

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1107

Child Care

SPONSOR(S): Ausley

TIED BILLS:

IDEN./SIM. BILLS: SB 2226

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|--|-------------------------|------------------|----------------|
| 1) <u>Committee on K-12</u> | <u>6 Y, 0 N</u> | <u>Gillespie</u> | <u>Ahearn</u> |
| 2) <u>Schools & Learning Council</u> | <u>10 Y, 0 N, As CS</u> | <u>Gillespie</u> | <u>Cobb</u> |
| 3) <u>Policy & Budget Council</u> | <u>21 Y, 2 N</u> | <u>Leznoff</u> | <u>Hansen</u> |
| 4) _____ | _____ | _____ | _____ |
| 5) _____ | _____ | _____ | _____ |

SUMMARY ANALYSIS

Council Substitute for House Bill 1107 requires the Agency for Workforce Innovation (AWI), subject to specific legislative appropriation, to establish Florida's Sunshine State Stars Quality Rating System (QRS), which assesses and communicates to parents the quality of early childhood education and child care programs provided by licensed child care facilities and facilities participating in the Voluntary Prekindergarten Education (VPK) Program. The council substitute requires the QRS to be voluntary for facilities.

The QRS must be based on an assessment of a facility's learning environment; curricula, screening, and assessment; staff qualifications; professional development; business practices; and family involvement. The council substitute requires AWI to design the QRS as a five-star rating system of five tiers, each tier being represented by one to five stars. A facility is required to meet the criteria of a lower tier before advancing to the next tier.

The council substitute creates a 2-year voluntary pilot program, subject to specific legislative appropriation, to implement the QRS in eight Florida counties. Subject to legislative appropriation, centers and programs rated as Tier 1, 2, or 3 are eligible for grants and awards to improve quality. Centers and programs rated as Tier 4 or 5 are eligible, subject to appropriation, for merit awards to maintain high quality. The council substitute does not, however, require AWI or the early learning coalitions to provide these grants and awards or specify the amounts of the awards.

The council substitute requires AWI and the early learning coalitions, subject to specific legislative appropriation, to provide technical support for facilities in the pilot program.

The bill is effective upon becoming a law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government: The council substitute creates a new program, Florida's Sunshine State Stars Quality Rating System, and a 2-year voluntary pilot program.

Empower Families: The council substitute establishes a system that assesses the quality of early childhood education and child care programs and communicates that information to parents.

B. EFFECT OF PROPOSED CHANGES:

Present Situation:

According to the National Child Care Information Center (NCCIC),¹ a "quality rating system" (QRS) is a method to assess, improve, and communicate the level of quality in early childhood education and child care settings.² A QRS typically includes five common elements:³

- Standards based on the foundation of compliance with the state's child care licensing regulations and including two or more levels, or tiers, of quality criteria above basic licensing requirements;
- Accountability through appropriate means of assessment and monitoring for compliance with the specific criteria of the standards;
- Program and practitioner outreach and support including efforts to promote participation in the QRS, as well as technical assistance, training, mentoring, and other supports;
- Financing incentives specifically linked to compliance with quality standards, such as quality bonus payments, tiered reimbursement rates, contracts, quality grants, and wage supplements; and
- Parent education designed to ensure that parents understand the QRS and how it benefits children, families, and the early childhood education and child care system as a whole. Parent education includes the development of a quality rating indicator or symbol that parents use as a consumer guide. These symbols, which represent varying quality rating levels, are easy-to-understand indicators of quality, such as a "three-star" or "gold level" that parents can use when making decisions about the care and education of their children.

NCCIC reports that, as of March 2006, 13 states have a QRS: Colorado, District of Columbia, Iowa, Kentucky, Maryland, Montana, New Hampshire, New Mexico, North Carolina, Oklahoma, Pennsylvania, Tennessee, and Vermont.⁴

Sunshine State Stars Quality Rating System:

On May 19, 2006, NCCIC presented information about quality rating systems to the Florida Early Learning Advisory Council.⁵ At the conclusion of the presentation, the advisory council, chaired by

¹ The National Child Care Information Center (NCCIC) is a national clearinghouse and technical assistance center linking parents, providers, policymakers, researchers, and the public to early childhood education and child care information. NCCIC is a partner with the federal Child Care Bureau of the United States Department of Health and Human Services.

² National Child Care Information Center, *Quality Rating Systems: Definition and Statewide Systems* (Apr. 2006), available at <http://nccic.acf.hhs.gov/pubs/qrs-defsystems.pdf>.

³ *Id.*

⁴ *Id.*

⁵ The Florida Early Learning Advisory Council is composed of a chair appointed by the Governor; the chairs of the 31 early learning coalitions, who are appointed by the Governor; one member appointed by the President of the Senate; and one member appointed by the Speaker of the House of Representatives. Section 1002.79(2), Florida Statutes.

former Lieutenant Governor Toni Jennings, requested the Agency for Workforce Innovation to develop a proposal for a QRS in Florida.

On July 27 and 28, 2006, the Agency for Workforce Innovation convened a statewide meeting in Orlando of early learning coalitions, providers of early learning programs, child care advocates, and state agencies involved in early learning to discuss the development of a QRS.

On September 8, 2006, the Agency for Workforce Innovation conducted a second statewide meeting in Tampa to refine its proposal for a QRS, and, on September 28 and 29, 2006, the agency presented its final proposal to the Florida Early Learning Advisory Council, which the agency titled the "Sunshine State Stars Quality Rating System."

Voluntary Prekindergarten Education Program:

In 2002, the voters of Florida approved an amendment to the State Constitution which required the Legislature to establish a prekindergarten program for every 4-year-old child in the state.⁶ The amendment specified that the prekindergarten program must be voluntary, high quality, free, and delivered according to professionally accepted standards.⁷ In December 2004, to implement the constitutional amendment, the Legislature created the Voluntary Prekindergarten Education (VPK) Program.⁸ The VPK program allows a parent to enroll his or her child in a voluntary, free prekindergarten program offered during the year before the child is eligible for admission to kindergarten. The program gives parents of eligible children a choice among three program options:⁹

- A 540-instructional-hour school-year VPK program delivered by a private provider;¹⁰
- A 300-instructional-hour summer VPK program delivered by a public school or private provider;¹¹ or
- A 540-instructional-hour school-year VPK program delivered by a public school (if offered in a school district that meets class-size reduction requirements).¹²

Two types of providers are eligible to deliver the VPK program:

- Private providers: Eligible private providers include licensed child care facilities, licensed family day care homes, licensed large family child care homes, private schools (exempt from licensure), and faith-based child care facilities (exempt from licensure).¹³
- Public schools: A district school board determines which public schools in the district are eligible to participate in the VPK program.¹⁴

Child Care Licensing:

Florida's child care licensing regulations generally govern the health, safety, sanitation, nutrition, physical surroundings, and child development needs of children receiving child care services; child care personnel requirements (e.g., training, professional credentials, and background screening); and staff-to-children ratios.¹⁵ Except for certain facilities that are exempt from licensure (i.e., faith-based child care facilities), all child care facilities in the state must be licensed.¹⁶ Specialized child care facilities for

⁶ Section 1(b) and (c), Article IX of the State Constitution.

⁷ *Id.*

⁸ Chapter 2004-484, Laws of Florida; part V of chapter 1002, Florida Statutes.

⁹ Section 1002.53, Florida Statutes.

¹⁰ Section 1002.55, Florida Statutes.

¹¹ Section 1002.61, Florida Statutes.

¹² Section 1002.63, Florida Statutes.

¹³ Sections 1002.55(3)(a) and 1002.61(3)(b), Florida Statutes.

¹⁴ Section 1001.61(3)(a) and 1002.63(3), Florida Statutes.

¹⁵ *See, e.g.*, sections 402.305, 402.313, and 402.3131, Florida Statutes.

¹⁶ Sections 402.305 and 402.312, Florida Statutes.

the care of mildly ill children and large family child care homes must also be licensed.¹⁷ Depending on local requirements, family day care homes must either be licensed or registered.¹⁸

The licensure or registration of child care providers is administered by the Child Care Services Program Office of the Department of Children and Family Services or, in seven counties (Alachua, Brevard, Broward, Hillsborough, Palm Beach, Pinellas, and Sarasota), by local licensing agencies that have licensing standards meeting or exceeding the state's minimum standards.¹⁹

Inconsistent Use of "Child Care Facility":

Florida's child care licensing laws inconsistently use the term "child care facility" to mean any type of regulated child care provider or, in other contexts, a distinct license type that is distinguished from other license types (e.g., family day care homes or large family child care homes). For example, section 402.309, Florida Statutes, authorizes provisional licenses to be issued to "child care facilities." In this section, the term refers to any child care provider that is subject to licensure. Conversely, section 402.305, Florida Statutes, provides licensing standards for "child care facilities." In this section, the term refers only to the distinct license type and would not apply, for example, to family day care homes.

Gold Seal Quality Care Designation:

The Department of Children and Family Services (DCF) issues a "Gold Seal Quality Care" designation to child care facilities, large family child care homes, and family day care homes that are accredited by a nationally recognized accrediting association whose standards meet or exceed standards of the

- National Association for the Education of Young Children;
- National Association of Family Child Care, and
- National Early Childhood Program Accreditation Commission.

In addition to the three associations listed in law, DCF's current approved list of accrediting associations include:²⁰

- Association of Christian Schools International;
- Association of Christian Teachers and Schools;
- Accredited Professional Preschool Learning Environment;
- Council On Accreditation;
- Montessori School Accreditation Commission;
- National After-School Association;
- National Accreditation Commission;
- National Council for Private School Accreditation;
- Southern Association of Colleges and Schools;
- United Methodist Association of Preschools; and
- National Accreditation Council for Early Childhood Professional Personnel and Programs.

Child care providers who hold a Gold Seal Quality Care designation and participate in the school readiness program²¹ are eligible for an increased payment rate (up to 120 percent of non-Gold Seal

¹⁷ Sections 402.305(17), 402.312, and 402.3131, Florida Statutes.

¹⁸ Sections 402.312 and 402.313, Florida Statutes.

¹⁹ Sections 402.306 and 402.307, Florida Statutes.

²⁰ Florida Department of Children and Family Services, *Gold Seal Quality Care*, at <http://www.dcf.state.fl.us/childcare/goldseal.shtml> (last visited Mar. 16, 2007).

²¹ In 1999, the Legislature enacted the School Readiness Act (section 411.01, Florida Statutes), which consolidated the state's early childhood education and child care programs into one integrated program of school readiness services. Chapter 99-357, Laws of Florida. A child whose parent receives temporary cash assistance subject to federal work requirements, who is at risk of abuse or

rate).²² In addition, licensed or faith-based child care facilities with the Gold Seal Quality Care designation may receive an exemption from property taxes²³ and a sales tax exemption for certain educational materials.²⁴

In 2006, the Legislature authorized the DCF to temporarily revoke a provider's Gold Seal Quality Care designation based on violations of child care licensing requirements.²⁵

T.E.A.C.H. Early Childhood® Project:

The Teacher Education and Compensation Helps (T.E.A.C.H.) Early Childhood® Project is a comprehensive scholarship initiative established in 1993 by the Child Care Services Association in North Carolina.²⁶ The program provides educational scholarships and salary supplements to caregivers and administrators of early childhood programs, family day care homes, and large family child care homes in order to increase the quality of instructors, to increase the compensation of early childhood providers, and to encourage a commitment to the early learning field. Proviso language in the General Appropriations Act for fiscal year 2006-2007²⁷ authorizes AWI to contract for the T.E.A.C.H. scholarship program or, if approved by the Legislative Budget Commission, administer or contract for a substantially similar program.²⁸

Proposed Changes:

The council substitute requires the Agency for Workforce Innovation (AWI), subject to specific legislative appropriation, to establish Florida's Sunshine State Stars Quality Rating System (QRS). The council substitute requires the proposed QRS to include the following:

- Voluntary: Participation by facilities is voluntary.
- Participation: Licensed early learning programs, child care facilities, and facilities participating in the VPK program may participate in the QRS.
- Tiers: Five tiers, each level of progression representing a higher level of quality.
- Symbol: Tiers are represented by one to five stars, five stars representing the highest level of quality.
- Progression: Programs must meet criteria of one tier before advancing to the next tier.

The council substitute appears to limit eligibility for the QRS to "child care facilities." In section 402.302, Florida Statutes, the term "child care facility" is defined as "any child care center or child care arrangement which provides child care for more than five children unrelated to the operator and which receives a payment, fee, or grant for any of the children receiving care, wherever operated, and whether or not operated for profit." The council substitute appears to exclude "family day care homes" and "large family child care homes" from the QRS. In addition, the council substitute specifies that "facilities" participating in the VPK program may participate in the QRS, which would appear to exclude providers who are not "child care facilities." For example, private schools, large family child care homes, and licensed family day care homes are eligible to participate in the VPK program, but may not be eligible for the QRS under the council substitute.

neglect, or whose family is economically disadvantaged (family income does not exceed 150 percent of federal poverty level) is generally eligible for school readiness programs. Section 411.01(6) and (11), Florida Statutes.

²² See, e.g., Specific Appropriation 2304, *General Appropriation Act for Fiscal Year 2006-2007*, chapter 2006-25, Laws of Florida ("Funds in Specific Appropriation 2304 from the Child Care and Development Block Grant Trust Fund may be used to provide a rate differential or stipend to programs which reach the Gold Seal Quality Care designation. The rate differential shall not exceed twenty percent of the reimbursement rate").

²³ Section 402.26(6), Florida Statutes.

²⁴ Section 212.08(5)(m), Florida Statutes.

²⁵ Chapter 2006-91, Laws of Florida.

²⁶ See <http://www.childcareservices.org/ps/teach.html> (last visited Mar. 16, 2007).

²⁷ Chapter 2006-25, Laws of Florida ;part V of chapter 1002, Laws of Florida.

²⁸ Specific Appropriation 2304, *General Appropriation Act for Fiscal Year 2006-2007*, chapter 2006-25, Laws of Florida.

The council substitute requires AWI's Office of Early Learning to implement requirements for each tier based on recommendations from the Early Learning Advisory Council's Quality Rating System Task Force and recommendations from organized meetings to gather local input from parent and provider focus groups and interviews. The council substitute does not create a Quality Rating System Task Force, nor does the council substitute require the Florida Early Learning Advisory Council to establish a task force. As previously discussed, the Agency for Workforce Innovation presented a proposal for a QRS to the Florida Early Learning Advisory Council in September 2006 based on a series of statewide meetings facilitated by the agency. The council substitute is unclear whether the QRS must be based on the agency's recommendations or recommendations of a task force to be established by the advisory council.

The council substitute requires the QRS to be based on documented research or best practices in order to positively impact child and family outcomes in six areas of assessment. Advancement through the five tiers in the six assessment areas must be verified as follows:

- Learning environment: Verified through document submission or use of an appropriate environment rating scale.
- Curricula, screening, and assessment: Verified through document review and observation.
- Staff qualifications: Verified by linkage with licensing and document review.
- Professional development for director, lead teacher, and assistant teacher: Verified by linkage with licensing and document review.
- Business practices: Verified by document review and observation.
- Family involvement: Verified through document review.

The council substitute also requires the QRS to give consideration to child care providers possessing a Gold Seal Quality Care designation, Head Start programs, and Early Head Start programs.

Pilot Program:

The council substitute creates a 2-year voluntary pilot program, subject to specific legislative appropriation, to implement a QRS in eight Florida counties: Broward, Duval, Hillsborough, Leon, Miami-Dade, Orange, Palm Beach, and Pinellas.

The council substitute specifies that centers and programs rated as Tier 1, 2, or 3 are eligible, subject to appropriation, for grants and awards to improve quality. Subject to appropriation, centers and programs rated as Tier 4 or 5 are eligible for merit awards to maintain high quality. The council substitute does not, however, require the Agency for Workforce Innovation or early learning coalitions to provide these grants and awards or specify the amounts of the awards.

The council substitute requires the Agency for Workforce Innovation and early learning coalitions, subject to specific legislative appropriation, to provide technical support for child care facilities in the pilot program in order to facilitate the providers' entry and movement through the QRS. The council substitute also specifies that the legislation does not preclude other early learning coalitions from implementing a QRS.

The pilot program expires on July 1, 2009.

Workforce Development Plan:

The council substitute requires the Agency for Workforce Innovation, in collaboration with the Department of Education and Department of Children and Family Services, to develop an early learning workforce development plan that includes recommendations for funding and expansion of current child care professional development credentialing programs (e.g., T.E.A.C.H. program) and other programs designed to provide professional development, credentialing, and advanced education.

Effective Date:

The council substitute specifies that its takes effect upon becoming a law.

C. SECTION DIRECTORY:

Section 1. Creates an unnumbered section that requires the Agency for Workforce Innovation to establish Florida's Sunshine State Stars Quality Rating System.

Section 2. Creates an unnumbered section that creates Florida's Sunshine State Stars Quality Rating System voluntary pilot program.

Section 3. Creates an unnumbered section that requires the Agency for Workforce Innovation to develop a workforce development plan.

Section 4. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The Agency for Workforce Innovation (AWI) and early learning coalitions will incur startup costs associated with establishing a QRS and its components. These costs may include contracts with early learning consultants, travel, conducting focus groups of parents and providers, and the printing and distribution of the QRS requirements. The council substitute requires AWI and the coalitions to provide training and technical assistance for facilities participating in the QRS. The council substitute also provides for grants and awards for Tier 1, 2, and 3 facilities and merit awards for Tier 4 and 5 facilities. The amount of these grants and awards is not specified in the council substitute. The startup and recurring costs for establishing and operating a QRS are indeterminate at this time; however, the original bill provided a \$25 million appropriation, which was removed from the bill by an amendment adopted by the Committee on K-12 (see IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES).

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Child care facilities and facilities participating in the VPK program that voluntarily participate in the QRS may incur increased costs associated with meeting the QRS requirements. However, facilities earning grants and awards would have part of the costs paid by the grants and awards.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The council substitute does not appear to require a county or municipality to spend funds or take an action requiring expenditures; reduce the authority that counties and municipalities had as of February 1, 1989, to raise revenues in the aggregate; or reduce the percentage of a state tax shared in the aggregate with counties and municipalities as of February 1, 1989.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The council substitute assigns responsibilities to the Agency for Workforce Innovation for establishing the state's quality rating system for child care facilities and facilities participating in the VPK program. Administration of the quality rating system would likely require the adoption of rules. The council substitute does not grant the Agency for Workforce Innovation authority to adopt rules to implement the council substitute's provisions.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The Department of Children and Family Services raises the question whether a quality rating system, if the pilot program is expanded statewide, will render obsolete the Gold Seal Quality Care designation.²⁹ As previously discussed, the Gold Seal Quality Care designation is granted based on accreditation. Providers granted the designation receive increased payment rates for government-funded school readiness programs, property tax exemptions, and sales tax exemptions for educational materials. Similarly, a QRS establishes standards for providers, requires assessment against the standards, and assigns a one-to-five star rating. The council substitute proposes to award financial grants to assist providers receiving one, two, or three stars. The council substitute also proposes the award of financial merit award for high-performing providers. If the QRS is successful, the Legislature may be need to readdress the Gold Seal Quality Care designation.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 20, 2007, the Committee on K-12 adopted one amendment by Representative Flores (lines 24-120). The amendment removed a \$25 million appropriation from the original bill and made the remaining provisions subject to specific legislative appropriation. The amendment also replaced a specific reference to the *Early Childhood Environment Rating Scale* by authors Thelma Harms, Richard Clifford, and Debby Cryer with a general reference to an appropriate "environment rating scale." In addition, the committee adopted an amendment to the amendment by Representative Ausley. The amendment to the amendment directed that a workforce development plan required by the original bill be developed by the Agency for Workforce Innovation in collaboration with the Department of Education and the Department of Children and Family Services.

On March 27, 2007, the Schools & Learning Council reported the bill favorably as a council substitute.

²⁹ Florida Department of Children and Family Services, *Staff Analysis and Economic Impact of HB 1107, 2* (Mar. 1, 2007).