

**The Florida Senate**  
**PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT**

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

Prepared By: Education Pre-K - 12 Committee

BILL: SB 2226

INTRODUCER: Senator Rich

SUBJECT: Child Care/Quality Rating System

DATE: March 26, 2007

REVISED: 04/19/07

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Matthews	ED	<b>Fav/1 amendment</b>
2.			CF	
3.			TA	
4.				
5.				
6.				

**Please see last section for Summary of Amendments**

- Technical amendments were recommended
- Amendments were recommended
- Significant amendments were recommended

**I. Summary:**

This bill requires the Agency for Workforce Innovation (AWI) 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 QRS must be voluntary for facilities and 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 bill 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 bill creates a 2-year voluntary pilot program to implement the QRS in eight Florida counties. The bill specifies that centers and programs rated as Tier 1, 2, or 3 are eligible for grants and awards to improve quality. The bill also provides that centers and programs rated as Tier 4 or 5 are eligible for merit awards to maintain high quality. The bill does not, however, require AWI or the early learning coalitions to provide these grants and awards or specify the amounts of the awards. The bill requires AWI and the participating early learning coalitions to provide technical support for facilities in the pilot program.

The bill provides a \$25 million appropriation to AWI to fund the program.

This bill creates section 402.3012 of the Florida Statutes and three undesignated sections of law.

## II. Present Situation:

According to the National Child Care Information Center (NCCIC),<sup>1</sup> 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.<sup>2</sup> A QRS typically includes five common elements<sup>3</sup>:

- 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 support;
- 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 November 2006, 13 states and the District of Columbia (Colorado, District of Columbia, Iowa, Kentucky, Maryland, Montana, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, and Vermont) have a Quality Rating System with multiple levels available throughout their state.<sup>4</sup>

### Sunshine State Stars Quality Rating System

On May 19, 2006, NCCIC presented information about quality rating systems to the Florida Early Learning Advisory Council.<sup>5</sup> At the conclusion of the presentation, the advisory council requested the Agency for Workforce Innovation to develop a proposal for a QRS in Florida.

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<sup>1</sup> 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.

<sup>2</sup> 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>.

<sup>3</sup> *Ibid.*

<sup>4</sup> <http://nccic.acf.hhs.gov/poptopics/qrs-fi.pdf>

<sup>5</sup> 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 1002.77(2), F. S.

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 requires the Legislature to establish an early childhood education program for every 4-year-old child in the state which is voluntary, high quality, free, and delivered according to professionally accepted standards.<sup>6</sup> In December 2004, to implement the constitutional amendment, the Legislature created the Voluntary Prekindergarten Education (VPK) Program.<sup>7</sup> 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:

- A 540-instructional-hour school-year VPK program delivered by a private provider;
- A 300-instructional-hour summer VPK program delivered by a public school or private provider; or
- If offered in a school district that meets class-size reduction requirements, a 540 instructional-hour school-year VPK program delivered by a public school.

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).<sup>8</sup>
- Public schools: A district school board determines which public schools in the district are eligible to participate in the VPK program.<sup>9</sup>

### **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.<sup>10</sup> Except for certain facilities that are exempt from licensure under s. 402.316, F.S., (i.e., faith-based child care facilities), all child care facilities in the state must be licensed.<sup>11</sup> Specialized child care facilities for the care of mildly ill children and

<sup>6</sup> s. 1(b) and (c), Article IX of the State Constitution

<sup>7</sup> Chapter 2004-484, Laws of Florida.

<sup>8</sup> ss. 1002.55(3)(a) and 1002.61(3)(b), F.S.

<sup>9</sup> s. 1001.61(3)(a) and 1002.63(3), F.S.

<sup>10</sup> See, e.g., ss. 402.305, 402.313, and 402.3131, F.S.

<sup>11</sup> ss. 402.305 and 402.312, F.S.

large family child care homes must also be licensed.<sup>12</sup> Depending on local requirements, family day care homes must either be licensed or registered.<sup>13</sup>

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.<sup>14</sup>

### **Gold Seal Quality Care Designation**

Under s. 402.281, F.S., 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 includes:<sup>15</sup>

- 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 Association for the Education of Young Children;
- National Association for Family Child Care;
- National Council for Private School Accreditation;
- National Early Childhood Program 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 program<sup>16</sup> are eligible for an increased payment rate (up to 120 percent of non-Gold Seal rate).<sup>17</sup> In addition, licensed or faith-based child care facilities with the Gold Seal Quality

<sup>12</sup> ss. 402.305(17), 402.312, and 402.3131, F.S.

<sup>13</sup> ss. 402.312 and 402.313, F.S.

<sup>14</sup> ss. 402.306 and 402.307, F.S.

<sup>15</sup> Florida Department of Children and Family Services, Gold Seal Quality Care, at <http://www.dcf.state.fl.us/childcare/goldseal.shtml> (last visited Mar. 25, 2007).

<sup>16</sup> In 1999, the Legislature enacted the School Readiness Act (s. 411.01, F.S.), which consolidated the state's early childhood education and child care programs into one integrated program of school readiness services. Chapter 99-357, L.O.F. A child whose parent receives temporary cash assistance subject to federal work requirements, who is at risk of abuse or 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), F.S.

<sup>17</sup> See, e.g., Specific Appropriation 2304, General Appropriation Act for Fiscal Year 2006-2007, chapter 2006-25, L.O.F. ("Funds in Specific Appropriation 2304 from the Child Care and Development Block Grant Trust Fund may be used to

designation may receive an exemption from property taxes<sup>18</sup> and a sales tax exemption for certain educational materials.<sup>19</sup>

The Department of Children and Family Services (DCF) Gold Seal Quality Care Program does not contain a set of independent standards. Rather, it is a level of care that exceeds the minimum child care licensing standards established by Florida law and by rule by meeting the higher standards of the approved accrediting agencies.

The DCF Child Care Program Office is responsible for approving accrediting agencies for participation in the Gold Seal Quality Care Program. These accrediting agencies must meet or exceed the National Association for the Education of Young Children (NAEYC) standards, the standards of the National Association of Family Child Care, or the standards of the National Early Childhood Program Accreditation Commission. The Child Care Program Office is tasked with ensuring that the accrediting agencies approved for participation are of sufficient variety to meet the needs of all child care providers. (i.e., faith-based, school-age, Montessori, school-based, private, etc.). Child care providers who are accredited by one or more of the approved agencies are issued a Gold Seal certificate by the Child Care Program Office.

The Gold Seal Quality Care Program is voluntary and the benefits of participation include, but are not limited to: a positive marketing tool for parents, sales tax exemptions, ad valorem tax exemption, increased reimbursement rate for children participating in school readiness, and participation in Florida's Voluntary Prekindergarten program. There are currently 2,403 Gold Seal Quality Care programs in Florida as of January 1, 2007.

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.<sup>20</sup>

#### **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.<sup>21</sup> 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. In the General Appropriations Act for fiscal year 2006-2007,<sup>22</sup> the Legislature enacted proviso language that authorizes AWI to contract for the T.E.A.C.H. scholarship program or, if approved by the Legislative Budget Commission, to administer or contract for a substantially similar program.<sup>23</sup>

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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”).

<sup>18</sup> s. 402.26(6), F.S.

<sup>19</sup> s. 212.08(5)(m), F.S.

<sup>20</sup> ch. 2006-91, L.O.F.

<sup>21</sup> See <http://www.childcareservices.org/ps/teach.html> (last visited Mar. 25, 2007).

<sup>22</sup> ch. 2006-25, Laws of Florida; part V of ch. 1002, L.O.F.

<sup>23</sup> Specific Appropriation 2304, General Appropriation Act for Fiscal Year 2006-2007, chapter 2006-25, L.O.F.

### III. Effect of Proposed Changes:

The bill requires the Agency for Workforce Innovation (AWI) to establish Florida's Sunshine State Stars Quality Rating System (QRS). The bill requires the proposed QRS to include the following:

- Voluntary participation by facilities;
- Participation in the QRS by licensed early learning programs, child care facilities, and facilities participating in the VPK program;
- Five tiers, with each tier representing progression to a higher level of quality;
- Five stars, one for each tier, with five stars representing the highest level of quality; and
- A sequence of progression requiring programs to meet the criteria of one tier before advancing to the next tier.

The bill appears to limit eligibility for the QRS to "child care facilities." In s. 402.302, F.S., 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 bill appears to exclude "family day care homes" and "large family child care homes" from the QRS. In addition, the bill specifies that "facilities" participating in the VPK program may participate in the QRS; it is not clear whether "facilities" in this context refers to child care facilities that provide the VPK program or to facilities of any type that provide the program. 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 bill.

The bill 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 bill does not create a Quality Rating System Task Force, nor does the bill require the Florida Early Learning Advisory Council to establish a task force. 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 bill 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 bill requires the QRS to be based on documented research or best practices to positively impact child and family outcomes in six areas of assessment. The bill also requires that advancement through the QRS' 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 bill specifies that a provider's learning environment must be verified through document review or use of the appropriate Early Childhood Environment Rating Scale (commonly called "ECERS"). This publication is one of five similar publications developed by authors Thelma Harms, Richard Clifford, and Debby Cryer. The ECERS is intended for use in child care facilities for children ages 2 1/2 through 5 years. The other environment rating scales developed by the authors include the Family Day Care Rating Scale (FDCRS), Infant/Toddler Environment Rating Scale (ITERS), and the School-Age Care Environment Rating Scale (SACERS). As previously discussed, the bill appears to exclude family day care homes and large family child care homes from the QRS. If they are included, use of the ECERS may not be an appropriate measure of the learning environment in that setting.

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

The bill specifies that centers and programs rated as Tier 1, 2, or 3 are eligible for grants and awards to improve quality. The bill also provides that centers and programs rated as Tier 4 or 5 are eligible for merit awards to maintain high quality. The bill 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 bill requires the Agency for Workforce Innovation and early learning coalitions to provide technical support for child care facilities in the pilot program, to facilitate the providers' entry and movement through the QRS. The bill also specifies that the legislation does not preclude other learning coalitions from implementing a QRS.

The pilot program expires on July 1, 2009.

### **Workforce Development Plan**

The bill requires the Agency for Workforce Innovation to develop a 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.

According to the Department of Education (DOE), collaboration among AWI, the DOE, and the Department of Children and Family Services in the development of any workforce plan and credentialing program is essential to ensure an adequate supply of highly qualified personnel for the state's preschool programs and to provide financial supports for the articulation of these personnel. Successful articulation of the childcare workforce begins at high school and continues through postsecondary programs, for which the DOE has oversight. Additionally, DOE administers most of the state's current teacher financial aid programs.

The bill provides an appropriation of \$25 million from the General Revenue Fund to the Agency for Workforce Innovation for implementation of the bill's provisions during the 2007-2008 fiscal year.

The bill will take 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:

According to the Department of Children and Family Services, the implementation of the QRS in this bill may immediately, or in time, conflict with the standards of, or perhaps even eliminate, the Gold Seal Quality Care Program. The bill does not stipulate exactly what financial benefits a provider would be eligible for within the Stars Quality Rating System. However, elimination of the Gold Seal program would directly affect financial benefits for participating child care providers which include sales tax exemptions, an ad valorem tax exemption, and an increased reimbursement rate for children participating in school readiness.

C. Government Sector Impact:

The Agency for Workforce Innovation (AWI) and early learning coalitions would 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 bill requires AWI and the coalitions to provide training and technical assistance for facilities participating in the QRS. The bill 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 bill. The startup and recurring costs for establishing and operating a QRS are indeterminate at this time.

The bill provides an appropriation of \$25 million from the General Revenue Fund to the Agency for Workforce Innovation for implementation of the bill's provisions during the 2007-2008 fiscal year.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

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This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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## **VIII. Summary of Amendments:**

### **Barcode 492574 by Education Pre-K-12:**

Deletes the appropriation of \$25 million to the Agency for Workforce Innovation to implement the provisions of the bill.

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