

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original    Updated    Corrected

2. Administrative Rule Chapter, Title and Number

DCF 201, Child Care Subsidy Program

3. Subject

Child care subsidy copayments and provider fees

4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.437(2)(mc)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect    Increase Existing Revenues    Increase Costs  
 Indeterminate    Decrease Existing Revenues    Could Absorb Within Agency's Budget  
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy    Specific Businesses/Sectors  
 Local Government Units    Public Utility Rate Payers  
 Small Businesses **(if checked, complete Attachment A)**

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes    No

9. Policy Problem Addressed by the Rule

As a condition of approval of Wisconsin's 2022-2024 Child Care Development Fund plan, the state child care subsidy program must come into compliance with the federal requirement that the payment practices of the subsidy program reflect generally-accepted payment practices of child care providers that serve children who do not receive subsidies, including paying for reasonable mandatory registration fees that the provider charges to private-paying parents.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The department solicited comments from the WI Child Care Administrators Association, Latino Education Council, WI Technical College System, The Hmong Institute, WI Association of Independent Colleges, WI Early Childhood, WI Head Start Association, UMOS, Northwest Connection Family Resources, Great Lakes Inter-Tribal Council, WI Early Childhood Association, National Association for the Education of Young Children, Legal Action of Wisconsin, Community Advocates, Milwaukee Child Care Alliance, WI Family Child Care Association, and Kids Forward.

11. Identify the local governmental units that participated in the development of this EIA.

No comments were received.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Parents receiving a subsidy will receive additional funds to pay provider registration or enrollment fees that are within the limits set by the department. Parents who are enrolled in the Wisconsin Works program and assistance groups with a gross income that is at or below 100 percent of the federal poverty level will not have a copayment deducted from their subsidy amount.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Failure to comply with 45 CFR 98.45 (L) (3) may result in Wisconsin receiving a four percent penalty on its Child Care and Development Fund (CCDF) discretionary grant award. In FFY23, this would represent a \$4.4 million reduction in the CCDF award.

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

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14. Long Range Implications of Implementing the Rule  
None

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15. Compare With Approaches Being Used by Federal Government  
The rule brings the state into compliance with 45 CFR 98.45 (L) (3).

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16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)  
All states need to comply with 45 CFR 98.45 (L) (3).

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17. Contact Name  
Elaine Pridgen

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18. Contact Phone Number  
(608) 422-7077

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**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

NA

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

NA

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
  - Less Stringent Schedules or Deadlines for Compliance or Reporting
  - Consolidation or Simplification of Reporting Requirements
  - Establishment of performance standards in lieu of Design or Operational Standards
  - Exemption of Small Businesses from some or all requirements
  - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

NA

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5. Describe the Rule's Enforcement Provisions

NA

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

Yes  No

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