
	AGENCY FOR WORKFORCE INNOVATION Office of Early Learning		
	SUBJECT FILE: 440.50	POLICY NUMBER: OEL-PI-0022-05	
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	ISSUE DATE: July 25, 2005	DEPUTY DIRECTOR: Gladys W. Wilson	

Subject: School readiness payment rates for children concurrently enrolled in the VPK program

Summary: State and federal requirements mandate that school readiness funds awarded to an early learning coalition be used exclusively for the coalition’s school readiness program. To preclude school readiness funds from being used to subsidize the VPK program, this program instruction directs how coalitions shall establish school readiness payment rates for children concurrently enrolled in the VPK program. This program instruction provides that a school readiness provider’s daily payment rates are converted to hourly rates, and the number of payable hours for each child is reduced by the average number of daily VPK instructional hours. The program instruction also specifies that the parent copayment is reduced to a part-time copayment if the provider delivers fewer than 6 hours of school readiness services.

References: Section 411.01(5)(d)4. and (9)(d), F.S.¹
 Section 1002.79, F.S.²
 45 C.F.R. § 98.54(a)
 OMB Circular No. A-122

Purpose: To adopt criteria for payment rates for school readiness services provided for children who are concurrently enrolled in the VPK program

Background: The School Readiness Act requires each early learning coalition’s school readiness plan to include school readiness “[p]ayment rates adopted by the early learning coalition and approved by the Agency for Workforce Innovation” (s. 411.01(5)(d)4.f., F.S.). The act further requires the Agency for Workforce Innovation to adopt criteria for the approval of school readiness plans (s. 411.01(5)(d)4., F.S.).

¹ Citations to the School Readiness Act, s. 411.01, F.S., were amended by s. 2, ch. 2004-484, L.O.F.

² All citations to sections in part V of ch. 1002, F.S. (ss. 1002.51-1002.79, F.S.) were created by s. 1, ch. 2004-484, L.O.F.

A substantial part of the funds allocated to early learning coalitions for their school readiness programs is provided from the federal Child Care and Development Fund (CCDF). Federal regulations governing CCDF require these federal funds to be expended consistent with those regulations and in accordance with state law (45 C.F.R. § 98.54(a)). Florida's School Readiness Act directs that "[a]ll state, federal, and required local maintenance-of-effort or matching funds provided to an early learning coalition for purposes of [the act] shall be used by the coalition for implementation of its school readiness plan" (s. 411.01(9)(d), F.S.).

The United States Department of Health and Human Services administers CCDF. The federal Office of Management and Budget (OMB) has issued instructions to all federal departments prescribing cost principles for non-profit organizations that receive federal funds.³ The federal CCDF funds allocated to early learning coalitions are governed by these instructions, which specify that a cost is allocable to a federal award if it is incurred specifically for the award.⁴

Accordingly, both state and federal requirements mandate that school readiness funds awarded to an early learning coalition specifically for the coalition's school readiness program must be used exclusively for the school readiness program.

School readiness programs are generally available to children who are economically disadvantaged; who have disabilities; or who are at risk of abuse, neglect, or abandonment (s. 411.01(6) and (11), F.S.).

In December 2004, at its 2004 Special Session "A," the Legislature enacted House Bill 1-A (ch. 2004-484, L.O.F.), which created the Voluntary Prekindergarten Education (VPK) Program. The VPK law was approved by the Governor and became effective on January 2, 2005. The VPK program is available to "[e]ach child who resides in this state who will have attained the age of 4 years on or before September 1 of the school year" (s. 1002.53(2), F.S.). The VPK program gives a parent the option of a school-year program (540 instructional hours) or a summer program (300 instructional hours) (s. 1002.53(3), F.S.).

Since a child may be eligible simultaneously for the VPK program and an early learning coalition's school readiness program, a child may be concurrently enrolled to receive services in both programs during different times of the day. The VPK law neither prohibits concurrent enrollments, nor prohibits a private provider or public school from delivering both programs for a child.

The purpose of this program instruction is to adopt criteria for payment rates for school readiness funds paid for children who are concurrently enrolled in a coalition's school readiness program and the VPK program. These criteria must

³ Executive Office of the President, Office of Management and Budget, *OMB Circular No. A-122, Cost Principles for Non-Profit Organizations* (May 2004).

⁴ *Attachment A to OMB Circular No. A-122* (paragraph A.4.a.(1)).

ensure that school readiness funds are used exclusively for the school readiness program and do not finance the VPK program.

Instructions: The payment rates adopted by each early learning coalition for the coalition’s school readiness program must be consistent with the following criteria:

- (1) ***Definitions.***—As used in this program instruction, the term:
 - (a) “VPK hours per day” means the average number of daily VPK instructional hours for the child’s VPK prekindergarten class, which is calculated by dividing the number of instructional hours required by law (*i.e.*, 540 hours for classes in a school-year program or 300 hours for classes in a summer program) by the number of VPK instructional days scheduled for the class.
 - (b) “Wrap-around readiness services” means school readiness services provided for a child who is concurrently enrolled in the VPK program.
- (2) ***Duplicate payment prohibited.***—School readiness funds paid for a child concurrently enrolled in the coalition’s school readiness program and the VPK program must be used exclusively for the school readiness program and may not be used for the VPK program. Consequently, services provided for a child during an instructional period reported for funding under the VPK program may not also be reported for funding under the school readiness program.
- (3) ***Payment rates for wrap-around readiness services.***—School readiness payment rates for wrap-around readiness services shall be established as follows:
 - (a) ***Establish a child’s daily need for school readiness services.***—Upon determining that a child is eligible for an early learning coalition’s school readiness program, the coalition or its designee shall analyze the child’s daily need for services and assign for that child the appropriate school readiness unit of care. Table 1 below displays the units of care used in the Enhanced Field System (EFS):

Standard code for unit of care	Description of units of care	Maximum hours
PTL	Part time low (<i>fewer than 3 hours</i>)	3
PT	Part time (<i>3 or more hours but fewer than 6 hours</i>)	6
PTS	Part time sibling	
PTBA	Part time before and after school	11
FT	Full time (<i>6 or more hours but fewer than 11 hours</i>)	
FTS	Full time sibling	16
FTPT	Full time and part time (<i>11 or more hours but fewer than 16 hours</i>)	
FTPS	Full time and part time sibling	20
FTFT	Full time and full time (<i>16 or more hours</i>)	
FTFS	Full time and full time sibling	

(b) *Calculating the payment rate for wrap-around readiness services.—*

1. Convert provider’s daily rate to hourly rate.—The provider’s daily payment rate for the school readiness unit of care assigned under (3)(a) above is converted to an hourly rate by dividing the daily rate by the maximum hours listed in the Table 1 above for the unit of care. For example, if a child enrolls for a full-time (FT) unit of care, the FT daily payment rate is divided by 11 hours.
2. Determine number of payable hours.—
 - a. The number of payable hours for wrap-around readiness services is determined by subtracting the number of VPK hours per day from the maximum hours listed for the unit of care in the Table 1 above. For example, if a child enrolls for a part-time (PT) unit of care, the number of payable hours for wrap-around readiness services is determined by subtracting the number of VPK hours per day from 6 hours.
 - b. If a child’s parent or guardian and the school readiness provider jointly certify in writing to the early learning coalition, on forms prescribed by the coalition, that the provider delivers excess daily hours of wrap-around readiness services beyond the number of payable hours determined under (3)(b)2.a. above, the number of daily hours included in the certification is considered the number of payable hours.
 - c. If an early learning coalition determines, under (5)(c) below, that a school readiness provider delivers fewer daily hours of wrap-around readiness services than the number of payable hours determined under (3)(b)2.a. above, the

number of daily hours determined by the coalition is considered the number of payable hours.

3. Multiply hourly rate by payable hours.—A payment rate for wrap-around readiness services provided for a child is established by multiplying the hourly payment rate calculated under (3)(b)1. above by the number of payable hours determined under (3)(b)2. above. Table 2 below displays examples of how the payment rates for wrap-around readiness services are established:

TABLE 2 - Sample Calculation of Wrap-Around Payment Rates*

Child's need	Daily rate	Max. hours	Daily rate / Maximum hours	Hourly Rate	VPK hours	Maximum hrs. - VPK hours	Payable hours	Payable hours x Hourly rate	SR daily
PT	\$15	6		\$2.50	3		3		\$7.50
FT	\$20	11		\$1.82	3		8		\$14.56
FTPT	\$25	16		\$1.56	3		13		\$20.28
FTFT	\$30	20		\$1.50	3		17		\$25.50

Child's need	VPK hours	\$2,500 / 540 hours	VPK hourly	VPK hours x VPK hourly	VPK daily	From table above	SR daily	VPK daily + SR daily	Total daily
PT	3		\$4.63**		\$13.89		\$7.50		\$21.39
FT	3		\$4.63**		\$13.89		\$14.56		\$28.45
FTPT	3		\$4.63**		\$13.89		\$20.28		\$34.17
FTFT	3		\$4.63**		\$13.89		\$25.50		\$39.39

* The payment rates displayed in this table are sample calculations and are not actual payment rates.

** VPK hourly rate assumes a base student allocation of \$2,500 in a school-year program (540 instructional hours).

4. Compare payment rate to provider's published rate.—If a school readiness provider publishes a payment rate for wrap-around readiness services which is lower than the payment rate established under (3)(b)3. above, the provider shall be paid at the lower published rate.
- (c) Record payment rate in EFS.—To record payment rates for wrap-around readiness services in the Enhanced Field System (EFS), the Office of Early Learning has established two new school readiness units of care, which are displayed in the following table:

TABLE 3 - Units of Care for Wrap-Around Readiness Services

Standard code for unit of care	Description of units of care	Maximum hours
PTV	Part time wrap-around for VPK program (3 or more hours but fewer than 6 hours)	6
FTV	Full time wrap-around for VPK program (6 or more hours but fewer than 11 hours)	11

If a child's service period established under (3)(a) above requires a unit of care that cannot be recorded using these two new units of care, the coalition or its designee shall record the child's payment rate for wrap-around readiness services in EFS using the negotiated-rate screen.

- (d) *Multiple providers or schools.*—The payment rate for wrap-around readiness services is calculated in accordance with (3)(b) above, regardless of whether the private prekindergarten provider or public school delivering the VPK program for the child is the same or different than the school readiness provider delivering the wrap-around readiness services.
- (4) *Change of care level.*—If a child's care level changes (*e.g.*, from PR4 to PR5), the payment rate for the child's wrap-around readiness services must be updated in accordance with (3) above for the new care level. If the payment rates for each care level within the FTV and PTV units of care are recorded in EFS, a child's payment rate automatically updates when the child's care level is changed.
- (5) *Assessment of parent copayments.*—A parent copayment for wrap-around readiness services shall be assessed as follows:
 - (a) A school readiness provider may require a parent or guardian to pay the full-time copayment according to the coalition's sliding fee scale if the number of payable hours determined under (3)(b)2. above is 6 or more hours.
 - (b) A school readiness provider may require a parent or guardian to pay the part-time copayment according to the coalition's sliding fee scale if the number of payable hours determined under (3)(b)2. above is fewer than 6 hours.
 - (c) Regardless of the number of payable hours determined under (3)(b)2. above, a school readiness provider may not require a full-time copayment, but may only require a parent or guardian to pay a part-time copayment according to the coalition's sliding fee scale, if the coalition determines, based on the parent's or guardian's certification, that the provider delivers fewer than 6 daily hours of wrap-around readiness services for the child. The parent or guardian must submit the certification to the coalition in writing.

- (6) ***Multi-coalition payments.***—If a private prekindergarten provider or public school is paid for a child served in the VPK program by one early learning coalition and the same or another provider or school is paid by a second coalition for wrap-around readiness services for the same child, the second coalition must establish the payment rate for the child’s wrap-around readiness services in accordance with (3) above.

PLEASE DIRECT QUESTIONS AND COMMENTS TO THE STAFF CONTACT LISTED ABOVE.
