

# 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.)

BILL: CS/CS/SB's 1334, SB 534 & SB 360

SPONSOR: Education Committee, Commerce, Economic Opportunities, and Consumer Services Committee and Senators Garcia, Constantine, and Carlton

SUBJECT: Voluntary Universal PreKindergarten/School Readiness Programs

DATE: April 3, 2003 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gillespie	Maclure	CM	Fav/CS (1334)
2.	Matthews	O'Farrell	ED	Fav/Combined CS
3.	_____	_____	CM	_____
4.	_____	_____	AED	_____
5.	_____	_____	AP	_____
6.	_____	_____	_____	_____

**I. Summary:**

Committee Substitute for Committee Substitute for Senate Bills 1334, 534, and 360 implements Amendment No. 8 (Voluntary Universal Pre-Kindergarten Education), s. 1(b) and (c), Art. IX of the State Constitution. The committee substitute creates a new voluntary universal prekindergarten education program within the Agency for Workforce Innovation. The committee substitute requires the State Board of Education to conduct a study and submit a report on the curriculum, design, and standards for the new program. The committee substitute also requires the Office of Program Policy Analysis and Government Accountability and the Auditor General to conduct audits and report findings and recommendations concerning the existing school readiness programs.

This committee substitute creates unnumbered sections of the Florida Statutes.

**II. Present Situation:**

**Early Education and Child Care Programs**

Before 1999, Florida's publicly funded early education and child care programs were delivered through various independent programs, with administration of the programs divided among the Department of Education, the Department of Children and Family Services, and federal Head Start grantees:

- The Department of Education administered school-based early education programs, including the prekindergarten early intervention program (former s. 230.2305, F.S. (2000)), the prekindergarten program for children with disabilities (s. 1003.21(1)(e), F.S.), the Florida

First Start Program (former s. 230.2303, F.S. (2000)), the migrant prekindergarten program (former s. 228.062, F.S. (2001)), teenage parent programs (s. 1003.54, F.S.), federal Even Start Family Literacy Programs, and programs under Title I of the federal Elementary and Secondary Education Act.

- The Department of Children and Family Services administered the subsidized child care program (former s. 402.3015, F.S. (2000)), which provided child care services to at-risk and economically disadvantaged children younger than 13 years of age.
- The United States Department of Health and Human Services administers the federal Head Start and Early Head Start programs, which are child development programs for children younger than 5 years of age from low-income families. The federal government funds these programs directly through grants to local agencies.

The Legislature prescribed statutory requirements for each of these early education and child care programs, including eligibility criteria (e.g., family income), minimum hours and days of service, settings where services could be provided, staff-to-child ratios, qualifications for instructional staff (e.g., education and training, certification, and credentials), and fee scales.

### **School Readiness Program**

The 1999 Legislature enacted the School Readiness Act (ch. 99-357, L.O.F.), which provided for the consolidation of each of the early education and child care programs administered by the Department of Education, the Department of Children and Family Services, and the federal Head Start grantees into one integrated school readiness program.<sup>1</sup> The act directed that the school readiness program would be administered by local school readiness coalitions under the coordination of the Florida Partnership for School Readiness.

### ***Florida Partnership for School Readiness***

The act created the Florida Partnership for School Readiness, which was assigned to the Executive Office of the Governor for administrative purposes, but which was transferred to the Agency for Workforce Innovation in 2001. The partnership is responsible for adopting and coordinating programmatic, administrative, and fiscal policies and standards for all school readiness programs. The partnership was initially created as a 16-member board, but was increased to a 20-member board in 2001. The partnership is composed of the Lieutenant Governor, the Commissioner of Education, the Secretary of Children and Family Services, the Secretary of Health, or their designees, the chair of the Child Care Executive Partnership Board, the chair of the board of directors of Workforce Florida, Inc., and 14 business, community, and civic leaders appointed by the Governor from lists of nominees submitted by the President of the Senate and the Speaker of the House of Representatives. Of these 14 members, two are appointed from the child-care industry (one representing the private for-profit sector and one representing faith-based providers), and two are appointed from the business community.

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<sup>1</sup> The School Readiness Act, in part, implemented the recommendations of Florida Senate, Committee on Education, *Readiness for School*, Interim Project Report No. 98-20 (Oct. 1998).

### ***Local School Readiness Coalitions***

The act authorized the formation of school readiness coalitions and provided for the phased-in implementation of these local coalitions as they were organized. As the school readiness coalitions were established, the act required the partnership to approve their composition and their school readiness plans. As of July 1, 2002, all 67 counties of the state are served by a school readiness coalition with an approved plan. The partnership had approved the establishment of 57 school readiness coalitions, but several of these coalitions were consolidated, resulting in the current organization of 50 local coalitions. If a coalition's plan serves fewer than 400 children under 5 years of age, the coalition must either join with another coalition to form a multi-county coalition, enter into an agreement with a fiscal agent to serve more than one coalition, or demonstrate to the partnership its ability to implement its plan and meet all performance standards and outcome measures (s. 411.01(5)(a)1., F.S.). Forty-three counties are organized as single-county school readiness coalitions. The remaining 24 counties are grouped into seven multi-county coalitions:

- Baker, Bradford, Clay, and Nassau counties.
- Bay, Calhoun, Franklin, and Gulf counties.
- Columbia, Hamilton, Lafayette, Suwannee, and Union counties.
- Dixie, Gilchrist, and Levy counties.
- Glades and Hendry counties.
- Holmes and Washington counties.
- Jefferson, Liberty, Madison, and Wakulla counties.

The membership of each school readiness coalition is required to be between 18 and 25 members and must include a district administrator of the Department of Children and Family Services, a district superintendent of schools, a county health department director, or their designees; a regional workforce board chair or director, as applicable; a children's services council or juvenile welfare board chair or executive director, as applicable; a child care licensing agency head; three appointed members (one appointed by a district administrator of the Department of Children and Family Services, one by a board of county commissioners, and one by a district school board); a central child care agency administrator; a Head Start program director; and representatives of private child care providers and faith-based child care providers. More than one-third of a coalition's members must be from the private sector, including members appointed from nominees by a chamber of commerce or economic development council, and neither the private-sector members nor their families may earn an income from the early education and child care industry. Multi-county coalitions are required to include representation from each county.

The School Readiness Act provided that administration of the school readiness program would be locally designed, operated, and managed by local school readiness coalitions. The Florida Partnership for School Readiness provides oversight for the local coalitions by adopting a system for measuring school readiness; developing school readiness program performance standards, outcome measurements, and data design and review; and approving and reviewing local school readiness coalitions and plans.

### ***School Readiness Plans***

The School Readiness Act provided that the school readiness program would be phased in on a coalition-by-coalition basis and that the separate early education and child care programs would become components of each school readiness coalition's integrated school readiness program, with the goal of preparing children for success in school. Each school readiness coalition is required to implement a comprehensive program of readiness services that enhance the cognitive, social, and physical development of children to achieve the performance standards and outcome measures specified by the partnership. The programs must contain, at a minimum, the following elements: developmentally appropriate curriculum, a character development program to develop basic values, an age-appropriate assessment of each child's development, a pretest administered to children when they enter a program and a posttest administered to children when they leave the program, an appropriate staff-to-child ratio, a healthful and safe environment, and a resource and referral network to assist parents in making an informed choice.

Before implementing the school readiness program, each school readiness coalition is required to develop a school readiness plan. The plan must include, among other things, a fee scale, parental choice of settings and locations where services will be provided, eligibility priorities for children, instructional staff and their qualifications, reimbursement rates, systems support and direct enhancement services, a business plan, strategies to meet the needs of unique populations, and performance standards and outcome measures. As part of the plan, the coalition may request the Governor to apply for a federal waiver to allow the coalition to administer the federal Head Start program, thereby allowing the coalition to distribute these funds, rather than the federal government providing grants directly to local agencies.

Each school readiness coalition must submit its school readiness plan to the Florida Partnership for School Readiness for approval. The partnership may approve the plan, reject the plan, or approve the plan with conditions, and the partnership is required to review coalition plans at least annually. Fifty school readiness coalitions, comprising all 67 counties of the state, are currently operating under approved plans.

### ***Eligibility***

The School Readiness Act provides that the school readiness program was established for children under the age of kindergarten eligibility and that priority for participation in the school readiness program is given to children who meet one or more of the following criteria:

- Children under the age of kindergarten eligibility who are:
  - Children at risk of abuse, neglect, or exploitation and who are clients of the Family Safety Program Office of the Department of Children and Family Services;
  - Children at risk of welfare dependency, including economically disadvantaged children, children of participants in the welfare transition program, children of migrant farm workers, and children of teen parents; or
  - Children of working families whose family income does not exceed 150 percent of the federal poverty level;

- Three-year-old children and 4-year-old children with disabilities who have been served in exceptional education programs with required special services, aids, or equipment and who have been classified as exceptional students for education funding;
- Economically disadvantaged children, children with disabilities, and children at risk of future school failure, from birth to 4 years of age, who are served at home through home visitor programs and intensive parent education programs; or
- Children who meet federal and state requirements for eligibility for the migrant preschool program, but who are not economically disadvantaged (s. 411.01(6), F.S.).

<b>(Table 1) 2003 Poverty Guidelines for the 48 Contiguous States and the District of Columbia<sup>2</sup></b>		
Size of family unit	Poverty guideline	150 percent of poverty guidelines
1	\$8,980	\$13,470
2	\$12,120	\$18,180
3	\$15,260	\$22,890
4	\$18,400	\$27,600
5	\$21,540	\$32,310
6	\$24,680	\$37,020
7	\$27,820	\$41,730
8	\$30,960	\$46,440
For family units with more than 8 members, add \$3,140 for each additional member. (The same increment applies to smaller family sizes also, as can be seen in the figures above.)		

For purposes of these eligibility criteria, the term “economically disadvantaged” means having a family income that is below 150 percent of the federal poverty level. (See Table 1, above.) After a child meets the income eligibility requirements upon initial registration in the school readiness program, even if the child’s family income increases beyond eligibility limits, the child remains eligible until the child reaches kindergarten age. The fee scale, however, may require the family to pay increased fees in accordance with a sliding fee scale.

According to the School Readiness Program Estimating Conference, 34 percent of the state’s children under the age of kindergarten eligibility are from families whose family income is below 150 percent of the federal poverty level.<sup>3</sup> Thus, more than 326,000 of Florida’s children from birth to 4 years of age are considered economically disadvantaged.

<sup>2</sup> U.S. Department of Health and Human Services, *Annual Update of the HHS Poverty Guidelines*, 68 Fed. Reg. 6,456, 6,457 (Feb. 7, 2003).

<sup>3</sup> Florida School Readiness Program Estimating Conference, *Readiness Conference Results* (Mar. 2, 2001), at [http://www.state.fl.us/edr/Conferences/School\\_Readiness/readiness1.pdf](http://www.state.fl.us/edr/Conferences/School_Readiness/readiness1.pdf) (last visited Mar. 21, 2003).

### ***Sliding Fee Scale***

The School Readiness Act requires each local coalition's school readiness plan to include a sliding fee scale establishing a co-payment for parents based on their ability to pay (s. 411.01(5)(d)3.a., F.S.). Accordingly, both school-based providers and private child-care providers are required to charge parents fees based on family income. These co-payments paid to school readiness providers supplement the funding provided from state and federal sources.

### **2001 Amendments**

The 2001 Legislature enacted the Florida Education Governance Reorganization Implementation Act (ch. 2001-170, L.O.F.), which primarily implemented changes for the establishment of the state's coordinated, seamless system of kindergarten through postgraduate education. The act also made several changes to the school readiness program, which included:

- Transfer of the Florida Partnership for School Readiness from the Executive Office of the Governor to the Agency for Workforce Innovation (s. 16, ch. 2001-170, L.O.F.);
- Transfer of the subsidized child care program to the Agency for Workforce Innovation (s. 17, ch. 2001-170, L.O.F.);
- Transfer of the prekindergarten early intervention program, the migrant prekindergarten program, and the Florida First Start Program to the Agency for Workforce Innovation (s. 18, ch. 2001-170, L.O.F.); and
- Designation of the Agency for Workforce Innovation 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 act also repealed the sections of the Florida Statutes providing the 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)).

The school readiness system is funded through a mixture of state and federal funds. The combined budget of the system is approximately \$681 million, comprised of almost \$322 million from the federal Child Care and Development Fund block grant, \$158 million from the federal Temporary Assistance for Needy Families block grant, \$182 million from the state General Revenue Fund, and \$20 million from other funds.<sup>4</sup>

### **Program Review of the School Readiness System**

A 2002 report by the Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) reviewed the existing school readiness system.<sup>5</sup> The report found the Florida Partnership for School Readiness and the local school readiness coalitions had not

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<sup>4</sup> Florida Partnership for School Readiness, *2002 Annual Report*, 10 (2003), available at [http://www.schoolreadiness.org/files/2002\\_annual\\_report.zip](http://www.schoolreadiness.org/files/2002_annual_report.zip) (last modified Mar. 17, 2003) (data from fiscal year 2001-2002).

<sup>5</sup> OPPAGA, Florida Legislature, *Program Review: School Readiness Program's Potential Not Realized With Critical Issues Unresolved*, Report No. 02-07 (Jan. 2002), available at <http://www.oppaga.state.fl.us/reports/pdf/0207rpt.pdf>.

implemented key elements of the school readiness program as required by law, including the establishment of an assessment system using a uniform screening instrument that measures the readiness of children entering kindergarten and the development of performance standards and outcome measures. The report also found that:

- Several school districts had chosen to terminate their school-based prekindergarten services;
- Disagreements between the partnership and the local coalitions over the partnership's authority to administer the school readiness system had caused disruption in implementation of the school readiness program;
- Local coalitions had difficulty retaining the participation of private-sector members who do not, and whose families do not, earn an income from the early education and child care industry; and
- Smaller school readiness coalitions had difficulty affording a full-time staff within the requirement (s. 411.01(9)(d), F.S.) that total administrative expenditures are limited to 5 percent unless specifically waived by the partnership.

The report concluded that these issues could jeopardize the future of the school readiness system.

#### **Amendment No. 8 (Voluntary Universal Pre-Kindergarten Education)**

On November 5, 2002, the electors of Florida approved Amendment No. 8, which created s. 1(b) and (c), Art. IX of the State Constitution. The constitutional amendment specifies that:

[e]very four-year old child in Florida shall be provided by the State a high quality pre-kindergarten learning opportunity in the form of an early childhood development and education program which shall be voluntary, high quality, free, and delivered according to professionally accepted standards. An early childhood development and education program means an organized program designed to address and enhance each child's ability to make age appropriate progress in an appropriate range of settings in the development of language and cognitive capabilities and emotional, social, regulatory and moral capacities through education in basic skills and such other skills as the Legislature may determine to be appropriate.

Unlike the existing school readiness programs that apply eligibility criteria (e.g. family income) and require parents to make co-payments according to a sliding fee scale based on their ability to pay, the constitutional amendment requires that every 4-year-old child in the state be provided a prekindergarten learning opportunity that is free. Although the amendment specifies that the early childhood development and education program required by the amendment must be of high quality, the amendment does not specify the quantity of services that must be provided for free.

The amendment requires the early childhood development and education program to be implemented no later than the beginning of the 2005 school year.

## Senate Select Committee on Constitutional Amendment Implementation

On February 17, 2003, a Senate Select Committee on Constitutional Amendment Implementation adopted recommendations concerning the implementation of Amendment No. 8 (Voluntary Universal Pre-Kindergarten Education).<sup>6</sup> The select committee's recommendations, which established a strategy to begin the planning and implementation of a new voluntary universal prekindergarten education program to effectuate the constitutional amendment, included the following:

- **Governance.**—The existing school readiness system (i.e., Florida Partnership for School Readiness, local school readiness coalitions, and the Agency for Workforce Innovation) should be used as the base from which to implement the new voluntary universal prekindergarten education program, but improvements to the existing system should be determined, especially at the local level. The Office of Program Policy Analysis and Government Accountability should conduct a follow-up study on the existing system, which should include models for improvement of the existing school readiness system.
- **Time factor.**—During the 2003 Regular Session, the Legislature should designate the existing school readiness system as the basic governance structure for implementation of the constitutional amendment and should require a study of the existing system to identify modifications needed for improvement. During the 2004 Regular Session, the Legislature should review the completed study recommendations, finalize the curriculum for the new voluntary universal prekindergarten education program, enact modifications needed to improve the existing school readiness system, and, if funding is available, begin to phase in implementation of the new program by expanding the eligibility criteria (e.g., family income) of the existing system. No later than the beginning of the 2005-2006 school year, the Legislature must begin full implementation of the new voluntary universal prekindergarten education program for every 4-year-old child in the state. The Legislature should monitor implementation of the new program and schedule a mandatory review of the program for the 2006 Regular Session.
- **Program design and standards.**—The Department of Education should recommend options for the curriculum of the new voluntary universal prekindergarten education program and should maintain a continuing role in the development of the program's curriculum. In addition, the program's design must contain minimum standards for certification of providers based on health and safety and on outcome measurement.
- **Delivery systems.**—The new voluntary universal prekindergarten education program should use both school-based providers and private providers to deliver services.
- **Funding.**—Funds for the new voluntary universal prekindergarten education program should be allocated by the Florida Partnership for School Readiness to the local school readiness coalitions for distribution to providers in the most efficient manner, although current methods of allocation should be reexamined to ensure equity.

The committee substitute substantially implements the recommendations of the select committee.

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<sup>6</sup> Florida Senate, Select Committee on Constitutional Amendment Implementation, *Amendment No. 8—Voluntary Universal Pre-Kindergarten Education* (Feb. 19, 2003), available at <http://www.flsenate.gov/data/committees/senate/sci/recommendations/amendments8and6.pdf> (last modified Feb. 20, 2003).



### III. Effect of Proposed Changes:

#### Voluntary Universal Prekindergarten Education Program

The committee substitute creates a new voluntary universal prekindergarten education program within the Agency for Workforce Innovation.

The committee substitute specifies that the new program shall provide a high-quality prekindergarten learning opportunity in the form of early childhood development and education which is voluntary, of high quality, delivered according to professionally accepted standards, and free for every 4-year-old child in the state. The committee substitute also requires that the new program be organized, designed, and delivered in accordance with s. 1(b) and (c), Art. IX of the State Constitution.

The committee substitute exempts the new voluntary universal prekindergarten education program from provisions relating to the existing school readiness program, except as otherwise provided by law. These provisions include s. 411.01, F.S. (the School Readiness Act), s. 411.0105, F.S. (which designates the Agency for Workforce Innovation as lead agency for certain federal school readiness programs), and s. 411.011, F.S. (which provides public records exemptions for school readiness programs).

#### Study on Curriculum, Design, and Standards

The committee substitute requires the State Board of Education to conduct a study on the curriculum, design, and standards for the new voluntary universal prekindergarten education program. The report must include recommendations on each of the following program elements:

- **Curriculum and standards.**—Developmentally appropriate curriculum and standards;
- **High-quality learning opportunity.**—Quality standards, including expected outcomes for the new program;
- **Quantity of instruction.**—Standards for the quantity of instruction to be provided as free for every 4-year-old child in the state (i.e., hours per day and days per year);
- **Delivery system.**—Standards for providers (licensing, regulatory requirements, and certification standards), including an appropriate range of settings (both public and private providers) and parental choice.
- **Assessment and evaluation.**—Methods for measuring the age-appropriate progress of children and evaluating the outcomes of providers and school readiness coalitions in delivering services.
- **Funding.**—Estimated cost per full-time-equivalent child of the recommended curriculum, design, and standards for the new program.

The report must also include recommendations of best practices to improve the outcomes of the school readiness coalitions and providers.

The committee substitute requires that the State Board of Education submit a report of its recommendations to the Governor, the Legislature, the director of the Agency for Workforce Innovation, and the Florida Partnership for School Readiness by October 1, 2003.

### **Audits of the School Readiness System**

The committee substitute requires the Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Auditor General to conduct audits of the existing school readiness programs administered by the Florida Partnership for School Readiness, the Agency for Workforce Innovation, and the school readiness coalitions. The audit period for each of the audits is established as fiscal years 2000-2001, 2001-2002, and 2002-2003. The committee substitute directs OPPAGA to conduct a performance audit, while the legislation directs the Auditor General to conduct a financial and operational audit. In addition, OPPAGA's audit must follow up on its 2002 program review of the school readiness system, and must also:

- Monitor the State Board of Education's study on the new voluntary universal prekindergarten education program;
- Evaluate the existing school readiness system's ability to implement the new program based on the board's recommendations of curriculum, design, and standards for the program; and
- Identify modifications to the existing school readiness system needed to effectively implement the new program.

The committee substitute requires that OPPAGA and the Auditor General must each submit reports of their findings and recommendations to the Governor and the Legislature by January 15, 2004.

### **Effective Date**

The committee substitute takes effect upon becoming a law.

### **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:**

The committee substitute requires the State Board of Education to conduct a study on the curriculum, design, and standards for the new voluntary universal prekindergarten education program by October 1, 2003. The Department of Education estimates the board would need approximately \$150,000 in nonrecurring expenses to conduct the study during fiscal year 2003-2004. This estimate is based on the assumption that the State Board of Education will seek broad-based input from national experts and stakeholders as a critical element in the development of recommendations on the curriculum, design, and standards for the new program. Accordingly, the department estimates the board would require contracted services to complete the following key activities:

- i. Conduct a research review on each of the study's required program elements (curriculum and standards, high quality learning opportunity, quantity of instruction, delivery system, assessment and evaluation, and funding), including consultation with invited experts.
- ii. Examine (i.e., survey or conduct site visits) the prekindergarten programs in other states and analyze the findings from that examination.
- iii. Conduct regional focus groups throughout the state for input on each of the study's required program elements.
- iv. Prepare preliminary recommendations on each of the study's required program elements and disseminate the preliminary recommendations for review by the key stakeholders.
- v. Analyze the results from the review of the preliminary recommendations by the key stakeholders and prepare the final report.

The committee substitute does not include an appropriation to fund the study.

The committee substitute also requires the Office of Program Policy Analysis and Government Accountability and the Auditor General to conduct audits of the existing school readiness system.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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

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