

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.)

Prepared By: Transportation and Economic Development Appropriations Committee

BILL: CS/SB 840

INTRODUCER: Transportation and Economic Development Appropriations Committee and Senator Fasano

SUBJECT: School Readiness Equity Allocation

DATE: March 9, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Martin</u>	<u>Martin</u>	<u>TA</u>	<u>Fav/CS</u>
2.	_____	_____	<u>CM</u>	_____
3.	_____	_____	<u>ED</u>	_____
4.	_____	_____	<u>WM</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This Committee Substitute revises the requirements for the Agency for Workforce Innovation (AWI) to submit a recommended formula for the allocation of School Readiness funds to the early learning coalitions. It provides that AWI must submit the recommended formula to the Governor and to the Legislature by January 1 of each year, instead of to the Governor and to the Legislative Budget Commission for approval. The bill provides an effective date of July 1, 2006.

This Committee Substitute bill amends the following section of the Florida Statutes (F.S.): s. 411.01

II. Present Situation:

Florida School Readiness

In 1999, the Legislature passed the School Readiness Act, ch. 99-357, Laws of Florida (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 were required to contain, at a minimum, the following elements: developmentally appropriate curriculum, a character development program, an age-appropriate assessment of each child's development, a pretest and posttest administered as children enter and

leave programs, an appropriate staff-to-children ratio, a healthful and safe environment, and a resource and referral network that assists parents in making an informed choice of child care providers (s. 411.01(5)(c)2., F.S.).

School readiness services are currently funded through a mixture of state and federal funds. The Fiscal Year 2005-06 appropriations for grants for services total \$659.3 million, comprised of \$373.9 million from the federal Child Care and Development Fund (CCDF) block grant; \$111.7 million from the federal Temporary Assistance for Needy Families (TANF) block grant; \$172.5 million from the state's General Revenue Fund; and \$1.2 million from other trust funds.¹

Amendments to the School Readiness System

In 2001, the Legislature made several changes to the school readiness system, including the:

- Transfer of the Florida Partnership for School Readiness from the Executive Office of the Governor (EOG) to the Agency for Workforce Innovation (s. 16, ch. 2001-170, L.O.F.);
- Transfer of the subsidized child care program, the prekindergarten early intervention program, the migrant education program, and the Florida First Start Program to AWI (ss. 17 and 18, ch. 2001-170, L.O.F.);
- Transfer of the Child Care Executive Partnership and the statewide resource and referral network to AWI (s. 17, ch. 2001-170, L.O.F.); and
- Designation of AWI as the lead agency for the federal Even Start Family Literacy Programs (s. 19, ch. 2001-170, L.O.F.; s. 411.0105, F.S.).

Effective January 1, 2002, the Legislature repealed the sections prescribing program requirements for the Florida First Start Program (former s. 230.2303, F.S. (2000)), the prekindergarten early intervention program (former s. 230.2305, F.S. (2000)), and the subsidized child care program (former s. 402.3015, F.S. (2000)). In 2002, the program requirements for the migrant education program were repealed.² These repeals marked the end of these former early childhood education and child care programs as separate from the school readiness programs.

In December 2004, at its 2004 Special Session "A," the Legislature enacted House Bill 1-A, which created the Voluntary Prekindergarten Education (VPK) Program.³ In addition to establishing the VPK program, the bill enacted several reforms of the school readiness system. The bill abolished the Florida Partnership for School Readiness on January 2, 2005,⁴ and transferred the partnership's duties to AWI. Consequently, the bill 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.

¹ Specific Appropriation 2162G, General Appropriations Act for Fiscal Year 2005-2006, ch. 2005-71, L.O.F.

² Section 1058, ch. 2002-387, L.O.F., repealed former ch. 228, F.S., which included the section prescribing program requirements for migrant education program, former s. 228.062, F.S. (2001).

³ Chapter 2004-484, L.O.F.

⁴ 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.

Allocation of Early Learning Coalition Funds

Section 20 of ch. 2001-170, L.O.F., created the current requirement in s. 411.01(9)(c), F.S., for AWI to develop a formula for the allocation of all state and federal school readiness funds for children participating in public or private school readiness programs based upon equity and performance.⁵ The allocation formula must be submitted to the Governor and the Legislative Budget Commission (LBC). The LBC must authorize the Agency for Workforce Innovation to distribute funds in accordance with the allocation formula.

The current statute specifies neither the frequency with which AWI must submit a funding allocation formula to the LBC, nor any date by which it must be submitted.

For FY 2001-02, according to staff of AWI, when the program was transferred to AWI, funding amounts in the contracts with coalitions were maintained at FY 2000-01 levels. At the beginning of FY 2001-02 some coalitions were not yet formed, so contracts were executed with central agencies and school districts, and then when a coalition formed, the balance of funds from those contracts were transferred to a new contract with the coalition. A reserve of funds was initially maintained by the Florida Partnership for School Readiness (FPSR) during that fiscal year, and additional allocations were made from that reserve to coalitions in March 2002. At a June 2002 meeting, the FPSR Board failed to approve an allocation formula for submission to the Legislative Budget Commission.

For FY 2002-03, according to staff of AWI, the FPSR Board approved continuation of coalition budgets at the FY 2001-02 contracted amounts, including the additional allocations made in March 2002.⁶ On May 22, 2003, the FPSR approved a funding formula distribution plan. (FPSR Board Item #2003-22)

For FY 2003-04 appropriations, proviso associated with Specific Appropriation 2014A in the FY 2003-04 General Appropriations Act (ch. 2003-397, L.O.F.) required the school readiness funds to be allocated to coalitions consistent with the FY 2002-03 funding allocations.

For FY 2004-05 appropriations, AWI was again required by law to maintain the allocation of funds consistent with the Fiscal Year 2003-04 allocations.⁷

For FY 2005-06 appropriations, no provision was made to suspend the statutory requirement that AWI submit an allocation formula to the LBC. On June 15, 2005, AWI presented a proposed FY 2005-06 allocation formula to the LBC which would have significantly changed the allocation of

⁵ The requirement was subsequently modified by s. 2 of ch. 2004-484, L.O.F., to make specific reference to the early learning coalitions, to require AWI to "adopt a formula" instead of "prepare a plan", and to make other technical but non-substantive changes in the language.

⁶ However, in November 2002, pursuant to the Partnership 1% policy on expenditures for FY 2001-02, coalitions who had underspent their allotment were penalized and their FY 2002-03 contracts were adjusted for these amounts. The 1% policy had a shelter provision such that the amount was not to exceed \$400,000 or be less than \$40,000. (Reference FPSR Board Item 2002-61.)

⁷ Section 2 of ch. 2004-484, L.O.F., inserted the following sentence into s. 411.01(9)(c), F.S.: "For fiscal year 2004-2005, the Agency for Workforce Innovation shall allocate funds to the early learning coalitions consistent with the fiscal year 2003-2004 funding allocations to the school readiness coalitions."

funds for many of the early learning coalitions from the previous fiscal year.⁸ The LBC did not approve the formula, and subsequently funds were allocated to the early learning coalitions consistent with the previous FY 2004-05 allocations.

III. Effect of Proposed Changes:

This Committee Substitute revises the approval process for the allocation formula for School Readiness funds provided to the early learning coalitions. It provides that AWI must submit the recommended formula to the Governor and to the Legislature by January 1 of each year, instead of to the Governor and to the Legislative Budget Commission for approval. The Legislature must specify in the General Appropriations Act any changes from the prior year allocation methodology that must be used by AWI in allocating funds to the early learning coalitions.

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:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

⁸ See the Legislative Budget Commission meeting packet published on the internet at <http://www.leg.state.fl.us/data/committees/joint/jclb/Meetings/061505.pdf> , pp. 19-24.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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