



**Governor's Budget Recommendations
Summary
2025 – 2027 Biennium
February 18th, 2025**

DEPARTMENT OF CHILDREN AND FAMILIES
2025-2027 Governor's Recommendations

- In total, the Governor recommends an increase in funding of \$415,316,500 [\$291,856,500 GPR, \$120,485,200 FED, and \$2,974,800 PR] and an increase of 14.5 FTE [9.76 GPR, 4.84 FED, and -0.10 PR] in SFY26 and an increase of \$473,360,800 [\$309,324,300 GPR, \$161,432,300 FED, and \$2,604,200 PR] and an increase of 14.5 FTE [10.76 GPR, 3.84 FED, and -0.10 PR] in SFY27.
- In the summary items below, when a number is listed in the title (ex. "Standard Budget Adjustments – "35"), it corresponds to items numbered in [DOA's executive budget listing for DCF](#). The budget bill was introduced as [2025 Senate Bill 45](#).

Department-Wide

Standard Budget Adjustments - 35

- The Governor recommends an increase of \$1,672,900 [-\$69,500 GPR, \$1,093,400 FED, \$42,500 PR and \$606,500 PR-S] and 0.0 FTE in SFY26 and \$1,674,700 [-\$63,100 GPR, \$1,083,700 FED, \$42,900 PR and \$611,200 PR-S] and -1.0 FED FTE in SFY27 to fund standard budget adjustments, including full funding of salary and fringe, turnover, overtime, night and weekend differential, and full funding of lease and directed moves.

Program Revenue Re-Estimates - 33

- The Governor recommends an increase of \$5,363,100 [\$2,153,600 FED, \$493,000 PR and \$2,716,500 PR-S] in SFY26 and an increase of \$5,007,900 [\$2,173,700 FED, \$657,400 PR and \$2,176,800 PR-S] in SFY27 to reflect estimates of federal and program revenue funding levels.

Program Revenue for PR-S GWAs from Prior Biennia - 32

- The Governor recommends an increase of \$1,916,600 [\$916,000 GPR, \$954,300 FED, and \$46,300 PR] in each SFY26 and SFY27. Annual General Wage Adjustments (GWA's) have created accumulated costs without associated revenues in DCF's main Program Revenue- Service (PR-S) appropriation. This DIN is a technical correction to provide revenue. The Governor's recommendation excluded continuing federal appropriations but DCF believes this can be addressed via existing administrative options to augment these fund sources.

Additional Resources for the Office of Legal Counsel – 31 and 8

- The Governor recommends providing 3.0 FTE and related expenditure authority [\$191,900 GPR and \$213,600 FED in SFY26 and \$255,900 GPR and \$284,700 FED in SFY27] for the department's Office of Legal Counsel to meet increasing workload.

Funding and Position Realignment - 34

- The Governor recommends a decrease of -\$14,500 [-\$28,300 FED and \$13,800 PR] annually to accurately reflect the needs and organizational structure of the department.

Child Welfare

Children and Family Aids Allocation Increase – 15

- The Governor recommends an additional \$2,548,500 GPR in SFY26 and \$6,167,400 GPR in SFY27 to increase Children and Family Aids funding to counties.
- The allocation limit under Wis. Stats. s. 48.563 (2) is amended such that the department shall not distribute more than \$104,969,500 in SFY26 and \$110,869,200 in SFY27. This increase to the allocation limit also includes additional funding authority provided under the Governor's recommendation for Limiting Child Support for Out-of-Home Care and Increases to Foster Care and Kinship Care Rates (see below).

Adoption Assistance, State Foster Care, Subsidized Guardianship & Public Adoption Contracts - 26

- The Governor recommends an overall base decrease of \$748,800 All Funds in SFY26 (a decrease of \$3,508,600 GPR and increase of \$2,759,800 FED) and an overall base decrease of \$149,100 (a decrease of \$3,112,900 GPR and increase of \$2,963,800 FED) to reestimate Adoption Assistance, State Foster Care, Subsidized Guardianship, and Public Adoption Services.
- The funding for Adoption Assistance, State Foster Care, and Subsidized guardianship are adjusted to reflect current expenditures and changes in federal claiming rates. The slight overall base reduction is a result of relatively flat expenditure projections. GPR amounts are reduced as a result of increased claiming rates for Adoption Assistance; allowing for a greater federal share. Public Adoption Services amounts are reestimated to reflect the federal Adoption Savings expenditures requirements and changes in federal claiming rates.

Kinship Care Reestimate – 8 (TANF/CCDF Reestimate)

- The Governor recommends re-estimating the kinship care allocation based on caseload projections and provides a total allocation in the amount of \$46,686,700 in SFY26 and \$53,125,600 in SFY27.

Increases to Foster Care and Kinship Care Rates - 17

- The Governor recommends additional funding for foster care payments and kinship care payments as follows:
 - \$711,700 in SFY26 (\$497,600 GPR and \$214,100 FED) and \$1,422,300 in SFY27 (\$994,400 GPR and \$427,900 FED) via appropriations for Children and Family Aids, State Foster Care, and Milwaukee Child Welfare Services
 - \$6,933,800 TANF in SFY26 and \$14,000,800 TANF in SFY27 for Kinship Care allocation under s. 49.175
- The Governor provides this funding to:
 - increase age-based foster care rates by 5%, and
 - expand those age-based rates to foster care level 1 caregivers and kinship caregivers (above current rate of \$375 per month), and
 - allow for exceptional payments for sibling placements and one-time clothing allowances to these caregivers.

Limiting Child Support for Out-of-Home Care – 13

- The Governor recommends statutory changes to remove the requirement that child welfare agencies collect child support from families with children who enter OHC.
- The Governor provides \$1,800,000 of **on-going** funding beginning in SFY27 (\$1,170,000 GPR and \$630,000 FED) in the Children and Family Aids (CFA) allocation to support counties in implementation of this change.
- An additional \$70,000 (\$35,000 GPR and \$35,000 IV-E) of one-time funding is provided in SFY27 for technical changes to eWiSACWIS to accommodate the changes to child support administration for children in OHC.

Social Security Benefits for Children in Out-of-Home Care – 14

- The Governor recommends requiring child welfare agencies to screen, apply for and preserve benefits in trust accounts for a child in OHC who receives Supplemental Security Income (SSI) or Social Security.
- The Governor provides \$3,000,000 in on-going GPR beginning in SFY27 for the statewide management of trust accounts.

Specialized Congregate Care – 18

- The Governor recommends \$2,657,500 GPR in SFY26 and \$2,710,700 GPR in SFY27 to support a program that serves children in OHC with high acuity needs.

Home Visiting Expansion – 20

- The Governor recommends an increase of \$1,200,000 GPR in SFY26 and \$4,000,000 [\$3,896,000 GPR and \$104,000 FED] in SFY27 to expand home visiting services.

Additional State Support for Tribal Child Welfare – 16

- The Governor recommends increased funding for tribal family services \$98,900 GPR in SFY26 and \$173,500 GPR in SFY27 and high-cost out-of-home care placements an additional \$3,729,900 GPR annually to better support Native American children in the child welfare system.

Triple P Online – 21

- The Governor recommends providing \$1,538,300 FED annually beginning in SFY26 for online, evidence-based parenting programming.

Subsidized Guardianship and Kinship Care Eligibility – 19

- The Governor recommends modifying eligibility requirements for subsidized guardianships and kinship care to ensure youth in the youth justice system qualify for these placements and children of any age can qualify for subsidized guardianship and increasing funding by \$2,633,300 GPR in SFY26 and SFY27.

Youth Services Items

Independent Living Supports – 22

- The Governor recommends increasing funding by \$5,251,400 GPR annually to expand eligibility for independent living services to youth who are aging out of the out-of-home care system.

Runaway and Homeless Youth Supports – 23

- The Governor recommends increasing funding by \$3,758,700 GPR annually for programs that serve runaway and homeless youth along with 1.0 FTE GPR. Funding would increase statewide runaway and homeless youth service capacity by funding more than one grant per Youth Services Region (additional funding of \$825,000 GPR per year) and \$1,200,000 GPR per year to expand the PATHS Program (Permanent connections, Academics, Training and employment, Housing and Social and emotional well-being) statewide. PATHS serves youths at imminent risk of homeless after exiting the child welfare system.

Youth Aids Increase – 27

- The Governor recommends an additional \$2,479,900 GPR in SFY26 and \$6,001,400 GPR in SFY27 to increase Youth Aids funding to counties.

Youth Justice Investment and Modifications - 28

- The Governor recommends simplification of the funding statutes for Youth Aids to give greater flexibility in allocating funding and allowing the department to fund activities required under Wis. Stat. s. 48.526(1). These modifications do not change the base Youth Aids distribution formulas but it would add funds to that base. There is no net change in funding associated with this modification.

Juvenile Court Jurisdiction - 29

- The Governor recommends the creation of a new sum-sufficient appropriation to reimburse counties for the costs associated with responsibility for 17 year old youth. This results from raising the age that a circuit court or municipal court exercises adult court jurisdiction on individuals from 17 years of age to 18 years of age.

Funding is estimated at \$5,000,000 GPR in SFY26 and SFY27 but can be increased as needed.

Juvenile Justice Reform Review Committee- 30

- The Governor recommends creating a Juvenile Justice Reform Review Committee at the department to study and provide recommendations to the department and the Department of Corrections on juvenile justice reforms

DMCPS Child Welfare Items

DMCPS Aids Expenditures - 25

- The Governor recommends an overall increase of \$11,524,900 [\$11,882,600 GPR, -\$821,000 PR and \$463,300 FED] in SFY26 and \$10,600,300 [\$11,209,800 GPR, -\$821,000 PR and \$211,500 FED] in SFY27 to reflect projected changes.
- The Governor recommends an increase of \$7,791,400 [\$6,745,900 GPR and \$1,045,500 FED] in SFY26 and \$6,866,800 [\$6,073,100 GPR and \$793,700 FED] in SFY27 to reflect changes in caseloads, expenditures, and federal claiming rates for out-of-home care placements and wraparound. Relative to the agency request, this includes a reduction of the level 5 estimate from \$5,200,000 to \$4,200,000.
- The Governor recommends an increase of \$3,733,500 [\$4,065,000 GPR, -\$821,000 PR and \$489,500 FED] in SFY26 and \$3,733,500 [\$4,065,000 GPR, -\$821,000 PR and \$489,500 FED] in SFY27 to increase several aids contracts for the Division of Milwaukee Child Protective Services (DMCPS), including ongoing case management contracts, independent investigations, permanency plan reviews, district attorney, and other contract adjustments.

Milwaukee Child Welfare Quality Improvements Positions – 24

- The Governor recommends an increase of \$153,400 [\$141,200 GPR and \$12,200 FED] in SFY26 and \$204,500 [\$188,200 GPR and \$16,300 FED] in SFY27 and 2.00 FTE [1.84 GPR and .16 FED] in SFY26 and SFY27. These positions will quality improvements in the Division of Milwaukee Child Protective Services.

Child Care

Wisconsin Shares Direct Services - 8

- The Governor recommends an increase of \$9,802,300 million FED in SFY26 and an increase of \$30,331,900 in SFY27 for the Wisconsin Shares re-estimate which includes costs related to raising rates to the 75th percentile of the market rate [\$32,917,000 FED in SFY26 and SFY27] and capping copayment levels to 7% of a family's income [\$19,476,600 FED in SFY 27].

Wisconsin Shares Quality Care for Quality Kids - 8

- The Governor recommends an increase of \$3,427,600 in SFY26 and SFY27, which includes increased funding for tribal training and technical assistance [\$500,000 in SFY26 and SFY27] and child care foundational training [\$2,166,600 in SFY26 and SFY27]. It also includes funding for the Wisconsin Out of School time Alliance (WOSTA) [\$250,000 in SFY26 and SFY27] and Early Health Consultation [\$511,000 in SFY26 and SFY27].

Wisconsin Shares Administration - 8

- The Governor recommends an increase of \$4,713,900 FED in SFY26 and \$5,453,500 FED in SFY27, which includes funding for auditing IT work related to audit resourcing [one time funding of \$506,000 in SFY26], funding to pay for central administration function cost increases from historical GWA adjustments [\$759,600 in SFY26 and SFY27], IT modifications to comply with the 12 month eligibility standard [one time funding of \$2,562,000 in SFY26], IT modifications of copay changes [one time funding of \$19,400 in SFY26], IT modifications for managing presumptive eligibility [\$2,860,000 in SFY27] and funding for 3.0 FTE FED licensing positions [\$277,400 in SFY26 and \$369,800 in SFY27].

Child Care Counts - 1

- The Governor recommends funding of \$221,049,600 GPR in SFY26 and \$220,991,100 GPR in SFY27 to permanently continue the Child Care Counts quality improvement program. This includes CCC Grants (\$220,000,000 GPR in SFY26 and \$220,000,000 GPR in SFY27), evaluation costs (\$200,000 GPR in SFY26), and 4.0 FTE and related IT costs (\$849,600 GPR in SFY26 and \$991,100 GPR in SFY27.) Note that the evaluation costs are recommended for SFY26 only. There is an additional \$20 mil FED – CCDF assumed as part of the Quality Care for Quality Kids allocation for CCC payments. This item is for the GPR portion only.

Child Care Capacity Building - 2

- The Governor recommends one time funding of \$10,000,000 GPR in SFY 26 to increase the supply of child care providers in the state. The bill requires DCF to enter into a \$4,500,000 contract with Wonderschool to 1) increase the child care workforce by launching an online software platform that is linked to DCF's website to connect child care providers with child care workers and a pool of substitute child care workers and 2) build child care capacity in this state. The bill also requires DCF

to enter into a \$5,500,000 contract with Wisconsin Early Childhood Association to provide 1) existing or prospective child care providers with licensing and certification assistance, 2) coaching and other support services, and 3) tax education assistance for child care centers that provide care and supervision for between four and eight children.

Employer Sponsored Child Care Grant Program - 3

- The Governor recommends funding of \$162,400 GPR and 1.5 FTE GPR in SFY26 and \$5,351,500 and 2.5 FTE GPR in SFY27 to establish an employer-sponsored child care grant program to support businesses that choose to invest in child care for their employees. The SFY27 budget assumes \$5,000,000 in aids payments.
- The bill authorizes DCF to establish a grant program to award funding to businesses, nonprofits, or governmental entities (businesses) that provide or wish to provide child care services for their employees. The bill allows such a grant to be used to reserve child care placements for local business employees, pay child care tuition, and other costs related to child care. Under the bill, a grant recipient with 50 or fewer employees must provide at least 10 percent matching funds and a grant recipient with more than 50 employees must provide at least 15 percent matching funds. The bill allows DCF to promulgate rules to administer the grant program, including to determine eligibility for a grant, and authorizes DCF to promulgate these as emergency rules

Community-based Four Year Old Kindergarten - 4

- The Governor recommends requiring the Department of Public Instruction, in consultation with the Department of Children and Families, to develop a standard per pupil payment amount to child care providers in school districts participating in mixed delivery models through the community approach to four-year-old kindergarten. The Governor also recommends requiring the Department of Public Instruction, in consultation with the department, to develop a model contract for school district agreements with child care providers. See [Department of Public Instruction, Item #41](#).

Head Start State Supplement – 5

- The Governor recommends a transfer of the entire \$6,264,100 GPR appropriation under Wis. Stat. § 20.255(2)(eh) and related language in Wis. Stat. § 115.3615 from the Department of Public Instruction to DCF. This appropriation funds the Head Start State Supplement, the administration of which is currently located at DCF via an inter-agency MOU with DPI.

Out of School Time Initiative - 6

- The Governor recommends funding of \$11,500,000 GPR in SFY 27 to establish an out-of-school time grant program to deliver services to school-age youth with the goal of improving social, emotional, academic or career readiness competencies and providing a safe out-of-school time environment. There is additional funding recommended for DPI as well. See [Department of Public Instruction, Item #63](#).

In-Home Child Care Water Safety Grant Program - 7

- The Governor recommends one time funding of \$7,100,000 GPR in SFY 26 for a Milwaukee based program for lead contamination remediation in in-home child care settings. The bill requires the department to award a grant to Community Water Services, Inc., for the purpose of helping child care providers to access safe drinking water

W-2 and TANF-Related Programs

Wisconsin Works (W-2)

- W-2 benefits – Decreases funding by -\$2,193,500 in SFY26 and -\$2,012,300 in SFY27 to re-estimate W-2 benefit costs, for a total allocation of \$26,806,500 in SFY26 and \$26,987,700 in SFY27.
- W-2 contracts – Increases funding by \$1,821,200 in SFY26 and \$2,000,000 in SFY27 to re-estimate costs for W-2 services and administration contracts, for a total allocation of \$58,892,400 in SFY26 and \$59,071,200 in SFY27.
 - The department's request for additional Job Access Loan funds in the W-2 contracts allocation was approved, but funding requests for inflationary adjustments and Emergency Assistance administrative funding for the W-2 agencies were not.
- Emergency Assistance – Increases funding by \$4,414,400 in SFY26 and \$4,141,300 in SFY27 to re-estimate Emergency Assistance program costs, for a total allocation of \$10,414,400 in SFY26 and \$10,141,300 in SFY27.
- State Administration – Provide additional TANF administrative funding of \$5,689,600 in SFY26 and \$6,138,800 in SFY27, totaling \$25,258,600 in SFY26 and \$25,707,800 in SFY27.
 - Increase funding due to standard budget adjustments by \$474,400 annually
 - Provide one-time TANF funding of \$712,800 in SFY26 and \$682,700 in SFY27 for enhancements and system upgrades for the Benefits Recovery IT System, or BRITS, project, as well as requirements gathering for the Emergency Assistance program
 - Provide one-time TANF funding of \$1,944,000 in SFY26 and \$2,040,000 in SFY27 to support ACCESS system improvements for the Emergency Assistance program.
 - Provide \$1,700,200 in SFY26 and \$1,800,300 in SFY27 to address an accumulated backlog of IT projects in BWF.
 - Provide \$241,000 annually to address necessary GWA adjustments for PR-S funded cost pools.
 - Provide \$863,500 in SFY26 and \$913,500 in SFY27 to fund expected cost allocation adjustments over the coming biennium.
- Provides an additional \$2,975,000 annually to reflect higher participation in the Transform Milwaukee Jobs and Transitional Jobs programs under a proposal to

remove eligibility restrictions for the programs requiring that individuals must be unemployed for at least four weeks and ineligible for unemployment insurance benefits prior to participating in subsidized employment.

- Provide \$1,000,000 GPR annually to create expanded Transform Milwaukee Jobs and Traditional Jobs programs to mirror existing programs while increasing access for individuals not eligible for the TANF. [Number 9 in Executive Budget Book]
 - Individuals participating in the new GPR Transform Milwaukee Jobs and Transitional Jobs programs are exempt from the current TANF-funded programs' age limit (between ages of 18 and 25 if childless or a parent if over 25) and income limit (household income at or below 150 percent of the federal poverty line).

Other TANF-Related Programs

Note: All funding is FED TANF unless otherwise noted

- Kinship Care – Increases funding by \$10,025,700 in SFY26 and \$17,464,600 in SFY27.
 - Re-estimate base funding for Kinship Care to reflect current trending caseloads by -\$102,300 in SFY26 and -\$148,000 in SFY27.
 - Provide \$6,933,800 in SFY26 and \$14,000,800 in SFY27 for age-based rates, consistent with the proposed increase for IV-E foster care rates.
- SSI Caretaker Supplement – Increases funding by \$8,271,700 annually for projected annual expenditures of \$19,262,100 in the SSI Caretaker Supplement program administered by the Department of Health Services.
 - Funding provided assumes the most recent re-estimate of expenses from the Department of Health Services and the fiscal effect of increasing the SSI State Supplement Benefit.
 - Increases to the SSI State Supplement Benefit are expected to result in Caretaker Supplement benefit costs being fully paid by TANF.
- Provide \$3,472,000 in SFY26 and \$6,944,000 in SFY27 and statutory language to create a child support debt reduction program to assist participating noncustodial parents in paying child support arrearage debts to custodial parents.
 - The budget bill also provides the department emergency rulemaking authority for the program.
- Provide \$6,700,000 annually in grants to the Boys and Girls Clubs as additional funding for the Wisconsin After 3 program to improve literacy skills and math proficiency for low-income youth. Total funding in the Executive Budget is \$9,507,000 annually.
- Provide an additional \$500,000 annually for homeless shelter grants administered by the Department of Administration for total funding of \$1,000,000 annually.

- Provide an additional \$1,000,000 annually for Jobs for America’s Graduates to expand the program to additional schools, for total funding of \$2,000,000 annually.
- Provide an additional \$4,000,000 for civil legal services grants to the Wisconsin Trust Account Foundation, and expand eligible legal services related to eviction matters. Total funding in the Executive Budget is \$4,500,000 annually.
- Provide \$35,905,800 in SFY26 and \$36,556,500 in SFY27 for additional funding to offset the GPR cost of the proposed increase in the Earned Income Tax Credit (EITC) for filers with one dependent child and two dependent children beginning in tax year 2025. Total funding is \$100,907,800 in SFY26 and \$101,558,500 in SFY27.
 - Wisconsin’s EITC is administered by the Department of Revenue and tied to a percentage of the federal credit. The Executive Budget increases the percentage of the federal EITC provided by Wisconsin from 4 percent to 16 percent for filers with one qualifying child and from 11 percent to 25 percent for filers with two qualifying children.

Skills Enhancement Grants - 10

- Provide an additional \$250,000 GPR annually for skills enhancement grants, as part of a package of homeless prevention initiatives.
 - The Executive Budget Bill deletes the one-time TANF allocation provided last biennium, which expires at the end of SFY25. Total Skills Enhancement funding under the bill would be \$500,000 GPR annually.

Child Support

- Provide \$17,562,000 All Funds in SFY26 and \$27,568,900 All Funds in SFY27 for the child support modernization project. – 12
 - Funding provided is one-time, so no base funding for the project will carry into the next biennium. The department will have to request project funding again for the 2027-29 biennium.
 - By project phase, the approved funding request is as follows:

	SFY26	SFY27
DDI	\$8,401,378	\$15,523,615
Project Management	\$2,859,386	\$3,218,465
Quality Assurance	\$2,958,816	\$2,611,040
Hardware/Software/Subscriptions	\$802,484	\$1,764,191
IV&V	\$699,143	\$699,143
Travel	\$0	\$294,900
Project Contingency	\$1,840,772	\$3,457,561
Total	\$17,561,980	\$27,568,916
All Funds Total, Rounded	\$17,562,000	\$27,568,900

GPR Request	\$5,971,100	\$9,373,400
FFP Request	\$11,590,900	\$18,195,500

- Increase funding to county child support agencies by \$1,911,800 All Funds (\$650,000 GPR and \$1,261,800 FED) annually to offset the revenue loss associated with elimination of birth cost recovery. – 12
 - Funding was not adjusted for the calendar year term of the state-county child support contracts. Instead, funds are provided on a state fiscal year basis, which would be effective for the last six months of the CY25 contracts.