

# Proposed Accountability Strategy for the School Readiness Program

## Purpose

Florida's School Readiness program is designed to provide children at greatest risk of school failure with enriching early learning opportunities that prepare them for kindergarten and early grade success. Currently, funding is approximately \$30 million below the level from more than a decade ago. As the legislature works to improve third grade reading outcomes for students, there is great benefit and need to strengthen accountability and invest strategically in the School Readiness program.

Florida has among the lowest payment rates in the nation, undermining the ability of Florida's child care industry to provide quality early learning programs. Through a targeted policy and funding strategy, Florida can improve the quality of early learning programs, ensure accountability of public funds, and support improved outcomes for children.

This document is a draft summary of the discussion and recommendations to improve kindergarten readiness and early grade success outcomes for children at greatest risk of school failure by improving the quality and strengthening accountability in our School Readiness programs.

## Current Contextual Challenges for Implementing a Statewide Model of Quality in Florida

Since the inception of the School Readiness program in 1999, there have been local variances in implementation that have made it challenging to implement any single statewide model of quality in the immediate future. With only good intentions, limited funding, a great deal of unmet need, and the local delivery mechanism of Florida's governance structure has resulted in differing priorities and work within communities. This includes the following:

- **Quality Initiatives:** there have been different areas of emphasis for continuous quality improvement initiatives—child assessment; professional development; technical assistance; use of program assessment tools such as the ITERS/ECERS and CLASS; accreditation; QRIS; and other local systems to measure and support quality.
- **Payment Rates:** while the average School Readiness payment rate puts Florida at the 6<sup>th</sup> lowest payment rate in the nation, the payment rates vary by county—some communities have had the ability to increase rates and are closer to the 75<sup>th</sup> percentile of the market rate while others are well below the 75<sup>th</sup> percentile of the market rate. Increasing payment rates on the whole would be helpful, but may not accurately increase payments in communities where the disparity between payment and market rates is greatest.
- **Capacity:** there is also significant variation related to the capacity of early learning programs within communities. In some communities, there is a significant oversaturation of the market—in combination with low payment rates this greatly limits providers ability to meet higher quality standards (i.e., if a provider is operating at 50% capacity and is paid ½ the actual cost of care, this is a double financial hit). In other communities, there are capacity challenges and child care deserts that need to be addressed—increasing payment rates can help attract and retain additional early learning capacity.

While working toward an organized system of quality is a worthy goal, these variations in approach make it challenging to do in short order. However, there are steps that can be taken to begin to increase quality in Florida's early learning system, while respecting local variances, and providing the legislature with the information needed to make strategic investments.

## What is Needed

In order to develop a statewide accountability structure that provides assurances that children at greatest risk of school failure are in enriching early learning programs that prepare them for kindergarten and beyond, there is need for:

- A clear definition of quality based on core standards and practices that must be in place to provide assurances of strong teaching practices that best support children’s development;
- Program outcomes to validate that School Readiness is valuable as an effective early education program; and
- Substantial funding increases in early learning with appropriate assurances that funds will be invested in quality early learning programs for children.

### **Policy Priorities**

There are two types of **Quality Standards** that can be measured as part of an accountability system: **Structural** and **Process Quality**.

- **Structural quality** is addressed through accreditation which involves measurement on key aspects of program delivery including; teacher/child ratios, the learning environment, and materials. Currently Gold Seal accredited programs receive up to a 20% cost differential for School Readiness to offset the cost of providing care in accordance with these increased standards.
  - **Policy Recommendation:** The School Readiness payment differential should be 20% for Gold Seal accrediting entities that have demonstrable impact on child outcomes.
- **Process quality**, or program assessment, measures the quality and caliber of teaching practices that facilitates young children’s development. It is well documented in research that the number one predictor of positive child outcomes is the interactions between a teacher and the child.
  - **Policy Recommendation:** Define process quality in law to establish educational standards, and include a reporting structure for identifying low quality providers.

To strengthen accountability and provide consistency in the application of **Quality Standards** for early learning programs, there is need to revise the **School Readiness Statewide Provider Contracts**.

- Currently, standards within the **School Readiness Statewide Provider Contracts** are predominately related to health and safety.
  - **Policy Recommendation:** Incorporate standards for **process quality** as a requirement of the agreement. A provider that has scored ‘low performing’ on program assessment will have 12 months to complete a corrective action plan. If after the 12 months the provider did not increase the accountability score to ‘emerging quality’ or higher the School Readiness contract will be terminated.<sup>1</sup> Providers that meet quality standards will be eligible for a payment differential. This will provide a mechanism for locally addressing low payment rates in alignment with quality programming.

With current variations in School Readiness payment rates, capacity, and quality there is need for each coalition to determine its ability to effectively implement **Quality Standards**.

- While the **Early Learning Performance Funding Project** is an evidence-based approach to systemic quality improvement in Florida’s early education programs with proven outcomes there is currently not enough funding to take it to scale statewide, but there are interim steps that can be taken to address the capacity of quality School Readiness providers.

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<sup>1</sup> The only exceptions to this policy would be if the provider is located in a ‘child care desert’ where there is insufficient capacity in a community to provide alternate care options. In that case, the early learning coalitions would continue the corrective action plan to support continuous quality improvement on instructional strategies.

- **Policy Recommendation:** Through the Early Learning Coalition Plan process, communities will document quality improvement strategies that align to the Quality Standards adopted by the Office of Early Learning, as well as information on differential payment rates for quality programs, use of contracted slots as appropriate, and assurances of preserving parental choice while preparing to move to a statewide system of quality.

Through rulemaking, the Office of Early Learning will:

- Refine the requirements for Gold Seal programs that receive School Readiness payments to establish a 20% differential payment for accrediting entities that have demonstrable impacts on child outcomes.
- Establish processes for evaluating and reviewing School Readiness providers on a program assessment measure (CLASS).
- Develop a reporting structure for identifying School Readiness provider quality on a continuum from low performing to high quality based on program assessment results.
- Revise the School Readiness Provider Contract rule to include termination of low performing providers that have not improved and met the criteria for 'emerging' quality after 12 months.
- Revise the Early Learning Coalition Plan rule to incorporate the alignment of local quality initiatives to the Quality Standards and/or Performance Funding Project, as well as an analysis of local payment rates and capacity to substantiate increased provider payment rates and/or the use of contracted slots.
- Define child care desert and include a process for early learning coalitions to maintain probationary status for low performing providers if termination of the contract results in elimination of child care options within a neighborhood or area.
- Establish payment differential rates for the Performance Funding Project; early learning coalitions may request a waiver if there is need to use alternate or supplemental payment rate differentials to align to local quality systems.

## Funding Priorities

Focused investments that strategically increase the payment rates for providers in alignment with accountability and quality standards are needed. Specific funding recommendations include:

- Continued funding of **\$15.5 million** for the Performance Funding Project designed to provide financial incentives for achieving and/or maintaining quality standards;
- An appropriation of **\$5.9 million** for program assessment to determine the level of quality for early learning providers that serve a substantial number of School Readiness children;
- An appropriation of **\$10 million** for T.E.A.C.H. scholarships to increase the number of lead teachers in early learning with a child development credential;
- An appropriation of **\$3 million** for Early Learning Florida to provide specialized professional development;
- An appropriation of **\$100,000** for an evaluation of Gold Seal accrediting entities; and
- An annual increased investment of **\$30 million** to improve and sustain the quality of School Readiness programs. This investment will support increased reimbursement rates, provide for contracted slots, or support quality initiatives to providers based on a clear definition of quality tied to recognized industry standards.

## Positive Impact to the System

Putting parameters that align with these concepts into law would enhance early learning system development in meaningful ways:

1. Provide basic definitions of structural and process quality with accountability parameters;
2. Reduce the number of low quality School Readiness providers receiving taxpayer funds; and
3. Provide effective means for addressing local system variances within a statewide reporting structure.