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Important Changes to the Wisconsin Shares Child Care Subsidy Program Effective April 1, 2007

Due to a combination of rising caseloads and nearly flat funding from the federal government, the child care subsidy program in Wisconsin is facing a deficit of up to \$46 million through the end of June 2007. The Governor's Budget Repair Bill, which awaits Legislative approval, will add \$30 million in funding to the program. However, there will remain an estimated \$16 million deficit that the program needs to absorb.

In light of the projected deficit, DWD has announced three cost savings measures for 2007:

1. The maximum rates for provider reimbursement have been frozen at the 2006 level.
2. The parent co-payment was increased by 8%.
3. A new reimbursement policy for Enrollment Based Authorizations is going into effect on April 1, 2007.

Under this new policy, if a child attends less than half of the authorized hours, the provider will be paid for the actual attendance using the hourly rate rather than receiving the full weekly amount. The authorization will still be enrollment based and as long as the child attends care for more than 50% of the authorized hours, the provider will receive full payment.

DWD has found that many enrollment-based authorizations are not being utilized by parents and that the subsidy is paying for full time care when the child is often not in attendance full time. Due to the deficit, the child care subsidy can no longer afford to pay for large hours of care that don't actually serve a child.

If there is an approvable reason for the child being absent, such as illness, the provider may receive full payment. The parent will need to contact their worker and possibly provide verification (such as a doctor's excuse) in order to have the absence approved.

Children that have a Special Needs authorization are exempt from this new policy.

Parents will need to call their county/tribal worker to report absences and for other related questions. In Milwaukee, parents can call 414-289-6464 to report absences. Providers who have questions can call DWD's Provider Hotline at 1-888-499-3464.