



State of Wisconsin
2023 - 2024 LEGISLATURE

LRBs0105/1
MDE:amn

**SENATE SUBSTITUTE AMENDMENT 1,
TO SENATE BILL 421**

September 20, 2023 - Offered by Senator JAMES.

1 **AN ACT to create** 238.145 of the statutes; **relating to:** creating a child care center
2 renovations loan program.

This substitute amendment differs from 2023 Assembly Bill 388 in the following respects:

1. Under the bill, the Wisconsin Economic Development Corporation may only award loans to child care providers that are licensed at the time of receiving the loan. Under the substitute amendment, WEDC may award loans to child care providers that are licensed or certified at the time of receiving the loan or demonstrate to WEDC that the child care provider will be licensed or certified within one year of receiving a loan.

2. Under the bill, in-home child care providers must establish or maintain enrollment within one year of receiving a loan. Under the substitute amendment, this requirement applies to all child care providers.

3. Under the substitute amendment, to be eligible for a loan, a child care provider must submit to WEDC a business plan and three-year financial forecast that demonstrates that the child care provider is capable of repaying a loan. WEDC, in consultation with the Department of Children and Families, may conduct an inquiry into the child care provider's financial health three years after the child care provider is awarded a loan. If WEDC, in consultation with DCF, determines that the child care provider is no longer capable of repaying the loan, WEDC may terminate

the loan agreement and require that the child care provider immediately repay the loan.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 238.145 of the statutes is created to read:

2 **238.145 Child care center renovations revolving loan fund and**
3 **program. (1) DEFINITION.** In this section, “nonrelative children” means children
4 who are not the child care provider’s natural or adopted children, foster children,
5 stepchildren, grandchildren, brothers, sisters, first cousins, nephews, nieces, uncles,
6 or aunts.

7 **(2) ESTABLISHMENT OF FUND.** (a) The corporation shall establish a child care
8 center renovations revolving loan fund, for the purpose of awarding loans under sub.
9 (5).

10 (b) All moneys appropriated to the corporation for child care providers in the
11 2023–25 fiscal biennium shall be credited to the fund.

12 (c) All moneys received as repayments of loans awarded under sub. (5) shall be
13 credited to the fund.

14 **(3) ESTABLISHMENT OF CHILD CARE CENTER RENOVATIONS REVOLVING LOAN PROGRAM.**
15 The corporation shall establish and administer a child care center renovations
16 revolving loan program for the purpose of awarding loans to child care providers
17 under sub. (5).

18 **(4) ELIGIBILITY.** A child care provider is eligible for a loan under sub. (5) if all
19 of the following conditions are met:

20 (a) The child care provider is licensed under s. 48.65 or certified under s. 48.651
21 or demonstrates to the corporation that the child care provider will be licensed under

1 s. 48.65 or certified under s. 48.651 within one year after receiving a loan under sub.
2 (5).

3 (b) The child care provider submits to the corporation a business plan and
4 3-year financial forecast that demonstrates that the child care provider is capable
5 of repaying a loan under sub. (5), as determined by the corporation.

6 **(5) LOAN REQUIREMENTS.** (a) From the child care center renovations revolving
7 loan fund, the corporation shall award loans to child care providers for renovations
8 of child care facilities.

9 (b) Of the loan funding awarded to child care providers under this subsection,
10 the corporation shall award 60 percent to in-home child care providers and 40
11 percent to child care providers that are not in-home.

12 (c) No loan awarded under this subsection to an in-home licensed child care
13 provider may exceed \$30,000. No loan awarded under this subsection to a licensed
14 child care provider that is not in-home may exceed \$100,000.

15 (d) The corporation shall charge no interest on a loan awarded under this
16 subsection.

17 (e) A child care provider who receives a loan under this subsection shall, within
18 one year of receiving the loan, establish or maintain enrollment of nonrelative
19 children in the child care provider's child care facility. If enrollment is not
20 established or maintained, the corporation shall terminate the loan agreement and
21 the child care provider shall immediately repay the outstanding balance of the loan.

22 (f) The corporation may, in consultation with the department of children and
23 families, conduct an inquiry into a child care provider's financial health 3 years after
24 the child care provider is awarded a loan under this subsection. If the corporation,
25 in consultation with the department of children and families, determines that the

1 child care provider is no longer capable of repaying the loan, as determined by the
2 corporation, the corporation may terminate the loan agreement and may require
3 that the child care provider immediately repay the outstanding balance of the loan.

4 (END)