

# State of Florida Early Learning System Investment Plan

## Introduction:

To improve and sustain the quality of School Readiness early learning programs a significant investment is needed. Through the implementation of a revised payment structure aligned to performance funding, the state would be able to improve the quality of programs required to prepare children for success, enhance the private business model of early learning, and ensure accountability of public funds.

New research by Stanford University found that by 18 months of age toddlers from low-income families are already several months behind children of more affluent families in language proficiency; these delays are too often compounded to the point that children can be dramatically behind in reading by third grade, which is the strongest predictor of high school graduation. Quality early learning programs improve language skills and help reduce the achievement gap to increase kindergarten readiness and early grade success.

## Funding Request:

An annual increased investment of \$85 million.

## Rationale:

- Florida has the 6<sup>th</sup> lowest payment rates in the nation for infants and toddlers and 7<sup>th</sup> lowest for preschoolers; Gold Seal rates lift these rates to 7<sup>th</sup>, 8<sup>th</sup>, and 9<sup>th</sup> lowest rates for infants, toddlers and preschoolers, respectively.
- Florida payment rates undermine the ability of the child care industry to provide quality early learning programs.
- School Readiness payments average \$5,000 while private rates are close to \$10,000.
- The average program breaks even when meeting minimal standards for licensed care.
- The current payment structure creates disincentives for programs to improve quality.
- Cost modeling completed by national early childhood finance experts confirmed that it is difficult for child care businesses in Florida to provide quality early learning programs and remain solvent due to Florida's depressed child care market.

## Return on Investment ("ROI"):

- **Increase the number of jobs and the number of well-paying jobs due to increased investment in the workforce.** The average hourly rate is \$9.70 and often makes these workers eligible for government subsidies including School Readiness. Child care businesses pay higher wages when their reimbursement rates are more in line with market rates. Additionally, increasing the skills of current workers through professional development demands a higher wage.
- **Provide economic stabilization for working families in poverty and lessening reliance on additional governmental services.** Low-income children participating in School Readiness are often unable to access quality programs due to the cost differential. Increasing the

reimbursement rate to providers, significantly reduces the amount that parents need to pay for care.

- For children most at risk of school failure, quality early learning programs **will improve educational outcomes including kindergarten readiness and later grade-level reading proficiency, which leads to a higher graduation rate.** Adults who graduate high school generally earn higher wages, which reduces the need for government services and subsidies.

### **Investment and Accountability:**

The performance payments should be made in increased rates based on recognized industry standards and performance on key benchmarks:

1. Investment: ***High quality teacher-child interactions that support child development:*** Teacher-child interactions are the strongest predictor of children's outcomes, improving language, reading, vocabulary, math and other cognitive skills, while also strengthening skills that make children successful: the ability to pay attention, follow directions, take turns, delay gratification, and get along with others.  
Accountability: Programs would need to achieve specific scores on an evidence-based program assessment tool.
2. Investment: ***Curriculum-based assessment:*** Teachers who implement regular observations can individualize the care and instruction for each child to meet their learning needs and measure growth over time.  
Accountability: Teachers would need appropriate training and to complete at least three observations/year on children who receive public funds.
3. Investment: ***Professional development:*** Teachers with targeted training are better prepared to deliver quality programs.  
Accountability: Teachers and directors would need at least 20 hours of training/year and lead teachers would have a CDA credential within 24 months.
4. Investment: ***Accreditation:*** Accreditation measures key aspects of programs including teacher: child ratios, the learning environment, and materials. Currently Gold Seal accredited programs receive up to a 20% cost differential to offset some of the cost of providing care in accordance with these increased standards.  
Accountability: It will be important to revisit the accreditation standards and procedures to ensure that all accredited programs are actively engaged in assisting their members in maintaining Gold Seal standards.