

Report From Agency
Department of Children and Families
Rule Report for Legislative Review
Self-Employment Policies for the Child Care Subsidy Program
Chapter DCF 201
CR 21-052

Basis and Purpose of the Proposed Rule

The proposed rule incorporates department policies into rule regarding the eligibility of and authorizations for parents who are self-employed and are applying for or receiving a subsidy for child care expenses.

Public Hearing Summary

A public hearing was held on July 21, 2021.

Comment: Pat DeLessio of Legal Action of Wisconsin commented that a parent who is starting a new business will not be able to complete a Self-Employment Income Report when the parent submits an initial request for assistance. The required information should be limited to a description of the planned business, the hours the parent will need to work, and any upfront and anticipated expenses.

Department response: A parent who is starting a new business is required to submit a Self-Employment Income Report based on anticipated business income and expenses. DCF 201.036 (3m) (c) 1. was clarified to include “the parent’s actual or anticipated business income and expenses.”

Department Response to Legislative Council Rules Clearinghouse Recommendations

All Legislative Council Clearinghouse recommendations were accepted, except the following:

Comment 5. a.: The period in which the new business provisions apply will often be longer than 24 months. A child care administrative agency shall consider a parent’s self-employment to be a new business for the 24 months following the date that the parent reports beginning the business and may consider a parent’s self-employment to be a new business until the parent’s next eligibility redetermination following the end of this 24-month period.

Comment 5. b.: There are no standards for when a parent’s self-employment is considered an approved activity other than the parent providing documentation of business income and expenses as required under s. DCF 201.036 (3m) (a) to (d) and meeting the \$400 net income threshold for an ongoing business under s. DCF 201.036 (3m) (e).

Comment 5. e.: The phrase “is not representative of the parent’s more recent business income and expenses” was changed to “is not representative of the parent’s business income and expenses in the current tax year.”

Comment 5. f.: The phrase “the date the parent began the business” was changed to “the date

the parent reports beginning the new business.”

Changes to Analysis Prepared under Section 227.14 (2), Stats.

The analysis was revised to include revisions made in response to the public hearing comment and recommendations by the Legislative Council Rules Clearinghouse.

Final Regulatory Flexibility Analysis

The rule will affect small businesses operated by parents who receive a subsidy for child care expenses incurred while the parents operate their businesses. The effect will be minimal.

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