

## Current School Readiness Program Overview

Throughout the state there have been many discussions among stakeholders regarding the need for increased investments for Florida's School Readiness Program. In new research by Stanford University it was found that by 18 months of age, toddlers from disadvantaged families are already several months behind more advantaged children in language proficiency<sup>1</sup>. Quality early learning programs reduce that language gap and support kindergarten readiness and later school success. As such the Early Learning Consortium completed the following analysis to demonstrate Florida's challenges with accessing quality early childhood programs based on its current School Readiness Payment Structure.

### **The Need for Quality Early Learning Programs:**

- Overwhelming research shows low child:staff ratios<sup>2</sup> are one of the best indicators for determining the quality of a child care program.
- There is a dramatic difference between licensing and APPLE/NAEYC accreditation ratios. Reducing ratios increases costs (more teachers) and/or decreases revenue (fewer children).

	<i>Licensing Ratio</i>	<i>APPLE Ratios</i>	<i>NAEYC Ratios</i>
<i>0-1 year olds</i>	1:4	1:4	1:4
<i>1-2 year olds</i>	1:6	1:5	1:4
<i>2-3 year olds</i>	1:11	1:7	1:6
<i>3-4 year olds</i>	1:15	1:9	1:9
<i>4-5 year olds</i>	1:20	1:11	1:10
<i>Over 5</i>	1:25	1:11	1:12

- Well-trained teachers with lower ratios provide better adult-child interactions<sup>3</sup>, the top predictor of children's readiness for success in school.
- Well-trained teachers also complete ongoing, curriculum based assessments<sup>4</sup> and use the observations to individualize the care and instruction each child receives.

### **School Readiness Key Facts:**

- Florida has the 6<sup>th</sup> lowest payment rates in nation for infants and toddlers and 7<sup>th</sup> lowest for preschoolers; Gold Seal rates lift these payments rates only to 7<sup>th</sup>, 8<sup>th</sup>, and 9<sup>th</sup> lowest rates for infants, toddlers and preschoolers, respectively.
- The average School Readiness payment is \$5,000 while private rates are close to \$10,000
- Florida ranks 40<sup>th</sup> on strength of licensing program requirements.
- The average program breaks even when meeting minimal standards for licensed care. The current payment rates and structure create disincentives for programs to improve quality.

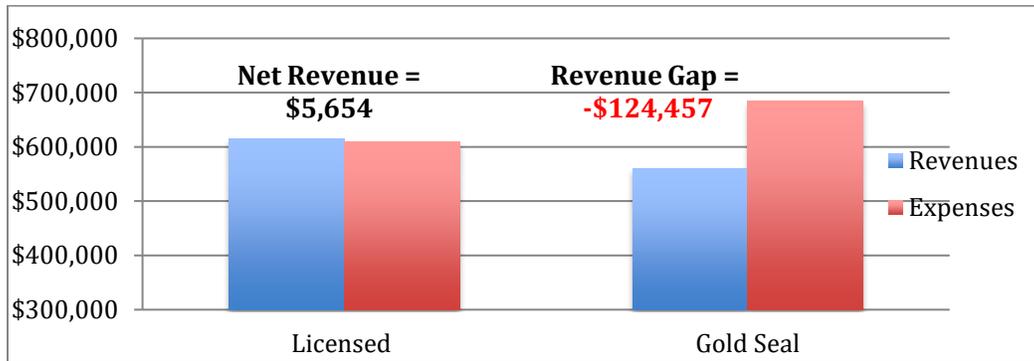
**The following cost modeling was conducted in partnership with Louise Stoney and Libbie Poppick, nationally recognized experts on early childhood program financing.**

<sup>1</sup> <http://news.stanford.edu/news/2013/september/toddler-language-gap-091213.html>

<sup>2</sup> Howes, C., Phillips, D. A. and Whitebook, M. (1992), Thresholds of Quality: Implications for the Social Development of Children in Center-based Child Care. *Child Development*, 63: 449-460. doi: 10.1111/j.1467-8624.1992.tb01639.x

<sup>3</sup> [http://www.learningcommunityds.org/files/1013/7029/9372/Study\\_EarlyChildhoodResearchQuarterly\\_BurchinalThresholdsofQualityforCLASS\\_101609.pdf](http://www.learningcommunityds.org/files/1013/7029/9372/Study_EarlyChildhoodResearchQuarterly_BurchinalThresholdsofQualityforCLASS_101609.pdf)

<sup>4</sup> Riley-Ayers, S. Frede, E., Jacobs, G., Stevenson Boyd, J., (2008). Improving teaching through standards-based systematic assessment. Available: <http://nieer.org/pdf/nieer-els-slides.pdf>



**Florida’s Payment Structure and Licensing Requirements Disincentivize Quality:**

- Cost modeling and analysis verified that business models with quality child outcome indicators that served VPK and SR children had an operating deficit.
- Providers that are Gold Seal or offer other quality programming typically can only serve a few School Readiness children to cover the deficits produced by current School Readiness reimbursement rates.
- Current funding is only enough to cover minimal child care quality.
- Given payment rates, most programs cannot afford to improve ratios and meet higher quality standards such as implementing curriculum-based assessments and investing in teacher professional development.

**Cost Modeling Assumptions:**

- Licensed Program: 6 classrooms, 116 staffed capacity, licensing ratios, current School Readiness reimbursement rates
- Gold Seal Program: 6 classrooms, APPLE ratios result in lower staffed capacity (94), higher salaries and costs, Gold Seal rate differential, current School Readiness reimbursement rates plus 20% differential
- Gold Seal cost model assumes teachers had time and funding for professional development, ongoing curriculum based assessment to individualize care and instruction for children, and ongoing teacher professional development
- Both tiers assume:
  - 75% of children enrolled are low-income
  - Center participates in VPK
  - Center participates in the Child and Adult Care Food Program
  - 5% of revenue is uncollected
  - Enrollment is at 85% capacity