

Fiscal Estimate Narratives

DCF 2/9/2018

LRB Number	17-5388/1	Introduction Number	AB-0924	Estimate Type	Original
Description child care reimbursement rates in Wisconsin Shares and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill increases the Wisconsin Shares direct services allocation for State Fiscal Year 2019. It increases this allocation by \$8,000,000, to \$318,369,200 in SFY19.

The direct services allocation is funded through a mix of the Temporary Assistance for Needy Families (TANF) grant and Child Care Development Block Grant (CCDBG), and general purpose funding. The increased funding from this bill comes solely from TANF.

Of the \$8 million allocation increase, the bill requires that \$7,250,000 be spent on child care payment rate increases. The remaining \$750,000 is intended to increase the YoungStar adjustment rate for child care providers rated 4 or 5 Stars.

Currently, the YoungStar adjustment is 10% for 4 Star providers and 25% for 5 Star providers. The bill allows the department to increase those percentages to up to 15% and 30%, respectively.

Long-Range Fiscal Implications

The TANF structural deficit under Act 59 is estimated at \$60 million. This bill would increase the structural deficit by \$16 million to a total of \$76 million.