

March 24, 2022

DSP Informational Memo Series 2022-08i

To: DCF/DMCPS Administrator  
DCF Area Administrators  
Child Placing Agency Directors  
Child Welfare Agency Directors  
County Departments of Community Programs Directors  
County Departments of Human Services Directors  
County Departments of Social Services Directors  
Group Home Providers  
Tribal Social Service/Indian Child Welfare Directors  
Private Child Placing Agencies  
Residential Care Center Providers  
Shelter Care Providers  
Tribal Chairpersons

From: Wendy Henderson  
Division Administrator



**RE: 2021 Wisconsin Act 132 – Subsidized Guardianship Reimbursement**

**Purpose:**

2021 Wisconsin Act 132 was signed into law by Governor Evers on February 4, 2022. The bill requires the Wisconsin Department of Children and Families (DCF) to reimburse expenses incurred by local child welfare agencies for subsidized guardianship payments, effective January 1, 2022. This memo provides guidance on the new reimbursement structure for subsidized guardianship payments under this legislation.

**Background:**

Following a demonstration period in Milwaukee, subsidized guardianship became available as a statewide permanency option in July 2011. Child welfare agencies are required to offer subsidized guardianship to all eligible providers. Wisconsin Act 132 now provides state-wide funding to reimburse local child welfare agencies that meet the required qualifications.

**Information Summary:**

DCF will begin reimbursing local child welfare agencies for subsidized guardianship payments, including subsidized guardianships of Indian children ordered by tribal courts located in the state of Wisconsin. Reimbursement payments will cover the incurred expenses as of January 1, 2022, for both existing and new qualifying subsidized guardianships. Local child welfare agencies will continue to be responsible for meeting all subsidized guardianship requirements as provided in Wis. Stat. § 48.623 and Wis. Admin. Code DCF 55, including determining eligibility and conducting annual redeterminations for subsidized guardianships.

**Reporting and Reimbursement Requirements:**

Counties and tribes will need to sign a forthcoming appendix to the State-County Child Welfare contract or an amendment to State-Tribe contract. Counties will be reimbursed quarterly via SPARC line 3456. Tribes will be reimbursed via SPARC line 5456.

Each quarter's reimbursement total will be the sum of new payments and adjustments to prior quarter's payments that meet the following criteria:

- Payment is for the cost of subsidized guardianship payments incurred on or after January 1, 2022;
- Payments must be in connection with a Subsidized Guardianship Agreement;
- County agencies must enter payments into eWiSACWIS;
- Payments must be in connection with a check with a status of "Outstanding"; and
- All transactions must be completed *as of the Monthly Financial 3 (MF3) batch run after the recently completed quarter* (see the schedule below).

Transaction Months	MF3 Batch Run	Reimbursement Date
January February March	April 12	May 5
April May June	July 13	August 5
July August September	October 12	November 7
October November December	January 12	February 6

Transactions processed after the MF3 date will be reflected in next quarter's reimbursement (regardless of the month in which the cost of care occurred). **DCF will not process mid-quarter SPARC adjustments.** Agencies wanting prompt reimbursement for the previous month's payments should prioritize processing of check batches before the MF3 deadline.

**Eligibility:**

As a reminder, subsidized guardianship eligibility requirements in Wis. Stat. § 48.623(1) include the following (see Wis. Stat. § 48.623 and Wis. Admin. Code DCF 55 for specifics relating to subsidized guardianship requirements):

- The child has been placed in out-of-home care under a voluntary placement agreement pursuant to Wis. Stat. § 48.63 or under a substantially similar tribal court order or under a court order containing a finding that continued placement of the child in their home would be contrary to the welfare of the child.
- The child has been residing in the home of the guardian for not less than six consecutive months.

- The child’s situation precludes return of the child to their home or adoption as appropriate permanency options for the child.
- The child demonstrates a strong attachment to the guardian.
- If the child is age 14 or older, they have been consulted regarding the guardianship arrangement.
- The proposed guardian is the child’s relative pursuant to Wis. Stat. § 48.02(15) or like-kin pursuant to Wis. Admin. Code DCF 55.02(7).
  - Wis. Stat. §48.02(15) “Relative” means a parent, stepparent, brother, sister, stepbrother, stepsister, half brother, half sister, brother-in-law, sister-in-law, first cousin, 2nd cousin, nephew, niece, uncle, aunt, stepuncle, steppaunt, or any person of a preceding generation as denoted by the prefix of grand, great, or great-great, whether by blood, marriage, or legal adoption, or the spouse of any person named in this subsection, even if the marriage is terminated by death or divorce. For purposes of the application of s. [48.028](#) and the federal Indian Child Welfare Act, [25 USC 1901 to 1963](#), “relative” includes an extended family member, as defined in s. [48.028 \(2\) \(am\)](#), whether by blood, marriage, or adoption, including adoption under tribal law or custom. For purposes of placement of a child, “relative” also includes a parent of a sibling of the child who has legal custody of that sibling.
  - Wis. Stat. §48.028(2)(am) “Extended family member” means a person who is defined as a member of an Indian child’s extended family by the law or custom of the Indian child’s tribe or, in the absence of such a law or custom, a person who has attained the age of 18 years and who is the Indian child’s grandparent, aunt, uncle, brother, sister, brother-in-law, sister-in-law, niece, nephew, first cousin, 2nd cousin, or stepparent.
  - Wis. Admin. Code DCF 55.07(7) “Like-kin” means a person who has a significant emotional relationship with the child or the child’s family and to whom any of the following applies:
    - (a) Prior to the child’s placement in out-of-home care, the person had an existing relationship with the child or the child’s family that is similar to a familial relationship.
    - (b) During the child’s placement in out-of-home care, the person developed a relationship with the child or the child’s family that is similar to a familial relationship and all of the following apply:
      - 1. The person is a foster parent who has had a relationship with the child for at least 2 years.
      - 2. The child is 14 years of age or older.
      - 3. The child has been placed in out-of-home care for 15 out of the last 22 months.
      - 4. The agency or court determines that placement with a fit and willing relative is not in the child’s best interest.
- The proposed guardian has a strong commitment to caring permanently for the child.
- The proposed guardian has been licensed as the child’s foster parent and the proposed guardian and all adults residing in the guardian’s home meet background check requirements.
- The proposed guardian and the local child welfare agency enter into a subsidized guardianship agreement **before** the guardianship is ordered.

- Proposed guardian is appointed as guardian by a court pursuant to Wis. Stats. § 48.977 or similar tribal law.
- Court order under enumerated statutory provisions placing the child outside the home is **terminated or dismissed** when guardianship is ordered.
- If the county child welfare agency or DMCPs knows or has reason to know that the child is an Indian child, they have complied with applicable notice provisions and placement preference requirements under the Wisconsin Indian Child Welfare Act.

**Additional Resources:**

eWisACWIS Knowledge Web:

- [Common Financial Processes](#)
- [Checks and Payments Maintenance](#)
- [Outstanding Checks](#)
- [2022 Financial Batch Calendar](#)

[Child Welfare Reports and Dashboards](#) :

- eWisACWIS Report FM01X104- Financial Activity and Detail provides line-item detail of maintenance expenditures on behalf of children in out-of-home care, subsidized guardianship, adoption, and other settings.
- DCF is developing an eWisACWIS Subsidized Guardianship Dashboard; agencies will be able to review the line-item payments and adjustments that comprise each quarter's reimbursement total.

[SPARC](#)

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MEMO WEB SITE:                                <https://dcf.wisconsin.gov/cwportal/policy>

ATTACHMENT LINKS:                           [2021 Wisconsin Act 132](#)  
[Subsidized Guardianship Policy \(wisconsin.gov\)](#)