

(12) "Special need" means special emotional, behavioral, or physical and personal needs of a child requiring more than the usual amount of care and supervision for the child's age.

(13) "Voucher" means an authorization for reimbursement.

History: Cr. Register, August, 1985, No. 356, eff. 9-1-85.

**HSS 55.72 Department responsibilities.** (1) **GENERAL.** The department shall maintain oversight responsibility for administration of the day care licensing and certification programs.

(2) **RATE APPROVAL.** The department shall review and approve the method employed by counties for determining reasonable and customary day care rates as required under ss. HSS 55.73 (6) and 55.74.

(3) **ASSISTANCE TO COUNTIES.** The department shall provide information and technical assistance to county agencies regarding state and county administration of day care programs.

(4) **INFORMATIONAL MATERIALS.** The department shall develop pamphlets, brochures and other informational materials for distribution to counties, day care providers and the general public relating to day care and the certification and licensing programs.

(5) **UNMET NEEDS.** The department shall periodically study and determine the unmet day care service needs in the state and develop plans to foster day care services to meet those needs.

(6) Except for funds distributed under sub. (6m), the department shall distribute day care funds to county agencies through a formula which shall be developed each year in accordance with the following procedures:

(a) A statewide day care allocation committee shall develop a recommended formula initially and shall review the formula annually and make recommendations to the department. The allocation committee shall include representatives from both major political parties of the state legislature, county agencies, county associations, day care providers, day care associations, community representatives and department staff; and

(b) The recommended formula shall be reviewed by the department's day care and child development advisory committee which shall comment to the department on the adequacy of the formula.

(6m) **DISTRIBUTION OF FUNDS FOR DAY CARE FOR AT-RISK FAMILIES.** (a) *Definition.* In this subsection, "at-risk family" means a family at risk of becoming eligible for AFDC by having a family income that is equal to or less than 75% of the state median income as determined by the department annually.

(b) *Formula.* 1. The department shall distribute to counties the federal child day care funds made available under 42 USC 603 (n) and ss. 20.435 (7) (o) and 46.40 (4) (b), Stats., for at-risk families on the basis of the following equally weighed criteria:

a. The number of recipients of AFDC in each county; and

b. The number of women in each county who work and have children under the age of 6.

2. In determining each county's allocation, the department shall ascertain the county's percentage of the total number of AFDC recipients in the state and the county's percentage of the total number of women in the state who work and have children under the age of 6, add the 2 percentages and divide by 2. The resulting percentage is the percentage of the available funds that will be made available for the county to purchase child day care for at-risk families.

3. After the first year's distribution, the department, following consultation with representatives of county agencies and day care providers, may substitute for one or both of the criteria in subd. 1, a criterion of U.S. bureau of the census data on the number of children in each county who live in families with incomes at or beneath the poverty income thresholds.

4. After accumulating 3 years of county spending history for funds received under this section, the department may, following consultation with representatives of county agencies and day care providers, add a county spending history criterion to the criteria found in subds. 1. and 3.

(c) *Maximum rates.* Maximum rates for the purchase of day care for at-risk families shall be determined in accordance with the criteria and procedures under sub. (7) and ss. HSS 55.73 and 55.74.

(7) *RATE REVIEW.* (a) The department shall annually review each county's day care rates and rate-setting method, and shall approve or disapprove the county agency's rates based on the following criteria:

1. The rate-setting method is in accordance with rate-setting requirements specified under ss. HSS 55.73 (6) and 55.74; and

2. The rate-setting method documents that the maximum allowable rate permits all eligible parents a reasonable choice of day care providers.

(b) The department may grant a variance to a requirement under s. HSS 55.74 if the department is convinced that an alternative means meets the intent of the requirement.

*History:* Cr. Register, August, 1985, No. 356, eff. 9-1-85; emerg. am. (6) (Intro) and cr. (6m), eff. 5-1-91; am. (6) (Intro.) and cr. (6m), Register, November, 1991, No. 431, eff. 12-1-91.

**HSS 55.73 County agency responsibilities.** (1) **GENERAL.** Each county agency shall be responsible for the administration of the county's day care program in accordance with the requirements set forth in subchapter V and this subchapter.

(2) **RATE-SETTING METHOD.** The county agency shall submit a written statement to the department in accordance with s. HSS 55.74, which describes the method by which the county agency has determined reasonable and customary rates and the maximum rate that the county will allow for the purchase of day care services.

(3) **AUTHORIZED PROVIDERS.** (a) The county agency may purchase day care services from or provide vouchers for the purchase of day care services from only the following providers:

1. Providers licensed by the department under subchs. I and II, III or IV;

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2. Providers certified by the county agency under standards specified in s. HSS 55.61, 55.62 or 55.63; or

3. Programs established and provided by a school board under s. 120.13 (14), Stats.

(b) The county agency may not purchase services or issue vouchers for day care services provided by a person legally responsible for a child.

(c) The county agency may set policies prohibiting the purchase of services or issuance of vouchers for day care services provided by a relative living in the child's household.

(4) INFORMATION TO PROVIDERS. The county agency shall distribute brochures to day care providers regarding basic child care, certification and licensing requirements.

(5) EXPENDITURES OF DAY CARE FUNDS. The county agency shall expend state-allocated day care funds in accordance with s. 46.98 (3) and (4), Stats., and s. HSS 55.75.

(6) PROVISION AND PURCHASE OF SERVICE. The county agency shall provide day care services directly, provide day care services by contracting with day care providers, or provide vouchers to parents for the purchase of day care services. The county agency:

(a) Shall use a portion of its day care funds and may use all of its day care funds to provide vouchers to eligible parents, as follows:

1. The county agency shall offer a voucher to each eligible parent to the extent that allocated funds are available;

2. A voucher shall be in writing and shall authorize a parent to obtain stipulated day care services from a provider under sub. (3); and

3. The voucher shall set a maximum amount of authorized reimbursement which is the lesser of the county maximum rate or the provider's charge, minus the payment that the parent is required to make under s. HSS 55.77 (2).

(b) The county agency shall reimburse the day care provider for services authorized and provided, whether under contract with the county agency or through vouchers, and shall pay for absences up to 20% of the authorized monthly units of service. Counties may reimburse providers

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