



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 77
[2009 Senate Bill 280]

**Personal Liability of Child Care
Providers**

2009 Wisconsin Act 77 affects current law relating to the Wisconsin Works child care subsidy program, commonly known as “Wisconsin Shares.”

Under current law, the Department of Children and Families (DCF) must by rule establish policies and procedures permitting DCF to do all of the following if a child care provider submits false, misleading, or irregular information to DCF or if a child care provider fails to comply with the terms of the Wisconsin Shares program and fails to provide to the satisfaction of DCF an explanation for the noncompliance:

- Recoup payments to be made to the child care provider.
- Withhold payments to be made to the child care provider.
- Impose a forfeiture on the child care provider.

Act 77 creates personal liability of officers, directors, and employees of child care providers for these penalties. The Act provides that any officer, director, or employee of a child care provider that is a corporation, and any member, manager, or employee of a child care provider that is a limited liability company (LLC), who holds at least 20% of the ownership interest of the corporation or LLC and who has control or supervision of or responsibility for operating the child care business, including reporting for and receipt of Wisconsin Shares payments, may be found personally liable for such amounts, including overpayments made, if the business, corporation, or LLC is unable to pay such amounts to DCF.

Effective date: Act 77 took effect on November 26, 2009.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature’s Web site at: <http://www.legis.state.wi.us/>.