



ACTION  
 NOTICE DECE 15-05

ISSUE DATE: 09/03/15

DISPOSAL DATE: None

**To:** County and Tribal Child Care Program Directors  
**From:** Judy Norman-Nunnery, Ph.D.  
Division Administrator  
**RE:** 2016 Child Care Contract – Preliminary Notice of Allocations

### **PURPOSE**

The Administrator's Memo provides preliminary notice of the Child Care Administration, Certification and Supplemental Fraud allocations for Wisconsin tribes from October 1, 2015 through September 30, 2016, and for Wisconsin counties from January 1, 2016 through December 31, 2016 (Contract Year 2016). The Administrator's Memo does not apply to Milwaukee County.

### **BACKGROUND**

Wisconsin Statute § 49.155 (1m) and (3) requires that the Department of Children and Families contract for child care services with a county, tribe or other agency (local agency) in each geographical region or tribal unit to determine eligibility and administer Wisconsin Shares child care assistance. The child care services contracts to local agencies include the following activities:

- Determine eligibility for child care subsidy.
- Determine an individual's liability for copayments.
- Determine and authorize the amount of child care for which an individual may receive a subsidy.
- Assist individuals who are eligible for child care subsidies under this section to identify available child care providers and select appropriate child care arrangements.
- Review and re-determine the financial and nonfinancial eligibility of individuals receiving child care subsidies as required by the department.
- Monitor child care expenditures and authorization utilization.

In addition, Wisconsin Statute § 48.651 permits the Department of Children and Families to contract with a county department or other agency in a particular geographic area or particular tribal unit for certification of child care providers provided under Administrative Rule, DCF 202. The Department also allocates funds under Wisconsin Statute §49.175(1)(h) to local agencies to investigate suspected fraud and reduce errors.

### **County and Tribal Preliminary Allocations**

The Contract Year 2016 preliminary allocations for each local agency are shown in Attachment A. These allocations can be used by local agencies for budget purposes.

#### **General Administration Allocation (CORe Contract Code 0852)**

For Contract Year 2016, the total General Administration allocation is **\$10,237,500**. Pursuant to Wisconsin Statute § 49.155 (3m) this allocation is distributed to local agencies based on caseload size and caseload activity for calendar year 2014, which is the most recent year for which the information is available. The allocations for each local agency are at least 95% of the allocation from the previous year and not less than \$20,000. Allocations for the established consortia within the Northern and Western regions will be consolidated and issued to the fiscal agent counties in the 2016 contract documents.

The General Administration allocation must be used for administrative expenses, eligibility and authorization activities; hearings; and, other costs related to operation of the Wisconsin Shares child care subsidy program. All expenditures associated with General Administration of the program must be reported on the appropriate reporting lines in CORe. Instructions for reporting can be found on the CORe website.

#### **Certification Allocation (CORe Contract Code 0831)**

For Contract Year 2016, the total Certification allocation is **\$1,400,000**. This amount was distributed to local agencies based on the number of certified providers for the agency. The allocations for each local agency are at least 95% of the allocation from the previous year and not less than \$1,250.

All expenses associated with child care Certification activities must be charged to the appropriate lines in CORe. However, local agencies may request a transfer of funds between General Administration (0852) and Certification (0831) anytime during the Contract Year 2016 until January 31, 2017.

Transfer requests must be submitted in writing to the Department of Children and Families, DECE Contract Specialist at: [DCFDECEBOPContract@wisconsin.gov](mailto:DCFDECEBOPContract@wisconsin.gov).

#### **Supplemental Fraud Allocation (CORe Contract Code 0840)**

For Contract Year 2016, the total Supplemental Fraud allocation is **\$555,328**. This amount was distributed to local agencies based on 2014 caseload size and caseload activity with a minimum allocation of \$2,000 for each local agency. The allocations for each local agency are at least 95% of the allocation from the previous year.

The Supplemental Fraud allocation must be used for expenses associated with fraud prevention; child care fraud identification; and, the calculation and recovery of overpayments. The Fraud allocation (0840) is a separate appropriation and is not interchangeable with General Administration (0852) or Certification (0831). If the local agency's Fraud allocation (0840) is fully expended, the DCF Finance Department will automatically transfer additional expenditures to from reporting lines 0841/8841 to 0846/8846 each month. Allocations for the established consortia within the Northern and Western regions will be consolidated and issued to the fiscal agent counties in the 2016 contract documents.

**Total Child Care Administration, Certification, and Supplemental Fraud**

CORe Line	Contract Year 2016 Funding Allocations	Amount
0852	General Administration	\$10,237,500
0831	Certification	\$1,400,000
0840	Supplemental Fraud	\$555,328
	<b>TOTAL</b>	<b>\$12,192,828</b>

**Expenditure Reporting**

Local agencies must report all child care program expenditures and appropriately report any fees or other program revenues received by the local agency that offset program expenses. CORe reports must be submitted monthly according to the instructions found on the CORe website at: <https://dcfsparc.wisconsin.gov/>

**Year End Balancing, Deob-Reob and Closeout**

Local agencies must submit final expense reports on CORe no later than 90 days after the end of Contract Year 2016 by March 31, 2017. Expense reports submitted after that date may be disallowed by the Department.

Following submission of the final expense reports, if the local agency has exceeded expenditures in one category and has unspent allocation dollars in the other, the Department will balance the Administration and Certification allocations *within* each local agency. DCF will also balance excess fraud expenditures from Fraud to General Administration if there are unexpended funds in the General Administration allocation. The Department will automatically make these changes. There is no requirement that counties or tribes request this change.

Following the balancing within each local agency, the Department may de-obligate a local agency's unspent General Administration and Certification funds and redistribute those funds to other local agencies that have unreimbursed allowable Administration and Certification expenditures. This *deob/reob* of unspent General Administration and Certification funds may include all local agencies as part of the year-end closeout following the submission of final expenditure reports.

**ACTION SUMMARY STATEMENT**

Tribal contracts will be issued by September 2015. County contracts will be issued by December 2015.

**CONTACT:**

DECE Contract Specialist  
[DCFDECEBOPContract@wisconsin.gov](mailto:DCFDECEBOPContract@wisconsin.gov)  
(608) 422-6126

Attachment A:  
CY/FFY 2016 Child Care Contract Allocations