



Child Care Counts Program *Department of Children and Families*

2019 Wisconsin Act 185 requires the Legislative Audit Bureau to use risk-based criteria to review selected programs affected by Act 185 and selected expenditures made with funds authorized by Act 185. In this report, we reviewed the Child Care Counts program.

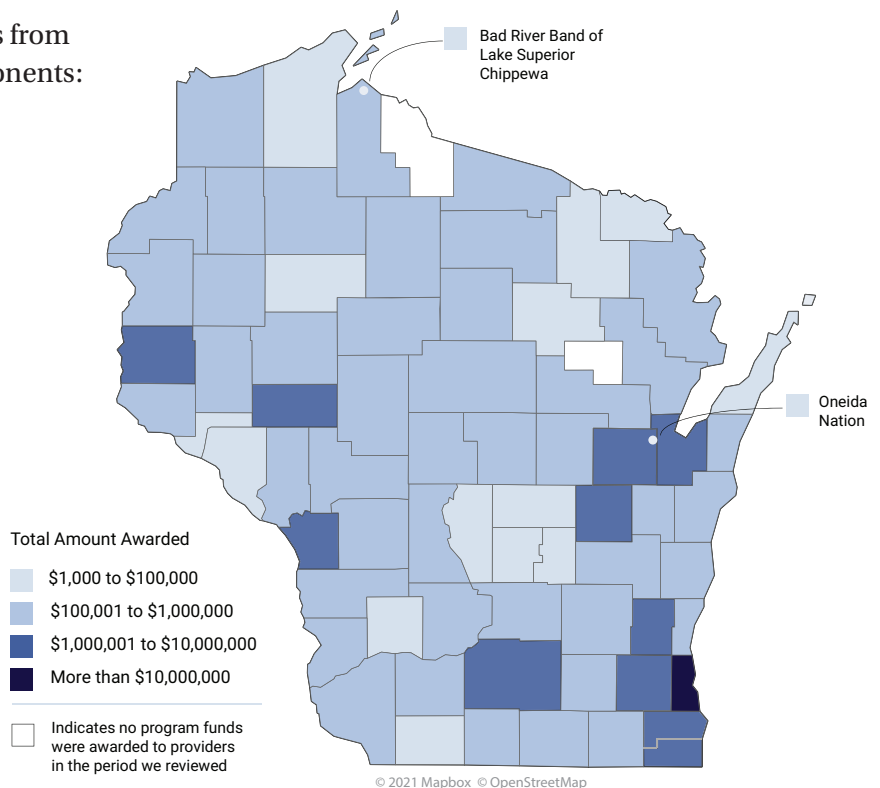
In March 2020, the Department of Children and Families (DCF) administered \$51.6 million provided through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Through its Child Care Counts program, DCF awarded funds to 2,720 child care providers, which used the funds to cover certain costs related to the public health emergency that were incurred from March 12, 2020, through May 26, 2020. We found that DCF administered the program according to the procedures it established. We provide DCF with recommendations to help ensure that program funds are spent appropriately.

From March 12, 2020, through May 26, 2020, DCF awarded \$51.0 million to child care providers

Program Funds Awarded to Child Care Providers, by Location
March 12, 2020, through May 26, 2020

Child care providers could apply for funds from one or more of the program’s three components:

- Component one offered funds to providers that were open for business and providing child care services to the families of individuals deemed essential during the public health emergency, such as healthcare employees.
- Component two offered funds to providers that were open for business. Providers could use the funds to cover the costs of incentive pay to retain employees.
- Component three offered funds to providers that were closed for business but that agreed to reopen within 30 days of receiving funds.



DCF spent \$500,000 on program administration, including \$238,800 to develop an online system for accepting applications from child care providers for funding.

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We make recommendations to DCF to help ensure program funds are spent appropriately

We requested that 100 child care providers submit documentation of how they spent the \$7.0 million in program funds they were awarded. In response to our request:

- 80 providers submitted at least some documentation that indicated they spent 40.3 percent of the \$5.6 million they were awarded to help cover payroll costs; and
- 20 child care providers submitted no documentation of how they spent the \$1.4 million they were awarded.

We provided DCF with the names of the 20 providers that submitted no documentation and 4 providers that submitted incomplete documentation. We recommend that DCF

require these 24 providers to submit complete documentation of how they spent program funds.

To help ensure program funds were spent appropriately, DCF conducted three reviews of the \$51.0 million it had awarded to child care providers. As a result of these reviews, DCF determined that providers should repay \$280,000, which was 0.5 percent of the \$51.0 million awarded to all providers. We found that DCF's reviews did not take into account all information that providers had submitted when applying for program funds.

DCF subsequently awarded a total of \$80.0 million to child care providers through two supplemental rounds of funding. We recommend that DCF take into account all information submitted by providers when it conducts a review of the amounts awarded through a supplemental round of funding.