*Fiscal Facts by Wisconsin Policy Forum*

**Enrollment in state child care aid program spiked, then tumbled amid the pandemic**

The state’s child care subsidy program for low-income families, Wisconsin Shares, is among those that saw sweeping changes during the last year — as enrollment in the program spiked early in the COVID-19 pandemic, then fell to its lowest level in at least five years.

When the pandemic forced the closure of schools and many workplaces a year ago, large numbers of child care providers similarly shut down as children and parents left their normal routines and unemployment skyrocketed.

Yet, despite this abrupt shift, the number of children being nominally served by the state’s Wisconsin Shares child care subsidy program actually rose by 15% in April 2020 and remained elevated through June. The expected downward shift occurred instead in July, when program enrollment fell by 27%, and it has remained at lower than usual levels despite modest increases in recent months.

The drop may reflect, in part, families’ continued concerns about safety as well as health orders that affect the capacity of child care providers. A major factor also is likely lingering unemployment, as parents must be working or in another approved activity to qualify for Wisconsin Shares.

The decrease in Wisconsin Shares usage is concerning given that it suggests many low-income parents have not yet returned to work and many providers may still be coping with reduced demand. Maintaining and improving access to affordable child care will be crucial to getting these parents and guardians — particularly mothers — back into the workforce.

States will soon see a massive infusion of federal aid for uses including supporting child care providers. The newly enacted American Rescue Plan Act is set to provide at least $581 million in increased funds for Wisconsin providers. This offers a unique opportunity for the state, one that warrants careful reflection on the most effective uses for these dollars.

Moving forward, policymakers may also wish to keep a close watch on Wisconsin Shares usage as a barometer of the pace at which low-income parents and guardians are returning to the workforce — and to detect whether child care challenges may be impeding the pace of economic recovery.

*This information is provided to Wisconsin Newspaper Association members as a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at wispolicyforum.org.*