



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0148/P2  
PJK:wlj:rs

DOA:.....Grimsrud, BB0057 - Wisconsin Shares Reimbursement rates  
**FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION**

**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, who needs child care services to participate in various educational or work activities, and who satisfies other eligibility criteria may receive a child care subsidy for child care services under the W-2 program (Wisconsin Shares). Under current law, counties set the maximum rates at which child care providers who provide services under Wisconsin Shares are reimbursed for their services, subject to review, approval, and modification by DCF. Current law, however, prohibits DCF from increasing the maximum Wisconsin Shares child care provider reimbursement rates in 2009, 2010, or before June 30, 2011. Current law also requires DCF to submit to JCF a plan for implementing the child care quality rating system (quality rating plan). This bill provides that before June 30, 2013, DCF may not increase the maximum Wisconsin Shares child care provider reimbursement rates, but may modify an individual child care provider's reimbursement rate on the basis of the child care provider's quality rating, as that term is described in the quality rating plan, as follows: a provider who receives a one-star rating may be denied reimbursement; a provider who receives a two-star

rating may have the maximum reimbursement rate reduced by up to 5 percent; a provider who receives a three-star rating will receive reimbursement at the maximum rate; a provider who receives a four-star rating may have the maximum reimbursement rate increased by up to 5 percent; and a provider who receives a five-star rating may have the maximum reimbursement rate increased by up to 10 percent. In addition, DCF is authorized to use a severity-index tool, as that term is described in the quality rating plan, to disqualify providers who receive low-quality ratings from providing child care services in Wisconsin Shares.

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 (6) (e) of the statutes is renumbered 49.155 (6) (e) 2. and amended to read:

49.155 (6) (e) 2. The Except as provided in subd. 3., the department may not increase the maximum reimbursement rates for child care providers in 2009, in 2010, or before June 30 in 2011, 2013.

**SECTION 2.** 49.155 (6) (e) 1. of the statutes is created to read:

49.155 (6) (e) 1. In this paragraph, “quality rating plan” means the plan for implementing the child care quality rating system under s. 48.659 submitted by the department under [2009 Wisconsin Act 28](#), section [9108](#) (7f).

**SECTION 3.** 49.155 (6) (e) 3. of the statutes is created to read:

49.155 (6) (e) 3. The department may modify a child care provider’s reimbursement rate under subd. 2. on the basis of the provider’s quality rating, as described in the quality rating plan, in the following manner:

a. For a child care provider who receives a 1-star rating, the department may deny reimbursement.

b. For a child care provider who receives a 2-star rating, the department may reduce the maximum reimbursement rate by up to 5 percent.

c. For a child care provider who receives a 3-star rating, the department shall pay the maximum reimbursement rate.

d. For a child care provider who receives a 4-star rating, the department may increase the maximum reimbursement rate by up to 5 percent.

e. For a child care provider who receives a 5-star rating, the department may increase the maximum reimbursement rate by up to 10 percent.

**SECTION 4.** 49.155 (6) (e) 4. of the statutes is created to read:

49.155 **(6)** (e) 4. The department may use a severity-index tool, as described in the quality rating plan, to disqualify child care providers who receive a low quality rating, as described in the quality rating plan, from providing child care services to individuals under this section.

**(END)**