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TO: **Income Maintenance Supervisors
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Income Maintenance Staff
W-2 Agencies
Workforce Development Boards
Job Center Leads and Managers
Training Staff
Child Care Coordinators**

FROM: Laura Saterfield
Child Care Section
Bureau of Workforce Programs
Division of Workforce Solutions

DWS OPERATIONS MEMO					
No:	07-07				
DATE:	01/22/2007				
FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input checked="" type="checkbox"/>	W-2	<input type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other	EP	<input type="checkbox"/>	★
PRIORITY: HIGH					

SUBJECT: **Child Care Subsidy 2007 Maximum Rates and other Subsidy Policy
Changes**

CROSS REFERENCE: Operations Memo 06-35

EFFECTIVE DATE: January 1, 2007

PURPOSE

The purpose of this memo is to inform Child Care Subsidy Administrative Agencies about upcoming changes to the Child Care Subsidy Program.

BACKGROUND

The department estimates that the child care subsidy will have a tight budget because of increasing costs by the end of Fiscal Year 06-07. This is due to flat federal funding combined with the rising caseload and increased provider costs. Wisconsin remains one of the top three states in providing generous reimbursements. To begin to address the tight budget, the Department will not increase the child care subsidy maximum rates. The maximum rate will remain at the 2006 maximum. Further initiatives to resolve funding issues in the program will be addressed in the budget process for next fiscal year. The Department remains committed to preserving quality in child care while addressing these budget constraints.

This memo also includes information about an upcoming change to the CCPI attendance screen. Also, 1099 information for calendar year 2006 is included.

The department is proceeding with an Emergency Rule change to DWD 56 – Subsidy Rules to add language on electing not to increase the maximum rates.

UPCOMING CHANGES

Maximum Reimbursement Rates

The department will not be raising rates above the 2006 level. The current rates are displayed at <http://dwd.wisconsin.gov/dws/programs/childcare/wishares/rates.htm>. There will not be a mass change this year because the rates will remain the same.

Change in CCPI Attendance entry

The providers have been able to enter attendance up to six months in the past. Effective February 26, 2007, a change will go into production that will prevent providers from entering attendance no further than three months in the past. This will assure that the department will be able to retrieve current and timely subsidy issuance information because the providers will be reporting attendance in a timely manner. The worker who has the 'retro' privilege attached to her/his CCPI/CSAW user ID, will continue to be able to authorize and enter attendance further back than three months if a retro authorization is necessary.

If a provider fails to enter attendance within the three month time period, the agency may, on a case-by-case basis, enter attendance beyond three months in the past after reviewing the provider's sign-up sheets.

Issuance of 1099 for calendar year 2006

Child care providers receive a 1099 if the provider is coded as 'individual/sole proprietor/partnership' in CSAW and has received at least \$600 in subsidy payments. If the provider is marked 'corporation/non-profit/government' in CSAW, **no** 1099 form is issued. The 1099 forms will be sent to providers by January 30, 2007. If the local agencies receive calls from providers who have not received a 1099 by early February, please do the following:

- Check the total subsidy payment amount the provider received in 2006. If the amount is less than \$600, the provider will not receive a 1099.
- Check that the provider has been coded as 'individual' in CSAW Provider Details page.

If the provider meets both requirements, have the provider call DWD Finance at 608-266-8700.

NOTIFYING THE PROVIDERS

The department will send a check stuffer on February 5th and 12th, 2007, to all providers who are serving subsidy children at that time to inform them about the upcoming changes. The check stuffer will also be posted on the Wisconsin Shares page at <http://dwd.wisconsin.gov/dws/programs/childcare/wishares/rates.htm>. The DWD child care section will send out an email to the child care coordinators once the check stuffer has been posted.

CONTACTS

Contact the Child Care Helpdesk at 608-261-6317, option 2 for further questions.