

State of Wisconsin

SENATE CHAIR
Alberta Darling

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ASSEMBLY CHAIR
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P.O. Box 8593
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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: April 4, 2017

Re: 14-Day Passive Review Approval – DCF

Pursuant to s. 16.54(2)(a)2, Stats., attached is a 14-day passive review request from the Department of Children and Families, received on April 4, 2017.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Friday, April 21, 2017**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm



SCOTT WALKER
OFFICE OF THE GOVERNOR
STATE OF WISCONSIN

P.O. BOX 7863
MADISON, WI 53707

March 23, 2017

The Honorable Alberta Darling, Co-Chair
Joint Committee on Finance
317 East, State Capitol
Madison, WI 53702

APR 04 2017
ST. FINANCE

The Honorable John Nygren, Co-Chair
Joint Committee on Finance
309 East, State Capitol
Madison, WI 53702

SUBJECT: Notification of Federal Block Grant

Dear Senator Darling, Representative Nygren and Members:

Attached is a request for expenditure of block grant funds being made available to the state by the federal government. Pursuant to s. 16.54(2)(a)2., the grant funds will be made available for encumbering through the allotment process, unless you notify me within 14 working days after the date of this notification letter that a meeting has been scheduled for the Joint Committee on Finance to review the proposed expenditure of grant monies.

Please also contact State Budget Director Waylon Hurlburt (266-1035) at the Department of Administration if you have any additional questions or if you schedule a meeting to review the proposed expenditure.

Thank you for your prompt attention to this notification letter.

Sincerely,

SCOTT WALKER
Governor

Date: 3-31-2017

Attachments



201 East Washington Avenue
P.O. Box 8916
Madison, WI 53708-8916

Governor Scott Walker
Secretary Eloise Anderson

DATE: January 12, 2017

TO: Waylon Hurlburt, Administrator
Division of Executive Budget and Finance
Department of Administration

FROM: Eloise Anderson, Secretary

SUBJECT: S.16.54 Request- Child Care

The Department of Children and Families (DCF) requests under s.16.54(2)(a)(2) an increase in the appropriation under §20.437(2)(mc), numeric 245, Federal block grant operations, in the amount of \$3,300,000 FED in state fiscal year (SFY) 17. Funding for these increases would come from an increase in the Child Care and Development Block Grant (CCDBG) award.

Revenue Sources

The CCDBG award will provide the revenue for this request. 2015 Wisconsin Act 55 (the 2015-17 biennial budget) assumed receipt of \$91,123,300 in SFY 16 and \$91,188,900 in SFY 17 in child care funds from the CCDBG. Based on actual award amounts for FFY 15 and FFY 16, the state received \$94,916,500 in SFY 16 and, based on the federal fiscal year (FFY) 16 and FFY 17 award amounts, expects to receive \$95,200,900 in SFY 17. Over the 2015-17 biennium, there is \$7.8 million more available in child care funds than were anticipated under Act 55.

Background

During the 2015-17 biennial budget process, it was anticipated that changes in federal law from the reauthorization of the CCDBG would necessitate additional child care administrative costs under the Wisconsin Shares program in order to comply with updated federal regulations. It was noted that the Department thought these costs could exceed \$10 million in Issue Paper #210, *Revised Estimates for TANF-Related Programs*, prepared by the Legislative Fiscal Bureau in May of 2015 for the Joint Committee on Finance. It was also noted that the closing TANF balance may be needed to cover shortfalls and unexpected expenses such as the new CCDBG requirements.

Since Act 55 was enacted, the final CCDBG rules were published on September 30, 2016. In order to comply with the new rules, many system modifications are needed to update the Client Assistance for Reemployment and Economic Support (CARES) and related child care IT systems.

In addition, DCF is in the process of implementing MyWIChildCare, (MWCC) which is the new child care subsidy electronic benefits transfer (EBT) payment system. DCF has contracted with Fidelity National Information Services, Inc. (FIS) to administer the EBT payment system, which provides parents with a child care subsidy benefit and allows the parent to pay a child care provider directly for child care services, rather than have the state pay child care providers. It is anticipated that additional funding will be required in SFY 17 to complete the rollout of MWCC.

Analysis

The Department requests approval to use \$3,000,000 FED in SFY 17 from the additional CCDBG funds to support required CARES changes in order to comply with the new requirements under the CCDBG Reauthorization. Based on timing and priority of what needs to be done in SFY 17, \$2.0 million of the funds requested will be used for the following DCF-developed projects:

- Enhancement to manage required employee background checks including FBI audit findings (\$400,000);
- Enhancement to monitor license exempt providers (\$100,000);
- Maintenance and enhancements to continue compliance with CCDBG regulations (\$400,000);
- After school data integration project (\$200,000);
- Maintenance and enhancements to continue compliance with CCDBG regulations in YoungStar (\$300,000); and
- Create a Wisconsin Shares data warehouse to meet new reporting requirements (\$600,000).

Another \$1,000,000 will go towards an increase in the Department's contract with Deloitte for system development work related to the CCDBG, including changes to accommodate implementation of:

- Continued eligibility for a 3-month job search (\$500,000);
- An asset test (\$200,000); and
- Immunization requirements (\$300,000).

Finally, an additional \$300,000 is needed for MWCC to support the FIS contract, Deloitte contract, and maintain two payment systems until the rollout is complete.

Summary

The department requests increased spending authority for federal block grant funds, in §20.437 (2) (mc), Federal Block Grant Operations, numeric 245, in the amount of \$3,300,000 FED in SFY 17 in order to modify the CARES system to accommodate new federal requirements pursuant to the CCDBG reauthorization and to implement the MyWIChildCare EBT system.

Waylon Hurlburt, Administrator
January 12, 2017
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Thank you for your consideration of this request. If you have any questions about this request, feel free to contact Kim Swissdorf, Budget Director, at (608) 422-6351 or KimM.Swissdorf@wisconsin.gov.

cc: Scott Neitzel, Department of Administration Secretary