



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0903/4
PJK&FFK:sac/jld/wlj:ph

DOA:.....Major, BB0319 – Child care parent pay initiative

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

WISCONSIN WORKS

The Wisconsin Works (W-2) program under current law, which is administered by DCF, provides work experience and benefits for low-income custodial parents who are at least 18 years old. Also, an individual who is the parent of a child under the age of 13 or, if the child is disabled, under the age of 19, who needs child care services to participate in various educational or work activities, and who satisfies other eligibility criteria may receive a child care subsidy for child care services under the W-2 program. This child care subsidy program is known as Wisconsin Shares. This bill makes the following changes to Wisconsin Shares:

1. Current law provides that DCF distributes child care subsidies by reimbursing child care providers or distributing funds to county departments or tribal governing bodies for child care services provided under Wisconsin Shares and to private nonprofit agencies that provide child care for children of migrant workers. This bill provides that, in addition to the ways in which DCF may distribute child care subsidy funds under current law, DCF may issue benefits directly to individuals who are eligible for the subsidies.

2. Under current law, counties set maximum rates, which are approved by DCF, for child care services under Wisconsin Shares. However, DCF may modify an individual child care provider's maximum rate on the basis of the child care

provider's quality rating under the quality rating plan known as YoungStar. Current law allows DCF to increase the maximum rate for a provider who receives a four-star rating under YoungStar by up to 5 percent. Under this bill, DCF determines the maximum rates for child care services under Wisconsin Shares. This bill also authorizes DCF to increase the maximum rate for a child care provider who receives a four-star rating under YoungStar by up to 10 percent beginning January 1, 2014.

3. Under current law, individuals receiving child care subsidies under Wisconsin Shares must pay a copayment for the child care, which is a percentage of the cost of the child care, as specified by DCF in a printed copayment schedule. The bill changes the copayments that eligible individuals must pay for child care to the difference between the cost of the child care provided by the provider selected by the individual and the subsidy amount. DCF is required to specify minimum or estimated copayment amounts based on family size, income level, and other factors.

4. This bill changes the services and benefits that certain noncustodial parents are eligible to receive under the W-2 program. Under the bill, if a noncustodial parent of a child is required to pay child support and the custodial parent of the child is a participant in the W-2 program or is eligible to receive a child care subsidy for the child under Wisconsin Shares, the noncustodial parent is eligible to receive the following services and benefits under the W-2 program:

- a. Job search assistance and case management services.
- b. A monetary stipend for up to four months.
- c. Work experience in one trial employment match program job.

5. Under the bill, any noncustodial parent who is ineligible for a job access loan solely because the individual is not a custodial parent is eligible to receive a job access loan, which is a loan provided under the W-2 program to enable an individual to obtain or continue employment.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 20.437 (2) (nn) of the statutes is repealed.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 20.437 (2) (pv) of the statutes is repealed.

***NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 3. 48.659 of the statutes is amended to read:

48.659 Child care quality rating system. The department shall provide a child care quality rating system that rates the quality of the child care provided by

a child care provider licensed under s. 48.65 that receives ~~reimbursement~~ payment under s. 49.155 for the child care provided or that volunteers for rating under this section. The department shall make the rating information provided under that system available to the parents, guardians, and legal custodians of children who are recipients, or prospective recipients, of care and supervision from a child care provider that is rated under this section, including making that information available on the department's Internet site.

SECTION 4. 49.131 (2) of the statutes is amended to read:

49.131 (2) ~~If the necessary authorization under sub. (1) is granted, and except as provided in sub. (3)~~ Subject to receiving any necessary approval from the appropriate federal agency under sub. (1), the department may implement a program to deliver by an electronic benefit transfer system any benefit that is administered by the department ~~and that the department designates by rule.~~

SECTION 5. 49.131 (3) of the statutes is repealed.

SECTION 6. 49.137 (4) (a) of the statutes is amended to read:

49.137 (4) (a) Developing and recommending to the department a system of higher ~~reimbursement~~ payment rates or a program of grants for child care providers that meet the quality of care standards established under s. 49.132 (4) (e), 1995 stats.

SECTION 7. 49.143 (2) (ct) of the statutes is repealed.

SECTION 8. 49.147 (1) of the statutes is amended to read:

49.147 (1) DEFINITION. In this section, "unsubsidized employment" means employment, including self-employment and entrepreneurial activities, for which the Wisconsin Works agency provides no wage subsidy to the employer ~~including self-employment and entrepreneurial activities~~ receives no wage subsidy.

SECTION 9. 49.147 (3) (e) of the statutes is created to read:

49.147 (3) (e) *Noncustodial parents*. Notwithstanding s. 49.145 (1) and (2) (a), an individual who would be eligible for a job under this subsection except that the individual is a noncustodial parent of a dependent child is eligible for placement under this subsection, subject to s. 49.159 (1) (b) 2., if the individual is eligible for services and benefits under s. 49.159 (1) (a).

SECTION 10. 49.147 (6) (b) 2. of the statutes is repealed.

SECTION 11. 49.147 (6) (c) of the statutes is amended to read:

49.147 (6) (c) *Distribution Funding and administration*. From the ~~appropriation~~ appropriations under s. 20.437 (2) (jL) and (md), the department shall ~~distribute~~ allocate funds for job access loans to a Wisconsin Works ~~agency~~ agencies, which shall administer the loans in accordance with rules promulgated by the department.

SECTION 12. 49.147 (6) (e) of the statutes is created to read:

49.147 (6) (e) *Noncustodial parents*. Notwithstanding s. 49.145 (1) and (2) (a), an individual who would be eligible for a job access loan under par. (a) except that the individual is a noncustodial parent of a dependent child is eligible to receive a job access loan under this subsection.

SECTION 13. 49.148 (1) (b) 1. of the statutes is amended to read:

49.148 (1) (b) 1. Except as provided in subd. 1m., for a participant in a community service job under s. 49.147 (4), a monthly grant of \$653, ~~paid by the Wisconsin Works agency~~. For every hour that the participant misses work or education or training activities without good cause, the grant amount shall be reduced by \$5. Good cause shall be determined by the financial and employment planner in accordance with rules promulgated by the department. Good cause shall include required court appearances for a victim of domestic abuse. If a participant

in a community service job under s. 49.147 (4) is required to work fewer than 30 hours per week because the participant has unsubsidized employment, as defined in s. 49.147 (1), the grant amount under this paragraph shall equal the amount specified under subd. 1m. minus \$5 for each hour that the participant misses work or education or training activities without good cause.

SECTION 14. 49.148 (1) (b) 1m. (intro.) of the statutes is amended to read:

49.148 (1) (b) 1m. (intro.) Except as provided in subd. 1., the ~~Wisconsin works agency~~ department or an entity contracting with the department shall pay a participant in a community service job the following:

SECTION 15. 49.148 (1) (b) 3. of the statutes is amended to read:

49.148 (1) (b) 3. For a participant in a community service job who participates in technical college education under s. 49.147 (5m), a monthly grant of \$653, ~~paid by the Wisconsin Works agency.~~ For every hour that the participant misses work or other required activities without good cause, the grant amount shall be reduced by \$5. Good cause shall be determined by the financial and employment planner in accordance with rules promulgated by the department. Good cause shall include required court appearances for a victim of domestic abuse.

SECTION 16. 49.148 (1) (c) of the statutes is amended to read:

49.148 (1) (c) *Transitional placements.* For a participant in a transitional placement under s. 49.147 (5) or in a transitional placement and in technical college education under s. 49.147 (5m), a monthly grant of \$608, ~~paid monthly by the Wisconsin Works agency.~~ For every hour that the participant fails to participate in any required activity without good cause, including any activity under s. 49.147 (5) (b) 1. a. to d., the grant amount shall be reduced by \$5. Good cause shall be determined by the financial and employment planner in accordance with rules

promulgated by the department. Good cause shall include required court appearances for a victim of domestic abuse.

SECTION 17. 49.155 (3) (c) of the statutes is repealed.

SECTION 18. 49.155 (3m) (a) of the statutes is amended to read:

49.155 (3m) (a) The department shall issue benefits directly to individuals who are eligible for subsidies under this section or pay or reimburse child care providers or shall distribute funds to county departments under s. 46.215, 46.22 or 46.23, county departments or agencies, or tribal governing bodies for child care services provided under this section and. The department may also contract with and provide grants to private nonprofit agencies that provide child care for children of migrant workers. The department may pay or reimburse a Wisconsin works Works agency for child care that the Wisconsin works Works agency provides to the children of Wisconsin works Works participants and applicants or that the Wisconsin Works agency arranges to meet immediate, short-term child care needs of participants prior to authorization of a subsidy under sub. (1m).

SECTION 19. 49.155 (3m) (c) of the statutes is repealed.

SECTION 20. 49.155 (5) of the statutes is renumbered 49.155 (5) (a) and amended to read:

49.155 (5) (a) An individual receiving a subsidy under this section is liable for the percentage of difference, if any, between the cost of the child care specified by the department in a printed copayment schedule. An provided by the child care provider or providers selected by the individual and the subsidy amount. The department shall specify minimum or estimated copayment amounts based on family size, income level, and other factors, a schedule of which will be available in electronic form on the department's Internet site and in paper form.

(b) An individual who is under the age of 20 and is attending high school or participating in a course of study meeting the standards established under s. 115.29 (4) for the granting of a declaration of equivalency to high school graduation may not be determined liable for more than the minimum copayment amount for the type of child care received and the number of children receiving child care.

SECTION 21. 49.155 (6) (a) of the statutes is amended to read:

49.155 (6) (a) ~~Subject to review and approval by the~~ The department, ~~each county shall establish the maximum reimbursement rate~~ payment rates for licensed child care services provided under this section. ~~A county~~ The department shall set the ~~rate~~ rates so that at least 75% of the number of places for children within the licensed capacity of all child care providers ~~in that county can be purchased at or below that maximum rate~~ by eligible individuals under this section.

SECTION 22. 49.155 (6) (b) of the statutes is amended to read:

49.155 (6) (b) ~~Subject to review and approval by the~~ The department, ~~each county shall set a maximum reimbursement rate~~ payment rates for Level I certified family child care providers for services provided to eligible individuals under this section. The maximum ~~rate~~ rates set under this paragraph may not exceed 75% of the ~~rate~~ rates established under par. (a).

SECTION 23. 49.155 (6) (c) of the statutes is amended to read:

49.155 (6) (c) ~~Subject to review and approval by the~~ The department, ~~each county shall set a maximum reimbursement rate~~ payment rates for Level II certified family child care providers for services provided to eligible individuals under this section. The maximum ~~rate~~ rates set under this paragraph may not exceed 50% of the ~~rate~~ rates established under par. (a).

SECTION 24. 49.155 (6) (cm) of the statutes is amended to read:

49.155 (6) (cm) The department shall modify child care provider reimbursement payment rates established under pars. (a) to (c) so that reimbursement payment rates are lower for providers of after-school child care.

SECTION 25. 49.155 (6) (d) of the statutes is amended to read:

49.155 (6) (d) The department may promulgate rules to establish a system of rates or a program of grants ~~that the department will pay to~~ for child care providers that meet the higher quality of care standards established by rules promulgated under sub. (1d) (b). If a system of rates is established under this paragraph, the rates under that system shall be higher than the rates established under pars. (a) to (c).

SECTION 26. 49.155 (6) (e) 2. of the statutes is amended to read:

49.155 (6) (e) 2. Except as provided in subd. 3., the department may not increase the maximum reimbursement payment rates for child care providers before June 30, 2013.

SECTION 27. 49.155 (6) (e) 3. (intro.) of the statutes is amended to read:

49.155 (6) (e) 3. (intro.) ~~Beginning on July 1, 2012, the~~ The department may modify a child care provider's reimbursement payment rate under subd. 2. on the basis of the provider's quality rating, as described in the quality rating plan, in the following manner:

SECTION 28. 49.155 (6) (e) 3. a. of the statutes is amended to read:

49.155 (6) (e) 3. a. For a child care provider who receives a 1-star rating, the department shall deny reimbursement payment.

SECTION 29. 49.155 (6) (e) 3. b. of the statutes is amended to read:

49.155 (6) (e) 3. b. For a child care provider who receives a 2-star rating, the department may reduce the maximum reimbursement payment rate by up to 5 percent.

SECTION 30. 49.155 (6) (e) 3. c. of the statutes is amended to read:

49.155 (6) (e) 3. c. For a child care provider who receives a 3–star rating, the department may pay up to the maximum reimbursement payment rate.

SECTION 31. 49.155 (6) (e) 3. d. of the statutes is amended to read:

49.155 (6) (e) 3. d. For a child care provider who receives a 4–star rating, the department may increase the maximum reimbursement payment rate by up to 5 percent.

SECTION 32. 49.155 (6) (e) 3. d. of the statutes, as affected by 2013 Wisconsin Act (this act), is amended to read:

49.155 (6) (e) 3. d. For a child care provider who receives a 4–star rating, the department may increase the maximum payment rate by up to ~~5~~ 10 percent.

SECTION 33. 49.155 (6) (e) 3. e. of the statutes is amended to read:

49.155 (6) (e) 3. e. For a child care provider who receives a 5–star rating, ~~the department may increase the maximum reimbursement rate by up to 10 percent, except that beginning on January 1, 2013, the department may increase the maximum reimbursement~~ payment rate for such a child care provider by up to 25 percent.

SECTION 34. 49.155 (6) (e) 5. of the statutes is amended to read:

49.155 (6) (e) 5. For purposes of modifying reimbursement payment rates under subd. 3., the department shall assign a child care provider that is accredited from the Council on Accreditation a 4–star rating or 5–star rating, whichever the department determines is appropriate.

SECTION 35. 49.155 (6d) (a) 2. of the statutes is amended to read:

49.155 (6d) (a) 2. Notwithstanding Subject to sub. (5) (b), increase the copayment amount that an individual must pay toward the cost of child care received under this section.

SECTION 36. 49.155 (6d) (a) 3. of the statutes is amended to read:

49.155 (6d) (a) 3. Notwithstanding sub. (6), adjust the amount of ~~reimbursement paid~~ payment to child care providers providing child care services under this section.

SECTION 37. 49.155 (6g) (am) (intro.) of the statutes is amended to read:

49.155 (6g) (am) (intro.) If ~~reimbursement~~ payment to a child care provider is based on authorized hours of child care, the department shall do all of the following with respect to establishing and adjusting the number of authorized hours per child:

SECTION 38. 49.155 (7) (title) of the statutes is amended to read:

49.155 (7) (title) ~~REFUSAL TO PAY~~ REFUSAL TO PAY OF PAYMENT TO CHILD CARE PROVIDERS.

SECTION 39. 49.155 (7) (a) 1. of the statutes is amended to read:

49.155 (7) (a) 1. If a child care provider is convicted of a serious crime, as defined in s. 48.685 (1) (c) 3m., or if a caregiver specified in s. 48.685 (1) (ag) 1. a. or a nonclient resident, as defined in s. 48.685 (1) (bm), of the child care provider is convicted or adjudicated delinquent for committing a serious crime on or after his or her 12th birthday, the department or the county department under s. 46.215, 46.22, or 46.23 shall refuse to ~~pay~~ allow payment to the child care provider for any child care provided under this section beginning on the date of the conviction or delinquency adjudication.

SECTION 40. 49.155 (7) (b) (intro.) of the statutes is amended to read:

49.155 (7) (b) (intro.) The department or the county department under s. 46.215, 46.22, or 46.23 may refuse to ~~pay~~ allow payment to a child care provider for

child care provided under this section if any of the following applies to the child care provider or to a caregiver specified in s. 48.685 (1) (ag) 1. a. or nonclient resident, as defined in s. 48.685 (1) (bm), of the child care provider:

SECTION 41. 49.159 (1) of the statutes is renumbered 49.159 (1) (a) (intro.) and amended to read:

49.159 (1) (a) (intro.) An individual who would be eligible under s. 49.145 except that the individual is the noncustodial parent of a dependent child, is eligible for services and benefits under this subsection if the dependent child's custodial parent is a participant and par. (b) if the individual is subject to a child support order. ~~The Wisconsin works agency may provide job search assistance and case management designed to enable eligible noncustodial parents to obtain and retain employment. and any of the following applies to the custodial parent of the dependent child:~~

SECTION 42. 49.159 (1) (a) 1. of the statutes is created to read:

49.159 (1) (a) 1. The custodial parent is receiving case management services under s. 49.147 (2) (am).

SECTION 43. 49.159 (1) (a) 2. of the statutes is created to read:

49.159 (1) (a) 2. The custodial parent is participating in a Wisconsin Works employment position.

SECTION 44. 49.159 (1) (a) 3. of the statutes is created to read:

49.159 (1) (a) 3. The custodial parent is receiving a grant under s. 49.148 (1m).

SECTION 45. 49.159 (1) (a) 4. of the statutes is created to read:

49.159 (1) (a) 4. The custodial parent is receiving a subsidy for child care for the dependent child under s. 49.155.

SECTION 46. 49.159 (1) (b) of the statutes is created to read:

49.159 (1) (b) A Wisconsin Works agency may provide to an individual who is eligible under par. (a) any of the following services or benefits:

1. Job search assistance and case management designed to enable the individual to obtain and retain employment.

2. Placement in one job under s. 49.147 (3).

3. A stipend in an amount determined by the Wisconsin Works agency for not more than 4 months. A stipend under this subdivision terminates if the individual is placed in a job under s. 49.147 (3) or obtains unsubsidized employment, as defined in s. 49.147 (1).

SECTION 47. 49.826 (2) (a) 3. of the statutes is repealed.

SECTION 9406. Effective dates; Children and Families.

(1) CHILD CARE PAYMENT RATE. The treatment of section 49.155 (6) (e) 3. d. (by SECTION 32) of the statutes takes effect on January 1, 2014.

(END)