

## Upcoming Changes in the Wisconsin Shares Child Care Subsidy Program – Authorization Reduction Automation

*This memo pertains only to **licensed** family and group providers who have enrollment-based authorizations!*

The State Budget, 2009 Wisconsin Act 28, requires the Department of Children and Families to adjust enrollment-based authorizations that are under-utilized. The law requires the Department to track a child's usage of a slot over a 6-week period. If the total utilization during the 6-week period falls below 60% of the total authorized weekly hours, the Department must adjust the authorization so that the new authorization is at 90% of the highest attended week.

Authorizations will not be reduced if an absence is due to any of the following reasons:

- One week per year of vacation time for the child care provider
- One week per year of sick time for the child care provider
- Two weeks per year of vacation time for the child's parent
- Medical leave from work (parent) or from child care (child) – (up to 6 weeks)
- Temporary break in employment (up to 4 weeks)
- Temporary layoff (up to 4 weeks)

### **AUTOMATION**

The authorization adjustment functionality will be automated effective 5/16/10. At the end of each attendance period (every other Saturday), the system will analyze 6 weeks of attendance. If the **total** utilization falls below 60% of the authorized weekly hours, the system will re-calculate the authorization, send a notice to the parent and the provider, and two weeks later will adjust the authorization to be 90% of the highest attended week. NOTE: The reverse never happens. The system will not automatically increase the number of hours if the child is over-utilizing a slot. If a child needs more care than what is authorized, the parent must request additional hours and, if approved, the worker must manually adjust the authorization.

The authorizations calculated on Saturday 5/15/10 with an effective date of 5/30/10 will be the first ones affected by this change.

### **Example of a reduction:**

John has a 50-hour enrollment-based authorization to ABC Child Care. His attendance during a 6-week period is as follows:

Week 1 - Total authorized hours = 50, Total attended hours = 20

Week 2 - Total authorized hours = 50, Total attended hours = 0

Week 3 - Total authorized hours = 50, Attendance has not been marked.

Week 4 - Total authorized hours = 50, Total attended hours = 40

Week 5 - Total authorized hours = 50, Total attended hours = 10

Week 6 - Total authorized hours = 50, Total attended hours = 0 with approved absence (Parent Vacation).

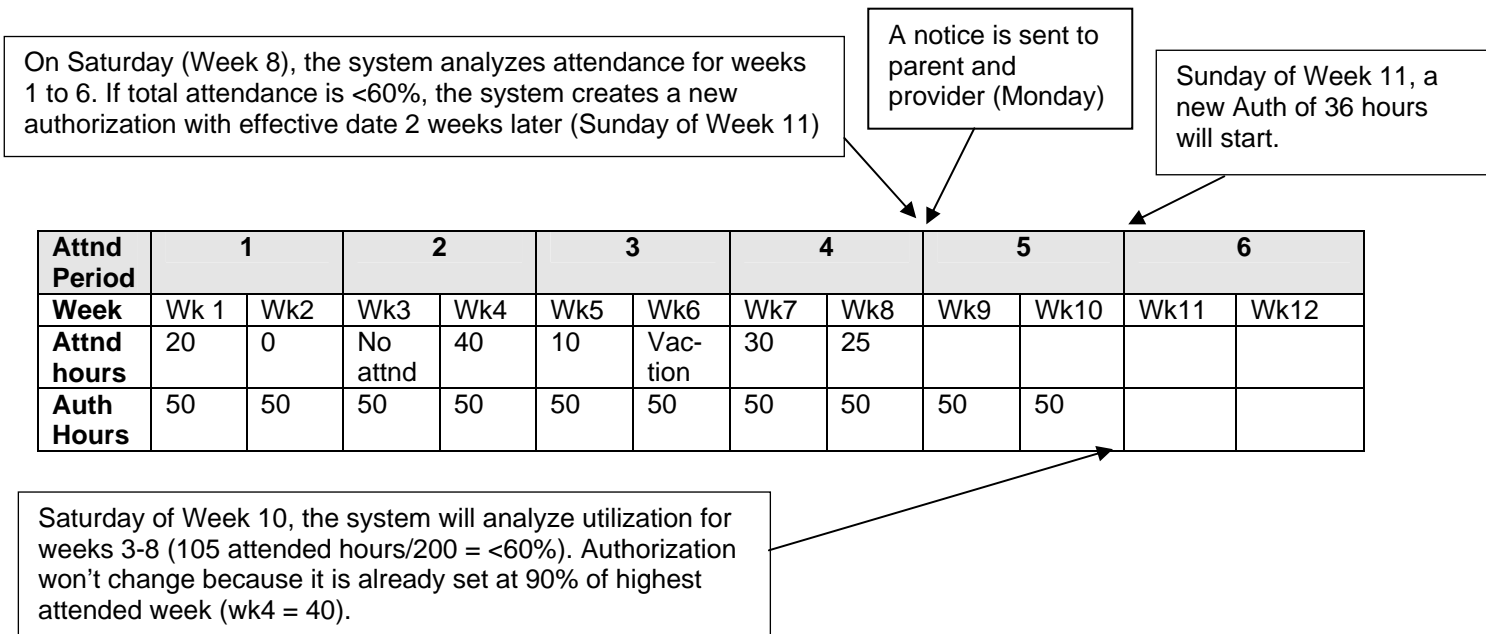
In the example above, the number of weeks considered as utilized is four (Weeks 1, 2, 4 and 5). Since Week 3 does not have attendance entered, the system ignores that week. Also, when there is an absence due to one of the reasons listed above, the system does not include that week in its calculation.

Total authorized hours (Wk 1, 2, 4, 5): 200

Total attended hours (Wk 1, 2, 4, 5): 70

Total utilization for the above case will be 70/200 which is less than 60%. The system will adjust the authorized hours to be 90% of the highest attended week. Week 4 has the highest attendance, 40 hours. The new authorization will be 36 hours/week.

Below is a graph that shows the adjustment calculation for the above example:



**PROVIDER SICK TIME**

The Statute states that the authorization adjustment calculation should not include time when the provider closed down due to illness (one full week per year). In order to exclude that week from the calculation, the provider's sick time must be identified in the system. A new screen has been added to the CCPI system to track provider sick time. The Statutes do not authorize payment during the week the provider is closed due to illness, only that the week closed will not be included when calculating under-utilization. NOTE: The system pays the center if the center is closed one week without a valid reason. However, if there is a child who did not attend during the week prior to or after the closure, no payment is issued due to two consecutive weeks of 0-hour attendance.

**Example:**

Smith Family Child Care closed for the week of June 13th due to provider illness. Peter has an enrollment-based authorization to attend the Smith Child Care. Peter's uncle takes him on a fishing trip the week after the provider closed due to illness (June 20<sup>th</sup>). In this case, the system would not pay for the weeks of June 13<sup>th</sup> and June 20<sup>th</sup> because these are not valid reasons to hold a slot. When analyzing utilization of Peter's authorization, the system would ignore the week when the provider was ill but would include the 0-hour attendance for the 2<sup>nd</sup> week.

The provider sick-time exclusion applies to both licensed group and family programs. If your center closes for a week, you can use the annual week of sick time. If you want to use the week of sick time, you should notify your county/tribe or your provider liaison as soon as possible so the county/tribal worker can update the system so the center closure will not cause the authorizations to be reduced due to under-utilization.

**NOTICE ABOUT AUTHORIZATION REDUCTION**

The system analyzes the attendance every other Saturday (end of each attendance period) and looks at attendance in the past. The Statutes require the Department to send a notice to the parent and the provider two weeks before the authorization reduction takes place. This means that if the authorization is identified as under-utilized this Saturday, the system will generate a notice and it will be mailed to the parent the following Monday

**CONTACTS**

Please contact your county/tribal child care agency or your provider liaison (in Milwaukee County) for further information.