

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: Transportation and Economic Development Appropriations Committee

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BILL: CS/SB 1756

SPONSOR: Transportation and Economic Development Appropriations Committee and Commerce and Consumer Services Committee

SUBJECT: Early Learning/School Readiness

DATE: April 16, 2005

REVISED: 04/26/05 4/27/05 \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Gordon</u>	<u>Cooper</u>	<u>CM</u>	<u>Fav/1 amendment</u>
2.	<u>Sanford</u>	<u>Whiddon</u>	<u>CF</u>	<u>Fav/1 amendment</u>
3.	<u>Matthews</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/2 amendments</u>
4.	<u>Gordon</u>	<u>Martin</u>	<u>TA</u>	<u>Fav/CS</u>
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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## I. Summary:

This committee substitute amends Florida's school readiness provisions by:

- Consolidating provisions that are in disparate sections of the statutes;
- Deleting obsolete references to programs that no longer exist and agencies that no longer direct aspects of school readiness programs;
- Requiring early learning coalitions to compile profiles of school readiness providers and provide those profiles to parents;
- Limiting financial incentives for child care providers to those that comply with the educational requirements of the School Readiness Act;
- Establishing an age-distribution policy for school readiness funding; and
- Requiring early learning coalitions to competitively solicit contracts for the provision of non-direct services.

This committee substitute substantially amends the following sections of the Florida Statutes: 411.01, 411.0105, and 411.011.

This committee substitute creates the following sections of the Florida Statutes: 411.0101, 411.0102, 411.0103, 411.0104, 411.0106, 411.0107, 411.0108, 411.0109, and 411.0111.

This committee substitute transfers, renumbers and amends the following sections of the Florida Statutes: 402.3145, 402.3017, 409.178, 402.27, 402.3051, 402.3018, and 402.25.

## II. Present Situation:

### Florida School Readiness

In 1999, the Legislature passed the School Readiness Act, ch. 99-357, L.O.F., now codified in s. 411.01, F.S. That act integrated several early education programs run by the state Department of Education (DOE) and child care programs run by the Department of Children and Families (DCF) into one system of school readiness delivery. The legislation established a state-level governing board, the Florida Partnership for School Readiness, charged with coordinating statewide program efforts. The act also required that county-level school readiness coalitions be formed to plan, implement and administer the program services locally.

School readiness programs are funded through a mixture of state and federal funds. The combined budget of the system is approximately \$672.2 million, comprised of \$379.7 million from the federal Child Care and Development Fund (CCDF) block grant; \$112.5 million from the federal Temporary Assistance for Needy Families (TANF) block grant; \$177.9 million from the state's General Revenue Fund; and \$2.2 million from other funds, including \$500,000 from the federal Social Services Block Grant.<sup>1</sup>

### 2002 Review of School Readiness System

In January 2002, the Office of Program Policy Analysis and Government Accountability (OPPAGA) conducted a review of, and issued a report concerning, the school readiness system.<sup>2</sup> The report found that the Florida Partnership for School Readiness and the school readiness coalitions had not implemented key elements of the school readiness program as required by law. The report also found, among other things, that:

- Disagreements between the partnership and the coalitions over the partnership's authority to administer the school readiness system had caused disruption in implementation of the school readiness program;
- Coalitions had difficulty retaining the participation of private-sector members who did not, and whose families did not, earn an income from the early education and child care industry; and
- Smaller school readiness coalitions had difficulty affording a full-time staff within the requirement that total administrative expenditures be limited to 5 percent unless specifically waived by the partnership.

The report concluded that these issues could jeopardize the future of the school readiness system.

### 2003 Studies and Audits in Preparation for the Voluntary Prekindergarten Education Program

In November 2002, the electors of Florida approved Amendment No. 8 to the State Constitution, which required the Legislature to establish, by the 2005 school year, a prekindergarten program

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<sup>1</sup> Specific Appropriations 2122A-2122R, *General Appropriations Act for Fiscal Year 2004-2005*, ch. 2004-268, L.O.F.

<sup>2</sup> OPPAGA, *School Readiness Program's Potential Not Realized with Critical Issues Unresolved*, Report No. 02-07 (Jan. 2002).

for every 4-year-old child in the state which is voluntary, high quality, free, and delivered according to professionally accepted standards.<sup>3</sup>

In response, at its 2003 Regular Session, the Legislature directed the State Board of Education to conduct a study and submit a report on the curriculum, design, and standards for this new prekindergarten program. The Legislature also sought recommendations or options for best practices to improve the outcomes of school readiness coalitions and providers. The SBOE established a Universal Prekindergarten Education Advisory Council, which issued a report of its recommendations to the state board in October 2003.<sup>4</sup> The State Board of Education subsequently accepted the advisory council's report and issued a final report,<sup>5</sup> which was submitted to the Legislature in December 2003.

The Legislature also directed OPPAGA and the Auditor General to conduct audits of the school readiness system.<sup>6</sup> The threshold question for these audits was the ability of the school readiness system to effectively implement the new prekindergarten program. Specifically, the Legislature directed that OPPAGA's audit must:

- Evaluate the ability of the school readiness system to effectively implement the prekindergarten program based upon the State Board of Education's recommendations or options for curriculum, design, and standards for the program; and
- Identify modifications or options for the school readiness system necessary to effectively implement the prekindergarten program.

In addition, OPPAGA was directed to evaluate the effectiveness of the school readiness system in implementing the school readiness programs and examine the progress of the Florida Partnership for School Readiness and the school readiness coalitions in response to OPPAGA's 2002 report<sup>7</sup> on the school readiness system.<sup>8</sup> The audit reports were submitted to the Legislature between December 2003 and January 2004.<sup>9,10,11,12</sup>

Collectively, OPPAGA's and the Auditor General's audit reports, and the State Board of Education's and its advisory council's reports, generally found that the school readiness coalitions had made substantial progress in implementing the key elements of the school readiness program; that the coalitions' progress was hindered by a lack of guidance from the Florida Partnership for School Readiness; and that the school readiness system could be prepared to effectively implement the prekindergarten program, if:

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<sup>3</sup> Section 1(b) and (c), Art. IX of the State Constitution.

<sup>4</sup> Universal Prekindergarten Education Advisory Council, *Report and Recommendations to the Florida State Board of Education* (Oct. 2003).

<sup>5</sup> Florida State Board of Education, *A Study of the Curriculum, Design, and Standards for Florida's Voluntary Universal Prekindergarten Education Program* (Nov. 18, 2003).

<sup>6</sup> Section 2, ch. 2003-93, L.O.F.

<sup>7</sup> See OPPAGA, *supra* note 2.

<sup>8</sup> Section 2(1), ch. 2003-93, L.O.F.

<sup>9</sup> OPPAGA, *School Readiness Coalitions' Progress Varies in Implementing the Program Over Two Years*, Report No. 03-75 (Dec. 2003).

<sup>10</sup> Auditor General, *School Readiness Program Administered by the Florida Partnership for School Readiness, the Florida School Readiness Coalitions, and the Florida Agency for Workforce Innovation*, Report No. 2004-085 (Jan. 2004).

<sup>11</sup> OPPAGA, *School Readiness Program's Potential is Beginning to be Realized, But is Hindered by Partnership Guidance Issues*, Report No. 04-06 (Jan. 2004).

<sup>12</sup> OPPAGA and Auditor General, *School Readiness Program Makes Progress, but Stronger Partnership Guidance and Internal Controls are Needed, Overview Report on Audits of the School Readiness Program* (Jan. 2004).

- State-level guidance and technical assistance for the school readiness coalitions were significantly improved, including the adoption of rules, publication of a policies and procedures manual, and enhancement of responsiveness to coalitions;
- Smaller school readiness coalitions were required to consolidate with one or more other coalitions to reduce the number of coalitions and improve program efficiency by forcing economies of scale; and
- Memberships of the coalitions were revised to eliminate voting conflicts and improve representation on the coalitions.

### **Voluntary Prekindergarten Education Program**

In December 2004, at its 2004 Special Session “A,” the Legislature enacted chapter 2004-484, L.O.F., which created the Voluntary Prekindergarten Education (VPK) Program.<sup>13</sup> The committee substitute directed that the prekindergarten program be administered at the local level by school districts and school readiness coalitions, which the committee substitute renamed as “early learning coalitions.” At the state level, the committee substitute specified that DOE administers the accountability requirements of the prekindergarten program and the Agency for Workforce Innovation (AWI) administers the operational requirements of the program.

In addition to establishing the VPK program, the committee substitute enacted several reforms of the school readiness system. The committee substitute abolished the Florida Partnership for School Readiness on January 2, 2005,<sup>14</sup> and transferred the partnership’s duties to AWI. Consequently, the committee substitute established that, in addition to responsibility for the operational aspects of the VPK program, AWI is directly responsible for state-level coordination of school readiness programs and of the early learning coalitions.

The committee substitute required that, by April 1, 2005, with certain exceptions, each early learning coalition must serve at least 2,000 children in the school readiness program or merge with another coalition, in effect reducing their number to 30 or fewer coalitions. The committee substitute revised the memberships of the coalitions and prohibited members from voting when they have a conflict of interest.

The committee substitute also replaced the current school readiness uniform screening with a new statewide kindergarten screening to be used for determining whether children entering kindergarten are ready for school. The committee substitute requires DOE to assign each private prekindergarten provider and public school with a kindergarten readiness rate based upon the results of the kindergarten screening for students completing the provider’s or school’s VPK program.

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<sup>13</sup> Chapter 2004-484, L.O.F.

<sup>14</sup> House Bill 1-A specified that the Florida Partnership for School Readiness was abolished when the bill became a law (ss. 16(1) and 20, ch. 2004-484, L.O.F.). The Governor approved HB 1-A on January 2, 2005.

### Interim Project Report 2005-112 Recommendations

In 2004, the staff of the Committee on Commerce and Consumer Services undertook a follow-up to their 2003 report, *Administration of the School Readiness Programs*.<sup>15</sup> Interim Project Report 2005-112, *School Readiness Programs II: Next Steps in the Evolution of Early Learning*, reviewed the history of school readiness programs in Florida, surveyed the results of studies regarding such programs, examined ch. 2004-484, L.O.F. (which created the state's VPK program), to determine which issues cited by the aforementioned studies it addressed, and suggested ways to redress several of those issues that remained outstanding.

This report offered, in part, the following recommendations:

- Consolidate a number of statutes governing early childhood education and child care;
- Delete obsolete references to repealed and transferred programs;
- Require AWI to publish profiles of school readiness providers (similar to profiles required for VPK program providers) which specify whether the provider complies with the educational requirements of the School Readiness Act;
- Limit financial incentives to providers that comply with the educational requirements of the School Readiness Act;
- Establish an age-distribution policy for School Readiness Funding; and
- Require AWI to develop a comprehensive design of outcome measurements for early learning programs.

### III. Effect of Proposed Changes:

This committee substitute implements the recommendations of the Commerce and Consumer Services Committee's interim project, *School Readiness Programs II: Next Steps in the Evolution of Early Learning*.

**Section 1** amends s. 411.01, F.S., to:

- Require the provision of school readiness provider profiles to parents by early learning coalitions;
- Delete an obsolete reference to federally funded child care;
- Limit financial incentives to child care providers who comply with the School Readiness Act; and
- Clarify the priority of children who qualify for participation in school readiness programs.

Currently, early learning coalitions are required to provide to parents a profile of every VPK program provider with the county or multi-county region.<sup>16</sup> This section imposes a similar requirement on the coalitions for school readiness providers. The profiles must contain, at a minimum, the following information:

<sup>15</sup> Florida Senate, Committee on Commerce, Economic Opportunities, and Consumer Services, *Administration of the School Readiness System*, Interim Project Report 2004-116 (Dec. 2003).

<sup>16</sup> Section 1002.53(5), F.S. as created by s. 1, ch. 2004-484, L.O.F.

- The provider's services, curriculum, instructor credentials and instructor to student ratio;
- Whether the provider delivers the VPK Education Program; and
- If the provider does provide the state proscribed prekindergarten program, the kindergarten readiness rate as calculated under s. 1002.69, F.S.

This section also deletes an obsolete provision in s. 411.01(5)(d)9., F.S. Because all federal subsidized child-care programs in Florida have been consolidated into the Florida School Readiness program, it is unnecessary to retain this reference. Those programs included: the Prekindergarten Intervention Program; the Migrant Education Program; subsidized child care; and Florida First Start.

Paragraph 5(d) is also amended to require early learning coalitions to competitively solicit for the provision of non-direct services for its school readiness programs. This section defines "non-direct services" to include eligibility determination for school readiness services, child care resource and referral, health screening, developmental screening, payment of providers for school readiness services, monitoring of child attendance in the school readiness program, monitoring of providers for compliance with school readiness program requirement, system support and direct enhancement services to families and children, and technical assistance and training for school readiness providers. This definition parallels AWI's definition for the same term. Moreover, it specifically excludes the Voluntary Prekindergarten Program.

Subparagraph 5(d)10., as amended, provides that an early learning coalition may provide non-direct services using staff it has hired or by contracting with a vendor if it competitively solicits and one of the following conditions exist:

- Fewer than two vendors submit responses determined to be acceptable in accordance with the criteria set forth in the solicitation;
- AWI determines that the coalition's use of staff employed by the coalition would result in the best value to the state compared to contracting with a vendor which the coalition has determined would offer the best values among the responses received; or
- The non-direct services are provided using funds other than state or federal school readiness funds.

This subparagraph grants an exemption, until July 1, 2008, to early coalitions that have met one of these conditions:

- On May 1, 2005, the coalition was providing non-direct services using staff employed by the coalition; or
- On or before May 1, 2005, the coalition notified AWI and each of its vendors of non-direct services in writing that the coalition is not renewing the contract.

This subparagraph also grants an exemption to coalitions who have contracted with a county or municipality to provide non-direct services.

Paragraph (5)(e) of s. 411.01, F.S., is amended to include a reference created in section 8 of this committee substitute.

This section revises the provision regarding financial incentives for child care providers who are part of the Gold Seal Quality Care Program. Section 402.281, F.S., provides that child care facilities, large family child care home, or family day care homes that are accredited by a nationally recognized accrediting association whose standards meet or exceed those of particular national child care associations, will be designated Gold Seal Quality Care facilities. Section 402.3051, F.S., provides market rate reimbursement for Gold Seal providers and prevailing market rate reimbursement for other licensed, exempt or registered child care providers.<sup>17</sup> Currently, school readiness providers holding a Gold Seal Quality Care designation are eligible for a stipend of up to 20 percent beyond that provided for school readiness providers without the designation.<sup>18</sup> Section 411.01(5)(e), F.S., is amended to limit this financial incentive to Gold Seal providers that comply with the educational requirements of the coalition's school readiness program.

Currently, subsection (11) of s. 401.01, F.S., as amended by s. 2, ch. 2004-484, L.O.F., grants priority admissions in the school readiness program to children from the temporary assistance to needy families (TANF) program. Subsection (6) specifies that second priority is given to pre-school children (3-5 years old) who are served by the Family Safety Program Office of DCF, or similar local program. Subsequent priority is determined by the local coalition, provided that the children meet the qualifications set forth in subsection (6), and are pre-school-aged.

This section of the committee substitute amends subsection (6) of s. 401.01, F.S., to establish a definitive priority sequence for admissions to school readiness programs. First, subsection (11) is transferred to subsection (6) to consolidate the list under one subsection. As in current law, priority admissions is given to children from families in the TANF program and children who are served by the Family Safety Program Office of DCF, or similar local program. Using the eligibility categories in current law, subsequent priority is established as follows:

- Children under the age of kindergarten eligibility who are:
  - Children at risk of welfare dependency, including economically disadvantaged children, children of participants in the welfare transition program, children of migrant farmworkers, and children of teen parents;
  - Children of working families whose family income does not exceed 150 percent of the federal poverty level; and
  - Children for whom the state is paying a relative caregiver payment under s. 39.5085, F.S.
- Three-year-old children and four-year-old children who may not be economically disadvantaged but who have disabilities, have been served in a specific part-time or combination of part-time exceptional education programs with required special services, aids, or equipment, and were previously reported for funding part time with the Florida Education Finance Program as exceptional students.
- Economically disadvantaged children, children with disabilities, and children at risk of future school failure, from birth to four years of age, who are served at home through home visitor programs and intensive parent education programs.

<sup>17</sup> Under s. 402.3051(1)(b), F.S., "market rate" means the price that a child care provider charges for daily, weekly or monthly child care services. Section 402.3051(1)(c), F.S., defines "prevailing market rate" as 75 percent of the market rate.

<sup>18</sup> Specific Appropriation 2122F, *General Appropriations Act for Fiscal Year 2004-2005*, ch. 2004-268, L.O.F.

- Children who meet federal and state eligibility requirements for the migrant preschool program but who do not meet the criteria of economically disadvantaged.

**Section 2** creates s. 411.0101, F.S., to authorize the provision of school readiness services to school-aged children. The Auditor General's report observed that, in the 2002-2003 fiscal year, 26 percent of school readiness program funds were expended on child care for school-age children and approximately one-third of the children served were school age.<sup>19</sup> According to AWI, the percentage of school readiness program funds expended for school-age children grew to 27 percent, and the percentage of school-age children grew to almost 35 percent of the children served, for the period from January 2003 to August 2004.<sup>20</sup>

In addition, local coalitions may not allocate more than 25 percent of the total school readiness funds for school-aged services. However, this cap may be exceeded if necessary to provide services for children from families receiving TANF benefits or at-risk children who are served by the Family Safety Program of DCF or similar local program. If the cap is exceeded, the coalition may not provide services to non-TANF school-aged children or school-age children who are not deemed at-risk.

**Section 3** transfers, amends and renumbers s. 402.3145, F.S., as s. 411.0101, F.S., to authorize local coalitions, with the approval of AWI, to provide transportation to children served by school readiness programs. Furthermore, this section is amended to clarify that contracts for transportation services must comply with s. 411.1(5)(e)1., F.S.

Before the repeal of the former subsidized child care program, as a complement to the program, DCF provided for the transportation of children at risk of abuse or neglect to child care programs (commonly cited as "Project Safety Net"). After the repeal of subsidized child care, these transportation services were continued by the school readiness system through an interagency agreement with the department and specific appropriations. As of July 1, 2003, statewide funding was no longer provided, although school readiness coalitions could offer transportation services locally using school readiness funds.

Current law authorizes transportation for certain school readiness students whose homes are more than a reasonable walking distance from the nearest child care facility or family day care home. The phrase "reasonable walking distance" is not defined. Under s. 1006.21(3), F.S., district school boards are authorized to transport certain students whose homes are more than a reasonable walking distance, as defined by rules of the State Board of Education, from the nearest appropriate school. Current State Board of Education rules define a "reasonable walking distance" as any distance not more than two (2) miles between the home and school or one and one-half (1 1/2) miles between the home and the assigned bus stop.<sup>21</sup> The rule additionally provides the method of calculating the distance. It may be appropriate to amend current law to clarify that the phrase "reasonable walking distance" is defined by the rules of the Agency for Workforce Innovation.

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<sup>19</sup> Auditor General, *School Readiness Program Administered by the Florida Partnership for School Readiness, the Florida School Readiness Coalitions, and the Florida Agency for Workforce Innovation*, Report No. 2004-085 (Jan. 2004).

<sup>20</sup> The Florida Senate, Committee on Commerce and Consumer Services, *School Readiness Programs II: Next Steps in the Evolution of Early Learning*, Interim Project Report 2005-112 (Jan. 2005).

<sup>21</sup> 6A-3.001, F.A.C.

**Section 4** transfers, amends and renumbers s. 402.3017, F.S., as s. 411.0103, F.S., thereby combining two school readiness quality initiatives: the Teacher Education and Compensation Helps (TEACH) Early Childhood Project<sup>22</sup> and the Home Instruction for Parents of Preschool Youngsters (HIPPPY) Program. In addition, AWI, rather than DCF, is authorized to contract with these programs.

The national TEACH. program was created in 1989 to address the relationship between low compensation and low rates of retaining child care workers. Under the program, teachers are compensated for receiving additional training or education. The HIPPPY program is a home-based education program for at-risk children aged three to five.<sup>23</sup> Essential components of the program include highly trained workers who visit the family weekly for thirty to thirty-five weeks and parents who commit to work with their children at home on literacy and other academic-related activities.

**Section 5** transfers, amends and renumbers s. 409.178, F.S., as s. 411.0104, F.S., to rename the Child Care Executive Partnership (CCEP) Act the Early Learning Executive Partnership.

Currently, the CCEP coordinates the recruitment of private employers, local governments, and charitable foundations to contribute local funds in a public-private partnership that matches state funds for child development services. These funds are typically provided for children of the private employers' employees and for children in groups targeted by the local governments and charitable foundations. This section revises provisions establishing the partnership and governing the use of these program funds in the following ways:

- *Name Change.*—The name of the partnership is changed from the Child Care Executive Partnership to the Early Learning Executive Partnership to reflect the evolution of child care in Florida to include an academic, school readiness focus.
- *Income eligibility.*—The School Readiness Act limits eligibility for school readiness services to economically disadvantaged children whose family income does not exceed 150 percent of the federal poverty level.<sup>24</sup> Specific Appropriation 2122H of the General Appropriations Act has expanded the income eligibility for partnership funds to children whose family income does not exceed 200 percent of the federal poverty level as defined in s. 409.178, F.S.<sup>25</sup>
- *Staff support.*—In 2001, the partnership was transferred to the AWI from DCF.<sup>26</sup> This section specifies that AWI shall provide or contract for the provision of staff for the partnership.
- *Purchasing pools.*—State matching funds are provided by the Early Learning Executive Partnership (formerly CCEP) to local “purchasing pools” administered by the school readiness coalitions. In addition, AWI has established statewide purchasing pools for

<sup>22</sup> This program was created in North Carolina by that state's Child Care Services Association to address the issue of low compensation for child care workers and resulting in low quality child care. In 1990, North Carolina began providing scholarships to twenty-one child care workers who received additional education. As the quality of child care and retention of workers increased in that state, other states asked for guidance in replicating the program. As of August 2003, the program had spread to twenty-one states, including Florida (1995). Child Care Partnership Project. “T.E.A.C.H. Early Childhood@ Project.” 1998. 17 Feb. 2005. < <http://www.nccic.org/ccpartnerships/profiles/teach.htm>>

<sup>23</sup> Early Learning Coalition of Miami-Dade/Monroe. 2005. 17 Feb. 2005. < <http://www.childreadiness.org/Programs.asp>>

<sup>24</sup> Section 411.01(6)(a)3., F.S.

<sup>25</sup> Ch. 2004-268, L.O.F.

<sup>26</sup> Section 17, ch. 2001-170, L.O.F.

employers having a significant statewide presence which have sought matching funds to provide child development services for the children of their employees. The provisions governing the purchasing pools have not been revised since DCF administered the CCEP. This section revises these provisions to clarify the Early Learning Executive Partnership's authority to maintain the statewide purchasing pools and to clarify that the school readiness coalitions are responsible for administration of the local purchasing pools.

In addition, this section authorizes AWI to adopt rules for the Early Learning Executive Partnership program, deletes legislative intent provisions, and deletes an obsolete reference to the former subsidized child care program.

**Section 6** amends s. 411.0105, F.S., to authorize the Governor to designate AWI as the lead agency for the federal Early Learning Opportunities Act and designates DOE as the lead agency for the William F. Goodling Even Start Family Literacy Programs. This section further requires DOE to contract with AWI to administer these family literacy programs.

Currently, s. 411.01(4)(c), F.S., as amended by s. 2, ch. 2004-484, L.O.F., authorizes the Governor to designate AWI as the lead agency for the federal Child Care and Development Fund.<sup>27</sup> In addition, current law designates AWI as the lead agency for the federal Early Learning Opportunities Act and the Even Start Family Literacy Programs.<sup>28</sup> In 2001, the United States Congress designated the Even Start Family Literacy Programs as the "William F. Goodling Even Start Family Literacy Programs" and specified that federal grants awarded to a state under those federal programs must be administered by the state educational agency.<sup>29</sup> In deference to federal law, DOE complies with the lead agency responsibilities under federal law, and AWI administers the programs under an interagency agreement with the department.

**Section 7** transfers, amends and renumbers s. 402.27, F.S., as s. 411.0106, F.S., to reflect the transfer of early learning responsibilities from DCF to AWI and the evolution of child care to school readiness and prekindergarten services.

In 2001, responsibility for child care and early childhood resource and referral was transferred to AWI from DCF.<sup>30</sup> However, the section governing resource and referral has not been revised since the transfer and continues to reference DCF. With this transfer, AWI is now responsible for the statewide resource and referral network.

**Section 8** transfers, amends and renumbers s. 402.3051, F.S., as s. 411.0107, F.S., to address reimbursement rates. Under the former subsidized child care program, DCF determined reimbursement rates for child care services across the state. In 1999, under the School Readiness Act, the authority to set reimbursement rates was devolved to school readiness coalitions.<sup>31</sup> Under federal regulations governing the Child Care and Development Fund Block Grant, which provides more than one-half of the funding for the state's school readiness programs, the state

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<sup>27</sup> Section 411.01(4)(c), F.S.

<sup>28</sup> Section 411.0105, F.S.

<sup>29</sup> *No Child Left Behind Act of 2001*, Pub. L. No. 107-110, 115 Stat. 1425, 1555 (2002) (codified at 20 U.S.C. ss. 6381-6381k).

<sup>30</sup> Section 17, ch. 2001-170, L.O.F.

<sup>31</sup> Section 1, ch. 99-357, L.O.F.; s. 411.01(5)(e)2., F.S.

must demonstrate “[h]ow payment rates are adequate based on a local market rate survey.”<sup>32</sup> Although s. 402.3051, F.S., has not been revised since responsibility for determining reimbursement rates was transferred to the school readiness coalitions, AWI has contracted for the market rate survey partially based on the instructions for collection of market-rate data and calculation of the prevailing market rate described in s. 402.3051, F.S.

This section replaces obsolete provisions relating to the state-level determination of reimbursement rates with provisions requiring AWI to provide for the adoption of a prevailing market-rate schedule, which must be considered by school readiness coalitions when they adopt their payment schedules.

This section specifies that the schedule will include county-by-county rates at:

- One hundred twenty percent of the prevailing market rate (75th percentile of the market rate) for child development providers that hold a Gold Seal Quality designation and participate in the coalition’s School Readiness Program; and
- The prevailing market rate for providers that do not hold a Gold Seal Quality designation.

This section also:

- Deletes a provision specifying that the prevailing market rate is based on the prices charged for child development services only by licensed providers, thereby reflecting AWI’s current practice that the market-rate survey also encompasses unlicensed providers;
- Requires the prevailing market-rate schedule to be based exclusively on the costs and prices charged for child development services;
- Prohibits the schedule from interfering with parental choice requirements or from using an assessment tool that evaluates providers to establish rates;
- Authorizes AWI to contract with a qualified entity to administer these provisions; and
- Provides other conforming changes.

**Section 9** transfers, amends and renumbers s. 402.3108, F.S., as s. 411.0108, F.S., to reflect the transfer of early learning responsibilities from DCF to AWI and the evolution of child care to school readiness and prekindergarten services. This section revises provisions requiring, subject to legislative appropriation, the establishment of a statewide toll-free Warm-Line providing assistance and consultation to child development providers regarding health, developmental, disability, and special needs issues. Under current law, DCF is required to contract with the “statewide resource information and referral agency” for the Warm-Line. Resource and referral was transferred to AWI from DCF,<sup>33</sup> but the statute did not accurately reflect that change. This section specifies that AWI, not DCF, is the agency responsible for the Warm-Line.

**Section 10** transfers, amends and renumbers s. 402.25, F.S., as s. 411.0109, F.S., which is related to infants and toddlers in state-funded child development programs. This section replaces references to “education and care” and “family day care home” with the terms “child care and

<sup>32</sup> 45 C.F.R. s. 98.43(b)(2).

<sup>33</sup> Section 17, ch. 2001-170, L.O.F.

early learning” and “family child care home,” respectively, reflecting the revised definitions for child development. This section also deletes obsolete references to former programs, including the subsidized child care program, the prekindergarten early intervention program, and the Florida First Start Program.

**Section 11** amends s. 411.011, F.S., to reflect the creation of s. 411.0101 for school age children in school readiness programs. This is not an expansion of the public records exemption for records of children in school readiness programs because these records are currently protected by this exemption.

**Section 12** transfers, amends and renumbers s. 402.3016, F.S., as s. 411.0111, F.S., to reflect the transfer of early learning responsibilities from the Florida Partnership for School Readiness to AWI. This section revises provisions for Early Head Start collaboration grants, clarifying that AWI may establish the grant program, subject to legislative appropriation. This section also specifies that the collaboration grants, if awarded, may only be used to provide matching funds for Early Head Start federal grants. This section clarifies AWI’s rulemaking authority for the grant program and clarifies that AWI is not required to submit annual reports unless the grant program is established.

**Section 13** provides an effective date of July 1, 2005.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The committee substitute updates the statutes to reflect the current organizational structure of the school readiness system and clarifies obsolete and vague laws relating to child development. These changes may reduce potential confusion, may improve the effectiveness of school readiness coalitions by reducing the need for state-level technical assistance, may promote consistency in the regulation of child development providers,

and may reduce the costs associated with potential litigation resulting from disputes over vague provisions.

**C. Government Sector Impact:**

The committee substitute may require short-term workload increases for AWI associated with reviewing and updating existing administrative rules and associated forms used to administer school readiness programs. The committee substitute may, however, reduce long-term workload demands associated with responding to public inquiries, conducting legal research, providing technical assistance to child development personnel and school readiness coalitions and potential litigation resulting from disputes over vague provisions.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

CS/SB 1028 reenacts the public records exemption in s. 411.011, F.S. with minor technical changes. CS/SB 2220 creates a public records exemption for children enrolled in the voluntary pre-kindergarten program.



**VIII. Summary of Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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