



## 1995 SENATE BILL 540

February 9, 1996 - Introduced by JOINT LEGISLATIVE COUNCIL. Referred to Committee on Health, Human Services and Aging.

1     **AN ACT to repeal** 231.01 (3c) (c) and (d); **to amend** 39.385 (1) (intro.) and (2)  
2     (intro.) and (a), 66.521 (2) (k) 22., 121.545 (2), 231.03 (6) (e), 231.03 (6) (f),  
3     231.03 (13), 231.03 (14) and 231.16 (3); and **to create** 20.235 (1) (cw), 20.435 (3)  
4     (cr), 36.25 (38), 39.385, 46.031 (4), 46.983, 120.13 (36), 121.54 (2) (am) and  
5     121.58 (2) (b) of the statutes; **relating to:** the child care worker loan repayment  
6     assistance program; issuing bonds to finance certain child care centers;  
7     authorizing school boards to contract with day care centers; requesting the  
8     board of regents of the University of Wisconsin System to prepare certain  
9     written reports containing information about child care services in this state;  
10    early childhood councils; requiring the department of industry, labor and  
11    human relations to promulgate rules permitting children under the age of 24  
12    months to be provided care on a floor other than the first floor or ground floor  
13    of a group day care center; requiring the department of health and social  
14    services to promulgate rules which establish requirements that county  
15    departments of human services or social services must follow in establishing  
16    and maintaining waiting lists for state-allocated day care funds; requiring the  
17    secretary of health and social services to submit to the legislature a proposal

1 which will ensure that safe and affordable child care is available for all children  
2 of low-income parents upon replacement of the aid to families with dependent  
3 children program and a proposal for the consolidation of all child care programs  
4 administered by the department of health and social services under a uniform  
5 automated voucher system; requiring the department of health and social  
6 services to promulgate rules that establish the requirements for obtaining and  
7 procedure for granting exemptions to the outdoor play space requirements  
8 under the administrative rules relating to group day care centers and family  
9 day care homes; granting rule-making authority; and making appropriations.

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***Analysis by the Legislative Reference Bureau***

This bill is explained in the NOTES provided by the joint legislative council in the bill.

For further information see the ***state and local*** 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:***

PREFATORY NOTE: This bill was prepared for the joint legislative council's special committee on child care economics and contains the recommendations of that special committee. The special committee was directed by the joint legislative council to study the child care system in Wisconsin and to make recommendations to increase the supply of high-quality child care, reduce demand for state-supported child care and retain skilled child care providers.

This bill contains a variety of proposals related to child care. The key provisions of the bill are as follows:

1. Establishment of a local early childhood council grant program.
2. Establishment of a child care worker loan repayment assistance program.
3. Authorization for school boards to enter into certain agreements with day care centers for the provision of prekindergarten or kindergarten programs in those day care centers.
4. Provision of state transportation aid to school districts that transport children between school and a day care program in lieu of transporting them between school and home.
5. Authorization for the Wisconsin health and educational facilities authority (WHEFA) and municipalities to issue bonds on behalf of nonprofit child care centers.
6. A requirement for the department of health and social services (DHSS) to create exemptions to DHSS's current requirements regarding outdoor play space at day care centers and day care homes.



NOTE: New s. 20.235 (1) (cw), and the dollar amounts in the appropriation schedule, establish a program for child care worker loan repayment assistance to be funded with general purpose revenue (GPR) as a biennial appropriation. See the NOTE following SECTION 5 for a description of this program.

1           **SECTION 3.** 20.435 (3) (cr) of the statutes is created to read:

2           20.435 **(3)** (cr) *Local early childhood council grants.* As a continuing  
3 appropriation, the amounts in the schedule for grants for local early childhood  
4 councils under s. 46.983.

NOTE: New s. 20.435 (3) (cr), and the dollar amounts in the appropriation schedule, establish a program of grants for local early childhood councils to be funded with GPR as a continuing appropriation. See the NOTE following SECTION 8 for a description of this program.

5           **SECTION 4.** 36.25 (38) of the statutes is created to read:

6           36.25 **(38)** CHILD CARE STUDY. (a) The board is requested to prepare one or more  
7 written reports detailing and analyzing the following information and to submit  
8 copies of the reports to the joint legislative council, to the governor, and to the  
9 appropriate standing committees under s. 13.172 (3):

10           1. The rates charged for child care services for children of different ages in  
11 different regions of the state by licensed and certified providers of child care; the total  
12 capacity of certified and licensed child care providers in different regions of the state;  
13 the total estimated number of children of various ages in different regions of the state  
14 who are cared for by persons other than their parents or guardians for a significant  
15 period each week; an analysis of the rates charged for child care services in relation  
16 to family incomes in different regions of the state; and a projection of the effects of  
17 demographic, economic and employment trends on the demand, cost and availability  
18 of child care services in this state for each year until 2005.

1           2. A compilation and analysis of information regarding the relationship  
2 between the availability of child care services and worker productivity and the  
3 economic well-being of the state.

4           3. A compilation and analysis of existing information regarding the  
5 relationship between the quality of child care services received by a child and the  
6 child's school readiness, involvement in juvenile delinquency and general social  
7 integration.

8           (b) The board is requested to gather information on the use of child care services  
9 by low-income parents and by parents receiving aid to families with dependent  
10 children under s. 49.19 for the purpose of establishing baseline data for the  
11 evaluation of the effect of changes in state policies regarding aid to families with  
12 dependent children on the use of, demand for, availability of and affordability of child  
13 care services for low-income persons in this state. The board is requested to prepare  
14 a written report detailing and analyzing this information and to submit a copy of the  
15 report to the joint legislative council, to the governor, and to the appropriate standing  
16 committees under s. 13.172 (3).

NOTE: Requests the board of regents of the UW System to prepare one or more written reports for the joint legislative council, the legislature and the governor containing all of the following items:

1. Information on the rates charged for licensed and certified child care services for children of different ages in different regions of the state; the capacity of certified and licensed child care providers in different regions of the state; the estimated number of children of various ages in different regions of the state receiving child care services; an analysis of the rates charged for child care services in relation to the various family incomes of different regions of the state; and a projection of the effects of demographic, economic and employment trends on the demand for and cost and availability of child care in Wisconsin for the next 10 years.

2. A compilation and analysis of information regarding the relationship between the availability of child care services and worker productivity and the economic well-being of the state.

3. A compilation and analysis of information regarding the relationship between the quality of child care services received by a child and the child's school readiness, involvement in juvenile delinquency and general social integration.

The bill also requests the board to gather baseline information on child care use by low-income parents and by parents currently receiving AFDC for the purpose of being

able to evaluate the effect of expected changes in Wisconsin's AFDC policies on the use, demand for, availability and affordability of child care services for low-income persons in Wisconsin.

1           **SECTION 5.** 39.385 of the statutes is created to read:

2           **39.385 Child care worker loan repayment assistance program. (1)**

3           There is established, to be administered by the board, a loan repayment assistance  
4           program for resident child care workers who meet all of the following requirements:

5           (a) Have graduated on or after May 1, 1996, with a bachelor's degree from an  
6           institution of higher education, as defined in s. 39.32 (1) (a), located in this state or  
7           a degree under an associate degree program, as defined in s. 38.01 (1), in an area  
8           relating to early childhood education.

9           (b) Are currently in loan repayment on any student loan, which loan repayment  
10          status is not in default, as determined by the applicable lender.

11          (c) Have been continuously employed on a full-time basis in this state for at  
12          least 12 months as a child care worker.

13          **(2)** The board shall:

14          (a) Reimburse a child care worker for 10% of the outstanding principal amount  
15          of any student loans of the child care worker or \$1,000, whichever is less, for the  
16          12-month period of eligibility under sub. (1). As a condition of eligibility for loan  
17          repayment assistance under this paragraph, the child care worker shall submit to  
18          the board, on a form prescribed by the board, a statement certified by the lender of  
19          an applicable student loan, within 30 days previous to the filing of the submission,  
20          that the loan repayment status of the borrower is not in default and the outstanding  
21          principal amount of the applicable student loan.

1 (b) For each succeeding 12-month period of eligibility under sub. (1), reimburse  
2 the child care worker as determined under par. (a). No child care worker is eligible  
3 for more than 5 loan repayment assistance payments under this section.

4 (c) Make the loan repayment assistance payments under pars. (a) and (b) from  
5 the appropriation account under s. 20.235 (1) (cw) subject to the availability of funds.

6 (d) Promulgate rules to implement and administer this section, including rules  
7 establishing the criteria and procedures for loan repayment assistance and, after  
8 first consulting with the department of health and social services, defining “child  
9 care worker” for the purposes of this section. The definition of “child care worker”  
10 shall include any child care position specified in rules of the department of health and  
11 social services relating to day care and family day care centers for children.

NOTE: Establishes a program for child care worker loan repayment assistance to be administered by the higher educational aids board (HEAB) and appropriates \$50,000 GPR for the 1996-97 fiscal year.

Under the bill, a child care worker is eligible for up to \$5,000 in educational loan repayment assistance.

Under the bill, the department of education (DOE) reimburses a child care worker for 10% of the outstanding principal amount of educational loans of the child care worker or \$1,000, whichever is less, if all of the following apply:

1. The child care worker has been continuously employed full-time in this state as a child care worker in a licensed group day care center or family day care home for not less than 12 months.

2. The child care worker graduated on or after May 1, 1996 from a Wisconsin college or technical school with a degree in an area relating to early childhood education.

3. The child care worker is currently in repayment on any educational loan and is not in default on repayment.

After initial reimbursement under the program, a child care worker is eligible for additional loan repayment assistance payments, up to a maximum of 4 additional reimbursements, in the same manner as initial reimbursement under the program.

12 **SECTION 6.** 39.385 (1) (intro.) and (2) (intro.) and (a) of the statutes, as created  
13 by 1995 Wisconsin Act .... (this act), are amended to read:

14 39.385 (1) (intro.) There is established, to be administered by the ~~board~~  
15 department, a loan repayment assistance program for resident child care workers  
16 who meet all of the following requirements:

1           **(2)** (intro.) The ~~board~~ department shall:

2           (a) Reimburse a child care worker for 10% of the outstanding principal amount  
3 of any student loans of the child care worker or \$1,000, whichever is less, for the  
4 12-month period of eligibility under sub. (1). As a condition of eligibility for loan  
5 repayment assistance under this paragraph, the child care worker shall submit to  
6 the ~~board~~ department, on a form prescribed by the ~~board~~ department, a statement  
7 certified by the lender of an applicable student loan, within 30 days previous to the  
8 filing of the submission, that the loan repayment status of the borrower is not in  
9 default and the outstanding principal amount of the applicable student loan.

NOTE: Amends the language of s. 39.385, effective July 1, 1996, to require DOE to administer the child care worker loan repayment assistance program. Under 1995 Wisconsin Act 27, HEAB will be eliminated and its functions will be transferred to DOE on July 1, 1996.

10           **SECTION 7.** 46.031 (4) of the statutes is created to read:

11           **46.031 (4) PLANS FOR COUNTY COMMUNITY AIDS BUDGETS.** In developing its  
12 proposed budget for the expenditure of funds allocated under s. 46.40, a county  
13 department under s. 46.215, 46.22 or 46.23, in addition to using the open public  
14 participation process under sub. (3), shall consult with any local early childhood  
15 council established under s. 46.983 within the county.

NOTE: Requires a county department of social services or human services (county department) to consult with any local early childhood council established within the county served by the county department when developing its proposed budget for the expenditure of community aids funding.

16           **SECTION 8.** 46.983 of the statutes is created to read:

17           **46.983 Local early childhood council grants. (1) PURPOSE.** From the  
18 appropriation under s. 20.435 (3) (cr), the department shall provide grants, awarded  
19 under sub. (2), to public agencies or private, nonprofit organizations for the  
20 establishment or operation, or both, of local early childhood councils.

1           **(2) GRANT AWARDS; AMOUNTS.** (a) Grants shall be awarded by a body consisting  
2 of 2 representatives of the department of health and family services, 2  
3 representatives of the department of industry, labor and job development and 2  
4 representatives of the department of education.

5           (b) A grant may be awarded only to an applicant that agrees to match the grant  
6 or to secure a match from local sources, through money or in-kind services, or both,  
7 as follows:

8           1. During the first year of the grant, in the amount of at least 25% of the amount  
9 received for that year.

10          2. During the 2nd and subsequent years of the grant, in the amount of at least  
11 50% of the amount received for each year.

12          (c) Each grant application shall include proof of the applicant's ability to comply  
13 with par. (b). Any in-kind services proposed under par. (b) are subject to the approval  
14 of the body awarding grants under par. (a).

15          **(3) GRANT AWARDS; CRITERIA.** In evaluating applications for grants, the body  
16 under sub. (2) (a) shall give priority to proposals that involve the planning and  
17 participation of multiple individuals and organizations, including child care  
18 providers, as defined in s. 46.98 (1) (am), employers, parents, head start agencies  
19 designated under 42 USC 9836, child care resource and referral service grant  
20 recipients under s. 46.984, school districts, private schools, counties, cities, villages,  
21 towns, tribal governments, providers of early childhood education, early childhood  
22 family education center grant recipients under s. 48.982 (6), right from the start  
23 grant recipients under s. 48.982 (7) and other individuals and organizations that  
24 have a demonstrated interest in or knowledge of child care, early childhood  
25 education or other services for young children and their families.

1           **(4) USE OF FUNDS; FUNCTIONS OF LOCAL EARLY CHILDHOOD COUNCILS.** Any amounts  
2 granted under this section shall be used for the establishment or operation, or both,  
3 of a local early childhood council. A local early childhood council funded under this  
4 section shall do all of the following:

5           (a) Designate an individual to serve as the facilitator of the local early  
6 childhood council.

7           (b) Conduct an assessment of child care and early childhood education  
8 programs and other services for young children and their families that are available  
9 in the community and an assessment of the need for those programs and services in  
10 the community.

11           (c) Develop a plan to do all of the following:

12           1. Increase the supply and accessibility of high-quality child care and early  
13 childhood education programs in the community.

14           2. Foster coordination and communication between providers of child care and  
15 early childhood education, employers, the local public schools, parents and other  
16 appropriate individuals and organizations in the community to maximize the  
17 accessibility and quality of, and to minimize duplication in, the programs and  
18 services that are available in the community for young children and their families.

19           3. Promote and increase public awareness of the characteristics and  
20 importance of high-quality child care and early childhood education for young  
21 children.

22           (d) Advise the county department under s. 46.215, 46.22 or 46.23 on the  
23 development of the county department's proposed budget for the expenditure of  
24 funds allocated under s. 46.40.

1           **(5) MEMBERSHIP OF LOCAL EARLY CHILDHOOD COUNCILS.** Membership on a local  
2 early childhood council funded under this section shall be open to all persons and  
3 organizations in the community with a demonstrated interest in or knowledge of  
4 child care, early childhood education or other services for young children and their  
5 families and shall include all of the following persons as members:

6           (a) One or more parents of young children.

7           (b) One or more providers of family child care.

8           (c) One or more providers of center-based child care.

9           (d) One elected county official.

10          (e) One or more representatives of each of the following:

11           1. A local employer.

12           2. The local school district.

13           3. The county department receiving child care funds under s. 46.98 and any  
14 entity administering those funds if different from the county department.

15           4. The local health department, as defined in s. 250.01 (4).

16           5. A local agency providing child care resource and referral services funded by  
17 a grant under s. 46.984.

18          **(6) RULES.** The department, in consultation with the department of education,  
19 shall promulgate rules to implement this section.

NOTE: Establishes a local early childhood council grant program and appropriates \$100,000 GPR for the program in the 1996-97 fiscal year.

Under the bill, a body consisting of 2 representatives of the department of health and family services (DHFS), 2 representatives of the department of industry, labor and job development (DILJD) and 2 representatives of the department of education (DOE) shall evaluate applications and award grants for the establishment or operation, or both, of local early childhood councils. Any public agency or private, nonprofit organization may apply for a grant.

The bill requires a grant recipient to match the grant or secure a match from local sources, through money or in-kind services, or both, as follows:

1. During the first year of the grant, in the amount of at least 25% of the amount received for that year.

2. During the 2nd and subsequent years of the grant, in the amount of at least 50% of the amount received for each year.

Each application for a grant must include proof of the applicant's ability to provide the local match required by the bill. In addition, any in-kind services proposed to be used as part of the required local match are subject to the approval of the grant-awarding body.

The bill specifies that amounts granted are to be used for the establishment or operation, or both, of a local early childhood council. Membership in a council is open to all persons and organizations in the community with a demonstrated interest or knowledge of child care, early childhood education or other services for young children and their families. At a minimum, a local early childhood council must include all of the following as members:

1. One or more parents of young children.
2. One or more providers of family child care.
3. One or more providers of center-based child care.
4. One elected county official.
5. One or more representatives of each of the following:
  - a. A local employer.
  - b. The local school district.
  - c. The county department.
  - d. Any entity with which the county department contracts to administer child care funds.
  - e. The local health department.
  - f. A local agency providing child care resource and referral services.

Under the bill, a local early childhood council funded under the grant program must do all of the following:

1. Designate an individual to serve as the facilitator of the local early childhood council.
2. Conduct an assessment of existing child care and early childhood education programs and other services for young children and their families in the community.
3. Conduct an assessment of the need for child care and early childhood education programs and other services for young children and their families available in the community.
4. Develop a plan to do all of the following:
  - a. Increase the supply and accessibility of high-quality child care and early childhood education programs in the community.
  - b. Foster coordination and communication between providers of child care and early childhood education, employers, the local public schools, parents and other appropriate individuals and organizations in the community to maximize the accessibility and quality of programs and services that are available for young children and their families and minimize duplication in those programs and services.
5. Promote and increase public awareness of the characteristics and importance of high-quality child care and early childhood education for young children.
6. Advise the county department on the development of the county department's proposed budget for the expenditure of community aids funding.

Under the bill, when evaluating applications for grants, the grant-awarding body is required to give priority to proposals which involve the planning and participation of multiple individuals and organizations, including all of the following:

1. Child care providers.
2. Head start agencies.
3. Child care resource and referral agencies.
4. School districts.
5. Private schools.
6. Local units of government.
7. Providers of early childhood education.

8. Parents.
9. Employers.
10. Family resource centers.
11. Recipients from right from the start grants.
12. Other individuals and organizations that have demonstrated interest in, or knowledge of, child care, early childhood education or other sources for young children and their families.

The bill directs DHFS, in consultation with DOE, to promulgate rules to implement the grant program.

1           **SECTION 9.** 66.521 (2) (k) 22. of the statutes is amended to read:

2           66.521 (2) (k) 22. Child care centers, as defined in s. 231.01 (3c), ~~except that this~~  
3           ~~subdivision does not apply on or after March 31, 1994.~~

NOTE: Authorizes cities, villages and towns to issue bonds to provide financing to nonprofit child care centers. Specifically, this SECTION deletes the provision in current law which terminated that authority on March 31, 1994.

Industrial revenue bonds (IRB's) are municipal bonds, the proceeds of which are loaned to private persons or to businesses to finance capital investment projects. Wisconsin statutes authorize cities, villages and towns to issue IRB's. Because IRB's are municipal bonds, the interest earned from them is exempt from the federal income tax and, thus, IRB's bear lower interest rates than other forms of borrowing.

Under current law, cities, villages and towns are authorized to issue IRB's primarily for financing the construction, enlargement or equipping of manufacturing plants and a limited number of nonmanufacturing facilities, such as facilities for nonprofit organizations [s. 66.521]. Cities, villages and towns currently are not authorized to issue IRB's to provide financing to child care centers.

IRB's issued on behalf of nonprofit [i.e., s. 501 (c) (3)] corporations are not subject to the unified volume cap which applies to other private activity bonds issued on behalf of nongovernmental persons.

4           **SECTION 10.** 120.13 (36) of the statutes is created to read:

5           120.13 (36) PREKINDERGARTEN AND KINDERGARTEN PROGRAM AGREEMENTS. Enter  
6           into an agreement with a licensed public or private nonsectarian day care center to  
7           lease space for prekindergarten or kindergarten programs offered by the school  
8           district or to place school district employees in day care centers to provide instruction  
9           in prekindergarten or kindergarten programs offered by the school district.

NOTE: Authorizes school boards to enter into agreements with licensed public or private nonsectarian day care centers for the following purposes: (1) to lease space for prekindergarten or kindergarten programs offered by the school district; and (2) to place school district employees in a day care center to provide instruction in prekindergarten or kindergarten programs offered by the school district.

10          **SECTION 11.** 121.54 (2) (am) of the statutes is created to read:

1           121.54 (2) (am) In lieu of transporting a pupil who is eligible for transportation  
2 under par. (a) to and from his or her residence, a school district may transport the  
3 pupil to or from, or both, a before- and after-school day care program under s.  
4 120.125, a day care program under s. 120.13 (14) or any other day care program,  
5 family day care home or child care provider.

NOTE: This SECTION and SECTION 12 authorize the payment of state transportation aid to school districts which transport pupils between school and a day care program or other child care provider in lieu of transporting the pupil between school and home.

6           **SECTION 12.** 121.545 (2) of the statutes is amended to read:

7           121.545 (2) A school board may provide transportation for children residing in  
8 the school district whom the school district is not required to transport under s.  
9 121.54 to or from, or both, a before- and after-school day care program under s.  
10 120.125, a prekindergarten class under s. 120.13 (13), a day care program under s.  
11 120.13 (14) or any other day care program, family day care home, child care provider  
12 or prekindergarten class. The school board may charge a fee for the cost of providing  
13 such transportation. The school board may waive the fee or any portion of the fee for  
14 any person who is unable to pay the fee. State aid shall not be provided for  
15 transportation under this subsection.

NOTE: See the note following SECTION 11.

16           **SECTION 13.** 121.58 (2) (b) of the statutes is created to read:

17           121.58 (2) (b) A school board that provides transportation under s. 121.54 (2)  
18 (am) shall be paid state aid for such transportation at the rates specified and  
19 according to the conditions established under par. (a), except that the amount of state  
20 aid may not exceed the amount which the school district would receive for  
21 transporting the child between the child's residence and school attended under s.  
22 121.54 (1) to (3), (5), (6) or (9) or 121.57.

NOTE: Specifies that the amount of state transportation aid provided to a school district which transports a child to or from a day care program or other child care provider in lieu of home may not exceed the amount of state transportation aid which the school district would receive for transporting the child from his or her residence to the school attended.

1           **SECTION 14.** 231.01 (3c) (c) and (d) of the statutes are repealed.

NOTE: Changes the definition of "child care center" within ch. 231, which governs the operation of the WHEFA. Specifically, this SECTION deletes provisions which limit the definition of "child care center" within that chapter to centers which: (1) are located in a commercial or industrial park of a city, village or town; and (2) provide child care services to a significant number of persons employed by businesses located in the commercial or industrial park in which it is located.

See the note following SECTION 19 for a description of other provisions of the bill affecting WHEFA.

2           **SECTION 15.** 231.03 (6) (e) of the statutes is amended to read:

3           231.03 (6) (e) Finance any project undertaken for a child care center by a child  
4           care provider, ~~except that this paragraph does not apply on or after March 31, 1994.~~

5           **SECTION 16.** 231.03 (6) (f) of the statutes is amended to read:

6           231.03 (6) (f) Refinance outstanding debt of any participating child care  
7           provider, ~~except that this paragraph does not apply on or after March 31, 1994.~~

8           **SECTION 17.** 231.03 (13) of the statutes is amended to read:

9           231.03 (13) Make loans to any participating health institution, participating  
10           educational institution or, ~~before March 31, 1994,~~ participating child care provider  
11           for the cost of a project in accordance with an agreement between the authority and  
12           the participating health institution, participating educational institution or  
13           participating child care provider. The authority may secure the loan by a mortgage  
14           or other security arrangement on the health facility, educational facility or child care  
15           center granted by the participating health institution, participating educational  
16           institution or participating child care provider to the authority. The loan may not  
17           exceed the total cost of the project as determined by the participating health

1 institution, participating educational institution or participating child care provider  
2 and approved by the authority.

3 **SECTION 18.** 231.03 (14) of the statutes is amended to read:

4 231.03 (14) Make loans to a health facility, educational facility or, before March  
5 31, 1994, child care center for which bonds may be issued under sub. (6) (b), (d) or (f)  
6 to refinance the health facility's, educational facility's or child care center's  
7 outstanding debt. The authority may secure the loan or bond by a mortgage or other  
8 security arrangement on the health facility, educational facility or child care center  
9 granted by the participating health institution, participating educational institution  
10 or participating child care provider to the authority.

11 **SECTION 19.** 231.16 (3) of the statutes is amended to read:

12 231.16 (3) All bonds issued under this section shall be subject to this chapter  
13 in the same manner and to the same extent as other bonds issued pursuant to this  
14 chapter, ~~except that the limitations with respect to dates under s. 231.03 (6) (e) and~~  
15 ~~(f) and (14) do not apply to bonds issued under this section.~~

NOTE: This SECTION and SECTIONS 15, 16 and 18 authorize WHEFA to issue bonds to provide financing to nonprofit child care centers.

WHEFA assists nonprofit health care and educational institutions by issuing bonds on their behalf to finance capital costs. Under federal law, interest earned on the bonds is exempt from federal income taxation and, thus, WHEFA can market the bonds at lower interest rates, thereby reducing the cost of borrowing to health and educational facilities. Any corporation which is exempt from federal income taxation under s. 501 (c) (3) of the internal revenue code (IRC) (i.e., a nonprofit corporation) is eligible to take advantage of the federal tax exemption. However, federal law requires each state to designate a governmental entity to issue bonds and to specify the types of nonprofit corporations in the state on whose behalf the entity may issue bonds [s. 103, IRC]. Chapter 231 designates WHEFA as the entity to issue bonds in Wisconsin and specifies the types of entities on whose behalf it may issue bonds. WHEFA currently is not authorized to issue bonds on behalf of child care centers.

WHEFA may issue bonds to finance any qualifying capital project of an eligible entity. The types of projects which may be financed are set forth in the statutes. Upon completion of the project, WHEFA may collect rents and revenues sufficient to cover the principal and interest on the bonds and administrative expenses. There is no limit on the total volume of bonds which WHEFA may issue annually.

16 **SECTION 20. Nonstatutory provisions; health and social services.**

1           (1) **SAFE AND AFFORDABLE CHILD CARE.** The secretary of health and social services  
2 shall submit to the legislature, in the manner provided under section 13.172 (2) of  
3 the statutes, a proposal which will ensure that safe and affordable child care is  
4 available for all children of low-income parents upon replacement of the aid to  
5 families with dependent children program under section 49.19 of the statutes. The  
6 proposal shall be submitted as an amendment to the proposal for welfare reform  
7 required under 1993 Wisconsin Act 99, section 112. The proposal shall include all  
8 of the following:

9           (a) An estimate of the total number of children in each county who will be in  
10 need of child care services after the replacement of the aid to families with dependent  
11 children program and the number of those children who will be in need of child care  
12 services due to the replacement of the aid to families with dependent children  
13 program.

14           (b) An estimate of the total capacity of the group day care centers and family  
15 day care homes in each county which are licensed or certified in 1995 and the capacity  
16 available to serve the additional children who will be in need of child care services  
17 due to the replacement of the aid to families with dependent children program.

18           (c) An estimate of the minimum, maximum and average hourly rates for child  
19 care for infants, toddlers and preschoolers in group day care centers and family day  
20 care homes in each county in 1995.

21           (2) **CHILD CARE PROGRAM CONSOLIDATION.** The secretary of health and social  
22 services shall submit to the legislature, in the manner provided under section 13.172  
23 (2) of the statutes, a proposal for the consolidation of all child care programs  
24 administered by the department of health and social services under a uniform

1 automated voucher system. The proposal shall be submitted as an amendment to  
2 the proposal for welfare reform required under 1993 Wisconsin Act 99, section 112.

NOTE: Requires the secretary of health and social services to submit to the legislature, as an amendment to its plan to replace the AFDC program by December 31, 1998, a proposal which will ensure that safe and affordable child care is available for all children of low-income parents upon replacement of the AFDC program. 1993 Wisconsin Act 99 provides that, by no later than December 31, 1995, the secretary of health and social services shall submit the AFDC replacement plan to the legislature. This bill requires the secretary to include in the child care proposal an estimate of: (1) the total number of children in each county who will be in need of child care services after the replacement of the AFDC program and the number of those children who will be in need of child care services due to the replacement of the AFDC program; (2) the total capacity of the group day care centers and family day care homes in each county which are licensed or certified in 1995 and the capacity available to serve the additional children who will be in need of child care services due to the replacement of the AFDC program; and (3) the minimum, maximum and average hourly rates for care for infants, toddlers and preschoolers in group day care centers and family day care homes in each county in 1995.

The bill also requires the secretary of health and social services to submit to the legislature, as an amendment to the AFDC replacement plan, a proposal for the consolidation of all child care programs administered by DHSS under a uniform automated voucher system.

3 (3) CHILD CARE FUNDING INFORMATION RULES. The department of health and  
4 social services shall promulgate rules that require county departments under  
5 sections 46.215, 46.22 and 46.23 of the statutes to collect from parents who are placed  
6 on a waiting list, under section HSS 55.73 (7) of the Wisconsin administrative code,  
7 for child care funding under section 46.98 of the statutes information regarding the  
8 number of children for whom the parent needs day care funds and the ages of those  
9 children. The rules shall also require county departments to remove from the  
10 waiting list parents who have been on the waiting list for an amount of time specified  
11 by the department. The department shall submit the proposed rules to the  
12 legislative council staff under section 227.15 (1) of the statutes by no later than July  
13 1, 1996.

NOTE: Requires DHSS to promulgate additional rules which require county departments to collect information from parents who are placed on a waiting list for state allocated day care funds regarding the number of children for whom the parent needs day care funds and the ages of those children. The bill also requires county departments to remove from the waiting list parents who have been on the waiting list for an amount of time which DHSS must specify. DHSS is required to submit the proposed rules to the

legislative council staff, which is the first step in the rule-making process, by no later than July 1, 1996.

Under current administrative rules, if state-allocated day care funding is not sufficient to meet the needs of all parents in a county who are eligible for that funding, the county department is required to establish a waiting list. The waiting list must include the parent's name, address and telephone number and the date the parent applied to receive day care funds. The county department must place a parent's name on the waiting list when an application is received by telephone or in writing if it appears likely that the parent is eligible for day care funds. Documentation of eligibility is not required. The county department must submit information to DHSS every 6 months on the number of parents on the waiting list according to category of eligibility.

1           (4) OUTDOOR PLAY SPACE EXEMPTION RULES. The department of health and social  
2 services shall promulgate rules that establish the procedure under which an  
3 applicant for a license to operate a group day care center or family day care home may  
4 obtain an exemption from the outdoor play space requirements in sections HSS 45.05  
5 (11) and 55.33 (11), Wisconsin administrative code, and the requirements, if any, in  
6 addition to those specified in this subsection that an applicant must meet to obtain  
7 such an exemption. Those rules shall permit the department to grant an exemption  
8 to an applicant who has submitted an outdoor play space plan if the plan provides  
9 an alternative to on-site outdoor play space that is safe, provides for adequate  
10 supervision of the children and meets any other requirements established by the  
11 department. The department shall submit proposed rules establishing the  
12 requirements and procedure for granting the exemptions to the legislative council  
13 staff under section 227.15 (1) of the statutes by no later than July 1, 1996.

NOTE: Requires DHSS to promulgate rules which establish the procedure under which an applicant for a license to operate a group day care center or a family day care home may obtain an exemption from the outdoor place space requirements in ss. HSS 45.05 (11) and 55.33 (11), Wis. adm. code, and the requirements, if any, in addition to those specified in this bill that an applicant must meet to obtain such an exemption. The bill requires DHSS to grant an exemption to an applicant who has submitted an outdoor play space plan if the plan provides an alternative to on-site outdoor play space which is safe, provides for adequate supervision of the children and meets any other requirements established by DHSS. DHSS is required to submit the rules establishing the requirements and procedure for granting the exemptions to the legislative council staff, which is the first step in the rule-making process, by no later than July 1, 1996.

1           **SECTION 21. Nonstatutory provisions; industry, labor and human**  
2 **relations.**

3           (1) The department of industry, labor and human relations shall, in  
4 consultation with the office of child care in the department of health and social  
5 services, promulgate rules permitting children under the age of 24 months to be  
6 provided care in a group day care center on a floor other than the first floor or ground  
7 floor. In promulgating those rules, the department shall consider whether there are  
8 circumstances in which children under the age of 24 months can be safely cared for  
9 in a day care setting on a floor other than the first floor or ground floor. The  
10 department of industry, labor and human relations shall submit the proposed rules  
11 required under this subsection to the legislative council staff under section 227.15  
12 (1) of the statutes by no later than July 1, 1996.

NOTE: Requires DILHR, in consultation with the office of child care in, DHSS, to promulgate rules permitting children under the age of 24 months to be provided care in a group day care center on a floor other than the first floor or ground floor. Under s. ILHR 60.31 (6), Wis. adm. code, children under the age of 24 months are required to remain on the first floor or ground floor of a child day care facility. In promulgating the rules, DILHR must consider whether there are circumstances in which children under the age of 24 months can be as safely cared for in a day care setting on a floor other than the first floor or ground floor. DILHR is required to submit the rules to the legislative council staff, which is the first step in the rule-making process, by no later than July 1, 1996.

13           **SECTION 22. Appropriation changes.**

14           (1) In the schedule under section 20.005 (3) of the statutes for the appropriation  
15 to the department of education under section 20.255 (1) (a) of the statutes, as affected  
16 by the acts of 1995, the dollar amount is increased by \$8,400 for fiscal year 1996-97  
17 to increase the authorized FTE positions for the department by 0.5 position for the  
18 purpose of administering the child care worker loan repayment assistance program.

NOTE: Creates a 0.5 FTE position in DOE for fiscal year 1996-97 for the purpose of administering the child care worker loan repayment assistance program. See the note following SECTION 5 for a description of this program.

19           **SECTION 23. Initial applicability; public instruction.**

1           (1) TRANSPORTATION AID. The treatment of sections 121.54 (2) (am) and 121.58  
2           (2) (b) of the statutes first applies to the payment of transportation aid in the 1996-97  
3           school year.

4           **SECTION 24. Effective dates.** This act takes effect on the day after  
5           publication, except as follows:

6           (1) CHILD CARE WORKER LOAN REPAYMENT ASSISTANCE PROGRAM. The amendment  
7           of section 39.385 (1) (intro.) and (2) (intro.) and (a) of the statutes takes effect on July  
8           1, 1996.

9           (2) LOCAL EARLY CHILDHOOD COUNCIL GRANT PROGRAM. The treatment of sections  
10          20.435 (3) (cr), 46.031 (4) and 46.983 of the statutes takes effect on July 1, 1996, or  
11          on the day after publication, whichever is later.

12

(END)