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PROGRAM GUIDANCE 400.02

[OEL-PG-0047-07]

PAYMENT-RATE SCHEDULES FOR THE SCHOOL READINESS PROGRAM

June 26, 2007

Summary

This program guidance explains how an early learning coalition will submit its payment-rate schedule for the school readiness program. A coalition should submit its payment rates on Form AWI-SR 55 as part of the coalition's school readiness plan and, when the coalition adjusts its rates, as a plan amendment. This program guidance also sets maximum rates that may be paid for special needs services, Gold Seal providers, and informal providers.

Background

The federal Child Care and Development Fund (CCDF) requires the Agency for Workforce Innovation (AWI), as Lead Agency for the state's CCDF program, to establish payment rates that ensure eligible children equal access to comparable child care services available for children who do not receive school readiness funds (45 C.F.R. § 98.15(b)(7) (2002)). The federal Department of Health and Human Services has reminded Lead Agencies of the general principle that federal CCDF funds may not pay more for services than are charged to the general public for the same services.¹

¹ 63 Fed. Reg. 39935, 39959 (July 24, 1998)

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The payment rates must be comparable and based on a local market-rate survey conducted no earlier than two years before the effective date of the Florida's CCDF State Plan (45 C.F.R. § 98.43(b)(2) (2002)). AWI distributes the market-rate survey to all coalitions every two years. The "prevailing market rate" is defined as "the annually determined 75th percentile of a reasonable frequency distribution of market rate in a predetermined geographic market at which licensed child care providers charge a person for child care services" (s. 402.3051(1)(c), F.S.).

Florida's School Readiness Act (s. 411.01, F.S.) specifies that the "Agency for Workforce Innovation ... [m]ust consider the access of eligible children to the school readiness program, as demonstrated in part by waiting lists, before approving a proposed increase in payment rates submitted by an early learning coalition" (s. 411.01(5)(c)1.f., F.S.). The act further states that funds made available because of enrollment shifts to the Voluntary Prekindergarten Education (VPK) Program shall be used to increase the number of children served before payment rates are increased.

The School Readiness Act says that the "Agency for Workforce Innovation . . . [m]ust require each approved [school readiness] plan to include the . . . [p]ayment rates adopted by the early learning coalitions and approved by the Agency for Workforce Innovation. Payment rates may not have the effect of limiting parent choice or creating standards or levels of services that have not been authorized by the Legislature" (s. 411.01(5)(d)4.f., F.S.).

Program Guidance

A coalition should do the following when submitting its payment-rate schedule:

- (1) ***Development of payment-rate schedule.*** The coalition should:
 - (a) Consider the prevailing market rate in establishing the payment-rate schedule in accordance with s. 411.01(5)(e)2., F.S.
 - (b) Submit its payment-rate schedule on Form AWI-SR 55.
 - (c) Ensure that the payment rates for special needs, Gold Seal, and informal providers are determined in the following manner:
 1. Special needs rates shall be negotiated up to 20 percent above the licensed center infant payment rate, however, the special needs rates may not exceed the private pay rate for licensed center infant care.

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2. Gold Seal rates shall be negotiated up to 20 percent above the licensed center payment rate, however, the Gold Seal rates may not exceed the private pay rate for licensed center care.
 3. Informal arrangements shall be paid at not more than 50 percent of the rate established for a licensed home.
 - (d) Ensure that the payment-rate schedule includes the projected number of children to be served in accordance with s. 411.01(5)(e)2., F.S.
 - (e) Ensure that payments for services (including Gold Seal) do not exceed the amount that is charged to the general public for the same services.²
- (2) **Submission of payment-rate schedule.** The coalition should submit its payment-rate schedule to AWI as:
- (a) Part of the coalition's school readiness plan; and
 - (b) A plan amendment when the coalition adjusts its payment rates. The plan amendment should be submitted in accordance with OEL File 206.15.
- (3) **Approval of payment-rate schedule.** AWI should approve a coalition's payment-rate schedule in accordance with s. 411.01 (5)(e)2., F.S. and 60BB-42.50 F.A.C.
- (4) **Distribution of payment-rate schedule.** A coalition should distribute its payment-rate schedule, with implementation instructions, to a contractor that assigns payment rates on behalf of the coalition and to a school readiness provider.

Replaces: This program instruction replaces, and makes the following substantial change to, OEL-PI-0016-05 (Market-rate survey):

- Replaces Form AWI-EL 34 with Form AWI-SR 55

History: *Original.* OEL-PI-0016-05 (June 15, 2005). *Revised.* OEL-PG-0044-07 (June 26, 2007)

Attachment: Form AWI-SR 55 (Payment-rate schedule)

PLEASE DIRECT QUESTIONS AND COMMENTS
TO THE OFFICE OF EARLY LEARNING AT (850) 921-3180
OR EMAIL OEL.Questions@awi.state.fl.us

² 63 Fed. Reg. 39935, 39959 (July 24, 1998)