

LRB or Bill No./Adm. Rule No.

DWD 56

Amendment No. if Applicable

FISCAL ESTIMATE
DOA-2048 N(R03/97)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Child care copayments

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation

or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb

Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs

Permissive Mandatory

2. Decrease Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

4. Decrease Revenues

Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

Counties Others _____

School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG

SEG-S

Affected Ch. 20 Appropriations

20.445 (3)

Assumptions Used in Arriving at Fiscal Estimate

By combining the copayment rates for licensed and certified care at the licensed level, the Department will experience savings related to the increased copayment for certified care. By comparing the current copayments at the certified rate against the new copayment and applying that to the cost of care for child care subsidy parents who used certified care in SFY 07, it is estimated that the Department will realize about \$475,000 in savings in direct child care subsidies for the three months that the rule will be effective in SFY 08, based on savings of \$1,900,000 that might be expected for a full year.

Savings may diminish over time when program participants experience no differential in cost for varying types of care. As a result, SFY 09 savings are assumed to be only twice the SFY 08 amount, or \$950,000.

Current-year appropriations are still anticipated to be fully expended.

Long-Range Fiscal Implications

If program participants migrate to higher cost licensed care, the change may be cost neutral over time.

Agency/Prepared by: (Name & Phone No.)
DWD/James Bates 266-6946

Authorized Signature/Telephone No.

Date