

2020-21

# School Readiness Program Provider Rate Increases



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## 2020-2021 Appropriations

The 2020 Florida Legislature appropriated \$50 million in Child Care and Development Funds (CCDF) to the Office of Early Learning (OEL) for provider rate increases. The requirements of this appropriation are below.

From the funds in Specific Appropriation 85, \$50,000,000 in nonrecurring funds from the Child Care and Development Block Grant Trust Fund is provided to the Office of Early Learning to provide eligible early learning coalitions with school readiness provider rate increases to reduce variance and inequities in provider payment rates across the state. The funds shall be placed in reserve. Upon the completion of a detailed allocation plan that identifies the school readiness provider payment rates that will be increased and how the \$50,000,000 will be allocated to the eligible early learning coalitions, the office is authorized to submit budget amendments for the funds being held in reserve pursuant to the provisions of chapter 216 Florida Statutes.

## Fair Market Rate for Child Care

Federal regulations implementing CCDF (45 CFR §98.45) require states to ensure equal access to child care by setting a fair Market Rate every two years. To ensure base provider payment rates are established at least at a level sufficient for child care providers to meet health, safety, quality, and staffing requirements, it is recommended that states reimburse providers at the 75<sup>th</sup> percentile.

## 2019 Market Rates and Provider Base Reimbursement Rates

The 2019 Market Rates include the quality differentials paid to providers for earning designated program assessment (CLASS) scores and participating in child assessments. For this reason, the coalitions' base reimbursement rates, as approved by OEL, will be used in the methodology to determine the 2020-2021 provider rate increases.

Reimbursement rates are determined by care level, part-time and full-time, for:

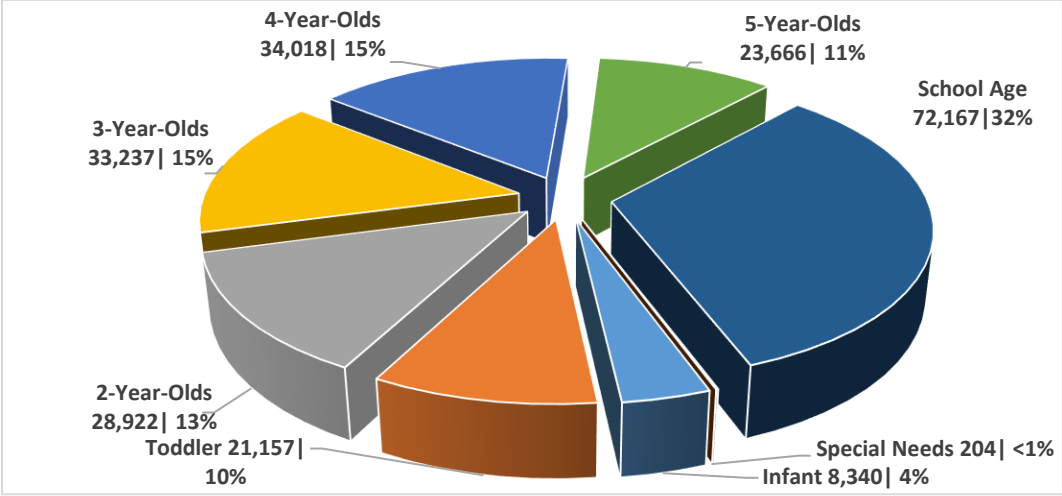
- Infants – Birth to 12 months of age
- Special Needs – Birth to 14 years of age (This rate is calculated as a differential based on the infant rate.)
- Toddlers – 12 to 24 months of age
- 2-Year Olds – 24 to 36 months of age
- Preschool 3-Year-Olds – 36 to 48 months of age
- Preschool 4-Year-Olds – 48 to 60 months of age
- Preschool 5-Year-Olds – 60 months of age to school entry
- School Age – School entry to 14 years of age

These rates are also calculated by the following provider types for Gold Seal and Non-Gold Seal:

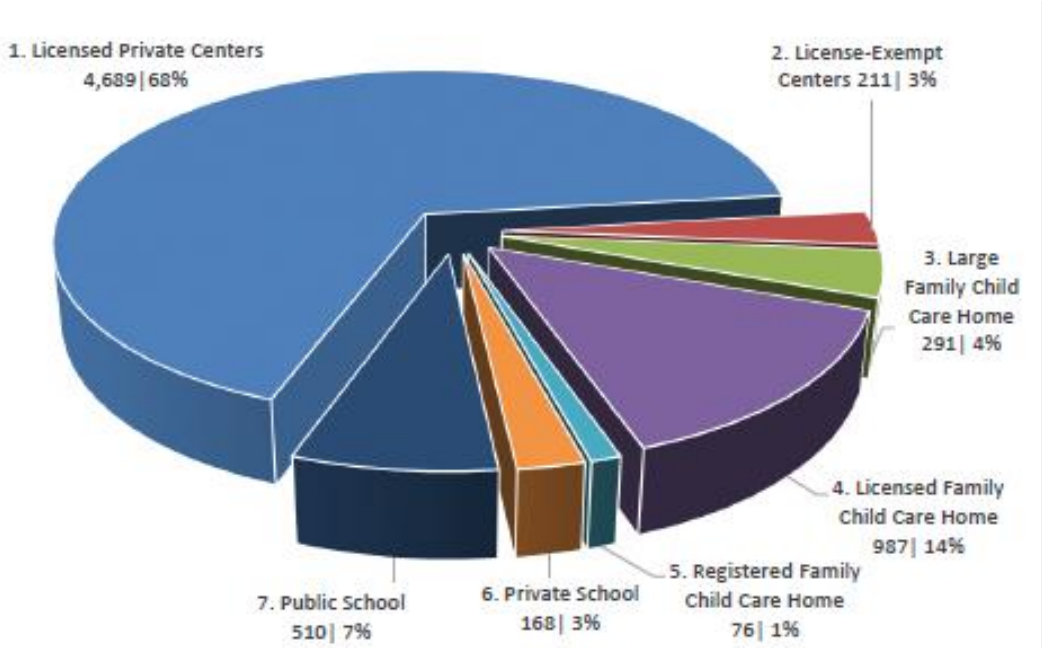
- Private Center
- Large Family Child Care Home
- Family Child Care Home
- Public School
- Non-Public School
- Faith-Based Exempt

**Children Served in 2019-2020 School Readiness Programs and School Readiness Providers**  
 In 2019-20, 221,711 children, birth through school-age, were served in 6,932 child care providers.<sup>1</sup>

**2019-20 SR Children Served by Age Groups<sup>2</sup> (221,711)**



**2019-2020 School Readiness Providers by Type (6,932)**



<sup>1</sup> OEL SR enrollment data from EFS Mod as of November, 2020; subject to change pending fiscal year closeout.  
<sup>2</sup> Ibid.

## Current SR Reimbursement Rates as a Percentage of the 75<sup>th</sup> Percentile of the 2019 Market Rates

SR base reimbursement rates are compared to the 75<sup>th</sup> percentile of the market rate for purposes of measuring how far the state has to go to get to the federal recommendation of the 75<sup>th</sup> percentile. Current statewide average SR base reimbursement rate percentages and average reimbursement rate amounts as compared to the 75<sup>th</sup> percentile by care level and provider type are displayed in the table below. Note that since the Market Rate Survey categories (Large Family Day Care Homes and Family Child Care Homes) do not directly align with the SR Plan Rates for Licensed Family Child Care Home as SR Plan Rate as a percentage of the 75<sup>th</sup> Percentile, for Licensed Family Child Care Home rates, the greater of the Market Rate Survey Large Family Day Care Home rate or Family Child Care Home rate was used. For Registered Family Child Care Home rates, the Family Child Care Home rate was used.

Statewide Average

Unit Of Care	Care Level	Current SR Plan Base Reimbursement Rates						Current SR Plan Base Reimbursement Rates as % of the 2019 Market Rates					
		Non Gold Seal			Gold Seal			Non Gold Seal			Gold Seal		
		Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes
Full Time	Infant	\$29.98	\$22.05	\$13.88	\$35.88	\$26.38	\$16.58	78.02%	61.18%	40.80%	75.70%	60.48%	38.02%
	Toddler	\$25.79	\$19.70	\$12.52	\$30.86	\$23.57	\$14.95	76.36%	62.48%	41.27%	76.25%	60.59%	38.44%
	2 Year Old	\$24.15	\$18.49	\$11.72	\$28.90	\$22.13	\$14.00	74.37%	57.64%	38.19%	72.12%	55.75%	35.28%
	Preschool 3	\$22.60	\$17.49	\$11.27	\$27.04	\$20.93	\$13.46	75.21%	58.10%	38.73%	72.96%	55.43%	35.67%
	Preschool 4	\$22.20	\$17.16	\$11.14	\$26.57	\$20.53	\$13.31	77.63%	57.75%	40.31%	72.80%	57.51%	37.29%
	Preschool 5	\$21.95	\$16.94	\$11.07	\$26.26	\$20.26	\$13.22	77.55%	60.70%	40.59%	72.92%	59.81%	39.15%
Part Time	Infant	\$20.85	\$14.98	\$9.49	\$24.95	\$17.92	\$11.11	61.04%	51.98%	35.54%	62.51%	50.29%	31.19%
	Toddler	\$18.37	\$13.46	\$8.54	\$21.98	\$16.10	\$9.98	61.17%	53.81%	34.16%	62.34%	50.66%	31.42%
	2 Year Old	\$17.09	\$12.64	\$7.95	\$20.44	\$15.12	\$9.31	60.27%	51.11%	32.57%	58.19%	45.10%	27.76%
	Preschool 3	\$15.65	\$11.92	\$7.63	\$18.72	\$14.25	\$8.93	60.81%	50.20%	33.55%	59.50%	46.45%	29.10%
	Preschool 4	\$15.50	\$11.77	\$7.55	\$18.55	\$14.08	\$8.83	63.16%	51.42%	34.37%	59.27%	47.39%	29.72%
	Preschool 5	\$15.41	\$11.68	\$7.54	\$18.44	\$13.97	\$8.82	63.72%	53.11%	34.53%	60.51%	47.00%	29.67%

Unit Of Care	Care Level	Rate Increase Percentage of the 75 <sup>th</sup> Percentile	Proposed New Rates						Rate Increase Amount					
			Non Gold Seal			Gold Seal			Non Gold Seal			Gold Seal		
			Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes	Licensed / Exempt	Licensed Family Child Care Home	Registered Family Child Care Homes
Full Time	Infant	100%	\$38.43	\$36.23	\$34.01	\$47.41	\$43.61	\$43.61	\$8.45	\$14.18	\$20.14	\$11.52	\$17.23	\$27.03
	Toddler	85%	\$28.71	\$27.17	\$25.77	\$34.40	\$33.07	\$33.07	\$2.92	\$7.46	\$13.26	\$3.54	\$9.49	\$18.11
	2 Year Old	85%	\$27.60	\$27.41	\$26.08	\$34.06	\$33.73	\$33.73	\$3.45	\$8.92	\$14.36	\$5.16	\$11.61	\$19.73
	Preschool 3	75%	\$22.54	\$22.80	\$21.82	\$27.80	\$28.31	\$28.31	\$0.00	\$5.31	\$10.56	\$0.76	\$7.39	\$14.85
	Preschool 4	75%	\$21.45	\$22.45	\$20.74	\$27.37	\$26.78	\$26.78	\$0.00	\$5.29	\$9.59	\$0.80	\$6.24	\$13.46
	Preschool 5	75%	\$21.23	\$21.26	\$20.45	\$27.01	\$25.41	\$25.33	\$0.00	\$4.33	\$9.38	\$0.75	\$5.15	\$12.11
Part Time	Infant	100%	\$34.16	\$29.43	\$26.70	\$39.91	\$35.63	\$35.63	\$13.31	\$14.45	\$17.21	\$14.96	\$17.71	\$24.51
	Toddler	85%	\$25.53	\$21.89	\$21.24	\$29.97	\$27.01	\$27.01	\$7.16	\$8.43	\$12.71	\$7.99	\$10.91	\$17.02
	2 Year Old	85%	\$24.10	\$21.51	\$20.75	\$29.87	\$28.49	\$28.49	\$7.01	\$8.87	\$12.80	\$9.42	\$13.37	\$19.18
	Preschool 3	75%	\$19.30	\$18.29	\$17.05	\$23.60	\$23.01	\$23.01	\$3.65	\$6.37	\$9.42	\$4.88	\$8.76	\$14.08
	Preschool 4	75%	\$18.41	\$17.70	\$16.47	\$23.47	\$22.29	\$22.29	\$2.91	\$5.93	\$8.92	\$4.92	\$8.21	\$13.45
	Preschool 5	75%	\$18.14	\$17.09	\$16.37	\$22.86	\$22.30	\$22.30	\$2.73	\$5.41	\$8.84	\$4.41	\$8.33	\$13.48

## Priority and Methodology for Calculating School Readiness Provider Rate Increases

In January 2021, OEL convened a workgroup of early learning coalition executive directors to review options for the provider increases. Consensus was reached on the priorities and methodology described below.

Care levels will be prioritized as follows:

- Infants/Special Needs\* (5% of total SR children served).
- Toddlers and Preschool Age 2 (10% and 13% of total SR children served).
- Preschool Ages 3, 4 and 5 years old (15%, 15% and 11%, respectively of total SR children served).

A tiered methodology, as displayed below, was used to increase reimbursement rates, by care levels, for a maximum allocation of \$50M for provider payments for January – June 2021.

Care Level /Percent of the 75 <sup>th</sup> Percentile	Infants: Percent of the 75 <sup>th</sup> Percentile	Toddlers: Percent of the 75 <sup>th</sup> Percentile	2 Year Olds: Percent of the 75 <sup>th</sup> Percentile	3 Year Olds: Percent of the 75 <sup>th</sup> Percentile	4 Year Olds: Percent of the 75 <sup>th</sup> Percentile	5 Year Olds: Percent of the 75 <sup>th</sup> Percentile	Estimated Fiscal Impact for 120 Days (6 Months)
	100%	85%	85%	75%	75%	75%	\$47,873,265

Details for the calculation methodology and the fiscal impact, by care levels, are below.

2020-21 Provider Rate Increases Proposed Methodology and Source Notes  
Data Points Utilized in Analysis of Fiscal Impact of Targeted Provider Rate Increases

Data Point	Data Source	Description
1 SR Plan Base Reimbursement Rates (Coalition Max Rates)	EFSM "CoalitionSRRate" and "CoalitionSRRatePlan" tables	Data query 1.8.21 from EFSM CoalitionSRRate and CoalitionSRRatePlan tables, for all coalitions, counties, care levels, units of care, Gold Seal Status, and provider types. Resulting data set was narrowed to include the rate plans for the primary counties within each coalition, Full-time (FT) and Part-time (PT) rates only, to best align and compare to the 75th Percentile for each grouping within the 2019 Market Rate Survey.
2 75th Percentile of the Market Rate	2019 Market Rate Survey	75th Percentile rate for each Provider Type, Gold Seal Status, Care Level and Unit of Care. Where 75th Percentile Rate is not available for the grouping at the county level, the statewide average is used.  <b>*Cells highlighted light orange indicate that the statewide average was used in place of an actual provided rate.</b>
3 SR Plan Base Reimbursement Rates as a Percent of the 75th Percentile	Calculated Field (Data Point 1 divided by Data Point 2)	SR Plan Base Reimbursement Rates (1) divided by the 75th Percentile of the Market Rate (2), for each Provider Type, Gold Seal Status, Care Level and Unit of Care. For Licensed Family Child Care Home and Registered Family Child Care Home rates, since the Market Rate Survey categories (Large Family Day Care Homes and Family Child Care Homes) do not directly align with the SR Plan Rates (Licensed Family Child Care Home and Registered Family Child Care Home), for Licensed Family Child Care Home as SR Plan Rate as a percentage of the 75th Percentile, the Greater Of the Market Rate Survey data Large Family Day Care Home rate or Family Child Care Home rate was used. For Registered Family Child Care Home Rates as a percentage of the 75th percentile of the Market Rate, the Family Child Care Home rate was used.  <b>*Percentages are color coded as follows: Green = 75%+ of the 75th Percentile Yellow = 50% - 74% of the 75th Percentile Red = Less than 50% of the 75th Percentile</b>
4 Rate Calculation as a Percent of 75th Percentile	Calculated Field	The 75th Percentile Rate from the Market Rate Survey (2), multiplied by each of the following incremental percentages, rounding results to the nearest percentile: 75th Percentile (100% of the 75th), 95% of the 75th Percentile, 90% of the 75th Percentile, 85% of the 75th Percentile, 80% of the 75th Percentile, 75% of the 75th Percentile, 65% of the 75th Percentile, 60% of the 75th Percentile, 50% of the 75th Percentile.
5 SR Rate Increase Amount	Calculated Field (If Data Point 4 is greater than 1, result 4 minus 1)	For each Provider Type, Gold Seal Status, Care Level and Unit of Care: If the resulting Rate Calculation as Percent of the 75th Percentile (4) is greater than the SR Plan Base Reimbursement Rate (1), then the SR Rate Increase amount is Rate Calculation as Percent of the 75th Percentile (4) minus the SR Plan Base Reimbursement Rate (1).
6 Children Enrolled as of January 2021	EFSM	Number of children enrolled at each provider as of January 14, 2021, for each coalition, county, provider type, gold seal status, care level and unit of care. (Statewide total = 146,342)
7 Annual Days Paid	Input Field	240 Days, based on avg of 20 days paid per month (accounting for statewide average number of unpaid absences per month) for 12 months for annual increase; 120 days used for January - June impact.
8 Fiscal Impact	Calculated Field (Data Point 5 multiplied by Data Point 6 multiplied by Data Point 7)	Fiscal Impact for each scenario is calculated by multiplying the resulting SR Rate Increase Amount (5) times the number of Children Enrolled as of January 2021 (6) times the Annual Days Paid (7).

### Fiscal Impact Scenarios

Base SR Reimbursement Rate Increase	Priority 1	Priority 2	Priority 3	Annual Impact	Jan - June Impact
	Infants / Special Needs	Toddlers	Preschool Ages 3-5	Statewide Total for 240	Statewide Total for 120
	INF, SPCR	TODD, 2YR	PR3, PR4, PR5	Days	Days
75th Percentile	\$ 13,395,346	\$ 89,848,174	\$ 130,732,063	\$ 233,975,582	\$ 116,987,791
95% of 75th Percentile	\$ 10,831,298	\$ 75,246,699	\$ 109,790,552	\$ 195,868,548	\$ 97,934,274
90% of 75th Percentile	\$ 8,373,670	\$ 60,863,814	\$ 89,092,388	\$ 158,329,873	\$ 79,164,937
85% of 75th Percentile	\$ 6,125,942	\$ 47,554,556	\$ 69,057,720	\$ 122,738,218	\$ 61,369,109
80% of 75th Percentile	\$ 4,120,689	\$ 34,623,783	\$ 50,888,109	\$ 89,632,581	\$ 44,816,290
75% of 75th Percentile	\$ 2,309,527	\$ 22,997,769	\$ 34,796,628	\$ 60,103,924	\$ 30,051,962
70% of 75th Percentile	\$ 1,001,903	\$ 13,300,702	\$ 21,456,571	\$ 35,759,177	\$ 17,879,588
65% of 75th Percentile	\$ 309,271	\$ 6,501,560	\$ 11,371,572	\$ 18,182,403	\$ 9,091,201
60% of 75th Percentile	\$ 96,353	\$ 2,380,820	\$ 4,595,647	\$ 7,072,820	\$ 3,536,410
50% of 75th Percentile	\$ 5,184	\$ 49,658	\$ 259,964	\$ 314,807	\$ 157,403
	Priority 1	Priority 2	Priority 3	Statewide Total for 240	Statewide Total for 120
	Infants / Special Needs	Toddlers	Preschool Ages 3-5	Days	Days
	INF, SPCR	TODD, 2YR	PR3, PR4, PR5	Days	Days
<b>Scenario 1:</b>	\$ 13,395,346	\$ 47,554,556	\$ 34,796,628	\$ 95,746,530	\$ 47,873,265
Increase provider rates to bring all providers up to the 75th percentile for Infants, 85% of the 75th for Toddlers, and 75% of the 75th for Preschool 3-5.					
<i>Additional Funds Needed to bring all up to the 75th Percentile</i>	\$ -	\$ 42,293,617	\$ 95,935,435	\$ 138,229,052	\$ 69,114,526

Coalition

### Allocations

The Coalition Allocation for the School Readiness Provider Reimbursement Rate Increases is displayed below. The remaining \$2,126,735 will be allocated based on changes in enrollments.



**2021 Provider Rate Increases - Coalition Allocations**

Coalition	Infant	Special Needs	Toddler	2 Year Old	Preschool 3	Preschool 4	Preschool 5	Total
ELC of Alachua	\$ 57,358	\$ 1,291	\$ 188,287	\$ 175,896	\$ 23,040	\$ 6	\$ 900	\$ 446,778
ELC of the Big Bend Region	\$ 258,216	\$ -	\$ 336,014	\$ 429,507	\$ 381,647	\$ 371,807	\$ 156,852	\$ 1,934,042
ELC of Brevard	\$ 235,998	\$ 991	\$ 269,810	\$ 248,410	\$ 155,914	\$ 121,898	\$ 88,505	\$ 1,121,527
ELC of Broward	\$ 316,954	\$ 10,172	\$ 619,024	\$ 580,220	\$ 225,893	\$ 226,881	\$ 17,699	\$ 1,996,843
ELC of Duval	\$ 948,120	\$ 2,640	\$ 1,485,366	\$ 1,324,532	\$ 975,570	\$ 1,313,424	\$ 419,646	\$ 6,469,298
ELC of Emerald Coast	\$ 65,562	\$ -	\$ 52,680	\$ 64,535	\$ 6,730	\$ 3,672	\$ 3,019	\$ 196,198
ELC of Escambia	\$ 110,948	\$ -	\$ 38,911	\$ 94,909	\$ 1,096	\$ 2,560	\$ 436	\$ 248,858
ELC of Flagler and Volusia	\$ 242,959	\$ 9,168	\$ 358,415	\$ 437,881	\$ 281,556	\$ 204,282	\$ 82,854	\$ 1,617,115
ELC of Florida's Gateway	\$ 26,590	\$ -	\$ 34,266	\$ 92,994	\$ 44,088	\$ 39,372	\$ 33,642	\$ 270,951
ELC of Florida's Heartland	\$ 56,011	\$ 4,296	\$ 31,177	\$ 29,520	\$ 2,160	\$ 1,320	\$ 1,807	\$ 126,292
ELC of Hillsborough	\$ 647,572	\$ 6,631	\$ 769,987	\$ 1,841,484	\$ 1,202,896	\$ 1,010,723	\$ 351,425	\$ 5,830,717
ELC of Indian River, Martin, Okeechobee	\$ 161,730	\$ -	\$ 194,087	\$ 218,369	\$ 145,291	\$ 117,035	\$ 53,268	\$ 889,780
ELC of Lake	\$ 152,496	\$ 6,223	\$ 267,204	\$ 316,566	\$ 326,886	\$ 257,634	\$ 94,692	\$ 1,421,701
ELC of the Nature Coast	\$ 60,492	\$ -	\$ 75,312	\$ 138,697	\$ 71,674	\$ 77,470	\$ 59,894	\$ 483,538
ELC of Manatee	\$ 158,216	\$ -	\$ 241,216	\$ 299,056	\$ 207,385	\$ 162,796	\$ 51,436	\$ 1,120,104
ELC of Marion	\$ 133,913	\$ 3,762	\$ 158,722	\$ 173,179	\$ 132,960	\$ 93,496	\$ 47,550	\$ 743,581
ELC of Miami-Dade/Monroe	\$ 262,940	\$ -	\$ 257,054	\$ 343,373	\$ 103,259	\$ 12,904	\$ 6,173	\$ 985,703
ELC of North Florida	\$ 259,176	\$ 7,960	\$ 460,487	\$ 572,303	\$ 324,215	\$ 310,186	\$ 103,588	\$ 2,037,914
ELC of Northwest Florida	\$ 23,424	\$ -	\$ 8,193	\$ 40,328	\$ 14,910	\$ 12,960	\$ 7,635	\$ 107,450
ELC of Orange	\$ 294,635	\$ 13,830	\$ 1,209,287	\$ 1,609,799	\$ 935,933	\$ 789,378	\$ 312,456	\$ 5,165,317
ELC of Osceola County	\$ 139,331	\$ -	\$ 196,849	\$ 307,368	\$ 125,406	\$ 151,860	\$ 56,376	\$ 977,190
ELC of Palm Beach	\$ 549,341	\$ -	\$ 1,103,543	\$ 1,757,946	\$ 935,249	\$ 1,086,668	\$ 446,330	\$ 5,879,076
ELC of Pasco and Hernando	\$ 334,255	\$ -	\$ 382,325	\$ 763,395	\$ 436,742	\$ 365,286	\$ 152,255	\$ 2,434,258
ELC of Pinellas	\$ 268,130	\$ 1,392	\$ 409,210	\$ 484,397	\$ 20,360	\$ 1,902	\$ 9,316	\$ 1,194,707
ELC of Polk	\$ 265,116	\$ -	\$ 294,170	\$ 485,369	\$ 201,362	\$ 106,092	\$ 40,122	\$ 1,392,231
ELC of Santa Rosa	\$ 57,247	\$ -	\$ 56,484	\$ 50,460	\$ 7,514	\$ 13,126	\$ 1,944	\$ 186,775
ELC of Sarasota County	\$ 12,450	\$ -	\$ 3,808	\$ 25,215	\$ 1,584	\$ 45,276	\$ 52,739	\$ 141,072
ELC of Seminole	\$ 235,715	\$ -	\$ 234,469	\$ 310,742	\$ 18,750	\$ 34,628	\$ 18,500	\$ 852,804
ELC of Southwest Florida	\$ 184,195	\$ -	\$ 114,340	\$ 331,427	\$ 89,302	\$ 68,334	\$ 12,539	\$ 800,137
ELC of St. Lucie	\$ 98,215	\$ -	\$ 150,102	\$ 226,156	\$ 57,354	\$ 160,530	\$ 94,200	\$ 786,557
Redlands Christian Migrant Association	\$ 11,972	\$ 38	\$ -	\$ 2,448	\$ -	\$ -	\$ 290	\$ 14,749
<b>Total</b>	<b>\$ 6,629,278</b>	<b>\$ 68,395</b>	<b>\$ 10,000,797</b>	<b>\$ 13,776,481</b>	<b>\$ 7,456,724</b>	<b>\$ 7,163,503</b>	<b>\$ 2,778,087</b>	<b>\$ 47,873,265</b>

Coalitions negotiate with each provider a reimbursement rate based on the coalition’s base reimbursement rate and the provider’s private pay rate. It is estimated that over 5,500 School Readiness providers will benefit from these increases. It is important to note, that if the coalition’s approved base reimbursement rate is higher than the percentages proposed, there will be no increase to these rates. However, there will not be any reductions in provider reimbursement rates.

**Impact for 2021-2022**

An appropriation of \$100 million in CCDF funds will be needed to sustain these increases.