



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #231

Local Administration of Child Care Subsidies (DCF -- Economic Support and Child Care)

[LFB 2009-11 Budget Summary: Page 161, #9]

CURRENT LAW

Wisconsin Works (W-2) agencies are required to determine eligibility for child care subsidies and to refer individuals who have been determined eligible to a county department for child care assistance. County departments and Indian tribes administer the child care subsidy program and do all of the following: (a) determine a parent's copayment; (b) provide a voucher to individuals for the payment of child care services or otherwise reimburse child care providers; (c) set maximum reimbursement rates for day care providers; (d) certify day care providers that are not licensed by the state; and (e) assist eligible individuals to identify and select appropriate child care. Need for service and eligibility must be redetermined at least every six months.

In most counties, the county department is also the W-2 agency. However, in Milwaukee County and a number of other counties, the W-2 agency is a private entity under contract with the Department of Children and Families (DCF). In these counties, two separate agencies are involved in determining eligibility and providing child care assistance.

GOVERNOR

Require a county department, or a W-2 agency, child care resource and referral agency, or some other agency that DCF contracts with to determine eligibility for child care subsidies in a particular geographic region or for a particular Indian tribal unit, to also administer the child care subsidy program. In administering the child care subsidy program, the county department or contracted agency would have to: (a) determine an individual's liability for copayments; (b) determine and authorize the amount of child care for which an individual may receive a subsidy; (c) annually perform a survey of market child care rates, as directed by DCF, and determine maximum reimbursement rates, if DCF so directs; (d) assist individuals who are eligible for child care subsidies to identify available child care providers and select appropriate child care

arrangements; and (e) at intervals, or as otherwise required by DCF, review and redetermine the financial and nonfinancial eligibility of individuals receiving child care subsidies.

MODIFICATION

Increase the direct child care services allocation by \$3,000,000 FED in 2009-10 and \$6,000,000 FED in 2010-11 and reduce funding for the Wisconsin Works ancillary services allocation by \$3,000,000 FED in 2009-10 and \$6,000,000 FED in 2010-11 to reflect that child care eligibility determinations would no longer be required of W-2 agencies, but would be required by an entity that contracted with DCF to determine child care eligibility and administer the child care program.

Explanation: AB 75 would modify local administration of the child care subsidy program to authorize DCF to contract with W-2 agencies, child care resource and referral agencies, or other agencies to certify day care providers under the Wisconsin Shares program in a particular geographic region or for a particular Indian tribal unit. County departments of human/social services would be required to certify child care providers under Wisconsin Shares if DCF does not contract for that service in a particular geographic region or for a particular tribal unit.

In addition, the entity that contracts with DCF to certify day care providers would also determine eligibility for and administer the Wisconsin Shares program. However, funding for determining eligibility for the Wisconsin Shares program is currently allocated for W-2 services under the W-2 agency contracts. Because the W-2 agency may no longer determine eligibility for Wisconsin Shares under this provision if DCF contracts with another entity for this purpose, funding for determining eligibility should be removed from the W-2 agency contracts and placed in direct child care subsidies for local administration of child care.

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