

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Date: March 30, 1998 Revised: _____

Subject: Child Care Executive Partnership

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	Crosby	Whiddon	CF	Favorable/CS
2.	_____	_____	WM	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Committee Substitute for Senate Bill 1878 renames the “Child Care Partnership Program” as the “Child Care Executive Partnership Program” and provides eligibility for families with incomes at or below 200 percent of the federal poverty level. To ensure seamless service delivery, this bill authorizes the community coordinated child care agencies or the state resource and referral agency to administer the child care purchasing pool funds. The Department of Children and Family Services, in conjunction with the Child Care Executive Partnership, shall develop procedures for disbursement of funds through the child care purchasing pools. In order to be considered for funding, the community coordinated child care agency or the statewide resource and referral agency must commit to requiring parent fees to be at least equal to the amounts on the subsidized child care sliding fee scale. References to the “pilot” child care purchasing pools are removed and are replaced by purchasing pools. This act shall take effect July 1 of the year in which enacted.

This bill substantially amends section 409.178, Florida Statutes.

II. Present Situation:

Section 409.178, F.S., describes the Child Care Partnership Act. Pursuant to this section, onsite child care or other child care benefits are encouraged. This is the result of legislative findings indicating that when these benefits are provided, employers benefit by improved recruitment, higher retention rates for employees, lower absenteeism, and improved employee morale. The Child Care Partnership Act provides incentives for employers to contribute to meeting the needs of their employees’ families through matching public dollars available for child care.

The Child Care Partnership Program was created to utilize state and federal funds as incentives for matching funds derived from local governments, employers, charitable foundations, and other sources to create local flexible partnerships with employers. Low income working parents, whose incomes do not exceed 150 percent of the federal poverty level, are eligible for subsidized child care. The board of the Child Care Partnership program, staffed by the Department of Children and Family Services, decides which counties participate in the pilot program. The Legislature annually determines the amount of state or federal low-income child care funds to be used for the program. The child care purchasing pools are required to submit proposals in response to request for proposals issued by the Department of Children and Family Services. The community coordinated child care agency administers the child care purchasing pools. Parents are required to pay a fee based upon the department's subsidized child care sliding fee scale.

The Child Care Partnership program has been operating since November of 1996. The Department of Children and Family Services reports that 39 businesses currently participate in the program. Participating businesses represent a variety of industries including, but not limited to, banking, computers, food services, and health care. Employers, local government, and other contributors contributed \$2 million to the partnership during the 1996-97 fiscal year and \$4 million during the 1997-98 fiscal year.

The Florida Children's Forum is a statewide resource and referral agency for child care and works very closely with the 26 community coordinated child care agencies throughout Florida. According to the Executive Director of the Florida Children's Forum, several major employers in Florida, including NationsBank, Peoples First Community Bank, Allstate, the City of Panama City, the St. Petersburg Times, Tech Data, Lincare, the Veterans Affairs Hospital in Pinellas County, and several nursing facilities in Pinellas County have stated they would be more likely to participate (or increase participation) in the child care cooperatives if the minimum income requirement were raised. Many of these businesses have low income employees whose income ranges from 150 to 200 percent of the Federal Poverty Level.

III. Effect of Proposed Changes:

Section 1 amends several subsections of the section of law relating to the Child Care Partnership Act. In amending s. 409.178(1), F.S., CS/SB 1878 renames the "Child Care Partnership Act" the "Child Care Executive Partnership Act."

Subsection 409.178(4), F.S., the composition of the Child Care Executive Partnership, is amended. The requirement that there be an "oversight group" consisting of one representative from each of the 10 Child Care Partnership Program pilot purchasing pool counties is deleted. This change is consistent with the deletion of the word "pilot" (in connection with purchasing pool) throughout this bill.

Subsection 409.178(5), F.S., is amended to provide that the Legislature will annually review the effectiveness of child care purchasing pools and re-evaluate the percentage of additional state or federal funds that can be used to expand the program. To ensure seamless service delivery,

CS/SB 1878 authorizes the community coordinated child care agencies or the state resource and referral agency to administer the child care purchasing pool funds. The addition of the state resource and referral agency will be useful for statewide businesses and will give them the option of dealing with one agency rather than the 26 central agencies in Florida.

The Department of Children and Family Services, in conjunction with the Child Care Executive Partnership, is directed to develop procedures for disbursement of funds through the child care purchasing pools. In order to be considered for funding, the community coordinated child care agency or the statewide resource and referral agency must commit to requiring parent fees to be at least equal to the amounts on the subsidized child care sliding fee scale. References to the “pilot” child care purchasing pools are removed and are replaced by terms consistent with purchasing pools.

Section 2. This act shall take effect July 1 of the year in which enacted.

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:

Participation in the program is voluntary. If a business chooses to participate, it must provide a dollar-for-dollar match. Businesses that choose to participate in the program may enjoy higher employee retention rates which could lead to a reduction in recruitment and training costs and higher productivity.

C. Government Sector Impact:

This bill does not have a fiscal impact because participation is voluntary and the department is only allocated specific matching funds to spend on this program.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Department of Children and Family Services estimates that 39,000 to 40,000 children ages 0 to 5 lack child care and are from working families who earn up to 150 percent of the Federal Poverty Level. If the income level is raised to 200 percent of the Federal Poverty Level, an additional 51,000 children ages 0 to 5 could qualify. However, there is no way to accurately predict the number of families impacted because only the child of an employee-parent could take advantage of the program.

If a central state agency is not authorized to administer the child care purchasing pool funds, there is the possibility that major corporations who operate statewide may be reluctant to participate. A representative of one business with branches throughout Florida has indicated that the business would prefer that the administration be handled by one central agency rather than a number of local entities; this business may not continue to participate in the program unless it can work with one statewide entity in the future.

VIII. Amendments:

None.