



TO: **Child Care Eligibility and Authorization Workers and Supervisors**
Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff
Training Staff
Child Care Coordinators

DECE/BCCSA OPERATIONS MEMO
No: 23-15
DATE: 05/09/2023
Child Care

FROM: Junior Martin, Director
Bureau of Child Care Subsidy Administration
Division of Early Care and Education
Department of Children and Families

SUBJECT: Verifying Income Over 85% State Median Income (SMI) for Wisconsin Shares

CROSS REFERENCE: [Wisconsin Shares Handbook](#),
Section 7.9.2, Ongoing Financial Verification
Section 7.9.3, SWICA Discrepancies
5 U.S.C. § 552(p)

EFFECTIVE DATE: Immediately

PURPOSE: This memo announces changes to verifying income that is over 85% State Median Income (SMI).

BACKGROUND: Parents are required to verify income at application and renewal. Verification of income is also requested during the 12-month eligibility period (between application and renewal and between subsequent renewals) when the parent reports a change in income. However, eligibility is not ended if the parent does not provide the income verification, unless the verification of income is for a parent who is being added to the Assistance Group (AG).

When a discrepancy is received through the State Wage Income Collection Agency (SWICA) data exchange, agency workers are required to manually end eligibility if verification is not provided and:

- The discrepancy was for a person added to the Assistance Group (AG) during the SWICA quarter; or
- There was an application or renewal during the SWICA quarter.

Currently, there is no requirement to verify income over 85% SMI. Policy is being changed to require verification or verbal confirmation by the parent of income over 85% SMI when the income is discovered through a SWICA discrepancy or other data exchange. This is because for Child Care, data exchange information (including SWICA information) is not considered “verified

upon receipt," so verbal confirmation by the individual that the income is correct or independent verification is required before it can be used to determine financial eligibility.

Requiring verification when income over 85% SMI is discovered through a data exchange allows agency workers to manually end eligibility for a lack of verification rather than using the unverified, discovered income to end eligibility based on financial criteria. If the parent reports that the data exchange amount is not correct, the parent must provide verification or eligibility will be ended for not verifying earned income. Verification of income over 85% SMI is not required when the parent reports the income or confirms the income from the data exchange is accurate. If a parent reports an increase in income but is not sure of the amount, eligibility must be pended to request verification. However, eligibility will not be ended if verification is not provided (see Wisconsin Shares Handbook Section 7.9.2).

POLICY: The following new policy **highlighted in yellow** will be added to the Wisconsin Shares Handbook with the next update. Policy with ~~red-strikethrough~~ is being deleted.

Section 7.9.2 Ongoing Financial Verification

This policy is specific to the period between application and renewal and between subsequent renewal periods.

If a parent reports a change in income **and the new household income is still below 85% State Median Income (SMI)**, the agency worker must request verification of the income. If income is not verified, eligibility will not end due to lack of verification of income. ~~If a parent is added to an Assistance Group (AG) and does not verify income, eligibility~~ Workers must manually end eligibility **with a manual override in CARES Mainframe due to not providing verification of income if:**

- A parent is added to an Assistance Group (AG) and does not verify income.
- Income over 85% SMI is discovered through a SWICA discrepancy or other data exchange and verbal confirmation or verification is not provided (see 7.9.3).
- A SWICA discrepancy is received that shows more than a \$250 difference for two (2) consecutive months within a quarter in which there was an application or renewal, and verification is not provided (see 7.9.3).

If an income change is not verified, CSAW will still use the most recent confirmed budget when determining subsidy.

Increases in income must be verified before additional hours can be authorized (see 17.1).

Example: In September, when Joan applies for Wisconsin Shares, she has an approved activity of working at Susie's Alterations. In November, she picks up second shift hours at Fred's Food Mart while remaining employed at Susie's Alterations. **Joan's income remains under 85% SMI with the reported new income.** The agency worker must request verification of the new income at Fred's Food Mart, but Joan will not lose eligibility if she does not verify the income with Fred's Food Mart. The NV code entered on the Fred's Food Mart Employment page does not cause the case to fail. Joan's worker knows that she is still working at Susie's Alterations, so her approved activity is not questionable. If Joan is requesting additional subsidy for the hours she is working at Fred's Food Mart, she must verify the need for the increased subsidy.

Section 7.9.3 SWICA Discrepancies

The Department of Workforce Development (DWD) is the State Wage Income Collection Agency (SWICA). The Department of Children and Families (DCF) is required by federal law to exchange information with DWD to identify discrepancies in wages used to determine eligibility. For more information about how SWICA discrepancies are created, see Process Help Section 44.4.2.2.

Local agencies must resolve at least 80% of SWICA discrepancies within 45 days of receipt of the discrepancy. Overpayments related to SWICA discrepancies are not required to be established within the 45-day time frame.

Upon receipt of the SWICA discrepancy, agency workers must review the discrepancy to determine if it can be resolved without further verification. See Process Help Section 44.7.3 for the SWICA Discrepancy Flow Chart that provides the steps to resolve SWICA discrepancies for all programs. Agency workers must not pend ongoing eligibility if the SWICA discrepancy only reflects historical information.

If the SWICA discrepancy cannot be resolved without further verification, the agency worker must generate a request for verification and allow the parent seven (7) business days to respond (see 7.4).

If a parent does not respond to the request for earned income verification and the case has ongoing eligibility, eligibility will not end due to lack of financial verification (see 7.9.2). Agency workers ~~should~~ **must** not take any action to manually end eligibility if the SWICA discrepancy was for a period during the parent’s 12-month eligibility period and income does not exceed 85% State Median Income (SMI).

Agency workers must manually end eligibility if verification is not provided and:

- The discrepancy was for a person added to the Assistance Group (AG) during the SWICA quarter.
- There was an application or renewal during the SWICA quarter.
- The SWICA income indicates that the case was over 85% SMI for two (2) consecutive calendar months.

SWICA discrepancy was received for which reason time frame ?	If not verified, what happens?
Application or Renewal, difference of \$250 or more	Agency worker uses manual override process in CARES Mainframe to fail the case for lack of earned income verification using reason code 767 .
Income over 85% SMI	Agency worker uses manual override process in CARES Mainframe to fail the case for lack of earned income verification using reason code 767.
Person Add	Agency worker uses manual override process in CARES Mainframe to fail the case for lack of earned income verification at Person Add using reason code 759 .
During the 12-month eligibility period (Ongoing Eligibility), income at or above 190% FPL at last renewal	Agency workers should must not end current ongoing eligibility when the SWICA discrepancy was for a period during the 12-month eligibility period and income was below 85% SMI, even if the income from the SWICA quarter is not verified.

If the case was over 85% SMI for **two (2) consecutive calendar months in** the SWICA discrepancy quarter, and the parent verifies **or verbally confirms** that they are still over 85% SMI,

the income ~~should~~ **must** be updated on the Employment page and eligibility will end according to adverse action due to being over the income limit. If the SWICA income or other data exchange information shows that the case was over 85% SMI for two (2) consecutive calendar months and the parent does not provide verification or verbally confirm the amount, eligibility must be manually ended for not providing verification.

The local agency should use the Post Load Benefit Correction (PLBC) module in CSAW to determine if the subsidy amount received by the parent was correct. See the PLBC User Guide for further details. An overpayment will not be assessed if the parent failed to report an increase in income that would not have affected eligibility or the subsidy amount.

CONTACTS:

For Wisconsin Shares policy questions outside of Milwaukee County contact your Bureau of Regional Operations (BRO), Child Care Coordinators at BROCCPolicyHelpDesk@wisconsin.gov.

For Program Integrity technical assistance, Child Care CARES/CWW and CSAW Processing Questions statewide, and policy questions in Milwaukee County, contact the Child Care Help Desk at: childcare@wisconsin.gov or 608-422-7200.

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