

Child Care 6-20-19

Wisconsin Shares Child Care Subsidy Program: The budget provides increased funding to continue direct child care services under the Wisconsin Shares child care subsidy program. Funding provided in the budget includes reestimates of the following ongoing costs:

- Continuing child care subsidy payments at base levels for the estimated caseloads and subsidy amounts.
- Subsidy adjustments for two, four, and five-star providers under the YoungStar child care provider ratings system.
- Implementing a minimum eligibility period of 12 months, as required by the federal CCDBG Reauthorization Act of 2014.
- Maintaining the same level of funding for the cost of allowing a three-month period of eligibility for individuals whose work activities have terminated, as required by the CCDBG Act.
- Growth in provisionally certified child care providers becoming licensed or regularly certified due to compliance with federal health and safety regulations under the CCDBG Act.
- Continuing the across-the-board rate increase provided under 2017 Act 236 on an annual basis. Provide additional funding to increase the YoungStar adjustment for four-star providers to 15% and five-star providers to 30%, effective on the date of the budget. These percentages equal the rate adjustments authorized under 2017 Act 236. Provide that DCF must maintain these exact adjustment rates through June 30, 2021, after which DCF would retain discretion to set the adjustments up to those amounts.
- Continuing the provisions of 2017 Act 59 that mitigate the benefit drop-off in Wisconsin Shares for families with income exceeding the exit threshold of 200% FPL.
- A 5% rate increase for children younger than two years of age.
- Continuing a 5% rate increase for children between the ages of two and four years old.
- Continuing a statewide \$5 minimum hourly subsidy for infants in licensed childcare providers.
- Maintaining a partial reduction in the 5% subsidy reduction for 2-star providers under the YoungStar provider rankings system.
- Maintaining funding for local administration, including contracts for onsite care at job centers and migrant child care.
- Disregarding the social security income of the child as part of financial eligibility determinations, as required by a recent court ruling.

Total funding for direct child care subsidies would be \$357,097,500 in FY20 and \$365,700,400 in FY21. (If you want the funding levels by bullet point item, please contact diedrick@wicounties.org and I will get them to you.)

Wisconsin Shares – Rate Increase: The Governor’s budget provided \$22,922,800 in FY20 and \$23,494,600 in FY21 to increase the maximum reimbursement rates for licensed child care providers under the Wisconsin Shares child care subsidy program for all counties to the 50th percentile of the market rate measured in the 2017 market rate survey. The JCF modified the

Governor's recommended funding to instead provide \$11,630,800 in FY20 and \$11,920,900 in FY21 to increase the maximum reimbursement rates.

Wisconsin Shares – Rates for Certified Providers: The budget increases the reimbursement limit for regularly and provisionally certified child care providers, from 75% and 50% of the maximum reimbursement rates set by DCF for licensed family care providers, respectively, to be no more than 90% of the licensed family hourly rates for both regularly and provisionally certified child care providers.

Quality Care for Quality Kids: The budget provides \$415,000 in FY20 and \$535,000 in FY21 to support child care quality improvement programs. DCF indicates that the funding is intended to support the Wisconsin Pyramid Model, which provides a tiered intervention framework that enhances social and emotional competence in infants, toddlers, and young children. The Pyramid Model offers evidence-based strategies for child care providers, parents and professionals to support optimal development and prevent challenging behaviors.

Funding would be maintained at base levels for other quality and availability programs, such as TEACH, REWARD, and the contract costs of the child care quality rating and improvement system (YoungStar).

Child Care Background Check Modifications: The budget modifies provisions relating to the background checks of child care workers.

Appeals: Under current law, persons determined to be ineligible to work or live in a child care program due to the results of a background check are informed of the right to appeal. They have 60 days within which to do so unless DCF grants an extension. The budget changes the time to appeal to within 10 days, unless DCF grants an extension. The budget also clarifies that DCF may disclose and use information obtained in conducting background checks during an appeal or reconsideration as necessary for a lawful purpose.

Serious Crimes and Rehabilitation: The budget adds arson of buildings and property other than buildings, patronizing a child, child neglect, chronic or repeated acts of neglect, and leaving a child unattended in a child care provider's vehicle as serious crimes (means cannot be "rehabilitated"). The budget also makes a technical modification to change the way serious crimes are defined. Serious crimes would no longer be defined according to the length of time that has passed. Instead, a person would be allowed to demonstrate rehabilitation if their sentence has been completed or they have been discharged by the Department of Corrections more than five years ago. If a person successfully demonstrates that he or she is rehabilitated, then the person may be allowed to be a caregiver, noncaregiver employee, or household member of the child care program. The budget also removes the ability of county departments (and agencies under contracts with them) and school boards from conducting rehabilitation reviews.

Refusal to Pay: The budget repeals obsolete provisions requiring DCF and county departments to refuse to pay child care providers convicted of serious crimes and permitting DCF and county departments to refuse to pay those with pending charges for serious crimes. Instead, payment would be refused in such cases under the provisions relating to Wisconsin Shares.

Definitions: The budget provides for several changes to definitions and updates the language of the statutes. A “licensing entity” would mean: (a) DCF when licensing a child care center; (b) a county department (or DCF for Milwaukee County) or an agency or Indian tribe contracted with when certifying a child care provider; (c) a school board when contracting with a child care provider. “Approval” would mean a child care center license, a child care provider certification, or a contract with a child care provider. A distinction would be made between name-based background checks and fingerprint-based background checks, and “criminal background checks” would simply be referred to as background checks. Disqualifying crimes would be referred to as disqualifying offenses.

The definition of “caregiver” would mean an employee or contractor of a child care program who is involved in the care or supervision of clients or a person who has direct contact and unsupervised access to clients of a child care program. The definition of “contractors” would be repealed. A “noncaregiver employee” would mean a person who provides services to a child care program as an employee or a contractor and is not a caregiver, but whose work at the child care program provides the ability to move freely throughout the premises and opportunities for interactions with clients of the child care program. “Nonclient residents” would be redefined as household members. The budget defines “household members” as being older than 10 and otherwise removes references to the age of household members.

DCF would be required to run background checks on all caregivers, noncaregiver employees, and household members of a child care program.