

1999 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-AB133)

Received: **06/26/99**

Received By: **yacketa**

Wanted: **As time permits**

Identical to LRB:

For: **Assembly Democratic Caucus 7-5266**

By/Representing: **Wittwer**

This file may be shown to any legislator: **NO**

Drafter: **yacketa**

May Contact:

Alt. Drafters:

Subject: **Children - day care
Public Assistance - Wis works**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Low-income child care

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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ADC

Budget Amendment Drafting Instructions

Author: Reps. Miller and Sinicki

Intent: Use TANF contingency funds to support low-income working families who qualify for the Low Income Family Child Care program:

- a) eliminate co-pays for those making up to 100% of the poverty line--\$5.5 million TANF 1999-01;
- b) reduce co-pays to 10% for all other groups—\$4.8 million TANF 1999-01;
- c) total cost--\$10.3 million TANF (FED).

Staff contact: Jake Wittwer, ADC 7-5266
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Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 1, 1999

Joint Committee on Finance

Paper #1088

TANF

Child Care Eligibility and Copay Requirements (DWD -- Economic Support and Child Care)

[LFB 1999-01 Budget Summary: Page 678, #2, Page 685, #16 and Page 689, #18]

CURRENT LAW

A custodial parent, guardian, foster parent, legal custodian, person acting in the place of a parent or providing kinship care for a child is eligible for a child care subsidy for a child under the age of 13 for whom child care is needed in order for the individual to participate in certain activities and if certain financial and nonfinancial criteria are met. Initial eligibility for child care is limited to families with income of no more than 165% of the federal poverty level (FPL). Once eligible, families retain eligibility until income exceeds 200% of poverty, at which point the family is no longer eligible for child care subsidies unless the family's income falls below 165% of poverty.

Child care subsidies are provided for an eligible individual to work in a Wisconsin Works (W-2) employment position or an unsubsidized job (including training), to meet Learnfare school attendance requirements or to obtain a high school diploma or GED.

In addition, the individual may be participating in employment skills training, including an English as a second language course, if the W-2 agency determines that the course would be beneficial to the individual to obtain employment; a course of study to obtain a GED; or other vocational training or educational courses that provide an employment skill, as determined by the Department of Workforce Development (DWD). An individual may not receive assistance under this provision unless the individual is a participant in a W-2 employment position or has been employed in an unsubsidized job for nine consecutive months and continues to be employed. An individual may receive aid under this provision for up to two years.

Gross income for determining child care eligibility is the same as used for purposes of determining eligibility for W-2 employment positions. Gross income is statutorily defined to include all earned and unearned income, except benefits received for participation in a W-2 employment position and the federal and state earned income tax credits. Child support payments distributed to the W-2 assistance group and the income of a nonmarital coparent or spouse who resides in the same home as the child are also included in gross income.

The individual must also meet the W-2 resource limitation requirements, which specify that eligibility is limited to assistance groups whose assets do not exceed \$2,500 in combined equity value, excluding vehicles up to a total value of \$10,000 and one home that serves as the group's homestead.

The statutes specify that recipients of child care subsidies are liable for the percentage of the cost of child care as specified by DWD. According to administrative rule, the Department must set a schedule for parent copayments that requires all families to have a payment responsibility. The copayment amounts are based on family size, family income, the number of children in child care and the type of child care selected (copays for certified care are approximately 30% less than the licensed copay amount). However, the copayment rate for certain categories of parents is capped at the minimum copayment amount for the appropriate number of children for each type of child care. The affected parents include minor teen parents who are not Learnfare participants, foster parents and kinship care parents. Finally, minor teen parents who are Learnfare participants attending high school or its equivalent and food stamp recipients participating in employment training are not subject to a copayment requirement.

GOVERNOR

Provide \$9,000,000 FED in 1999-00 and \$18,000,000 FED in 2000-01 to reflect the following recommended modifications to child care eligibility and the copay schedule. With one exception, these provisions would take effect on January 1, 2000. The recommended modifications to the allowable educational activities would take effect on the bill's general effective date.

Income Limit. Increase the maximum gross income a family may have for initial eligibility from 165% of the federal poverty level to 185%. As provided under current law, once eligible, families would retain eligibility until income exceeds 200% of poverty, at which point the family would no longer be eligible for child care subsidies. The bill estimates this to cost \$1,000,000 in 1999-00 and \$2,000,000 in 2000-01.

Disabled Children. Allow parents to receive a child care subsidy for children over age 13 if the child is disabled and under the age of 19. The bill estimates this to cost \$1,000,000 in 1999-00 and \$2,000,000 in 2000-01.

Educational Activities. Modify the provisions related to the educational activities that are allowed for purposes of obtaining a child care subsidy by allowing an individual to

participate in basic education, including English as a second language, literacy tutoring or a course of study to obtain a GED, if the W-2 agency determines it would facilitate efforts to obtain or maintain employment. These activities would be allowed under the child care program for W-2 participants and individuals who are currently employed in unsubsidized employment (regardless of the duration of employment). In addition, reduce the length of time an individual must have held an unsubsidized job from nine months to three months in order to allow participation in a course of study at a technical college or in educational courses that provide an employment skill. The administration indicates that this provision has an unknown fiscal effect.

Income of Self-Employed Persons. Specify that the income of farmers and self-employed persons would include net earnings reported to the Internal Revenue Service (IRS) plus depreciation expenses, personal business and entertainment expenses, personal transportation costs, purchases of capital equipment and payments on the principal of loans. Under AB 133, this provision is estimated to increase expenditures by \$500,000 in 1999-00 and \$1,000,000 in 2000-01.

Asset Limitation. Eliminate the provision that limits child care eligibility to families whose assets do not exceed \$2,500. The bill estimates this to increase costs by \$500,000 in 1999-00 and \$1,000,000 in 2000-01.

Child Support. Remove child support from the definition of gross income for determining eligibility for child care subsidies. This provision is estimated to have a minimal fiscal effect.

Copayment Cap. Modify the copayment schedule so that the required copayment will not exceed 12% of the family's gross income, which is estimated, under AB 133, to increase expenditures by \$2,500,000 in 1999-00 and \$5,000,000 in 2000-01.

Copayment for First Month of Unsubsidized Employment. Assess the same copayment amount during the first month an individual holds an unsubsidized job as was paid while in a W-2 subsidized employment position. The bill estimates this provision to cost \$250,000 in 1999-00 and \$500,000 in 2000-01.

Copayment for Part-Time Child Care. Assess a lower copayment for families that need child care for less than 20 hours per week. Under AB 133, this provision is estimated to increase expenditures by \$3,250,000 in 1999-00 and \$6,500,000 in 2000-01.

Contingency Reserve. Allocate \$9,050,900 in 1999-00 as a contingency reserve for child care expenditures. Any unused balance, which would be made up of federal temporary assistance to needy families (TANF) funds, would carry forward and be available for the W-2 program in 2000-01 and thereafter.

DISCUSSION POINTS

1. Since the budget bill was introduced, the administration has expressed concern regarding the January 1, 2000, effective date because the programming changes that would be required for these program modifications would need to be completed during the same period as Year 2000 (Y2K) activities are being conducted. The administration recommends delaying the effective date to March 1, 2000. The revised fiscal effects presented in the following sections reflect the March 1, 2000, effective date.

2. Under the 1997-99 biennial budget (1997 Act 27), \$155.5 million in 1997-98 and \$177.4 million in 1998-99 was budgeted for direct child care services. Actual expenditures in 1997-98 equaled \$94.9 million, which included \$10.4 million that was paid in advance for the 1998 contract year. If the advance payments are subtracted from the total, expenditures were \$84.5 million, or \$71.0 million less than budgeted for 1997-98.

3. Information on the number of parents and children that were served during the 1997-98 fiscal year is unknown because Milwaukee County is unable to report this information reliably. However, Milwaukee County converted from its own automated child care payment and data system to the state's system in March of 1999, which should result in better data in the future.

4. The following information was obtained from data for the month of April, 1999:

- There were a total of 15,546 families who received child care subsidies for 27,343 children, an average of 1.8 children per family. In addition, subsidies were paid to 4,235 child care providers, which reflects an average of 6.5 subsidy children per provider.

- The subsidy payments for April totaled \$9.2 million. The average subsidy for the month was \$593 per family, \$337 per child and \$2,175 for each provider.

- The majority of children (78.6%) were cared for by providers that are licensed by the state and 21.4% were cared for by providers that are certified by the counties.

- Of total subsidies paid in April, approximately 57.9% (\$5.3 million) was paid to Milwaukee County for 6,765 families (43.5% of all families) with 12,748 children (46.6% of all children).

Reestimate of Current Law Program and Proposed Expansion

5. As part of the Governor's budget recommendation, the current child care program was estimated by the administration to cost \$136,500,000 in 1999-00 and \$143,325,000 in 2000-01. However, based on more recent actual child care expenditures, the current law program is now estimated to cost \$154,300,000 in 1999-00 and \$162,000,000 in 2000-01, an increase of \$17,800,000 in 1999-00 and \$18,675,000 in 2000-01 from the amounts provided in the bill. These reestimates are still lower than the amount budgeted for the current 1998-99 fiscal year (\$177.4 million) by \$23.1 million in the first year and \$15.4 million in the second year.

6. The Governor recommends increasing initial eligibility for child care to 185% of the FPL, which is reestimated to increase expenditures by \$800,000 in 1999-00 and \$3,300,000 in 2000-01 if no other modifications are made to the current program. The bill would also lower the copay requirement for parents, which is now estimated to cost \$1,400,000 in 1999-00 and \$5,500,000 in 2000-01 if no other changes to current law are adopted. If both of these provisions are adopted together, the combined cost would exceed the cost of the current program by \$2,200,000 in 1999-00 and \$9,100,000 in 2000-01. The combined cost exceeds the estimated cost of each provision as calculated on an individual basis because, if adopted in conjunction with each other, there would be additional child care participants with a lower copay requirement than under current law. Compared to the estimates contained in the bill for these two changes, the reestimates reflect a reduction of \$1,300,000 in 1999-00 (due to the delayed effective date) and an increase of \$2,100,000 in 2000-01 (a total increase of \$800,000 over the biennium as compared to the bill).

7. The remaining estimates contained in this paper are based on the reestimate of the current law program and the two expansion provisions discussed above: increasing initial eligibility and lowering the copay requirement. It should be noted that if alternatives related to the subsidy program are adopted in place of the Governor's recommendations, the fiscal estimates may need to be adjusted. Attachment 1 shows the estimates of the current program and the proposed expansions as prepared by the administration and this office.

Increase Income Limit

8. Under the federal child care program, states are allowed to provide services to children in families with income equal to or less than 85% of the state's median income for a family of the same size. In Wisconsin, 85% of state median income for a family of four is approximately equal to 270% of the FPL in 1999.

9. Information on the child care subsidy programs in other states was obtained from a preliminary report dated January 20, 1999, prepared by a private consulting firm (Maximus). According to this data, 27 states base income eligibility for subsidized child care on the FPL (ranging from 120% to 200%) and the remaining 23 states, plus the District of Columbia, base eligibility on the state's median income (ranging from 38% to 85%).

10. For a family of four in 1999, Alaska had the highest income limit for initial child care eligibility at \$52,766 and Wyoming had the lowest at \$20,040. Wisconsin ranked 34th at \$27,555 in 1999, but would be ranked 21st under the Governor's bill recommendation. In addition to Wisconsin, seven other states had separate income limits for initial eligibility and continuing eligibility. Although most states have a higher income eligibility limit than Wisconsin, many have waiting lists and are not able to serve all families who are eligible.

11. Table 1 shows annual income levels for various family sizes relative to the FPL in 1999. The table shows that a family of four initially becomes eligible for child care when annual income falls below \$27,555 under current law (165% of poverty) and that initial eligibility would increase to \$30,895 under the Governor's recommendation (185% of the FPL). Once annual income

exceeds \$33,400 (200% of poverty), the family would no longer be eligible for a subsidy. Federal law would allow a family of four with income below \$45,090 to be eligible for child care.

TABLE 1

Annual Income Levels for Different Family Sizes as Measured Against the Federal Poverty Level -- 1999

Family Size	100%	165%	185%	200%	225%	250%	270%
Two	\$11,060	\$18,249	\$20,461	\$22,120	\$24,885	\$27,650	\$29,862
Three	13,880	22,902	25,678	27,760	31,230	34,700	37,476
Four	16,700	27,555	30,895	33,400	37,575	41,750	45,090
Five	19,520	32,208	36,112	39,040	43,920	48,800	52,704
Six	22,340	36,861	41,329	44,680	50,265	55,850	60,318
Seven	25,160	41,514	46,546	50,320	56,610	62,900	67,932
Eight	27,980	46,167	51,763	55,960	62,955	69,950	75,546

12. There are any number of potential modifications that could be made to the income eligibility limits for the child care subsidy program. For comparison purposes, the fiscal effects of the following options are provided, assuming a March 1, 2000, effective date. These estimates reflect the proposed copay reduction proposed by the Governor and may be different if another alternative is adopted in its place.

	Percent of FPL		Estimated Cost (in Millions)		
	Initial Eligibility	Maximum Income	1999-00	2000-01	Biennium
a.	185%	225%	\$0.9	\$3.7	\$4.6
b.	200	200	1.1	4.4	5.5
c.	200	225	1.6	6.7	8.3
d.	225	225	3.4	14.3	17.7
e.	225	250	4.0	17.0	21.0
f.	250	250	6.0	25.5	31.5
g.	250	270	6.5	27.7	34.2
h.	270	270	8.2	34.9	43.1

Disabled Children

13. Under the federal child care program, children must be less than 13 years old for the family to receive child care assistance. However, federal regulations allow, at the state's option, children over the age of 12 and under 19 to be eligible if the child is physically or mentally incapable of caring for himself or herself. Wisconsin is one of four states that do not allow for care

of children age 13 and above who are incapable of self-care.

14. Under Wisconsin's child care program, higher subsidies are provided for children under the age of 13 who have special needs, which is defined in DWD's Child Day Care Manual as emotional, behavioral or physical needs (including a developmental disability) that require more than the usual amount of care and supervision. Whether a child is eligible for a higher subsidy is determined by the county on a case-by-case basis and the amount of the additional subsidy varies based on the severity and type of disability. However, information on the number of children who are currently eligible for the higher subsidy is not available.

15. Based on information from the Department of Public Instruction on students with exceptional education needs and data on current participation in the child care subsidy program, it is now estimated that this modification would increase costs by \$600,000 in 1999-00 and \$2,200,000 in 2000-01. These estimates are lower than those of the bill by \$400,000 in 1999-00 and higher by \$200,000 in 2000-01.

Educational Activities

16. The bill would modify the provisions related to the educational activities that are allowed for purposes of obtaining a child care subsidy by clarifying the educational activities allowed and reducing or eliminating the length of time a person must have held an unsubsidized job in order for education to be allowed. The bill would make the following changes:

a. Currently, an individual pursuing a GED who is not a W-2 participant must have been employed in unsubsidized employment for nine consecutive months and continue to be so employed in order to be eligible for child care benefits. The nine-month requirement would be eliminated under the bill so that individuals in unsubsidized employment would be eligible for a child care subsidy while pursuing a GED regardless of how long they have held an unsubsidized position.

b. The bill would reduce the length of time an individual must have been employed in unsubsidized employment from nine months to three months in order to be eligible for child care while participating in a course of study at a technical college or in educational courses that provide an employment skill.

c. The bill would clarify that literacy tutoring and basic education are allowable educational activities for individuals who are presently employed in an unsubsidized job (regardless of the duration of the employment) or participating in a W-2 employment position.

17. These modifications were recommended by the Governor's W-2 Education and Training Committee in its June, 1998, report. The committee's recommendations emphasized the importance of earning a high school diploma or GED, literacy training and English as a second language courses. Specifically, the report recommended that the nine-month waiting period be eliminated for those in unsubsidized employment who are also participating in basic education.

18. The modifications related to allowable educational activities would only impact child care recipients who are not also W-2 program participants (approximately 78.4% in April of 1999). In addition, the provision would not directly increase the number of child care recipients, but would allow individuals to be eligible for child care while participating in certain educational activities earlier than under current law (these individuals are already eligible for child care while working at an unsubsidized job).

19. The administration has indicated that this provision has an unknown fiscal effect. However, based on information from the 1998 U.S. Statistical Abstract on participation in adult education, it can be estimated that this modification would increase costs by \$400,000 in 1999-00 (assuming the bill takes effect September 1, 1999) and \$500,000 in 2000-01.

Income of Self-Employed Persons

20. Eligibility for W-2 child care is currently based on gross income and does not allow for the subtraction of any business expenses. The net income definition proposed by the Governor was used under the former AFDC program. The expenses that could be deducted from gross income under the bill to arrive at net income include: advertising, bad debts from sales or services, business transportation expenses, commissions and fees, conservation expenses, depletion, employe benefit programs, insurance, interest, legal and professional services, office expenses, pension and profit-sharing, rent or leases, repairs and maintenance, storage and warehousing, supplies, taxes and licenses, utilities and wages. The administration indicates that the individual's copayment would also be based on the same net income amount. Gross income would continue to be used to determine eligibility for W-2 employment positions.

21. The Department conducted a review of child care applicants in February of 1998 on every county except Milwaukee and found that 33 people were denied subsidies because of the use of gross income instead of net income. It is also anticipated that there could have been additional families who did not apply for child care because they were aware that their gross income was too high. Based on this information, the administration estimated that this provision would increase costs by \$500,000 in 1999-00 and \$1,000,000 in 2000-01.

22. Since information on the number of additional families that would be eligible for child care under the modification is not readily available, the 1997 Wisconsin income tax sample was used to provide a basis for a revised estimate. According to this information and current child care participation rates, it is estimated that this change would increase program expenditures by \$400,000 in 1999-00 and \$1,500,000 in 2000-01. These figures are lower than the administration's estimates by \$100,000 in the first year and higher by \$500,000 in the second year.

Asset Limitation

23. In order to receive a child care subsidy, individuals must currently meet the same asset limitation requirements as required for participation in W-2 employment positions. Food stamp recipients and certain medical assistance (MA) beneficiaries are also subject to an asset test

under different provisions.

24. The Governor's recommendation would eliminate the asset test for child care eligibility. The administration indicates that the asset test is confusing to applicants. In addition, it was indicated that the asset limit is not necessary for the child care program because it does not provide a cash benefit to the recipient. Eliminating the requirement would also allow working families to accumulate savings. Finally, there was not an asset test for child care prior to the creation of W-2.

25. As noted, there is currently an asset test for the W-2, MA and food stamp programs. Since 89% of child care beneficiaries also receive public assistance under these other programs, only 11% of child care beneficiaries would not be subject to any asset test under the bill.

26. In April of 1999, the Department conducted a review of child care applicants for a one-year period (from March 1998 through February 1999) and found that 357 cases were denied child care benefits because of excessive assets. However, there may have been other families who did not apply for child care because they were aware of the asset limitation. Based on this information, it is estimated that this modification would increase program costs by \$500,000 in 1999-00 and \$2,000,000 in 2000-01. These amounts exceed the administration's estimates by \$1,000,000 in 2000-01.

Child Support

27. As noted above, the same definition of income is used for the child care program as used for purposes of determining eligibility for W-2 employment positions under current law. The Governor recommends eliminating the inclusion of child support payments as income for purposes of determining eligibility for W-2 employment positions and job access loans. This change was recommended due to a federal requirement that child support passed through to TANF recipients cannot be counted towards the state's maintenance-of-effort if it is included in income for eligibility under the TANF program.

28. The bill would also eliminate child support from the definition of gross income under the child care program. The administration indicates that this modification was made to make the definition of income for child care consistent with the definition used under W-2. However, the bill provision to use net income instead of gross income for self-employed families for child care purposes and not for the W-2 program would create an inconsistent definition of income between the programs.

29. Eliminating child support from the definition of income would simplify administration of the child care subsidy program for the counties and parents. The current program requires parents to notify the county if monthly income increases by \$250 or more or if income decreases by \$100 or more. Parents who receive sporadic support payments are often in and out of the program or receive monthly changes in their copay amount. Eliminating child support from inclusion in income would allow for continuity of child care benefits for the family and a steady

flow of income for the child care provider.

30. On the other hand, removing child support payments from the definition of income could create inequities between families who have the same amount of income, but from different sources. For example, a family whose income is made up entirely of wages would not be eligible for child care if their income exceeds 165% of the federal poverty level. However, a family with the same level of total income could be eligible for a subsidy if a portion of that income consists of child support payments.

31. The administration estimated that this modification would have a minimal fiscal effect.

32. The Department indicates that approximately 24.7% of W-2 recipients receive a child support payment in a given month in an average amount of \$343. Based on this information and on historical participation in the child care program, it can be estimated that this modification would increase program costs by \$400,000 in 1999-00 and \$1,400,000 in 2000-01. The increased cost reflects additional participation as more individuals would become eligible for subsidies because their income would be lower and, secondly, existing participants would have a reduced copay requirement due to a lower income.

Reduce Copay Cap

33. Federal regulations specify that parent copayments be based on family size and income. States are allowed to waive fees for families with income at or below the federal poverty level. Based on information from the January report noted above, states use a variety of models to determine the parent's copay. The study found that 10 states exempt all families with income below 100% of the FPL from a copay requirement and 17 states exempt TANF recipients with income below poverty.

34. The copay schedule under current law is shown in Attachment 2. The schedule was last modified May 1, 1999, in order to reflect the 1999 federal poverty figures. The schedule was originally structured so that the required copayment would not exceed 16% of the family's gross income. However, since the income amounts have been adjusted to reflect changes in the poverty level but the copay amounts have remained unchanged, the maximum copayment is now equal to 14.8% of income, as shown in the top part of Attachment 4.

35. The Governor recommends reducing the copay requirement to the amounts shown in Attachment 3. Under the proposed schedule, the maximum copayment would equal 11.8% of the family's income, as shown in the bottom portion of Attachment 4. The copays for certified child care would continue to be approximately 30% less than the amounts for licensed care. Attachment 5 shows the change in the weekly copayment under the Governor's recommendation; the change on an annual basis is also provided. The proposal would result in a copay reduction of approximately 20% as compared to current law.

36. This paper presents four options to modify the copay schedule in addition to the

Governor's proposal. Because there are an infinite number of ways to modify the copay schedule, the Committee could adopt one or more of these alternatives or any other option. As noted, these estimates reflect increasing initial eligibility to 185% of the FPL; the fiscal effects would be somewhat different if other changes are made to the Governor's proposal.

a. If a provision was adopted to exempt all families with income below the federal poverty level from the copayment requirement, program costs compared to the bill would increase by an estimated \$1,100,000 in 1999-00 and \$4,400,000 in 2000-01 if the proposed copay schedule is retained for all other families.

b. An option to eliminate a copay requirement for families with income below 70% of the FPL would increase costs by \$500,000 in 1999-00 and \$1,800,000 in 2000-01, assuming the Governor's proposed copay schedule is retained for all other families. These estimates also reflect no copay requirement for those who currently pay the minimum copay regardless of income (foster parents, kinship care parents and minor teen parents who are not Learnfare participants).

c. The Governor's proposed copay schedule could be reduced further so that the required copay would not exceed 10% of gross income, which reflects reducing the current copay amounts by one-third for all families. This option is estimated to increase the cost of the bill by \$1,000,000 in 1999-00 and \$3,800,000 in 2000-01.

d. Another alternative would be to vary the amount of the reduction for families based on income. Reducing the current law copays by 46% for families with income between 195% and 200% of the FPL and gradually increasing the rate of the reduction to 60% for families with income below 70% of the FPL would increase costs by \$2,300,000 in 1999-00 and \$9,300,000 in 2000-01 (as compared to the bill). The required copay would not exceed 8.0% under this option.

Copayment for First Month of Unsubsidized Employment

37. Under the current child care program, parents are required to notify the county if monthly income increases by \$250 or more or if income decreases by \$100 or more. The county then adjusts the parent's copay requirement accordingly.

38. The Governor recommends assessing the same copayment amount during the first month an individual holds an unsubsidized job as was paid while in a W-2 subsidized employment position. The administration indicates that this modification would allow families to better transition into unsubsidized employment.

39. This modification is reestimated to increase expenditures \$30,000 in 1999-00 and \$100,000 in 2000-01, which is lower than the administration's estimate by \$220,000 in 1999-00 and \$400,000 in 2000-01. The reduced estimate is based on a lower W-2 caseload than used by the administration and a later effective date. If the Governor's recommendations related to the copay schedule and initial income eligibility are modified, these estimates would change.

Copayment for Part-Time Child Care

40. Under the current child care subsidy program, the same copay is assessed regardless of how many hours the child spends in child care. The Governor recommends assessing a lower copayment for families that need child care for less than 20 hours per week. According to the administration, the copay would be reduced by one-half for families who have all children in care for less than 20 hours per week.

41. This modification is estimated to increase expenditures by \$400,000 in 1999-00 and \$1,500,000 in 2000-01. This revised estimate is lower than the administration's by \$2,850,000 in 1999-00 and \$5,000,000 in 2000-01 because the administration's estimate was based on an estimate of the number of children in part-time care and the reestimate is based on the estimated number of families with all children in part-time care. This estimate may change if other changes are made to the bill.

Fiscal Effect

42. In total, child care expenditures would increase by an estimated \$4,930,000 in 1999-00 and \$18,300,000 in 2000-01, compared to current law, if all of the program modifications recommended by the Governor are adopted. Compared to the estimates provided by the administration, the reestimates are lower by \$4,070,000 in 1999-00 and higher by \$300,000 in 2000-01.

43. If these modifications are combined with the new estimates of the current law program, expenditures would increase by \$4,679,100 in 1999-00 and \$18,975,000 in 2000-01 from the amounts provided in the bill (a total increase of \$23,654,100 over the biennium). These figures reflect the elimination of the \$9,050,900 child care contingency reserve. As noted, Attachment 1 shows the estimates of the current program and the proposed expansions as prepared by the administration and this office.

44. As noted, the higher cost is primarily due to the new estimate of the current law program. In fact, the total amount of funding allocated in the bill for direct child care (\$154,550,900 in 1999-00 and \$161,325,000 in 2000-01) is similar to the reestimated cost of the current program prior to consideration of the proposed expansions (\$154,300,000 in 1999-00 and \$162,000,000 in 2000-01). One option would be to not adopt any of the program modifications proposed by the Governor and to use the funding provided to fully fund the existing program. This option includes using the contingency reserve.

45. If the Committee wishes to adopt any of the bill's modifications or to otherwise expand the child care subsidy program, the following points should be considered:

a. The bill would reduce funding for the direct child care program by \$22.9 million in 1999-00 and \$16.1 million in 2000-01 from the \$177.4 million base. Since the reestimated cost of the current law program is still below the base by \$23.1 million in 1999-00 and \$15.4 million in 2000-01, the program could be expanded by this same amount.

b. The bill would increase funding for the indirect child care programs by \$13.0 million in 1999-00 and \$10.8 million in 2000-01. Specifically, the bill would increase funding for some the existing indirect programs and create six new programs. The indirect allocation funds the Office of Child Care in DWD and other activities designed to improve the quality and availability of child care (this program is discussed in a separate issue paper). The direct subsidy program could be expanded in place of increasing funding for indirect child care.

c. Under the bill, the Governor elected to not access the matching component of the federal child care development block grant. The state could choose to obtain these funds (\$20.2 million in 1999-00 and \$23.8 million in 2000-01) by increasing the amount of GPR appropriated by \$14.2 million in 1999-00 and \$16.7 million in 2000-01. In total, this would increase funding by \$34.4 million in 1999-00 and \$40.5 million in 2000-01. The state could also provide a lower amount of GPR funding in order to access a portion of the federal matching revenues. The Medicaid matching rate (approximately 40% in Wisconsin) is used for these funds, which requires the state to spend \$4 for every \$6 in federal funds expended.

d. The Governor's recommendations related to the W-2 program include a \$90.0 million contingency reserve. This funding could be used to fund an expansion of the child care program.

e. The Governor recommends funding several new initiatives with TANF dollars, such as the workforce attachment fund, early childhood excellence and community youth grants. The existing child care program could be expanded instead of creating new programs in DWD and other agencies.

ALTERNATIVES

Reestimates and Contingency Reserve

1. Increase funding by \$17,800,000 FED in 1999-00 and \$18,675,000 FED in 2000-01 to reflect a reestimate of the current law child care subsidy program. This would provide total funding of \$154,300,000 in 1999-00 and \$162,000,000 in 2000-01.

<u>Alternative 1</u>	<u>FED</u>
1999-01 FUNDING (Change to Bill)	\$36,475,000

2. Reestimate the Governor's recommendations related to expanding child care eligibility and making modifications to the copay schedule by decreasing funding by \$4,070,000 FED in 1999-00 and increasing funding by \$300,000 FED in 2000-01. Specify that these modifications, with the exception of the educational activities-related item, would take effect on March 1, 2000.

Alternative 2	FED
1999-01 FUNDING (Change to Bill)	-\$3,770,000

3. Reduce funding by \$9,050,900 FED in 1999-00 and eliminate the contingency reserve for direct child care.

Alternative 3	FED
1999-01 FUNDING (Change to Bill)	-\$9,050,900

Modify the Governor's Recommendations

4. Delete one or more of the following recommended modifications from the Governor's proposal. The fiscal effects shown reflect the reestimates and assume that the other provisions recommended by the Governor would be retained. If other alternatives are adopted, the fiscal estimates may change.

a. Delete the recommended increase in the maximum gross income a family may have for initial eligibility from 165% of the federal poverty level to 185%. Reduce funding by \$800,000 FED in 1999-00 and \$3,600,000 FED in 2000-01.

Alternative 4a	FED
1999-01 FUNDING (Change to Bill)	-\$4,400,000

b. Delete the provision to allow parents to receive a child care subsidy for children over age 13 if the child is disabled and under the age of 19. Reduce funding by \$600,000 FED in 1999-00 and \$2,200,000 FED in 2000-01.

Alternative 4b	FED
1999-01 FUNDING (Change to Bill)	-\$2,800,000

c. Delete the provision to modify the educational activities that are allowed for purposes of obtaining a child care subsidy. Decrease funding by \$400,000 FED in 1999-00 and \$500,000 FED in 2000-01 to reflect this alternative.

Alternative 4c	FED
1999-01 FUNDING (Change to Bill)	-\$900,000

d. Delete the provision to specify that the income of farmers and self-employed persons would include net income rather than gross income. Decrease funding by \$400,000 FED in 1999-00 and \$1,500,000 FED in 2000-01 to reflect this alternative.

Alternative 4d	FED
1999-01 FUNDING (Change to Bill)	- \$1,900,000

e. Retain the asset limitation requirement for the child care program. Decrease funding by \$500,000 FED in 1999-00 and \$2,000,000 FED in 2000-01 to reflect this alternative.

Alternative 4e	FED
1999-01 FUNDING (Change to Bill)	- \$2,500,000

f. Retain child support in the definition of gross income for determining eligibility for child care subsidies. Decrease funding by \$400,000 FED in 1999-00 and \$1,400,000 FED in 2000-01 to reflect this alternative.

Alternative 4f	FED
1999-01 FUNDING (Change to Bill)	- \$1,800,000

g. Delete the provision to modify the copayment schedule so that the required copayment will not exceed 12% of the family's gross income. Reduce funding by \$1,400,000 FED in 1999-00 and \$5,800,000 FED in 2000-01.

Alternative 4g	FED
1999-01 FUNDING (Change to Bill)	- \$7,200,000

h. Delete the provision to assess the same copayment amount during the first month an individual holds an unsubsidized job as was paid while in a W-2 subsidized employment position. Reduce funding by \$30,000 FED in 1999-00 and \$100,000 FED in 2000-01.

Alternative 4h	FED
1999-01 FUNDING (Change to Bill)	- \$130,000

i. Delete the recommendation to assess a lower copayment for families that need child care for less than 20 hours per week. Reduce funding by \$400,000 FED in 1999-00 and \$1,500,000 FED in 2000-01.

Alternative 4i	FED
1999-01 FUNDING (Change to Bill)	- \$1,900,000

Income Limit Alternatives

5. Modify the bill by increasing initial income and maximum income eligibility as shown in the following table, effective March 1, 2000. Funding for the biennium would be increased by the amount shown in the right-hand column.

	<u>Percent of FPL</u>		<u>Fiscal Effect (in Millions)</u>		
	<u>Initial</u>	<u>Maximum</u>	<u>1999-00</u>	<u>2000-01</u>	<u>Biennium</u>
	<u>Eligibility</u>	<u>Income</u>			
a.	185%	225%	\$0.9	\$3.7	\$4.6
b.	200	200	1.1	4.4	5.5
c.	200	225	1.6	6.7	8.3
d.	225	225	3.4	14.3	17.7
e.	225	250	4.0	17.0	21.0
f.	250	250	6.0	25.5	31.5
g.	250	270	6.5	27.7	34.2
h.	270	270	8.2	34.9	43.1

Copay Schedule Alternatives

6. Modify the bill by eliminating the copay requirement for families with income at or below 70% of the FPL, effective March 1, 2000. Increase funding by \$500,000 in 1999-00 and \$1,800,000 in 2000-01 to reflect this alternative.

Alternative 6	FED
1999-01 FUNDING (Change to Bill)	\$2,300,000

7. Modify the bill by eliminating the copay requirement for families with income at or below 100% of the FPL, effective March 1, 2000. Increase funding by \$1,100,000 in 1999-00 and \$4,400,000 in 2000-01 to reflect this alternative.

Alternative 7	FED
1999-01 FUNDING (Change to Bill)	\$5,500,000

8. Modify the bill by further reducing the copay requirement so that the required copay would not exceed 10% of income, effective march 1, 2000. Increase funding by \$1,000,000 in 1999-00 and \$3,800,000 in 2000-01 to reflect this alternative.

Alternative 8	FED
1999-01 FUNDING (Change to Bill)	\$4,800,000

9. Modify the bill by further reducing the copay requirement so that the required copay would not exceed 8% of income, effective March 1, 2000. The reduced copay amount would vary by family income as described in point "d" on page 11. Increase funding by \$2,300,000 in 1999-00 and \$9,300,000 in 2000-01 to reflect this alternative.

<u>Alternative 9</u>	<u>FED</u>
1999-01 FUNDING (Change to Bill)	\$11,600,000

Access Federal Matching Funds

10. Provide \$14,200,000 GPR in 1999-00 and \$16,700,000 GPR in 2000-01 to access the matching component of the federal child care development block grant. Under this option, additional federal revenues of \$20,200,000 in the first year and \$23,800,000 in the second year would be available. In addition, with the increased GPR funding, federal TANF funds currently allocated for the child care program would be decreased by \$14,200,000 in 1999-00 and \$16,700,000 in 2000-01. This alternative would not allocate the additional federal funds for specific expenditures.

<u>Alternative 10</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
1999-01 REVENUE (Change to Bill)	\$0	\$44,000,000	\$44,000,000
1999-01 FUNDING (Change to Bill)	\$30,900,000	-\$30,900,000	\$0

Maintain Current Law

11. Maintain current law. Reduce funding by \$9,000,000 FED in 1999-00 and \$18,000,000 FED in 2000-01 to reflect the amount provided in the bill for these modifications.

<u>Alternative 11</u>	<u>FED</u>
1999-01 FUNDING (Change to Bill)	-\$27,000,000

Prepared by: Kelsie Doty
Attachments

ATTACHMENT 1

Direct Child Care Subsidy Program Estimates

	Administration's Estimates		Reestimates		Difference	
	1999-00	2000-01	1999-00	2000-01	1999-00	2000-01
Current Law	\$136,500,000	\$143,325,000	\$154,300,000	\$162,000,000	\$17,800,000	\$18,675,000
Increase Initial Income Eligibility and Lower Copays*	\$3,500,000	\$7,000,000	\$2,200,000	\$9,100,000	-\$1,300,000	\$2,100,000
Disabled Children Over 12	1,000,000	2,000,000	600,000	2,200,000	-400,000	200,000
Educational Activities	0	0	400,000	500,000	400,000	500,000
Self-Employed Families	500,000	1,000,000	400,000	1,500,000	-100,000	500,000
Eliminate Asset Test	500,000	1,000,000	500,000	2,000,000	400,000	1,000,000
Child Support in Income	0	0	400,000	1,400,000	400,000	1,400,000
Initial Month of Employment	250,000	500,000	30,000	100,000	-220,000	-400,000
Part-Time Copay	3,250,000	6,500,000	400,000	1,500,000	-2,850,000	-5,000,000
Expansion Total	\$9,000,000	\$18,000,000	\$4,930,000	\$18,300,000	-\$4,070,000	\$300,000
Reserve	\$9,050,900	\$0	\$0	\$0	-\$9,050,900	\$0
Total	\$154,550,900	\$161,325,000	\$159,230,000	\$180,300,000	\$4,679,100	\$18,975,000
						\$23,654,100

*The estimated fiscal effects of the two separate provisions related to increasing initial income eligibility to 185% of the FPL and reducing the copay requirement are shown together due to the interaction of the two provisions.

ATTACHMENT 2

Current Child Care Co-Payment Schedule for Licensed and Certified Care

FPL	Gross Monthly Family Income										Weekly Licensed Care					Weekly Certified Care				
	Family Size										Children in Subsidized Care					Children in Subsidized Care				
	2	3	4	5	6	7	8	9	10+	1	2	3	4	5+	1	2	3	4	5+	
70%	\$645	\$810	\$974	\$1,139	\$1,303	\$1,468	\$1,632	\$1,797	\$1,961	\$5	\$9	\$14	\$18	\$23	\$3	\$6	\$10	\$13	\$16	
75%	691	868	1,044	1,220	1,396	1,573	1,749	1,925	2,101	5	11	16	21	26	4	7	11	15	18	
80%	737	925	1,113	1,301	1,489	1,677	1,865	2,053	2,241	8	13	18	24	29	6	9	13	17	20	
85%	783	983	1,183	1,383	1,582	1,782	1,982	2,182	2,381	11	16	21	26	32	7	11	15	18	22	
90%	830	1,014	1,253	1,464	1,676	1,887	2,099	2,310	2,522	13	20	26	33	39	9	14	18	23	28	
95%	876	1,099	1,322	1,545	1,769	1,992	2,215	2,438	2,662	16	*24	32	39	48	11	17	22	28	33	
100%	922	1,157	1,392	1,627	1,862	2,097	2,332	2,567	2,802	18	26	34	42	50	13	18	24	30	35	
105%	968	1,215	1,461	1,708	1,955	2,202	2,448	2,695	2,942	21	29	37	45	53	15	20	26	31	37	
110%	1,014	1,272	1,531	1,789	2,048	2,306	2,565	2,823	3,082	24	32	39	48	55	17	22	28	33	39	
115%	1,060	1,330	1,600	1,871	2,141	2,411	2,681	2,952	3,222	26	34	42	50	58	18	24	30	35	41	
120%	1,106	1,388	1,670	1,952	2,234	2,516	2,798	3,080	3,362	29	37	45	53	61	20	26	31	37	42	
125%	1,152	1,446	1,740	2,033	2,327	2,621	2,915	3,208	3,502	32	39	48	55	63	22	28	33	39	44	
130%	1,198	1,504	1,809	2,115	2,420	2,726	3,031	3,337	3,642	34	44	53	62	71	24	30	37	43	50	
135%	1,244	1,562	1,879	2,196	2,513	2,831	3,148	3,465	3,782	37	48	58	69	79	26	33	41	48	55	
140%	1,290	1,619	1,948	2,277	2,606	2,935	3,264	3,593	3,922	39	50	61	71	82	28	35	42	50	57	
145%	1,336	1,677	2,018	2,359	2,699	3,040	3,381	3,722	4,062	42	53	63	74	84	30	37	44	52	59	
150%	1,383	1,735	2,088	2,440	2,793	3,145	3,498	3,850	4,203	45	55	66	76	87	31	39	46	54	61	
155%	1,429	1,793	2,157	2,521	2,886	3,250	3,614	3,978	4,343	48	58	69	79	90	33	41	48	55	63	
160%	1,475	1,851	2,227	2,603	2,979	3,355	3,731	4,107	4,483	50	61	71	82	92	35	42	50	57	65	
165%	1,521	1,909	2,296	2,684	3,072	3,460	3,847	4,235	4,623	51	63	74	84	95	36	44	52	59	66	
170%	1,567	1,966	2,366	2,765	3,165	3,564	3,964	4,363	4,763	53	66	76	87	98	37	46	54	61	68	
175%	1,613	2,024	2,435	2,847	3,258	3,669	4,080	4,492	4,903	54	68	79	90	100	38	48	55	63	70	
180%	1,659	2,082	2,505	2,928	3,351	3,774	4,197	4,620	5,043	56	70	82	92	103	39	50	57	65	72	
185%	1,705	2,140	2,575	3,009	3,444	3,879	4,314	4,748	5,183	58	72	84	95	105	40	52	59	66	74	
190%	1,751	2,198	2,644	3,091	3,537	3,984	4,430	4,877	5,323	59	74	87	98	108	42	54	61	68	76	
195%	1,843	2,256	2,714	3,172	3,630	4,089	4,547	5,005	5,463	61	76	90	100	111	43	55	63	70	78	
200%	1,843	2,313	2,783	3,253	3,723	4,193	4,663	5,133	5,603	63	78	92	103	113	44	57	65	72	79	

Look down the column of the appropriate family size until you find the gross family monthly income level or at just less than the family income. Look to the right to find the appropriate co-payment by family and type of care.

* The copayment rate for the following categories of parents is found by selecting the lowest income line (70%) FPL and then finding the copayment listed, under either licensed care or certified care, for the appropriate number of children: foster parents, kinship care parents, and minor teen parents who are not Learnfare participants.

ATTACHMENT 3

Child Care Co-Payment Schedule for Licensed and Certified Care Under the Bill

FPL	Gross Monthly Family Income										Weekly Licensed Care					Weekly Certified Care				
	Family Size										Children in Subsidized Care					Children in Subsidized Care				
	2	3	4	5	6	7	8	9	10+	1	2	3	4	5+	1	2	3	4	5+	
70%	\$645	\$810	\$974	\$1,139	\$1,303	\$1,468	\$1,632	\$1,797	\$1,961	\$4	\$7	\$11	\$14	\$18	\$2	\$5	\$8	\$10	\$13	
75%	691	868	1,044	1,220	1,396	1,573	1,749	1,925	2,101	4	9	13	17	21	3	6	9	12	14	
80%	737	925	1,113	1,301	1,489	1,677	1,865	2,053	2,241	6	10	14	19	23	5	7	10	14	16	
85%	783	983	1,183	1,383	1,582	1,782	1,982	2,182	2,381	9	13	17	21	26	6	9	12	14	18	
90%	830	1,014	1,253	1,464	1,676	1,887	2,099	2,310	2,522	10	16	21	26	31	7	11	14	18	22	
95%	876	1,099	1,322	1,545	1,769	1,992	2,215	2,438	2,662	13	19	26	31	38	9	14	18	22	26	
100%	922	1,157	1,392	1,627	1,862	2,097	2,332	2,567	2,802	14	21	27	34	40	10	14	19	24	28	
105%	968	1,215	1,461	1,708	1,955	2,202	2,448	2,695	2,942	17	23	30	36	42	12	16	21	25	30	
110%	1,014	1,272	1,531	1,789	2,048	2,306	2,565	2,823	3,082	19	26	31	38	44	14	18	22	26	31	
115%	1,060	1,330	1,600	1,871	2,141	2,411	2,681	2,952	3,222	21	27	34	40	46	14	19	24	28	33	
120%	1,106	1,388	1,670	1,952	2,234	2,516	2,798	3,080	3,362	23	30	36	42	49	16	21	25	30	34	
125%	1,152	1,446	1,740	2,033	2,327	2,621	2,915	3,208	3,502	26	31	38	44	50	18	22	26	31	35	
130%	1,198	1,504	1,809	2,115	2,420	2,726	3,031	3,337	3,642	27	35	42	50	57	19	24	30	34	40	
135%	1,244	1,562	1,879	2,196	2,513	2,831	3,148	3,465	3,782	30	38	46	55	63	21	26	33	38	44	
140%	1,290	1,619	1,948	2,277	2,606	2,935	3,264	3,593	3,922	31	40	49	57	66	22	28	34	40	46	
145%	1,336	1,677	2,018	2,359	2,699	3,040	3,381	3,722	4,062	34	42	50	59	67	24	30	35	42	47	
150%	1,383	1,735	2,088	2,440	2,793	3,145	3,498	3,850	4,203	36	44	53	61	70	25	31	37	43	49	
155%	1,429	1,793	2,157	2,521	2,886	3,250	3,614	3,978	4,343	38	46	55	63	72	26	33	38	44	50	
160%	1,475	1,851	2,227	2,603	2,979	3,355	3,731	4,107	4,483	40	49	57	66	74	28	34	40	46	52	
165%	1,521	1,909	2,296	2,684	3,072	3,460	3,847	4,235	4,623	41	50	59	67	76	29	35	42	47	53	
170%	1,567	1,966	2,366	2,765	3,165	3,564	3,954	4,363	4,763	42	53	61	70	78	30	37	43	49	54	
175%	1,613	2,024	2,435	2,847	3,258	3,669	4,080	4,492	4,903	43	54	63	72	80	30	38	44	50	56	
180%	1,659	2,082	2,505	2,928	3,351	3,774	4,197	4,620	5,043	45	56	66	74	82	31	40	46	52	58	
185%	1,705	2,140	2,575	3,009	3,444	3,879	4,314	4,748	5,183	46	58	67	76	84	32	42	47	53	59	
190%	1,751	2,198	2,644	3,091	3,537	3,984	4,430	4,877	5,323	47	59	70	78	86	34	43	49	54	61	
195%	1,843	2,256	2,714	3,172	3,630	4,089	4,547	5,005	5,463	49	61	72	80	89	34	44	50	56	62	
200%	1,843	2,313	2,783	3,253	3,723	4,193	4,663	5,133	5,603	50	62	74	82	90	35	46	52	58	63	

Look down the column of the appropriate family size until you find the gross family monthly income level or at just less than the family income. Look to the right to find the appropriate co-payment by family and type of care.

* The copayment rate for the following categories of parents is found by selecting the lowest income line (70% FPL) and then finding the copayment listed, under either licensed care or certified care, for the appropriate number of children: foster parents, kinship care parents, and minor teen parents who are not Learnfare participants.

ATTACHMENT 4

Current Law: Copayment as a Percent of Income

	Licensed Copay as a Percent of Income					Certified Copay as a Percent of Income				
	Children in Subsidized Care					Children in Subsidized Care				
	1	2	3	4	5+	1	2	3	4	5+
70% FPL	3.4%	4.8%	6.2%	6.8%	7.6%	2.0%	3.2%	4.4%	4.9%	5.3%
75% FPL	3.1%	5.5%	6.6%	7.5%	8.1%	2.5%	3.5%	4.6%	5.3%	5.6%
80% FPL	4.7%	6.1%	7.0%	8.0%	8.4%	3.5%	4.2%	5.1%	5.7%	5.8%
85% FPL	6.1%	7.1%	7.7%	8.1%	8.8%	3.9%	4.8%	5.5%	5.6%	6.0%
90% FPL	6.8%	8.3%	9.0%	9.8%	10.1%	4.7%	5.8%	6.2%	6.8%	7.2%
95% FPL	7.9%	9.5%	10.5%	10.9%	11.8%	5.4%	6.7%	7.2%	7.9%	8.1%
100% FPL	8.5%	9.7%	10.6%	11.2%	11.6%	6.1%	6.7%	7.5%	8.0%	8.1%
105% FPL	9.4%	10.3%	11.0%	11.4%	11.7%	6.7%	7.1%	7.7%	7.9%	8.2%
110% FPL	10.3%	10.9%	11.0%	11.6%	11.6%	7.3%	7.5%	7.9%	8.0%	8.3%
115% FPL	10.6%	11.1%	11.4%	11.6%	11.7%	7.4%	7.8%	8.1%	8.1%	8.3%
120% FPL	11.4%	11.6%	11.7%	11.8%	11.8%	7.8%	8.1%	8.0%	8.2%	8.1%
125% FPL	12.0%	11.7%	12.0%	11.7%	11.7%	8.3%	8.4%	8.2%	8.3%	8.2%
130% FPL	12.3%	12.7%	12.7%	12.7%	12.7%	8.7%	8.6%	8.9%	8.8%	9.0%
135% FPL	12.9%	13.3%	13.4%	13.6%	13.6%	9.1%	9.2%	9.5%	9.5%	9.5%
140% FPL	13.1%	13.4%	13.6%	13.5%	13.6%	9.4%	9.4%	9.3%	9.5%	9.5%
145% FPL	13.6%	13.7%	13.5%	13.6%	13.5%	9.7%	9.6%	9.4%	9.6%	9.5%
150% FPL	14.1%	13.7%	13.7%	13.5%	13.5%	9.7%	9.7%	9.5%	9.6%	9.5%
155% FPL	14.6%	14.0%	13.9%	13.6%	13.5%	10.0%	9.9%	9.6%	9.5%	9.5%
160% FPL	14.7%	14.3%	13.8%	13.7%	13.4%	10.3%	9.8%	9.7%	9.5%	9.5%
165% FPL	14.5%	14.3%	14.0%	13.6%	13.4%	10.3%	10.0%	9.8%	9.5%	9.3%
170% FPL	14.7%	14.5%	13.9%	13.6%	13.4%	10.2%	10.1%	9.9%	9.6%	9.3%
175% FPL	14.5%	14.6%	14.1%	13.7%	13.3%	10.2%	10.3%	9.8%	9.6%	9.3%
180% FPL	14.6%	14.6%	14.2%	13.6%	13.3%	10.2%	10.4%	9.9%	9.6%	9.3%
185% FPL	14.7%	14.6%	14.1%	13.7%	13.2%	10.2%	10.5%	9.9%	9.5%	9.3%
190% FPL	14.6%	14.6%	14.3%	13.7%	13.2%	10.4%	10.6%	10.0%	9.5%	9.3%
195% FPL	14.3%	14.6%	14.4%	13.7%	13.3%	10.1%	10.6%	10.1%	9.6%	9.3%
200% FPL	14.8%	14.6%	14.3%	13.7%	13.2%	10.3%	10.7%	10.1%	9.6%	9.2%

Governor's Proposal: Copayment as a Percent of Income

	Licensed Copay as a Percent of Income					Certified Copay as a Percent of Income				
	Children in Subsidized Care					Children in Subsidized Care				
	1	2	3	4	5+	1	2	3	4	5+
70% FPL	2.7%	3.7%	4.9%	5.3%	6.0%	1.3%	2.7%	3.6%	3.8%	4.3%
75% FPL	2.5%	4.5%	5.4%	6.0%	6.5%	1.9%	3.0%	3.7%	4.3%	4.3%
80% FPL	3.5%	4.7%	5.5%	6.3%	6.7%	2.9%	3.3%	3.9%	4.7%	4.7%
85% FPL	5.0%	5.7%	6.2%	6.6%	7.1%	3.3%	4.0%	4.4%	4.4%	4.9%
90% FPL	5.2%	6.7%	7.3%	7.7%	8.0%	3.7%	4.6%	4.8%	5.3%	5.7%
95% FPL	6.4%	7.5%	8.5%	8.7%	9.3%	4.5%	5.5%	5.9%	6.2%	6.4%
100% FPL	6.6%	7.9%	8.4%	9.1%	9.3%	4.7%	5.2%	5.9%	6.4%	6.5%
105% FPL	7.6%	8.2%	8.9%	9.1%	9.3%	5.4%	5.7%	6.2%	6.3%	6.6%
110% FPL	8.1%	8.9%	8.8%	9.2%	9.3%	6.0%	6.1%	6.2%	6.3%	6.6%
115% FPL	8.6%	8.8%	9.2%	9.3%	9.3%	5.7%	6.2%	6.5%	6.5%	6.7%
120% FPL	9.0%	9.4%	9.3%	9.3%	9.5%	6.3%	6.6%	6.5%	6.7%	6.6%
125% FPL	9.8%	9.3%	9.5%	9.4%	9.3%	6.8%	6.6%	6.5%	6.6%	6.5%
130% FPL	9.8%	10.1%	10.1%	10.2%	10.2%	6.9%	6.9%	7.2%	7.0%	7.2%
135% FPL	10.5%	10.5%	10.6%	10.9%	10.9%	7.3%	7.2%	7.6%	7.5%	7.6%
140% FPL	10.4%	10.7%	10.9%	10.8%	11.0%	7.4%	7.5%	7.6%	7.6%	7.6%
145% FPL	11.0%	10.9%	10.7%	10.8%	10.8%	7.8%	7.8%	7.5%	7.7%	7.5%
150% FPL	11.3%	11.0%	11.0%	10.8%	10.9%	7.8%	7.7%	7.7%	7.6%	7.6%
155% FPL	11.5%	11.1%	11.0%	10.8%	10.8%	7.9%	8.0%	7.6%	7.6%	7.5%
160% FPL	11.8%	11.5%	11.1%	11.0%	10.8%	8.2%	8.0%	7.8%	7.7%	7.6%
165% FPL	11.7%	11.3%	11.1%	10.8%	10.7%	8.3%	7.9%	7.9%	7.6%	7.5%
170% FPL	11.6%	11.7%	11.2%	11.0%	10.7%	8.3%	8.2%	7.9%	7.7%	7.4%
175% FPL	11.6%	11.6%	11.2%	11.0%	10.6%	8.1%	8.1%	7.8%	7.6%	7.4%
180% FPL	11.8%	11.7%	11.4%	11.0%	10.6%	8.1%	8.3%	8.0%	7.7%	7.5%
185% FPL	11.7%	11.7%	11.3%	10.9%	10.6%	8.1%	8.5%	7.9%	7.6%	7.4%
190% FPL	11.6%	11.6%	11.5%	10.9%	10.5%	8.4%	8.5%	8.0%	7.6%	7.5%
195% FPL	11.5%	11.7%	11.5%	10.9%	10.6%	8.0%	8.5%	8.0%	7.7%	7.4%
200% FPL	11.8%	11.6%	11.5%	10.9%	10.5%	8.2%	8.6%	8.1%	7.7%	7.3%

ATTACHMENT 5

Change in Weekly Copay Amount Under Governor's Proposal

	Change in Weekly Licensed Copay					Change in Weekly Certified Copay				
	Children in Subsidized Care					Children in Subsidized Care				
	1	2	3	4	5+	1	2	3	4	5+
70% FPL	-\$1	-\$2	-\$3	-\$4	-\$5	-\$1	-\$1	-\$2	-\$3	-\$3
75% FPL	-1	-2	-3	-4	-5	-1	-1	-2	-3	-4
80% FPL	-2	-3	-4	-5	-6	-1	-2	-3	-3	-4
85% FPL	-2	-3	-4	-5	-6	-1	-2	-3	-4	-4
90% FPL	-3	-4	-5	-7	-8	-2	-3	-4	-5	-6
95% FPL	-3	-5	-6	-8	-10	-2	-3	-4	-6	-7
100% FPL	-4	-5	-7	-8	-10	-3	-4	-5	-6	-7
105% FPL	-4	-6	-7	-9	-11	-3	-4	-5	-6	-7
110% FPL	-5	-6	-8	-10	-11	-3	-4	-6	-7	-8
115% FPL	-5	-7	-8	-10	-12	-4	-5	-6	-7	-8
120% FPL	-6	-7	-9	-11	-12	-4	-5	-6	-7	-8
125% FPL	-6	-8	-10	-11	-13	-4	-6	-7	-8	-9
130% FPL	-7	-9	-11	-12	-14	-5	-6	-7	-9	-10
135% FPL	-7	-10	-12	-14	-16	-5	-7	-8	-10	-11
140% FPL	-8	-10	-12	-14	-16	-6	-7	-8	-10	-11
145% FPL	-8	-11	-13	-15	-17	-6	-7	-9	-10	-12
150% FPL	-9	-11	-13	-15	-17	-6	-8	-9	-11	-12
155% FPL	-10	-12	-14	-16	-18	-7	-8	-10	-11	-13
160% FPL	-10	-12	-14	-16	-18	-7	-8	-10	-11	-13
165% FPL	-10	-13	-15	-17	-19	-7	-9	-10	-12	-13
170% FPL	-11	-13	-15	-17	-20	-7	-9	-11	-12	-14
175% FPL	-11	-14	-16	-18	-20	-8	-10	-11	-13	-14
180% FPL	-11	-14	-16	-18	-21	-8	-10	-11	-13	-14
185% FPL	-12	-14	-17	-19	-21	-8	-10	-12	-13	-15
190% FPL	-12	-15	-17	-20	-22	-8	-11	-12	-14	-15
195% FPL	-12	-15	-18	-20	-22	-9	-11	-13	-14	-16
200% FPL	-13	-16	-18	-21	-23	-9	-11	-13	-14	-16

Change in Annual Copay Amount Under Governor's Proposal

	Change in Annual Licensed Copay					Change in Annual Certified Copay				
	Children in Subsidized Care					Children in Subsidized Care				
	1	2	3	4	5+	1	2	3	4	5+
70% FPL	-\$52	-\$104	-\$156	-\$208	-\$260	-\$52	-\$52	-\$104	-\$156	-\$156
75% FPL	-52	-104	-156	-208	-260	-52	-52	-104	-156	-208
80% FPL	-104	-156	-208	-260	-312	-52	-104	-156	-208	-208
85% FPL	-104	-156	-208	-260	-312	-52	-104	-156	-208	-208
90% FPL	-156	-208	-260	-364	-416	-104	-156	-208	-260	-312
95% FPL	-156	-260	-312	-416	-520	-104	-156	-208	-312	-364
100% FPL	-208	-260	-364	-416	-520	-156	-208	-260	-312	-364
105% FPL	-208	-312	-364	-468	-572	-156	-208	-260	-312	-364
110% FPL	-260	-312	-416	-520	-572	-156	-208	-312	-364	-416
115% FPL	-260	-364	-416	-520	-624	-208	-260	-312	-364	-416
120% FPL	-312	-364	-468	-572	-624	-208	-260	-312	-364	-416
125% FPL	-312	-416	-520	-572	-676	-208	-312	-364	-416	-468
130% FPL	-364	-468	-572	-624	-728	-260	-312	-364	-468	-520
135% FPL	-364	-520	-624	-728	-832	-260	-364	-416	-520	-572
140% FPL	-416	-520	-624	-728	-832	-312	-364	-416	-520	-572
145% FPL	-416	-572	-676	-780	-884	-312	-364	-468	-520	-624
150% FPL	-468	-572	-676	-780	-884	-312	-416	-468	-572	-624
155% FPL	-520	-624	-728	-832	-936	-364	-416	-520	-572	-676
160% FPL	-520	-624	-728	-832	-936	-364	-416	-520	-572	-676
165% FPL	-520	-676	-780	-884	-988	-364	-468	-520	-624	-676
170% FPL	-572	-676	-780	-884	-1,040	-364	-468	-572	-624	-728
175% FPL	-572	-728	-832	-936	-1,040	-416	-520	-572	-676	-728
180% FPL	-572	-728	-832	-936	-1,092	-416	-520	-572	-676	-728
185% FPL	-624	-728	-884	-988	-1,092	-416	-520	-624	-676	-780
190% FPL	-624	-780	-884	-1,040	-1,144	-416	-572	-624	-728	-780
195% FPL	-624	-780	-936	-1,040	-1,144	-468	-572	-676	-728	-832
200% FPL	-676	-832	-936	-1,092	-1,196	-468	-572	-676	-728	-832



(Soon)

State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb1339/1

TAY.....
RMR

ADC

**ASSEMBLY AMENDMENT ,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 133**

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 213, line 14: increase the dollar amount for fiscal year 1999-00 by
3 \$5,150,000 and increase the dollar amount for fiscal year 2000-01 by \$5,150,000 for
4 the purpose of decreasing the copayments required for low income child care.

5 **2.** Page 676, line 17: after "schedule" insert ", except that no individual shall
6 be liable for more than 10% of that individual's family income".

7 **3.** Page 676, line 21: after "child care." insert "A person whose family income
8 is not more than 100% of the poverty level is not liable for any portion of the cost of
9 the child care.".

10 **4.** Page 683, line 19: delete "~~\$159,330,000~~" and substitute "\$164,480,000".

11 **5.** Page 683, line 19: delete "~~\$180,700,000~~" and substitute "\$185,850,000".

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