



# A Summary of Child Care Issues in the Wisconsin Budget

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## WISCONSIN SHARES

The final 2015-17 Wisconsin budget that has been signed into law included a Wisconsin Shares direct child care subsidy budget with an overall cut of \$6.6 million over the biennium, including a funding decrease of \$12.6 million in the first year for child care subsidies, and an increase of \$6.0 million in the second year.

### Changes in Wisconsin Shares Child Care Subsidy Amounts

In millions.

FISCAL YEAR	AMOUNT	CHANGE FROM 2014-15 BASE
2015-16	\$262.1	-\$12.6
2016-17	\$280.7	+6.0

Source: Analysis of 2015-17 budget bill.

Note that \$10 million of the second year's budget is a one-time increase to shift child care reimbursements to advance payment when the electronic benefit transfer (EBT) Parent Pay initiative is implemented in 2016-17.

While the 2015-17 budget continues the decline in child care funding, the cuts are not as severe as those in the last two biennial budgets. The annual child care subsidy budget has declined \$100 million since 2008-09. The budget assumes that child care payment rates in place in the first six months of 2015 will continue throughout the biennium.

## CHILD CARE QUALITY

The funding for child care quality and availability programs remains at \$15.5 million per year, including the YoungStar quality rating and improvement system, child care resource and referral, training and technical assistance, the scholarship and bonus program for child care professionals, and assistance to child care providers in becoming licensed.

## ELECTRONIC BENEFIT TRANSFER (EBT) PARENT PAY INITIATIVE

The budget includes \$3.1 million for EBT implementation, and \$4.5 million is provided over the biennium for vendor and IT costs. This new EBT system to be rolled out in 2017 system has raised concerns among providers about complicating the process of getting reimbursed and cuts in bonus payments for high-quality programs; however, the card system would also mean that providers would no longer be penalized financially when children are absent.

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