

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date 12/15/2017
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) DCF 201, Administration of Child Care Funds. Effective 2/1/2018, DCF 201, Child Care Subsidy Program.	
4. Subject Child Care Subsidy Program Integrity	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input checked="" type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule To protect child care subsidy funds from fraud and misuse and update program integrity rules based on the department's system of issuing payments to parents.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The department solicited comments from the Wisconsin County Human Services Association, Kids Forward Together, Legal Action of Wisconsin, Wisconsin Early Childhood Association, Supporting Families Together Association, Wisconsin Child Care Administrators Association, Wisconsin Family Child Care Association, and Wisconsin Inter-Tribal Child Care Association, Child Care Advisory Committee, county and tribal agencies, and the department's child care listserv of over 2,000 people including child care providers and the general public.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. Moraine Lakes Consortium commented that the rule is a step in the right direction to ensure the integrity of the child care subsidy program. The contract requirement will give the parents a greater understanding of what rates are being charged and what they are paying.	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The rule will have minimal impact on child care providers. The department will be providing a form for the written agreement that will include the basic terms of the business arrangement. With the issuance of subsidy payments to parents for transfer to providers, the providers are no longer involved in administration of the child care subsidy program. Section 49.83, Stats., requires confidentiality of public assistance information not related to the administration of the program. KinderCare commented that the confidentiality of authorizations has led to families attending over their authorized hours and then being unable to keep up with payments. Department: Parents may voluntarily share their authorization information with their providers if they want help with	

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determining authorized hours of care. In addition, several commenters suggested additional requirements to be added to the rule and one commenter does not think the proposed changes should apply to certified providers.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Subsidy funds will not be distributed to parents who have not used funds for the previous 90 days. There will be fewer payment disputes between parents and providers. The rule also clarifies actions that will be considered intentional program violations.

16. Long Range Implications of Implementing the Rule

None

17. Compare With Approaches Being Used by Federal Government

42 USC 9858c (c) (2) (S) requires that the payment practices of child care providers that serve children who receive assistance reflect generally accepted payment practices of child care providers that serve children who do not receive assistance, so as to provide stability of funding and encourage more child care providers to serve children who receive assistance.

A State Plan shall include a description of how the Lead Agency will prevent, reduce, and collect improper payments, including a process to investigate and recover fraudulent payments and to impose sanctions on clients or providers in response to fraud.

Lead Agencies must have systems in place to document that CCDF funds are spent in compliance with the law and the approved plan. Expenditures not made in accordance with the Child Care Development Block Grant Act, implementing regulations, or the approved CCDF Plan are subject to disallowance, pursuant to 45 CFR 98.66(a).

Lead agencies must ensure that child care providers receive payment for any services in accordance with a written payment agreement or authorization for services that includes, at a minimum, information regarding provider payment policies, including rates, schedules, any fees charged to the providers, and dispute resolution process

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

The rule addresses program integrity issues related to the issuance of child care subsidy payment to parents for transfer to child care providers. None of the adjacent states issue subsidy payments in this manner.

19. Contact Name

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20. Contact Phone Number

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

NA

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

NA

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

NA

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

NA

5. Describe the Rule's Enforcement Provisions

NA

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

Yes No
