

## Uniform Co-Payments for the Child Care Subsidy Program

### Important Changes for Child Care Co-Payments Effective the week of March 30, 2008

The family co-payment schedule will be changed on March 30, 2008 to comply with federal mandates.

#### **Background:**

Since the establishment of the Wisconsin Shares program in 1997, the child care subsidy program has required a co-payment responsibility by the family as a portion of the total cost of child care authorized. This is in keeping with the federal requirement that parents funded by the Child Care Development Fund (CCDF) be responsible for a copayment amount.

When Wisconsin established the co-payment schedule, it was set up such that there was a separate co-payment responsibility for choosing licensed care versus certified child care.

#### **Federal Requirement:**

The Federal Department of Health and Human Services has just recently informed the Department that the CCDF State Plan could not be approved due to the two different co-payment schedules for the two types of categories of care. According to the federal regulations (63 FR 39960), "basing fees on the cost or category of care is not allowed." Thus, the practice of having lower co-payments for certified child care is out of compliance with the federal regulations.

If the Department does not adjust the co-payment schedule, Wisconsin would risk losing \$82 million in Child Care Development Funds annually.

#### **Timeline:**

The new co-payment schedule must be in place by April 1, 2008.

#### **New Policy:**

In order to comply, the Department of Workforce Development will implement common co-payments for certified child care and licensed child care programs. The co-payments for parents who use certified child care will be increased to the same level as is currently in place for licensed child care.

For example, this will mean for a family of 2 at income at 100% of the Federal Poverty Level instead of paying \$13 in co-payments they will need to pay \$19 per week.

At the same time that this policy implemented, the co-payment schedule will also be updated to reflect the 2008 Federal Poverty Levels.

The Department will file administrative rules to make this change.

For web resources, see:

<http://dwd.wisconsin.gov/childcare/wishares/policychanges2008.htm>