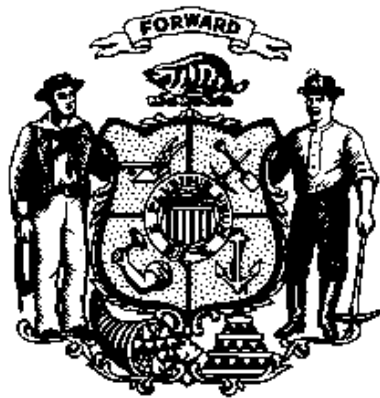


CHILD DAY CARE MANUAL

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF ECONOMIC SUPPORT
PO Box 7972
Madison, WI 53707-7972



WISCONSIN

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1.1.0 General Information

The Department of Workforce Development (DWD) helps low income families afford child care. DWD protects and promotes the health, safety and welfare of children in specified care arrangements. Chapter DWD 56 of the DWD administrative code, Administration of Child Care Funds, gives direction that the Department shall maintain oversight responsibility for administration of the child care funding program. In addition DWD 56 covers:

1. DWD, Tribal/County/Wisconsin Works (W-2) agency responsibilities.
2. Establishment of Day Care Rates.
3. Parent eligibility, choice of providers and payment responsibilities.

Though regulation applies to child care arrangements, parental choice and responsibility are essential to ensure quality care for children. Parents choose the care most appropriate for their child, be it center based or home based. A parent can best select and monitor the care that meets his/her child's needs. A regulated program reduces risks but doesn't guarantee safety or quality.

2.1.0 Activities

Wisconsin Works (W-2) Child Care provides a subsidy to:

1. Low-income families who require child care to obtain or retain employment.
2. Teen parents in school or an equivalent program.
3. Working families who need training to improve employment status.

Families are eligible for child care subsidies if they are a parent of or provide care and maintenance to a child under the age of 13 or a child under the age of 19 who has “special needs” and child care services for a child are needed to:

1. Work in an unsubsidized job, including training provided by an employer during the hours of employment.
2. Work in a Wisconsin Works (W-2) or Tribal TANF employment position. This includes participation in Job Search, Orientation, Training Activities, and W-2 employment positions including: Trial Jobs, Community Service Job (CSJ), W-2 Transitional (W-2 T)
3. Participate in up front Job Search, Orientation, and Training Activities required after the person has applied for a W-2 or Tribal TANF employment position but has not yet been determined eligible.
4. Participate in Food Stamp Employment and Training (FSET) Job Search and Work Experience programs. Activities include all FSET related components such as: Job Readiness and Motivation, ESL, GED preparation and any other components necessary to prepare participants or permanent full time employment.

Tribal TANF participants must meet W-2 financial and nonfinancial requirements to be eligible for Child Care.

5. Teen parent participating in the Learnfare program, in order to meet the school attendance requirement.

2.1.0 Activities (cont.)

6. Teen parent attending high school in order to obtain a high school diploma, or a course of study meeting the standards set by the State Superintendent of Public Instruction high school equivalency. This category is for teen parents who are not Learnfare participants. If the teen parent is a minor, s/he must reside in 1 of the following living arrangements to be eligible:
 - a. With his/her custodial parent.
 - b. With a kinship care relative.
 - c. In a foster home.
 - d. In a treatment foster home.
 - e. In a group home.
 - f. In an independent living arrangement supervised by an adult.
7. Participate in assigned activities including job search, training, or orientation when assigned to W-2 Case Management Services (CMS, CMU or CMF).
8. Participate in other employment skills training, if the W-2 agency determines that the course would aid the person's efforts to obtain employment, including:
 - a. English as a Second Language (ESL) course.
 - b. A course of study meeting the standards set by the State Superintendent of Public Instruction under s.115.29(4) for granting a high school equivalency of graduation.

2.1.0 Activities (cont.)

- c. A course of study at a technical college, if the W-2 Agency determines that the course would facilitate a persons efforts to maintain employment or enhance employment in the same or another profession; or participate in educational courses that provides an employment skill, as determined by DWD.

Any educational course that will help the person to obtain new employment in another field of the person's choice or maintain the person's current level of employment qualifies under this section.

A person may receive aid under this provision for up to 2 years. A person may not receive aid unless s/he meets at least 1 of the following conditions:

- i. The person is employed in unsubsidized employment and continues to be employed at some level.
- ii. The person participates in a W-2 or Tribal TANF employment position.

See Chapter 2 for more details.

3.1.0 Definitions

Following are definitions of terms used for W-2 Child Care:

Parent. Parent is a custodial parent, guardian, foster parent, legal custodian or a person acting in the place of a parent.

In joint custody cases, each parent can apply for the child care subsidy for the same child. Establish eligibility for each parent if s/he meets the nonfinancial and financial eligibility requirements. Each parent will have his/her own case number, and the child will have a unique PIN number identified in both cases. The Child Care Payment system is designed to allow a child to be included in 2 separate Assistance Groups for this situation.

Application for Services. Child care applicants must apply within the county/tribe in which they live. Foster and kinship care parents should apply in the county/tribe where they live.

Two Parent Households. In a 2 parent household, both parents must be in a qualifying activity. This includes a step-parent and nonmarital co-parent households. Eligibility for child care is only for the overlapping hours when both parents are in approved activities that are consistent with unsubsidized employment or approved employability plans.

If 1 parent is in a qualifying activity and the other is not, eligibility will fail. If 1 parent is in a qualifying activity and the other parent is unable to care for the child due to a medical determination, verified by a doctor, psychiatrist, or psychologist, eligibility exists if all other financial and nonfinancial requirements are met.

Eligibility for Sleep Shift. In a household where a parent works 3rd 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 the number of hours of sleep time authorized per week (for example 20-30 hours per week). This same family may also request child care for the hours of employment as well. It may be necessary to create 2 authorizations if more than 1 provider is used in this care arrangement.

3.1.0 Definitions (cont.)

Assistance Group (AG). The Child Care AG consists of all persons living in the same household including:

1. The custodial parent(s), guardian, foster parent, treatment foster parent, legal custodian, kinship parent, or person acting in place of the parent.
2. The spouse or nonmarital co-parent.
3. All minor children to whom the custodial parent or his/her spouse has legal responsibility, legal custody, or provides care or maintenance.
4. Any children of the nonmarital co-parent.

4.1.0 Information

DWD has brochures to help parents select child care, understand the state's day care licensing system and eligibility requirements for the Wisconsin Shares program. These brochures are:

1. Your Guide to Choosing Child Care (DES – 11064)-Gives parents information on how to evaluate a new or current child care provider. It is available in English, Spanish and Hmong.
2. Your Guide to Licensed Child Care(DES-11065) – Gives parents basic information on the rules that licensed child care providers are required to follow. It is available in English and Spanish.
3. Your Guide to Legal Child Care(DES-11066)- Gives parents information on determining when a day care is legal. It is available in English and Spanish.
4. Wisconsin Shares (DES-11122)- Gives parents information on basic eligibility requirements for Wisconsin Shares. It is available in English and Spanish.

Brochures are available for free from:

Wisconsin Child Care Information Center
2109 S. Stoughton Road
Madison, WI 53716
Phone 608-224--5388 or 1-800-362-7353

The Wisconsin Child Care Information Center (WCCIC) also has a library of books, fact sheets, video tapes and other information related to child care. WCCIC also sends a newsletter to agency child care staff. Some materials are also available in Hmong and Spanish. If you are interested in additional information, contact WCCIC.

DWD also has “A Fact Sheet for Child Care Providers” (DES10971-P) that is available.

4.1.0 Information (cont.)

You may obtain DWD forms and publications by submitting a written request in memo form by mail, fax or e-mail to:

Barbara Albrecht
Department of Workforce Development
Division of Economic Support
P.O. Box 7935
Madison, WI 53707-7935
Phone 608-266-8002
Fax 608-267-3240
E-mail barbara.albrecht@dwd.state.wi.us

Include in your memo:

The form number, form name, and quantity desired.

Your agency name and address. If you would like the forms to be sent to a location other than that address, please give the address to which you want the forms sent.

Your name and phone number (in case there are questions about your order).

All child care forms, except the Certificate of Approval for certification, are available at the [DWD public forms depository](#).

5.1.0 W-2 Agencies

W-2, County/Tribal agencies should review with a W-2 participant how s/he plans to handle child care needs when s/he is engaged in W-2 program activities. The W-2 agency should also make the parent aware that financial help is available to help pay for child care.

Agencies can assist in locating child care. Lists of licensed group and family child care centers are available from the Regional Licensing Offices. Also, 17 community child care resource and referral agencies can help a parent find child care providers that meet his/her needs.

Local agencies should also keep a list of certified family child care providers for parents seeking child care providers. Agencies can also identify community child care resource and referral agencies and give out brochures on choosing quality child care.

W-2, county and tribal agencies are responsible for indicating what changes the parent is responsible to report and the time frame for reporting those changes. Agencies are also responsible for identifying to whom the parent should report the changes.

5.2.0 Authorizing Agency

The Child Care Authorizing Agency is responsible for clearly explaining the reimbursement process to the parent and provider. Both the parent and provider should understand the details of the authorization including:

1. Maximum number of hours authorized.
2. Payment type: attendance or enrollment based.
3. Payment amount: per hour or per week.
4. Begin and End Dates of the authorization.
5. How the co-pay is factored into the authorization.

6.1.0 Policy

The W-2 child care program allows parents a wide range of choices for child care providers. Reimbursement can be authorized to licensed day care centers, licensed day care homes, to child care providers who are certified as meeting basic standards, and to programs run by public schools.

Parents can choose relatives and friends who are willing and qualified to be certified, but reimbursement is not allowed for persons living in the child's home, except in specified circumstances as determined by the county/tribal agency.

7.1.0 Introduction

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

1. Care provided by relatives.
2. Care in the 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 subsidy providers must be:

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

7.1.1 Licensing

Licensing rules create separate requirements for 3 categories of licensed child care:

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

Licensing is done by the Department of Health and Family Services (DHFS) through its regional offices.

Licensing is not required for most informal care settings, because these don't meet the licensing minimum of 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. See Chapter 4 for additional information.

7.1.2 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 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 7 years and older, may seek certification.

See Chapter 4 for additional details.

7.1.3. Unregulated providers

To be reimbursed by the Child Care Subsidy Programs providers must be regulated, however, there are some limited exceptions where certification is not required such as:

1. a backup provider to care for child when the child is ill and cannot go to his/her regular provider,
2. an emergency situation in which the regularly authorized child care provider cannot provide care for the child, and
3. care provided on-site where the parent is attending the approved activity.

Persons living in the child's home cannot be reimbursed for child care provided unless the county or tribe determines that care is necessary because of a special health condition of the child.

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8.0.0 REIMBURSEMENT RATES

8.1.0 Introduction

Maximum rates are set annually, for reimbursement of providers, as specified in DWD 56.06. Set maximum rates to ensure that 75 percent of the slots within each category of licensed care can be purchased at or below that rate.

When determining maximum rates, agencies must:

1. Collect the rate information for licensed providers within that county/tribe.
2. Convert the rate information into comparable rates.
3. Establish agency licensed weekly ceilings and hourly rates.

Use the standard survey methods, conversion formulas, payment units and policies set by the state each year.

8.2.0 Flow Chart

Below is a flow chart showing the process flow at local agencies for setting rates, taking applications determining eligibility, and authorizing subsidies for families.

Set County/Tribal Maximum Reimbursement Rates Annually

Child Care agencies set maximum reimbursement rates for 4 categories of regulated child care. Within each category of care, determine reimbursement levels for 4 separate age groups. Determine maximum reimbursement rates according to results of agency surveys of licensed group and family day care centers. Regular Certified Provider rates are set at 75% of the licensed family day care rate, and the Provisionally Certified Provider rates are set at 50% of the licensed family day care rate. All maximum reimbursement rates are set as hourly rates. For licensed care, weekly ceilings are set as well.

Application Made



The family applies for child care assistance at the W-2 agency. The application is completed as a CARES interactive W-2 application.

8.2.0 Flow Chart (cont.)

Determine Eligibility

The W-2 agency determines the applicant's non-financial and financial eligibility and confirms the child care eligibility.

Set Terms of Agreement

The local agency determines the family's co-payment responsibility according to the following:

1. Family size
2. Gross monthly income
3. Number of children in care
4. Type of child care provider chosen
5. Number of hours of care for each child

Referral to Resource and Referral Agency

In most cases the parent will already know the provider that will care for his/her child. In some cases a parent may need information on how to locate a provider, and may need listings of available providers. The parent may need to be referred to the local resource and referral agency.

Complete Agreement

Determine the maximum number of hours that can be authorized based upon the client's work or training schedule and the need for child care. Complete an agreement with the client, indicating the child care provider, number of hours of child care authorized, type of payment, enrollment or attendance, and the hourly or weekly reimbursement amount.

8.2.1 Rate setting

The counties and tribes must conduct a market survey to get information on child care cost within their county/tribe. The survey is usually conducted in the fall. The DWD Child Care Section sends out a rate survey operations memo usually in July. This operations memo includes detailed information on the survey process and how to establish maximum reimbursement rates.

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8.0.0 REIMBURSEMENT RATES

8.2.1 Rate setting (cont)

Include all licensed group centers and licensed family child care centers that meet all of the following requirements in the annual survey:

- 1a. Licensed group child care centers where at least 25% of capacity is privately paid (not paid by subsidy funds)
- 1b. Licensed family child care centers where at least 25% of capacity is privately paid (not paid by subsidy funds)
2. Licensed group and family child care centers which provide care to children:
 - a. Throughout the year, at least 11 months.
 - b. Full time care, 5 days a week, at least 5 hours a day.

Exclude providers funded by sources other than fees, such as Head Start or 51.437 funding from the survey and rate calculation process. Also exclude providers not offering open enrollment, such as employer sponsored programs which serve employees only.

Survey licensed group and licensed family day care providers for weekly prices for 4 age groups:

1. Birth through age 1 (1 year and 11 months)
2. Age 2 through age 3 (3 years and 11 months).
3. Age 4 through age 5 (5 years and 11 months)
4. Age 6 through age 12 (12 years and 11 months)

Set the survey to ask for weekly prices. When a provider's fee schedule does not include a weekly price, the survey should be excluded. You may follow up with the provider to determine if s/he has a legitimate weekly rate. If yes, include the information in survey calculation.

The survey shall collect providers' **current** prices.

Determine separate maximum rates for licensed group and family day care providers. Convert the weekly full time maximum price into an hourly price. Divide the weekly price by 30, 35 or 40 hours to determine the hourly part time price. The local child care market should indicate the divisor to be used. **The county divisor is the number of hours per week that equal a full-time price.** Example: Most group

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centers in Sunshine County charge full-time price if a child attends care more than 30 hours per week. In this county, the divisor would be 30.

When the survey is complete, the agency has a weekly price for each licensed provider for 4 age categories. If a provider reports multiple prices within an age group, select the highest price within that age group. Do this for each age group if necessary.

For each licensed category and age group, list the provider weekly prices from lowest to the highest, along with the provider's licensed capacity. Find the price which would purchase 75 percent of the licensed slots for each age grouping within the provider category. Use this rate as the weekly ceiling, which is the maximum the agency will pay for a week of care.

Convert the weekly ceiling to an hourly rate, by dividing by 30, 35 or 40. A separate divisor can be used for licensed group and licensed family child care.

Weekly Ceilings and Hourly Rates are established for:

1. Licensed **group** child care
 - Birth through age 1
 - 2 through age 3.
 - 4 through age 5
 - 6 through age 12.
2. Licensed **family** child care
 - Birth through age 1
 - 2 through age 3.
 - 4 through age 5
 - 6 through age 12.

Local agencies will determine which of the following 2 formulas will be used when setting the Regularly Certified and Provisionally Certified providers hourly rate as determined by the local child care market:

1. Set Regularly Certified providers hourly rate at 75% of the licensed family hourly rate, and set Provisionally Certified providers hourly rate at 50% of the licensed family hourly rate.

8.2.1 Rate setting (cont)

2. Set Regularly Certified providers hourly rate by calculating 75% of the licensed family weekly ceiling and then dividing by 30, 35 or 40 hours, as determined by the local child care market rate. Set Provisionally Certified providers hourly rate by calculating 50% of the licensed family weekly ceiling and then dividing by 30, 35 or 40 hours, as determined by the local child care market rate.

Weekly ceilings are not set for Regularly or Provisionally certified providers, however, the weekly payments are capped at the licensed family weekly ceiling.

Tribal agencies may use rates set by neighboring local agencies or set rates based on their own survey. NOTE: Tribes are required to return the “Request for Approval of Child Day Care Rates” form indicating the what county’s rates will be used for the tribe.

Submit maximum reimbursement rate information to the DWD Child Care Section on form DES-2465. Include documentation of rate surveys and methodology used to set maximum rates. Approval of maximum rates should be completed as indicated by the standard survey methods set by the State each year.

Note: There is no need to update the provider rates on CCRA at the time of the survey if the rates have not changed from the previous year.

8.2.2 Special Needs Children

Children who are aged birth through 18 who have other special needs are eligible for child care subsidies if all nonfinancial and financial requirements are met. The child’s special needs have to be verified.

Special Needs are defined as: emotional, behavioral, physical or personal needs of a child requiring more than the usual amount of care and supervision for the child’s age, as documented by a physician, psychologist, special educator or other qualified professional. A special need includes a developmental disability.

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8.2.2 Special Needs Children

Authorize higher reimbursement rates for special needs children on a case-by-case basis. Local agencies should negotiate an appropriate beginning reimbursement rate with the provider which reflects a higher cost of care needed for the care arrangement due to providing extra services in order to care for the child. The provider should document the reason for the higher price of care, and what extra services are required. The family copayment should be subtracted from the full weekly amount to determine the agency payment. When using licensed care, weekly ceilings should not be used when calculating the weekly reimbursement.

8.2.3 Other Special Rates

Local agencies have the option to set special rates for child care provided for less than 2 weeks, provided sporadically or provided for care of an ill child through negotiations with the care providers, usually provisional rates are used.

Frequently, licensed and certified day care providers do not take a child who is sick. When a child is sick, there may be alternative care settings for the child. When a parent requests, make payment to an alternate care provider when a child is sick and unable to go to his/her regular care provider. The alternate care provider may be unregulated child care provider that is at least 18 years old. Payment to the regularly authorized child care provider should continue if payment is based on enrollment.

If payment is based on enrollment, local agencies may pay for child care for up to 2 weeks before the scheduled start of employment or training. Payment may also be made for up to 1 month during a break in employment or training if the activity is scheduled to resume within that 1 month period if payment is based on enrollment. This can be allowed if it is necessary to keep the slot open. Attempt to negotiate with the provider for the cost of the slot during that period and authorize at that payment level based on enrollment. When authorizing to the child care provider for this payment to hold the child care slot, document that “No Payment will be made to the child care provider until actual attendance takes place”.

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8.2.3 Other Special Rates

An example of a break in employment would be a scheduled layoff for up to 2 weeks. The parent is scheduled to return to the same job after the layoff.

Another example is when the parent is attending high school classes and there is a 1 week spring break. Pay for the child care during that week classes do not meet if payment is based on enrollment.

Refer to Chapter 3-2.9.0 for further information.

8.2.4 Rates for Accredited Care

Higher rates for accredited child care providers shall be paid to child care providers who are accredited as meeting higher quality of care standards, and who charge above the regular maximum rates.

8.2.5 Rates for In-Home Care

Set maximum rates for in-home care using the following:

1. An in-home provider must be paid according to the state's minimum wage law if care is for 15 or more hours a week.
2. Pay the in-home care provider according to the maximum rates for certified family day care when the minimum wage doesn't apply.

See Chapter 3-2.6.4.1(In-Home Child Care) for further information.

8.2.6 On-Site Care

When child care is authorized to a provider who is not required to be licensed due to the parent being on-site, use licensed group maximum reimbursement rates.

8.2.7 Rates by Geographic Territory

When child care is provided outside of the geographic territory of a county or tribe, pay the reimbursement rates set by the agency in which the parent lives if the maximum prices are higher than the local agency maximum rates where the child care provider is located. If the maximum rates are less, the local agency may reimburse according to their own maximum rates.

Example:

<p>If a parent lives in County A and takes the child to County B, do the following: County B rates are higher – Use County B rates</p>
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9.1.0 Staff Contacts

Follow these procedures for inquiries:

1. Check within your agency about policies and interpretations.
2. If policy or interpretation is unclear, the county/tribal policy coordinator should contact the regional office.
3. If the Regional Office is not available, contact the call center at 608/261-4580.

9.1.1 Regional Office Teams

Use the following policy contacts:

Policy Area Child Care Certification	Contact Area Administrator/AAA Child Care Section
Wisconsin Works (W-2) Child Care	Area Administrator/AAA Child Care Section

9.1.1 Regional Office Teams

Use the following policy contacts:

Policy Area Child Care Certification	Contact Area Administrator/AAA Child Care Section
Wisconsin Works (W-2) Child Care	Area Administrator/AAA Child Care Section

Ashland Regional Office P.O. Box 72 Ashland, WI 54806-0072	JoAnn Schmidt 715/682-7249	Counties: Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Taylor, Sawyer, and Washburn Tribes: Lac Courte Oreilles, St. Croix, Bad River, and Red Cliff
Eau Claire Regional Office 221 W. Madison, Ste 218 Eau Claire, WI 54701-3697	JoAnn Schmidt 715/682-7249	Counties: Barron, Buffalo, Chippewa, Clark, Crawford, Dunn, Eau Claire, Jackson, Juneau, LaCrosse, Monroe, Pepin, Pierce, St. Croix, Trempealeau, and Vernon Tribes: Ho-Chunk
Green Bay Regional Office 200 North Jefferson, Ste 218 Green Bay, WI 54301	Linda Diedrich 715/365-2573	Counties: Brown, Calumet, Door, Florence, Fond du Lac, Green Lake, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, Sheboygan, Waupaca, Waushara, and Winnebago Tribes: Menominee, Oneida, and Stockbridge-Munsee

9.1.1 Regional Office Teams (cont.)

Madison Regional Office PO Box 358 Portage, WI 53901	Christina Martin 608/742-4269	Counties: Columbia, Dane, Dodge, Grant, Green, Iowa, Jefferson, Lafayette, Marquette, Richland, Rock, and Sauk
Milwaukee Regional Office 819 N 6th Street, Rm 850 Milwaukee, WI 53203	Mary Musk 414/227-2009	County: Milwaukee
Rhineland Regional Office P O Box 697 Rhineland, WI 54501	Linda Diedrich 715/365-2573	Counties: Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, and Wood Tribes: Lac du Flambeau, Potawatomi, Sokaogon
Waukesha Regional Office 141 Northwest Barstow St. Room 157 Waukesha, WI 53188	Christina Martin 608/742-4269	Counties: Kenosha, Ozaukee, Racine, Walworth, Washington, and Waukesha

9.1.2 Central Office Team

Following is a listing of the Central Office team and each person's area of responsibility.

Jim Bates 608-266-6946 Jim.bates@dwd.state.wi.us	Budget, Child Care Resource and Referral Contracts, Contracted Child Care.
Gabe Blood 608-267-2081 gabrielle.blood@dwd.state.wi.us	Tribes and Migrant Child Care, Community Initiative Grants
Rebecca Brueggeman 608-266-9703 rebecca.brueggeman@dwd.state.wi.us	CCPS, Local agency liaison
Sue Mathison 608-266-8872 Susan.mathison@dwd.state.wi.us	Program Integrity, County Contracts
Kath McGurk 608-266-7001 kathy.mcgurk@dwd.state.wi.us	Infant Toddler Initiative, Quality Improvement Initiatives, TEACH/REWARD.
Laura Saterfield 608-266-3443 laura.saterfield@dwd.state.wi.us	Section Chief
Barb Steifvater 608-266-8200 barbara.stiefvater@dwd.state.wi.us	Subsidy Monitoring.
Pirkko Zweifel 608-261-4595 pirkko.zweifel@dwd.state.wi.us	CCPI, CCPC, Certification, CCS web, rate survey

Child Care Help Desk 608-261-6317 (option 2)	CCPI and CCPC, Certification
Call Center 608-261-6378 carpolcc@dhs.state.wi.us	Child Care Policy and CARES/CSAW automation

9.1.3.CCS Website

The child care web site contains information for parents, child care providers, and employers. Other topics of interest on the web site are:

- Child care public policy and programming
- Wisconsin Shares information (eligibility, maximum, rates, statistics, list of child care coordinators by county/tribe, etc)
- Grants program information
- TEACH and REWARD
- Subscription email lists on various child care topics
- Certification page (list of certifiers, links to rules, forms, group size estimator, etc)
- Links to other state organization web sites

Join us at: <http://www.dwd.state.wi.us/dws/programs/childcare/default.htm>

10.1.0 Program Integrity

County, tribal and W-2 agencies are responsible for operating early fraud detection and prevention programs and determining which cases shall be referred to the fraud investigation provider, the Division of Hearings and Appeals for administrative disqualification hearings, and the District Attorney's office for criminal prosecution. These agencies are also responsible for initiation of claims and collection of all overpayments.

10.1.1 Prevention

The fraud prevention program involves a process of intense scrutiny of specific elements or circumstances of individual cases that exhibit evidence or characteristics of potential program violation. The process is called Front End Verification (FEV). This is intended to prevent issuance of incorrect benefits and involves more in depth verification than verification for eligibility determination.

It is recommended that agencies establish an error-prone case profile for child care cases. Use it to determine if an application, review, or change is proper for FEV. An error-prone case profile is a list of characteristics recognized as common in error-prone cases. Review and update the error-prone case profile periodically to show potential errors that are relevant and cost effective to use.

Following are some "high risk" or relevant characteristics for child care that you may find helpful in developing an error-prone profile for your agency:

1. Questionable reporting of earned or unearned income.
2. Contradictory information or information provided is incomplete or unclear.
3. Fraud committed or alleged previously.
4. Questionable reporting of household composition.

10.1.1 Prevention (cont.)	<p>When an FEV referral is made, the eligibility determination may be delayed by 7 working days from the date of the FEV referral. Document the reason for the referral in the case file. Applicants who disagree with the findings of the verification process may request a fact finding review by the W-2 agency.</p> <p>Make referrals for FEV on BVIR. This is tracked in the CARES Benefit Recovery subsystem.</p>
10.1.2 Data Exchanges	<p>Child care case data, as part of W-2, goes through data exchanges on CARES. CARES data is exchanged with other automated databases maintained by Federal, State and other agencies. Data is exchanged to verify demographic data, income, eligibility data, and eligibility status. These data exchanges serve to primarily help ES and W-2 workers verify income and eligibility factors. These help to avoid error in issuing benefits.</p> <p>Matches are periodically initiated on CARES by programs utilizing specific selection criteria and match targeting criteria. Matches serve as a backup tool to detect cases where overpayment of benefits are likely to have occurred. This allows verification and recovery action to be taken.</p>
10.2.0 Client Fraud & Intentional Program Violation (IPV)	<p>A potential fraud situation occurs when an allegation contains information that a recipient is engaging in, or has engaged in conduct that places his/her eligibility for a benefit or level of benefit in question. The allegation usually claims that the recipient has failed to comply with the program eligibility criteria.</p> <p>Two critical fraud indicators are:</p> <ol style="list-style-type: none"><li data-bbox="628 1562 1455 1629">1. Reluctance or refusal to provide needed information about income, resources, or relevant eligibility factors.<li data-bbox="628 1671 1419 1703">2. Failure to report change in eligibility circumstances.

10.2.1 Client Fraud

Some examples of client fraud are:

1. Collusion with the child care provider to receive undue payments. This may also be provider fraud.
2. Concealing income or assets by failing to report ownership or acquisition.
3. Submitting false information which if known would result in a decrease or discontinuance of the child care benefit.
4. Concealing circumstances or a change, which if known, would result in a decrease or discontinuance of the child care benefit.

Example. Marcia, the absent parent, returns to the household. She is able to care for the child. Because she is able to care for the child, the household no longer needs child care. But Peter, the primary person, did not report the change in the household to the child care worker.

After 3 separate findings of IPV, the AG may be determined ineligible for child care benefits.

This provision does not end eligibility until after the 3rd IPV occurrence. After 3 separate IPV findings in any W-2 program, the agency may permanently deny payments to the entire AG. For an IPV to be established, 1 of the following must occur:

1. Court found IPV.
2. Administrative hearing found IPV.
3. Client signed IPV waiver of Administrative Disqualification Hearing form (DES-10797).

Enter the W-2 IPV strike on AISA in CARES.

10.2.2 Provider Fraud

Agencies and the State have the authority to pursue any entity in a civil or criminal action, which receives funds to which it is not entitled. The IM contract is specific regarding the IM agency's responsibility to monitor and recover any overpaid amounts.

Some examples of provider fraud are:

1. The provider knowingly reported hours of attendance greater than the actual hours of attendance in order to receive a higher payment.
2. The provider knowingly billed for more hours than the child was actually in care in order to receive more payment.
3. The provider knowingly neglected to report when a child was no longer in care in order to continue receiving payment for that child.

10.2.3 False Attendance Reports

If a provider submits false attendance reports, the child care agency may take one or both of the following steps:

Stop issuing new authorizations to the child care provider until the provider submits accurate attendance report.

Stop making payments to the provider until the provider submits accurate attendance reports.

A 10 day notice must be given to the parent and provider before taking either of these actions.

10.3.0 Overpayments

Agencies administering child care shall take all steps necessary to recoup or recover, from the parent, funds paid to the child care provider when the parent was not eligible for the level of benefits paid. Agencies shall take all reasonable steps necessary to recoup or recover, from the provider, any overpayments made for child care services.

There are 3 types of overpayments:

1. **Inadvertent Client/Provider Error.** The client or provider report incorrect information or fail to report information due to misunderstanding or unintended error.
2. **Administrative Error.** The agency commits an error or the system calculates an authorization or payment amount for more than the client was entitled.
3. **IPV.** The client or provider willfully reports information or fail to report information in order to receive more benefits, and as a result is found guilty of IPV by the court, administrative disqualification hearing, or by signing the Waiver of Administrative Disqualification Hearing form (DES-10797).

Recover an overpayment from the client when:

1. The authorized amount of child care would have been less due to inaccurate reporting of income. Consider the excess amount paid to be the overpayment.
2. The parent was absent from a W-2 approved activity without good cause, while the child was in care. The FEP determines good cause on a case by case basis.
3. There would not have been eligibility if income, assets (prior to March 1, 2000) the need for child care or the household composition had been accurately reported.

10.3.0 Overpayments (cont.)

4. A change in income, assets, the need for child care or household composition was not reported within 10 days of the change and the change would have resulted in a lesser benefit received.
5. Generally, when the worker did not act upon reported information or entered incorrect information into the CARES system that resulted in an eligibility related overpayment.

Example. After eligibility was determined, the parent started a second job working 14 hours per week. The parent failed to report the job until the next review. At the review, it was determined that the parent was still eligible for child care, but a higher copay should have been used in the authorization calculation.

Example. At the time of authorization, the parent reported having a schedule that varied from 15 to 40 hours per week. The authorization was made based on attendance for 45 hours per week. The worker later found out that the parent typically worked 30 hours and ran household errands for the remainder of the time.

Example. The parent reported a raise in income that was greater than \$250.00 per month but the worker failed to act upon the information. The child was in care over the overpayment period.

Recover an overpayment from a provider when:

1. The provider recorded incorrect hours on the attendance report form which caused an overpayment.
2. Generally when the worker entered incorrect authorization or provider information or failed to act on reported information resulting in an authorization related overpayment.

10.3.0 Overpayments (cont.)

3. The child was authorized for an incorrect number of hours and this caused an overpayment.
4. The provider did not report to the local agency when a child stopped attending day care.

Example. The provider accidentally reported 30 hours of attendance instead of 20 hours of attendance on an attendance-based authorization.

Example. The worker issued an enrollment-based authorization of 50 hours for a school-aged child that should have been for only 20 hours.

Example. The parent has decided to change providers. The provider knows the child will no longer be in attendance but fails to notify the agency or indicate the termination on the attendance form.

Example. The parent reports changing providers. The worker issues a new authorization for the new provider but fails to end the authorization for the previous provider.

Example. The provider is a regularly certified provider who is only caring for relatives (and therefore should only be paid at the provisionally certified rate) but the switch on CCPD was not changed to reflect the caring for relatives only.

Establish all claims within 30 days of discovery of the overpayment.

Because of the unique ways of calculating child care subsidies, CARES does not produce a worksheet to mail to the client along with the notice of overpayment. You must complete and mail to the client a worksheet showing how the amount of the overpayment was calculated. Use the Child Care Overpayment Worksheet (DES-11192)

10.3.0 Overpayments (cont.)

You must also send a written notice of overpayment to the client when s/he is no longer eligible for child care and state the reasons for that determination. The notice must specify when the eligibility ends, and inform the client of his/her right to a fact finding review. You must also send a 10 day notice to the parent and provider indicating when the child care authorization ends.

**10.3.1 Determine
Overpayment Period**

Determine what months are overpaid based on if the overpayment began at the time of application, or at some time during an ongoing case. When information that makes a group ineligible or eligible for a lesser benefit is not reported at the time of application, the overpayment begins with the date that benefits were first issued.

When information that makes a group ineligible or eligible for lesser benefits during an ongoing case, agencies have discretion in determining overpayments. However, the guideline has been established that the overpayment is calculated from the 1st full week an incorrect overpayment occurred.

The client child care overpayment period begins with the calendar month in which services were provided and the client was not entitled to receive any benefits. The overpayment period begins with the weekly attendance period where the 1st day of the period falls in the 1st month of the overpayment.

Use BVRF to make the referral in CARES.

10.3.1 Determining
Overpayment Period
(cont.)

Example. A family began receiving child care in January 1999. The family failed to report a large settlement received on 01-15-99 that exceeded the asset limit because it was not spent down before 2/1/99. The worker discovers the overpayment 03-23-99 and ends the child care payment as of 04-03-99, a 10 day notice must be given to the provider and payment periods run through the end of the week. The 1st full week of ineligibility is 02-7-99 through 02-13-99. Payments made for services provided since 02-7-99 are considered overpayments. The 1st date of the overpayment is 02-7-99 and services were provided through 04-03-99. On BVRF the worker enters the referral period as 02-01-99 through 04-30-99.

Example. A family has been receiving child care assistance continuously. At a review on 05-28-99, the worker learns that the parent received a raise starting with his 03-24-99 paycheck. The raise was \$75 per week and should have been reported within 10 days. The family is still eligible for child care, however the copayment should have been \$20 per week more. The worker gives a 10 day notice to the client and provider, and payment is reduced by \$20 a week beginning the week of 06-13-99.

The 1st full week after the change is 03-28-99 through 04-04-99. This is the 1st week of the overpayment. The worker calculates the amount overpaid from 03-28-99 through 06-12-99. She enters the referral period on BVRF as 03-01-99 through 06-30-99.

Example. A family applies for child care assistance on 04-24 and is found eligible effective 04-01. However, the family used informal child care and did not require assistance until 05-10. If it is later found they were ineligible, the referral period would begin 05-01, since that is the eligibility period during which assistance was provided.

10.3.1 Determining
Overpayment Period
(cont.)

Example. A family began receiving assistance on 12-15-98. At a review on 5-28-99 the worker learns that the parent receive a raise starting with the 3-24-99 paycheck. The raise makes the family ineligible for child care. The worker gives a 10 day notice and ends the authorization 6-12-99.

The first full week of the overpayment is 4-4-99. The referral period is 4-1-99 to 6-30-99.

Determine the provider overpayment based on the weeks when no payment or a lesser payment should have been made if the correct information would have been used when making the payment or authorization.

10.3.2 Recoupment of Overpayments to Clients

Claims for participating households must be established regardless of the dollar amount. All inadvertent household error claims for nonparticipating households must be established where the claim is greater than \$75.00. It is agency discretion based on workload to establish a claim for less than \$75.00 for nonparticipating households.

10.3.2 Recoupment of Overpayments to Clients

Benefit recovery for overpayments caused by inadvertent household error, administrative error, or IPV vary according to the participation status of the case.

10.3.2.1 *Recoupment for W-2 Payment Case*

For cases in which the client is an active W-2 participant and is receiving a payment for either a CSJ or W-2T, recoup the child care overpayment by reducing the W-2 payment.

When the child care overpayment was due to error, recoup 10% from either the CSJ or W-2T payment. When the overpayment was due to IPV recoup from the W-2 payment as follows:

1. Less than \$300, recoup 10% per month.
2. At least \$300 but less than \$1,000 recoup at \$75 per month.
3. At least \$1,000 but less than \$2,500 recoup at \$100 per month.
4. \$2,500 or more recoup at \$200 per month.

*10.3.2.1 Recoupment for W-2
Payment Case (cont.)*

When an auxiliary is made for a past month, you may use the auxiliary to offset the overpayment. When a recalculation of adjusted missed hours and good cause results in an auxiliary for the current month, send the auxiliary to the client without offsetting for an overpayment.

Do not recoup child care overpayments by offsetting the AG's Food Stamp allotment.

*10.3.2.2 Recoupment for a
Non-W-2 Payment
Case*

When a child care overpayment was due to error for AGs not receiving a W-2 payment, recover the overpayment by using a repayment agreement. Consider persons on W-2 but receiving Case Management services, in a W-2 Trial Job, or in unsubsidized employment to be not receiving payment from a W-2 position. Negotiate the monthly amount of the repayment with the client. Negotiate this amount so that the claim will be repaid within a reasonable amount of time.

The monthly amount of the repayment agreement for persons in W-2 Trial Jobs may not exceed the monthly subsidy paid to the employer. All persons not receiving a W-2 payment, for whom an overpayment has been calculated are required to complete and sign a repayment agreement.

Once the repayment agreement has been completed, put the data on BVPA in CARES.

In the event of unsuccessful collection efforts and after the 3rd dunning notice, DWD will begin centralized collection efforts. Tax intercept is used to obtain repayment of delinquent claims. Repayments for delinquent claims can be collected through the use of the Department of Revenue (DOR) Tax Offset program upon the client's receipt of the 3rd dunning notice.

When there has been an overpayment as the result of an IPV, recover only the amount incorrectly paid on behalf of the recipient.

10.3.2.2 *Recoupment for a
Non W-2 Payment Case
(cont.)*

Send the client a benefit recovery notice. If the 3rd notice does not bring about a recovery of the payment, contact the district attorney in your county to bring appropriate action for fraud and collection under civil liability statutes.

For a W-2 client who is in a paid W-2 position, and who committed fraud as a child care provider and there is no longer a child care payment being made to him/her, **do not** recover the fraudulent amount through the W-2 payment.

10.3.3 Recovery from Providers

All overpayments made to providers must be collected, whether due to error or fraud. The collection method depends on the provider's status on the Child Care Payment System (CCPS). CCPS will send an adjustment notice when a positive or negative adjustment is entered on CCAP.

For situations where an authorized provider cares for children, and later it is discovered that technically the client was not eligible or entitled to that service, do not penalize the provider for giving care in good faith. In these situations, pursue recovery from the ineligible client.

If a client in a W-2 payment position is an inactive child care provider with an overpayment, do not pursue the recovery through the W-2 payment.

When payment has been made by CCPS and the provider is active, collect overpayments through CARES/CCPS by entering the amount of the negative adjustment on CCAP.

10.3.3 Recovery from Providers Recovery will occur in one of the following ways depending on the providers status or how the payment was made:

1. If the active switch on CCPD is “Y” and the payment was made through CCPS, enter the negative adjustment on CCAP. CCPS will deduct 50% of the provider’s future payments until the negative adjustment has been satisfied.
2. If the active switch on CCPD is “N” and the provider receives a payment through CCPS, enter the negative adjustment on CCAP. CCPS will recoup up to 100% of the payment in order to repay the outstanding overpayment amount.
3. If the provider is and the payment was made through CCPS, enter the negative adjustment on CCAP. The negative adjustment will become claims at the next BOM cycle and the repayment agreement process will begin.

The definition of a BV inactive provider is as follows:

- a. Have not received payments at any location for the past 6 weeks, and
 - b. Do not have any special payments outstanding, and
 - c. Do not have any open authorizations against which attendance can be logged for the past 6 months, and
 - d. Do not have any attendance that is yet to be paid.
4. If the payment was made outside of CCPS, the recovery process is manual.

When the recovery process is outside of CCPS, use the Child Care Cash Collections/Repayments CARS Profile #9006 form (DES-11087), to record the collection. Retain the collection and forward the form to the DWD Bureau of Finance on a monthly basis. DWD records the collection on CARS and reduces the agency payment accordingly.

Submit the completed original form plus 2 copies of the Child Care Cash Collections/Repayments CARS Profile #9006 along with the reimbursement claim form to the Division of

10.3.3 Recovery from Providers Administrative Services. Address information is at the bottom of the claim. Do this by the end of the month following the month of collection.

10.4.0 Fraud Referrals

Fraud referrals are issued by the agency or the DWD Bureau of Program Integrity to the DWD contracted investigative service provider or other local investigative service. A fraud referral directs the investigative service to conduct an investigation where there is documented information to suspect that a program violation occurred. An identification of inconsistencies or errors is needed to refer the case to a fraud investigator for further analysis.

Where the W-2 agency and the ES agency are different, and there is suspected fraud on a case that involves all programs, both agencies need to establish, with their investigative service that 1 referral is received jointly from the W-2 and ES agency.

When a fraud investigation is made on a regulated child care provider, the appropriate regional Bureau of Licensing and Regulation or certifying agency must be notified of the referral. Notify these agencies of any further action taken on the fraud referral. The revocation of a license or certification is a separate action which may or may not be the result of a fraud referral.

A fraud investigation is an in-depth analysis that may involve a review of an entire case file as well as an examination of the particular elements that caused the review. The investigation is directed toward determining the accuracy of fraud allegations and the intent to commit fraud. The investigation may lead to prosecution or disqualification.

The time from the date of the fraud referral to the date the fraud investigator's initial report is delivered must be 90 calendar days or less.

10.4.0 Fraud Referrals (cont.)

The decision to refer to the district attorney is the agency's responsibility. Use the information provided by the investigation report to help make the decision to refer for prosecution. Referral to the district attorney must meet the following criteria:

1. The misrepresentation or concealment was done knowingly and deliberately.
2. The purpose of the misrepresentation or concealment was to get child care funding to which the person was not entitled, whether s/he was a recipient or applicant.
3. Had the facts been known to the agency, the child care funding would have been denied, discontinued, or reduced.

10.5.0 Appeal Process

Clients who believe that an agency decision regarding any component of W-2 child care is incorrect may request a fact finding review by the W-2 agency within 45 days of the agency's decision. Discontinue child care payments during the fact finding process.

Providers who believe that an agency decision relating to a child care authorization, payment or overpayment can request a review of that decision by contacting the authorization worker. The next level of appeal would involve an impartial review by the county or tribe of the action taken. Further levels of appeal are available through the Department of Workforce Development. Disputed child care subsidy payments will not be paid during the review process.

**10.6.0 Confidentiality &
Routine Disclosure**

Adhere to DES confidentiality policies. Do not unnecessarily divulge any information about the client, provider, or reasons for the investigation. Agency records and data are confidential and shall be open to public inspection or disclosure only to the extent DWD allows.

**10.6.0 Confidentiality &
Routine Disclosure (cont.)**

Agencies may disclose information from that record to any official conducting an investigation, prosecution, or civil proceeding in connection with administration of a DES program. The official must submit a written request to obtain the information. The request must include the identity of the person requesting the information, his/her authority to request, the violation being investigated, and the person being investigated. Do not apply this restriction to the district attorney or the fraud investigator.

Agencies are encouraged to coordinate child care benefit recovery efforts. In most cases, agencies which centralize the benefit recovery functions with 1 person or work unit are encouraged to have that person or unit perform the child care benefit recovery function as well.

10.7.0 Contacts

Direct questions as follows:

SUBJECT	CONTACT	TELEPHONE
CARES BV Subsystem	Nadine Konrath	(608)267-2187
Provider Check Returns	Mike O'Brien	(608)266-8898
Security Access	DWS Call Center	(608)261-6317 (option 1)
CC Policy/CCPS	CC Call Center	(608)261-6317 (option 2)

The decision to refer to the district attorney is the agency's responsibility. Use the information provided by the investigation report to help make the decision to refer for prosecution. Referral to the district attorney must meet the following criteria:

11.1.0 Child Care Case File

The child care worker who is responsible for authorizing reimbursement to a child care provider must include the following information in the agency file at a minimum:

1. Current and previous worksheet calculations showing the determination of the agency payment to the child care provider. If the local agency has a computer program which calculates this reimbursement through an automated process, the data may be stored electronically.
2. Child Day Care Agreement/Authorization - current and previous. Authorizations generated by CARES do not need to be printed and placed in the case file. Authorizations generated by CARES include the parents Rights and Responsibilities statement.
3. Documentation of phone conversations regarding the Child Care case.
4. Change Reports. Give a copy of the Change Report to the eligibility worker as well.
5. Class schedules - documentation, this can be stored electronically in CARES, but the authorizing worker needs this information to authorize accordingly.

If the local agency chooses to have 1 central file, these items should be included within that file.

11.2.0 Administration

A separate child care administrative allocation is made to each county and participating tribe. Administrative expenses include intake, eligibility determination, payment, rate setting, certification and monitoring. W-2 administrative dollars only cover the cost of the child care eligibility determination. See the CARS manual for more detailed information.

Agency child care administrative funds can be used by local agencies to: 1) train child care providers, 2) provide physicals or TB tests for providers, or 3) for local child care grants. Refer to the CARS Manual for details on additional administrative allowable expenses.

11.2.1 Special Needs Children
Over 12

Only prior to March 1, 2000 the W-2 agency may use W-2 based contracted funds to provide care for children with special needs who are over the age of 12 so that the parents or person providing care and maintenance may work. Claim these expenditures under the CARS profile Work-Related expenses. The CCPS is not used for this funding source.

Families with special needs children aged 13 through 18 may be eligible for child care subsidies if all nonfinancial and financial eligibility criteria are met on or after March 1, 2000.

11.2.2 Reporting Expenditures

Information for most child care expenditures are reported on the CARES automated Child Care Payment System. Child care expenditures not paid by the automated system should be reported on CARS, according to instructions in the CARS manual.

12.1.0 Policy

Beginning in 1996, Crisis Respite Child Care funding was no longer earmarked as a separate child care funding source. Agencies receive Crisis Respite funding within the general Community Aids allocation. Agencies may decide on all policies related to Crisis Respite Care including:

1. Eligibility
2. Reimbursement Rates
3. Parent Copayment
4. Regulation of Providers

While state statutes do not set any policy for Crisis Respite Child Care, DWD recommends reimbursing only care arrangements which are licensed or certified. Crisis Respite Child Care requirements were eliminated from statutes by 1995 Assembly Bill 1067, passed in the spring of 1996.

13.1.0 Policy

Contracted W-2 child care is care that is provided directly by a W-2 or other local child care agency or through a sub-contract with the child care provider. It must be approved by the Office of Child Care. It could be used at a Job Center for “drop-in” care by families who have appointments or are in training programs on site at the center. Contracted child care includes UMOS child care. UMOS child care does not have to be approved by the Office of Child Care, instead the current contract procedures should be followed.

Contracted W-2 child care must be certified or licensed unless 1 of the following exceptions apply:

1. It is a program established or contracted for by a public board of education.
2. It is a child care program which serves parents in training or counseling programs and the child care is provided at the training or counseling site.
3. It is a short-term child care arrangement when a child is ill and not able to receive care from a regulated provider or the provider has an emergency due to illness or other circumstance.

W-2 families are eligible to use contracted care. However, payments to the contracted provider for W-2 families should not be made via the Child Care Payment System. Non W-2 families that use the contracted care must pay their own care or be funded by another source.

The W-2 child care rate policies apply as appropriate. However, special rates may be used for short-term care, sporadic care, sick child care and care for children with special needs. Expenditures should be reported and reimbursed on appropriate CARS lines, and must reflect actual hours of services used by W-2 eligible children or must follow an approved cost allocation plan. Contracted child care providers are advised to maintain attendance records at the local agency in order to comply with federal reporting requirements that must be submitted by the Office of Child Care.