

LRB or Bill No./Adm. Rule No.  
DCF 201

Amendment No. if Applicable

FISCAL ESTIMATE  
DOA-2048 N(R03/97)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**

Child care subsidy program integrity

**Fiscal Effect**

State:       No State Fiscal Effect

Check columns below only if bill makes a direct appropriation  
or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb  
Within Agency's Budget     Yes     No

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:     No local government costs

1.     Increase Costs  
       Permissive       Mandatory  
2.     Decrease Costs  
       Permissive       Mandatory

3.     Increase Revenues  
       Permissive       Mandatory  
4.     Decrease Revenues  
       Permissive       Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

**Assumptions Used in Arriving at Fiscal Estimate**

Section 49.155 (7m), Stats., as created by 2009 Wisconsin Act 28, and s. 49.195 (3m) and (3n), Stats., allow the Department to pursue collection of overpayments to child care providers receiving payments from the Wisconsin Shares program through use of warrants, execution of liens, and levies. State staff and IT systems for applying these administrative collection tools have been in place since 2007 for levies and longer for the warrant and lien execution processes. Up to this time these collection options have been applied to participants only. This rule establishes procedures for extending the use of these tools to collection of overpayments from providers.

Because staff and IT systems are already in place for administration of these collection tools, it is anticipated that the additional workload for initiating provider overpayment collections will be minimal, and will be able to be covered within existing resources. Annual revenues from collections and fees associated with initiating warrants, liens and levies will be available to cover administrative costs for provider overpayment collections. While annual costs for collections will increase, they will be covered by annual increases in revenues.

As of June 2010 over \$7.1 million of child care provider overpayments have been identified for possible collection action. While child care providers who are subject to overpayment collections will have appeal rights, there is no reliable basis to estimate how many will appeal. Costs associated with appeals are anticipated to increase, but revenues from collections will be available to cover those costs also.

**Long-Range Fiscal Implications**

None

**Agency/Prepared by: (Name & Phone No.)**

Mike Holland 266-9469

**Authorized Signature/Telephone No.**

Bob Nikolay (261-4349)  
DCF Budget Director

**Date**

6/25/10