



**Wisconsin Department of Children & Families**

Protecting Children. Strengthening Families. Building Communities.

# **Wisconsin Shares Child Care Assistance Manual Chapter 3: Reimbursement**



# Wisconsin Department of Children & Families

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## **3.1.0 Reimbursement Policies**

Wisconsin Shares child care assistance program reimbursement is subject to the provisions set forth in Wisconsin's federally approved state plan for use of Child Care Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) block grant funds, current state and federal law, administrative rules, and departmental policies.

### **3.1.1 Reimbursement for Participation in Approved Activities**

The Wisconsin Shares child care assistance program only reimburses child care provided to enable a parent to participate in a specific approved activity associated with the authorization (See Approved Activities).

### **3.1.2 Two-Parent Families**

A child care administrative agency may authorize child care for a two-parent family only if both parents are participating in an approved activity as defined in this manual, or if only one parent is participating in an approved activity and the other parent is unable to participate in an approved activity and is unable to care for the child due to a disability or health condition as verified by a doctor, psychiatrist, or psychologist. (See Approved Activities, Chapter 1)

### **3.1.3 Person Legally Responsible for Child Cannot Be Reimbursed**

Wisconsin Shares child care assistance may not be reimbursed to a person who is legally responsible for the child (See Child Care Providers Who Are Parents Section).

### **3.1.4 Parental Choice**

Parents have the right and responsibility to choose a regulated child care provider for their child, except that parents may use in-home child care only if one of the policy criteria for in-home care is met (See In-Home Child Care).

### **3.1.5 No Payment Until Actual Attendance**

No child care assistance payment will be made until actual attendance takes place.

### **3.1.6 Sleep Shift Child Care**

In a household where a parent works 3<sup>rd</sup> shift and requests child care during daytime hours in order to sleep, care can be authorized if all other financial and nonfinancial requirements are met. Eligibility is based on the need to sleep during daytime hours in order to remain employed. The local agency can negotiate with the parent number of sleep time authorized per week. The same family may also request child care for the hours of employment as well. The total number of hours of both authorizations combined cannot exceed 75 hours of child care. Create a 2<sup>nd</sup> authorization if the weekly number of hours exceeds 50. The first authorization should be 50 and 2<sup>nd</sup> the remaining number (up to 25).



## 3.2.0 Child Care Regulation

### 3.2.1 Introduction

Wisconsin law, s. 48.65 Wis. Stats, requires anyone providing child care and supervision for compensation to four (4) or more children under seven (7) years of age to be licensed by the state. Exceptions to this law include:

1. Care provided by relatives.
2. Care in a child's own home.
3. Programs run by private/public schools. These programs are required to meet the state child care licensing standards, though they are not licensed.

To be reimbursed for child care by the Wisconsin Shares program, child care providers must be:

1. Licensed.
2. Certified.
3. Operated by a school board.

### 3.2.2 Licensing

Licensing rules create separate requirements for three categories of licensed child care:

1. Group Child Care Centers. These serve nine (9) or more children.
2. Family Child Care Centers. These serve four (4) to eight (8) children.
3. Day Camps.

Licensing is done by the Department of Children and Families (DCF) through its regional offices.

Licensing is not required for most informal care settings, because these do not meet the licensing minimum of four (4) children in care.

Providers exempt from licensing must meet health and safety standards to be certified. These standards include restrictions on the number of children in care.

### 3.2.3 Certification

Certification is required for those care settings not requiring licensing under s. 48.65 Wis. Stats., and where it is a condition for public funding. County/Tribal agencies are responsible for certifying family and school age child care providers.

There are two (2) levels of certification for family child care providers who meet the requirements:

1. Regular Certification.
2. Provisional Certification.



School age programs that serve children that are seven (7) years and older may seek certification.

### **3.2.4 Reimbursement Only for Regulated Care and Exceptions**

The Wisconsin Shares child care program reimbursement for child care is limited to care provided by a regulated child care provider (See Regulation Section), unless one of the following exceptions exist:

1. The care is an arrangement for Wisconsin Works (W-2) or Food Stamp Employment and Training (FSET) program enrolled parents in training, orientation or counseling programs and the child care is provided at the training, orientation or counseling site.
2. The care is a short-term arrangement when a child is ill and not able to receive care from the child care provider that was authorized, or the child care provider has an emergency due to illness or other circumstance.
3. The care permits a Wisconsin Works applicant to participate in job search, training or orientation in the Wisconsin Works program prior to the development of an employment plan.
4. The care is for a Food Stamp Employment and Training program enrollee to attend a program activity prior to the development of an employment plan.

See the Rates for Unregulated Care section for restrictions on reimbursement for unregulated care.

### **3.3.0 Provider Records in Child Care Statewide Administration on the Web (CSAW)**

#### **3.3.1 Provider Information in CSAW**

Certified provider records are created in the Child Care Provider Certification (CCPC) system and are automatically sent over to CSAW once the provider's certification has been approved.

Licensed provider information is automatically transferred from the licensing database CLIC. The interface sends update every night.

Unregulated, out-of-state and public school age programs must be created by the local agency worker in CSAW. See CSAW Provider Management User Guide for instructions <http://dcf.wisconsin.gov/childcare/wishares/CSAW/pdf/pm.pdf>.

#### **3.3.2 W-9 Requirement**

Local child care administrative agencies are responsible to maintain accurate W-9 form data in CSAW.



A completed and signed W-9 form must be collected and entered into CSAW from a child care provider before they can be issued an authorization in CSAW.

- For certified providers certifying agencies must be collect this information during the home visit and then enter the information into CCPC.
- For licensed providers the local agency must collect this form for all licensed providers before authorizations can be created. See CSAW User Guide <http://dcf.wisconsin.gov/childcare/wishares/CSAW/pdf/pm.pdf> for further information how to complete a new licensed provider record.

The information from the W-9 form should be used by the worker to confirm that the provider name, tax ID # (SSN or FEIN) are accurate in the system and to enter their correct corporation status. All providers previously entered into CSAW should also have a W-9 form completed in order to ensure the tax information in CSAW is accurate.

### **3.3.3 1099 End of the Year Tax Statement**

Child care providers who are corporations are not get 1099's and are solely responsible for filing their tax information.

The Department annually sends 1099 tax statements to non-corporation providers and centers that received at least \$600 from the Wisconsin Shares child care assistance program that are marked as 'individual/partnership/sole proprietor in CSAW. The 1099 forms are not sent to centers that are marked as corporations.

The local agency must enter the provider name, tax identification number (TIN) and corporation status into CSAW accurately in order to ensure that IRS 1099 forms will be issued correctly (referred to as the 1099 hereafter).

The Internal Revenue Service (IRS) has repeatedly identified errors in 1099s that have been issued by department to Child Care providers. The main reason for these errors is that the provider name and TIN on the 1099 do not match the name and TIN that the IRS has on file. The IRS has previously issued fines to the department due to the excessive number of mismatches. It is imperative that the most accurate provider data is maintained in CSAW.

A key part of showing due diligence is the collection of the Taxpayer Identification Number Verification form (also known as the Substitute W-9 form) prior to information being entered into CSAW that effects the 1099. Data needs to be verified prior to entering or making changes in CSAW in order to ensure that correct 1099s are issued.

### **3.3.4 Tax ID Number and/or Type Change**

Social Security Numbers (SSN's) and Federal Employer Identifier Numbers (FEIN's) are unique identifiers that will match providers between the CLIC (state licenser computer system) and CSAW systems. CSAW has only one field for a Tax ID, which is also used to issue a 1099 form for child care providers. The CLIC system can store both SSN and FEIN for licensed



providers. If a new licensed provider has two Tax IDs in CLIC (SSN and FEIN), the system will give priority to the FEIN and will choose that as the Tax ID used in the CSAW.

Below are samples of various Tax ID changes and how the changes should be processed for licensed programs:

1. Provider has SSN in both systems and s/he wants to start using a FEIN for subsidy purposes.
  - The provider must notify state licensing to have the FEIN added to CLIC and then the CLIC system will send the new tax number to CSAW.
  - An informational report listing such changes will be emailed to the county Child Care Coordinator so that s/he can collect a new W-9 form from the provider.
  - Also, an informational alert informing the local agency of the change is sent to the worker who most recently updated the provider information. The local worker must change the Tax ID on the Provider Details/W9' page in CSAW to change the Tax ID.
2. Provider has both FEIN and SSN in CLIC and is using the FEIN in CSAW and the provider wants to switch back to using SSN for 1099 purpose.
  - The local worker can make this change on the W-9/Provider details page in CSAW. A new signed W-9 form must be collected from the provider.

### **3.3.5 Child Care Center Name Different from Tax Identification Number**

There are times when the name of the child care center is different from the name associated with the Tax Identification Number (TIN). For example, the corporate name of a center may be Ajax, Inc. and the name of the center is Jack and Jill. The name associated with the TIN is Ajax. The business name that must be entered on the Provider Details/W9 page in CSAW is Ajax. The name the center is known by (Jack and Jill) can be entered in the Location Name field on the Location Details page in CSAW. The check will be issued to the name in the Business Name field. In this example, the check would be issue to Ajax, Inc. If the provider wants the check issued in another name, that name must be entered in the Check/EFT Payable Name field.

### **3.3.6 Child Care Purchased by a New Owner**

When a day care center is purchased by a new owner with a different TIN than the current owner, the state licensor creates a new facility record under the new owner. Once the new owner's license has been approved in CLIC, the interface will send the record over and create a new provider number in CSAW. The local agency must collect a new signed W9 form and the private pay rates from the new owner before authorizations can be created.



### **3.3.7 Certified Provider's Tax ID Change**

If a certified provider's tax ID changes, the local worker must collect a new signed W form and change the number in CSAW. Also, the certifier should make the change in CCPC.

### **3.3.8 SSN Discrepancy Report**

The Enterprise Outlook Solution (EOS) report titled SSN Discrepancy Report (report number CC45) is updated quarterly (This report identifies where there is a mismatch between the provider name, SSN or date of birth (DOB) compared to the Social Security Administration information).

The department sends out an email to the county/tribal coordinators when the SSN discrepancy reports have been run.

Local administrative agency workers must access this report once per quarter and make any necessary corrections to CSAW.

The information in the Error Condition/Discrepancy field on the report is sometimes difficult to interpret. The best way to identify the error is to follow up with provider to confirm their name, SSN, and DOB, and check to see if the provider has changed their name and not informed the Social Security Administration.

## **3.4.0 Child Care Subsidy Reimbursement Rates**

### **3.4.1 Introduction: County Maximum Reimbursement Rates**

The Wisconsin Shares child care assistance program reimburses child care providers based upon a maximum rate set by the department minus parental co-payment amounts that are determined based upon Federal Poverty Level guidelines for family income and the number of children needing child care.

The intent of setting county maximum reimbursement rates is to establish child care subsidy reimbursement rates that are reflective of private market rates so that parents using Wisconsin Shares subsidy program have a wide variety of providers to choose from. The department sets only the maximum reimbursement rates; it does not set child care provider private rates.

Each year the Bureau of Early Childhood Education (BECE) determines the maximum weekly and hourly rates for the coming year by type of child care program (group or family), by whether they are certified or licensed and by age of the child, as specified in DWD 56.06.

The method for determining rates is based on a rate survey to determine the actual costs of child care. BECE groups individual county rates into one of four rate zones by the percentage of that county's population that resides in an urban area. Tribes will be grouped with the county in which they are geographically located.



BECE sets maximum rates so that they will pay for 75% of available child care slots in the rate zone (this is called the 75<sup>th</sup> percentile).

The Department has the authority to freeze the maximum county reimbursement rates.

### 3.4.2 Provider's Private Rates

Before an authorization can be created to a licensed provider/center, the subsidy agency must first collect the provider's rate that s/he charges for private-pay parents. The provider/center must submit this information in writing.

No private rates are needed for certified providers.

### 3.4.3 Provider Rate Survey

The method for determining maximum rates is based on a rate survey to determine the actual costs of child care. This is the amount regularly charged by the provider to a parent who pays for the child care services out of his or her personal funds.

Counties are required under current law to annually collect the rate information for licensed providers within that county/tribe using the standard survey methods. The Bureau of Early Childhood Education (BECE) sends out detailed instructions for the rate survey in an Operations Memo (usually published in July) and the survey is conducted a few months later (usually in September).

Only licensed group and family child care providers meeting all of the following criteria are surveyed:

1. Funded by parent fees (Head Start or 51.437 funding should not be surveyed);
2. Offering open enrollment to the general public (employer sponsored programs only open to employees should not be surveyed);
3. Provide full-time care, 5 days a week at least 5 hours a day. Note: Programs that are open part year can be included in the survey as long as they are open at least 5 days/week and 5 hours/day.

Current weekly prices should be obtained for 4 age groups:

1. Birth through age 1
2. Age 2 through age 3
3. Age 4 through age 5
4. Age 6 through age 12 (this should include full-time as well as before and after school care).

When a provider does not report a weekly price, the counties exclude that provider from the survey.

If a provider reports multiple prices within an age group, the highest price within that age group is included in the survey.



Example: ABC day care reports the following rates in the survey:

Newborn to 2.5 years = \$200/week

2.5 years to 4 years = \$180

The worker would enter \$200 for the infant rate (0-2 years), but also report \$200 for 2 thru 3 years.

Counties must collect rate sheets from the providers in order to verify the survey information. If the provider does not include written rate sheets, the provider's information is not included in the survey results.

### 3.4.4 Maximum Rate-Setting Method—Percentage of Urbanization

The BECE groups tribes with the county in which they are geographically located and groups individual county rates into one of four rate zones by the percentage of that county's population that resides in an urban area (0-24%--most rural, 25-49%, 50-74%, and 75-100%--most urban).<sup>1</sup> BECE sets maximum weekly rates so that they will pay for 75% of available child care slots in the rate zone.

BECE uses the divisor 35 for each zone and category of care to convert a weekly full-time child care cost to an hourly (part-time) rate.

Maximum hourly rates for Regularly Certified providers are set at 75 % of the licensed family hourly rate and hourly rates for Provisionally Certified providers are 50% of the licensed family hourly rate. Weekly ceilings are not set for certified providers; however, the weekly payments are capped at the licensed family weekly maximum.

The rate zones are as follows:

A (0-24%)	B (25-49%)	C (50-74%)	D (75-100%)
Adams	Ashland/Bad River	Calumet	Brown/Oneida Tribe
Bayfield/Red Cliff	Barron	Douglas	Dane
Buffalo	Chippewa	Fond du Lac	Eau Claire
Burnett	Columbia	Manitowoc	Kenosha
Clark	Crawford	Marathon	La Crosse
Florence	Dodge	Jefferson	Milwaukee
Forest/Sokaogon	Door	Outagamie	Racine
Iowa	Dunn	Ozaukee	Rock
Juneau	Grant	Portage	Waukesha
Kewaunee	Green	Sauk	Winnebago
Lafayette	Green Lake	Sheboygan	
Marquette	Iron	Walworth	
Menominee	Jackson	Washington	
Oconto	Langlade	Wood	

<sup>1</sup> Data from the United States Census were used to determine the percentage of population in each county that lives in an urban area.



Pepin	Lincoln		
Polk	Marinette		
Price	Monroe		
Sawyer/ La Courte Oreilles	Oneida		
Shawano	Pierce		
Taylor	Richland		
Trempealeau	Rusk		
Vernon	St Croix		
Vilas/Lac du Flambeau	Waupaca		
Washburn			
Waushara			

BECE sets rates for the following provider types:

1. Licensed group: Weekly rate is calculated first. Then the weekly rate is divided by 35 to achieve an hourly rate. These rates are also used when calculating authorizations for programs operated by a public school district and certified school age programs
2. Licensed family: Weekly rate is calculated first. Then the weekly rate is divided by 35 to achieve an hourly rate
3. Regularly Certified family providers  
The rates are set at 75% of the licensed family hourly rate
4. Provisionally certified family providers:  
The rates are set at 50% of the licensed family hourly rate

The 2006 Rates by Percent Urbanization are located at the following web site:

<http://dwd.wisconsin.gov/dws/programs/childcare/wishares/rates.htm>

### 3.4.5 Updating the Provider Rates in the CSAW

Local agencies must update licensed provider rates in CSAW per new/changed data from the rate survey.

1. Enter the rate effective date as the date the provider has indicated the rates to be effective (this cannot be in the past if there are authorizations in place).
2. There is no need to enter rates if the provider rate has not changed as compared to the rates currently in CSAW.

In addition, local agencies must update licensed provider rates in CSAW whenever a child care provider submits new rates.

Example:

The survey results show that the licensed family rate for infants is \$200/week. The hourly rates would be as follows:

LFAM = \$5.71 ( $\$200/35$ )  
 REGC = \$4.28 ( $\$5.71 \times .75$ )  
 PROC = \$2.85 ( $\$5.71 \times .50$ )



### 3.4.6 Special Needs Children

Higher reimbursement rates may be authorized for special needs children as determined by the local agency. Special needs children do not automatically qualify for a higher reimbursement rate. Instead, their rates are determined by local agency workers on a case-by-case basis and are to be established to reflect increased costs that the child care provider incurs to be able to provide child care to a special needs child. Therefore, if care is provided by a licensed provider, weekly maximum rates may be exceeded.

1. If a local agency determines that a case requires a higher reimbursement rate, they should negotiate an appropriate beginning reimbursement rate with the provider that reflects the increased costs incurred by the child care provider for extra services provided to meet the child's special needs.
2. The worker must receive verification from the child care provider that documents the reason(s) for the higher price and the extra services are required (Examples of reasons for the higher price might be that the center must hire an assistant for a severely disabled child, reduce group size because a special needs child needs extra attention, etc). The reason for the increased rates must be reflected in case comments in CARES Worker Web (CWW).
3. The family copayment is subtracted from the full weekly cost to determine the subsidy payment.

Note: Not every special needs child requires extra care.

### 3.4.7 Accredited Care

A 10% higher rate shall be paid to child care providers who are accredited by a national recognized accreditation agency if their current rates are above the regular county maximum rates unless they are a licensed provider who is already receiving an additional 10% increase for an attendance based authorization. The higher rate is automatically calculated by the CSAW system.

See 'Types of Care' for further information about accredited care.

### 3.4.8 Attendance Based Authorizations to Licensed Child Care Providers

A 10% higher rate shall be paid to licensed child care providers to compensate absences when they provide care under an attendance-based authorization unless they are already receiving an additional 10% for being an accredited provider. The hourly rate is increased by 10% when calculating the authorization. If the provider's private pay rates are more than the county maximum, a full time authorization will pay 10% more per week than an enrollment based authorization providing that a child attends at least 35 hours/week. The higher rate is automatically calculated by the CSAW system.



### 3.4.9 In-Home Care

In-home child care provider reimbursement is limited to no more than the current state minimum wage combined for all of the children in their care.

Example 1. One child in care for an in-home regularly certified provider (reason for care is that no other care is available within a reasonable geographic area). Care is for 25 hours a week. Payment begin rate must be minimum wage (currently \$6.50 per hour). Subtract the family co-payment from the weekly rate, and then calculate the hourly amount of reimbursement which will be authorized to the provider for the attendance based authorization.

See Authorization section for more information on situations when in-home care can be authorized.

### 3.4.10 Outside of the Parent's Geographic Territory

The higher maximum reimbursement rate of two counties should be used when child care is provided outside the geographic territory of a county where the parent lives.

Example:

Parent lives in County A and takes the child to county B, the following applies:

- If County B's rates are higher, County B's rate is used to calculate the authorization.
- If County B rates are lower, the County A's rates are used.

### 3.4.11 Out of State Care

Providers who are located outside Wisconsin (MN, IL, IA, MI), will be paid using the rates that are effective in the case county or the child care provider's rates, whichever is lower.

### 3.4.12 Unregulated Care

Unregulated child care providers must be at least 18 years old.

Unregulated child care providers are paid only at the provisionally certified rate.

Unregulated providers must be entered by the local agency into CSAW provider management before an authorization can be issued. See the CSAW Provider Management User Guide for further information on how to enter unregulated providers.

Authorizations for unregulated care cannot be more than 2 weeks in length.

### 3.4.13 Before/After School Rate

Before/after school rates must be entered into the CSAW system for licensed family and group providers, public school programs and school-age certified providers before an authorization for a child age 7 or older can be entered for 20 or less hours per week.



## Example:

A provider submits the following weekly rates for children 6-12 years:

6-12 years – Fulltime \$120

6-12 years – Before School Only \$40

6-12 years – After School Only \$50

6-12 years – Before and After School \$80

The Regular rate entered on the Rates and Ages Served page is \$120 (the Regular weekly rate the provider charges for fulltime for the age group).

The rates for before, after, or before and after weekly rates are submitted by the provider. The Before/After School rate is the rate the provider charges for both before and after school care. Enter into CSAW the weekly rate for both before and after school care at \$80.

### 3.4.14 School Closed Hours (School Banked Hours)

School bank hours are used by school age children who need care when the school is not in session for a short period of time. Examples of the usage are: spring and Christmas break, snow days, occasional days when the school is closed due to parent/teacher conferences, teacher compensation days, and annual teacher conference, etc.

School bank hours are not to be used when a school age child is ill and cannot attend school. In these cases, the worker needs to create a separate authorization that covers the sick days.

The system automatically marks all children over age 5 as school age children and the provider is able to claim these hours in addition to the regularly scheduled hours. If the school age child is younger than 5, the worker must identify the child age as school age child (must be 3 and older). See CSAW user guide at

<http://dcf.wisconsin.gov/childcare/wishares/CSAW/pdf/authmanagement.pdf> for further information on how to identify a child who is under 5 as a school age child in CSAW.

If the school age child does not need regular, weekly care, the worker can create a Zero-hour authorization to a provider who is taking care of the school age child during occasional breaks in school.

If the school age child has a regular, weekly care authorization, school bank hours are not to be claimed until all the regular hours for the week are used.

The school year is divided into three periods and a total of 320 bank hours are available and allocated among the three periods (about 100-110 hours per trimester). If a child runs out of school bank hours, the county workers must contact the Child Care Helpdesk at 608-261-6717



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(option 2/option 1) to have hours added. *The worker must give a reason why the hours were not adequate before the Bureau of Early Childhood Education will authorize more hours.*

Licensed child care providers must have their regular prices entered into CSAW in order to be paid for care provided for school closed hours.

### **3.4.15 Private Rates Above the County Maximums**

A parent may receive services from a provider whose private rate is higher than the county/tribal maximum rate. The payment of the difference is a matter between the parent and the provider. The family co-payment responsibility is determined according to the standard approach and this is in addition to any costs above the maximum rate. The collection of parent payments is the responsibility of the child care provider.

### **3.4.16 Accredited Child Care**

DWD 56 authorizes the Wisconsin shares child care program to pay higher rates than the regular maximum rates to child care providers who meet higher quality of care standards. For purposes of paying higher rates, the higher quality of care standard is accreditation.

For the higher maximum to apply, the licensed child care facility must document:  
For a group day care center, it is accredited by the National Academy of Early Childhood Programs, a division of the National Association for the Education of young Children (NAEYC).

For a family day care center or home, it is accredited by the National Association of Family Child Care (NAFCC), or holds a Child Development Associate (CDA) credential for Family Day Care from the National Council for Early Childhood Professional Recognition. In Dane County only, child care providers also have Madison City Certification.

### **3.4.17 In-Home Child Care**

Child care provided in the child's own home may be authorized by the county or tribe only under the following circumstances:

1. Three or more children are being cared for.
2. Other licensed or certified care is not available within a reasonable geographic area.
3. Child care is needed during hours when no other care is available, such as second and third shift hours, and weekend care.
4. A child's special need could only be met in her or her home.

In-home child care must be certified.

When providing in-home child care, a certified child care provider may care for more than three children living in a home under the age of seven, because a license is not required for caring for children in their own home.

When in-home child care is authorized for 15 or more hours a week minimum wage must be paid, regardless of the level of training completed or number of children in care. In-home child



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care provider reimbursement is limited to no more than the current state minimum wage combined for all of the children in their care.

When authorizing for less than 15 hours per week, the local agency hourly rates for the category of the provider and ages of the children should be used.

Example 1. One child in care for an in-home regularly certified provider (reason for care is that no other care is available within a reasonable geographic area). Care is for 25 hours a week. Payment begin rate must be minimum wage (currently \$6.50 per hour). Subtract the family co-payment from the weekly rate, and then calculate the hourly amount of reimbursement which will be authorized to the provider for the attendance based authorization.

Example 2. Two children in care for an in-home provisionally certified provider (reason for care is that no care is available for third shift). Care is for 25 hours a week. Combined payment begin rate (for each of the children) can be no less than minimum wage because the care is for at least 15 hours per week. Payment is based on attendance and is authorized to the certified provider.

Example 3. When in-home child care is utilized for a special needs child, the beginning agency hourly payment rate should be negotiated on a case-by-case basis. If care is for 15 or more hours, the price determined should equal at least minimum wage, but may exceed this amount, if necessary. From the beginning reimbursement rate, the family co-payment responsibility is subtracted and the final hourly amount of reimbursement is calculated. Payment is based on attendance and is authorized to the certified provider.



Local agencies should remind parents choosing in-home child care of the parent's responsibility as an employer of the child care provider, including their responsibility to complete the appropriate tax withholdings.

The Social Security Administration advises:

The parent contacts the IRS to determine the correct amount of tax withholdings.

The provider contacts the IRS to ensure the parent (his/her employer) is withholding the correct amount.

### **3.4.18 Other Rate**

CSAW system has a rate called 'other rate' that can be used in instances when CSAW calculates a higher authorization amount than the amount the provider is actually charging the family. Those instances include:

Any other reason why the amount the provider charges to the parent is less than their normal provider price that is used by CSAW to calculate the authorization.

Do not use the Other rate type when the provider allows a discount for sibling care. The Other rate type calculation is manual and would be workload intensive and error prone to use for a large volume of cases/authorizations. Also, sibling discounts tend to be minor compared to the reasons for reduced provider prices listed above. Authorizations for siblings should continue to be entered under the current process which does not allow for the sibling discount.

### **3.4.19 The Other Rate Type is Manually Calculated**

The authorization amount must be manually calculated when the 'Other' rate type is selected. This is similar to manually calculating the authorization amount for in-home certified providers or a higher rate for special needs children. The authorization amount must be calculated using the appropriate worksheet for the type of provider and authorization. Use of the worksheet will help to ensure that the correct authorization amount is calculated based on the beginning provider price and the deduction of the copay amount. The worksheet must be kept in the paper file.

### **3.4.20 Registration Fees**

The Wisconsin Shares child care program does not reimburse for registration or any other kind of fees.



### 3.5.0 Process Flow

Below is a flow chart showing the process flow at local agencies for reimbursing child care providers.

Licensed	Certified
<p>Based on the annual rate survey of licensed day care providers, set weekly ceilings and hourly rates for licensed group and licensed family day care providers. Use these rates for all licensed providers.</p>	<p>Based on the annual rate survey of licensed providers, set the reimbursement rate for certified providers. The Regularly Certified rate is 75% of the licensed family day care rate. The Provisionally Certified rate is 50% of the licensed family day care rate.</p>
<p>CSAW multiplies the hourly rate by the number of hours of care authorized per week and compares this amount to both the provider's reported weekly full time price and the county maximum weekly ceiling for licensed family child care. CSAW uses the lesser of these amounts for the maximum weekly payment.</p>	<p>CSAW multiplies the agency hourly rate by the number of hours authorized and compares this amount to the county maximum weekly ceiling for licensed family child care. CSAW uses the lesser of the two amounts for the maximum weekly payment.</p>
<p>CSAW prorates the co-payment across all children authorized for care and all providers used.</p>	<p>CSAW prorates the co-payment across all children authorized for care and all providers used.</p>
<p>The child care worker generates an authorization in CSAW that includes the name of the client, provider, and children in care, the final reimbursement rate paid to the provider on a weekly and hourly basis, and the maximum number of hours of care reimbursable. Workers also enter the authorization type (Attendance or Enrollment), and the co-payment type and level.</p> <p>For attendance based authorizations to licensed providers, the maximum number of hours authorized cannot exceed 35 hours per week because the full weekly ceiling is met at 35 hours. If more than 50 hours of care are needed for a week, two authorizations will have to be entered. One authorization for 35 and one authorization for the hours above 50. Special needs authorizations, which may be paid above the agency maximum reimbursement rate and in-home provider authorizations must use the "Other" rate.</p>	
<p>Base licensed child care payments on an enrollment basis. When payment is based on enrollment, authorize a weekly amount of reimbursement along with a maximum</p>	<p>Base certified child care payments on an attendance basis.</p> <p>CSAW sets an hourly payment rate when</p>



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<p>number of hours of child care.</p> <p>If the child care need varies widely from week to week, base the payment on an attendance basis.</p> <p>If a licensed child care provider repeatedly reports incorrect hours on the attendance report forms, the agency should base all authorizations to that provider on attendance.</p>	<p>basing payment on attendance. The authorization includes the hourly payment amount along with the maximum number of hours of care the client is eligible for each week. The providers can then calculate the amount the child care agency pays and the amount the client must pay.</p>
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Licensed	Certified
<p>Copies of the authorization are sent to the parent and the child care provider. CSAW sends attendance reports to the child care provider for all current attendance periods. Attendance reports must be completed by the provider and returned to the local agency to receive reimbursement unless the provider reports attendance online by using CCPI. Attendance reports span 2-week pay periods.</p>	
<p>Require attendance reports (paper or online) from providers whose payment is based upon enrollment. Enter the hours of actual attendance into CCPI to generate the weekly payment.</p> <p>“0” hours recorded for an enrollment based authorization will generate a weekly payment to be made unless it is the second week of “0” hours and the agency has not approved the absence. If the second consecutive week of zero hour attendance occurs during the first week of a new attendance period and the second week of the previous attendance period was paid in full, CSAW will create a negative adjustment to recoup the payment from the first week of “0” hour attendance.</p>	<p>Require attendance reports (paper or online) from providers whose payment is based upon attendance. Record actual hours of attendance into CCPI to generate a payment based upon the actual hours of attendance up to the authorized amount of hours.</p> <p>Recording “0” hours will cause no payment to occur for the week.</p>
<p>Payment is based on the authorized weekly amount up to the county maximum rate or provider rate (whichever is lower) less the copayment when reimbursement is based on enrollment and enrollment authorization.</p>	<p>Payment is based on the child’s actual hours of attendance up to the county maximum rate or provider rate (whichever is lower) less the copayment when the authorization is attendance based. The reimbursement hourly rate times the number of hours of attendance</p>



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	<p>is the reimbursement rate for the pay period. The payment reimbursement amount changes according to the number of hours of usage.</p>
<p>With the CSAW child care automated authorizations and centralized payment system in place, attendance report forms are generated and sent to the child care provider on Thursday, prior to the end of the 2-week attendance period, and for whenever a retro authorization is entered into the system. Payments to the child care providers are made on a biweekly basis for previous payment periods.</p>	
<p>Administrative agencies must check attendance reports submitted by child care providers to monitor high levels of absence or variance in attendance. Verify the hours of care authorized are actually being used. Consistent 100% or unusually high attendance may indicate inaccurate or fraudulent reporting by the provider. Very low levels of absences reported may also require investigation. Low levels of usage may indicate that child care need has changed and the authorization should be adjusted accordingly. (See Chapter 2 for more information on when and how to monitor and investigate).</p>	
<p>Child care eligibility must be reviewed every time a parent reports a change which may affect their eligibility, and at least every six months.</p> <p>Parents must report financial and non-financial information which may affect eligibility for child care within ten days calendar days to the eligibility worker/agency.</p> <p>Changes in the child care provider or number of hours of child care needed must be reported to the authorizing worker immediately. Authorize no payments to a new provider, until the family has contacted the authorizing worker. The authorization to the new and previous provider should not overlap.</p>	



## 3.6.0 Authorizations

Child care authorizations are the child care administrative agency's written approval for child care provider reimbursement.

### 3.6.1 Administrative Agency Assessment

Child care authorizations must be based upon the administrative agency assessment of all of the following:

- The number of hours of care a child needs per week for their parents to participate in their approved activities;
- The type of authorization the care is approved for (attendance based or enrollment based);
- The co-payment type; and,
- The length of care needed up to six months.

#### 3.6.1.1 Authorizations for Self Employment

Authorizations for self employment are only allowed for employment that produced gross monthly income equivalent to at least the state minimum wage.

Example: Marty is determined to be income eligible for child care assistance and reports that he earns \$500 per month as a freelance ad writer. Marty is requesting full time child care (35 hours per week). To qualify for 35 hours per week of child care, Marty must report a gross income of at least \$979 (35 hours X \$6.50 X 172 hours per month=\$978.25). \$500 gross monthly income is sufficient for only 18 hours per week of child care ( $\$500/6.50=76.9$  hours per month which, when divided by 4.3 week= $17.88$  hours per week of child care).

### 3.6.2 Child Care Provider Higher Rate than County Maximum

Parents may receive child care from a child care provider whose child care price is higher than the county or tribal maximum rate and pay the difference between the provider's child care price and the county or tribal maximum rate in addition to any required parents' co-payment.

### 3.6.3 Entering Authorizations in CSAW

The child care administrative agency shall enter authorization data into the CSAW system which will automatically calculate the rate as the lesser of the provider price and the county or the tribal maximum rate, minus the parental co-payment.

### 3.6.4 Full-Time Authorizations

Full time child care enrollment based authorizations cover care provide between 35-50 hours per week.

### 3.6.5 Part-time Authorizations

Part-time authorizations are less than 35 hours per week.



### 3.6.6 Authorizations for Over 50 Hours of Care

Children who need more than 50 hours per week of care may receive two authorizations, one full time and a second for the balance of the time needed:

Licensed Provider Enrollment Based Authorizations: enter one authorization for **50 hours** and a second for the remainder of the time needed.

Licensed Provider Attendance Based Authorizations: enter one auth for **35 hours** and a second authorization for the hours over 50 that are needed.

Certified Provider: enter one authorization for 50 hours and a second for the remained of the time needed.

(See Appendix for Authorization Chart).

Example: Janie's mother works two jobs. Her full time is 40 hours per week plus 2 hours a day travel time = 50 hours, and her other job has variable hours from 10-15 hours per week and there is no travel time. Janie goes to the same child care provider when her mother works either job. The first authorization is set for 50 hours per week and because care is needed on a regular basis, it is established on an enrollment basis. The second authorization is set for 15 hours per week, and because the need for care varies from week-to-week it is set up on an attendance basis.

### 3.6.7 Two Day Time Frame to Issue Authorization

Child Care authorizations must be issued to the parent and child care provider within two business days of the confirmation of eligibility if the parent has provided the child care provider information, and there must be a case comment indicating the reason if there is a delay.

Example: Eligibility was confirmed on Tuesday June 17<sup>th</sup> but the parent did not have a child care provider selected until Monday June 23<sup>rd</sup>. When the parent notified the worker on the 23<sup>rd</sup> that a provider had been selected, case comments were entered to document the communication and an authorization was generated in CSAW within two days.

### 3.6.8 Attendance Based

All authorizations to certified child care providers must be on an attendance basis.

Attendance based authorizations reimburse the child care provider on an hourly basis for only the hours of the child's actual attendance in a given week, up to the maximum number of hours of authorized by the child care administrative agency.

Example: Jack is authorized on an attendance basis for 35 hours per week for a certified and unaccredited provider. The weekly rate is \$135 less the parent's \$20.00 co-payment= a \$3.28 hourly rate paid to the child care provider. During one week Jack attended only 16 hours.



Reimbursement for that week is limited to 16 hours, or  $16 \times \$3.28 = \$52.48$  for the week because it is an attendance-based authorization. The next week Jack attends for the full 35 hours. Reimbursement is provided at the full weekly rate, or  $35 \text{ hours} \times \$3.28 = \$114.80$ .

NOTE: The attendance based authorizations to certified providers are not capped at 35 hours and can be up to 50 hours/week. When calculating the authorization rate, the system will cap the total weekly amount at the licensed family ceiling.

### 3.6.9 Attendance Based Authorizations to Licensed Providers

Authorizations to licensed child care providers may be established on an attendance basis if:

- (1) The schedule of the child care to be used is expected to vary widely, or
- (2) If the agency has documented 3 separate occasions where the provider significantly over reported the attendance of a child.

For license programs, the reimbursement rate is increased by 10% over the county maximum to account for absent days if the licensed child care provider's private rate is higher than the county maximum rate.

Example: Donna's mother works second shift at a restaurant and her work schedule varies from week to week. The maximum number of hours that Donna's mother works is 15 hours per week and she needs  $\frac{1}{2}$  hour a day for transportation to and from work. Since Donna's hours vary, her authorization is to be established on an attendance basis even though she chose a licensed family provider.

### 3.6.10 Significantly Over Reported Attendance

"Significantly over reported attendance" is defined as:

- a) The child was reported as being in care when they did not attend, or
- b) The child was reported as being in care hours equal to or greater than the divisor (full time hours which has been standardized to 35 hours per week) when the child was actually in care hours less than the divisor (part-time hours).

### 3.6.11 Enrollment Based Authorizations:

Enrollment based authorizations reimburse the child care provider for a set amount for a block of hours per week as long as the child attends for at least one hour per week.

Example: Tony is authorized for 35 hours per week at a licensed child care center. The weekly rate is \$135 per week less the \$20 parent co-payment = \$115. During week one Tony attends only 8 hours. Reimbursement for that week is the \$115 because the authorization is on an enrollment basis. The reverse is also possible: the following week, Tony attends 45 hours. Despite the fact that Tony's attendance was more than the total authorized hours, the system will pay the same amount as the week before (\$115).

### 3.6.12 Authorizations for Licensed Providers Must be Enrollment Exception

Authorizations for licensed family providers must be on an enrollment basis unless:



1. The schedule of the child care to be used is expected to vary widely, or
2. The agency has documented 3 separate occasions where the provider significantly over reported the attendance of a child.

### **3.6.13 Part-time Enrollment**

Authorizations based on enrollment do not have to be for full-time hours. For example, a child needing ten hours of after school care every week to a licensed provider should have an authorization based on enrollment for ten hours.

### **3.6.14 Agency Refusal to Authorize to a Child Care Provider**

1. The child care administrative agency may refuse to authorize to a licensed provider if the child care provider refuses to submit documentation of their prices in response to an agency request.

2. The child care agency may refuse to issue new authorizations to the provider for a period not to exceed 6 months, revoke existing authorizations, or refuse to issue payments if the provider:

- a) Submits false attendance reports;
- b) Refuses to provide documentation of the child's actual attendance;
- c) Gives false or inaccurate child care price information; or
- d) Has not corrected a certification or licensing violation as described in the written violation corrective action notification.

Written notice must be given to the parent and provider before the action can be taken.

If payment is not issued due to one of the provider violations listed above, the provider may not require the parent to make payment for the authorized amount. The parent remains responsible for paying the copayment and any amount that the parent agreed to above the maximum county rate for parents who hold authorizations.

3. The child care agency may:

- a) Require a provider to submit documentation signed by the parent showing the actual times that the child was dropped off and picked up from the provider.
- b) Contact the parents to determine the child's actual attendance hours.
- c) Require a provider to submit attendance and payment records for families that pay for child care costs out of their own personal funds. (This will allow agencies to determine if provider prices submitted for the survey and CSAW are accurate and assist in determining the accurate group size).
- d) Require a provider to have attendance records available at the child care site whenever the agency requests to review them.
- e) Conduct on-site inspections to monitor the provision of authorized services.

4. The child care agency may limit the number of children authorized to a certified or licensed family provider for the period of time that it appears the provider may be over the group size



limitations. Before authorizing to a family provider, when they appear to be over their group size, the provider would have to show that he/she would not exceed the applicable group size limitation.

Local agencies should **not** authorize additional children to a provider that appears to be over their group size until the provider has been able to show that they would not be over their group size.

Providers can show that they are not over their group size by submitting information listing the children in care, the hours of care, the child's age and the child's relationship to the provider.

Child care provided when the provider is over capacity is not eligible for subsidy payment as the provider is out of compliance with their regulation during this period of time. See Chapter 2.

### **3.6.15 Agency May Refuse Confirmation of Attendance Submitted More than 3 Month Old**

The child care administrative agency may refuse to confirm (approve) payment on a provider's attendance report that is submitted more than 3 months after the attendance report was issued.

### **3.6.16 Authorization Notices**

Authorization Notices contain the information for each authorization plus the rate that the department will reimburse the child care provider.

Authorization Notices are sent to parents and their child care providers on a weekly basis when an authorization is started, ended, or changed.

Authorization Notices are mailed weekly from Madison on Mondays.

### **3.6.17 Hours Authorized**

Child care administrative agency workers should determine the number of hours of child care needed during the week to cover both the approved activity and travel time based on the parents' work schedule, school schedule, or Wisconsin Works (W-2) or Food Stamp Employment and Training Program (FSET) Employability Plan (EP).

### **3.6.18 Two-parent Household Authorizations**

In all two-parent households, the number of hours authorized for child care should cover only the overlapping hours when both parents are participating in approved activities.

### **3.6.19 School Age Children**

Consider a child to be school age if s/he is 5 or older, is enrolled and attending kindergarten or a higher grade in school.



### 3.6.20 School Age Authorization

Children who are identified as school age and who are authorized to a child care provider can have reimbursement paid to the child care provider for services provided for days school is closed. School closed (also known as “banked” hours) may be claimed for reimbursement only when the regularly authorized hours have been used for the week.

### 3.6.21 Regular Authorizations

A ‘Regular’ authorization is an authorization indicating a maximum number of hours authorized.

### 3.6.22 0- Hour Authorizations

A ‘0 Hour’ authorization is an authorization for a child to attend a provider for “off school days” only (school closed/“banked”).

A ‘0 Hour’ authorization can only occur if no other authorizations are in place for that child to that provider for that specific period of time.

Co-payments are assessed for ‘0 Hour’ authorization only when it is the only authorization a child has.

### 3.6.23 Authorizations for Person’s Living in the Home

Person’s living in the in the home may not be authorized to receive Wisconsin Shares child care assistance unless the county or tribe determines that the care is necessary because of a special health condition of a child (See Definition of Special Health Condition).

### 3.6.24 Wrap Around Head Start, Preschool and 4 & 5-year-old Kindergarten Programs Offered With Child Care Programs

When wrap-around care is available on-site at a Head Start facility for four hours or less, authorize child care for the full amounts of child care hours needed, including Head Start hours.

**Example:** Kathy is at the Head Start facility from 8:00am to 3:00pm every day. Her Head Start activities occur from 8:00am to noon and then she receives wrap around child care at the same site from noon to 3:00pm. Kathy’s authorization should be for seven hours, plus any transportation time needed each day.

Note: Only authorize for the full amount of child care that is needed when wrap around care is available.



Some day care centers provide Head Start, preschool or 4 and 5-year-old kindergarten activities as components during the day. The full number of hours needed for child care should be authorized to these centers, including the hours the child is attending Head Start, preschool or kindergarten activities at the center.

If a Head Start child attends a center that is OFF site, the authorization should cover only the hours the child attends the center and should not cover the hours the child attends the Head Start program.

### **3.6.25 Manual Calculations for Special Needs and In- Home Providers**

Use the worksheets attached in the Appendix to calculate payments for all in-home child care providers and for authorizations for special needs children when payment is above the local agency maximum rates (See Appendix).

### **3.6.26 Providers Outside Area**

When authorizing child care to a provider who is located outside the county/tribe, compare the county/tribe maximum prices where the parent lives to the local agency prices where the provider is located and use the higher maximums in the calculations to determine reimbursement. If a licensed provider is chosen, that reported weekly price would need to be used in the calculation as well.

A provider living out of state will have his/her reported price compared to the local agency maximum rates where the parent lives.

### **3.6.27 Authorizing When the Parent or Other Legally Responsible Adult is a Child Care Provider**

State statute prohibits authorizations to a child care provider for the care of their own child or a child with whom they reside.

There is a very narrow statutory exemption which allows a county to approve child care payments to a parent, legally responsible adult, or other person who resides with the child if the care is necessary because of a special health condition of the child. In all other cases, the provider cannot be paid if they are the parent, another legally responsible adult, or if they live in the same residence as the child. (See definition of parent).

Authorizations are not allowed for a parent to receive Wisconsin Shares child care assistance funding for caring for their children regardless of the type of provider (Certified, Licensed Family, Licensed Group), or the type of ownership (the parent owns all or part of the facility as an individual, sole proprietor, partnership, or stockholder in a corporation).



Examples of situations where authorizations cannot be made for a child to receive child care from their parent or other legally responsible adult:

Amy is a certified or licensed family day care provider and is eligible to receive child care subsidy for her child Mary. Amy cannot be authorized to provide child care for Mary.

Linda owns a licensed group day care and the day care is considered a non-corporation for tax purposes. (The day care is either an individual, sole proprietor or partnership). Linda is eligible to receive child care for her children while she is at work, as long as they are cared for with another provider.

Mary and her husband have incorporated as owners of Mary's Little Lambs Child Care Center. They are eligible for child care for their foster son while both parents are in approved activities, as long as the care is with another provider.

Miles is a nurse who works at a local clinic. He is eligible for child care for his medically fragile son, Michael. His mother also lives with them and is trained to work with the child's health needs. The county agrees that the best care situation for Michael is for his grandmother to care for him at home. She becomes a Provisionally Certified In-Home provider and can receive Wisconsin Shares payments for Michael's care under the statutory exemption.

Authorizations are allowable for a child of a Wisconsin Shares child care assistance eligible child care provider to have their child care authorized to child care provider other than their parent or someone legally responsible for them.

Authorizations are allowable for a child to receive child care at a child care home or center where their parent or other legally responsible adult is employed as long as they are not the owners of the child care home or facility.

Authorizations are allowable for a child to receive child care when their parent is employed by the child care provider if their employment has been verified by the local agency that their child care provider/employer meets the criteria of being a qualified employer according to the provision of Qualified Employers in Ch 1, Section \_\_\_\_\_ (See Qualified Employers)

Examples of situations where child care can be authorized for a child whose parent is employed at the child care provider where the child attends:

Margaret is a certified provider and hires Rachel to care for the day care children. Rachel brings her son, Mike to work with her. Rachel is eligible for child care funding. Rachel can receive an authorization to Betty's day care.

Kinder Care is a licensed group center. Veronica works at Kinder Care and is eligible for child care funding. Veronica can receive an authorization to Kinder Care regardless if she cares for her child at the center.



### 3.6.27 Backdating Authorizations at Initial Eligibility

Backdating of an authorization can be made only for the first of the month of the current eligibility period, or to the Sunday that is six days prior to the first of the eligibility month.

In order for a backdated authorization to be created, the child care provider must be a regulated licensed or certified provider and had to have provided child care during the retroactive authorization period.

Backdating is allowable when a family is found eligible for child care assistance, but their current child care provider is unregulated and chooses to become certified. The child care provider must complete the certification process in a timely manner.

In order to be paid by the Wisconsin Shares child care assistance program, the unregulated child care provider must complete an application for certification. When certification is completed, the authorization may be back-dated to the certification begin date, which should coincide with the certification application date, if the certification was completed within a 60 day time frame and payment can go back to that date.

If a family that has been determined eligible for child care assistance does not request an authorization for child care reimbursement until several months later, the authorization shall be backdated to only the first of the month of the request for authorization.

Example. Kate is found eligible for child care on 01/01/08. Kate contacts the authorizing child care worker on 02-18-08 and requests an authorization for child care reimbursement. The authorization can be backdated to Sunday, December 30, 2007 (The Sunday prior to the 1st of the month.)

Example. Kelly is found eligible for child care on 05/01/08. Kelly contacts the authorizing agency on 05/05/08 and requests child care reimbursement. Due to scheduling conflicts within the agency, the actual authorization appointment cannot be completed until 06/15/08. The authorizing worker familiar with the case has the authority to backdate the authorization to the first of the month of the request date in 05/08. So, the authorization begin date can go back to 04/27/08, if needed.

### 3.6.28 Backdating Authorizations: Late SMRF

When a parent submits a completed SMRF the month after it is due their case can reopen without re-applying for child care assistance. If the parent has continued to be in an approved activity since SMRF due date, the authorization should be backdated to avoid a break in authorization for child care.



## 3.7.0 Co-Payments

### 3.7.1 Determination of Co-Payment Responsibility

Co-payment levels for certified and licensed child care are the same. The co-pay schedule is posted at the Wisconsin Shares page at <http://dcf.wisconsin.gov/childcare/wishares/default.htm>. The co-pay amount is based upon family size and income.

Co-payments are required under current law for most families receiving Wisconsin Shares with the following case-type exceptions:

- Minor Learnfare teen-parents attending high school or its equivalent.
- Foodstamp Education and Training participants.
- Foster parents for their foster children's child care.
- Subsidized guardians in Milwaukee County for their foster children.
- Relatives who are taking care of someone else's child under a court order.

### 3.7.2 Co-Pay for Teen Parents

Teen parents, both adult and minor, who are not Learnfare participants and who are eligible for child care assistance have the co-payment set at the lowest level on the co-payment chart for the number of children in care. The co-pay type is THS and is to be used for high school activities until the Saturday after the teen's 20<sup>th</sup> birthday.

### 3.7.3 Co-Pay for Foster Parents

Foster parents and subsidized guardians in Milwaukee County have zero co-payment as described below:

Foster care parents co-pay type is FOS.

Subsidized guardians in Milwaukee County co-pay type is FOS.

### 3.7.4 Kinship Care Relatives

Kinship care relatives with a court-ordered placement or a guardianship have zero co-payment. Their co-payment type is KIN. (There is no requirement to receive a kinship care grant for this co-payment type).

Kinship care relatives who do not have court-ordered placement or a guardianship for the child will have a co-payment set at the lowest co-payment dollar on the attached co-payment chart. Their co-pay type is NCK. (There is no requirement to receive a kinship care grant for this co-payment type).

### 3.7.5 Co-Pay for Public School

Families who reside in Milwaukee County and whose children attend a public school



provider for before and/or after school programs and are authorized for greater than 20 hours per week have a co-payment that is half of the regular co-payment for the number of children in care and the family income. The co-pay type is PSP.

NOTE: This co-payment applies only to families that reside in Milwaukee County and only attend Milwaukee Public School providers for before and/or after school care, where the authorized hours are greater than 20.

### 3.7.6 Co-Pay for W-2 Parents' 1st Month Unsubsidized Work

Set the co-payment at the minimum amount for the month after leaving a W-2 employment position. This WWE co-pay type should be used for all children in the family when the parent leaves a W-2 employment position for unsubsidized employment for one month up to a maximum of five weeks.

### 3.7.7 Regular Co-Pay Responsibility

Family co-payment responsibility is determined by the following factors:

1. Gross Monthly Income
2. Family Size
3. Number of Children Receiving Wisconsin Shares Child Care Assistance.

Family co-payment responsibility is determined on the current co-payment schedule on the Wisconsin Shares website. Find the family's gross monthly income and family size on the co-payment schedule. Link The dollar amount on the co-payment schedule is used as the level for which the family co-payment responsibility is determined.

If the family gross monthly income falls between two tiers, use the lower dollar amount that is just less than the family income. On the schedule it is the dollar amount listed just one tier above. The corresponding co-payment responsibility is listed for the number of children receiving the child care subsidy on the right hand side of the schedule.

Income less than 70% of FPL have the lowest level co-pay for the number of children subsidized.

### 3.7.8 Part Time Co-pay

Effective by March 2000, children that are authorized for a total of 20 or fewer hours a week will be assessed one half of their share of the co-pay when determining the provider payment. All of the hours a child is authorized each week will be added together to determine if an authorization is considered part time or full time.

#### Example:

Dave has two children, Kathy and Laura, that are eligible and authorized for child care. Dave's next review is due in August 2008. Currently, both Kathy and Laura are authorized to Disney Day Care for 15 hours a week. Kathy is also authorized for an additional 10 hours of care to her Aunt Ellie, a certified child care provider.

Laura is authorized for a total of 15 hours a week, so a part-time co-pay is used to determine her weekly provider payment amount. Kathy is authorized for a total of 25 hours a week (15 to Disney + 10 to her Aunt Ellie), so the full time co-pay amount is used to determine her weekly provider payment.



Part time authorizations will use a part-time co-pay that is one-half of the child’s share of the appropriate co-pay amount. If there is a mix of co-pay types that use the minimum co-pay and the regular co-pay, then one half of the regular co-pay will be used for a part time authorization.

For Milwaukee County cases only, the Public School Provider (PSP) co-pay type used for children attending MPS before and after school care is no longer allowed for authorizations for 20 or fewer hours. Instead, use the appropriate co-pay type (i.e. REG, FOS, KIN, NCK, THS, FST, LNF, or WWE) and CCPS will calculate the co-pay using one half of either the standard or the minimum co-pay.

### 3.7.9 Differential Co-pay Calculations

A “differential co-pay” is automatically used by CSAW for all retro authorizations (authorizations that are written after the current attendance period has begun). Although the total co-payment amount remains the same in both retro and non-retro authorizations periods if the number of hours of the authorization and the family income remain the same, the co-payment distribution applied to each child’s payment is different in retro authorizations than in the way it is applied for payments during a non-retro authorization time period (when the co-payment is applied evenly to each child’s payment, dependent upon the number of hours authorized).

Differential co-payment applications are one of the reasons why rates for children change in CSAW when there hasn’t been an increase in the county maximum or the provider rates, or a child’s birthday, or a change in the level of the co-payment.

In retro authorization generated payments, the “differential co-payment” distribution of the co-payment is as follows:

The full co-payment for one child is applied to the child with the longest retro period authorization and the balance of the co-payment is applied to the second child’s authorization. If there are more than two children in a retro authorization, the full amount of the second child’s co-payment is subtracted from the total co-payment level and the difference continues to be applied to the other children.

Example #1. An AG size of four with income at 125% of FPL in 2001. The AG has two children authorized to a licensed provider, on a fulltime basis. The co-pay level for two children is \$32 using 2001 FPL (1 child= \$27, 2 children= \$32).

The differential co-payment method applies \$27 to the first child’s payment and the \$5 balance to the second child.

Co-pay for Child 1=	\$27
Co-pay for Child 2=	$\$32 - 27 = \$5$
Total co-payment=	\$32

In a non-retro authorization situation, the \$32 co-payment would be distributed equally to both



children's payments (\$16 each child).

Example #2. An AG size of four with income at 125% of FPL in 2001. The AG has two children authorized to a licensed provider, on a fulltime basis. The co-pay for all three children is \$39 using 2001 FPL (1 child= \$27, 2 children= \$32, 3=\$39).

The differential co-payment method applies \$27 to the first child's payment. The co-payment for two children is \$32, but since the system already applied \$27 of the total co-payment for one child's child care payment, it subtract \$27 from \$32 and applies the \$5 difference to the second child's child care payment. The final step in this example to determine the third child's co-payment amount, which is done by subtracting the \$32 from the \$39 total (\$27+\$5+\$7=\$39).

Co-pay for Child 1 =	\$27
Co-pay for Child 2 =	$\$32 - 27 = \$5$
Co-pay for Child 3 =	$\$39 - 32 = \underline{\$7}$
Total co-payment=	\$39

### 3.8.0 Authorization Changes

#### 3.8.1 Authorization Rate Changes

CSAW recalculates all authorization rates during the Saturday batch cycle if changes have happened during the previous week. Examples of such changes are:

- New authorizations and/or children were added to the case.
- Provider rate changed.
- Accredited status changed.
- Relative indicator status changed.
- FPL mass change – Annual.
- Agency Maximum Rate mass change – Annual.
- Change in provider category (provisional to regular certification or vice versa).
- A retro authorization was entered.
- Child's birthday put them into a new age category.

Note: if a certified provider becomes licensed, the system will not automatically calculate the new higher rate. Before an authorization can be changed to use the licensed reimbursement rate, the provider must submit her/his private pay rates to the subsidy agency. After that, the worker must manually end the authorization using certified rates and create new using licensed rate. This also applies to situations when a licensed family provider changes to licensed group.



### **3.8.2 Changing/Ending Authorizations**

Parents are required under statute to report changes in their household that might affect their child care benefits within 10 days. Local workers must change authorizations timely in order to ensure that the appropriate level of child care benefit is issued to providers on behalf of parents.

There is no requirement under the statute or administrative rule regarding how an authorization must be ended or changed. The Bureau of Early Childhood Education has established the following policies in order to give parents and providers a fair amount of notice of change and create statewide consistency regarding the process of ending/changing authorizations.

### **3.8.3 Reasons for Changing Authorizations**

Local agency workers must change authorizations when any of the following events occur:

There is a change in the number of hours the child must be in care in order for the parent to remain in their approved activity. This could be the result of a change in either the parent's approved activity schedule or a change in the child's schedule due to school and other activities. Example: underutilized authorized hours.

There is a change in gross monthly income, which results in an increase of \$250 or more, or a decrease of \$100 or more.

The parent chooses a new child care provider.

The child care provider's certification or license ends.

Eligibility is lost due to a change in income, or not participating in an approved activity, or any of the non-financial eligibility criteria such as residency, cooperation with child support, etc.

The parent and/or child moves out of the county.



### **3.8.4 10-Day Notice When Changing Authorizations**

As of February 2006, the only time a 10-day notice to providers is required is when a parent loses eligibility except when they *failed to report a change that would make them ineligible*.

Families must report any changes in their circumstance that would affect their eligibility and authorization for child care within ten days of the change.

Local agencies must take action on the reported change within 10 working days of receiving either verbal or written notice, or any required verification relating to the change from the family.

If a change is reported by the provider regarding a family's circumstance, the local agency must confirm this information with this family and take the appropriate action within 10 working days.

### **3.8.5 When Changes are Reported after Taking Effect:**

If the change in the authorization will result in an increased child care benefit, the current authorization must be ended back to the most previous Saturday and the new authorization must begin the Sunday just prior to the current date.

If the change in the authorization will result in a decreased child care benefit, the current authorization must be ended effective upcoming Saturday.

Note: If the parent has not reported the change timely (within 10 days of the change) and there has been a decrease in child care benefit, an overpayment may have occurred.

- The overpayment period begins with the first complete week after the change became effective and ends with date the authorization was ended due to the change, as described above.
- The overpayment amount is the difference between the amount that was authorized prior to the change in authorization and the amount authorized after the change was incorporated into the authorization.
- The overpayment is to be assessed against the parent.

### **3.8.6 When Changes are Reported Prior to Taking Effect**

If the change in the authorization will result in an increased child care benefit, the current authorization must be ended the Saturday just prior to the change taking effect and the new authorization must begin the next day.

If the change is occurring within the next 10 days and will result in a decreased child care benefit, the authorization must be ended effective upcoming Saturday

If the change is occurring more than 10 days in future and will result in a decreased child care benefit, the authorization must be ended the Saturday just prior to the change taking effect and the new authorization must begin the next day.



### 3.8.7 Ending Authorizations

Child care administrative agency workers must end authorization when

- The parent is no longer in an approved activity.
- The child is no longer cared by the authorized provider.
- The child and/or parent moves to another county.

Note: CSAW will end the authorizations automatically at adverse action for closed child care cases.

1. When the child is still in care and the worker is notified prior to the child leaving the program, the worker should manually end authorization with an effective date of Saturday after the date the child's last day of attendance.

2. When a child is no longer in care and the worker is notified after the child has left the program, the worker should end the authorization. The parent is responsible for notifying the child care provider and may be held to contractual obligations to pay and equivalent of 10-days of care. The worker should end the authorization as of the last Saturday of the week that the child was in attendance.

3. When the provider has terminated the child from attending the program, the worker should end the authorization the Saturday after the last day the child was in attendance.

The worker should not enter the authorization to the new provider until the authorization to the first provider has ended within the guidelines described above unless the provider can no longer provide the care needed or if the parent leaves the previous provider due to allegation of abuse or inadequate or unsafe care.

The local agency may not authorize the child to a new provider while the authorization is in place for the previous provider.

### 3.8.8 Eligibility Lost

Authorizations must be ended when eligibility for child care assistance ends. Local child care administrative agency workers must use the appropriate closing guidelines listed below contingent upon the reason for the eligibility failure.

### 3.8.9 Increased Income

When eligibility for child care is lost due to increased income, the authorization should end on the Saturday following the end of the last month of eligibility. A 10-day notice is required to both the family and provider indicating the authorization is ending. CSAW will end the authorization automatically at this time, if the case is closing at adverse action in the last month of eligibility.

It is agency discretion to re-determine the authorization to reflect the highest level co-payment for cases that will lose eligibility the following month, due to being over income. CARES will close the case at adverse action. CSAW will send a notice to the parent and child care provider the Monday following the date the authorization was changed.



### **3.8.10 Parent No Longer in an Approved Activity**

Manually end the authorization by counting ahead 10 calendar days, beginning with the current date and ending on the Saturday following the tenth day. CSAW will send the notice to the family and provider the Monday following the date that the authorization was changed.

### **3.8.11 Foster Parent Adoption of Their Foster Child**

If eligibility for child care is lost due to a foster parent adopting their foster child, the authorization should end on the Saturday following the end of the last month of eligibility. A 10-day notice is required to both the family and provider indicating the authorization is ending. CSAW will end the authorization automatically at this time, if the case is closing at adverse action in the last month of eligibility.

### **3.8.12 Attendance Entry During the 10-Day Notice**

Reimbursement during the 10-day notice period reflects the reimbursement policies for any on-going eligibility: attendance based authorizations will be reimbursed on an actual hourly use rate and enrollment based authorizations will be reimbursed in full week period if there is at least some attendance each week.

### **3.8.13 Authorization Notices**

CSAW issues authorization notices to parents and providers. The authorization notices are sent in batch on the Monday following the date a worker enters, deletes or ends an authorization.

Authorization notices are also sent in the event CSAW recalculates an authorization. If the authorization begin date is more than 14 days in the future, CSAW will wait to send the authorization notice until 14 days prior to the authorization begin date. CSAW issues authorization notices during adverse action when a case is losing eligibility for child care.

## **3.9.0 Shared Placements**

### **3.9.1 Two Parents Using the Same Provider**

In shared placement cases, where both parents have their own cases, the authorizations should usually be based on attendance if the child lives with mom for one week, then dad for the next week and the same provider is used. The authorizing worker should communicate to the provider that attendance should only be recorded for those weeks (days) when the child is living with the parent for whom the care is authorized. The Attendance Report Form (ARF) has been modified to include the Primary Person's (Parent's) name to make it easier for the providers to record the hours against the correct parent in shared placement cases.

### **3.9.2 One Parent**

In shared placement cases, where only one parent receives child care subsidy, the authorization should be based on attendance. The provider should be instructed to enter attendance only for the hours when the child was in day care and in the custody of the parent eligible for subsidy.



### 3.9.3 Shared Placement and Enrollment Authorization

The only time Enrollment authorizations should be used is if the parent has placement for the same days each week and has a constant, unchanging need for weekly child care.

Example: the children are with mom every Monday through Wednesday and every other weekend, the authorization can be issued on enrollment basis to cover Monday – Wednesday.

### 3.10.0 Payment Process

#### 3.10.1 Attendance Reporting Forms (ARF's)

Require the completion and return of all Attendance Report Forms to the local child care agency for children authorized for child care funding. Once attendance is entered in CCPI, a check is issued to the child care provider or an electronic fund transfer (EFT) is directed to the provider's financial institution.

Local agencies should develop and communicate their policy to providers of the last day/time in which the provider must submit the Attendance Report Form (or CCPI online attendance reporting) to guarantee issuance the following week.

#### 3.10.2 Attendance Reporting: Rounding

Licensing and certification rules require the provider to record actual arrival and departure times. The recommendation is that the parent signs the time in hours and minutes.

Wisconsin Shares child care assistance attendance reporting requires child care providers to round the hours to the nearest full hour or half-an-hour.

Examples on recording daily attendance hours on the subsidy Attendance Record Form (ARF):

Child attends 8 hours and 10 minutes. Round down to 8 hours.

Child attends 8 hours and 15 minutes. Round up to 8.5 hours.

Child attends 8 hours and 45 minutes. Round up to 9 hours.

#### 3.10.3 Attendance Confirmation

The department expects local agencies to continue a high level of monitoring attendance reporting. Each county or tribe is allowed to elect whether they are a Confirmation Agency or a Non-Confirmation Agency.

#### 3.10.4 Confirmation Agency

If an administrative agency chooses to be a it means that a local agency staff person with the proper CCPI security access must go to the attendance screen on CCPI) and confirm the data



entered, child-by-child, for each week of the two-week attendance period, by checking the appropriate confirmation indicators.

A special CCPI report will be provided listing provider data awaiting confirmation. Confirmation action must be taken by the local child care agency in order for a payment to be made to the provider.

### 3.10.5 Non-Confirmation Agency

If an administrative agency chooses to be a non-confirmation agency it means that payments for attendance entered through CCPI/CCWA will be issued during the regular batch issuance job without any active intervention by the local child care agency.

- When agencies choose to be non-confirmation agencies they continue to be responsible developing a monitoring system for accurate attendance reporting.
- The timing of non-confirmation attendance processing is the same as if the local agency had entered the attendance directly themselves. All confirmation fields on the attendance screens for non-confirmation agencies will be either blank or protected.

Whether a county/tribe has elected to be a confirmation or non-confirmation agency, attendance monitoring (observing unusual utilization patterns, tracking for possible provider error or fraud, taking appropriate follow-up action, etc.) is a requirement.

### 3.11.0 Breaks in Employment

#### 3.11.1 Authority to Pay for Holding a Slot

Child care administrative agencies may authorize payment to a child care provider to hold a slot for a child if the parent has a temporary break in employment and intends to return to work and continue to use the same child care provider upon return to work.

#### 3.11.2 Situations When a Slot Can Be Held and Time Limits

The agency may authorize payment for no more than six (6) weeks if the absence is due to a medical reason and is documented by a physician or for no more than four (4) weeks if the absence is for the other reasons listed below:

Situation	Maximum Number of Weeks of Leave
1. Parent is temporarily laid off but will be return to work within 4 weeks.	4 weeks
2. Parent has a temporary break in employment but the parent will be returning to an approved activity within 4 weeks. Note that this excludes when a parent loses employment and is seek new employment.	4 weeks
3. Parent is on medical leave from employment but will be returning to work within 6 weeks.	6 weeks



4. Family is on vacation but will be returning within 2 weeks.	2 weeks
5. Child is ill but will be returning to child care within 6 weeks.	6 weeks

Holding a slot for a parent is to begin an approved activity within 2 weeks has been eliminated as an approved reason.

### 3.11.3 Conditions Required for Holding a Slot

The following conditions must be met before a slot can be held and payment made to a child care provider:

1. The authorization must be on an enrollment basis.

A slot cannot be held if the child is authorized on an attendance basis because the provider must always report accurate number of hours of attendance and if zero hours are reported the system will not pay the child care provider. When authorizing on attendance basis, the system automatically lifts the weekly ceiling by 10% to compensate for absences.

2. The parent must be both receiving Wisconsin Shares child care assistance and also be employed prior to the leave.

**Example:**

Kathy and John have a 2-year-old-child. John works 3<sup>rd</sup> shift and Kathy 1<sup>st</sup> shift. They have not needed child care because of the alternating work schedules. Kathy needs medical leave and cannot care for her child while recuperating. She applies for child care. The county/tribe cannot approve to hold the slot in this care because the parent was not receiving Wisconsin Shares child care assistance prior to the leave.

3. The parent must intent to return to work to the same employer immediately after the leave.

If the leave is longer than what the subsidy can pay, the slot cannot be held.

**Example A:** Mary needs surgery and according to her physician, she needs 3 weeks to recover from the surgery and cannot work during the recovery time. The administrative agency may pay the child care provider to hold the slot is there is a risk that the child(ren) will lose the slot.



Example B: Lisa is due to have a 2<sup>nd</sup> child. She wants to stay home ten (10) weeks after the child's birth. DWD 56 rule allows payment up to 6 weeks for maternity leave. According to the rule, the parent must have intent to return to work immediately after the leave. Since Lisa does not plan to return to work within the 6 weeks, the agency would not pay the child care provider to hold the slot.

4. After the leave, the parent must return to the same employer.

The job/tasks may change, but the employer must be the same. The intent to return to the same employer must be reasonably accurate at the time of approval to hold the slot was granted. The local agency may ask for a statement from the employer verifying that the parent will have employment after the leave.

Examples:

- A. Laura is employed by a school district. She is on unpaid leave during Christmas break. She will have the same job once the school resumes after the holiday. The subsidy may pay to hold the slot because she will be returning to the same employer.
- B. Bill resigned from his job but plans on taking 2 weeks vacation before he starts a new job for a different employer. The subsidy cannot pay to hold the slot because the employer will not be the same after the break and slots are not held when employment ends.

5. The provider must be the same before and after the leave.

Example: Karen will take 6 weeks maternity leave. She asks her worker if the subsidy can hold the slot for her 2-year old while she is on maternity leave. After the leave, Karen will continue with the same employer, however, her current provider does not accept infants so Karen plans to enroll her 2-year old and the new baby with another provider. The subsidy would not pay in this case because the 2-year-old is not returning to the same provider.

### 3.11.4 Consecutive Leaves

The administrative agency may not approve multiple, consecutive leaves unless the parent has returned to work at least for one week after the week ends before the 2<sup>nd</sup> leave can start. In these cases, the child must attend care at least 50% of that week.

Examples:

- A. Ellen is pregnant and due with her baby in 6 weeks. Her doctor orders bed rest. Ellen requests her worker to hold the slot for her 3-year-old son during her medical leave. After the best rest, Ellen requests an additional 6 week maternity leave to begin immediately after the bed rest leave. The local agency may not approve to hold the slot because it is a continuation of the leave and exceeds the six week time limit.



B. Jim is temporarily laid off from his work as a construction worker. Jim brings in a statement from his employer to his worker verifying that he will have employment after 4 weeks. Week 3 into his break in employment Jim has an accident and breaks his leg. According to the doctor, it will take about 6 weeks for the leg to heal. In this case, the local agency will have to stop paying the provider after 3 weeks because the parent does not intend to return to work immediately after the leave. The agency would also refuse to pay for the slot during Jim's medical leave because it following right after the temporary layoff.

Sue is laid off from her employer for the month of December. The county agrees to hold the slot for 4 weeks for Sue's infant. On December 15<sup>th</sup> she gets a notice from her employer that the layoff will be extended through January. The administrative agency would have to stop payments to the child care provider effective December 15<sup>th</sup> because the temporary break in employment will be more than 4 weeks.

### **3.11.5 Attendance While Holding a Slot**

If the administrative agency is unable to negotiate a lower rate and agrees to pay full payment during any of the approved slot-holding times, the provider must let the child attend care.

### **3.11.6 Provider Vacation Policy**

When a provider has indicated that their day care program will be closed and the closure will be for one week or less per year, payment will be made to that provider if the authorization type allows for such a payment (e.g. the authorization type is enrollment). The closure of the day care program can be due to the provider being on vacation, a medical reason, preparation of the center for a season change, or any other reason that the agency determines to be valid.

When the authorization is based on attendance and zero hours of attendance are entered for the week, no payment will be issued for that child. When the authorization is based on enrollment and zero hours of attendance are entered for the week, payment will be issued for the weekly authorized amount.

When a provider has indicated that the day care program will be closed for more than one week in a calendar year, payment to that program must be limited to one week. (Payment would only be issued for authorizations based on enrollment.) Under this circumstance, all authorizations should be ended for any period of time that the child care program is closed in excess of one calendar week. Ending the authorizations will ensure that payment will not be issued to this provider for any time beyond the first week that the program is closed. New authorizations would be entered once the day care program reopens.

If payment was made for more than one week in a calendar year to a program that was closed, that payment is considered a child care provider overpayment and must be recovered.

If the provider charges for the time period when their day care program was closed and



payment for that time period cannot be issued in accordance with this policy, the parent may be responsible for paying the child care provider.

This policy applies to all child care providers.

### **3.11.7 Parent Time Off From Unsubsidized Employment**

Working parents are allowed to use authorized child care hours for legitimate employer approved time off from work without incurring an overpayment.

A child care participant overpayment is created when the child is in child care, but the parent is not in their approved activity for child care. The overpayment must be recovered from the parent.

The worker can grant exceptions to the overpayment if the parent did not attend their approved activity with good cause.

- If the approved activity is a W-2 related activity, it is the Fop's responsibility to determine good cause.
- If the approved activity is a not a W-2 related activity (e.g. unsubsidized employment), it is the local agency worker's responsibility to determine good cause.

The local agency worker has discretion to determine good cause when a parent has not attended their unsubsidized employment using the following guidelines:

- Parents who are on paid leave from their employers, such as using sick time, personal time, or vacation time, are considered as having good cause for missing their approved activity.
- Parents who are on paid leave from their employers are allowed to use their authorized child care hours for the time period that they are "excused" from work without being subject to an overpayment penalty.
- The parent must continue to be employed for the period of time they are excused from work and immediately thereafter.
- Overpayments must be recovered.
- Parents are required to only use child care when they are in an approved activity or excused from an approved activity, non-approved activities such as running errands in addition to regular work hours are not allowed.



### **3.11.8 Jury Duty**

The Wisconsin Shares subsidy program will continue to reimburse providers for child provided for children whose parents are already receiving child care assistance and are serving on jury duty.

Wisconsin Shares reimbursement is limited to hours of employment missed for jury duty and does not cover jury duty for hours not normally worked.



# Wisconsin Department of Children & Families

Protecting Children. Strengthening Families. Building Communities.

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