

**Summary of Joint Finance Action—May 31, 2011:
Wisconsin Shares and YoungStar**

1. Wisconsin Shares Child Care Subsidy Program (*Omnibus motion passed 12-4 on party line vote*)

The Joint Finance Committee approved the Governor’s budget for the Wisconsin Shares, with several modifications:

- Adding \$16 million over the biennium to the WI Shares budget, bringing the budget levels to \$297.7 million in 2011-12 and \$297.3 million in 2012-13.
- Establishing significantly lower estimates of the cost to continue Wisconsin Shares (\$304.7 million in 2011-12 and \$309.5 million in 2012-12), therefore reducing the level of cost savings needed
- Adjusting estimates for needed cost savings:
 - Program integrity measures: -\$2.7 million in both years
 - Savings from the tiered reimbursement system: -\$3.5 million in year one, and -\$5.9 million in year two (much lower than earlier estimates)
 - Other cost saving measures in basic program requirements (income eligibility, copays, waiting lists, rate changes): -\$0.8 million in year one, and -\$3.6 million in year two.

Because the estimated ongoing cost of Wisconsin Shares dropped, the cost savings in Wisconsin Shares also dropped (by \$25 million). Depending on the future trends in caseloads and expenditures, it is possible that basic WI Shares program requirements will not need to be changed, or will need only minor adjustments. The Joint Finance Committee passed provisions that would make W-2 participant exempt from any waiting list, and require DCF to submit a report to the Committee with a plan for implementing cost saving measures (copays, reimbursement rates, income eligibility limits, waiting list).

2. YoungStar Quality Rating and Improvement (*Passed 12-4 on party line vote-Omnibus motion*)

The Joint Finance Committee approved the Governor’s budget for the YoungStar quality rating and improvement program, with a few modifications.

Tiered Reimbursement

The Governor’s proposal was passed with the following tiered reimbursement schedule:

Star level	Change to Payment
<i>One-Star</i>	<i>No payments</i>
<i>Two-Star</i>	<i>-5%</i>
<i>Three-Star</i>	<i>No change</i>
<i>Four-Star</i>	<i>+5%</i>
<i>Five-Star</i>	<i>+10%</i>

There were several modifications to the Governor's budget:

1. The effective date of the tiered reimbursement schedule was changed to be **July 1, 2012**
2. As of **January 1, 2013**, the increase to the payment rate for five-star programs will be up to **25%**. \$1.7 million was added to the tiered reimbursement budget for this purpose.
3. The severity index to determine programs significantly out of compliance to be rated one-star is up to DCF. No rule process is required.
4. A child care provider accredited from the Council on Accreditation is automatically assigned a four-star or five-star rating, as appropriate, under YoungStar.