

409.178 Child Care Partnership Act; findings and intent; grant; limitation; rules.—

(1) This section may be cited as the "Child Care Partnership Act."

(2)(a) The Legislature finds that when private employers provide onsite child care or provide other child care benefits, they benefit by improved recruitment and higher retention rates for employees, lower absenteeism, and improved employee morale. The Legislature also finds that there are many ways in which private employers can provide child care assistance to employees: information and referral, vouchering, employer contribution to child care programs, and onsite care. Private employers can offer child care as part of a menu of employee benefits. The Legislature recognizes that flexible compensation programs providing a child care option are beneficial to the private employer through increased productivity, to the private employee in knowing that his or her children are being cared for in a safe and nurturing environment, and to the state in more dollars being available for purchasing power and investment.

(b) It is the intent of the Legislature to promote public/private partnerships to ensure that the children of the state be provided safe and enriching child care at any time, but especially while parents work to remain self-sufficient. It is the intent of the Legislature that private employers be encouraged to participate in the future of this state by providing employee child care benefits. Further, it is the intent of the Legislature to encourage private employers to explore innovative ways to assist employees to obtain quality child care.

(c) The Legislature further recognizes that many parents need assistance in paying the full costs of quality child care. The public and private sectors, by working in partnership, can promote and improve access to quality child care and early education for children of working families who need it. Therefore, a more formal mechanism is necessary to stimulate the establishment of public-private partnerships. It is the intent of the Legislature to expand the availability of scholarship options for working families by providing incentives for employers to contribute to meeting the needs of their employees' families through matching public dollars available for child care.

(3) There is created a body politic and corporate known as the Child Care Executive Partnership which shall establish and govern the Child Care Partnership Program. The purpose of the Child Care Partnership Program is to utilize state and federal funds as incentives for matching local funds derived from local governments, employers, charitable foundations, and other sources, so that Florida communities may create local flexible partnerships with employers. The Child Care Partnership Program funds shall be used at the discretion of local communities to meet the needs of local communities in addressing the child care needs of working parents. A child care purchasing pool shall be developed with the state, federal, and local funds to provide

subsidies to low-income working parents who are eligible for subsidized child care with a dollar-for-dollar match from employers, local government, and other matching contributors. The funds used from the child care purchasing pool must be used to supplement or extend the use of existing public or private funds and may not be used to supplant the maintenance of effort presently exerted by the employer or other participant in the activity funded.

(4) The Child Care Executive Partnership, staffed by the department, shall consist of:

- (a) A representative of the Executive Office of the Governor.
- (b) Nine members of the corporate or child care community, appointed by the Governor, to be known hereafter as the "board."
- (c) One representative from each of the 10 Child Care Partnership Program pilot purchasing pool counties established by the board, known hereafter as the "oversight group."
- 1. Members of the board shall serve for a period of 4 years.
- 2. Members of the oversight group and the representative of the Executive Office of the Governor shall serve at the pleasure of the Governor.
- 3. The Child Care Executive Partnership shall be chaired by a member chosen by a majority vote of the board and shall meet at least quarterly and at other times upon the call of the chair.
- 4. Members shall serve without compensation, but may be reimbursed for per diem and travel expenses in accordance with s. 112.061.

5. The Child Care Executive Partnership shall have all the powers and authority, not explicitly prohibited by statute, necessary to carry out and effectuate the purposes of this section, as well as the functions, duties, and responsibilities of the partnership, including, but not limited to, the following:

- a. Assisting in the formulation and coordination of the state's child care policy.
- b. Adopting an official seal.
- c. Soliciting, accepting, receiving, investing, and expending funds from public or private sources.
- d. Contracting with public or private entities as necessary.
- e. Approving an annual budget.
- f. Carrying forward any unexpended state appropriations into succeeding fiscal years.
- g. Providing a report to the Governor, the Speaker of the House of Representatives, and the President of the Senate, on or before December 1 of each year.

(5) (a) The Legislature shall annually determine the amount of state or federal low-income child care moneys which shall be used to create Child Care Partnership Program child care purchasing pools in counties chosen by the board of the Child Care Executive Partnership through June 30, 1998, provided that at least two of the counties have populations of no more than 300,000. After that date, the Legislature shall review the effectiveness of the child care purchasing pool program and reevaluate the percentage of

additional state or federal funds, if any, that can be used for the program's expansion.

(b) To ensure a seamless service delivery and ease of access for families, the community coordinated child care agencies shall administer the child care purchasing pool funds.

(c) The department shall issue a request for proposal for the operation of the pilot child care purchasing pools. In order to be considered, the community coordinated child care agency must commit to:

1. Matching the state pilot purchasing pool funds on a dollar-for-dollar basis; and

2. Expending only those public funds which are matched by employers, local government, and other matching contributors who contribute to the pilot purchasing pool. Parents shall also pay a fee, based upon the department's subsidized child care sliding fee scale.

(d) Each community coordinated child care agency shall be required to establish a community child care task force for each pilot child care purchasing pool. The task force must be composed of employers, parents, private child care providers, and one representative each from the district interagency coordinating council for children's services and the local children's services council, if they exist in the area of the pilot purchasing pool. The community coordinated child care agency is expected to recruit the task force members from existing child care councils, commissions, or task forces already operating in the area of a pilot purchasing pool. A majority of the task force shall consist of employers. Each task force shall develop a plan for the use of child care purchasing pool funds. The plan must show how many children will be served by the pilot purchasing pool, how many will be new to receiving child care services, and how the community coordinated child care agency intends to attract new employers and their employees to the pilot project.

(6) The *1 Department of Health and Rehabilitative Services shall adopt any rules necessary for the implementation and administration of this section.

History.—

ss. 4, 5, ch. 88-337; s. 43, ch. 90-306; s. 85, ch. 96-175.

*** Note.—**

The Department of Health and Rehabilitative Services was redesignated as the Department of Children and Family Services by s. 5, ch. 96-403.

CHILD CARE EXECUTIVE PARTNERSHIP

PURPOSE

- **To serve more children of low-income working parents eligible for Subsidized Child Care by creating incentives for employers, local government and other partners to share the cost. (*Although Florida spends over \$340 million on Subsidized Child Care, there are at least twice as many children eligible as are currently enrolled.*)**
- **To involve business leaders in the oversight of child care policy, including child care financing and efforts to improve the quality and promote school readiness.**

HOW THE PARTNERSHIP PROGRAM WORKS

- **For every dollar an employer or other local partner contributes, the state will contribute a dollar.**
- **Employers may contribute for their own employees eligible for Subsidized Child Care or to a community Child Care Purchasing Pool.**
- **The result is that parents, employers, and government share the cost of child care.**

PROGRAM ACCOMPLISHMENTS

- **In state fiscal year 1996/97 the legislature set aside \$2 million to be matched, and \$2 million was secured.**
- **In state fiscal year 1997/98 the legislature set aside \$4 million to be matched. In the first three months almost \$3 million has been raised.**
- **An additional 3,200 children from low-income families have received child care assistance.**
- **To date over 31 private businesses have contributed to the local Child Care Partnerships.**

SOME LESSONS LEARNED

- ***Income Ceiling:* Many businesses have advised that their lowest level employees' income is above 150 percent of the federal poverty level, the current income ceiling for admission to Subsidized Child Care in Florida. The income ceiling**

for the Partnership program may need to be raised to 185-200 percent of poverty.

- ***Parent Fees:*** The Partnership program was initially designed to have parents pay the same co-payment as required by the subsidized parent fee schedule. However, some businesses are finding this a deterrent. While they want to participate, the employers would like flexibility in establishing guidelines as to the parent co-payment.
- ***Potential:*** The Child Care Partnership provides an incentive for employers to offer child care assistance as part of a fringe benefit plan. By obtaining state dollars to help finance the benefit for low-income employees, employers will find it easier to afford to develop dependent care plans, on a sliding fee scale, that cover all of their employees.

PARTNERSHIP OVERSIGHT OF CHILD CARE POLICY

- The Partnership Board adopted two major recommendations in Spring 1997:
 1. Fully fund Florida's Subsidized Child Care needs, beginning with the Governor's recommendation for an \$89 million increase for child care for welfare-to-work families and \$49 million for the non-welfare low-income families..
 2. All publicly funded early care and education programs must promote "school readiness" and offer a full-day, full-year option that makes it possible for parents to work.
- A \$100 million increase was secured during the 1997 legislative session. To fully fund the current waiting list would cost an additional \$78 million; serving all of the eligible children under five would require doubling the current budget.
- The cost per child of a full-day, full-year early care and education program that prepares children for school has been estimated at a minimum of \$5,000 per year. The state currently spends \$3,125 per child. The Board recommends tying the rate to program performance standards, with higher rates for higher quality of care.

OTHER ACTIVITIES

- The chairman of the Board, president of Royal American Development Corporation, hosted a Business Awards Dinner for the employers contributing to the Child Care Purchasing Pools. Over 250 people attended the dinner, which featured a presentation on the new brain research and its implications for

early care and education. The chairman also serves on the School Readiness Committee of the Governor's Commission on Education.

- Board members are assisting the Florida Child Care Initiative, an outreach program designed to recruit 1,000 new family child care providers and to improve the quality of care. Barnett Banks, Inc., recently acquired by Nationsbank, assisted with the bulk purchase of resourcemobilies and with the development of a loan and a business mentoring program to help family child care providers obtain licensure or accreditation.**
- Board members are assisting with the solution of an insurance problem affecting family child care. Allstate Insurance is assisting with a child care safety campaign as a risk reduction measure.**
- Several companies represented on the Board – Allstate Insurance, Barnett Banks, Inc./Nationsbank, and The St. Petersburg Times -- have been recognized in Working Mother Magazine as among the 100 Best Companies for Working Mothers.**

Child Care Executive Partnership

Board Members:

Joseph F. Chapman, Chair
Royal American Development Corporation

Kenneth B. Beedle
WFLX - FOX 29

Paul T. Kerins
Barnett Banks, N.A.

Gordon Lightfoot
Associated Industries of Florida

Loretta Rieman
St. Petersburg Times

Linda L. Shelley
Executive Office of the Governor

Steven Wagner
Allstate Insurance Company

Elizabeth Wesley
Retired - Child Care Services Agency

Bob Williams
WCJB-TV

Round Table Discussion with

First Lady Hillary Rodham Clinton

Baptist Memorial Hospital

Miami, Florida

October 1, 1997

Introduction of First Lady Hillary Rodham Clinton

*Joseph Chapman, Chairman
Child Care Executive Partnership*

Opening Remarks

*Hillary Rodham Clinton
First Lady of the United States*

Overview of Child Care Services at Baptist Health Systems of South Florida

*Brian Keeley, Director
Baptist Health Systems of South Florida*

Purpose of Child Care Executive Partnership

*Joseph Chapman, Chairman
Child Care Executive Partnership*

- How the Partnership Program Works
- Program Accomplishments
- Lessons Learned
- Partnership Oversight of Child Care Policy
- Other Partnership Activities

*Discussion
by Board*

Why Employers Have a Stake in Child Care

Round Table Discussion

School Readiness

Staff:

Larry Pintacuda
*Florida Department of
Children & Families*

Susan Muenchow
Florida Children's Forum

Warren Eldridge
Florida Children's Forum

THE GOVERNOR'S CHILD CARE EXECUTIVE PARTNERSHIP BOARD



*Maximizing Florida's Brain Power:
A New Vision for Early Care
and Education In Florida*

GOVERNOR'S CHILD CARE EXECUTIVE PARTNERSHIP BOARD

Mission Statement

Through a partnership between government, the business community and parents, ensure that all children, especially those who are disadvantaged, have access to affordable, quality early care and education programs that accommodate parents' work schedules.

Goal 1 -- Fully fund Florida's Subsidized Child Care needs.

1. Support Governor Chiles' request for an \$89 million increase to provide Subsidized Child Care for WAGES participants making the transition from welfare to work, and a \$49 million increase for the non-welfare working poor.
 - The \$89 million increase will fully fund the estimated 28,788 children of wages participants required to move from welfare to work.
 - The \$49 million increase will fund 15,811 of the 30,852 children who were on the waiting list as of December 31, 1996.
2. Increase the Child Care Purchasing Pool to at least \$4 million in public funds to be matched by \$4 million in private sector funds.
 - The \$8 million will serve more than 2,700 children of low-income working parents.
3. Provide sufficient funding in 1998-99 to serve all remaining children on the Subsidized Child Care waiting list.

Goal 2 -- All publicly funded early care and education programs must promote "school readiness" and offer a full-day, full-year option that makes it possible for parents to work.

1. All early care and education programs that receive state funds must meet specific performance standards geared toward preparing children for school and be held accountable by measurable standards.
2. Improve the quality of the Subsidized Child Care Program through well-planned incremental changes and a tiered payment system that rewards quality.
 - Implement the market rate for care that meets licensing standards. It is estimated that would cost around \$16 million.
 - Reimburse providers that score 90 percent or better on the Department's Program Assessment Tool at 5 percent above the market rate.
 - Reimburse providers who meet Gold Seal accreditation standards at 10 percent above the market rate.
 - Reimburse providers that meet Prekindergarten Early Intervention Standards at \$5,000 per year (\$20 per day/\$2 per hour).
3. Through a combination of parent fees and public resources convert the Prekindergarten program into a full-day, full year program without compromising the quality.

MAXIMIZING FLORIDA'S BRAIN POWER:

A New Vision For Early Care And Education In Florida

OVERVIEW

In the last six years the state has made fundamental changes in its workforce development and welfare systems that took more than a half a century to create. In addition, the Department of Education has pressed for numerous changes to promote educational accountability. And four new state agencies – Department of Juvenile Justice, Department of Health, Department of Children and Families, and the Agency for Health Care Administration – have been created to overhaul the way services are delivered to children and families. If these major changes to workforce development, welfare, and child and family services are to succeed, however, the approach to address early childhood care and education must also be fundamentally altered.

The new approach must be objective, cost efficient and asset driven. It must be a business approach with bottom line results. The findings and conclusions contained herein have been enthusiastically endorsed by the Committee for Economic Development (CED) in its landmark report, "The Unfinished Agenda: A New Vision for Child Development and Education." CED is comprised of 250 Chief Executive Officers of America's largest corporate citizens, including IBM, Coca-Cola, XEROX, and Texaco. These corporate icons, America's most proficient problem solvers, have concluded:

- The separation between early childhood education and child care is counterproductive.
- Although preschool for disadvantaged three- and four- year old children is a critical, cost-effective strategy for later school success, for a large portion of poor children, often this intervention is too late. Even the most intensive program at this age fails to help at least one-third of the children who participate.
- The nation must redefine education as a process that begins at birth, one which recognizes that the potential for learning begins even earlier, and encompasses the physical, social, emotional and cognitive development of children.

The Governor's Child Care Executive Partnership Board, as representatives of the business community in Florida, believes that any fundamental change to infrastructure must always take into consideration the above conclusions. Consequently, all publicly funded early care and education programs serving children birth to six must be considered "school readiness" programs and be funded and held accountable accordingly. All early care and education programs must offer a full-day, full-year option that makes it possible for parents to work. To provide less than a "school readiness" program to children who are already at risk of school failure is to waste the \$272 million in tax dollars spent annually. To offer less than a full-day, full-year program to children from very low-income families is to create a barrier to working a 40-hour week and hence an obstacle to welfare reform.

A. IMPORTANCE OF QUALITY TO WORKFORCE DEVELOPMENT

- Nearly two-thirds (60 percent) of the mothers under the age of 6 now work, up from 41 percent less than 20 years ago.
- One-third of all employees have children who need child care.
- By the year 2000, two-thirds of all job entrants will be women, and 75 percent will become mothers.
- Over half of the mothers of babies under age one are now in the workforce. With the implementation of welfare reform this percentage will increase.
- Parents often piece-meal programs together to meet the unique needs of school-age children, summer vacation, holidays, etc.
- Under the state's new Work and Gain Economic Self-Sufficiency (WAGES) welfare reform law, mothers of children three months and older must work at least 20 hours per week. It is estimated that more than 100,000 additional children will need Subsidized Child Care as a result of WAGES.

B. IMPORTANCE OF QUALITY TO CHILD DEVELOPMENT

- Quality early care and education programs result in significant returns on investments ranging from \$3 to \$6 for every \$1 spent...estimated at \$150,000 per child over a lifetime. These savings accrue as a result of reduced expenditures for special education, grade retention, welfare, crime, and teen pregnancy.
- As compared to children in lower quality settings, children in quality programs display:
 - greater language ability;
 - better math skills;
 - advanced social skills;
 - improved relationships with teachers and peers;
 - higher self images;
 - stronger parent-child relationships;
 - increased likelihood of long-term school success;
 - improved likelihood of long-term social and economic self-sufficiency.
- These benefits are most dramatic with children from low-income families who are at a greater risk of school failure.
- The most comprehensive longitudinal study of quality early childhood programming ever conducted in the United States shows that in later life, program participants had half as many arrests, were twice as likely to own their own home and were 30% more likely to graduate from high school. High school dropouts:
 - earn about \$237 billion less than high school graduates in their lifetimes;
 - pay about \$70 billion less in taxes;
 - constitute more than 80% of American prisoners (cost per prisoner: \$20,000 annually; cost of quality early care and education: \$5,000 annually).
- Poor quality care compounds the risk of school failure.

C. COMPONENTS OF QUALITY

- Quality programs are comprehensive and address not only the cognitive needs of children but also their social, emotional and physical development. Quality programs provide family supports, which is particularly important to low-income families.
- Universally accepted key elements of quality early care and education programs include:
 - frequent interaction and conversation between children and adults;
 - appropriate daily learning activities and materials;
 - healthy and safe physical environments;
 - program support services, including health, nutrition, social services;
 - parental support and involvement;
 - staff trained to work with young children;
 - favorable staff-to-child ratio and small group size. (The standard recommended by the National Association for the Education of Young Children (NAEYC) and the American Academy of Pediatrics is 1 staff person to every 10 four year old children.)

D. THE NEW BRAIN RESEARCH

- Scientists have learned more about the human brain in the last ten years than in all of history.
- At birth, a baby's brain is "hot wired" to breathe, pump blood through the body, and perform other body functions. But the complex wiring necessary for good vision, hearing, talking, and thinking is completed during the first years of life.
- The brain uses the outside world to shape itself - wire itself - during crucial periods or "windows" during which time brain cells must have certain kinds of stimulation to develop such powers as vision, language, smell, muscle control and reasoning.
- The brain research has shown:
 - the brain's circuitry for math, in the brain's cortex, is largely wired during the first years of life;
 - by six months of age infants in English speaking homes already have different auditory maps from children in homes where other languages are spoken;
 - auditory cortex circuits, representing the sounds that form words, are wired by the age 1;
 - vision circuitry is wired by the age 2;
 - if a person does not hear words by age 10, he/she will never speak a language;
 - up to 50% of developmental disabilities can be eliminated with quality care;
 - a child immobilized in a body cast until the age of four will eventually learn to walk, but never smoothly;
 - the brain of a child who has been subjected to abuse and neglect is wired by age 2 to chemically respond to "threat" in a "fight or flight" behavioral mode.

The critical importance of these windows of opportunity has been recognized by the Committee for Economic Development.

E. QUALITY OF EARLY CARE AND EDUCATION IN FLORIDA

- A major national study found “most child care is mediocre in quality, sufficiently poor to interfere with the child’s emotional and intellectual development.”
- In Florida the quality of care appears to be better. In recent years the number of preschool children in growth enhancing early childhood programs has increased to approximately 42%. This is primarily due to legislation improving the staff-child ratio for infants and requiring credentialed caregivers (a Child Development Associate -CDA- or the equivalent) for every 20 children in care. This is an impressive accomplishment considering that other community-based studies have found only 12 to 14 percent of the children in child care are in arrangements that promote their growth and learning.
- The legislature has taken a further step in recognizing the need to promote quality early care and education programs by creating the Gold Seal Program, which recognizes centers and homes accredited by nationally recognized associations. To date over 370 centers have achieved accreditation, with more that 800 additional centers in the process.
- Nevertheless, minimum state licensing standards for three and four year olds and staff ratios remain twice the levels recommended by the NAEYC and the American Academy of Pediatrics.
- The state’s most effective mechanism for gauging quality in Subsidized Child Care settings is the Program Assessment Tool, which is modeled after the universally accepted key elements of quality listed above. The Department of Education is planning to use the tool for performance standards for the Prekindergarten Early Intervention Program.

F. BARRIERS TO QUALITY EARLY CARE AND EDUCATION

- The primary obstacle to the availability of quality early care and education for children birth to six is that most Floridians view child care as baby-sitting, not education.
 - The CED has found that the distinction between “Prekindergarten”, which has traditionally been viewed as “school-readiness”, and “child care”, which has traditionally been viewed as “baby sitting so parents can work” is counterproductive.
 - The CED has concluded that “all programs for children from birth to age 5 whether designated as child care, early childhood education or preschool should focus on educational and developmental needs.”
- Other barriers to quality care and education include:
 - The hourly expenditure for Subsidized Child Care is less than half that for children in Prekindergarten through high school.
 - The reimbursement rate for Subsidized Child Care is not based on the actual cost of a quality program.
 - The quality standards in the Assessment Tool do not apply to providers who receive reimbursement through Subsidized Child Care vouchers as opposed to those who contract for reimbursement. Providers do not even have to undergo background and criminal records checks.
 - Child care workers, even those with degrees or credentials, often earn little more than minimum wage, increasing employee turnover, training costs and disrupting the most important component of quality - the stability and continuity of the relationship between child and caregiver.
 - Florida’s Prekindergarten Early Intervention Program is not structured to meet the needs of working parents.
- With the onset of welfare reform, the need for quality infant care will be more acute.
 - Infant care is the most requested, most expensive and least available form of care.
 - While Florida has more child care centers per number of children than any other state in the nation, 58% of child care centers do not serve children under two.
 - There is a shortage of family child care homes. There is no state licensure requirement for family child care, and very little support is available.
 - Because of affordability and availability concerns many families rely on informal arrangements with friends or neighbors which may be the most inconsistent, and possibly most damaging form of child care. It is not uncommon for a family to have to change informal child care arrangements five times within a baby’s first year of life.
- Another major barrier is that quality care is expensive, beyond the reach of many families.
 - In many instances quality care is not affordable, particularly for low-income families. A single parent working at minimum wage would spend nearly half her income on child care for an infant at the market rate. Two parents working at minimum wage would spend over 1/3 of their income on child care for two children. A starting school teacher earning \$22,000 per year would still spend one-third of her income on child care for two children.

G. RECOMMENDATIONS

I. Fully fund Florida's Subsidized Child Care needs.

1. Support Governor Chiles' request for an \$89 million increase to provide Subsidized Child Care for WAGES participants making the transition from welfare to work, and a \$49 million increase for the non-welfare working poor.
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 - The \$8 million will serve more than 2,700 children of low-income working parents.
3. Provide sufficient funding in 1998-99 to serve all remaining children on the Subsidized Child Care waiting list.

II. All publicly funded early care and education programs must promote "school readiness" and offer a full-day, full-year option that makes it possible for parents to work.

1. All early care and education programs that receive state funds must meet specific performance standards geared toward preparing children for school and be held accountable by measurable standards.
2. Improve the quality of the Subsidized Child Care Program through well-planned incremental changes and a tiered payment system that rewards quality.
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THE GOVERNOR'S CHILD CARE EXECUTIVE PARTNERSHIP BOARD



*Maximizing Florida's Brain Power:
A New Vision for Early Care
and Education In Florida*