

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 7119 PCB BCAS 12-04 Early Learning Programs

SPONSOR(S): Economic Affairs Committee, Business & Consumer Affairs Subcommittee, Ahern and others

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Business & Consumer Affairs Subcommittee	11 Y, 3 N	Croom	Creamer
1) Economic Affairs Committee	11 Y, 6 N, As CS	Croom	Tinker

SUMMARY ANALYSIS

CS/HB 7119 provides functions and responsibilities for the Office of Early Learning in administering the school readiness and the Voluntary Prekindergarten Education (VPK) programs to support the efforts of parents to work and be financially self-sufficient and to enhance the quality of child care programs in the state. The office is responsible for the prudent use of state and federal funds and the oversight of the early learning coalitions.

The bill provides functions and responsibilities of the early learning coalitions including the submission of a school readiness plan, detailed budget and operational information, and development of policies and procedures for proper administration of public resources. The bill requires the office to create a scorecard to measure coalition performance. The bill requires coalition board members to file financial disclosures, and prohibits public dollars from being used for meals, food, beverage or unreasonable travel expenses.

The bill provides the office with the authority to adopt child development standards and a standard school readiness plan by rule.

The bill sets clear requirements for school readiness providers and establishes a standard provider agreement for the VPK and school readiness programs that must be adopted by rule by the Office of Early Learning. The bill requires school readiness providers to: use a curriculum approved by the Office of Early Learning, meet licensure requirements for health and safety; and ensure minimum standards associated with child discipline. The bill provides for developmental screenings for school readiness children upon consent of the parent, and upon request of either the parent or the provider. The bill requires the office to implement a statewide pre and post assessment aligned with child development standards, which are to be implemented by school readiness providers to inform classroom instruction. The bill requires the office to adopt a list of approved curricula that meet the prescribed child development standards and to establish a review process for provider's to submit their own curriculum for review.

The bill requires the office to adopt by rule a standard monitoring tool to be used by the coalitions in determining the statutory compliance of school readiness providers. Also, the bill provides for monitoring of providers and for restitution and penalties for fraudulent activities.

The bill provides for eligibility and enrollment requirements, including the order of priority for children being served by the school readiness program. It establishes program budget, allocation and allowable use requirements for expending appropriated federal, state, and local-match funds. The bill provides a cap of 18 percent for coalition expenditures—administrative, nondirect, and quality-increasing the amount of funds that will be allocated towards direct services for working-families so that more young children may be served in the program.

The bill will establish a standardized way to allocate funding to school readiness providers, requiring a standard reimbursement rate for children served regardless of age, a standardized reimbursement for Gold Seal providers, and a standardized parent fee—all of which will be provided annually in the General Appropriations Act.

The bill requires VPK providers to amend its student enrollment count by December 31 and removes the aspirational goals required for VPK instructors.

The bill does not reduce funding for the school readiness program. There is no fiscal impact on state or local funds. The bill provides for an effective date of July 1, 2012.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h7119a.EAC

DATE: 2/21/2012

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Office of Early Learning

The Office of Early Learning (OEL) serves as the lead agency responsible for the administration of school readiness. The OEL has duties which include providing final approval and an annual review of coalitions and plans; safeguarding the effective use of federal, state, local, and private resources to achieve the highest possible level of school readiness for the state's children; adopting a system for measuring school readiness that provides objective data regarding the expectations for school readiness and can be used to assist in determining program effectiveness; developing and adopting performance standards and outcome measures and preparing a plan for measuring school readiness which includes a uniform screening that will provide objective data regarding expectations for school readiness.

Chapter 2011-142, Laws of Florida, transferred the Office of Early Learning from the Agency for Workforce Innovation to the Department of Education. The office is a separate budget entity that is not subject to the control or oversight of the Department of Education or the State Board of Education. Essentially, the office is a single office that only reports to the Governor.

Early Learning Coalitions

In 1999, the Florida Legislature enacted s. 411.01, F.S., the School Readiness Act (Act), which created early learning coalitions statewide. The intent of this legislation was to provide an avenue for each county to adopt and maintain a coordinated system of School Readiness programs to help ensure that every child is ready for school upon entrance into kindergarten.

Early learning coalitions are not-for-profit corporations, designed to fulfill the intent of this legislation at the local level. The governing boards consist of 15 to 30 members of the local community. The school readiness program must, at a minimum, enhance the age-appropriate progress of each child in attaining the performance standards and outcome measures adopted by the Office of Early Learning.

Currently, there are 31 coalitions. Each coalition is legislatively responsible for developing a comprehensive service delivery plan for administering the School Readiness and Voluntary Prekindergarten Education Programs. Coalitions are legislatively charged to implement a comprehensive program of school readiness services in accordance with the rules adopted by the office which enhance the cognitive, social, and physical development of children to achieve the performance standards and outcome measures. At a minimum, these programs must contain developmentally appropriate curriculum, a character development program, age appropriate screening of a child's development, a healthy and safe environment and a resource and referral network.

School Readiness Program

The School Readiness Program provides early childhood education and child care services for children of low-income families; children in protective services who are at risk of abuse, neglect, or abandonment; and children with disabilities. The School Readiness Program is a state-federal partnership between Florida's Office of Early Learning (OEL) and the Child Care Bureau of the United States Department of Health and Human Services. The School Readiness Program receives funding from a mixture of state and federal sources, including the federal Child Care and Development Fund (CCDF) block grant, the federal Temporary Assistance for Needy Families (TANF) block grant, and General Revenue, and other state funds.

In addition, the Department of Children and Family Services (DCF) administers the state's child care provider licensing program.

The program is administered by early learning coalitions (ELC) at the county or regional level. OEL administers the program at the state level, including statewide coordination of the ELCs. Governance of the School Readiness Program is structured in a manner that provides for local delivery and management of school readiness services, with OEL developing program performance standards and outcome measures and approving ELC school readiness plans. Administrative staff at the state level must be maintained at the minimum necessary to administer OEL's duties.

Florida law requires families served in this program have a "choice of settings and locations in licensed, registered, religious-exempt, or school-based programs." A wide range of public and private providers of early childhood education and child care services participate in the School Readiness Program, including:

- Public and private schools;
- Licensed child care facilities and large family child care homes;
- Licensed and registered family day care homes;
- Faith-based child care facilities and after-school programs, and
- Informal providers (e.g., friends, relatives, and in-home care providers).

Voluntary Prekindergarten Educational Program

In 2004, the Legislature established the VPK program, a voluntary, free prekindergarten program offered to eligible four-year old children in the year before admission to kindergarten. A child must be a Florida resident and attain four years of age on or before September 1 of the academic year to be eligible for the VPK Program. Parents may choose either a school-year or summer program offered by either a private VPK provider or public school or a specialized instructional services program for children who have disabilities, if the child has been evaluated and determined eligible and has a current individual educational plan. The child remains eligible for the VPK Program until he or she is eligible for kindergarten in a public school or is admitted to kindergarten, whichever occurs first. A child may not attend the summer VPK Program earlier than the summer immediately before the academic year in which the child becomes eligible for kindergarten.

Local oversight of the VPK Program is provided by the ELCs and school districts. Each ELC is the single point of entry for VPK student registration and enrollment in its county or multi-county service area. Each ELC must coordinate with each school district in its service area to develop procedures for enrolling children in public school VPK Program. Local oversight of individual VPK providers is split, with ELCs providing administration over privately provided programs and school districts administering public school programs.

The Office of Early Learning, Department of Education (DOE), and Department of Children and Family Services each play a role in state level oversight of the VPK Program. As lead agency for Florida's school readiness system, OEL governs the day-to-day operations of the VPK Program. OEL oversees each ELC regarding child enrollment, attendance reporting, and payment of VPK providers as well as monitors VPK providers for compliance with program requirements.

DOE adopts kindergarten readiness standards, approves VPK curricula, oversees statewide kindergarten readiness screening, calculates kindergarten readiness rates, approves emergent literacy training courses and VPK director credentials, and specifies Child Development Associate (CDA) credentials that qualify for articulation into college credit.

DCF administers the state's child care provider licensing program and posts VPK provider profiles on its Internet website.

Auditor General Audit Report No. 2012-061

As required by Section 2 of Chapter 2011-142, Laws of Florida, the Auditor General completed a financial and performance audit of the Office of Early Learning Services' programs and related delivery systems. The audit focused on the governance structure of the State's early learning programs, statewide administration and oversight of the School Readiness and Voluntary Prekindergarten Education (VPK) programs, and early learning coalition program delivery and operations.

The audit disclosed areas in which the efficiency and effectiveness of early learning program administration and accountability could be enhanced. Specifically, the Auditor General noted that OEL did not always provide the oversight necessary for the effective and efficient administration of the school readiness and VPK programs or implement the necessary statewide measures to determine whether legislative objectives are being met, measure school readiness program successes, and assess the effectiveness of the investments made. The audit also disclosed deficiencies in coalition financial management, operations, school readiness and VPK program administration, and information technology practices, as well as instances of noncompliance with state laws and federal regulations. The Auditor General noted that control deficiencies at OEL and the early learning coalitions contributed to many of the problems described in the report.

The results of the audit, when considered as a whole, indicated that the statewide governance structure of the early learning programs, as designed, was adequate for purposes of the school readiness and VPK programs. However, the audit procedures also disclosed that, notwithstanding the adequacy of its design, the governance structure's effectiveness had been impaired by the lack of the execution of certain program duties and responsibilities.

There were a total of 32 audit findings. Some of the findings include:

- A total of \$39.8 million was paid to individuals who were improperly receiving school readiness program benefits under a work-dependent eligibility category and were also receiving benefits under the unemployment insurance program totaling an additional \$54.2 million.
- The OEL had not developed or implemented statewide uniform outcome measures.
- Coalition school readiness plans did not always include all the required elements and OEL's plan review and approval processes were not always efficient and effective.
- The types of expenditures classified as quality dollar expenditures varied and at times did not relate to activities that improved the quality of care.
- Some coalition waiting lists were not prioritized according to participant eligibility category and reimbursements to providers were not always in accordance with approved payment schedules;
- Some coalitions did not always ensure that employees who may come into contact with children or have access to confidential information timely received background screenings.
- Coalitions did not always have effective procurement procedures, some expenses didn't appear reasonable, and some coalition property records were not accurate.

Effect of Proposed Changes

School Readiness Program

Office of Early Learning

The bill requires the Governor to designate the Office of Early Learning as the lead agency for administration of the federal Child Care and Development Fund and provides functions and responsibilities for the office in administering the school readiness program; specifically it requires the office to:

- Ensure the availability of school readiness services to support the efforts of parents to work and be financially self-sufficient and to enhance the quality of child care programs in the state.
- Provide services that preserve parental choice by permitting parents to choose from a variety of child care categories.
- Use state and federal funds prudently to achieve the highest practicable level of school readiness for the children.
- Maintain a single statewide information system that each coalition must use for the purpose of managing the single point of entry, tracking children's progress, coordinating services, determining eligibility, and tracking child attendance.
- Allow no more than 31 coalitions statewide; that each serve at least 1,700 children per year and to ensure access in all 67 counties.
- Approve coalition plans annually prior to expenditure of funds.
- Monitor and evaluate through onsite visits the performance of coalitions to ensure proper payments of benefits and implementation of their plan.

- Monitor the coalitions to ensure that requirements beyond those specified in state law or rule are not imposed on providers.
- Provide technical assistance to coalitions to avoid duplication of services.
- Ensure that all expenditures are properly allocated by expenditure type, including separation of staff costs from other expenditures.
- Coordinate with the Child Care Services Program Office of the Department of Children and Family Services with respect to health and safety monitoring, background screenings, and the collection and maintenance of child care training and credentialing.
- Coordinate with the Department of Economic Opportunity to perform data matches on families participating in the school readiness program and receiving unemployment compensation.
- Prepare and submit a unified budget request for the school readiness system.
- Adopt by rule a standardized format and the required content of school readiness plans and publish a copy of the standardized format and required content on its Internet website.
- Adopt by rule a statewide standard monitoring tool that will be used by coalitions to determine provider compliance.
- Adopt by rule a list of approved curricula that meet the prescribed child developmental standards for the school readiness program. In addition, the office shall adopt a review process to determine if any additional curricula meet the standards.

In addition, the bill allows the OEL to contract with a qualified entity to deliver school readiness and Voluntary Pre-Kindergarten Education program services if a coalition fails to serve at least 1,700 children or if the coalition does not administer the program in accordance with their plan or policy, law or rule. The office may determine if any adverse finding should result in terminating a contract. In the event of a coalition contract being terminated, the office may shift funds from a coalition to another qualified entity.

The bill requires the OEL to adopt by rule child development standards for the physical health approaches to learning, social and emotional development, language and communication, cognitive development and general knowledge and motor development. These child development standards shall align with the performance standards adopted by the Department of Education for the VPK program.

The OEL must implement a statewide pre and post assessment aligned with child development standards. The instrument is to be implemented by school readiness providers. The instrument may not be used to evaluate providers for high stakes accountability. The OEL shall collect the results of the assessments to evaluate the effectiveness of the program. The assessment must be administered at least once to school readiness children within the first 60 days of enrollment. A post assessment shall be administered to each school readiness child in a provider's program for at least 6 months and must be completed by May 30 of each year.

The bill requires the OEL to adopt rules prescribing the statewide provider agreement. Coalitions are required to use the agreement to annually contract with all eligible providers. The provider agreement must include: child eligibility enrollment procedures and requirements; funding, payment, and expenditures for the school readiness programs; child development and provider standards; requirements for maintenance of records and data confidentiality; requirements for notifications; procedures for reporting and certifying student attendance; specific grounds for termination or agreement; specific grounds for high-risk monitoring; dispute resolution procedures; and provisions for indemnification of the coalition.

Currently, program provider agreements vary from one ELC to another and may also vary among the providers within an ELC area of service. Some ELCs, either with or without approval from OEL add additional requirements to the agreement. These additional requirements create a lack of uniformity and establish additional standards for the providers. Furthermore, additional requirements often create additional fiscal burdens.

The bill requires the OEL to create a scorecard to measure coalition performance. The office is responsible for developing the scorecard and shall consider measures relating to provider satisfaction, parent satisfaction, payment process, fraud intervention, child attendance and stability, utilization of Child Care Resource and Referral to support families, and school readiness outcomes for children in VPK upon entry into kindergarten. The scorecard must be implemented by July 1, 2013, and be included in the first applicable annual report.

The bill requires the OEL to submit an annual report on January 1 of its activities to the Governor, the Speaker of the House of Representatives, and the President of the Senate. The reports must include a summary of the coalitions' annual reports; a statewide summary; an analysis of school readiness activities; information on children served; a summary, breakdown and description of expenditures; a summary of fraud findings and collections; coalition scorecard performance data; total number of children disenrolled and cause, the total number of provider contracts revoked with reasons, and the results from pre assessments and post assessments.

Early Learning Coalitions

The bill provides that an early learning coalition is established upon the approval of the coalition's school readiness plan by OEL. No more than 31 coalitions may be established and each coalition must serve a minimum of 1,700 children annually. If a coalition would serve fewer than the minimum required, they must merge with another coalition to form a multicounty coalition.

Early Learning Coalitions have the following responsibilities detailed in the bill:

- Administer the school readiness program at the county or regional level.
- Establish a unified waiting list to track eligible children waiting for enrollment.
- Establish a resource and referral network to assist parents in making an informed choice.
- Establish a regional Warm-line as directed by OEL.
- Establish child eligibility and provider eligibility in accordance with statute, and provide documentation as to why a child is no longer eligible based on termination codes.
- Ensure proper maintenance of records related to eligibility and enrollment files, provider payments, coalition staff background screenings, and other documents.
- Establish a records retention requirement for sign-in and sign-out sheets that is consistent with state and federal law.
- Follow the requirements of the Chief Financial Officer with regards to property.
- Comply with state procurement requirements and expenditure requirements of state and federal law.
- Ensure proper information technology security is in place.
- Establish written contracting policies and procedures.

The bill also requires the coalitions to monitor school readiness providers on an annual basis, or in response to a parent complaint to ensure standards are met, using a standard monitoring tool adopted by OEL. Any provider that is considered to be high-risk shall be monitored more frequently. The coalition shall monitor the basic health and safety of facilities exempt from licensure, registered family day care homes and informal providers to ensure they meet licensure standards. Finally, the coalitions must monitor provider's records, including child eligibility and attendance to reduce the risk of fraud and overpayment.

The bill provides that the Governor may remove a board member or the executive director for cause. The Governor appoints the chair of each coalition, and 2 additional members from the private sector.

Each coalition board must have the following representation:

- The Department of Children and Families circuit administrator or designee.
- A district superintendent or designee.
- A regional workforce board executive or designee.
- A county health department director or designee.
- The president of a Florida College System institution or designee.

- One member appointed by a board of county commissioners or governing body of a municipality.
- A head start director.
- A representative of private for-profit child care providers.
- A representative of faith-based child care providers.
- A representative of programs for children with disabilities appointed by the Governor.
- A children's services council or juvenile welfare board chair or executive director.

The bill also requires coalition board members and the executive director, or other person designated as being responsible for the coalition's operational and administrative functions, to file financial disclosures if not already required to do so.

The bill prohibits public dollars from being used for meals, food, beverage or unreasonable travel expenses. Preapproved reasonable per diem and travel expenses may be reimbursed at the standard travel reimbursement rate established in s. 112.061, F.S. The costs must also be in compliance with all other state and federal requirements.

The bill provides functions and responsibilities of the early learning coalitions. Coalitions must submit a school readiness plan to the OEL before the expenditure of funds, and they may not implement such a plan until the OEL has given its approval. The plan must include:

- A detailed budget including segregated expenditures, detailed sources of revenues, listing of staff positions, contracted costs, and a capital improvement plan.
- A detailed accounting of revenues and expenditures from the prior year.
- A description of quality activities planned that will be used to meet the federal requirement for quality expenditures.
- Updated policies and procedures for procurement, maintenance of tangible personal property, maintenance of records, information technology security, and expense and disbursement controls.
- Documentation that the coalition has solicited and considered local community comments.

The bill requires coalitions to submit an annual report by October 1 to OEL that documents segregation of school readiness, VPK and Child Care Executive Partnership funds; details of expenditures for administrative activities, quality activities, and nondirect and direct services; the total number of coalition staff and related salary information; the number of children served by age and eligibility priority category; the total number of children disenrolled and the reason; and a listing of providers whose eligibility has been revoked.

School Readiness Program Eligibility and Enrollment

The bill provides for eligibility and enrollment requirements, including the order of priority for children being served by the school readiness program. The bill provides for the following priority order:

1. Birth to age 12 for a working family that includes an adult receiving temporary cash assistance.
2. Birth to age 8 for at-risk families.
3. Birth to the beginning of the school year for which a child is eligible for kindergarten for a working family that is economically disadvantaged, except that a child ceases to be eligible if the family income exceeds 200 percent of the federal poverty level.
4. At-risk children age 9 through 12. An at-risk child whose sibling is enrolled in the program under higher-priority classifications shall be given priority over other at-risk children age 9 through 12.
5. Any child younger than the age of 13 who is the sibling of an eligible child from an economically disadvantaged working family (see 3. above).
6. Age 3 to 5 with special needs, who has been determined eligible as a student with disabilities, and who has a current individual education plan with a Florida school district.
7. A child who meets the other priority definitions and is enrolled concurrently in the federal Head Start program and the VPK program shall receive priority last.

The bill codifies a current rule stating that a child in a working family will no longer be eligible for service if their parent becomes unemployed and remains unemployed for longer than 30 days. If the coalition needs to disenroll children from the school readiness program, the coalition must disenroll children in the reverse of the priority order, beginning with the highest income families. However, at-risk children may not be disenrolled from the program without permission from the Department of Children and Families or the community-based lead agency.

School Readiness Provider Standards

The bill requires the following for a school readiness provider to be eligible:

- Be a licensed child care facility or large family child care home.
- Be an unlicensed public or nonpublic school, faith-based child care provider, after-school program, or family child care home but meet basic licensing requirements for health and safety.
- Must enhance the age-appropriate progress of each child through the selection or design of a curriculum and character development program.
- Ensure the health and safety of its premises and facilities as defined.
- Maintain a record demonstrating that each child served has applicable immunizations.
- Implement a curricula approved by the office that meets the child development standards.
- Provide child development screenings as determined by the provider for any child in the school readiness program, or as requested by the parent.
- Ensure minimum standards associated with child discipline.
- And execute the statewide provider agreement.

The bill prohibits the OEL from imposing any requirement on a child care or early childhood education provider that does not deliver services under the school readiness program or that does not receive any state or federal funding for early learning programs. In addition, the OEL and the coalitions are prohibited from imposing any requirement on a school readiness provider that exceeds the authority provided in law.

School Readiness Funding

The bill establishes program budget, allocation and allowable use requirements for expending appropriated funding. This includes restrictions on the percentage and uses of federal, state, and local match funds at the coalition level. The bill caps expenditures for administrative, quality and nondirect activities at 18 percent, with no more than 4 percent of this amount allowed to fund administrative activities. The bill provides for the definition of costs associated with administrative, quality, and nondirect service activities; and, requires the office to ensure that each coalition meets the minimum quality expenditures required for the state to continue receiving full federal funds.

Quality expenditures may be used for:

- Child Care Resource and Referral programs to provide comprehensive consumer education and educate parents and the public regarding participation in the School Readiness Program.
- Awarding grants to school readiness providers to assist them in implementing curricula, purchasing classroom resources to implement the curricula, providing literacy supports, and professional development.
- Providing training and technical assistance to providers, staff, and parents on a variety of topics including: child development standards, developmentally appropriate curricula, child screenings, child assessments, character development, teacher-child interactions, age-appropriate discipline practices, and teacher-child interactions.
- Direct expenditures to assist with infant and toddler care.
- Implementing a pre and post assessment for children served in the program.
- Responding to Warm-line requests, including providing developmental and health screenings to school readiness children.

The bill requires standard rates for parent fees and for provider reimbursements that will be provided in the General Appropriations Act. A provider's total payment for a child shall be equal to the provider payment rate less the parent's copayment amount. However, the provider's payment may not exceed the provider's charges to the general public. The OEL may increase the adjusted payment rate

percentage for a specific geographic area in order to ensure that care levels are available throughout the state, but that increase in rate must be funded through the current year's appropriation and within each early learning coalition's allocation.

The bill provides for the OEL's Inspector General to investigate early learning coalitions, recipients and providers of the school readiness and VPK programs to determine if any overpayments are due to fraud. If fraud is suspected, the Inspector General shall conduct an investigation and make a determination. If an overpayment is determined to be due to a fraudulent act, the parent or provider shall be responsible for repayment and restitution, and the OEL shall use any legal means to recover the funds. A provider or parent may not participate in the programs until all funds have been repaid. The OEL Inspector General may refer any suspected fraud that resulted in an overpayment for the program to the Department of Law Enforcement. The current penalty in law for fraud is as follows: If the value of the public assistance received due to fraud is less than a total value of \$200 in any 12 consecutive months, such person commits a misdemeanor of the first degree and if the value of the public assistance received due to fraud is of a total value of \$200 or more in any 12 consecutive months, such person commits a felony of the third degree. Any provider that is found guilty of committing fraud shall be permanently ineligible to participate in the school readiness and VPK programs.

The bill reconstitutes the Early Learning Advisory Council in chapter 431 and provides that the purpose of the Early Learning Advisory Council is to share best practices of administering the school readiness and VPK programs. The bill requires the council to meet at least annually.

The bill eliminates the Child Care Executive Partnership board and transfers responsibilities of the program to the OEL.

Voluntary Prekindergarten Education Program

The bill requires the Auditor General to conduct audits of the coalitions, and requires the office to monitor and evaluate the performance, finances, and the operations and administration of the VPK program for each coalition.

The bill requires OEL to adopt by rule, a statewide provider agreement that must be used by each ELC when contracting with a VPK provider. Currently, program provider agreements vary from one ELC to another and may also vary among the providers within an ELC area of service. Some ELCs, either with or without approval from OEL add additional requirements to the agreement. These additional requirements create a lack of uniformity and establish additional standards for the providers. Furthermore, additional requirements often create additional fiscal burdens.

The bill repeals s. 1002.65, F.S., which states aspirational goals regarding VPK instructor credentials. This section is unnecessary because the statute is only a statement of aspirational goals and not a requirement. In addition, research does not support the additional degree requirements aspired to under s. 1002.65, F.S. Also, implementation of these goals may increase the cost to employ VPK instructors. Finally, even though the bill repeals s. 1002.65, F.S., both private prekindergarten providers and public schools, may on their own volition, employ instructors with these additional credentials.

The bill requires that a VPK provider amend its student enrollment count by December 31 for the prior fiscal year. Each VPK provider is required to submit its student enrollment count to the ELC to receive payment for VPK services. Currently, a VPK provider can amend its student enrollment count at any time. The bill establishes a deadline by which a provider may amend its student enrollment count. Allowing amendment of student enrollment counts at any time is inefficient and may contribute to ineffective, untimely record-keeping.

The bill provides for an effective date of July 1, 2012.

B. SECTION DIRECTORY:

Section 1 creates ss. 431.01, 431.03, 431.05, 431.07, 431.09, 431.11, 431.13, 431.15, 431.17, 431.19, 431.23 and 431.41 of the Florida Statutes dealing with early learning programs.

Section 2 transfers ss. 411.011 to s. 431.21, F.S., relating to records of children and makes reference corrections.

Section 3 transfers ss. 411.0101 to s. 431.25, F.S., relating to child care and early childhood resource and referral and makes reference corrections.

Section 4 transfers ss. 411.01013 to 431.27, F.S., relating to prevailing market rate schedule and amends language due to changes made in section 1 of the bill.

Section 5 transfers ss. 411.01015 to s. 431.29, F.S., relating to consultation to child care centers and family day care homes regarding health, developmental, disability, and special needs issues and corrects a reference.

Section 6 transfers ss. 411.0102 to s. 431.31, F.S., relating to the Child Care Executive Partnership and deletes language.

Section 7 transfers ss. 411.0103 to s. 431.33, F.S., relating to the teacher education and compensation helps scholarship program.

Section 8 transfers ss. 411.0105 to s. 431.35, F.S., relating to the Early Learning Opportunities Act and Even Start Family Literacy Programs.

Section 9 transfers ss. 411.0106 to s. 431.37, F.S., relating to infants and toddlers in state-funded education and care programs and makes reference changes.

Section 10 transfers ss. 1002.77 to 431.39, F.S., relating to the Florida Early Learning Advisory Council and amends language.

Section 11 amends s. 11.45, F.S., relating to the Auditor General's authority to correct a reference.

Section 12 amends s. 20.15, F.S., relating to the Department of Education to correct a reference.

Section 13 amends s. 216.136, F.S., relating to consensus estimating conferences to correct references.

Section 14 amends s. 402.302, F.S., relating to child care facilities definitions to correct a reference.

Section 15 amends s. 490.014, F.S., relating to psychological services exemptions to correct a reference.

Section 16 amends s. 491.014, F.S., relating to clinical, counseling, and psychotherapy services exemptions to correct a reference.

Section 17 amends s. 1002.51, F.S., relating to Voluntary Prekindergarten Education Program definitions to correct a reference.

Section 18 amends s. 1002.53, F.S., relating to Voluntary Prekindergarten Education Program eligibility and enrollment to correct a reference.

Section 19 amends s. 1002.55, F.S., relating to private prekindergarten provider agreements.

Section 20 amends s. 1002.61, F.S., relating to public school prekindergarten provider agreements.

Section 21 amends s. 1002.63, F.S., relating to public school prekindergarten provider agreements.

Section 22 amends s. 1002.64, F.S., relating to statewide provider agreements for the Voluntary Prekindergarten Education Program.

Section 23 amends s. 1002.67, F.S., relating to Voluntary Prekindergarten Education Program performance standards to correct a reference.

Section 24 amends s. 1002.71, F.S., relating to Voluntary Prekindergarten Education Program funding to correct a reference and require reports by coalitions and audits by the Auditor General.

Section 25 amends s. 1002.75, F.S., relating to monitoring by the Office of Early Learning.

Section 26 amends s. 1006.03, F.S., relating to learning services diagnostic and learning resource centers to correct a reference.

Section 27 repeals ss. 411.01, s. 411.01014, s. 411.0104, s. 445.023, s. 445.032, and s. 1002.65 F.S.

Section 28 provides an effective date of July 1, 2012.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill's intent is to establish a more efficient and effective school readiness program by providing caps for coalition overhead expenditures, increasing the amount of funds that will be allocated towards direct services for working-families so that more young children may be served in the program. There may be a positive impact to providers since the bill will establish a standardized way to allocate funding to school readiness providers, requiring a standard reimbursement percentage for children served regardless of age. In addition, the bill will set a statewide Gold Seal reimbursement rate so that accredited providers meeting the legislatively created Gold Seal standard will all receive the same percentage of additional reimbursement regardless of the county in which they are located. Also, there is a benefit to working families with young children since the bill increases the number of young children that will be receiving services, prioritizing the state's youngest and most vulnerable children. The bill refocuses the school readiness program on serving families with young children who would otherwise find it difficult to work due to the high cost associated with child care.

The bill requires ELCs to use a statewide provider agreement for both the VPK and school readiness program. The bill restricts ELCs from adding, or removing, requirements to the agreement. Currently some providers are experiencing increased costs for program delivery because of certain ELC additions to the provider agreement. This bill should eliminate those additional costs.

The bill clearly outlines provider requirements and increases health and safety requirements for unlicensed child care providers. This may cause an additional burden on these private businesses.

D. FISCAL COMMENTS:

The bill will provide an estimated additional \$26 million to be used for direct services for children.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

The bill requires that the Office of Early Learning adopt rules prescribing child development standards for the physical health, approaches to learning, social and emotional development, language and communication, cognitive development, and general knowledge and motor development of children served in the school readiness program.

The bill provides that the Office of Early Learning is provided the authority to adopt rules to administer the provisions of Chapter 431, which confers the duties upon the office.

The bill requires the Office of Early Learning to adopt rules for a standard provider agreement for the Voluntary Prekindergarten Education Program and the School Readiness Program.

The bill requires that the Office of Early Learning adopt rules prescribing a standardized format and required content of school readiness plans as necessary for a coalition or other qualified entity to administer the school readiness program as provided in this section and s. 431.11.

The bill requires the Office of Early Learning to adopt rules for the disbursement of Child Care Executive Partnership Program funds.

The bill requires the Office of Early Learning to adopt by rule a standard monitoring tool to be used by the coalitions and a list of approved curricula that meet the prescribed child development standards.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 16, 2012, the Economic Affairs Committee adopted a strike-all amendment to HB 7119. The amendment:

- Required OEL to adopt a list of approved curricula and a review process that a provider may use to submit a curriculum for approval; in addition it required providers of school readiness programs to use an approved curriculum.
- Required OEL to adopt a monitoring tool to determine provider compliance with the requirements in this bill; in addition it required early learning coalitions to annually monitor providers using the monitoring tool.
- Returned ELC boards to the current composition and size in 411.01, with no less than 15 members and no more than 30 members.
- Provided for up to 31 ELCs, the current number of coalitions allowed for in statute.
- Added additional child eligibility priorities including school-age and special-needs children.
- Provided flexibility in the 18 percent expenditure cap for early learning coalitions for administrative, nondirect, and quality expenditures.
- Removed the criteria for administrative and nondirect expenditures and required that ELCs must follow the federal definitions for those expenditure types.
- Clarified that professional development and technical assistance will be an eligible quality expenditure.
- Added components from HB 7085 relating to the Voluntary Prekindergarten Education Program.

The substance of the strike-all amendment has been incorporated into the above analysis.