



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

DECE/BCCSA OPERATIONS MEMO

No: 25-15

DATE: \_\_09/24/2025

Child Care

FROM: David Timmerman, Director  
Bureau of Child Care Subsidy Administration  
Division of Early Care and Education  
Department of Children and Families

**SUBJECT: Wisconsin Shares Subsidy Usage Updates**

**CROSS REFERENCE:** [Wisconsin Shares Handbook](#),  
Appendices:  
V Red Flag Reports and Referrals  
VII Client Sanctions  
IX Returning funds  
X Provider Program Integrity

**EFFECTIVE DATE:** October 1, 2025

**PURPOSE:**

This Operations Memo announces changes to the Wisconsin Shares program related to when child care providers are required to return Wisconsin Shares funds to the department.

**BACKGROUND:**

To comply with federal Child Care Development Fund (CCDF) regulations the department transitioned from authorizations based on attendance to authorizations based on enrollment. This transition occurred in the fall of 2023 and authorizations are now determined on a full-time and part-time child care need. CCDF rule encourages states to pay child care providers based on the State's established child care subsidy rates to better account for the actual cost of care.

**POLICY:** The policy referenced will be added to the Wisconsin Shares Handbook with the next update. New policy is highlighted in yellow and policy with ~~red strikethrough~~ is being deleted.

Current Policy

Parents are not allowed to use subsidy funds for which they are eligible to pay only up to the amount billed by the child care provider:

- If a parent uses their subsidy funds to pay over the provider's billed amount, the local agency is required to investigate and establish a parent overpayment.
- If a local agency discovers that a provider has received subsidy funds above the provider's billed amount, the local agency is required to submit a provider referral for "reports of cashing out EBT cards."
- If the provider receives subsidy funds from a parent above the provider's billed amount, the provider is encouraged to return those funds through a Voluntary Repayment Agreement (VPA).

### New Policy

Beginning October 1, 2025, parents are encouraged to use all subsidy funds for which they are eligible to pay the child care provider, even if that amount is over the amount billed to the family. The parent is not required to use the full subsidy amount to pay above and beyond the provider's billed amount.

- If a parent uses their subsidy funds to pay over the provider's billed amount, the local agency should not and is no longer required to investigate or establish an overpayment for that reason.
- If a local agency discovers that a provider has received subsidy funds above and the provider's billed amount, the local agency should not and is no longer required to submit provider referrals for "reports of cashing out EBT cards."
- Providers are entitled to keep all the subsidy from the EBT card for the month of service. Any funds received above the billing amount may not be returned through a VPA submitted to DCF. Providers can voluntarily return funds to DCF only when one of the following reasons have been met:
  - Child was absent for 30 calendar days or more
  - Payment was made to an incorrect provider or incorrect provider location
  - Provider refused to care for the child or disenrolled the child
  - Provider was closed, except for closures listed in Section 14.9
  - Parent was ineligible for the funds paid to the provider
  - Provider received funds in error

Below are the Appendices sections that are changing:

#### Appendix V Red Flag Reports and Referrals

Under Provider Referral Examples:

- ~~Reports of cashing out EBT cards or p~~ Providing kickbacks to parents

#### Appendix VII Client Sanctions

Under Client Error Overpayment:

- ~~Paying more than the cost of care~~

## Appendix VIII Returning Funds

### Under Voluntary Repayment Agreement (VPA)

The VPA process occurs when a provider agrees to return funds to the Wisconsin Shares program. Providers cannot be compelled to return funds through the VPA process. DCF reserves the right to reject any VPA submissions that do not align with the below allowable reasons for a VPA submission.

### Under VPA Process FAQ

"When should providers return funds through a VPA?"

- ~~Provider received more funds than the cost of care for the child (see 18.7)~~

"What happens when the VPA transaction is not successful?"

~~BCCSA will send providers a VPA Failure Notice with instructions on how to repay the funds to DCF.~~ BCCSA will halt all benefit recovery efforts. The local agency and/or DCF is responsible for determining if a referral or investigation is appropriate.

### Under Provider Errors

Types of Provider Violations (not an exhaustive list)	Definitions
<del>Retaining payment for more than the cost of child care</del>	<del>A provider receives and retains payment for more than the cost of care for the child</del>

### Example 1:

A family is found eligible for the Wisconsin Shares program and receives a part-time child care authorization of 20 weekly hours of child care. The full amount for the 20 hours of care is loaded to the parent's EBT card. The child only attends the provider for 10 hours each week.

Previous to October 1, 2025, the provider was encouraged to return the excess 10 hours of funding to the department through the VPA process outlined in the [Wisconsin Shares Handbook](#).

Effective October 1, 2025, the parent is encouraged to pay the provider the entire 20 hours of funding loaded into their EBT account. The provider is allowed to keep and use the additional funds to cover real cost of care for child care services.

The following policies/requirements will not change:

- DCF 201.04(6) requires that "A provider may not charge a parent that receives a child care subsidy a higher child care price than a private pay parent is charged for a similar amount of care..."
- DCF 201.038(7) states that "A provider may not do any of the following: (a) Require a parent to disclose the balance in the parent's subsidy account."
- Child care providers are required to discuss and maintain Provider/Parent Written Payment Agreements that disclose rates and billing expectations.
- Attendance reporting requirements in [Wisconsin Shares Handbook Chapter 10.1](#)

### CONTACTS:

For Wisconsin Shares 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 Program Integrity technical assistance, Child Care CARES/CWW and CSAW Processing Questions statewide, and policy questions in Milwaukee County, contact the Child Care Help Desk at: [childcare@wisconsin.gov](mailto:childcare@wisconsin.gov) or 608-422-7200.

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