

## *Wisconsin Budget Project*

### **Finance Committee Approves \$60 Million for Child Care**

Wisconsin's chances of using its entire share of federal funds from the Child Care Development Block Grant (CCDBG) improved substantially on July 12<sup>th</sup>. The Joint Finance Committee (JFC) met on that date and approved the Department of Workforce Development ((DWD) plan for approximately \$48 million of CCDBG funds. ([See: \*The Child Care Development Block Grant: Will Wisconsin Use It or Lose It?\*](#))

The Finance Committee made no changes in the proposed allocation of the CCDBG dollars. However, it amended the plan by approving the use of additional federal welfare funds for child care.

An analysis by the Legislative Fiscal Bureau of recent trends in the use of the child care subsidy program, "Wisconsin Shares", raised concerns that funding for that program would probably fall short in 2000-01, notwithstanding the allocation of additional CCDBG funds proposed by DWD. ([See the July 12 Fiscal Bureau memo.](#))

Child care advocates were worried that the Finance Committee might decide to set aside additional CCDBG funds for the potential shortfall by eliminating the \$2.5 million proposal for scholarships and bonuses for skilled workers (the TEACH program), or by cutting back the proposed local grant program. But the committee decided instead to address the looming shortfall by putting aside the remainder of the state's welfare block grant funding – approximately \$12 million of TANF funds.

The only other change made by the JFC is to require the adoption of rules governing the local pass-through program. However, these rules will only apply to grants made after June 30, 2001.

The plan approved by the JFC allocates funding for the following purposes:

- \$28.3 million added to the child care subsidy program to meet increased demand and higher costs (\$16.3 million of TANF funds and \$12 million from CCDBG funds).
- \$3.2 million for a child care scholarship and bonus program, to help attract and retain qualified workers (about \$750,000 to expand the current Infant/Toddler Scholarship and Bonus Program and \$2.5 million for a similar program for staff who work with older children).
- \$25.9 million in "pass-through" funds to local public agencies that can document local matching expenditures for child care, for grants to improve quality and supply.
- \$102,500 for training of local county, tribal and W-2 staff who administer the child care subsidy program to improve efficiency and customer service.

The next critical step is the review of applications from counties and other local governments for the pass-through funds. DWD has tentatively set an application deadline

of August 28 for the first round of grants (for federal fiscal year 2000). Although an allocation formula has been established that provides for grants to local governments in all 72 counties, some localities may be unable to meet the short timeline for the August application, and the unclaimed funding will be reallocated to other applicants. However, those localities will have a second chance; there will be another round of grants next spring to allocate FFY 2001 funds.

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July 24, 2000

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