

STORAGE NAME: h2173.hhs

DATE: April 11, 2000

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
HEALTH AND HUMAN SERVICES APPROPRIATIONS
ANALYSIS**

BILL #: HB 2173 (formerly PCB CF 00-05C)

RELATING TO: Child Care and Early Intervention Programs

SPONSOR(S): Committee on Children & Families; Representatives Murman and Pruitt

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) Children & Families YEAS 10 NAYS 0
 - (2) HEALTH AND HUMAN SERVICES APPROPRIATIONS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

The bill provides improved support to children in subsidized child care and working parents.

This bill:

Extends subsidized child care -

- Extends eligibility for subsidized child care to working families currently in the program to 200 percent of the Federal Poverty Level (from current 185 percent).
- Provides that an eligible family is considered "needy" so that federal Temporary Assistance for Needy Families (TANF) funds can be used to fund child care for working parents.

Addresses improved integration of child care with early intervention services -

- Requires that children with developmental delays in subsidized child care are referred to existing health and education programs for Level III assessments to ensure timely access to early intervention services.
- Creates a program with a child care health consultant in each of the 25 community child care coordinating agencies to develop a network of support for children in subsidized child care with health problems and developmental delays.

Addresses access to quality child care -

- Establishes in statute the already funded Teacher Education and Compensation Helps (T.E.A.C.H.) scholarship program for child care workers and center directors.
- Allows child enrichment providers, who are not part of the regular child care program, to provide out-of-class activities paid for by parents, with consent and background screening.

Increases equity in state funding of licensure costs -

- Limits a county's share of child care licensure costs to 50 percent (down from at least 75 percent) in 10 counties where the county provides licensure instead of the department.

The act's effective date is July 1, 2000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

Creates a program of child care health consultants.

B. PRESENT SITUATION:

1. Early development, subsidized child care and early intervention:

In 1999 the Legislature made a strong commitment to improve early childhood development through the School Readiness Act and Gold Seal legislation in HB 869. Gold Seal enhanced support for quality subsidized child care and provided for developmental assessments to provide children with referrals for early intervention services. Florida provides child care subsidized with state and federal funds to support working families and enhance child development. The state also provides early intervention services to address developmental delays.

Increased demand for quality child care--The growing number of families seeking out-of-home care for their children has contributed to explosive growth in the use of child care. Nationally, approximately 62 percent of mothers with children under the age of 6 are working outside the home, up from 39 percent in 1975. Florida Children's Forum reports that in 1997, 63 percent of Florida mothers with children younger than 6 years old were in the workforce. (Charting the Progress of Child Care in Florida, 1998.) In 1997, the number of children under 5 years old in Florida was 976,152. Of these children, 345,211 were enrolled in a child care program.

Need for improved integration of early intervention support--The latest research on brain development shows that stimulation during the period birth to 3 establishes the pattern and extent of an individual's brain development. Developmental delays are detectable at this age and can be reversed with intervention. Only 1-2 percent of babies are born with disabilities, yet by school age 10-12 percent need special education.

The child care center and the family care home are quickly replacing the school as the first opportunity to begin early intervention, health promotion and child development activities. Many publicly funded programs under the Department of Education, Department of Children and Families, Department of Health and Agency for Health Care Administration, already provide early intervention therapeutic and support services, and health care coverage, that need better integration and coordination with subsidized child care.

2. Subsidized Child Care:

Florida has operated a subsidized child care program for approximately 20 years to support parents' opportunities to work and enhance child development. It serves approximately 132,000 children and receives over \$452 million in federal, state and local funds. The program is administered by the Department of Children and Families. The purpose of the subsidized child care program, is "to provide quality child care to enhance the development, including language, cognitive, motor, social, and self-help skills of children who are at risk of abuse or neglect and children of low-income families." (s. 402.3015, F.S.) Performance indicators measure the goal of the program for every child to enter kindergarten ready to learn.

Priority for participation in the subsidized child care program is given to children less than 13 years of age who are:

- at risk of abuse or neglect;
- at risk of welfare dependency, (including children of participants in the WAGES program, children of migrant farm workers, and children of teen parents; and
- children of working families, whose family incomes are between 100 and 150 percent of the Federal Poverty Level.

Management of subsidized child care is provided by the department through contracts with 25 community child care coordinating agencies that contract with providers of child care services. Funding sources are Federal Temporary Assistance for Needy Families (TANF), child care block grants, and state general revenue.

Child Care Executive Partnership--The Child Care Executive Partnership Program is an innovative strategy designed to help employers meet the needs of a growing segment of the workforce. This program was developed to expand child care subsidies for low-income working families at a reduced cost to the state by creating incentives for employers, local government and other partners to share the cost of child care. It was established by the Legislature in 1996 (s. 409.178, F.S.) to match funds on a dollar-by-dollar basis to provide child care for children on the waiting list for subsidized child care. Employers may contribute for their own employees eligible for Subsidized Child Care or to a community Child Care Purchasing Pool.

According to the Florida Children's Forum that has managed the program since September 1996, businesses and communities have invested \$12 million. More than 8,000 children from low-income families have received child care assistance who would not otherwise have received care. More than 35 private businesses have contributed to the local Child Care Purchasing Pools.

3. Improved integration of subsidized child care with early intervention services:

Developmental assessment in subsidized child care--In 1999 the Legislature passed HB 869 that encourages child care providers to pursue quality as embodied in the "Gold Seal" designation. The bill promotes child development by requiring child care staff to receive training on child development and developmental observation, and by establishing a process to assess the development of children in subsidized child care. The bill created s. 402.3027, F.S., which establishes a three-level framework for the observational and developmental assessment of young children and linkage to early intervention services.

The assessment process is being implemented through a six-month pilot in six counties. Current task force recommendations for each level of assessment are:

Level I Assessment: Every six months, the child care staff or parent will complete the Ages and Stages checklist that assesses child development in the areas of motor, communication, cognition, and social-emotional skills. Children with low scores in one or more areas of development will be referred for a Level II assessment.

Level II Assessment: Professionals associated with the community child care coordinating agencies will choose a recommended assessment instrument appropriate for each child. All the assessment tools are standardized and assess multiple domains of child development, e.g., fine motor, gross motor, communication, social-emotional skills. Most involve a parent interview and individual testing of the child. Children who perform poorly in one or more areas of development will be referred for a Level III evaluation.

Level III Assessment: Specialists conduct a Level III diagnostic evaluation using whatever measures they deem appropriate. The purpose of the assessment is to determine eligibility for early intervention programs. Children found delayed will enter existing early intervention programs. The assessment may be conducted by providers such as Medicaid\Early Periodic Screening Diagnosis and Testing (EPSDT), Children's Medical Services, and Florida Diagnostic and Learning Resource Services (FDLRS).

Early Intervention Services--Early intervention programs serve children with disabilities or developmental delays and children at risk of delays. Services include hearing and vision services, occupational and physical therapies, psychological and social work services, nursing, family training, home visits and counseling, and transportation. Their purpose is to provide therapeutic and support services to children and their families, so children are able to learn and participate to the fullest extent of their abilities. Two programs, the Infants and Toddlers Early Intervention Program and the Prekindergarten Program for Children with Disabilities serve primarily children with disabilities and developmental delays.

- **The Infants and Toddlers Early Intervention Program**--Public Law 105-17, Part C, of the Individuals with Disabilities Education Act (IDEA), provides federal funds to Florida to provide family-centered early intervention services statewide. It serves over 28,000 children and receives approximately \$34 million in state and federal funds. The program is administered by the Children's Medical Services of the Department of Health. Local Early Intervention Programs provide evaluation and determination of eligibility to children, from birth to thirty-six months of age, who have a developmental delay, and their families. The program provides identification and referral, assessment, family support planning, and services coordination. Community providers and local school districts are contracted to provide services needed.
- **The Prekindergarten Program for Children with Disabilities** is authorized by the Individuals with Disabilities Education Act, Part B, Public Law 105-17 which mandates services to children age three to five with disabilities. It entitles all children with disabilities, ages three through five to a free and appropriate public education. The program provides special education and related services based on an individual education plan. It is available in all school districts with funding from the federal Department of Education.
- **Florida Diagnostic Learning Resource Centers (FDLRS)** support special education and are funded as part of Exceptional Student Education. They provide technology, training, parental support and child find services.

- **Other programs** for children at risk of developmental delays and problems that cause difficulty in school, include Healthy Start, Healthy Families Florida, First Start, Teen Parent, Migrant Prekindergarten, and the Even Start family literacy programs.

Florida Kidcare Health Coverage--Florida also provides support to children to enable them to be ready for school through Florida KidCare which was created by the Legislature in 1998 to provide medical care coverage for uninsured children. Approximately 36,000 children in subsidized child care in Florida are uninsured. Florida KidCare is an "umbrella" program that combines public and private insurance into a comprehensive health insurance program for children. It combines Medicaid expansions, public/private partnerships, and a wraparound system for children with special health care needs.

Child Care Health Consultants--A national program of child care health consultation has been under development for over 3 years under the leadership of the American Academy of Pediatrics (AAP) and the American Public Health Association (APHA). Child care health consultants are established in a number of states and cities. The program provides child care centers and staff with technical assistance to provide health support and integrate existing medical and intervention services into the child care setting. American Academy of Pediatrics health and safety standards for children in child care and the role of health consultants are established in "Caring for Our Children."

4. Child Care Quality:

Teacher Education and Compensation Helps (T.E.A.C.H.) Scholarship Program--The T.E.A.C.H. program is established in Florida to improve the quality of subsidized child care by supporting training and careers for child care professionals. The program provides scholarships for early childhood care givers and center directors to earn an associate, A.S., degree in Child Development and Education, a Child Development Associate (CDA) credential, a CDA equivalency, or an Administrator Credential. The program is administered by the Florida Children's Forum that administers subsidized child care. According to the Children's Forum, more than 1,785 scholarships have been granted, serving participants in 63 counties with funds appropriated from federal sources for the last two years (\$3,000,000 for FY 99-00). The scholarships provide a majority of the cost of tuition and books, a per semester travel stipend, and a bonus to those who complete the program. The T.E.A.C.H. scholarship program is also established in five other states (North Carolina, New York, Illinois, Colorado and Georgia).

Child Care Enrichment Providers--Many people provide enrichment services, such as story telling, music and art at child care centers as part of the regular program of the centers, whether compensated or as volunteers. Certain providers of services paid for by parents for individual children outside the class room, are not permitted by current licensure standards. Licensure standards require children to be under the supervision of child care staff at all times, with child to adult ratios specified for different age groups. Individual children taken out of a class by a provider for enrichment services must be supervised by staff. For example, a provider who contracts with individual parents for computer training can not take the child out of the class to use computers unless accompanied by child care staff. Such enrichment providers are not required to be screened under existing statute, so they do not meet current standards and can not be responsible for the children in their care. If center staff supervise the out of class children the center's ratio of supervision does not meet standards unless extra staff are hired, which is a significant barrier to providers of such enrichment services.

5. State and County Child Care Licensure costs:

The Department of Children and Families licenses child care facilities and family day care homes, both subsidized and unsubsidized, under ss. 402.305-402.3131, F.S. Section 402.306, F.S., provides that any county whose licensing standards meet or exceed state minimum standards may designate a local agency to license child care facilities in the county. Currently ten counties license child care instead of the state. The ten counties are Alachua, Brevard, Broward, Hillsborough, Jackson, Leon, Palm Beach, Pinellas, Polk and Sarasota counties. Section 402.315(1), F.S., requires counties that designate a local agency to license child care facilities must pay at least 75 percent of the costs of licensure while in the other 57 counties, the state funds the entire cost of licensure. The ten counties that designate local agencies to license child care facilities spend \$2,333,911 of county funds for licensure and the department contributes \$1,944,486. The proportion contributed by each county ranges from 33 percent in Polk to 81 percent in Broward. Three counties offset their licensure costs with general revenue from the Department of Health (Jackson, \$15,000, Leon, \$266,051, Sarasota, \$20,000. Jackson County is returning licensing authority to the department. The differences among the counties and with the rest of the state concern counties that fund a large portion of local licensure.

C. EFFECT OF PROPOSED CHANGES:

This bill makes changes in law to improve services to children in child care.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends paragraph (c) of subsection (1) of section 402.3015, F.S., and adds subsection (10) to said section, relating to the subsidized child care program; purpose; fees; contracts.

Allows the department to extend eligibility to children of working families who are currently in the subsidized child care program so they continue to be eligible as their family income rises up to 200 percent of the federal poverty level. This permits families to continue support until they are able to be more self sufficient. Subsection (10) requires the department to consider families eligible to participate in the subsidized child care system to be "needy" families for the purpose of using federal Temporary Assistance for Needy Families (TANF) block grant funds to fund child care, to the extent permitted.

Section 2. Creates section 402.3017, F.S., relating to the Teacher Education and Compensation Helps (T.E.A.C.H) scholarship program.

Establishes the already existing and funded T.E.A.C.H. (Teacher Education and Compensation Helps) Scholarship Program in a new s. 402.3017, F.S. The program supports associate degrees and credentials for early childhood care givers and center directors to promote increased wages, commitment and quality in early childhood. This provision establishes the program in statute rather than in proviso so that it will not have to be recreated each year. Funding will come out of the "school readiness" service category in the Department of Children and Family Services. The department will contract for administration of the scholarship.

Section 3. Creates section 402.3019, F.S., relating to child care health consultants.

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Establishes at least one child care health consultant position in each of the 25 community child care coordinating agencies. These coordinating agencies manage subsidized child care statewide under contract with the Department of Children and Families. The consultants will provide a statewide network to coordinate and provide on-site technical assistance for screening and health support to children in subsidized child care. The consultants will help develop the capacity and support for screenings and developmental assessments, through on-site technical assistance and linkage of existing support services. The child care health consultants will be under the direction of the Florida Partnership for School Readiness and local readiness coalitions. This section provides for training and development of a curriculum for child care health consultants through contract with a university.

Section 4. Amends subsection (8) of section 402.302, F.S., relating to definitions of large family day care homes.

Changes the age of children related to the caregiver who are counted in the maximum number of children served in large family day care homes from under 12 to under 13 to conform with age requirements in family day care homes in the same section. Large family day care homes were provided for in 1999. This change conforms to age requirements in the rest of the section.

Section 5. Creates section 402.3028, F.S., relating to referral for assessment.

Requires children in subsidized child care under age three, who need Level III developmental assessments, are referred to the Early Intervention for Infants and Toddlers with Disabilities program funded under the federal Individuals with Disabilities Education Act, Part C. If they are age three through five the bill requires they are referred to the local school system, or Florida Diagnostic Learning Resource Centers (FDLRS) Assessments must be completed within 45 days of referral. If the programs are not available, centers can refer children to a local community service provider.

Section 6. Creates section 402.3054, F.S., relating to child enrichment service providers.

Establishes child care enrichment providers as a category of child care service provider that deliver enrichment activities to individual children in a child care setting and are compensated by the child's parent or the facility. Enrichment activities include language training and music instruction provided to specific children outside the regular classroom program. Requires the enrichment provider have a background screen. The department will not consider these enrichment providers to be volunteers that require supervision.

Section 7. Amends subsection (1) of section 402.315, F.S., relating to funding; license fees, for child care facilities.

Requires counties that assume licensing and inspection authority with standards that meet or exceed state standards shall bear no more than 50 percent of the cost involved in licensing. Current statute provides the county bear at least 75 percent of the cost. If the state licenses child care as required by statute, which is the case in 57 counties, the state funds all licensing costs.

Section 8. Amends subsection (3) of section 409.178, F.S., relating to Child Care Executive Partnership Act.

Deletes the provision that funds from the child care purchasing pool, that consists of funds from employers and other local sources matched with federal block grant funds, may not be used to supplant already existing employer child care benefit programs. This deletion permits use of employer and local funds matched with federal Child Care and Develop Fund block grant funds to be used to fund existing employer child care benefits so that employer funds can be freed to provide additional benefits such as health or dental coverage.

Section 9. Establishes the act takes effect July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

Section 1. Expanding Eligibility for Subsidized Child Care from 185 percent to 200 percent of the Federal Poverty Level:

The department has determined there will be no fiscal impact from the proposed child care eligibility extension from 185 percent to 200 percent of the Federal Poverty Level (FPL) for children already receiving subsidized child care. Families are eligible to receive subsidized child care when their income is under 150 percent of the FPL. Currently they continue to be eligible until their income increases to 185 percent of the FPL. The proposed extension of eligibility to 200 percent of the FPL will allow families to remain eligible longer. The extension will not increase the number of families funded to receive services. Families already receiving subsidized child care will receive it longer. Because families will stay in subsidized child care longer, the waiting list should increase.

Section 3. Child Care Health Consultants:

According to the Florida Children's Forum estimate, the total additional expenditures required for one child care consultant in each of the 25 child care coordinating agencies, plus one Child Care Forum employee to coordinate, and university support are \$2,598,071. The costs include:

25 Child care health consultants:	Each	Total
Salary & benefits	\$56,250	\$1,406,250
Travel & office equipment	\$23,200	\$580,000
1 Children's Forum coordinator:		
Salary & benefits	\$66,563	\$66,563
Travel & office equipment	\$13,150	\$13,150
University Training Support inc. salaries/benefits & materials, postage & travel		\$532,108
Total:		\$2,598,071

Section 5. Referral for Assessment:

Children's Medical Services of the Department of Health does not anticipate the referral of children from birth to age 3 with developmental delays to the Infants and Toddlers Early Intervention Program will have any fiscal impact, because these children are already eligible for services. However, the Department of Education anticipates the 45-day limit for the referral will have a fiscal impact because current federal law requires only a reasonable time period, which is usually more than 45 days. The department expects increased demand for timely assessment and services to which the children are entitled. The amount of impact is undetermined.

Section 8. Funding County Licensure of Child Care Facilities:

The department estimates the additional expenditures required for the state to contribute 50 percent of the funding to the 10 counties that choose to licensure child care is \$1,121,763.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

Section 8. Funding County Licensure of Child Care Facilities:

According to the department, the state will contribute \$1,121,763 to the 10 counties that choose to licensure child care if the department is required to contribute at least 50 percent of the funding licensure. This will reduce expenditures by county government for this service.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Section 6. Relating to Child Enrichment Service Providers.

According to the department, there will be some undetermined impact on providers wishing to contract with individual parents to provide enrichment services in child care centers, from the cost of required background screening by the Florida Department of Law Enforcement. The cost per screen is \$32. The number of providers is unknown.

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

Section 2 of this bill provides for the Department of Children and Families to have rule making authority in s. 402.3017(3) to implement the Teacher Education and Compensation Helps (T.E.A.C.H) scholarship program.

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The following amendments were adopted without objection and incorporated into the committee bill:

Amendment #1-on page 10, lines 22-29, all said lines were removed from the bill and the following was inserted in lieu thereof: 402.3027 shall be referred to the appropriate program under the local school district or appropriate local service provider. It is the intent of the Legislature that these assessments be completed within 45 days because of the critical nature of child development at this age.

Amendment #2-on page 11, line 16 of the bill after the word "time" was inserted: that is not part of the regular program

Amendment #3-on page 11, line 20 of the bill after the word "provider" was inserted: that are not part of the regular program of the child care facility

Amendment #4-Section 7 was deleted from the bill.

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VII. SIGNATURES:

COMMITTEE ON Children & Families:

Prepared by:

Staff Director:

Glenn A. Mitchell

Bob Barrios

AS REVISED BY THE COMMITTEE ON HEALTH AND HUMAN SERVICES

APPROPRIATIONS:

Prepared by:

Staff Director:

Tom Weaver

Lynn Dixon