

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 847 School Readiness Program

**SPONSOR(S):** Bartleman and others

**TIED BILLS:** None. **IDEN./SIM. BILLS:** SB 1400

| REFERENCE                              | ACTION    | ANALYST | STAFF DIRECTOR or<br>BUDGET/POLICY CHIEF |
|--|-----------|---------|--|
| 1) Education Quality Subcommittee      | 15 Y, 0 N | Blalock | Sanchez                                  |
| 2) PreK-12 Appropriations Subcommittee |           |         |  |
| 3) Education & Employment Committee    |           |         |  |

### SUMMARY ANALYSIS

Established in 1999, the School Readiness program provides subsidies for child care services and early childhood education for children from low-income families; children in protective services who are at risk of abuse, neglect, abandonment, or homelessness; foster children; and children with disabilities.

The bill revises the criteria for a child with special needs to receive priority for participation in the School Readiness program. Rather than basing eligibility on classification as a student with a disability, a student is determined eligible if he or she requires additional accommodations beyond those required by the Americans with Disabilities Act. The child's special needs and associated accommodations must be validated by a licensed health care professional, licensed mental health professional, or educational psychologist. This person may not be the child's parent or a person employed by a child care provider.

Whereas presently a child must have a current individual education plan with a Florida school district in order to qualify for priority participation as a child with special needs, the bill would authorize the following forms of documentation to determine eligibility:

- a current individual education plan with a Florida school district;
- a current individualized family support plan;
- a diagnosed special need; or
- a determination of required accommodations.

The bill expands eligibility of a child with special needs to infants and toddlers, rather than just a child who is at least 3 years old, and extends the use of the funds to before school, after school, and summer School Readiness programs.

The bill provides that a School Readiness program provider is eligible for funding through the special needs differential allocation to implement the special needs rate if, by July 1, 2025:

- the provider has met or exceeded the minimum program assessment composite score required for contracting as determined by the Florida Department of Education (DOE), as applicable, and
- the provider has completed 10 hours of training in inclusive early childhood or inclusive school-age education practices within the preceding 2-year period with the provider completing an additional 10 hours of such training each subsequent 5-year period as specified by the DOE.

The bill does not appear to have a fiscal impact.

The bill takes effect July 1, 2024.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Background

Established in 1999,<sup>1</sup> the School Readiness program provides subsidies for child care services and early childhood education for children from low-income families; children in protective services who are at risk of abuse, neglect, abandonment, or homelessness; foster children; and children with disabilities.<sup>2</sup> The School Readiness program offers financial assistance for child care to these families while supporting children in the development of skills for success in school. Additionally, the program provides developmental screening and referrals to health and education specialists where needed. These services are provided in conjunction with other programs for young children such as Head Start, Early Head Start, Migrant Head Start, Child Care Resource and Referral (CCR&R), and the Voluntary Prekindergarten Education (VPK) Program.<sup>3</sup>

The School Readiness program is a state-federal partnership between the Florida Department of Education (DOE) and the Office of Child Care (OCC) of the United States Department of Health and Human Services.<sup>4</sup> It is administered by early learning coalitions (ELCs) at the county or regional level.<sup>5</sup> DOE's Division of Early Learning (DEL) is the lead administrator of the program at the state level, including statewide coordination of the ELCs.<sup>6</sup>

#### Present Situation

##### School Readiness Program Eligibility

Federal regulations governing the Child Care and Development Fund (CCDF),<sup>7</sup> the primary funding source for the School Readiness program, authorize states to use grant funds for child care services if:

- the child is under 13 years of age or, at the state's option, under age 19 if the child is physically or mentally incapable of caring for himself or herself or under court supervision;
- the child's family income does not exceed 85 percent of the state's median income for a family of the same size; and
- the child:
  - resides with a parent or parents who work or attend job training or educational programs; or
  - receives, or needs to receive, protective services.<sup>8</sup>

Within these broad federal eligibility categories, Florida law specifies that ELCs must admit children into the School Readiness program according to the following priorities:

- **First priority** is a child under 13 years of age from a family that includes a parent who is receiving temporary cash assistance and subject to federal work requirements<sup>9</sup> or the parent

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<sup>1</sup> Section 1, ch. 99-357, L.O.F.

<sup>2</sup> Sections 1002.81 and 1002.87, F.S.

<sup>3</sup> Florida Department of Education (DOE), Division of Early Learning (DEL), *What is School Readiness (SR)?*, <https://www.fldoe.org/schools/early-learning/parents/school-readiness.stml> (last visited Jan. 11, 2024).

<sup>4</sup> Section 1002.82(1), F.S. See also U.S. Department of Health and Human Services, Office of Child Care (OCC), *OCC Fact Sheet*, <https://www.acf.hhs.gov/occ/comms-fact-sheet/occ-fact-sheet> (last visited Jan. 11, 2024).

<sup>5</sup> Section 1002.83(1), F.S.

<sup>6</sup> Section 1002.82, F.S., See also DOE, DEL, *What is School Readiness (SR)?*, <https://www.fldoe.org/schools/early-learning/parents/school-readiness.stml> (last visited Jan. 11, 2024).

<sup>7</sup> 45 C.F.R. parts 98 and 99.

<sup>8</sup> 45 C.F.R. s. 98.20(a). Florida does not provide schoolreadiness funding for children 13-18 years of age who are physically or mentally incapable of self-care or under court supervision. See DOE, DEL, *Child Care and Development Fund (CCDF) Plan for Florida FFY 2022-2024*, at 83, available at <https://www.fldoe.org/core/fileparse.php/20628/urlt/2022-2024-CCDF-State-Plan.pdf> [hereinafter *CCDF State Plan*].

has an Intensive Service Account or and Individual Training Account under Florida's workforce one-stop delivery system.<sup>10</sup>

- **Second priority** is a child under the age of 9 who is at-risk.<sup>11</sup>
- **Subsequent priority is based on a local ELC's assessment based on the needs of families and provider capacity for the following:**
  - A child, birth to beginning of the school year for which the child is eligible for kindergarten, from a working family that is economically disadvantaged<sup>12</sup> and may include such a child's eligible siblings who are eligible to enter kindergarten through the summer before sixth grade, provided that the ELC uses local revenues first.
  - A child of a parent who transitions from the work program into employment from birth through the summer before kindergarten.
  - An at-risk child, ages 9 – younger than 13. Such a child is given priority over other children if his or her sibling is enrolled in the School Readiness Program under eligibility priorities 1 or 2 or the first bullet of this section.
  - A child younger than 13 years of age from a working family that is economically disadvantaged.
  - A child younger than 13 years of age whose parent transitions from the work program into employment.
  - A child who is not younger than 3 years of age who has been determined eligible as a student with a disability and has a current individual education plan with a Florida school district. Such a child is eligible until he or she is old enough for kindergarten admission.<sup>13</sup>
  - An eligible child who is also concurrently enrolled in the Head Start program and the VPK Program.<sup>14</sup>

Eligibility for the program must be reevaluated annually. Upon reevaluation, a child may not continue to receive school readiness program services if he or she has ceased to be eligible. A child who is ineligible due to a parent's job loss or cessation of education or job training will continue to receive School Readiness program services for at least three months to enable the parent to obtain employment or resume education or job training.<sup>15</sup>

In order to obtain a contract and deliver services for the School Readiness program, a provider must have a program assessment administered pursuant to s. 1002.82(2)(n), F.S. and obtain a minimum program assessment composite score of 4.0.<sup>16</sup>

## School Readiness Program Funding

### *Overview*

Florida's School Readiness program funding is derived from four sources:

- The CCDF<sup>17</sup>
- The Temporary Assistance for Needy Families (TANF) Block Grant<sup>18</sup>

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<sup>9</sup> Section 445.024(2), F.S. Recipients of assistance under a state's Temporary Assistance for Needy Families Block Grant must meet Federal work requirements. These work requirements require a state to meet or exceed minimum rates of recipients participating in "work activities," e.g., employment, education, job search, community service, and vocational training. 42 U.S.C. s. 607(a)-(d). Under Florida law, the maximum number of hours a recipient of subsidized child care, who is not otherwise exempt from work activity, may be required to work is 40 hours per week.

<sup>10</sup> See s. 445.009, F.S.

<sup>11</sup> Section 1002.81(1), F.S. The definition of an "at-risk child" includes, among other things, a child who is considered homeless or who may be experiencing abuse, neglect, abandonment, or exploitation.

<sup>12</sup> Section 1002.81(6), F.S.

<sup>13</sup> Section 1003.21(1)(a)2., F.S. Children who will have attained the age of 5 years on or before September 1 of the school year are eligible for admission to public kindergartens during that school year under rules adopted by the district school board.

<sup>14</sup> Section 1002.87(1), F.S.

<sup>15</sup> Section 1002.87(6), F.S.

<sup>16</sup> Rule 6M-4.740, F.A.C.

<sup>17</sup> A major purpose of the CCDF is to allow states to develop child care programs and policies that best suit the needs of children and parents. 45 C.F.R. s. 98.1.

- The Social Services Block Grant (SSBG)<sup>19</sup>
- State General Revenue<sup>20</sup>

The following chart shows the Fiscal Year 2023-2024 funding for Florida’s School Readiness program:

| Funding Source  | Amount          |
|-----------------|-----------------|
| CCDF            | \$874.2 million |
| TANF            | \$94.1 million  |
| SSBG            | \$500,000       |
| General Revenue | \$144.6 million |

The School Readiness program funds are distributed to the ELCs based upon an allocation methodology established in statute.<sup>21</sup>

School Readiness program funding for eligible providers comes primarily from reimbursements from the ELC and tuition payments by participating families.<sup>22</sup> Each ELC reimburses participating providers with appropriated funds for each eligible child, either through child care certificates provided by parents or through contracted slots.<sup>23</sup> The reimbursement and co-payment amounts are determined locally by ELCs, subject to approval by the DOE. Any additional amount a parent must pay is based on the difference between the provider’s tuition rate and the sum of the reimbursement rate and required parent co-payment. Reimbursement amounts vary based on provider type and level of care, and co-payments are determined using a sliding fee scale.<sup>24</sup>

#### *Special Needs Differential Allocation*

The special needs differential allocation was created to assist eligible School Readiness program providers with implementing the special needs rate provisions defined in the state’s approved CCDF Plan. Subject to legislative appropriation, each ELC must be reimbursed based on actual expenditures. All expenditures from the special needs differential allocation must be used by the DOE to help meet federal targeted requirements for improving quality to the extent allowable in the state’s approved plan.<sup>25</sup> Currently, there is no required training or quality assurance verification required of a provider prior to receiving funds from the differential allocation.

#### **Effect of Proposed Changes**

The bill revises the criteria for a child with special needs to receive priority for participation in the School Readiness program. Rather than basing eligibility on classification as a student with a disability, a student is determined eligible if he or she requires additional accommodations beyond those required by the Americans with Disabilities Act. The child's special needs and associated accommodations must be validated by a licensed health care professional, licensed mental health professional, or educational psychologist. This person may not be the child's parent or a person employed by a child care provider.

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<sup>18</sup> Part A of Title IV of the Social Security Act, as codified in 42 U.S.C. ss.601, et seq. The Temporary Assistance for Needy Families program provides states and territories with flexibility in operating programs designed to help low-income families with children to achieve economic self-sufficiency. USHHS, *Temporary Assistance for Needy Families (TANF)*.

<sup>19</sup> Through the SSBG states provide essential social services that help achieve a myriad of goals to reduce dependency and promote self-sufficiency; protect children and adults from neglect, abuse and exploitation; and help individuals who are unable to take care of themselves to stay in their homes or to find the best institutional arrangements. USHHS, Social Services Block Grant Program, <https://www.acf.hhs.gov/ocs/programs/ssbg> (last visited January 12, 2024).

<sup>20</sup> The Florida Department of Education, *School Readiness Funding Allocation Methodology: Report and Recommendations* (Oct. 1, 2019).

<sup>21</sup> Section 1002.89(1), F.S.

<sup>22</sup> See ss. 1002.84(9) and 1002.89, F.S.; Specific Appropriation 77, s.2, Ch. 2023-239, L.O.F.

<sup>23</sup> See Rule 6M-4.500(1), F.A.C.

<sup>24</sup> See Rule 6M-4.400(1), F.A.C. The federal government has proposed a rule change to require that family co-payments not exceed seven percent of a family’s income; however, it does allow lead agencies to waive co-payments for certain families. See 45 C.F.R. 98.

<sup>25</sup> Section 1002.89(1)(d), F.S.

Currently, a child must have a current individual education plan from a Florida school district to qualify for priority participation as a child with special needs. The bill authorizes the following additional forms of documentation to determine eligibility:

- a current individualized family support plan;
- a diagnosed special need; or
- a determination of required accommodations.

The bill expands eligibility of a child with special needs to infants and toddlers, rather than just a child who is at least 3 years old, and extends the use of the funds to before school, after school, and summer School Readiness programs.

Finally, the bill provides that a School Readiness program provider is eligible for funding through the special needs differential allocation to implement the special needs rate if, by July 1, 2025:

- the provider has met or exceeded the minimum program assessment composite score required for contracting as determined by the DOE, as applicable, and
- the provider has completed 10 hours of training in inclusive early childhood or inclusive school-age education practices within the preceding 2-year period with the provider completing an additional 10 hours of such training each subsequent 5-year period as specified by the DOE.

#### B. SECTION DIRECTORY:

**Section 1:** Amends s. 1002.87, F.S.; revising the criteria for a child to receive priority for participation in the School Readiness program; conforming provisions to changes made by the act.

**Section 2:** Amends s. 1002.89, F.S.; providing requirements for a School Readiness program provider to be eligible to receive specified funding.

**Section 3:** Providing an effective date.

## 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:

None.

#### D. FISCAL COMMENTS:

None.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

The bill does not provide any additional rulemaking authority, however, rules adopted under existing authority will need to be amended to conform with the provisions of the bill.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.