

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Education

BILL: CS/SB 1722

INTRODUCER: Committee on Education and Senator Legg

SUBJECT: Early Learning

DATE: April 1, 2013

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|---------------|
| 1. | Graf | Klebacha | ED | Fav/CS |
| 2. | | | AED | |
| 3. | | | AP | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

CS/SB 1722 changes the governance structure of the Office of Early Learning by establishing the Office of Early Learning within the Office of the Commissioner of Education. The bill also enhances the accountability of early learning programs by requiring the Office of Early Learning to administer the school readiness program and the Voluntary Prekindergarten Education Program (VPK program).

The Office of Early Learning must:

- Adopt a uniform chart of accounts for budgeting and financial reporting purposes for prudent use of public and private funds.
- Monitor and evaluate the performance of each early learning coalition regarding the coalitions' finances, management, and operations.
- Annually publish a summary of the school readiness and VPK programs based on annual reports submitted by the early learning coalitions to the Office of Early Learning.

- Keep the administrative staff for the school readiness and VPK programs to the minimum necessary to administer the duties of the office.

The effective date of the bill is July 1, 2013.

The bill creates an undesignated section of law.

II. Present Situation:

Early Learning consists of the school readiness program and the Voluntary Prekindergarten Education Program.

School Readiness Program

Established in 1999,¹ the school readiness program provides subsidies for early childhood education and child care services to children of low-income families; children in protective services who are at risk of abuse, neglect, or abandonment; and children with disabilities.²

The school readiness program is a state-federal partnership between Florida's Office of Early Learning (Florida's OEL)³ and the Office of Child Care of the United States Department of Health and Human Services.⁴ Florida's OEL is Florida's lead agency for administering the federal Child Care and Development Fund (CCDF) block grant from which funds are used to implement the school readiness program.⁵

Federal regulations governing the CCDF block grant,⁶ the primary funding source for the school readiness program, authorize states to use grant funds for child care services, if:⁷

¹ Section 1, ch. 99-357, L.O.F.

² Section 411.01(6), F.S.

³ In 2011, the Legislature transferred the Office of Early Learning, currently called Florida's Office of Early Learning, from the Agency for Workforce Innovation to the Department of Education (DOE) as a separate budget entity, not subject to control, supervision, or direction by the DOE or the State Board of Education in any manner including, but not limited to, personnel, purchasing, transactions involving personal property, and budgetary matters. The office director is appointed by the Governor and confirmed by the Senate, must serve at the pleasure of the Governor, and must be the agency head of the office for all purposes. The office is subject to review and oversight by the Chief Inspector General or his or her designee. Section 12, ch. 2011-142, *codified at* s. 20.15(3)(h), F.S. Florida's OEL is distinct from DOE's Office of Early Learning. Department of Education, *Early Learning/Prekindergarten*, <http://www.fldoe.org/earlyLearning/> (last visited March 28, 2013).

⁴ U.S. Department of Health and Human Services, *Office of Child Care: About*, <http://www.acf.hhs.gov/programs/occ/about> (last visited March 28, 2013).

⁵ The law directs the Governor to designate Florida's OEL as the lead agency for administering the Child Care and Development Fund (CCDF). Section 411.01(4)(c), F.S.

⁶ 45 C.F.R. parts 98 and 99.

⁷ 45 C.F.R. s. 98.20(a). Florida's CCDF state plan for FY 2012-2013 defines physical or mental incapacity as "a developmental delay or established physical or mental condition. Mild or moderate emotional problems as certified by a licensed psychiatrist, psychologist, or licensed mental health professional." Florida's Office of Early Learning, Child Care and Development Fund State Plan, *CCDF Plan FFY 2012/13 Part 2-CCDF Subsidy Program Administration*, available at http://www.floridaearlylearning.com/Documents/SysDev-CCDF/2011-2013/CCDF2012_2013Part2-CCDFSubsidyProgramAdministration.pdf; see also rule 6M-4.200(1), F.A.C.

- The child is under 13 years of age, or at the state's option, under age 19 if the child is physically or mentally incapable of caring for himself or herself or under court supervision;
- The child's family income does not exceed 85 percent of the state's median income for a family of the same size; and
- The child:
 - Resides with a parent or parents who work or attend job training or educational programs; or
 - Receives, or needs to receive, protective services.

Within these broad federal eligibility categories, Florida law specifies that the school readiness program is established for children from birth to school entry.⁸

Florida's OEL administers the program at the state level, including statewide coordination of the early learning coalitions (ELC).⁹

Voluntary Prekindergarten Education Program

In 2004, the Legislature established the Voluntary Prekindergarten Education Program (VPK program), a voluntary, free prekindergarten program offered to eligible four-year old children in the year before admission to kindergarten.¹⁰ A child must be a Florida resident and attain four years of age on or before September 1 of the academic year to be eligible for the VPK program.¹¹ Parents may choose either a school-year or summer program offered by either a public school or private prekindergarten provider.¹² The child remains eligible for the VPK program until he or she is eligible for kindergarten in a public school or is admitted to kindergarten, whichever

⁸ Section 411.01(6), F.S.

⁹ Section 411.01(4)(a), F.S.

¹⁰ Section 1, ch. 2004-484, L.O.F.; part V, ch. 1002, F.S.; *see also* Art. IX, s. 1(b)-(c), Fla. Const. The VPK program originated from a ballot initiative proposing an amendment to the Florida Constitution in the November 2002 general election. The amendment required the Legislature to establish a free prekindergarten education program for every four-year old child residing in Florida by the 2005 academic year. Voters approved the amendment by a total of 59 percent for to 41 percent against. Art. IX, s. 1(b)-(c), Fla. Const.; *see also* Florida Department of State, Division of Elections, *Voluntary Universal Prekindergarten Education*, <http://election.dos.state.fl.us/reports/pdf/02annrpt.pdf> (last visited March 28, 20 13).

¹¹ Section 1002.53(2), F.S.

¹² Section 1002.53(3), F.S. In 2010, the Legislature established a specialized instructional services program for children with disabilities as an option under the VPK program. Section 3, ch. 2010-227, *codified at* s. 1002.53(3)(d), F.S. Beginning with the 2012-13 academic year, a child who has a disability is eligible for specialized instructional services if the child is eligible for the VPK program and has a current Individual Education Plan (IEP) developed by the district school board. Specialized instructional services include applied behavior analysis, speech-language pathology, occupational therapy, and physical therapy. The Florida Department of Education is responsible for approving public and private program providers. Section 1002.66, F.S. Once this program is implemented, children who participate in the program will be eligible to receive a McKay Scholarship to enroll in and attend a private school. Section 1002.39(2)(a)1., F.S.

occurs first.¹³ A child may not attend the summer VPK program earlier than the summer immediately before the academic year in which the child becomes eligible for kindergarten.¹⁴

Department of Education (DOE, through its Office of Early Learning, distinct from Florida's OEL), Florida's OEL, and Department of Children and Families each play a role in the state-level oversight of the VPK program. DOE is responsible for the programmatic requirements for the VPK program.¹⁵ As lead agency for Florida's school readiness system, Florida's OEL governs the day-to-day operations of the VPK program.¹⁶ DCF administers the state's child care provider licensing program and posts VPK program provider profiles on its Internet website.¹⁷

Early Learning Coalitions

Each ELC administers the school readiness program,¹⁸ the VPK program,¹⁹ and the state's child care resource and referral network in its county or multi-county region.²⁰ There are currently 31 ELCs.²¹ Each ELC is governed by a board of directors comprised of various stakeholders and community representatives. Three board members, including the chair, are appointed by the Governor.²²

Audit Findings

In 2011, the Legislature required the Auditor General to conduct a financial and performance audit of Florida's OEL's programs and related delivery systems.²³ Based on the audit conducted in 2011, the Auditor General reported that Florida's OEL did not always provide the oversight necessary for the effective and efficient administration of the school readiness and VPK programs. The audit also pointed out deficiencies in the ELCs' financial management, operations, school readiness and VPK program administration, and information technology practices, as well as instances of noncompliance with law.²⁴

¹³ Section 1002.53(2), F.S. Children who attain five years of age on or before September 1 of the academic year are eligible for admission to public kindergartens. Section 1003.21(1)(a)2., F.S.

¹⁴ Section 1002.61(2)(c), F.S.

¹⁵ Sections 1002.57(1), 1002.59, 1002.67(1)-(2) and (4), 1002.69(1) and (5), 1002.73, and 1007.23(6), F.S.

¹⁶ Section 1002.75(2), F.S.

¹⁷ Sections 402.301-402.319, F.S.; *see also* Florida Department of Children and Family Services, *Provider Search*, <http://dcfsanswrite.state.fl.us/Childcare/provider> (last visited March 28, 2013).

¹⁸ Section 411.01(5), F.S.

¹⁹ Section 1002.55(1) and 1002.61(1)(b), F.S.

²⁰ Section 411.0101, F.S.

²¹ Office of Early Learning, *Early Learning Coalition Directory*, http://www.floridaearlylearning.com/OEL_Coalitions_CoalitionsDirectory.html (last visited March 22, 2013). Florida law permits the establishment of 31 or fewer ELCs. Section 411.01(5)(a)2.a., F.S.

²² Section 411.01(5)(a)4.-6., F.S.

²³ Section 2, ch. 2011-142, L.O.F.

²⁴ Florida Auditor General, *Office of Early Learning and Select Early Learning Coalitions: Follow-up on Prior Audit Findings*, Report No. 2013-087 (Jan. 2013), at 1, available at http://www.myflorida.com/audgen/pages/pdf_files/2013-087.pdf; *see also* Florida Auditor General, *Early Learning Programs and Related Delivery Systems*, Report No. 2012-061 (Dec. 2011), at 1, available at http://www.myflorida.com/audgen/pages/pdf_files/2012-061.pdf.

In 2012, as a follow-up to the 2011 audit, the Auditor General conducted an operational audit of Florida's OEL and select ELCs²⁵. The findings disclosed that, while steps had been taken by the Florida's OEL and ELCs to address the findings reported in the 2011 audit, "opportunities continue to exist to enhance the efficiency and effectiveness of early learning program administration and accountability."²⁶

III. Effect of Proposed Changes:

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IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

²⁵ The Auditor General's audit included the following 10 of the state's 31 early learning coalitions (ELC): Big Bend Region, Escambia County, Hillsborough County, Marion County, Miami-Dade/Monroe, Orange County, Palm Beach County, Pinellas County, Polk County, and Southwest Florida. Florida Auditor General, *Office of Early Learning and Select Early Learning Coalitions: Follow-up on Prior Audit Findings*, Report No. 2013-087 (Jan. 2013), available at http://www.myflorida.com/audgen/pages/pdf_files/2013-087.pdf.

²⁶ Florida Auditor General, *Office of Early Learning and Select Early Learning Coalitions: Follow-up on Prior Audit Findings*, Report No. 2013-087 (Jan. 2013), at 1, available at http://www.myflorida.com/audgen/pages/pdf_files/2013-087.pdf.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Committee on Education on April 1, 2013:

The committee substitute differs from SB 1722 in that the committee substitute:

- Changes the governance structure of the Office of Early Learning by establishing the Office of Early Learning within the Office of the Commissioner of Education.
- Enhances the accountability of early learning programs by requiring the Office of Early Learning to administer the school readiness and VPK programs and keeping the administrative staff for such programs to the minimum necessary to administer the duties of the office.
- Provides roles and responsibilities for the Office of Early Learning and early learning coalitions.

B. Amendments:

None.