

DEPARTMENT OF CHILDREN  
AND FAMILIES  
201 East Washington Avenue, Room G200  
P.O. Box 8916  
Madison, WI 53708-8916  
Telephone: 608-266-8684  
Fax: 608-261-6972  
www.dcf.wisconsin.gov



State of Wisconsin  
Governor Tony Evers

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TO: **Child Care Eligibility and Authorization Workers  
and Supervisors  
Income Maintenance Supervisors  
Income Maintenance Staff  
Training Staff  
Child Care Coordinators**

DECE/BELP OPERATIONS MEMO No: 19-24 DATE: 06/17/2019 <hr/> Wisconsin Shares Child Care
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FROM: Kath McGurk, Director  
Bureau of Early Learning and Policy  
Division of Early Care and Education  
Department of Children and Families

**SUBJECT: New Process to Determine Hourly Price for In-Home Care for 15 or  
More Hours per Week for Wisconsin Shares Child Care**

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**CROSS REFERENCE:** [Wisconsin Shares Child Care Policy and Process Handbook](#),  
Sections [2.1.1.2.1](#), [2.3.4](#), [2.4.7.3](#) and [2.6](#);  
Administrative Rule [DCF s. 201.06\(4\)\(b\)](#)

**EFFECTIVE DATE:** July 1, 2019

**PURPOSE:** The purpose of this Operations Memo is to provide a new process and introduce a new worksheet for determining the Override (In-Home) hourly price to enter in the Child Care Statewide Administration on the Web (CSAW) system when in-home care is provided for 15 or more hours per week. The new worksheet should be used when there are two or more children in care, their authorizations overlap, and the in-home provider is working 15 or more hours per week. Use of the worksheet will ensure that the sum of the subsidy amount of all the children accounts for the state minimum wage minus the copayment amount.

**BACKGROUND:** Parents may select an in-home child care provider to care for their children when they have three or more children needing care, when there is no other provider available within a reasonable geographic area, when the child care need is during hours when no other care is available, or when a child's special need can only be met in his or her own home (see [2.3.4](#)). Parents should understand that choosing in-home care creates an employee/employer relationship between the parents and the provider. Parents should take appropriate steps to ensure that they follow Wisconsin employment laws.

Administrative Rule [DCF 201.06\(4\)\(b\)](#) requires the Wisconsin Shares Child Care subsidy amount to account for the state minimum wage minus the copayment amount, regardless of the number of children receiving care, when in-home care is provided for 15 or more hours per week.

**POLICY AND PROCESS:** Wisconsin Shares Child Care has updated this policy to provide more detailed guidance on how to calculate the Override (In-Home) price. These updates will be published with the next Wisconsin Shares Child Care Policy and Process Handbook release. The process will be added to the CSAW Authorizations User Guide in the next release.

Prior to creating an authorization for in-home child care, authorization workers should review Section [2.3.4](#) and ensure that families meet the criteria for using an in-home child care provider.

### 2.4.7.3 In-Home Care for 15 or More Hours per Week

When child care is provided in the child's own home and the child care provider is working 15 or more hours per week, the subsidy amount must account for the state minimum wage minus the copayment amount, regardless of the number of children in care (DCF s. 201.06(4)(b)). ~~the parent must ensure that the child care provider is paid at the state minimum wage. When creating the authorization, the worker must enter an Override (In-Home) price to ensure that the sum of the subsidy amount for all children accounts for the state minimum wage minus the copayment amount. The Wisconsin Shares Child Care subsidy amount can be adjusted to ensure that the provider's base rate is minimum wage in the rate calculation. For example, if there is one child in care for 15 or more hours per week, the Override (In-Home) price must be \$7.25 per hour in order for the subsidy amount to account for the minimum wage minus the copayment amount. However, if there are two or more children receiving care, their authorizations overlap, and the in-home provider is working in the child's home for 15 or more hours per week, the Override (In-Home) price must be adjusted so that the per hour rate of the combined sum of the subsidy amount before the copayment amount adjustment for all children equals the minimum wage. qualifies for a higher price due to a special need, that the rate can exceed state minimum wage.~~

In order to adjust the subsidy amount to account for the state minimum wage, the authorization worker must enter \$7.25 per hour for the Override (In-Home) price in CSAW when there is only one child in care.

When two or more children are in care at the same time with overlapping authorizations, there must be a calculation that allocates an amount for each child so that the per hour rate of the combined sum of the subsidy amount before the copayment amount adjustment for all children equals the minimum wage. The worker must use the worksheet *Wisconsin Shares Child Care Hourly In-Home Price Calculator for Two or More Children* ([DCF-F-5329](#)) to perform these calculations.

**Note:** When authorizing for fewer than 15 hours per week, there is no requirement for the subsidy amount to account for the state minimum wage. The authorization worker must not enter an Override (In-Home) provider price for that authorization, and CSAW will use the county's maximum regularly certified or provisionally certified rate for the benefit calculation.

**Example 1 (One Child):** Shelly uses an in-home provider to care for her 6-month-old daughter, Betty. Betty needs child care 25 hours per week ( $25 \times 4.348125 = 109$  authorized hours per month). Since there is only one (1) child in care, the Override (In-Home) price is \$7.25 per hour for all 109 authorized hours.

**Example 2 (Two Children with Overlapping Schedules):** Pete’s two children are cared for by a child care provider who comes to their home to care for them. The 2-year-old girl, Annie, needs full-time care and is authorized for 45 hours per week (196 hours per month, the payment calculation is capped at 153 Regular Subsidy Hours). The 8-year-old boy, Danny, only needs after-school care and is authorized for 10 hours per week (44 hours per month). Although the total authorized hours for both children is 240 hours per month, the Override (In-Home) price will be calculated using Annie’s number of Regular Subsidy Hours because both children’s authorizations overlap and Annie has the most Regular Subsidy Hours.

**Process:** When there are two or more children in care, their authorizations overlap, and the in-home provider is working 15 or more hours per week, the worker must complete the following process and use worksheet [DCF-F-5329](#) to determine the Override (In-Home) price for the children.

1. In CSAW, complete authorizations to the in-home provider using the Provider Price Type of “Part Time” or “Full Time” on the *Child Care Authorization Hours* page
2. Calculate the benefits
3. Go to the *Benefit Calculation Details* page to find the **Regular Subsidy Hours** for each child

Child's Name	Provider Details	Provider Location Number	Monthly Authorized Hours	School Closed Hours	Subsidy Amount	YoungStar Adjustment To Provider	
▼ April 2019							
Tommy Swift	Watts Valley Day Care 2702 Monroe St, Milwaukee, WI	4800039704-001	218	0	\$947.76	\$0.00	<a href="#">Details</a>

Case Subsidy Calculation Details	
<b>Child's Name</b>	Tommy Swift
<b>Date of Birth</b>	10/12/16
<b>Provider-Location</b>	4800039704-001
<b>Status</b>	Confirmed by system
<b>Authorized Hours</b>	218
<b>Regular Subsidy Hours</b>	153
<b>Provider Price Type</b>	Full-time
<b>Hourly Rate Used</b>	\$6.95
<b>Capped Subsidy</b>	\$978.33
<b>Hourly Copay</b>	(\$21.00)
<b>Net Full Time Amount</b>	\$957.33
<b>Above Full Time Subsidy</b>	\$0.00
<b>Subtotal</b>	\$957.33
<b>Provider Amount</b>	\$0.00
<b>YoungStar Adjustment</b>	(\$9.57)
<b>Total Subsidy Amount</b>	\$947.76
<b>Net Subsidy Change</b>	\$947.76

- In worksheet [DCF-F-5329](#), enter the names of the children and the corresponding **Regular Subsidy Hours**; the worksheet will automatically determine the Override (In-Home) price for each child

Table 1				Table 2		
No.	Child's Name	Regular Subsidy Hours	Child's Override Hourly Price	Highest Subsidized Hours	State Minimum Wage	Total Capped Subsidy
1	Tommy	153	\$3.78	153	\$7.25	\$1,109.25
2	Bea	141	\$3.78			
3						
4			-			
5			-			
6			-			
7			-			
8			-			
9			-			
10			-			
<b>Total Regular Subsidy Hours:</b>		294				

- Then go back into CSAW and follow steps 6-9 for each authorization to that in-home provider
- Go to the *Child Care Authorization Hours* page and click on the edit icon to edit record
- On the *Schedule Details* page, change the Provider Price Type to "Override (In-Home)" and enter the Child's Override Hourly Price from worksheet [DCF-F-5329](#)

Average Weekly Authorized Hours: 50  
 Override Hours Related Comments

Location Category

Provider Price Type \*  
 Override Price

Full-Time  
 Override (Discount)  
 **Override (In-Home)**  
 Override (Special Need)  
 Part-Time

Weekly  **Hourly**

- Select the "Hourly" price radio button
- Change the authorization to "Completed" status again
- Once the override price is entered into all authorizations for that in-home provider, calculate the benefits again

When there are two or more children authorized for in-home care and one child's authorization changes, the Override (In-Home) price must be recalculated using the process above. The authorizations for all children in care must be ended if the current authorization is in "Processed" status. Authorizations that are in "Processed" status cannot be edited. In order to enter the new Override (In-Home) price, a new authorization must be written even if the schedule is the same.

**Example 3 (Processing Changes):** Patty has three children, Ally, Bo, and Cici authorized for in-home care. Each of the three children are authorized for 25 hours per week. The authorizations for all children are written from 4/1-8/30. In May, Cici's child care need changes and her authorization increased to 30 hours per week beginning 6/1. Because Cici's

authorization changed and Ally's and Bo's current authorizations are in "Processed" status and cannot be edited, the worker must end all three authorizations. A new authorization for each child must be written beginning 6/1 so that the new Override (In-Home) price can be entered to ensure that the combined sum of the subsidy amount before the copayment amount adjustment for all children equals the minimum wage.

Local administrative agencies should remind parents that choosing in-home child care creates an employee/employer relationship between the provider and the parent(s). Parents should be referred to the Department of Revenue's Customer Service Bureau, Department of Workforce Development's Bureau of Tax and Accounting, and/or business professionals such as accountants or attorneys for more information about their responsibilities as an employer. The parent's responsibilities include paying the provider at least state minimum wage for all hours worked. This may be more than the actual subsidy amount. Parents are responsible for paying the difference between the subsidy amount and the provider price (see [2.6](#)).

### **CONTACTS:**

For Wisconsin Shares Child Care policy questions outside of Milwaukee County contact your Bureau of Regional Operations (BRO), Child Care Coordinators at [BROCCPolicyHelpDesk@wisconsin.gov](mailto:BROCCPolicyHelpDesk@wisconsin.gov).

For Child Care CARES/CWW and CSAW Processing Questions statewide, and policy questions in Milwaukee County, contact the Child Care Subsidy and Technical Assistance line at: [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) or (608) 422-7200.

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