

Chapter DCF 201

CHILD CARE SUBSIDY PROGRAM

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Note: Sections HSS 55.70 to 55.77 as they existed on February 28, 1997 were repealed and a new chapter DWD 56 was created effective March 1, 1997. Chapter DWD 56 was renumbered to chapter DCF 201 under s. 13.92 (4) (b) 1., Stats., Register November 2008 No. 635.

DCF 201.01 Purpose and applicability. This chapter provides standards and procedures for the administration of the child care subsidy program under ss. 49.155 and 227.11 (2) (a), Stats. This chapter applies to the department, child care administrative agencies, child care providers, and eligible parents.

History: Cr. Register, February, 1997, No. 494, eff. 3-1-97; am. Register, November, 1999, No. 527, eff. 12-1-99; CR 02-104; am. Register March 2003 No. 567, eff. 4-1-03; EmR1015; emerg. am. eff. 5-17-10; CR 10-056; am. Register September 2010 No. 656, eff. 10-1-10; EmR1709; emerg. r. and recr. eff. 5-4-17; CR 17-033; r. and recr. Register January 2018 No. 745, eff. 2-1-18.

DCF 201.02 Definitions. In this chapter:

(1) “Account number” means a number that appears on a parent’s EBT card and is linked to the parent’s electronic child care subsidy.

(1d) “Approved activity” means an activity specified under s. 49.155 (1m) (a), Stats.

(1h) “Approved activity search period” means the 3-month eligibility period after the parent permanently ceases participation in any approved activity under s. 49.155 (1m) (a) (intro.), Stats.

(1p) “Assistance group” means the individuals in a household that are included in determining eligibility for the child care subsidy program under s. DCF 201.036 (2).

(1t) “Authorization” means written approval by a child care administrative agency for payment under the child care subsidy program for child care for a specific child, by a specific child care provider, for up to a specific number of hours, during a specific time period.

(2m) “Certification agency” means the department in a county having a population of 750,000 or more; a county department of social services established under s. 46.22, Stats.; a county department of human services established under s. 46.23, Stats.; a tribal agency; or any agency that contracts with any of those entities to certify child care providers under s. 48.651, Stats.

(3) “Child care administrative agency” or “agency” means any of the following:

(a) An agency that has a contract with the department to administer the child care subsidy program.

(b) An agency that has a subcontract to administer the child care subsidy program with an agency that has a contract with the department.

(c) In a county with a population of 750,000 or more, the department or the Milwaukee County enrollment services unit as provided in ss. 49.155 (3g) (a) and 49.825 (2) (b), Stats.

(4) “Child care funds” means funding for child care purposes under s. 49.155, Stats., excluding s. 49.155 (1d) and (1g), Stats.

(5) “Child care price” means the amount a child care provider charges for child care services.

(6) “Child care provider” or “provider” means a provider licensed under s. 48.65, Stats.; certified under s. 48.651, Stats.;

established or contracted for under s. 120.13 (14), Stats.; or licensed or regulated in Illinois, Minnesota, Iowa, or Michigan.

(6m) “Child care subsidy program” or “subsidy program” means the program under which the department issues payments to assist parents who are eligible under s. 49.155 (1m), Stats., with child care expenses.

(7g) “Complies with the payment schedule” as used in s. 49.195 (3m) (h), Stats., means the debtor submits each payment due on an overpayment so that it is received by the department by the due date every month over the life of the debt.

(7m) “Copayment” means an amount that is calculated by the department’s automation system based on s. DCF 201.08 (1) (a) and (2) (bm) that reduces the amount of a parent’s subsidy payment.

Note: See the definition of “parent’s share” in s. DCF 201.02 (17e).

(7r) “Debtor” means a person who is responsible for an overpayment under s. DCF 201.04 (5) (b) or a person who is liable under s. 49.155 (7m) (b), Stats.

(8) “Department” means the Wisconsin department of children and families.

(9) “EBT card” means a card that allows a parent to electronically transfer the parent’s child care subsidy to the parent’s child care provider as payment for child care services.

(9g) “Employability plan” means a written agreement used in the Wisconsin works program that includes the activities that a Wisconsin works program participant will engage in during a specified time period.

(9r) “Employment plan” means a written agreement used in the food stamp employment and training program under s. 49.79 (9), Stats., that includes the activities that a program participant will engage in during a specified time period.

(11) “Federal poverty level” means the poverty guidelines that are established based on the number of individuals in a household and updated annually by the U.S. department of health and human services.

(12) “Foster parent” means a person licensed under s. 48.62 (1), Stats., or licensed by a tribal social services agency as a tribal placement home.

(13) “Gross income” means the income used in determining financial eligibility under s. 49.155 (1m) (c), Stats.

(13m) “Homeless” has the same meaning as “homeless children and youth” under 42 USC 11435 (2).

Note: This definition is included in Section 725 (2) of the McKinney-Vento Homeless Assistance Act.

(14) “In-home provider” means a person caring for a child in the child’s own home.

(15) “Kinship care relative” means a stepparent, brother, sister, stepbrother, stepsister, half brother, half sister, brother-in-law, sister-in-law, first cousin, 2nd cousin, nephew, niece, uncle, aunt, stepuncle, stepaunt, or any person of a preceding generation as denoted by the prefix of grand, great, or great-great, whether by blood, marriage, or legal adoption, or the spouse of any person

listed in this subsection, even if the marriage is terminated by death or divorce.

(15m) “Maximum rate” means the maximum rate that the department will use in calculating the amount of a payment under the child care subsidy program.

(16) “Nonmarital coparent” has the meaning given in s. 49.141 (1) (i), Stats.

Note: Section 49.141 (1) (i), Stats., provides “‘Nonmarital coparent’ means, with respect to an individual and a dependent child, a parent who is not married to the individual, resides with the dependent child and is either an adjudicated parent or a parent who has signed and filed with the state registrar under s. 69.15 (3) (b) 3. a statement acknowledging paternity.”

(16m) “Nurse practitioner” has the same meaning as “advanced practice nurse” under s. N 8.02 (1).

(17) “Parent” means a custodial parent, foster parent, kinship care relative, guardian, legal custodian, subsidized guardian or interim caretaker under s. 48.623, Stats., or a person acting in place of a parent. “Parent” also includes the spouse or nonmarital coparent of a parent who resides in the same household as the parent.

(17e) “Parent’s share” means the out-of-pocket cost of child care that a parent is responsible for paying to the child care provider, including any amount charged by the provider that exceeds the amount of the parent’s subsidy payment.

Note: See the definition of “copayment” in s. DCF 201.02 (7m).

(17m) “Personal identification number” means a confidential number that a parent uses with the parent’s EBT card or account number to electronically access the parent’s child care subsidy in a secure manner.

(17s) “Physician assistant” has the same meaning as in s. 448.971 (2), Stats.

(18m) “Private pay parent” means a parent that does not pay a provider for child care with funds from the child care subsidy program.

(18p) “Registration fee” means a fee that a child care provider charges to enroll a child or to continue a child’s enrollment on an annual basis.

(19) “Slots” means the number of children within the capacity of a child care provider under the applicable law for that type of provider.

(20) “Special need” means an emotional, behavioral, physical, or personal need of a child requiring more than the usual amount of care and supervision for the child’s age, as documented by a physician, psychologist, special educator, or other qualified professional. A “special need” includes a developmental disability.

(21) “Temporary break” means a parent’s time-limited absence from an approved activity due to illness, leave to care for family member, a student or holiday break, an interruption in work for a seasonal worker who is not working between regular industry work seasons, or any other cessation of an approved activity as long as the parent continues to be employed or enrolled in the approved activity and the absence does not exceed 3 months.

(21m) “Twelve-month eligibility period” means the period between the initial determination of a parent’s eligibility and the following redetermination or between annual redeterminations of a parent’s eligibility.

(22) “Tribe” means a Wisconsin American Indian tribe recognized by the federal government.

(24) “Wisconsin works” or “W-2” has the meaning given in s. 49.141 (1) (p), Stats.

Note: Section 49.141 (1) (p), Stats., provides: “‘Wisconsin works’ means the assistance program for families with dependent children, administered under ss. 49.141 to 49.161.”

(26) “Wisconsin works employment position” has the meaning given in s. DCF 101.03 (39).

History: Cr. Register, February, 1997, No. 494, eff. 3-1-97; r. (1), (8), (11), (13), (14), (15) and (16), am. (3), (4), (9), (10), and (17), cr. (15m), (16m), (20m), (23), and

(24), Register, November, 1999, No. 527, eff. 12-1-99; renum. (12), (15m), (16m) and (20m) to be (11), (15), (16), and (20), cr. (12) and (25), r. (14), Register, January, 2001, No. 541, eff. 2-1-01; CR 02-104: r. and recr. (3) and (15), am. (4), (11) to (13) and (21), renum. (7) and (20) to (25) to be (8) and (21) to (26), cr. (7), (14) and (20) Register March 2003 No. 567, eff. 4-1-03; correction in (10) made under s. 13.93 (2m) (b) 7., Stats., Register March 2003 No. 567; CR 04-123: r. (9) Register July 2005 No. 595, eff. 8-1-05; correction in (11) made under s. 13.92 (4) (b) 7. Stats., Register July 2008 No. 631; corrections in (8), (25) and (26) made under s. 13.92 (4) (b) 6. and 7., Stats., Register November 2008 No. 635; EmR1015: emerg. cr. (2m), am. (3) and (19), eff. 5-17-10; CR 10-056: cr. (2m), am. (3) and (19) Register September 2010 No. 657, eff. 10-1-10; EmR1027: emerg. cr. (7g), (7r), eff. 7-9-10; CR 10-086: cr. (7g), (7r) Register December 2010 No. 660, eff. 1-1-11; CR 10-148: am. (12), r. (21) Register August 2011 No. 668, eff. 9-1-11; CR 14-030: cr. (6m) Register August 2015 No. 716, eff. 9-1-15; 2015 Wis. Act 132: am. (2m) Register February 2016 No. 722, eff. 3-1-16; EmR1709: emerg. r. (2), am. (3), r. and recr. (5), am. (6), r. and recr. (6m), r. (7), r. and recr. (7r), r. (11), am. (12), r. and recr. (13), cr. (15m), r. and recr. (19), cr. (19m), r. (23), (25), eff. 5-4-17; CR 17-033: r. (2), r. and recr. (3), (5), am. (6), r. and recr. (6m), r. (7), r. and recr. (7r), r. (11), am. (12), r. and recr. (13), cr. (15m), r. and recr. (19), r. (23), (25) Register January 2018 No. 745, eff. 2-1-18; EmR1801: emerg. cr. (1), (9), (17m), (18m), eff. 3-11-18; CR 17-099: cr. (1), (9), (17m), (18m) Register July 2018 No. 751, eff. 8-1-18; CR 18-088: cr. (1d), (1h), (1p), (1t), (7m), (9g), (9r), r. (10), cr. (11), (13m), r. and recr. (15), cr. (16m), r. and recr. (17), cr. (17e), (17s), r. (18), cr. (21), (21m), Register July 2019 No. 763, eff. 8-1-19; correction in (17s) made under s. 13.92 (4) (b) 7., Stats., Register January 2023 No. 805; **EmR2314: emerg. cr. (18p), eff. 10-1-23; CR 23-016: cr. (18p) Register January 2024 No. 817, eff. 2-1-24.**

DCF 201.03 Department powers and responsibilities. **(1) GENERAL.** The department shall maintain oversight responsibility of local administration of the child care subsidy program by child care administrative agencies.

(2) RATE DETERMINATION. Notwithstanding s. 49.155 (6), Stats., and s. DCF 201.06, the department may determine maximum rates under s. 49.155 (6d) (a) 3., Stats.

(3) ASSISTANCE TO CHILD CARE ADMINISTRATIVE AGENCIES. The department shall provide information and technical assistance to child care administrative agencies regarding administration of the child care subsidy program.

(6) INCENTIVE PROGRAM FOR LOCAL FRAUD DETECTION. The department shall provide an incentive payment as specified under s. DCF 201.044 to a local agency for identifying fraud in the child care subsidy program.

History: Cr. Register, February, 1997, No. 494, eff. 3-1-97; r. (4), am. (3), Register, November, 1999, No. 527, eff. 12-1-99; correction in (5) (b) made under s. 13.93 (2m) (b) 7., Stats., Register, November, 1999, No. 527; corrections in (title), (2), (5) (a) 1. and (b) made under s. 13.92 (4) (b) 6. and 7., Stats., Register November 2008 No. 635; EmR1015: emerg. am. (3), (5) (a) (intro.) and (b), eff. 5-17-10; CR 10-056: am. (3), (5) (a) (intro.) and (b) Register September 2010 No. 657, eff. 10-1-10; CR 14-030: cr. (6) Register August 2015 No. 716, eff. 9-1-15; correction in (6) made under s. 13.92 (4) (b) 7., Stats., Register August 2015 No. 716; EmR1709: emerg. r. and recr. (1), (2), am. (3), r. (5), am. (6), eff. 5-4-17; CR 17-033: r. and recr. (1), (2), am. (3), r. (5), am. (6) Register January 2018 No. 745, eff. 2-1-18; CR 18-088: am. (title) Register July 2019 No. 763, eff. 8-1-19.

DCF 201.034 Child care administrative agencies.

(1) The department may contract with a child care administrative agency to administer, or to share in the administration of, the child care subsidy program in a particular county or geographical area.

(2) The duties of a child care administrative agency shall include all of the following:

(a) Responding to requests for information on the child care subsidy program.

(b) Ensuring that a parent’s eligibility for the subsidy program is accurately determined.

(c) Assessing an assistance group’s child care needs.

(d) Providing information to a parent about resources for identifying potential child care providers.

(e) Determining a parent’s copayment amount.

(f) Establishing an authorization for subsidized child care for an eligible parent.

(g) Ensuring program integrity, including determining and processing overpayments.

(h) Representing the agency in appeals under ch. 227, Stats.

(3) A child care administrative agency shall ensure that each new employee who performs an agency responsibility under sub.

(2) (b), (c), (e), (f), or (g) completes the department's initial training within the first 6 months of employment.

(4) A child care administrative agency may subcontract responsibilities with the approval of the department.

History: EmR1709: emerg. cr., eff. 5-4-17; CR 17-033: cr. Register January 2018 No. 745, eff. 2-1-18; CR 18-088: am. (2) (c) Register July 2019 No. 763, eff. 8-1-19.

DCF 201.036 Eligibility. (1) REQUEST FOR ASSISTANCE. Notwithstanding s. DCF 101.06 (2), a parent shall sign a request for assistance under the child care subsidy program.

Note: Section DCF 101.06 applies to applications for the Wisconsin Works program. Section 49.141 (1) (p), Stats., defines "Wisconsin Works" as "the assistance program for families with dependent children, administered under ss. 49.141 to 49.161, Stats." This rule clarifies that s. DCF 101.06 applies only to the time-limited program that provides temporary cash assistance and case management services to low-income parents and pregnant women and not to the child care subsidy program.

(2) **AGENCY DETERMINATION.** A child care administrative agency shall determine a parent's eligibility for the child care subsidy program under s. 49.155 (1m), Stats., and this section.

(2e) **EXCLUSIONS FROM LIMIT ON LIQUID ASSETS.** Financial resources that are not cash on hand or funds in checking, savings, money market, or credit union share accounts that can be withdrawn without incurring penalties are excluded from the definition of liquid assets for the purpose of the liquid asset limit under s. 49.155 (1m) (cm), Stats.

(2m) **LIMITS ON THE VALUE OF AN ASSISTANCE GROUP'S HOME AND VEHICLES.** (a) *Hardship exemptions.* A parent who first applies for the child care subsidy program on or after January 1, 2019, is subject to the asset limits under s. 49.155 (1m) (cr), Stats., unless any of the following conditions are met:

1. The parent is the child's foster parent.
2. The parent is a kinship care relative receiving payments under s. 48.57 (3m) or (3n), Stats., and the child was placed in the kinship care relative's home under a court order.
3. The parent is the child's guardian or interim caretaker under s. 48.623, Stats.
4. Ownership of an applicable asset is unclear to the child care administrative agency due to a recent death or change in the composition of the assistance group.
5. The assistance group is homeless.

(b) *Agricultural land and buildings excluded from value of home.* 1. In this paragraph, "agricultural land" includes buildings and improvements that are devoted primarily to agricultural use and the land necessary for their location and convenience.

2. In calculating the value of a home owned by the assistance group under s. 49.155 (1m) (cr) 1., Stats., the child care administrative agency shall exclude the value of any agricultural land owned by a member of the assistance group.

(2s) **ADDRESS VERIFICATION.** Except when the parent is homeless or is registered with the address confidentiality program under s. 165.68, Stats., a parent shall submit verification of the parent's place of residence to the child care administrative agency at the parent's eligibility determination and redetermination.

(3m) **SELF-EMPLOYMENT.** (a) *Requirement to file taxes.* Regardless of the amount of a parent's net income, a parent whose approved activity is self-employment shall file personal and business tax returns with the internal revenue service if the parent's gross income from the previous year included income from self-employment.

(b) *Income information to agency.* Except as provided in par. (c) 1., a parent is eligible for the child care subsidy program when the parent's approved activity is self-employment only if the parent submits copies of the parent's most recent personal and business tax returns to the child care administrative agency with the parent's initial request for assistance and at each annual eligibility redetermination.

(c) *Self-employment income reports.* 1. Prior to a parent filing a business tax return with the internal revenue service, the parent

shall submit documentation of the parent's actual or anticipated business income and expenses to the child care administrative agency on a form prescribed by the department at the times specified in par. (b). This subdivision only applies prior to the parent's first deadline for filing a business tax return under par. (a), including any extension granted by the internal revenue service.

2. If a parent alleges that the business tax return required under par. (b) is not representative of the parent's business income and expenses in the current tax year, the parent may submit documentation of business income and expenses subsequent to the information in the tax return on a form prescribed by the department, in addition to the tax returns required under par. (b). The child care administrative agency shall review the documentation and use the more recent information for eligibility and authorizations if it determines there has been a significant change in the parent's business income and expenses.

Note: Form F-001007, *Self-Employment Income Report*, is available on the Department of Health Services website at <https://www.dhs.wisconsin.gov/forms/f0/f001007.pdf>.

(d) *Additional verification.* 1. A child care administrative agency may require a parent to provide additional verification of the parent's business income and expenses within 7 days if the agency believes the documentation provided under par. (b) or (c) is questionable or may be falsified.

2. The child care administrative agency shall determine that the parent's self-employment is not an approved activity if the parent does not submit the additional verification requested by the agency within 7 days or the information provided by the parent does not resolve the agency's questions.

(e) *Income threshold for ongoing business.* A child care administrative agency shall determine that a parent's self-employment is a hobby and not an approved activity if the parent does not have an annual net business income of at least \$400 when the maximum numbers of hours in the parent's authorization is determined under s. DCF 201.039 (8m) (b).

(4) **ANNUAL REDETERMINATION OF ELIGIBILITY.** A child care administrative agency shall redetermine a parent's eligibility in the 11th or 12th month following the initial determination of the parent's eligibility or the most recent annual redetermination of the parent's eligibility.

(5) **ELIGIBILITY TERMINATION.** During a parent's 12-month eligibility period, the child care administrative agency shall terminate a parent's eligibility if any of the following conditions are met:

- (a) The gross income of the assistance group exceeds 85 percent of the state median income for a household of the same size.
- (b) All of the following conditions are met:
 1. The parent is not participating in an approved activity.
 2. The parent is not taking a temporary break from an approved activity.
 3. The parent is not in an approved activity search period.
- (c) The child care administrative agency or the department determines that the parent committed an intentional program violation that invalidates a prior determination of the parent's eligibility.

(d) The parent is required to cooperate with efforts directed at establishing paternity and obtaining support payments or any other payments or property to which that parent and any minor child of that parent may have rights or for which that parent may be responsible under s. 49.145 (2) (f), Stats., and has failed to cooperate with these requirements without good cause under ch. DCF 102.

(e) The child or the parent identified in the automation system used in determining eligibility for the child care subsidy program moves out of the state.

History: EmR1709: emerg. cr., eff. 5-4-17; CR 17-033: cr. Register January 2018 No. 745, eff. 2-1-18; CR 18-088: am. (2), cr. (2e), (2m), (2s), r. (3), r. and recr. (4), cr. (5) Register July 2019 No. 763, eff. 8-1-19; EmR2110: emerg. cr. (3m), eff. 3-28-21; CR 21-052: cr. (3m) Register December 2021 No. 792, eff. 1-1-22.

DCF 201.037 Reporting requirements. (1) REPORT WITHIN 10 DAYS. A parent shall notify the child care administrative agency within 10 calendar days after the date of any of the following:

(a) The assistance group receives the first payment that includes an increase in the gross income of the assistance group if any of the following conditions are met:

1. The gross income of the assistance group is at or below 185 percent of the federal poverty level, and the assistance group's gross income increases by \$250 or more per month.

2. The gross income of the assistance group exceeded 185 percent of the federal poverty level at the parent's last eligibility redetermination and exceeds a dollar amount that will increase the assistance group's gross income above the next 5 percent increment of the federal poverty level.

(b) The parent is no longer employed or enrolled in an approved activity.

(c) The parent is taking a temporary break that is expected to be longer than a calendar month but not more than 3 months.

(d) The child has not been in attendance at child care by the authorized provider within the previous 20 calendar days.

(e) The number of days or hours that the assistance group needs child care has changed from what was previously provided to the child care administrative agency.

(f) The parent is participating in a different approved activity.

(g) The child care provider charges the parent a reduced price.

(h) A member of the assistance group gets married or divorced.

(i) The composition of the assistance group changes.

(j) The address or place of residence of the assistance group changes, including a change that is only temporary.

(k) The child or the parent identified in the automation system for determining eligibility for the child care subsidy program moves out of the state.

(2) NEW PROVIDER. A parent shall notify the child care administrative agency of the parent's intent to change child care providers as specified under s. DCF 201.039 (12).

History: CR 18-088: cr. Register July 2019 No. 763, eff. 8-1-19.

DCF 201.038 Child care providers. (1) PROVIDER REQUIREMENTS. A child care administrative agency may authorize payment for child care services provided by a child care provider who meets all of the following conditions:

(a) *Regulated child care.* The child care provider is any of the following:

1. 'Licensed.' A child care center licensed by the department under s. 48.65, Stats., and ch. DCF 250 or 251, or a day camp licensed by the department under s. 48.65, Stats., and ch. DCF 252.

2. 'Certified.' A child care provider certified by a certification agency under s. 48.651, Stats., and ch. DCF 202. For purposes of this paragraph, a child care administrative agency may consider a provider to be certified beginning on the date the provider's application for certification was received by the certification agency.

3. 'School board.' A child care program established or contracted for by a school board under s. 120.13 (14), Stats.

4. 'Out-of-state provider.' A child care provider licensed or regulated in Illinois, Minnesota, Iowa, or Michigan.

(b) *Quality rating system.* The child care provider is any of the following:

1. A child care provider that is participating in the department's quality rating system under ss. 48.659 and 49.155 (6) (e), Stats., who has received a 2-star rating or above or whose quality rating is pending.

2. An in-home provider or an out-of-state provider that has a signed child care subsidy participation contract in effect.

Note: For information on the department's quality rating system or a Wisconsin Shares participation contract, contact the local Youngstar office. Contact information is available at <https://dcf.wisconsin.gov/youngstar/program/localoffice>.

(c) *Fingerprint background check.* The provider is in compliance with the requirements in s. 48.685 (2) (a), Stats.

Note: Section 48.685 (2) (a), Stats., has been repealed.

(1m) PROVIDER SUBMISSION REQUIREMENTS. (a) A licensed child care provider shall submit the provider's full-time and part-time prices to the child care administrative agency upon request.

(b) Each provider that charges a registration fee shall submit the amount of the fee to the department.

(2) ELECTRONIC FUND TRANSFER. A provider shall complete the procedures necessary to receive payments by electronic fund transfer.

(3) PARENTAL CHOICE. A parent may choose any child care provider that meets the conditions in sub. (1).

(4) PRICE AND RATE. A parent may choose a child care provider with a child care price that is higher than the applicable maximum rate and pay the difference between the provider's child care price and the applicable maximum rate under s. DCF 201.06 in addition to any required copayment.

(5) WRITTEN PAYMENT AGREEMENT. (a) A provider shall enter into a written payment agreement with each parent that receives a child care subsidy for child care by the provider.

(b) The written payment agreement between a provider and parent shall include all of the following:

1. The provider's monthly or weekly child care price.

2. The provider's days and hours of operation.

3. Any discounts or scholarships that are available to parents, and any discounts or scholarships that the parent is receiving.

4. The parent's payment schedule.

5. The provider's anticipated closure dates.

6. Payment expectations for the child's anticipated and unanticipated absences and the provider's closure dates.

7. Parent procedures for termination of a child's enrollment.

8. Provider procedures for termination of a child's enrollment.

9. Any fees that parents are required to pay.

(c) A provider shall retain a copy of each current written payment agreement at the location where child care is provided.

(d) A provider shall retain a copy of an expired written payment agreement for at least 3 years after the child's last day of attendance. The agreement shall be kept at a location where it can be made available to the department within 24 hours.

Note: DCF-F-5224, *Provider/Parent Child Care Payment Agreement*, is a voluntary form that a provider may use to comply with this subsection.

(6) NONDISCRIMINATION. A provider may not charge a parent that receives a child care subsidy a higher child care price than a private pay parent is charged for a similar amount of child care, unless the difference is due to the children being in different age ranges under s. DCF 201.06 (1) (b) or a child's special needs under s. DCF 201.06 (7).

(7) CONFIDENTIALITY. A provider may not do any of the following:

(a) Require a parent to disclose the balance in the parent's child care subsidy account.

(b) Require a parent to provide the parents EBT card, account number, or personal identification number to the provider.

(c) Possess a photocopy, photo, or other image of a parent's EBT card.

(d) Possess a parent's subsidy account number or personal identification number.

(8) INACTIVE ASSISTANCE GROUP. A child care provider shall notify the local child care administrative agency if the child of a

parent who receives a child care subsidy has not attended within the previous 30 days.

History: EmR1709: emerg. cr., eff. 5-4-17; CR 17-033: cr. Register January 2018 No. 745, eff. 2-1-18; EmR1801: emerg. cr. (5) to (8), eff. 3-11-18; CR 17-099: cr. (5) to (8) Register July 2018 No. 751, eff. 8-1-18; correction in (5) (d) made under s. 35.17, Stats., and correction in (6) made under s. 13.92 (4) (b) 7., Stats., Register July 2018 No. 751; CR 18-088: am. (8) (title) Register July 2019 No. 763, eff. 8-1-19; correction in (1) (c) made under s. 13.92 (4) (b) 7., Stats., Register March 2020 No. 771; **EmR2314: cr. (1m), (5) (b) 9., eff. 10-1-23; CR 23-016: cr. (1m), (5) (b) 9. Register January 2024 No. 817, eff. 2-1-24.**

DCF 201.039 Authorizations. (1) ASSESSMENT OF CHILD CARE NEEDS. (a) *Eligibility determination and redeterminations.* Following a parent's initial eligibility determination and annual redeterminations, the child care administrative agency shall do all of the following:

1. Assess the assistance group's child care needs and determine the number of hours of child care for which the parent may receive a subsidy.

2. Issue a new authorization based on the assessment.

(b) *Duration of authorizations.* When a child care administrative agency issues a new authorization or the agency extends an existing authorization, the end date of the authorization shall be the earlier of the following:

1. The date of an expected change that may affect the assistance group's child care needs during the parent's 12-month eligibility period.

2. The parent's next annual eligibility redetermination under s. DCF 201.036 (4).

(c) *Required new assessment and authorization during a parent's 12-month eligibility period.* During a parent's 12-month eligibility period, the child care administrative agency shall assess an assistance group's child care needs and issue a new authorization based on the assessment at all of the following times:

1. When a 2nd parent or a minor who is the biological parent of the child becomes a member of the assistance group.

2. When the parent requests an authorization and one calendar month or more has passed since the parent's previous authorization ended.

3. When the assistance group's child care needs no longer align with the child care provider's hours of operation.

4. When the parent changes child care providers.

5. When the school year begins for a school-aged child.

6. When a parent has reached the 24th month of the education time limit under s. 49.155 (1m) (a) 4. or 5., Stats.

(2) PARENT. A parent shall inform the child care administrative agency of all of the following:

(a) The child care provider that will care for the child.

(b) The specific dates and times of the parent's schedule of approved activities under s. 49.155 (1m) (a), Stats.

(c) Any other information requested by the agency regarding the assistance group's child care needs.

(2g) CONTINUITY OF CARE. (a) A child care administrative agency shall take into consideration child learning and development and shall promote continuity of care when authorizing hours of child care. The child care administrative agency is not required to limit authorized hours based on a parent's schedule of approved activities or the number of hours the parent spends in those activities.

(b) During a parent's 12-month eligibility period, the child care administrative agency shall allow a parent to continue under the parent's most recent authorization, extend the parent's most recent authorization, or offer the parent an authorization for up to the same number of hours as the parent's previous authorization when any of the following changes begin:

1. The parent is continuing to participate in an approved activity, but the number of hours that the assistance group needs child care is decreasing.

2. The parent is beginning a temporary break.

3. The parent is beginning an approved activity search period.

(c) A parent may not consecutively take a temporary break of 3 months and continue eligibility for an approved activity search period of 3 months.

(d) A parent that ceases participation in any approved activity during a temporary break may continue eligibility for the remainder of the 3-month temporary break period.

(2r) EXCESSIVE UNEXPLAINED ABSENCES. (a) If a child care provider notifies the child care administrative agency that a child has not attended child care within the previous 30 calendar days and the child's parent has not provided an explanation to the child care provider, the child care administrative agency shall make multiple attempts to contact the parent to determine if the assistance group's need for child care has changed.

(b) The child care administrative agency shall terminate the parent's authorization if the agency's efforts at contacting the parent are unsuccessful.

(3) LICENSED PROVIDER PRICES. A child care administrative agency may refuse to authorize payment for child care services by a child care provider licensed under s. 48.65, Stats., if the provider refuses to submit documentation of the provider's child care prices in response to an agency request.

(4) ASSISTANCE GROUP WITH MORE THAN ONE PARENT. (a) In an assistance group with more than one parent, each parent shall meet the eligibility criteria in s. 49.155 (1m), Stats., and s. DCF 201.036, unless the child care administrative agency verifies that a parent has a disability or health condition that makes that parent unable to participate in an approved activity and unable to provide the child care necessary for another parent to participate in an approved activity. The agency shall require the parent to provide documentation of the disability or health condition from a doctor, physician assistant, nurse practitioner, psychiatrist, or psychologist.

(b) When assessing an assistance group's child care needs, the child care administrative agency shall also consider the availability of a minor in the assistance group who is the biological parent of the child, unless the child care administrative agency verifies that the minor is unable to provide the necessary child care under par. (a).

(5) CARE PROVIDED IN A CHILD'S HOME. A child care administrative agency may authorize payment for child care services in a child's home only if the child care provider is certified under s. 48.651, Stats., and any of the following apply:

(a) Care is provided to 3 or more children from the same assistance group.

(b) Other licensed or certified care is not available within a reasonable geographic area.

(c) Other licensed or certified care is not available during the hours when child care is needed, such as during second or third shift or weekend hours.

(d) The child has a special need and child care is best provided in the child's home.

(6) NO PARENTS OR HOUSEHOLD MEMBERS. A child care administrative agency may not authorize payment for child care services by a provider who is a parent of the child or who resides with the child.

(7) AUTHORIZATION CRITERIA FOR A CHILD CARE PROVIDER'S CHILD. (a) The department or a child care administrative agency may authorize payment for the care of a child whose parent is a child care provider only if the care will be provided by another child care provider and any of the following apply:

1. The care will allow the parent to participate in an approved activity under s. 49.155 (1m) (a), Stats., other than an activity related to child care.

2. The department or agency determines that assistance is appropriate because the child has a special need.

3. The parent is the child's foster parent.

4. The parent is the child's guardian or interim caretaker and is receiving subsidized guardianship payments under s. 48.623, Stats., for the care and maintenance of the child.

5. The parent is a kinship care relative receiving payments under s. 48.57 (3m) or (3n), Stats., and the child has been placed with the kinship care relative under a court order.

6. Both of the following apply:

a. The child's biological parent is a dependent minor child under the age of 19 who attends high school or participates in a course of study meeting the standards established by the state superintendent of public instruction for the granting of a declaration of equivalency of high school graduation.

b. The dependent minor parent and the child reside with a person who is considered the child's parent for the purposes of this chapter and who may be the dependent minor parent's custodial parent, kinship care relative, foster parent, or guardian or interim caretaker receiving a payment under s. 48.623, Stats., for the care and maintenance of the dependent minor parent.

(b) If a parent who is a child care provider submits documentation of circumstances that meet the conditions of this subsection, the child care administrative agency shall consider the documentation to be an application for a waiver under s. 49.155 (3m) (d) 3., Stats.

(8) EMPLOYEE OF CERTIFIED PROVIDER. A child care administrative agency may not authorize payment for child care services by a provider certified under s. 48.651, Stats., if the child's parent or a person who resides with the child is employed by the provider at the same location.

(8m) AUTHORIZATIONS FOR A PARENT WHO IS SELF-EMPLOYED. (a) *New business.* 1. For purposes of this subsection, a child care administrative agency shall consider a parent's self-employment to be a new business for the 24 months following the date that the parent reports beginning the business, except as provided in subd. 4. The child care administrative agency may consider a parent's self-employment to be a new business until the parent's eligibility redetermination following the end of this 24-month period.

2. Notwithstanding subd. 1., if a parent switches to a different type of self-employment during the time period specified in subd. 1., the child care administrative agency shall consider the parent's subsequent type of self-employment to be a new business only until the end of the time period for the initial business.

3. While a parent's self-employment is a new business for purposes of this subsection, the child care administrative agency may authorize payment for the number of hours of child care that the parent states is needed, up to a maximum of 50 hours per week.

4. After the end of the time period specified in subd. 1. or 2., the child care administrative agency shall determine the maximum number of hours of child care that may be authorized for a parent who begins a new type of self-employment under par. (b).

(b) *Ongoing business.* 1. If a parent's self-employment is not considered a new business under par. (a), the child care administrative agency shall determine the maximum number of hours of child care that may be authorized for the parent per week as follows:

a. Calculate the parent's average monthly gross income from self-employment based on the parent's annual gross business income as reported to the internal revenue service.

b. Divide the parent's average monthly gross income from self-employment by the higher of the hourly minimum wage under state or federal law and divide that amount by 4.3 weeks.

2. After determining the maximum number of the hours that may be authorized, the child care administrative agency shall assess the assistance group's child care needs under sub. (1).

(9) MAXIMUM HOURS PER DAY. (a) A child care administrative agency shall authorize no more than 12 hours of child care per day per child, unless the child's parent provides written documentation of work or transportation requirements that exceed 12 hours in a day.

(b) A child care administrative agency may authorize more than 12 hours, but not more than 16 hours, of child care per day for a child whose parent has provided written documentation of work or transportation requirements that exceed 12 hours in a day.

(10) AUTHORIZATION NOTICE. (a) After a parent has provided all of the information required under sub. (2) and the child care administrative agency has completed the assessment of the assistance group's child care needs, the agency shall issue a written authorization notice to the parent approving payment for child care through the subsidy program based on the specific provisions in the notice.

(b) An authorization notice shall specify the child who will receive the care, the child care provider, the location where the child care will be provided, the time period in which the child care will be provided, the number of hours of child care authorized per month, and the maximum subsidy payment amount per month.

(10m) DECLARATION OF DISASTER. An authorization issued for child care for a specific provider at a specific location may remain effective at another provider that meets the conditions under s. DCF 201.038 (1) if the location identified in the authorization is within an area covered by a declaration of a state of emergency by the governor under s. 323.10, Stats., and is temporarily closed due to the state of emergency.

(11) BACKDATED START DATE. (a) *Authorization within 30 days after request for assistance or redetermination.* 1. If an agency determines that a parent is eligible for the child care subsidy program and the parent submits the information required under sub. (2) to the agency within 30 days after the date that the parent submitted a request for assistance or the date of the parent's eligibility redetermination, the agency may authorize payment beginning on the date that all of the following conditions are met:

a. The parent has submitted a request for assistance or has completed the annual redetermination of eligibility for the child care subsidy program.

b. The child is receiving child care services from a child care provider.

c. The provider is in compliance with the requirements of s. DCF 201.038 (1).

2. Notwithstanding subd. 1., if an agency determines that a parent is eligible for the subsidy program under s. 49.155 (1m), Stats., and the parent submits the information required under sub. (2) to the agency within 30 days after the date that the parent submitted a request for assistance or the date the parent completed the eligibility redetermination, the agency may authorize payment beginning on the later of the date of child placement or the first day of the month in which the parent submitted the request for assistance or the first day of the month of the parent's eligibility redetermination if all of the following conditions are met:

a. The parent is a kinship care relative receiving payments under s. 48.57 (3m), Stats., and is providing care and maintenance for the child who is placed in the kinship care relative's home pursuant to a court order.

b. The requirements in subd. 1. a. to c. are met on or before the last day of the month.

(b) *Authorization more than 30 days after request for assistance or redetermination.* If an agency determines that a parent is eligible for the subsidy program under s. 49.155 (1m), Stats., and the parent submits the information required under sub. (2) to the agency more than 30 days after the date that the parent submitted a request for assistance or the date the parent completed the eligibility redetermination, the agency may authorize payment for child care services beginning the first day of the month in which

the parent submits the information required under sub. (2) if all of the conditions in par. (a) 1. a. to c. are met.

(12) NEW CHILD CARE PROVIDER EFFECTIVE FOLLOWING MONTH. If a parent receiving assistance under the child care subsidy program notifies the child care administrative agency of the parent's intent to obtain child care services from a different child care provider, the agency may authorize payment for child care by the new provider that is effective the first day of the following month if the parent notifies the agency prior to the end of business hours on the last business day of a month.

(13) NEW PROVIDER EFFECTIVE IN CURRENT MONTH DUE TO HARDSHIP. If a parent receiving assistance under the child care subsidy program notifies the child care administrative agency of the parent's intent to obtain child care services from a different child care provider, the agency may authorize payment for child care by the new provider that is effective in the current month if the conditions in pars. (a) and (b) are met, as follows:

(a) The assistance group is experiencing circumstances that create an unforeseen hardship for the child to continue to attend the authorized provider for the remainder of the month due to any of the following:

1. Travel to the authorized provider has become unreasonable due to any of the following:

- a. The assistance group relocated to escape domestic abuse.
- b. The assistance group was evicted from their home.
- c. The assistance group was formerly homeless and has moved into stable housing.
- d. The location of the parent's approved activity suddenly changed.

2. The authorized provider is unable to meet the assistance group's need for child care after any of the following:

- a. The schedule of the parent's approved activity suddenly changed.
- b. The death or unexpected departure of a parent.
- c. The child is expelled due to behavior issues.
- d. The child has a special need that is no longer met by the provider.
- e. The child has a medical need that cannot be met by the provider.

3. The authorized provider is no longer available to provide child care services due to any of the following:

- a. The provider suddenly stops providing child care services.
- b. The provider's regulatory approval has been suspended or revoked.
- c. Damage to the provider's facility has created an unsafe environment for children.
- d. Regulatory restrictions on the number of children, hours of operation, or provider-to-child ratios.

4. There is alleged abuse or neglect of the child by the provider, and a complaint has been made to the appropriate certification or licensing agency.

5. Continuing to receive child care from the authorized provider threatens the safety of the parent or child.

6. Other circumstances outside the parent's control as approved by the department.

(b) The parent notifies the agency of the applicable circumstances in par. (a) within 10 days after the circumstances begin.

(14) NEW PROVIDER EFFECTIVE IN CURRENT MONTH FOR SIBLING. A child care administrative agency may authorize payment for child care by a new provider effective in the current month for the sibling of a child whose circumstances qualify for a hardship authorization under sub. (13) if the sibling attends the same child care provider.

History: EmR1709: emerg. cr., eff. 5-4-17; CR 17-033: cr. Register January 2018 No. 745, eff. 2-1-18; correction in numbering (13) (intro.) made under s. 13.92 (4) (b) 7., Stats., correction in (13) (a) made under s. 35.17, Stats., Register January 2018 No. 745; CR 18-088: r. and recr. (1), am. (2) (c), cr. (2g), (2r), r. and recr. (4)

(title), renum. (4) to (4) (a) and am., cr. (4) (b), am. (5) (a), (7) (title), r. and recr. (7) (a) 5., am. (7) (a) 6. a., (10) (a), cr. (10m), am. (11) (a) (title), 1. (intro.), a., 2. (intro.), a., (b), (13) (a) (intro.), 1. a., b., c., 2. (intro.) Register July 2019 No. 763, eff. 8-1-19; correction in (1) (c) 1. made under s. 35.17, Stats., Register July 2019 No. 763; correction in (1) (b) 2. made under s. 35.17, Stats., Register March 2020 No. 771; EmR2110: emerg. cr. (8m), eff. 3-28-21; CR 21-052: cr. (8m) Register December 2021 No. 792, eff. 1-1-22.

DCF 201.04 Payments and overpayments. (1) GENERAL. The child care subsidy in a parent's account may only be used to compensate a provider that is in compliance with s. DCF 201.038 (1) for child care authorized under s. DCF 201.039 for the child of a parent eligible under s. 49.155 (1m), Stats., and provided within the terms of the provider's regulation and the parent's authorization.

(2) MONTHLY SUBSIDY PAYMENTS FOR CHILD CARE SERVICES. (a) Amount. The amount of a monthly subsidy payment shall be based on the number of hours of child care that an agency authorizes and any of the following that are applicable:

1. For care by a provider licensed under s. 48.65, Stats., the lower of the provider's child care price or the applicable maximum rate under s. DCF 201.06 (4), minus any copayment required under s. DCF 201.08.

2. For care by a provider certified under s. 48.651, Stats., the applicable rate under s. DCF 201.06 (5), minus any copayment required under s. DCF 201.08.

3. For care at a child care program established or contracted for by a school board under s. 120.13 (14), Stats., the applicable rate under s. DCF 201.06 (6), minus any copayment required under s. DCF 201.08.

(ag) *Decreases in the monthly subsidy amount during the 12-month eligibility period.* During a parent's 12-month eligibility period, the amount of a monthly subsidy payment may not be decreased, unless any of the following conditions are met:

1. The parent voluntarily requests fewer hours of subsidized child care.

2. An assessment of the assistance group's child care needs is required under s. DCF 201.039 (1) (c) and the child care administrative agency issues an authorization for fewer hours.

3. The parent agrees to fewer hours of subsidized child care under s. DCF 201.039 (2g) (b).

4. The parent's copayment increases due to an increase in the income of the assistance group under s. DCF 201.08 (4) (b) or (c).

(ar) *Reduction in provider quality rating.* The reduction of a parent's child care subsidy payment following a reduction in the quality rating of the parent's provider from a 3-star rating under s. 49.155 (6) (e) 3. c., Stats., to a 2-star rating under s. 49.155 (6) (e) 3. b., Stats., may not become effective until the parent's next eligibility redetermination.

(2h) PAYMENT OF REGISTRATION FEES. (a) The department shall pay the lower of a provider's registration fee for a child or the department's maximum registration fee amount.

(b) The department shall set a schedule for maximum registration fee amounts in Table DCF 201.04. Maximum fee amounts shall fully cover mandatory registration fees charged by at least 75 percent of providers who respond to the survey conducted under s. DCF 201.06 (2).

(c) The department may adjust Table DCF 201.04 to reflect any of the following factors:

1. Provider fee amounts in the most recent survey under s. DCF 201.06 (2).

2. Increased alignment with provider fee practices indicated in the survey under s. DCF 201.06 (2), including variation in fee amounts based on region of the state, children's ages, or provider regulation type.

3. A change in the funding available for the child care subsidy program.

4. A change in costs due to a change in the consumer price index.

5. A change in economic factors affecting the cost of child care to the state, such as an increase in demand for the child care subsidy program.

6. Insufficient funding to meet the needs of all eligible families applying for or receiving a child care subsidy.

7. The purposes of the child care subsidy program.

(d) The department shall publish adjustments to the maximum registration fee schedule in the Wisconsin administrative register.

(e) The department shall pay no more than 2 registration fees per child in any 12-month period.

TABLE DCF 201.04
Maximum Registration Fee Schedule
Effective February 1, 2024

The department's maximum registration fee amount is \$125.

(2r) PAYMENT PROCEDURES. (a) *Electronic.* The department may issue all payments under subs. (2) and (2h) by electronic funds transfer.

(b) *Expiration.* A subsidy payment issued to a parent under sub. (2) or (2h) shall expire 90 days after the date that the department issues the payment.

(c) *Billing and collecting.* A parent's child care provider is responsible for billing and collecting payment for child care services from the parent.

(3) INACTIVE ACCOUNT. The department may terminate a parent's authorization and retract all child care subsidy funds in the parent's account if the parent has not paid any of the child care subsidy to the provider within the previous 90 days.

(4) INTENTIONAL PROGRAM VIOLATION. A child care administrative agency shall consider a parent's attempt to sell access to the parent's child care subsidy account to an unauthorized person to be an intentional program violation under s. 49.151 (2), Stats.

(5) OVERPAYMENT RECOVERY AND PENALTIES. (a) *Parent overpayments.* 1. A child care administrative agency or the department shall take all reasonable steps necessary to recover from a parent funds paid to a child care provider or to that parent when the parent was not eligible for that level of payment under the child care subsidy program and the overpayment benefited the parent by causing the parent to pay less for child care expenses than the parent otherwise would have been required to pay under the requirements of the child care subsidy program. Section DCF 101.23 shall apply to overpayment collection from a parent under this section.

2. An overpayment shall include excess child care funds paid when there was a change in family eligibility circumstances that was significant enough that it would have resulted in a smaller child care subsidy payment or ineligibility for the child care subsidy program due to any reason, including the following:

a. The parent failed to report a change in circumstances that may affect his or her eligibility within 10 days after the change.

b. The parent was absent from an approved activity under s. 49.155 (1m) (a), Stats., without good cause, while the child was in the care of the provider.

3. The child care administrative agency shall determine good cause under subd. 2. b. if the approved activity is employment. A parent's absence from employment shall be considered good cause if the parent is using employer-approved sick time, personal time, or vacation time and the child is in care for no more than the hours authorized.

(b) *Provider overpayments.* A child care administrative agency or the department shall take all reasonable steps necessary to recoup or recover from a provider any overpayments made for child care services for which the provider was responsible or overpayments caused by administrative error that benefited the provider. A provider shall be responsible for an overpayment if any of the following conditions are met:

2. A provider was paid with child care funds for care provided at a location other than the location for which the authorization for care was issued, except for field trips.

3. A provider was paid with child care funds for care during time when the provider was in violation of the applicable provision regarding limits on the maximum number of children in care or the required provider-to-child ratios for children of various ages in s. DCF 202.08 (6), 250.05 (4), 251.05 (4), or 252.42 (3).

4. A provider was paid with child care funds for care during time when the provider was in violation of the terms of the provider's license under s. DCF 250.04 (1), 251.04 (1), or 252.05 (3), including age of the children served by the center and hours, days, and months of operation of the center.

5. A provider misrepresented information that resulted in the provider receiving a higher star rating and a higher maximum rate than the provider was eligible to receive under the child care quality rating system in ss. 48.659 and 49.155 (6) (e), Stats.

(bm) *Joint liability.* A provider and parent shall be jointly and severally liable for an overpayment if the provider and parent collude to violate a requirement under this chapter or s. 49.155, Stats.

(c) *Penalties for subsidy violations.* If a child care provider submits false, misleading, or irregular information to a child care administrative agency or the department or if a child care provider fails to comply with the terms of the program in s. 49.155, Stats., or this chapter and the provider fails to provide to the satisfaction of the department an explanation for the noncompliance, the child care administrative agency or department may take one or more of the following steps:

1. Refuse to issue new child care authorizations to a provider for a period of time not to exceed 6 months.

2. Revoke existing child care authorizations to the provider.

3. Refuse to issue payments to the provider, in addition to the authority granted to the department under s. 49.155 (7) (b) 4., Stats.

Note: Section 49.155 (7) (b) 4., Stats., has been repealed. Corrections will be made in future rulemaking.

4. Recoup overpayments under par. (e) or (ed).

5. Impose a forfeiture on the provider under par. (cg).

(cg) *Forfeitures.* A child care administrative agency or the department may impose a forfeiture of \$100 to \$10,000 on a child care provider if the provider intentionally or egregiously violates a provision in this chapter or s. 49.155, Stats. In determining the amount of the forfeiture, the child care administrative agency or department shall identify specific dates relating to a specific child for any violations and shall consider the following factors:

1. Seriousness of the violations.

2. Extent of the violations.

3. History of prior violations.

4. Prior imposition of penalties.

5. Provider willingness to obey program rules.

6. The size and type of child care provider.

(cr) *Licensing or certification violations.* If the department or a certification agency has given notice to a provider that the provider is in violation of applicable licensing or certification rules under ch. DCF 202, 250, 251, or 252 and the provider has not corrected the violation, the department or child care administrative agency may refuse to issue new child care authorizations, revoke existing child care authorizations, or refuse to issue payments until the provider has corrected the violation and demonstrated sufficient controls to ensure that the violation or comparable violations are unlikely to occur again.

(d) *Notice.* If the department or a child care administrative agency refuses to issue new authorizations, revokes existing authorizations, or refuses to issue payments to a provider under par. (c) or (cr), the child care administrative agency or the agency shall provide written notice to the parent and provider as soon as possible before the effective date of the penalty.

(e) *Recoup from funds payable to continuing provider.* If a provider has not repaid an overpayment, the child care administrative agency or department may recover the overpayment by recouping from current or future funds under its control that are payable to the provider of no more than 50 percent of each payment if the provider is expected to continue to care for children whose care is subsidized under s. 49.155, Stats.

(ed) *Recoupment from funds payable to provider who is not continuing.* If a provider or former provider has not repaid an overpayment and the provider or former provider is not expected to continue to care for children whose care is subsidized under s. 49.155, Stats., the child care administrative agency or department may recover the overpayment by recouping 100 percent of funds under its control that are payable to the provider or former provider.

(eh) *Warrant and execution under section 49.195 (3m), Stats.* 1. 'Creation of lien.' a. If the department does not receive a debtor's payment on a debt for repayment of an overpayment by the due date 3 times over the life of a debt, the debt shall be considered delinquent. If a debt is delinquent and no review or appeal rights under s. DCF 201.07 are pending and the time for requesting a review has expired, the department may issue a warrant directed to the clerk of circuit court of any county.

b. The clerk of circuit court shall enter in the judgment and lien docket the name of the debtor named in the warrant, the amount for which the warrant is issued, and the date on which the clerk entered the information.

c. The department shall pay the fees required under s. 814.61 (5), Stats., for entering the warrant and shall collect the fees from the debtor named in the warrant when satisfaction or release is presented for entry.

d. A warrant issued under subd. 2. b. shall be considered in all respects a final judgment constituting a perfected lien upon the debtor's right, title, and interest in all real and personal property located in the county in which the warrant is entered.

e. The department shall provide the debtor with notice and an opportunity for a hearing under ch. 227, Stats., when a warrant has been issued. The debtor may request a hearing under ch. 227, Stats., within 20 days from the date on the notice. The appeal shall be limited to questions of prior payment of the debt that the department is proceeding against and mistaken identity of the debtor. The department may not withdraw a warrant based on a request for hearing.

2. 'Execution of the warrant.' a. After the warrant is issued and no review or appeal rights under subd. 1. e. are pending and the time for requesting a review has expired, the department may file an execution with the clerk of circuit court for filing with the sheriff of the county, commanding the sheriff to execute the warrant and sell sufficient real and personal property of the debtor to pay the amount stated in the warrant in the same manner as upon an execution against property issued upon the judgment of a court of record, and to return the warrant to the department and pay to it the money collected by virtue of the warrant within 90 days after receipt of the warrant. The execution may not command the sheriff to levy upon or sell any property that is exempt from execution under ss. 815.18 (3) and 815.20, Stats.

b. The department shall provide the debtor with notice and an opportunity for a hearing under ch. 227, Stats., before property is seized. The debtor may request a hearing under ch. 227, Stats., within 20 days from the date on the notice. The appeal shall be limited to questions of prior payment of the debt that the department is proceeding against and mistaken identity of the debtor. The department may not cease enforcement or seizure based on a request for hearing.

c. The department shall provide the debtor with notice and an opportunity for a hearing under ch. 227, Stats., before seized property is sold. The debtor may request a hearing under ch. 227, Stats., within 20 days from the date on the notice. The appeal shall

be limited to questions of prior payment of the debt that the department is proceeding against and mistaken identity of the debtor. If a hearing is requested, the department shall notify the sheriff that seized property may not be sold before the hearing decision is issued or the hearing request is withdrawn.

3. 'Satisfaction of the warrant.' When the amount set forth in the warrant and all costs due the department have been paid to it, the department shall issue a satisfaction of the warrant and file it with the clerk of circuit court. The clerk of circuit court shall immediately enter a satisfaction of the judgment on the judgment and lien docket. The department shall send a copy of the satisfaction to the person named in the warrant.

(ep) *Levy under section 49.195 (3n), Stats.* 1. 'Definition.' In this paragraph, "personal property" means all tangible and intangible property and rights to such property that is not real estate, including compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus or otherwise; periodic payments received pursuant to a pension or retirement program; rents; proceeds of insurance; contract payments; stock and bonds; and accounts in financial institutions.

2. 'Notice prior to levy.' a. If the department does not receive a debtor's payment on a debt for repayment of an overpayment by the due date 3 times over the life of a debt, the debt shall be considered delinquent. If a debt is delinquent and no review or appeal rights under s. DCF 201.07 are pending and the time for requesting a review has expired, the department shall give notice to the debtor that the department may pursue legal action for collection of the debt.

b. The department shall make the demand for payment and give notice to the debtor at least 10 days prior to the levy, personally or by any type of mail service that requires a signature of acceptance, at the address of the debtor as it appears on the records of the department. The demand for payment and notice shall include a statement of the amount of the debt, including interest and penalties, and the name of the debtor who is liable for the debt.

c. The debtor's refusal or failure to accept or receive the notice does not prevent the department from making the levy.

d. Notice prior to levy is not required for a subsequent levy on any debt of the same debtor within one year of the date of service of the original levy.

3. 'Service of levy and review when property levied.' a. The department may collect the debt and the expenses of the levy by levy upon any personal property belonging to the debtor.

b. The department shall serve the levy upon the debtor and any 3rd party in possession of or obligated with respect to property or rights to property that is subject to levy by personal service or by any type of mail service that requires a signature of acceptance as provided in s. 49.195 (3n) (m), Stats. The debtor or 3rd party's failure to accept or receive service of the levy does not invalidate the levy.

c. Any debtor who is subject to a levy proceeding made by the department has the right to appeal the levy proceeding under ch. 227, Stats., within 20 days from the date on the service of levy. The appeal shall be limited to questions of prior payment of the debt that the department is proceeding against and mistaken identity of the debtor. The levy is not stayed pending an appeal where property is secured through the levy.

4. 'Third-party response.' a. Within 20 days from the service of the levy upon a 3rd party, the 3rd party shall file an answer with the department stating whether the 3rd party is in possession of or obligated with respect to property or rights to property of the debtor, including a description of the property or the rights to property and the nature and dollar amount of any such obligation.

b. Any person in possession of or obligated with respect to personal property or rights to personal property that is subject to levy and upon which a levy has been made shall, upon demand of the department, surrender the personal property or rights or discharge the obligation to the department, except that part of the per-

sonal property or rights which is, at the time of the demand, subject to any prior attachment or execution under any judicial process.

5. 'Appeal rights before surrendered property is sold.' If levied personal property that has been surrendered to the department is not a liquid asset in the form of cash, check, or an equivalent that can be applied to the debt without a sale of the asset, the department shall provide the debtor with notice and an opportunity for a hearing under ch. 227, Stats., before surrendered property is sold. The debtor may request a hearing under ch. 227, Stats., within 20 days from the date on the notice. The appeal shall be limited to questions of prior payment of the debt that the department is proceeding against and mistaken identity of the debtor. If a hearing is requested, surrendered property may not be sold before the hearing decision is issued or the hearing request is withdrawn.

6. 'Exemption rights.' a. The debtor is entitled to an exemption from levy of the greater of a subsistence allowance of 75 percent of the debtor's disposable earnings then due and owing, an amount equal to 30 times the federal minimum hourly wage for each full week of the debtor's pay period, an amount equal to 60 times the federal minimum hourly wage for a two-week pay period, or an amount equal to 130 times the federal minimum hourly wage for a monthly pay period.

b. The first \$1,000 of an account in a depository institution is exempt from any levy to recover an overpayment.

7. 'Proceeds.' a. The department shall apply all money obtained under this paragraph first against the expenses of the proceedings and then against the liability for which the levy was made and any other liability owed to the department by the debtor.

b. Whenever the value of any personal property that has been levied upon under this paragraph is not sufficient to satisfy the claim of the department, the department may levy upon any additional personal property of the debtor until the debt and expenses of the levy are fully paid.

c. The department may refund or credit any amount left after the applications under subd. 7. a., upon submission of a claim for that amount and satisfactory proof of the claim, to the person entitled to that amount.

(et) *Threshold for warrant and execution and levy.* The minimum amount that must be due before collection proceedings under par. (eh) or (ep) may be commenced is \$300.

(f) *Parent not liable.* If the department refuses to issue payment based on a provider's violation of a requirement in this chapter, the provider may not hold the parent liable for payment other than the copayment and any amount that the parent agreed to above the department's maximum reimbursement rate if the parent relied on an approved authorization for care for his or her child to receive care from the provider.

(g) *Waiver.* The department may waive recovery of an overpayment under this subsection if the department has made reasonable efforts to recover the overpayment and determines it is no longer cost effective to continue overpayment recovery efforts.

(6) MONITORING OF CHILD CARE PROGRAMS. The department or the child care administrative agency may take one or more of the following steps to monitor a provider's compliance with program requirements:

(a) Require the provider to submit documentation signed by the parent of the actual times that the child was dropped off to and picked up from the child care provider.

(b) Contact the parents to determine the child's actual attendance hours.

(c) Require the provider to submit attendance and payment records for families that pay for child care costs out of their own personal funds.

(d) Require the provider to have attendance records available at the child care site whenever the department or child care administrative agency requests to review them.

(e) Make on-site inspections to monitor provision of authorized services.

History: Cr. Register, February, 1997, No. 494, eff. 3-1-97; cr. (1) (i), Register, October, 1997, No. 502, eff. 11-1-97; am. (1) (intro.), (3) (a), 1., 2. and (b) 1., (4) (a), (b) 1. and a., r. (1) (a) to (i), (2), (3) (b) 3., 4. and (3) (d), r. and recr., (4) (e), cr. (7) (c) and (d), Register, November, 1999, No. 527, eff. 12-1-99; am. (1), Register, January, 2001, No. 541, eff. 2-1-01; CR 02-104: r. (1) and (4) (a), renum. (3), (4) (b) to (d), and (5) to (7) to be (1), (2) (a), (c) and (d), (3), (4) and (5) and am. (1) (a) (intro.) and 2., (b) (intro.) and (c), (2) (a) 1. c., (c) and (d), (4) and (5) (c) (intro.), also renum. (4) (e) to be DWD 56.045 and am., cr. (2) (b), (d) 1. b., (e) to (i), (5) (e), (f) and (6), r. and recr. (5) (a) 1. to 3., am. (5) (d) Register March 2003 No. 567, eff. 4-1-03; CR 04-123: cr. (2m), (5) (a) 2. and 3., am. (3), (5) (b), (e) and (f), renum. (5) (a) to be (5) (a) 1. and am., Register July 2005 No. 595, eff. 8-1-05; CR 06-044: (1) (b) 3. and 4. renum. from DWD 55.03 (2) (c) and (d), Register October 2006 No. 611, eff. 12-1-06; emerg. am. (1) (a) 1., (2) (a) 1. b. and (5) (c), r. and recr. (2) (d), eff. 4-1-07; corrections in (1) (a) 1., 2., (b) 2. and (5) (a) 1. made under s. 13.92 (4) (b) 6. and 7., Stats., Register November 2008 No. 635; EmR1015: emerg. revisions as in CR 10-056, eff. 5-17-10; CR 10-056: am. (1) (a) 2., (2) (a) 1. b. and (c), renum. (2) (b), (d), (e) to (h) to be (2g) (d), (a), (e) to (h), cr. (2g) (title), (b) and (c), Register September 2010 No. 657, eff. 10-1-10; EmR1027: emerg. am. (5) (title), (b), (c) 3., (d), (e), (f), cr. (5) (a) (title), (b) 3., 4., 5., (bm), (c) 4., 5., (cg), (cr), (ed), (eh), (ep), (et), (g), r. and recr. (5) (b) 1., 2., (c) (intro.), eff. 7-9-10; CR 10-086: am. (5) (title), (b), (c) 3., (d), (e), (f), cr. (5) (a) (title), (b) 3., 4., 5., (bm), (c) 4., 5., (cg), (cr), (ed), (eh), (ep), (et), (g), r. and recr. (5) (b) 1., 2., (c) (intro.) Register December 2010 No. 660, eff. 1-1-11; EmR1216: emerg. cr. (2j), eff. 11-15-12; CR 12-048: cr. (2j) Register July 2013 No. 691, eff. 8-1-13; EmR1629: emerg. am. (3) (b), eff. 9-30-16; CR 16-063: r. and recr. (3) (b) Register June 2017 No. 738, eff. 7-1-17; EmR1709: emerg. r. and recr. (title), r. (1), r. and recr. (2), r. (2g) (title), (a), (d), (e), (g), am. (2g) (c) 1. (intro.), am. (h), r. (2j), (2m), (3), (4), (5) (title), (a) 1., 2. (intro.), (b) 1. to 4., r. (5) (b) 5., (6) (title), eff. 5-4-17; CR 17-033: r. and recr. (title), r. (1), r. and recr. (2), (2g) (title), r. (2g) (a) to (g), renum. (2g) (h) to (2g) and am., r. (2j), (2m), (3), (4), am. (5) (a) 1., 2. (intro.), 3., r. (5) (b) 1., am. (5) (b) 2. to 4., r. (5) (b) 5. Register January 2018 No. 745, eff. 2-1-18; EmR1801: emerg. cr. (1), (3), (4), (5) (b) 5., eff. 3-11-18; CR 17-099: cr. (1), (3), (4), (5) (b) 5. Register July 2018 No. 751, eff. 8-1-18; CR 18-088: cr. (2) (ag), (ar), r. (2g) Register July 2019 No. 763, eff. 8-1-19; **EmR2314: r. and recr. (2) (title), renum. (2) (b) to (d) to be (2r) (a) to (c) and, as renumbered, am. (2r) (a), (b), cr. (2h), Table 201.04, (2r) (title), eff. 10-1-23; CR 23-016: r. and recr. (2) (title), am. (ag) (intro.), renum. (2) (b) to (d) to be (2r) (a) to (c) and, as renumbered am. (2r) (a), (b), cr. (2h), Table 201.04, (2r) (title) Register January 2024 No. 817, eff. 2-1-24.**

DCF 201.044 Incentive program for local fraud detection. (1) **DEFINITION.** In this section, "local agency" means a child care administrative agency, excluding an agency in a county having a population of 500,000 or more.

(2) **IDENTIFYING FRAUD.** The department shall provide an incentive payment to a local agency for identifying fraud in the child care subsidy program on the part of a child care provider if all of the following apply:

(a) The local agency investigates the child care provider by doing any of the following:

1. Conducting site visits.
2. Collecting and reviewing the provider's attendance and billing records.
3. Interviewing persons of interest.
4. Gathering supporting case information.

(b) The local agency's investigation finds that the child care provider intentionally submitted false, misleading, or irregular information to the department or failed to comply with the terms of the child care subsidy program and failed to provide to the satisfaction of the agency or the department an explanation for the non-compliance.

(c) The local agency calculates and establishes the amount of the overpayment made to the provider as a result of the provider's actions under par. (b).

(d) The local agency's actions in pars. (a) to (c) result in the department, in conjunction with the local agency, withholding payments to be made to the child care provider under s. 49.155 (7m) (a) 2., Stats.

(e) The withholding of payments under par. (d) is upheld in the final review under s. DCF 201.07 or the provider does not request a review or appeal.

(f) If directed by the department, the local agency requests the district attorney to consider criminal prosecution of the child care provider.

(3) PAYMENT AMOUNT. (a) The department shall determine the amount of an incentive payment earned by a local agency under sub. (2) by multiplying all of the following amounts:

1. The statewide average monthly subsidy payment per child in the preceding fiscal year.

2. The average monthly number of children for whom payment was authorized to the provider under s. DCF 201.04 (2g) in the 12 months before the local agency or the department withheld payments under sub. (2) (d). If payment was not authorized to the provider for all of the preceding 12 months, the average monthly number of children for the number of months that payment was authorized.

Note: Section DCF 201.04 (2g) was repealed by CR 18-088. Corrections will be made in future rulemaking.

3. 1.5 months.

(b) An incentive payment earned by a local agency for identifying fraud in the child care subsidy program under sub. (2) by a single child care provider may not exceed \$25,000.

(c) A local agency may earn more than one incentive payment per year if the local agency identifies fraud in the child care subsidy program under sub. (2) by more than one child care provider in that year.

(4) USE OF INCENTIVE FUNDS. A local agency that has earned an incentive payment may request that the department distribute the funds for any of the following purposes:

(a) The local agency's child care fraud contract with the department for the following year.

(b) The local agency's current child care fraud contract with the department if the request is made in the first half of the contract term.

Note: Contracts with counties are based on a calendar year and contracts with tribes are based on a federal fiscal year.

(c) Any purpose that is consistent with the state plan under 42 USC 602 for the use of federal funds under the Temporary Assistance to Need Families program under 42 USC 601 et seq for the time period when the funding is distributed if the state plan has been approved by the federal administration for children and families.

Note: The currently-approved state plan is available on the department's website, <http://dcf.wisconsin.gov>, by clicking on About Us/Department Programs/Temporary Assistance to Needy Families.

(d) If pars. (a) to (c) do not apply, any purpose for which funds under the Temporary Assistance for Needy Families program may be used under 42 USC 601 et seq if the federal administration for children and families approves an amendment to the state plan under 42 USC 602 that allows that purpose.

History: CR 14-030: cr. Register August 2015 No. 716, eff. 9-1-15; renum. from DCF 201.41 under s. 13.92 (4) (b) 1., Stats., Register August 2015 No. 716; EmR1709: emerg. renum. DCF 201.035 to DCF 201.044 eff. 5-4-17; CR 17-033: renum. DCF 201.035 to DCF 201.044 Register January 2018 No. 745, eff. 2-1-18.

DCF 201.06 Establishing maximum rates. (1) RATE GROUPING. (a) *County.* The department shall set maximum rates for child care services in each county within the state. A tribal area shall be included in the county in which it is geographically located.

(b) *Age groups.* Within each county, the department shall set maximum rates for the following age groups:

1. Infants and toddlers under 2 years of age.
2. Children 2 years of age and over, but under age 4.
3. Children 4 years of age and over, but under age 6.
4. Children ages 6 to 13 years.

(c) *Types of providers.* Within each county and within each age group, the department shall set maximum rates for child care services by each of the following types of providers:

1. Group child care centers licensed under s. 48.65, Stats., and ch. DCF 251 and day camps licensed under s. 48.65, Stats., and ch. DCF 252.

2. Family child care centers licensed under s. 48.65, Stats., and ch. DCF 250.

3. Level I regular certified child care providers under s. 48.651 (1) (a), Stats., and ch. DCF 202.

4. Level II provisional certified child care providers under s. 48.651 (1) (b), Stats., and ch. DCF 202.

(2) SURVEY OF LICENSED CENTERS AND DAY CAMPS. (a) The department shall annually contact all licensed group child care centers, family child care centers, and day camps to obtain their child care prices and registration fee amounts.

(b) The department shall include only child care prices and registration fee amounts submitted in writing in the survey results.

(3) MAXIMUM RATES FOR LICENSED CENTERS AND DAY CAMPS. (a) *Licensed group child care centers and day camps.* The department shall set maximum rates so that at least 75 percent of the slots in a county at group child care centers licensed under ch. DCF 251 and day camps licensed under ch. DCF 252 may be purchased at or below the maximum rate. The number of slots attributed to a group child care center or day camp shall be equal to the licensed capacity.

(b) *Licensed family child care centers.* The department shall set maximum rates so that at least 75 percent of the slots in a county at family child care centers licensed under ch. DCF 250 may be purchased at or below the maximum rate. The number of slots attributed to a family child care center shall be equal to the center's licensed capacity.

(c) *Exclusions.* In determining maximum rates for licensed group child care centers, licensed family child care centers, and licensed day camps under pars. (a) and (b), the department may exclude the child care prices of a group child care center, family child care center, or day camp at which any of the following apply:

1. The center or day camp operates less than 5 days a week or 5 hours a day.

2. The center or day camp has not established full-time weekly or full-time monthly child care prices.

3. The department issues child care subsidy payments for the care of more than 75 percent of the children attending the center or day camp.

(d) *Sibling rates.* The department may not establish reduced maximum rates for siblings.

(4) RATES FOR CERTIFIED CHILD CARE PROVIDERS. The department shall set rates for certified child care providers under s. 49.155 (6) (b) and (c), Stats., as follows:

(c) Rates for Level I regular certified providers under s. 48.651 (1) (a), Stats., may not exceed 75 percent of the rates established under sub. (3) (b).

(d) Rates for Level II provisional certified providers under s. 48.651 (1) (b), Stats., may not exceed 50 percent of the rates established under sub. (3) (b).

(5) RATES FOR SCHOOL BOARD PROGRAMS. The rates for care at a child care program established or contracted for by a school board under s. 120.13 (14), Stats., shall be the same as the applicable rate for a licensed group child care center under sub. (3) (a).

(6) RATES FOR OUT-OF-STATE PROVIDERS. The maximum rate for an out-of-state provider shall be the applicable maximum rate in the county in which the parent resides or the out-of-state provider's actual rate, whichever is lower.

(7) SPECIAL NEED. On a case-by-case basis, a child care administrative agency may set a rate higher than the rate established under this section for the care of a child with a special need.

History: Cr. Register, February, 1997, No. 494, eff. 3-1-97; am. (1) (a) 1. and (2) (c), Register, November, 1999, No. 527, eff. 12-1-99; corrections in (3) (b) made under s. 13.93 (2m) (b) 7., Stats., Register, January, 2001, No. 541; CR 02-104: am. (1) (b), (c) 2., (2) (a) 2., (b) 1. and (d), cr. (1) (c) 3. and 4., Register March 2003 No. 567, eff. 4-1-03; emerg. am. (1) (a) 1., cr. (1) (a) 1m, eff. 1-22-07; CR 07-030: am.

(1) (a) 1., cr. (1) (a) 1m. Register October 2007 No. 622, eff. 11-1-07; emerg. am. (1) (a) 1., cr. (1) (a) 1r, eff. 1-1-08; CR 08-009: am. (1) (a) 1., cr. (1) (a) 1r. Register July 2008 No. 631, eff. 8-1-08; correction in (3) (b) made under s. 13.92 (4) (b) 7., Stats., Register November 2008 No. 635; EmR1015: emerg. revisions as in CR 10-056, eff. 5-17-10; CR 10-056: am. (title), (1) (b), (c) (intro.), (2) (a) (intro.), 2., (b) (intro.), 1., (d), (e) and (4) Register September 2010 No. 657, eff. 10-1-10; 2015 Wis. Act 132: r. (3) (b) Register February 2016 No. 722, eff. 3-1-16; EmR1709: emerg. r. and recr., eff. 5-4-17; CR 17-033: r. and recr. Register January 2018 No. 745, eff. 2-1-18; EmR1801: emerg. am. (3) (c) 2., eff. 3-11-18; CR 17-099: am. (3) (c) 2. Register July 2018 No. 751, eff. 8-1-18. **EmR2314: am. (2) (a), (b), renum. (4) (a) (intro.) to (4) (intro.), r. (4) (b), eff. 10-1-23; CR 23-016: am. (2) (a), (b), renum. (4) (a) (intro.) to (4) (intro.), r. (4) (a) (title), (b) Register January 2024 No. 817, eff. 2-1-24; renum. (4) (a) 1., 2. to (4) (c), (d) under s. 13.92 (4) (b) 1., Stats., Register January 2024 No. 817.**

DCF 201.065 Parent appeal rights. (1) RIGHT TO APPEAL. (a) *General.* A parent applying for or receiving payments under the child care subsidy program may appeal any of the following actions by the department or a child care administrative agency:

1. Denial of an application in whole or in part.
2. Failure to act on an application within 30 days.
3. Reduction, suspension, or termination of child care subsidy payments.
4. The determination of the amount and initial eligibility date of receipt of child care subsidy payments.
5. Denial of a request for a hardship authorization under s. DCF 201.039 (13) or (14).

(b) *Overpayments.* A parent receiving child care subsidy payments or an individual who formerly received child care subsidy payments may appeal the determination or collection of an overpayment, including the amount of the overpayment, the determination of the amount of the overpayment still owed, warrant and execution under s. DCF 101.23 (9), levy under s. DCF 101.23 (10), or a decision under s. 49.85, Stats., to recover the overpayment by means of certification to the Wisconsin department of revenue. The parent may make only one request for appeal of the basis for the overpayment claim. Any subsequent appeals shall be limited to questions of prior payment of the debt that the department or agency is proceeding against or mistaken identity of the debtor.

(c) *Intentional program violations.* A parent receiving child care subsidy payments or an individual who formerly received child care subsidy payments may appeal a determination by the department or an agency that the parent or individual has committed an intentional program violation under s. 49.151 (2), Stats.

(d) *No appeal of payment expiration.* A parent may not appeal the expiration of a subsidy payment under s. DCF 201.04 (2r) (b).

(2) PROCEDURE. (a) A request for a hearing may be made by an individual who has a right to appeal under sub. (1) or someone with legal authority to act on their behalf.

(b) 1. A request for a hearing of an action under sub. (1) (a) or (b) shall be in writing and received at the address specified on the notice within 45 days after the date printed on the notice.

2. A request for a hearing of a determination under sub. (1) (c) shall be in writing and received at the address specified on the notice within 30 days after the date printed on the notice.

(c) Upon receipt of a timely request for hearing, the department or the division of hearings and appeals under s. 227.43, Stats., shall give the individual a hearing as follows:

1. A fair hearing under ch. 227, Stats., and ch. HA 3 for an action under sub. (1) (a) or (b).

2. A contested case hearing under ch. 227, Stats., and ch. HA 1 for an action under sub. (1) (c).

History: CR 17-033: cr. Register January 2018 No. 745, eff. 2-1-18; correction in (2) (c) 1. and 2. made under s. 35.17, Stats., Register January 2018 No. 745; **correction in (1) (d) made under s. 13.92 (4) (b) 7., Register January 2024 No. 817.**

DCF 201.07 Provider appeal rights. (1) A child care provider who contests any of the following actions may request a departmental review:

- (a) Refusal to issue new child care authorizations.

(b) Revocation of existing child care authorizations.

(c) Refusal to issue payment to the provider.

(d) Determination of the provider's payment amount.

(e) Collection of an overpayment, including the determination of the amount of the overpayment, the determination of the amount of the overpayment still owed, warrant and execution under s. DCF 201.04 (5) (eh), levy under s. DCF 201.04 (5) (ep), or a decision under s. 49.85, Stats., to recover the overpayment by means of certification to the Wisconsin department of revenue. The provider may make only one request for appeal of the basis for the overpayment claim. Any subsequent appeals shall be limited to questions of prior payment of the debt that the department or agency is proceeding against or mistaken identity of the debtor.

(f) Issuance of a forfeiture.

(2) A request for a departmental review may be made by a child care provider or someone with legal authority to act on their behalf.

(3) A request for a departmental review shall be in writing and received at the address provided on the notice within 30 days from the date printed on the notice of action under sub. (1).

(4) Upon receipt of a timely request for departmental review, the department shall give the child care provider a contested case hearing under ch. 227, Stats., and ch. HA 1.

(5) The department may contract with the division of hearings and appeals to conduct the review.

History: CR 02-104: cr. Register March 2003 No. 567, eff. 4-1-03; EmR1027: emerg. am. (1) (e), cr. (1) (f), eff. 7-9-10; CR 10-086: am. (1) (e), cr. (1) (f) Register December 2010 No. 660, eff. 1-1-11; correction in (1) (e) made under s. 13.92 (4) (b) 7., Stats., Register December 2010 No. 660; CR 17-033: am. (4) Register January 2018 No. 745, eff. 2-1-18; correction in (4) made under s. 35.17, Stats., Register January 2018 No. 745.

DCF 201.08 Parent copayments. (1) SCHEDULE. (a) The department shall set a schedule for parent copayment responsibilities for all parents who receive a child care subsidy, except as provided under sub. (2). Copayment amounts will be based on the size of the assistance group, the assistance group's gross income, the number of children in the assistance group in child care, and the number of hours authorized for a child care subsidy. The copayment schedule is provided in Table DCF 201.08.

Note: Par. (a) is amended eff. 11-1-2024 by CR 23-016 to read:

(a) The department shall set a schedule for parent copayment responsibilities for all parents who receive a child care subsidy, except as provided under sub. (2). Copayment amounts will be based on the size of the assistance group and the assistance group's gross income. The copayment schedule is provided in Table DCF 201.08.

(b) A parent's share of payment may be more than the copayment amount determined using the copayment schedule in Table DCF 201.08. If a provider's price is higher than the department's maximum rate, the parent's share of payment will be the difference between the provider's price and the subsidy payment, plus any additional fees the provider charges.

(2) EXCEPTIONS. (am) Notwithstanding sub. (1), no parent may be assessed any copayment responsibility if any of the following conditions are met:

1. The parent is the child's foster parent.

2. The parent is the child's subsidized guardian or interim caretaker under s. 48.623, Stats.

3. The parent is a kinship care relative receiving payments under s. 48.57 (3m) or (3n), Stats., and the child was placed in the kinship care relative's home under a court order.

4. The biological parent of the child is a minor attending school subject to the requirements of s. 49.26, Stats.

Note: Section 49.26 (1) (e), Stats., prohibits copayment responsibility for a minor teen parent who is attending school subject to the Learnfare school attendance requirement.

Note: Subd. 5. is created eff. 11-1-24 by CR 23-016 to read:

5. The parent is enrolled in Wisconsin Works under s. 49.147 (2) to (5), 49.1475, 49.148 (1m) (a), or 49.159, Stats.

Note: Subd. 6. is created eff. 11-1-24 by CR 23-016 to read:

6. The gross income of the assistance group is at or below 100 percent of the federal poverty level.

(bm) A parent shall be assessed the minimum copayment amount for the number of children in the assistance group under Table DCF 201.08 if any of the following conditions are met:

1. The parent is the kinship care relative of a child that was not placed in the relative's home under a court order.
2. The parent is under the age of 20 and is attending high school or participating in a course of study meeting the standards established under s. 115.29 (4), Stats., for the granting of a declaration of equivalency to high school graduation.

(cm) A parent that leaves a Wisconsin works position for unsubsidized employment shall be assessed the minimum copayment based on the number of children in the assistance group for whom the parent is receiving a child care subsidy until the parent's next eligibility redetermination.

Note: Par. (cm) is amended eff. 11-1-2024 by CR 23-016 to read:

(cm) A parent who transitions from Wisconsin works under s. 49.147 (2) to (5), 49.1475, 49.148 (1m) (a), or 49.159, Stats., to unsubsidized employment shall be assessed the minimum copayment until the parent's next eligibility redetermination.

(dm) A parent that no longer meets the conditions of this subsection due to a change in circumstances, such as adoption of the child, may not be assessed the full copayment responsibility until the parent's next eligibility redetermination.

Note: If a provider's price is higher than the department's maximum rate, a parent with no copayment responsibility under this section will still be responsible for the difference between the provider's price and the subsidy amount, plus additional fees the provider charges.

(3) ADJUSTMENTS. (a) The department may adjust the amounts in the schedule to reflect the following factors:

1. A change in child care prices or rates.
2. A change in the funding available for the child care subsidy program.
3. A change in costs due to a change in the consumer price index.
4. A change in the federal poverty level.
5. A change in economic factors affecting the cost of child care to the state, such as an increase in demand for the child care subsidy program.
6. Insufficient funding to meet the needs of all eligible families applying for or receiving a child care subsidy.
7. The purposes of the child care subsidy program.

(b) The department shall publish adjustments to the copayment schedule in the Wisconsin administrative register.

(c) If the department proposes to make adjustments to the copayment schedule that would increase parental copayments by 10% or more, the department shall promulgate an administrative rule to make such adjustments, and the department shall not issue an emergency rule to implement such adjustments before providing advance public notice of at least one month.

(4) COPAYMENT INCREASES DURING 12-MONTH ELIGIBILITY PERIOD. During a parent's 12-month eligibility period, the parent's copayment amount may not be increased unless any of the following conditions is met:

(a) *Increased hours.* The increased copayment amount corresponds to an increase in the number of hours authorized for a child care subsidy to the parent.

(b) *Income at or above 190 percent at redetermination.* All of the following conditions are met:

1. At the parent's last eligibility redetermination, the gross income of the assistance group was at or above 190 percent of the federal poverty level but under 200 percent of the federal poverty level.

2. The increased copayment amount corresponds to an increase in the federal poverty level of the assistance group under Table DCF 201.08.

3. The copayment amount does not exceed the amount that is assessed for an assistance group at 200 percent of the federal poverty level under Table DCF 201.08.

(c) *Income at or above 200 percent at redetermination.* All of the following conditions are met:

1. The gross income of the assistance group was at or above 200 percent of the federal poverty level at the parent's last eligibility redetermination.

2. The parent's copayment increases by \$1 for every \$3 by which the gross income of the assistance group exceeds 200 percent of the federal poverty level.

History: Cr. Register, September, 1997, No. 501, eff. 10-1-97; am. (3) (c), Register, December, 1997, No. 504, eff. 1-1-98; am. (1) (a) and (c), (3) (a) 5., cr. (1) (d), r. (2), Register, November, 1999, No. 527, eff. 12-1-99; r. and recr. (1), cr. (2), Register, January, 2001, No. 541, eff. 2-1-01; CR 02-104; am. (3) (a) 5., cr. (3) (a) 6. Register March 2003 No. 567, eff. 4-1-03; CR 06-044; renum. (2) (c), (d) and (e) to be (2) (d), (e) and (f), cr. (2) (c), Register November 2006 No. 611, eff. 12-1-06; EmR0806; emerg. am. (1), (2) (a), (e), (f) and Table 56.08, eff. 3-30-08; CR 08-020; am. (1), (2) (a), (e), (f) and Table 56.08 Register August 2008 No. 632, eff. 9-1-08; correction in (1) made under s. 13.92 (4) (b) 7., Stats., Register November 2008 No. 635; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register March 2009 No. 639; EmR1015; emerg. am. (3) (a) 1., eff. 5-17-10; CR 10-056; am. (3) (a) 1. Register September 2010 No. 657, eff. 10-1-10; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register April 2012 No. 676; correction in (2) (c) made under s. 13.92 (4) (b) 7. Stats., Register April 2012 No. 676; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register April 2013 No. 688; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register April 2014 No. 700; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register February 2015 No. 710; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register February 2016 No. 722; corrected adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register March 2016 No. 723; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register March 2017 No. 735; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register March 2018 No. 747; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register October 2018 No. 754; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register March 2019 No. 759; CR 18-088; renum. (1) to (1) (a) and am., cr. (1) (b), r. and recr. (2), am. (3) (a) 2., 5., 6, cr. (3) (a) 7., (4) Register July 2019 No. 763, eff. 8-1-19; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register February 2021 No. 782; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register February 2022 No. 794; adjustment to Table DCF 201.08 made under s. DCF 201.08 (3) Register February 2023 No. 806; **CR 23-016; am. (1) (a), cr. (2) (am) 5., 6., am. (2) (cm) Register January 2024 No. 817, eff. 11-1-24.**

TABLE DCF 201.08
Wisconsin Shares Copayment Schedule
Update to Table DCF 201.08 Based on the 2024 Federal Poverty Guidelines
Effective February 1, 2024

Wisconsin Shares Copayment Schedule										
The Assistance Group's (AG's) Percentage of the Federal Poverty Level (FPL) The copayment (copay) calculation uses the assistance group's monthly income and assistance group size to determine the FPL percentage. If the assistance group's income is between two lines, it uses the lower amount.										
Gross Monthly Assistance Group Income										
ASSISTANCE GROUP SIZE										
	2	3	4	5	6	7	8	9	10 or more	
65% FPL	\$1,107	\$1,399	\$1,890	\$1,981	\$2,273	\$2,564	\$2,856	\$3,147	\$3,439	
70% FPL	\$1,192	\$1,506	\$1,920	\$2,134	\$2,448	\$2,762	\$3,075	\$3,389	\$3,703	
75% FPL	\$1,278	\$1,614	\$1,960	\$2,286	\$2,623	\$2,959	\$3,295	\$3,631	\$3,968	
80% FPL	\$1,363	\$1,721	\$2,080	\$2,439	\$2,797	\$3,156	\$3,515	\$3,873	\$4,232	
85% FPL	\$1,448	\$1,829	\$2,210	\$2,591	\$2,972	\$3,353	\$3,734	\$4,115	\$4,497	
90% FPL	\$1,533	\$1,937	\$2,340	\$2,744	\$3,147	\$3,551	\$3,954	\$4,358	\$4,761	
95% FPL	\$1,618	\$2,044	\$2,470	\$2,898	\$3,322	\$3,748	\$4,174	\$4,600	\$5,026	
100% FPL	\$1,703	\$2,152	\$2,600	\$3,048	\$3,497	\$3,945	\$4,393	\$4,842	\$5,290	
105% FPL	\$1,789	\$2,259	\$2,730	\$3,201	\$3,672	\$4,142	\$4,613	\$5,084	\$5,555	
110% FPL	\$1,874	\$2,367	\$2,860	\$3,353	\$3,846	\$4,340	\$4,833	\$5,326	\$5,819	
115% FPL	\$1,959	\$2,474	\$2,990	\$3,506	\$4,021	\$4,537	\$5,052	\$5,568	\$6,084	
120% FPL	\$2,044	\$2,582	\$3,120	\$3,658	\$4,196	\$4,734	\$5,272	\$5,810	\$6,348	
125% FPL	\$2,129	\$2,690	\$3,250	\$3,810	\$4,371	\$4,931	\$5,492	\$6,052	\$6,613	
130% FPL	\$2,214	\$2,797	\$3,380	\$3,983	\$4,546	\$5,129	\$5,711	\$6,294	\$6,877	
135% FPL	\$2,300	\$2,905	\$3,510	\$4,115	\$4,721	\$5,326	\$5,931	\$6,536	\$7,142	
140% FPL	\$2,385	\$3,012	\$3,640	\$4,268	\$4,895	\$5,523	\$6,151	\$6,778	\$7,406	
145% FPL	\$2,470	\$3,120	\$3,770	\$4,420	\$5,070	\$5,720	\$6,370	\$7,020	\$7,671	
150% FPL	\$2,555	\$3,228	\$3,900	\$4,573	\$5,245	\$5,918	\$6,590	\$7,263	\$7,935	
155% FPL	\$2,640	\$3,335	\$4,030	\$4,725	\$5,420	\$6,115	\$6,810	\$7,505	\$8,200	
160% FPL	\$2,725	\$3,443	\$4,160	\$4,877	\$5,595	\$6,312	\$7,029	\$7,747	\$8,464	
165% FPL	\$2,811	\$3,550	\$4,290	\$5,030	\$5,770	\$6,509	\$7,249	\$7,989	\$8,729	
170% FPL	\$2,896	\$3,658	\$4,420	\$5,182	\$5,944	\$6,707	\$7,469	\$8,231	\$8,993	
175% FPL	\$2,981	\$3,765	\$4,550	\$5,335	\$6,119	\$6,904	\$7,688	\$8,473	\$9,258	
180% FPL	\$3,066	\$3,873	\$4,680	\$5,487	\$6,294	\$7,101	\$7,908	\$8,715	\$9,522	
185% FPL	\$3,151	\$3,981	\$4,810	\$5,639	\$6,489	\$7,298	\$8,128	\$8,957	\$9,787	
190% FPL	\$3,236	\$4,088	\$4,940	\$5,792	\$6,644	\$7,496	\$8,347	\$9,199	\$10,051	
195% FPL	\$3,322	\$4,196	\$5,070	\$5,944	\$6,819	\$7,693	\$8,567	\$9,441	\$10,316	
200% FPL	\$3,407	\$4,303	\$5,200	\$6,097	\$6,993	\$7,890	\$8,787	\$9,683	\$10,580	
-----+200% of the Federal Poverty Level-----										

The Copay per Hour					
The copay calculation uses the number of children with Wisconsin Shares authorizations to find the Copay per Hour for the AG's FPL.					
NUMBER OF CHILDREN WITH AUTHORIZATIONS					
	1	2	3	4	5 or more
\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15
\$0.20	\$0.19	\$0.18	\$0.18	\$0.18	\$0.18
\$0.26	\$0.23	\$0.22	\$0.22	\$0.22	\$0.20
\$0.39	\$0.29	\$0.26	\$0.25	\$0.25	\$0.24
\$0.52	\$0.37	\$0.31	\$0.29	\$0.28	\$0.28
\$0.67	\$0.45	\$0.37	\$0.32	\$0.30	\$0.30
\$0.74	\$0.49	\$0.40	\$0.35	\$0.32	\$0.32
\$0.84	\$0.53	\$0.43	\$0.38	\$0.35	\$0.35
\$0.90	\$0.57	\$0.46	\$0.41	\$0.38	\$0.38
\$0.96	\$0.61	\$0.49	\$0.43	\$0.40	\$0.40
\$1.03	\$0.65	\$0.53	\$0.46	\$0.42	\$0.42
\$1.10	\$0.69	\$0.56	\$0.49	\$0.45	\$0.45
\$1.22	\$0.76	\$0.61	\$0.53	\$0.48	\$0.48
\$1.39	\$0.85	\$0.67	\$0.58	\$0.53	\$0.53
\$1.47	\$0.90	\$0.71	\$0.61	\$0.55	\$0.55
\$1.52	\$0.93	\$0.73	\$0.63	\$0.57	\$0.57
\$1.60	\$0.98	\$0.77	\$0.66	\$0.60	\$0.60
\$1.65	\$1.00	\$0.79	\$0.69	\$0.63	\$0.63
\$1.73	\$1.05	\$0.83	\$0.73	\$0.67	\$0.67
\$1.79	\$1.09	\$0.87	\$0.76	\$0.70	\$0.70
\$1.85	\$1.13	\$0.91	\$0.80	\$0.74	\$0.74
\$1.90	\$1.19	\$0.96	\$0.84	\$0.77	\$0.77
\$1.97	\$1.24	\$1.00	\$0.88	\$0.80	\$0.80
\$2.06	\$1.30	\$1.05	\$0.91	\$0.82	\$0.82
\$2.15	\$1.36	\$1.08	\$0.93	\$0.84	\$0.84
\$2.24	\$1.42	\$1.12	\$0.96	\$0.86	\$0.86
\$2.34	\$1.46	\$1.14	\$0.99	\$0.89	\$0.89
\$2.34	\$1.46	\$1.14	\$0.99	\$0.89	\$0.89

Total Assistance Group (AG) Copay Hours
This step only considers authorized children with Regular copay types*. For each month, the copay calculation adds together the number of authorized hours for all children. Each child contributes up to 152 hours per child care provider location. If a child is authorized to more than one location, the total number of hours for that child for all locations is capped at 152. If an assistance group has five children or more, the maximum hours will be 5 times 152 (760).
The Assistance Group (AG) Copay
For each month, the copay calculation multiplies the Total AG Copay Hours by the Copay per Hour amount.
The Child's Copay
For each month, the AG Copay is distributed to each child with a Regular copay type* based on that child's percent of the assistance group's total hours. The total hours for this step are capped at 152 hours per child for each provider location, but not capped at 152 total per child or 760 per assistance group.
Example:
Please note that these numbers are approximate and both children in the example have the Regular Copay Type*.
The AG's FPL An AG of 4 with a monthly income of \$2,470 is at 95% FPL.
The Copay per Hour
The assistance group has 2 children with Wisconsin Shares authorizations. Their copay is \$0.49 per hour.
Total AG Hours
The first child is authorized for 80 hours per month, and the second child is authorized for 170 hours per month. The second child's hours are capped at 152, so the Total AG Hours are 232 hours (80 + 152) for the month.
The AG Copay
The AG Copay is \$113.68 (232 x \$0.49) for the month.
The Child's Copay
The assistance group has 232 total copay hours. The first child has 80 hours and will have 34% (80 / 232) of the AG Copay, which is \$38.65 (34% of \$113.68) for the month. The second child has 170 authorized hours, which are capped at 152 hours for the copay. The second child will have 66% (152 / 232) of the AG Copay, which is \$75.03 (66% of \$113.68) for the month.

If an assistance group's income is above 200% FPL, the AG Copay is increased by \$1 for every \$3 that the income exceeds 200% FPL.

* Copayment types: Regular = Based on FPL, number of children in care, and number of authorized hours; used for all children who do not qualify for one of the following reduced copayment types. Kinship = \$0, used for children in court-ordered placement with a relative. Non Court Ordered Kinship = Based on 85% FPL, used for children being cared for by a relative who does not have a court order for their placement. Foster = \$0, used for children placed with a foster family, subsidized guardian, or interim caretaker. Learnfare = \$0, used for children of teen parents participating in the Learnfare program. W-2 Employed = Based on 85% FPL, used for children of former W-2 participants starting unsubsidized employment during the eligibility period. Teen High School = Based on 65% FPL, used for children of teen parents who are attending high school. The monthly copayment is based upon the monthly subsidized hours of child care for the assistance group. Monthly hours are rounded up to the nearest whole hour when determining the copayment.
 Effective: February 1, 2024

Note: The Department of Children and Families sets a schedule for parent copayment responsibilities for all parents who receive child care financial assistance under s. 49.155, Stats. Section DCF 201.08 (3) provides that the department may adjust the amounts in the copayment schedule based on a change in the federal poverty level. The department shall publish adjustments to the copayment schedule in the Wisconsin Administrative Register.