

Fiscal Estimate Narratives

DCF 3/2/2012

LRB Number	11-3800/2	Introduction Number	AB-0598	Estimate Type	Original
Description Eligibility under Wisconsin Shares for a child care subsidy, for payment for child care services, and for certification as a family child care provider					

Assumptions Used in Arriving at Fiscal Estimate

Transitional Jobs Child Care Eligibility. The Transitional Jobs Demonstration Project (TJDP) offers transitional jobs to low-income adults that meet specific eligibility criteria. Under current law, participants in the TJDP are not eligible to receive a subsidy under the Wisconsin Shares program. They would be eligible, however, if the TJDP participant is co-enrolled in TJDP and the Food Stamp Employment and Training (FSET) program, with the subsidized transitional job serving as the work experience component of their FSET participation. This bill would expand the work activities for which an individual may be eligible for a child care subsidy to include participants in the Transitional Jobs Demonstration project.

Approximately 3,500 participants have enrolled in TJDP since it began operating and those participants reported having a total of 2,831 children under the age of 13. While current enrollment is currently lower than at its peak level, if we assume approximately 200 TJDP participants per month on an ongoing basis, there could be 160 children potentially eligible for child subsidies each month. However, some percentage may already be receiving Shares due to dual enrollment with FSET and some may not need a child care subsidy due to other child care arrangements. It is unknown how many eligible participants may utilize the Shares program. However, if we assume 25% of the eligible children would receive a child care subsidy under this bill at the CY 2011 average Shares issuance of \$426 per month, the Department would incur additional costs of approximately \$17,000 per month, or \$204,000 on an annual basis, which represents about 0.07% of the Wisconsin Shares annual budget and could be absorbed within the existing budget.

Child Care Facility Worker Eligibility. The bill would also clarify language regarding the eligibility for Shares for parents employed by a child care facility. Under current law, a licensed child care provider may not receive Shares payments for a child who has a parent, or person residing with them, employed by the same child care provider unless at all times at least 60 percent of the children for whom child care is provided. This bill would clarify that 60 percent of the children for whom child care is provided at all of the child care provider's locations in aggregate are qualifying. This modification reflects current DCF practice and should result in no fiscal effect.

Co-Regulation of Licensed and Certified Facilities. This bill would also prohibit a licensed child care center operator from being certified as a Level I or II family care provider. Under current law, a child care provider may be co-regulated - both licensed and certified. This allows a provider to receive reimbursement at the higher licensed rate for care beyond the 12 hour statutory limit. There are currently 129 co-regulated child care providers with 695 children in the Shares program.

The Department is unable to determine how many Shares children currently being cared for by a co-regulated provider would need care beyond the statutory 12-hour limit. Assuming 25% of the children in co-regulated facilities would need longer hours of care reimbursed at the certified rate (75% of the licensed rate) and the Department made payments on behalf of these children at a level \$106 lower than the licensed rate, there could be a reduction in Shares payments \$18,400 per month, or \$221,000 on an annual basis.

While the fiscal effect of the individual items in this bill cannot be determined, the net effect of these provisions could result in no additional costs or savings to the Wisconsin Shares program.

Long-Range Fiscal Implications