



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 27, 2009

Joint Committee on Finance

Paper #230

Child Care Subsidies (DCF -- Economic Support and Child Care)

[LFB 2009-11 Budget Summary: Page 159, #8]

CURRENT LAW

The Wisconsin Shares child care subsidy program is administered by the Department of Children and Families (DCF) through local Wisconsin Works (W-2) agencies and county human and social services departments. In order to receive a child care subsidy, families must need child care to do any of the following: (a) work in an unsubsidized job; (b) work in a W-2 employment position; (c) participate in the FoodShare employment and training (FSET) program; (d) participate in basic education or a course of study to obtain a GED, if the W-2 agency determines that basic education would facilitate the individual's efforts to maintain employment; (e) participate in a course of study at a technical college or participate in educational courses to provide an employment skill, if the W-2 agency determines that such education would facilitate the individual's efforts to maintain employment; (f) meet the Learnfare school attendance requirement for children of W-2 participants; or (g) obtain a high school diploma or participate in a course of study to obtain a GED if the parent is age 19 or younger. An individual may receive a child care subsidy under items (d) and (e) for up to two years.

Provider Reimbursement Rates. Provider reimbursement rates are the maximum hourly rates, with a maximum weekly ceiling, that may be paid to a provider who cares for a child participating in Wisconsin Shares, and vary throughout the state based on where the provider is located. Effective February 25, 2006, four rate zones were established based on the percent of the population in each county that lives in an urban area: (a) 0-24%; (b) 25-49%; (c) 25-74%; and (d) 75-100%. Attachment 1 shows the counties in each rate zone. Each county was placed into one of these four zones based on U.S. census data. Rates were then set so that at least 75% of the number of places for children with licensed providers could be purchased at or below the maximum rate in each zone. Rates are determined by annually surveying licensed group and licensed family day care centers for the rates they charge to the general community. However,

reimbursement rates have been frozen since 2006. The current reimbursement rates are shown in Attachment 2.

Copayments. Families are required to pay a weekly copayment depending on the family's gross income, family size, and the number of children receiving child care. Copayments are not required for the following types of participants: (a) foster parents and kinship care parents who have court-ordered placement of a child; (b) food stamp employment and training participants; and (c) teen parents who are Learnfare participants. The minimum copayment for the number of children receiving care is required for the following participants: (a) individuals who are under the age of 20 and attending high school or participating in a course of study to obtain a GED; (b) non-court-ordered kinship care parents; and (c) parents who have left a W-2 employment position for an unsubsidized job within the last month. Families with children who receive child care services for 20 hours or less in a week must pay one-half of the usual copay amount. DCF has the authority to change copayments administratively to account for the following factors: (a) child care price changes; (b) the amount of available child care funding; (c) inflation; (d) changes in the federal poverty level; and (e) other economic factors that affect the cost of care, such as change in demand. Attachment 3 shows the current 2009 copayment schedule.

Waiting List. Wisconsin Shares currently has no waiting list for families who receive child care subsidies.

Child Care Provider Reimbursements. Under Wisconsin Shares, the state subsidizes the cost of child care for qualified families by making payments directly to the child care provider chosen by the parent. Licensed child care providers are reimbursed based on authorized units of service. Authorized units of service are the number of hours authorized for each child to be in child care, rather than the hours actually used. As a result, child care providers may be paid for hours the child is not attending.

All certified child care providers are reimbursed based on the actual attendance of the child. In addition, licensed child care providers may be reimbursed based on attendance if the child's schedule varies widely from week to week (these licensed providers receive a 10% rate increase for each child to whom this applies to account for absent days) or if the provider has significantly over-reported attendance in the past.

Income Eligibility. An individual's gross family income must be at or below 185% of the federal poverty level (200% once receiving a subsidy) in order for the person to be eligible for a child care subsidy. The individual applying for care must be a custodial parent, guardian, foster parent, legal custodian, or person acting in place of a parent. If the applicant is a foster parent, subsidized guardian, or interim caretaker, then the biological or adoptive family must have gross income at or below 200% of the federal poverty level. Finally, if the applicant is a court-ordered kinship care relative, then the biological or adoptive family must have gross income at or below 200% of the federal poverty level. There are no resource limits for the program. Child support payments are excluded from the definition of gross income.

2007 Wisconsin Act 20 allocated \$355,352,000 in 2008-09 for Wisconsin Shares, which is the adjusted base funding level. 2009 Wisconsin Act 2 provided an additional \$20,384,400 for Wisconsin Shares to address a projected shortfall. Therefore, current funding for Wisconsin Shares is \$375,736,400 in 2008-09.

GOVERNOR

Provide \$20,384,400 annually for direct child care services under the Wisconsin Shares program, including funding for child care subsidies, local administration, on-site child care at job centers and counties, and migrant child care. Funding for the Wisconsin Shares program under the bill would total \$375,736,400 annually. The bill would cap funding for Wisconsin Shares at the 2008-09 level over the 2009-11 biennium. Federal funding for Wisconsin Shares is from the temporary assistance for needy families (TANF) block grant and the child care development block grant (CCDBG).

In addition, authorize or require DCF to implement a number of cost saving measures for the Wisconsin Shares program to ensure that expenditures for the program would not exceed the amounts budgeted. The administration estimates costs for Wisconsin Shares under current law would total \$394,170,900 in 2009-10 and \$414,005,000 in 2010-11. The following measures would produce estimated savings of \$18,434,500 in 2009-10 and \$38,268,600 in 2010-11 as described below.

Freeze Provider Reimbursement Rates. Prohibit DCF from increasing the maximum reimbursement rates for child care providers in 2009, 2010, and 2011.

Increase Copayments. Require DCF to increase copayments before April 1, 2010, such that the estimated savings to the Wisconsin Shares program would be \$1,520,000 in 2009-10 and \$4,200,000 in 2010-11. Permit DCF to achieve these savings without adjusting all categories under its copayment schedule by the same percentage. Authorize DCF to make these copayment increases without promulgating rules.

In addition, authorize DCF to increase copayments by up to 10%, excluding any increases for cost-of-living adjustments.

Waiting List. Authorize DCF to implement a waiting list for the receipt of a child care subsidy to produce savings of \$1,093,000 in 2009-10 and \$1,175,600 in 2010-11. An applicant on a waiting list would not receive a child care subsidy unless the available funding was sufficient to allow the applicant to receive a subsidy.

Attendance-Based Reimbursements. Require DCF to implement, beginning, January 1, 2010, an attendance-based rate structure for reimbursement of child care providers. The administration anticipates savings of \$12,500,000 in 2009-10 and \$26,250,000 in 2010-11 due to the implementation of attendance-based reimbursements.

Income Eligibility. Require court-ordered child or family support payments received by an individual to be used in calculating gross income in determining the individual's eligibility for a child care subsidy under the Wisconsin Shares program. The administration indicates potential savings of \$3,321,500 in 2009-10 and \$6,643,000 in 2010-11 due to a lower caseload from fewer individuals being eligible and from higher copayment amounts for those who are eligible. This provision would first apply to eligibility and copayment determinations made on October 1, 2009, or on the bill's general effective date, whichever is later. For individuals already receiving a subsidy on October 1, 2009, or the bill's general effective date, whichever is later, this provision would first apply when continued eligibility determinations are made on April 1, 2010.

OVERVIEW

Costs for the Wisconsin Shares program have continued to increase every year. In 2008-09, it is anticipated that expenditures will total \$371.2 million. This amount is more than half of TANF-related expenditures.

While the costs of Wisconsin Shares have continued to rise, in general, federal revenues have not. The CCDBG has totaled between \$81 million and \$84 million per year, and it is expected to total \$86.3 million annually. In addition, the TANF block grant has remained the same at \$314.5 million annually.

Additional federal revenue is available during the 2009-11 biennium under the federal American Recovery and Reinvestment Act of 2009 (ARRA). The federal ARRA provides additional child care funding for states. It is estimated that Wisconsin's share of these funds will be \$30.5 million. However, these are one-time funds, and will not be available beyond the 2009-11 biennium.

Also, the state has been found eligible for TANF contingency funds in federal fiscal year (FFY) 2008-09. TANF contingency funds are available during times of economic downturns if a state is found to be a needy state and submits a request for contingency funds during an eligible month. The portion of the TANF contingency award available in state fiscal year 2009-10 is \$15,725,000. As with the federal ARRA stimulus funds, the TANF contingency funding is one-time funding, although the state could apply for additional funds if eligible in FFY 2009-10 or FFY 2010-11 and if the maintenance of effort and match requirements are met.

To address the growing costs of the Wisconsin Shares program, the following actions could be taken: (a) increase GPR funding; (b) reduce funding to other TANF-related programs to provide funding for Wisconsin Shares; (c) reduce funding for Wisconsin Shares by implementing cost saving measures; or (d) some combination of (a) through (c). As noted, AB 75 would implement several cost saving measures to reduce costs for the Wisconsin Shares program.

This paper provides some background on the child care program, provides estimates of the costs of Wisconsin Shares under current law, and briefly describes the following cost saving

measures that could be implemented: (a) modifying provider reimbursement rates; (b) increasing copayments; (c) implementing waiting lists; (d) implementing an attendance-based reimbursement policy; and (e) modifying income eligibility.

DISCUSSION POINTS

Background

1. Currently, Wisconsin's child care program is composed of four elements: (a) the direct child care program, which provides child care subsidies through the Wisconsin Shares program, county administration, on-site child care at job centers and counties, and migrant child care services; (b) programs to improve the quality and availability of child care; (c) state administration of the child care program; and (d) day care licensing.

2. There are three sources of funds for Wisconsin's child care program: (a) the federal CCDBG (including CCDBG funds available under the ARRA); (b) the federal TANF block grant; and (c) GPR required to be spent as maintenance of effort for the CCDBG. Table 1 below details the amounts and distribution of child care funding for the next biennium as proposed by the Governor. The CCDBG and TANF amounts reflect revised estimates as shown in a separate budget paper that projects revenues and expenditures under the TANF program for the 2009-11 biennium. This paper focuses on the direct child care program.

TABLE 1

Child Care Sources of Funding and Proposed Uses for 2009-11

<u>Funding Sources</u>	<u>2009-10</u>	<u>2010-11</u>
GPR	\$28,849,400	\$28,849,400
CCDBG	86,266,600	86,266,600
ARRA	15,246,700	15,246,700
TANF	<u>260,175,500</u>	<u>261,193,300</u>
Total	\$390,538,200	\$391,556,000
<u>Uses</u>		
Direct Child Care	\$375,736,400	\$375,736,400
Child Care State Administration	3,487,100	3,796,000
Quality Care for Quality Kids	6,329,400	7,038,300
Day Care Licensing	<u>4,985,300</u>	<u>4,985,300</u>
Total	\$390,538,200	\$391,556,000

3. The amount of funding for direct child care reflects expected increases in the cost of the program under current law plus the implementation of the following cost-saving measures: (a) frozen provider reimbursement rates; (b) increased copayments; (c) a waiting list; (d) attendance-

based reimbursements; and (e) the inclusion of court-ordered child or family support payments in gross income when determining eligibility.

Direct Child Care Subsidy Estimates

4. Child care expenditures have continued to rise over the 2007-09 biennium. Direct child care expenditures totaled \$354.5 million in 2007-08, compared to \$340.6 allocated under 2007 Wisconsin Act 20. An additional \$18.6 million in 2007-08 was provided under 2007 Wisconsin Act 226 to offset the shortfall. For 2008-09, program expenditures are expected to total \$371.2 million, compared to the budgeted level under 2007 Act 20 of \$355.4 million. 2009 Wisconsin Act 2 provided an additional \$20.4 million to alleviate the deficit. Therefore, the amount now budgeted for direct child care subsidies in 2008-09 is \$375.7 million.

5. Both the number of children in subsidy-supported care and monthly subsidy amounts have increased, as shown in Table 2 below. However, the increase in the monthly subsidy amount in 2008-09 may be artificially inflated. During 2007-08, an attendance-based reimbursement policy was in effect from July 1, 2007, through October 27, 2007, and again from March 30, 2008, through May 17, 2008. Under this policy, Wisconsin Shares no longer paid providers for absences in child care when attendance was less than half the number of authorized hours. Reimbursements, when attendance fell below 50%, were based on the hours actually attended. The policy applied to unexcused absences only. During the months this policy was in effect, the average monthly subsidy amount was lower than the months the policy was not in effect.

TABLE 2

**Wisconsin Shares Participants and Subsidy Levels
1998-99 Through 2008-09 (Projected)**

<u>Fiscal Year</u>	<u>Monthly Children</u>	<u>Average Monthly % Increase</u>	<u>Subsidy Per Child</u>	<u>% Increase</u>
1998-99	26,763		\$396	
1999-00	31,486	17.6%	413	4.3%
2000-01	39,520	25.5	460	11.4
2001-02	44,985	13.8	464	0.9
2002-03	48,584	8.0	463	-0.2
2003-04	51,328	5.6	458	-1.1
2004-05	52,341	2.0	469	2.4
2005-06	54,561	4.2	476	1.5
2006-07	56,566	3.7	471	-1.1
2007-08	58,379	3.2	477	1.1
2008-09 (Estimated)	60,171	3.1	488	2.4

6. The revised estimate of \$371.2 million for 2008-09 is based on an average of 60,171 children, average monthly subsidies of \$488 per child, and county administration, on-site child care,

and migrant child care service costs of \$18.9 million. The revised estimate for 2008-09 reflects year-to-date growth in subsidy payments and the number of children served, with adjustments to account for seasonal patterns in program expenditures, and additional adjustments to account for growth over the months during which attendance based reimbursements were in place in 2007-08 and the months they were not.

7. AB 75 assumes 2008-09 expenditures of \$375.7 million and that the direct child care subsidy funding would increase by 5% annually during the 2009-11 biennium. While the overall subsidy increase fiscal year-to-date over the same period in 2007-08 is 5.5%, this percentage is artificially inflated due to growth over months in 2007-08 that had the attendance-based reimbursement policy in place. Based on recent growth in participation and monthly subsidies per child, it may be more realistic to assume a 3.1% increase in participation annually and a 1.1% increase in the monthly subsidies per child.

8. Assuming a 3.1% annual increase in participation, a 1.1% annual increase in the average subsidy payment, and county administration, on-site child care, and migrant child care costs of \$18.8 million in 2009-10 and \$19.2 million in 2010-11, projected subsidy costs would total \$386.1 million in 2009-10 and \$402.0 million in 2010-11. Compared to funding provided under the bill (excluding cost saving measures), this would represent a decrease in costs of \$8.1 million in 2009-10 and \$12.0 million in 2010-11. Therefore, compared to the bill, funding for child care could be adjusted so that funds are reduced by \$8.1 million in 2009-10 and \$12.0 million in 2010-11 (prior to any adjustments due to cost saving measures).

9. These estimates are used in a separate budget paper that projects revenues and expenditures under the TANF program for the 2009-11 biennium. It should be noted that the child care funding numbers in that paper are even lower due to subsidy savings relating to the provision to extend caretaker of a newborn infant (CNI) grants from 12 weeks to 26 weeks for eligible individuals and to the cost saving measures.

Cost Saving Measures

10. Under the bill, as reestimated, there is a projected TANF balance of \$17.6 million at the end of 2010-11. However, there is an estimated structural deficit of \$20.8 million. Since projected child care program expenditures would make up almost all of total projected TANF expenditures over the biennium, the Committee could consider several alternatives to reduce the costs of the program. Generated savings could be used to replace other revenue sources, offset the structural deficit, or restore funding to other programs.

11. This paper briefly discusses several options to reduce the projected costs of the direct child care program, including: (a) increasing copayments; (b) modifying reimbursement rates; (c) modifying income eligibility limits; or (d) implement waiting lists.

12. A separate budget paper provides some additional options to reduce other TANF-related programs to generate savings to address the anticipated TANF structural deficit, to reduce

other sources of funding for TANF-related programs, or to restore funding for other programs.

13. Finally, it should be noted that if no cost saving measures are implemented, compared to the bill, additional funding of \$10.4 million in 2009-10 and \$26.3 million in 2010-11 would be needed to fully fund Wisconsin Shares. These estimates do not include any savings from the provision to extend CNI grants.

Increase Copayments

14. Federal CCDBG regulations require copayments to be affordable and to help ensure equal access to child care for low-income families. The rules indicate that copayments that consume no more than 10% of a family's income will help ensure access. Wisconsin's copayment schedule is currently structured so that copayments do not exceed 12.5% of a family's gross income. Attachment 4 provides a comparison of copayment levels among Midwestern states for families at 100% of the federal poverty level and at 150% of the federal poverty level. The information is based on a family of three with one child in care.

15. AB 75 would increase copayments by \$1.5 million in 2009-10 and by \$4.2 million in 2010-11. The Committee could consider increasing the copayments under the child care subsidy program by some other amount as a way to reduce costs of the program. Copayments total approximately \$47 million annually. For each 1% increase in copayments, annual savings for the Wisconsin Shares program would total \$470,000.

Modify Reimbursement Rates

16. Reimbursement rates for providers have been frozen at the 2006 level. The bill requires that these rates remain frozen in 2009, 2010, and 2011. In addition, AB 75 would require DCF to implement an attendance-based rate structure to reimburse all child care providers based on the actual hours attended by a child, beginning January 1, 2010. AB 75 estimates savings of \$12,500,000 in 2009-10 and \$26,250,000 in 2010-11.

17. It now appears that the savings estimate of \$12.5 million in 2009-10 and \$26.3 million in 2010-11 is optimistic. Based on reporting patterns from the months in 2007-08 when the attendance-based reimbursement policy was in effect, it appears that more attendance hours are recorded during the months when reimbursement is based on attendance. More recent estimates from DCF indicate that savings generated would total \$9,000,000 in 2009-10 and \$18,000,000 in 2010-11.

18. Child care providers find this initiative burdensome and punitive and have proposed alternatives to reducing payments to child care providers retroactively based on the attendance of the child. The Wisconsin Early Learning Coalition has proposed adjusting the authorizations, based on a history of underutilization, rather than adjusting the reimbursement after child care has been provided. The Coalition believes that child care providers would benefit from knowing in advance what the payment would be, even if it is lowered, rather than receiving a lower payment after the child care was already provided.

19. One example of the alternatives that the Coalition has proposed would include: (a) tracking hourly usage of child care authorizations over a four-week period; (b) automatically adjusting authorizations where usage is less than 60% of the authorized hours in both of the consecutive two-week periods; and (c) adjusting the authorizations to reflect 90% of the maximum number of hours attended during that four-week period. DCF estimates savings for this example to be \$5.5 million annually

20. The Committee could also reduce current provider reimbursement rates. Providers receive approximately \$420 million annually from subsidies paid by the state and from copayments paid by parents. For each 1% reduction in reimbursement rates, child care providers would receive \$4.2 million less each year.

Income Eligibility Limits

21. Another option to reduce child care subsidy costs would be to impose more strict income eligibility limits. In Wisconsin, the initial income eligibility limit is set at 185% of the federal poverty level. Once eligible, a family can retain eligibility until its income exceeds 200% of the federal poverty level. Child support is not counted in gross income.

22. AB 75 would change income eligibility by including child support payments in the definition of gross income. As a result child support would be counted in determining a family's income as compared to the federal poverty level. AB 75 estimates savings at \$3,321,500 in 2009-10 and \$6,643,000 in 2010-11.

23. Estimated savings are based on a report prepared by the Institute for Research on Poverty, University of Wisconsin-Madison in March of 2007. The report analyzed the effect of including child support in determining a family's income for eligibility for Wisconsin Shares. The report indicated that in 2005, savings to Wisconsin Shares from including child support in gross income would total \$5.8 million (\$1.5 million from individuals losing eligibility by exceeding 185% of the federal poverty level and \$4.3 million from an increase in copayments based on higher income levels). DCF anticipates savings would now total \$6.6 million annually.

24. Attachment 4 provides a comparison of the income eligibility levels for state child care subsidy programs for Midwestern states based on information compiled by the National Women's Law Center.

25. Rather than include child support when computing a family's gross income, the income eligibility as a percentage of the federal poverty level could be modified. Savings would depend upon how many children are served at each federal poverty level category. As an example, modifying the eligibility level to 175% (190% once eligible) would produce savings of approximately \$5 million annually.

Waiting Lists

26. Another option would be to reduce the amount of funding provided under the bill for

the child care subsidy program by some amount, and require DCF to implement a waiting list for families with incomes above a certain threshold. Based on information compiled by the National Women's Law Center, as of September, 2008, 15 states had statewide waiting lists for child care assistance or may have had waiting lists at the local level.

27. AB 75 would authorize DCF to implement a waiting list for the receipt of a child care subsidy to produce savings of \$1,093,000 in 2009-10 and \$1,175,600 in 2010-11. An applicant on a waiting list would not receive a child care subsidy unless the available funding was sufficient to allow the applicant to receive a subsidy. Savings from implementation of a waiting list are essentially amounts determined to balance the program, since it would be implemented to generate sufficient savings to fund the child care subsidy program within the amounts allocated under the budget bill.

28. Savings provided by a waiting list would depend on when the waiting list was implemented. Under AB 75, the waiting list would only be implemented if DCF determines that projected child care subsidies expenditures would exceed the amount budgeted. AB 75 assumes that a waiting list would have to be implemented such that \$1.1 million in 2009-10 and \$1.2 million in 2010-11 would not be expended for the child care program because funding for the Wisconsin Shares program, with other cost saving measures in place, would face a shortfall of \$1.1 million in 2009-10 and \$1.2 million in 2010-11. Any waiting list should exempt W-2 participants so they would not have good cause exemptions due to lack of child care to not participate in required work or education and training activities.

ALTERNATIVES

1. Modify the Governor's recommendation to reduce funding by \$8,058,300 FED in 2009-10 and \$12,008,200 in 2010-11 to reflect current law child care estimates of \$386,112,600 in 2009-10 and \$401,996,800 in 2010-11.

ALT 1	Change to Bill Funding
FED	- \$20,066,500

2. Approve one or more of the Governor's recommendations regarding cost saving measures.

a. Freeze provider reimbursement rates in 2009, 2010, and 2011.

b. Increase copayments by \$1,520,000 in 2009-10 and \$4,200,000 in 2010-11. In addition, authorize DCF to increase copayments by up to 10%, excluding any increases for cost-of-living adjustments.

c. Authorize DCF to implement a waiting list.

d. Require DCF to implement an attendance-based reimbursement policy. Reduce savings by \$3,500,000 FED in 2009-10 and \$8,250,000 FED in 2010-11 to reflect more recent savings estimates of \$9,000,000 in 2009-10 and \$18,000,000 in 2010-11.

ALT 2d	Change to Bill Funding
FED	\$11,750,000

e. Require court-ordered child or family support payments to be used in calculating gross income in determining eligibility for Wisconsin Shares.

3. Delete one or more of the Governor's recommendations regarding cost saving measures.

a. Freeze provider reimbursement rates in 2009, 2010, and 2011. Additional funds would be required. However, funding levels would depend on the level of increase.

b. Increase copayments by \$1,520,000 in 2009-10 and \$4,200,000 in 2010-11. In addition, authorize DCF to increase copayments by up to 10%, excluding any increases for cost-of-living adjustments.

ALT 3b	Change to Bill Funding
FED	\$5,720,000

c. Authorize DCF to implement a waiting list.

ALT 3c	Change to Bill Funding
FED	\$2,268,600

d. Require DCF to implement an attendance-based reimbursement policy.

ALT 3d	Change to Bill Funding
FED	\$38,750,000

e. Require court-ordered child or family support payments to be used in calculating gross income in determining eligibility for Wisconsin Shares.

ALT 3e	Change to Bill
	Funding
FED	\$9,964,500

4. Make one or more of the following modifications to the direct child care program to reduce projected costs. Costs for each option are not included because they will vary depending on the specific combination chosen.

- a. Increase copayments.
- b. Decrease provider reimbursement rates.
- c. Limit initial income eligibility to a level below 185% of the federal poverty level.
- d. Require DCF to implement a waiting list.
- e. Adopt an alternative proposed by the Wisconsin Early Learning Coalition that would adjust the number of hours authorized, rather than base provider reimbursements on attendance.

Prepared by: Kim Swisssdorf
Attachments

ATTACHMENT 1

Urban Rate Zones

<u>Zone</u>	<u>County/Tribe</u>
0-24%	Adams, Bayfield, Buffalo, Burnett, Clark, Florence, Forest, Iowa, Juneau, Kewaunee, Lafayette, Marquette, Menominee, Oconto, Pepin, Polk, Price, Sawyer, Shawano, Taylor, Trempealeau, Vernon, Vilas, Washburn, Waushara, Red Cliff, Sokaogon, La Courte Oreilles, Lac du Flambeau, and Stockbridge-Munsee
25-49%	Ashland, Barron, Chippewa, Columbia, Crawford, Dodge, Door, Dunn, Grant, Green, Green Lake, Iron, Jackson, Langlade, Lincoln, Marinette, Monroe, Oneida, Pierce, Richland, Rusk, St. Croix, Waupaca, and Bad River
50-74%	Calumet, Douglas, Fond du Lac, Manitowoc, Marathon, Jefferson, Outagamie, Ozaukee, Portage, Sauk, Sheboygan, Walworth, Washington, and Wood
75-100%	Brown, Dane, Eau Claire, Kenosha, La Crosse, Milwaukee, Racine, Rock, Waukesha, Winnebago, and Oneida Tribe

ATTACHMENT 2 (continued)

2006-2009 Maximum Child Care Reimbursement Rates

	Licensed Group						Licensed Family						Regularly Certified						Provisionally Certified					
	0 - 2		2 - 3		4 - 5		6+		0 - 2		2 - 3		4 - 5		6+		0 - 2		2 - 3		4 - 5		6+	
	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate	Weekly Ceiling	Hourly Rate
Winnabago	\$225.50	\$6.44	\$183.70	\$5.25	\$169.40	\$4.84	\$159.50	\$4.56	\$165.00	\$4.71	\$148.50	\$4.24	\$143.00	\$4.09	\$143.00	\$4.09	\$143.00	\$4.09	\$143.00	\$4.09	\$143.00	\$4.09	\$143.00	\$4.09
Wood	154.00	4.40	137.50	3.93	137.50	3.93	132.00	3.77	137.50	3.93	126.50	3.61	126.50	3.61	126.50	3.61	126.50	3.61	126.50	3.61	126.50	3.61	126.50	3.61
Tribes*																								
Bad River	\$145.75	\$4.16	\$145.00	\$4.14	\$132.00	\$3.77	\$130.00	\$3.71	\$131.00	\$3.74	\$110.00	\$3.14	\$110.00	\$3.14	\$110.00	\$3.14	\$110.00	\$3.14	\$110.00	\$3.14	\$110.00	\$3.14	\$110.00	\$3.14
La Courte																								
Oreilles	126.50	3.61	104.50	2.99	104.50	2.99	104.50	2.99	125.00	3.57	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14
Lac du Flambeau	180.00	5.14	121.00	3.46	110.00	3.14	115.00	3.29	125.00	3.57	111.38	3.18	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14
Oneida	206.80	5.91	169.40	4.84	148.50	4.24	147.40	4.21	143.00	4.09	132.00	3.77	126.50	3.61	122.10	3.49	125.00	3.57	110.00	3.14	110.00	3.14	110.00	3.14
Red Cliff	138.00	3.94	125.00	3.57	120.00	3.43	115.43	3.30	125.00	3.57	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14
Sokaogon	110.00	3.14	110.00	3.14	110.00	3.14	110.00	3.14	157.50	4.50	135.00	3.86	135.00	3.86	112.50	3.21	125.00	3.57	110.00	3.14	110.00	3.14	110.00	3.14
	\$2.36		\$2.12		\$2.04		\$2.04		\$3.54		\$3.18		\$3.06		\$3.06		\$3.06		\$3.06		\$2.36		\$2.36	
	1.96		1.81		1.81		1.81		2.95		2.71		2.71		2.71		2.71		2.71		2.71		2.71	
	\$1.87		\$1.57		\$1.57		\$1.57		\$2.81		\$2.36		\$2.36		\$2.36		\$2.36		\$2.36		\$2.36		\$2.36	
	1.79		1.57		1.57		1.57		2.68		2.36		2.36		2.36		2.36		2.36		2.36		2.36	
	1.79		1.59		1.57		1.57		2.68		2.39		2.36		2.36		2.36		2.36		2.36		2.36	
	2.04		1.89		1.81		1.74		3.06		2.83		2.71		2.62		2.68		2.68		2.68		2.68	
	1.79		1.57		1.57		1.57		3.38		2.89		2.89		2.89		3.38		3.38		3.38		3.38	
	2.25		1.93		1.93		1.61																	

*Forest County Potawatomi, HoChunk, St. Croix, and Stockbridge-Munsee do not administer a child care subsidy program.

Source: Department of Children and Families

ATTACHMENT 3

Child Care Copayment Schedule 2009

FPL	Gross Monthly Income by Family Size										Weekly Copay Requirement				
											Children in Subsidized Care				
	2	3	4	5	6	7	8	9	10+	1	2	3	4	5+	
70%	\$850	\$1,068	\$1,286	\$1,504	\$1,723	\$1,941	\$2,159	\$2,377	\$2,595	\$6	\$10	\$15	\$19	\$25	
75	911	1,144	1,378	1,612	1,846	2,079	2,313	2,547	2,781	6	13	18	24	29	
80	971	1,221	1,470	1,719	1,969	2,218	2,467	2,717	2,966	8	14	20	26	32	
85	1,032	1,297	1,562	1,827	2,092	2,357	2,622	2,886	3,151	12	18	24	29	38	
90	1,093	1,373	1,654	1,934	2,215	2,495	2,776	3,056	3,337	14	22	29	36	43	
95	1,153	1,450	1,746	2,042	2,338	2,634	2,930	3,226	3,522	18	26	35	43	50	
100	1,214	1,526	1,838	2,149	2,461	2,773	3,084	3,396	3,708	20	29	38	48	55	
105	1,275	1,602	1,929	2,257	2,584	2,911	3,238	3,566	3,893	23	32	42	50	59	
110	1,336	1,678	2,021	2,364	2,707	3,050	3,393	3,735	4,078	26	36	43	53	61	
115	1,396	1,755	2,113	2,472	2,830	3,188	3,547	3,905	4,264	29	37	47	56	64	
120	1,457	1,831	2,205	2,579	2,953	3,327	3,701	4,075	4,449	32	42	50	58	68	
125	1,518	1,907	2,297	2,686	3,076	3,466	3,855	4,245	4,634	36	45	53	63	73	
130	1,578	1,984	2,389	2,794	3,199	3,604	4,009	4,415	4,820	37	49	59	69	80	
135	1,639	2,060	2,481	2,901	3,322	3,743	4,164	4,584	5,005	41	53	64	76	87	
140	1,700	2,136	2,573	3,009	3,445	3,882	4,318	4,754	5,191	43	56	68	79	92	
145	1,761	2,212	2,664	3,116	3,568	4,020	4,472	4,924	5,376	47	59	69	82	94	
150	1,821	2,289	2,756	3,224	3,691	4,159	4,626	5,094	5,561	50	61	74	85	98	
155	1,882	2,365	2,848	3,331	3,814	4,297	4,780	5,264	5,747	52	64	76	88	100	
160	1,943	2,441	2,940	3,439	3,937	4,436	4,935	5,433	5,932	56	68	79	92	104	
165	2,003	2,518	3,032	3,546	4,060	4,575	5,089	5,603	6,117	57	70	82	93	106	
170	2,064	2,594	3,124	3,654	4,183	4,713	5,243	5,773	6,303	58	74	85	98	109	
175	2,125	2,670	3,216	3,761	4,306	4,852	5,397	5,943	6,488	60	75	88	101	111	
180	2,186	2,747	3,308	3,869	4,430	4,991	5,552	6,113	6,674	62	78	92	104	114	
185	2,246	2,823	3,399	3,976	4,553	5,129	5,706	6,282	6,859	64	80	94	106	118	
190	2,307	2,899	3,491	4,083	4,676	5,268	5,860	6,452	7,044	65	82	98	108	120	
195	2,368	2,975	3,583	4,191	4,799	5,406	6,014	6,622	7,230	68	85	100	111	124	
200	2,428	3,052	3,675	4,298	4,922	5,545	6,168	6,792	7,415	69	86	103	114	126	

Look down the column of the appropriate family size until locating the gross monthly family income level or just less than the family income. Look to the right to find the co-pay.

* Non-court ordered kinship care parents and teen parents who are not Learnfare participants are subject to the minimum copay, which is found by selecting the lowest income line (70% FPL) and then finding the copayment listed for the appropriate number of children. Parents who have left a W-2 employment position for unsubsidized work also qualify for the minimum copay for one month. Children who are authorized for 20 hours or less are subject to one-half of their share of the family copay listed above. Foster care and kinship care parents who have court-ordered placement of a child, as well as Learnfare and food stamp employment and training participants, are not subject to copay requirements.

Source: Department of Children and Families

ATTACHMENT 4

Comparison of Copayment Levels and Income Eligibility Levels with Other Midwestern States

Monthly Copayment Comparison Out-of-Pocket Child Care Costs as a Percent of Income

<u>State</u>	<u>Families With Income at 100% of Federal Poverty Level</u>	<u>Families With Income at 150% of Federal Poverty Level</u>
Illinois	6%	7%
Indiana	5	9
Iowa	1	Not eligible
Michigan	2	Not eligible
Minnesota	3	3
Ohio	7	9
Wisconsin	6	10

Comparison of Initial Child Care Subsidy Program Eligibility Levels For Midwestern States

<u>State</u>	<u>Income Eligibility as a Percentage of the Federal Poverty Level</u>
Illinois	181%
Indiana	124
Iowa	141
Michigan	136
Minnesota	171
Ohio	180
Wisconsin	185