

## 2009 DRAFTING REQUEST

### Bill

Received: **01/08/2009**

Received By: **pkahler**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Grimsrud**

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

Drafter: **pkahler**

May Contact:

Addl. Drafters:

Subject: **Public Assistance - Wis works**

Extra Copies:

Submit via email: **NO**

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### Pre Topic:

DOA:.....Grimsrud, BB0364 -

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### Topic:

Child care savings options

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### Instructions:

See attached

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### 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>
/?	pkahler 01/09/2009	nmatzke 01/12/2009		_____			State
/P1			rschluet 01/12/2009	_____	sbasford 01/12/2009		State
/P2	pkahler 01/29/2009	nmatzke 01/29/2009	jfrantze 01/29/2009	_____	sbasford 01/29/2009		State
/1	pkahler 02/02/2009	nmatzke 02/02/2009	rschluet 02/02/2009	_____	cduerst 02/02/2009		State
/2	pkahler 02/17/2009	nmatzke 02/17/2009	mduchek 02/17/2009	_____	cduerst 02/17/2009		

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

FE Sent For:

<END>

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/1	pkahler 02/02/2009	nmatzke 02/02/2009 /2 nwn 2/17	rschluet 02/02/2009	_____	cduerst 02/02/2009		

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*WD WD*  
*2/17*

<END>

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/P2	pkahler 01/29/2009	nnatzke 01/29/2009	jfrantze 01/29/2009	_____	sbasford 01/29/2009		

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/P1			rschluet 01/12/2009	_____	sbasford 01/12/2009		

FE Sent For:

*[Handwritten signatures and dates]*  
1/29  
<END>

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/?	pkahler	/PI <sup>nwn</sup> 1/10		_____	_____		

FE Sent For:

<END>

## 2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Child Care Savings Options
- Tracking Code: BB0364
- SBO team: Education, Children & Families
- SBO analyst: Sarah Grimsrud
  - Phone: 266-2288
  - Email: Sarah.Grimrud@Wisconsin.gov
- Agency acronym: DCF
- Agency number: 437
- Priority (Low, Medium, High): High

Intent: Provide that DCF may implement any of these savings options in the Wisconsin Shares programs.

1. Underutilization Policy – UU50
2. Increase Co-pay 10%
3. Reduce Eligibility for Wisconsin Shares.
  - a. From 185% FPL to 175% FPL for initial eligibility.
  - b. From 200% FPL to 190% FPL for continuing eligibility.
4. Implement waitlist.
5. Count child support as income in determining eligibility.



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1399/2 PI  
PJK: f: ...  
nwn

DOA:.....Grimsrud, BB0364 - Child care savings options

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

(in 1-9)  
D-note

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SA ✓  
X-ref ✓

1 AN ACT, relating to: the budget.

*Analysis by the Legislative Reference Bureau*  
**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

The Wisconsin Works (W-2) program under current law provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under the W-2 program if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria.

This bill authorizes DCF, which administers the child care subsidy program, to do any of the following to reduce costs under the program:

1. Implement an underutilization policy.
- 10 2. Increase the copayments that individuals who receive a subsidy pay by up to ten percent more than individuals pay now under the copayment schedule.
3. Reduce the maximum gross family income of an eligible applicant to 175 percent of the poverty line. Currently the maximum gross family income of an eligible applicant is 185 percent of the poverty line.
4. Reduce the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy to 190 percent of the poverty line. Currently the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy is 200 percent of the poverty line.

5. Include child support received by an individual when determining the individual's gross family income.

6. Implement a waiting list. ✓

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 49.155 (3) (a) of the statutes is amended to read:

2           49.155 (3) (a) A Subject to any waiting list implemented under sub. (8) (e), a  
3           Wisconsin works Works agency shall refer an individual who has been determined  
4           eligible under sub. (1m) to a county department under s. 46.215, 46.22, or 46.23 for  
5           child care assistance. ✓

6           History: 1995 a. 289; 1997 a. 27, s. 1766 to 1775, 1838 to 1857; 1997 a. 41, 105, 237, 252; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25, 165; 2007 a. 20.

7           **SECTION 2.** 49.155 (3) (b) 1. of the statutes is amended to read:

8           49.155 (3) (b) 1. Determine an individual's liability under sub. (5), subject to  
9           any increase specified under sub. (8) (b). ✓

10          History: 1995 a. 289; 1997 a. 27, s. 1766 to 1775, 1838 to 1857; 1997 a. 41, 105, 237, 252; 1999 a. 9; 2001 a. 16; 2003 a. 33; 2005 a. 25, 165; 2007 a. 20.

11          **SECTION 3.** 49.155 (8) of the statutes is created to read:

12          49.155 (8) COST-SAVING MEASURES. For the purpose of reducing costs under this  
13          section, the department may do any of the following:

14          (a) Implement an underutilization policy. ✓

15          (b) Increase copayments specified in the schedule under sub. (5) by up to 10  
16          percent. ✓

17          (c) Notwithstanding sub. (1m) (c), require for eligibility for a child care subsidy  
18          under this section any of the following:

1           1. That the gross family income of an applicant be at or below 175 percent of  
2           the poverty line for a family the size of the applicant's family. ✓



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1399/2dn

PJK:j:....

nwn

*Date*

I don't know what an underutilization policy would involve (and I don't know what "UU50" refers to). Do we need more in the statute for the description of the underutilization policy? ✓

I wasn't sure what "increase co-pay 10%" meant, so I limited ~~the~~ <sup>any</sup> increase to ten percent. Is that the intent? On the other hand, it could mean to increase copayments to ten percent of the child care cost for all child care subsidy recipients. ✓

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: pam.kahler@legis.wisconsin.gov

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1399/P1dn  
PJK:nwn:rs

January 12, 2009

I don't know what an underutilization policy would involve (and I don't know what "UU50" refers to). Do we need more in the statute for the description of the underutilization policy?

I wasn't sure what "increase co-pay 10%" meant, so I limited any increase to ten percent. Is that the intent? On the other hand, it could mean to increase copayments to ten percent of the child care cost for all child care subsidy recipients.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

**Kahler, Pam**

---

**From:** Grimsrud, Sarah - DOA [Sarah.Grimsrud@wisconsin.gov]  
**Sent:** Thursday, January 29, 2009 7:51 AM  
**To:** Kahler, Pam  
**Subject:** LRB-1399/1

Hi Pam,

I am not sure if there is still time, but as I was looking over this last night, I had some thoughts:

Section 1: Because we have the child care local administration section, it be necessary to include this section. I know the important clause regarding the waiting list implemented is important, but because DCF has the option to contract with whomever to conduct child care administration, could we change the language so that the W-2 agency shall refer the individual to the county department or agency for child care assistance? ←  
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Section 3: Page 2, Line 12. Please amend 49.155(8)(a) to read, "Attendance based payments. Notwithstanding sub. (6), the department shall not increase maximum provider reimbursement rates in 2009, 2010, or 2011. Effective January 1, 2010 the department shall implement an attendance-based rate structure for reimbursement of providers of child care on behalf of individuals eligible for a child care subsidy under s.49.155 (1m)." Instead of an underutilization policy, the Governor's decision was to create an attendance-based reimbursement policy for providers.

In order to capture the savings estimated in the budget, is it possible to add a provision (session law for a one-time occurrence?) along the following lines:

"Copayment Increase. Before April 1, 2010, the department shall increase copayments assessed under s.49.155 (5), such that the total value of copayment assess is estimate to reduce costs under 49.155 by \$1,520,000 in 2001-10 and \$4,200,000 in 2010-11. The department need not adjust all categories in its printed copayment schedule by the same percentage. Notwithstanding DCF 201.08(3)(c) of the Wisconsin Administrative Code, the department need not promulgate ad administrative rule to implement this adjustment."

I am not sure exactly how we would capture all of this, but please call me if you have any questions.

Sarah

**Sarah E. Grimsrud**  
**Executive Policy & Budget Analyst**  
**State Budget Office**  
**Division of Executive Budget & Finance**  
**Wisconsin Department of Administration**  
**(608) 266-2288**

01/29/2009



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1399/P1

PJK:nwn:rs

2 stays  
n mis run

DOA:.....Grimsrud, BB0364 - Child care savings options

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

do not  
go out

1 AN ACT ~~...~~; relating to: the budget. ✓

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

The Wisconsin Works (W-2) program under current law provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under the W-2 program if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria. ✓

This bill authorizes DCF, which administers the child care subsidy program, to do any of the following to reduce costs under the program:

1. ~~Implement an underutilization policy.~~ ✓
- 1 ← 2. Increase the copayments that individuals who receive a subsidy pay by up to 10 percent more than individuals pay now under the copayment schedule. ✓
- 2 ← 3. Reduce the maximum gross family income of an eligible applicant to 175 percent of the poverty line. Currently the maximum gross family income of an eligible applicant is 185 percent of the poverty line. ✓
- 3 ← 4. Reduce the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy to 190 percent of the poverty line. Currently the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy is 200 percent of the poverty line. ✓

Insert A

4.5. Include child support received by an individual when determining the individual's gross family income.

5.6. Implement a waiting list.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 49.155 (3) (a) of the statutes is amended to read:

49.155 (3) (a) ~~A~~ Subject to any waiting list implemented under sub. (8) (e), a Wisconsin works Works agency shall refer an individual who has been determined eligible under sub. (1m) to a county department under s. 46.215, 46.22, or 46.23 for child care assistance.

SECTION 2. 49.155 (3) (b) 1. of the statutes is amended to read:

49.155 (3) (b) 1. Determine an individual's liability under sub. (5), subject to any increase specified under sub. (8) (b).

SECTION 3. 49.155 (8) of the statutes is created to read:

49.155 (8) COST-SAVING MEASURES. For the purpose of reducing costs under this section, the department may do any of the following:

(a) Implement an underutilization policy.

1. ~~(b)~~ Increase copayments specified in the schedule under sub. (5) by up to 10 percent *percluding any cost-of-living adjustments*

2. ~~(c)~~ Notwithstanding sub. (1m) (c), require for eligibility for a child care subsidy under this section any of the following:

a. That the gross family income of an applicant be at or below 175 percent of the poverty line for a family the size of the applicant's family.

Insert 2-8

(a) 4.

(a) 1



2009-2010 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1399/P2ins  
PJK:.....

INSERT 2-8

1           SECTION 1. 49.155 (6) (e) of the statutes is created to read:  
2           49.155 (6) (e) The department may not increase the maximum reimbursement  
3           rates for child care providers in 2009, 2010, or 2011.

(END OF INSERT 2-8)

INSERT A

4           The bill also requires DCF to implement, effective January 1, 2010, an  
5           attendance-based rate structure for child care provider reimbursements and to  
6           increase copayments paid by individuals who receive a subsidy to reduce costs under  
7           the child care subsidy program, by \$1,520,000 in fiscal year 2009-10 and by  
8           \$4,200,000 in fiscal year 2010-11.

(END OF INSERT A)

INSERT 3-7

4           (b) The department shall implement, effective January 1, 2010, an  
5           attendance-based rate structure for reimbursement of child care providers.  
6           **SECTION 9108. Nonstatutory provisions; Children and Families.**  
7           ~~(1)~~ CHILD CARE COPAYMENTS INCREASE. Notwithstanding section 49.155 (8) (a) 1.  
8           of the statutes, as created by this act, the Department of Children and Families shall,  
9           before April 1, 2010, increase copayments under section 49.155 (5) of the statutes,  
10          as affected by this act, such that the total amount of copayments assessed under  
11          section 49.155 (5) of the statutes, as affected by this act, is estimated to reduce costs  
12          under the child care subsidy program under section 49.155 of the statutes, as affected  
13          by this act, by \$1,520,000 in fiscal year 2009-10 and by \$4,200,000 in fiscal year  
14          2010-11. The department is not required to adjust all categories under its  
15          copayment schedule by the same percentage. Notwithstanding section 227.01 (13)

*Qns 3-7 contd*

1 of the statutes, the department need not promulgate copayment increases under this  
2 subsection by rule.

(END OF INSERT 3-7)

3

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1399/P2dn

PJK: j:...

nvn

Date

Sarah:

Assuming LRB-1389 is going into the compile, I took s. 49.155 (3) (a)✓ and (b) 1.✓ out of this draft. The treatment is not entirely necessary, and removing them now will eliminate having to remove them later to reconcile them with LRB-1389. DCF will still have the authority to implement a waiting list and to increase copayments under s. 49.155 (8)✓ without s. 49.155 (3) (a) and (b) 1.

Also, since LRB-1193 actually includes child support in the calculation of income, it would seem to be unnecessary to authorize DCF to do it.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: pam.kahler@legis.wisconsin.gov

under 49.155(8)(a)3✓

**Kahler, Pam**

---

**From:** Grimsrud, Sarah - DOA [Sarah.Grimsrud@wisconsin.gov]  
**Sent:** Monday, February 02, 2009 2:12 PM  
**To:** Kahler, Pam  
**Subject:** RE: Conceptual reconciliation

Yes, please remove s.49.155(8)(a)3.

Thanks,

Sarah

*Sarah E. Grimsrud*  
*Executive Policy & Budget Analyst*  
*State Budget Office*  
*Division of Executive Budget & Finance*  
*Wisconsin Department of Administration*  
*(608) 266-2288*

---

**From:** Kahler, Pam [mailto:Pam.Kahler@legis.wisconsin.gov]  
**Sent:** Monday, February 02, 2009 2:04 PM  
**To:** Grimsrud, Sarah - DOA  
**Subject:** Conceptual reconciliation

Hi, Sarah:

Since child support will be included in income for determining eligibility for a child care subsidy (s. 49.155 (1m) (c) in LRB-1193), I think I should remove s. 49.155 (8) (a) 3. from LRB-1399, which authorizes DCF to include child support in income. At the very least, I should remove the "Notwithstanding sub. (1m) (c)" from that subdivision, since it is in effect saying, "Notwithstanding the provision that specifies how to calculate income, which includes child support, DCF may include child support in income." Would you like me to take out s. 49.155 (8) (a) 3.?

Pam

*Pamela J. Kahler*  
*Legislative Attorney*  
*Legislative Reference Bureau*  
*608-266-2682*

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1399/P2dn  
PJK:nwn:jf

January 29, 2009

Sarah:

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Also, since LRB-1193 actually includes child support in the calculation of income, it would seem to be unnecessary to authorize DCF to do it under s. 49.155 (8) (a) 3.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)



State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1399/P2

PJK:nwn:jf

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Y mis run

DOA:.....Grimsrud, BB0364 - Child care savings options

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

D-note  
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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

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This bill authorizes DCF, which administers the child care subsidy program, to do any of the following to reduce costs under the program:

1. Increase the copayments that individuals who receive a subsidy pay by up to 10 percent more than individuals pay now under the copayment schedule.
2. Reduce the maximum gross family income of an eligible applicant to 175 percent of the poverty line. Currently the maximum gross family income of an eligible applicant is 185 percent of the poverty line.
3. Reduce the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy to 190 percent of the poverty line. Currently the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy is 200 percent of the poverty line.

4. Include child support received by an individual when determining the individual's gross family income.

5. Implement a waiting list.

The bill also requires DCF to implement, effective January 1, 2010, an attendance-based rate structure for child care provider reimbursements and to increase copayments paid by individuals who receive a subsidy to reduce costs under the child care subsidy program by \$1,520,000 in fiscal year 2009-10 and by \$4,200,000 in fiscal year 2010-11.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 49.155 (6) (e) of the statutes is created to read:

2           49.155 (6) (e) The department may not increase the maximum reimbursement  
3 rates for child care providers in 2009, 2010, or 2011.

4           **SECTION 2.** 49.155 (8) of the statutes is created to read:

5           49.155 (8) COST-SAVING MEASURES. (a) The department may do any of the  
6 following:

7           1. Increase copayments specified in the schedule under sub. (5) by up to 10  
8 percent, excluding any increases for cost-of-living adjustments.

9           2. Notwithstanding sub. (1m) (c), require for eligibility for a child care subsidy  
10 under this section any of the following:

11           a. That the gross family income of an applicant be at or below 175 percent of  
12 the poverty line for a family the size of the applicant's family.

13           b. That the gross family income of an individual who is already receiving a child  
14 care subsidy under this section be at or below 190 percent of the poverty line for a  
15 family the size of the individual's family.

16           3. Notwithstanding sub. (1m) (c), include court-ordered child support received  
17 by an individual in the calculation of the individual's gross family income.

1

~~3~~ 4. Implement a waiting list for the receipt of a child care subsidy under this section.

3 (b) The department shall implement, effective January 1, 2010, an attendance-based rate structure for reimbursement of child care providers.

5 **SECTION 9108. Nonstatutory provisions; Children and Families.**

6 (1) CHILD CARE COPAYMENTS INCREASE. Notwithstanding section 49.155 (8) (a) 1.  
7 of the statutes, as created by this act, the department of children and families shall,  
8 before April 1, 2010, increase copayments under section 49.155 (5) of the statutes  
9 such that the total amount of copayments assessed under section 49.155 (5) of the  
10 statutes is estimated to reduce costs under the child care subsidy program under  
11 section 49.155 of the statutes, as affected by this act, by \$1,520,000 in fiscal year  
12 2009-10 and by \$4,200,000 in fiscal year 2010-11. The department is not required  
13 to adjust all categories under its copayment schedule by the same percentage.  
14 Notwithstanding section 227.01 (13) of the statutes, the department need not  
15 promulgate copayment increases under this subsection by rule.

16 (END)

D-note

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1399/1dn

PJK:j:....

nwn

Date

Sarah:

*Support*

I have removed from this draft the authorization for DCF to include court-ordered child in gross income for purposes of the child care subsidy program under s. 49.155. This conceptually reconciles this draft with LRB-1193, which requires court-ordered child and family support to be included in gross income for purposes of eligibility for a child care subsidy under s. 49.155.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1399/1dn  
PJK:nwn:rs

February 2, 2009

Sarah:

I have removed from this draft the authorization for DCF to include court-ordered child support in gross income for purposes of the child care subsidy program under s. 49.155. This conceptually reconciles this draft with LRB-1193, which requires court-ordered child and family support to be included in gross income for purposes of eligibility for a child care subsidy under s. 49.155.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

**Kahler, Pam**

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**From:** Hanle, Bob - DOA [bob.hanle@wisconsin.gov]  
**Sent:** Monday, February 16, 2009 8:17 PM  
**To:** Kahler, Pam; Hanaman, Cathlene  
**Cc:** Grimsrud, Sarah - DOA; Kraus, Jennifer - DOA  
**Subject:** Last minute change  
**importance:** High

We need to amend LRB-1399/P2, child care cost savings options. Under Section 2, we need to delete s. 49.155 (8)(a)2.a. and b., related to reducing the initial income eligibility limits for child care. Current law for this item should be retained. Thanks.

*Bob Hanle, Team Leader  
State Budget Office  
101 E. Wilson St. -- 10th Floor  
P.O. Box 7864  
Madison, WI 53707-7864  
(608) 266-1037*

**Kahler, Pam**

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**From:** Hanaman, Cathlene  
**Sent:** Tuesday, February 17, 2009 9:02 AM  
**To:** Kahler, Pam  
**Subject:** FW: Last minute change  
**Importance:** High

I left the 3. as a 3. (Chris and I debated if you would prefer a 2.).

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**From:** Hanle, Bob - DOA [mailto:bob.hanle@wisconsin.gov]  
**Sent:** Monday, February 16, 2009 8:17 PM  
**To:** Kahler, Pam; Hanaman, Cathlene  
**Cc:** Grimsrud, Sarah - DOA; Kraus, Jennifer - DOA  
**Subject:** Last minute change  
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State of Wisconsin  
2009 - 2010 LEGISLATURE

LRB-1399/2

PJK:nwn:rs

*rwis*

DOA:.....Grimsrud, BB0364 - Child care savings options

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

*do not  
you cut*

1 AN ACT relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

The Wisconsin Works (W-2) program under current law provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under the W-2 program if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria.

This bill authorizes DCF, which administers the child care subsidy program, to do any of the following to reduce costs under the program:

1. Increase the copayments that individuals who receive a subsidy pay by up to 10 percent more than individuals pay now under the copayment schedule.

2. Reduce the maximum gross family income of an eligible applicant to 175 percent of the poverty line. Currently the maximum gross family income of an eligible applicant is 185 percent of the poverty line.

3. Reduce the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy to 190 percent of the poverty line. Currently the maximum gross family income for continued eligibility of an individual who is already receiving a child care subsidy is 200 percent of the poverty line.

24. Implement a waiting list.

The bill also requires DCF to implement, effective January 1, 2010, an attendance-based rate structure for child care provider reimbursements and to increase copayments paid by individuals who receive a subsidy to reduce costs under the child care subsidy program by \$1,520,000 in fiscal year 2009-10 and by \$4,200,000 in fiscal year 2010-11.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 49.155 (6) (e) of the statutes is created to read:

2           49.155 (6) (e) The department may not increase the maximum reimbursement  
3 rates for child care providers in 2009, 2010, or 2011.

4           **SECTION 2.** 49.155 (8) of the statutes is created to read:

5           49.155 (8) COST-SAVING MEASURES. (a) The department may do any of the  
6 following:

7           1. Increase copayments specified in the schedule under sub. (5) by up to 10  
8 percent, excluding any increases for cost-of-living adjustments.

9           2. Notwithstanding sub. (1m) (c), require for eligibility for a child care subsidy  
10 under this section any of the following:

11           a. That the gross family income of an applicant be at or below 175 percent of  
12 the poverty line for a family the size of the applicant's family.

13           b. That the gross family income of an individual who is already receiving a child  
14 care subsidy under this section be at or below 190 percent of the poverty line for a  
15 family the size of the individual's family.

16           3. Implement a waiting list for the receipt of a child care subsidy under this  
17 section.





DOA:.....Grimsrud, BB0364 – Child care savings options

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**WISCONSIN WORKS**

The Wisconsin Works (W-2) program under current law provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, may receive a child care subsidy under the W-2 program if the individual needs child care services to participate in various educational or work activities and satisfies other eligibility criteria.

This bill authorizes DCF, which administers the child care subsidy program, to do any of the following to reduce costs under the program:

1. Increase the copayments that individuals who receive a subsidy pay by up to 10 percent more than individuals pay now under the copayment schedule.
2. Implement a waiting list.

The bill also requires DCF to implement, effective January 1, 2010, an attendance-based rate structure for child care provider reimbursements and to increase copayments paid by individuals who receive a subsidy to reduce costs under the child care subsidy program by \$1,520,000 in fiscal year 2009-10 and by \$4,200,000 in fiscal year 2010-11.

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7           1. Increase copayments specified in the schedule under sub. (5) by up to 10  
8 percent, excluding any increases for cost-of-living adjustments.

9           3. Implement a waiting list for the receipt of a child care subsidy under this  
10 section.

11           (b) The department shall implement, effective January 1, 2010, an  
12 attendance-based rate structure for reimbursement of child care providers.

13           **SECTION 9108. Nonstatutory provisions; Children and Families.**

14           (1) CHILD CARE COPAYMENTS INCREASE. Notwithstanding section 49.155 (8) (a) 1.  
15 of the statutes, as created by this act, the department of children and families shall,  
16 before April 1, 2010, increase copayments under section 49.155 (5) of the statutes  
17 such that the total amount of copayments assessed under section 49.155 (5) of the  
18 statutes is estimated to reduce costs under the child care subsidy program under  
19 section 49.155 of the statutes, as affected by this act, by \$1,520,000 in fiscal year  
20 2009-10 and by \$4,200,000 in fiscal year 2010-11. The department is not required  
21 to adjust all categories under its copayment schedule by the same percentage.

