforming the requirements for becoming a childcare center director. Currently, it takes about 2 years and 7 months to complete the classes and experience. This is good compared to most neighboring states, but Michigan’s requirements only take one year so there is room for improvement.

Providing more flexibility as the previously mentioned bills should also continue to be advocated for. For example, certified childcare operators can already have six children in their care, but no more than three can be unrelated to the operator. Allowing providers to care for six children in total, regardless of whether the children are related to them, would open spots for childcare without actually changing group size. Additionally, permitting childcare centers to match the staff-to-child ratio of their district 4k program for the same age group and allowing additional children





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