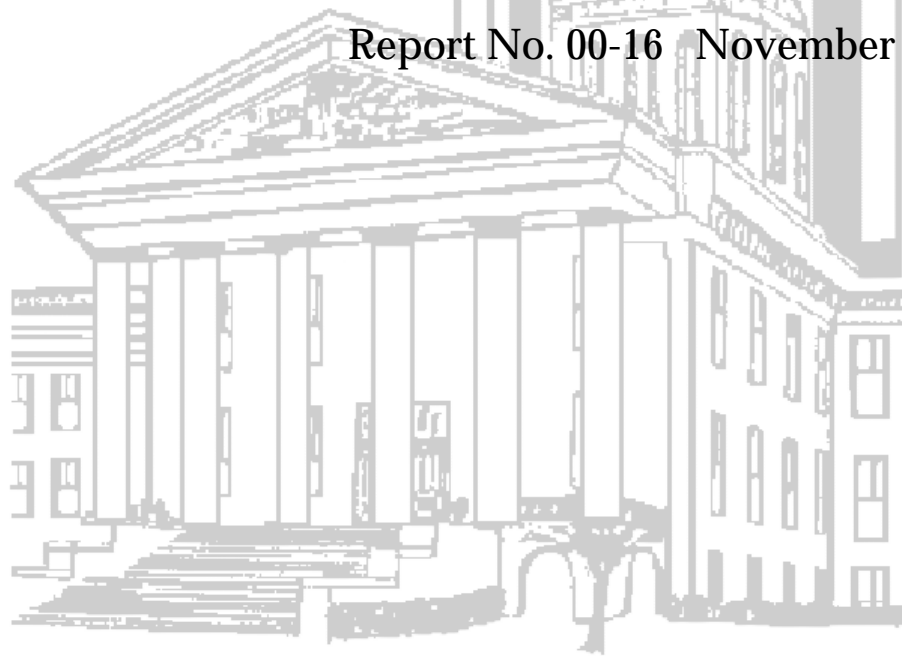


oppaga

Justification Review

Child Care Program
Florida Department of Children and Families

Report No. 00-16 November 2000



*Office of Program Policy Analysis
and Government Accountability*

an office of the Florida Legislature

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John W. Turcotte, OPPAGA Director



The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



John W. Turcotte, Director

November 2000

The President of the Senate,
the Speaker of the House of Representatives,
and the Joint Legislative Auditing Committee

I have directed that a program evaluation and justification review be made of the Child Care Program administered by the Florida Department of Children and Families. The results of this review are presented to you in this report. This review was made as a part of a series of justification reviews to be conducted by OPPAGA under the Government Performance and Accountability Act of 1994. This review was conducted by Nancy Dufoe, Kara Collins-Gomez, and Brenda Hughes under the supervision of Frank Alvarez.

We wish to express our appreciation to the staff of the Florida Department of Children and Families for their assistance.

Sincerely,

John W. Turcotte
Director

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Justification Review of the Child Care Program

Purpose

This report presents the results of the Office of Program Policy Analysis and Government Accountability's program evaluation and justification review of the Department of Children and Families' Child Care Program. State law directs our office to complete a justification review of each state agency that is operating under a performance-based program budget. Our office is to review each program's performance and identify alternatives for improving services and reducing costs.

Background

The purpose of the Child Care Program is to

- protect the health and welfare of children in child care by regulating child care centers and homes;
- enhance children's physical, intellectual, motor, and social development by promoting high quality child care; and
- provide subsidized child care to low-income families so they can obtain and maintain employment and increase financial self-sufficiency and to children at risk of abuse and neglect so that these children have a safe child care arrangement.

The Child Care Program comprises two components: child care licensing and subsidized child care.

Child Care Licensing regulates child care providers, promotes high quality in child care settings, and provides training for providers. As of June 2000, there were 14,620 child care providers regulated by the program, and these providers had the capacity to serve 573,039 children.

Subsidized Child Care provides child care services to children at risk of abuse and neglect and children who come from economically disadvantaged families. In Fiscal Year 1999-2000, the program provided

subsidized child care services for an average of 124,793 children each month.

Program Benefit, Placement, and Performance

Program services appear to provide benefits to clients and to the state

The program appears to provide beneficial services to clients and to Florida's citizens. Several state and national studies indicate that improvements in children's cognitive development are related to the implementation of more stringent child care licensing standards. For example, a 1998 study on the impact of increased licensing standards in Florida concluded that after more stringent standards were adopted, children showed improvements in their cognitive development and language proficiency skills and were observed to spend more time in learning activities.

In addition, if the program's subsidized child care component were eliminated, Florida's most vulnerable children would likely be affected negatively. In the absence of subsidized child care, families of nearly 20,000 children who are at risk of abuse and neglect and economically disadvantaged families of over 100,000 children would likely be unable to afford their current child care services. As a result, the parents would likely have to put their children in other settings that may not be as safe and secure, or stop working to care for their children.

Child care licensing should remain with the department at this time, but subsidized child care is being transferred

The administration of the child care licensing function by the Department of Children and Families is appropriate and there are no compelling reasons to transfer this function to any other state agency at this time. However, to fulfill the legislative intent of the 1999 school readiness legislation, the administration of the subsidized child care component is currently being transferred from the Department of Children and Families to the Florida Partnership for School Readiness and 57 local school readiness coalitions.

Child care licensing

The number of verified incidents of abuse and neglect in licensed child care settings has decreased

Performance data shows that the program's licensing and enforcement efforts are reasonably effective in ensuring healthy and safe child care environments. Specifically, the number of verified incidents of abuse and neglect in child care settings regulated by the program declined slightly from 74 verified incidents in Fiscal Year 1997-98 to 64 verified incidents in Fiscal Year 1999-2000. This decline occurred during a period when the number of verified incidents statewide increased from 15,321 in Fiscal Year 1997-98 to 17,321 in Fiscal Year 1999-2000.

Steps have been taken to improve the quality of care in regulated child care settings

In addition, the program has taken steps to improve the quality of care in regulated child care settings by implementing several legislative initiatives, including improved staff-to-child ratios and increased training requirements for child care personnel. An independent 1998 study assessing the impact of these statutory changes on children's cognitive development concluded that there was a statistically significant correlation between the changes and improved outcomes in children, including improvement in children's cognitive development and language proficiency.

Enforcement problems reduce the program's regulatory effectiveness

However, our review identified two primary deficiencies with the program's enforcement activities that reduce its regulatory effectiveness. First, the department enforcement policies for child care regulations are not applied consistently across the department's district offices. Second, the department's information systems provide insufficient information to make informed policy and management decisions. The program has taken steps to address both of these deficiencies, including contracting with a consultant to develop a standard training curriculum for licensing staff and developing a proposal to fund development of an enhanced statewide licensing information system.

Subsidized child care

All subsidized child care clients in two priority groups are being served

Based upon Fiscal Years 1998-99 and 1999-2000 subsidized child care performance information, we determined that the program is fulfilling its statutory mandate by serving its priority at-risk and WAGES/transitional child care clients. During Fiscal Year 1999-2000, the program served 100% of its clients in these two highest priority client groups.

Most subsidized child care clients feel that program services are helpful

Performance data also shows that program clients are generally satisfied with subsidized child care services. In Fiscal Year 1998-99, 94% of the clients reported that they were satisfied with program services.

Steps have been taken to address the needs of working-poor clients

The program and the Legislature have taken steps to address child care services for working-poor clients. The 2000 Legislature amended statutes to make it easier for the program to serve working-poor clients and to extend eligibility so that working subsidized child care clients can receive services for longer periods of time. The 2000 Legislature also increased the appropriation for subsidized child care services by \$71 million, or a 15.5% increase over the Fiscal Year 1999-2000 appropriation.

Additional steps must be taken to effectively implement school readiness legislation

The program is working with the Florida Partnership for School Readiness to implement the recent school readiness legislation, but several issues must be addressed to effectively incorporate subsidized child care into the school readiness program. First, subsidized child care, unlike Pre-K and Head Start, was not originally intended to be an

educational program, so subsidized child care clients may not be prepared for school as intended by the legislation. Second, the subsidized child care developmental screening process is similar to the school readiness uniform screening process, which may lead to unnecessary duplication of screening procedures. Third, local school readiness coalitions are not required to utilize the statewide subsidized child care data system, which could lead to duplication in data systems.

Options for Improvement

Child care licensing

The program should follow up on recent training efforts

To improve the enforcement process, we recommend that program management follow up on the effectiveness of its recent training efforts. The program's central office should evaluate licensing counselors' knowledge within six months of their completion of the licensing curriculum to determine whether staff adequately understand the program's enforcement policies and procedures and to ensure that these practices are applied consistently and appropriately. If the evaluations indicate that staff continue to have misperceptions of the program's policies and procedures, additional training as well as on-site visits to licensing units should be conducted to provide additional technical assistance to licensing staff.

Districts should conduct annual unit monitoring

We also recommend that the department require all districts to conduct annual monitoring of licensing units to ensure that licensing and enforcement standards are applied consistently statewide. Reports on these monitoring visits should be submitted to the central office, which should review the reports to identify any procedural inconsistencies and provide technical assistance to licensing staff that are not applying department policies and procedures appropriately.

The program should develop a statewide licensing data system

To improve the accuracy and completeness of program licensing and enforcement data, we recommend that the department continue to pursue developing an automated statewide licensing data system for the Child Care Program. The enhanced system should include basic demographic information about all regulated child care providers, as well as specific information about inspections, complaints, violations, and enforcement actions.

The program should complete the mandated study of family child care homes

To determine if concerns about the quality and safety of registered family child care homes are valid, we recommend that the program conduct the statutorily mandated evaluation of the family child care home licensure and registration system required by s. 402.313(7), *Florida Statutes*, and inform the Legislature of its findings. If the results of the evaluation

demonstrate that the quality and safety of family child care homes is not a concern, the Legislature should consider eliminating the statutory requirement that the program conduct the evaluation.

***Local licensing
authorities should
report enforcement
data***

We also recommend that the Legislature amend s. 402.307(5), *Florida Statutes*, to require local licensing authorities to report additional licensing and enforcement data as part of their annual program reports. Similar to the quarterly licensing reports that districts are required to submit, the annual licensing report for local licensing authorities should include the number of child care centers and homes regulated; the number of facilities in which violations are detected and the nature of these violations; and the number of repeat violations identified and the sanctions imposed for these violations.

Subsidized child care

***The partnership should
take steps to increase
the educational quality
of subsidized child care***

In order for local school readiness programs to meet the Legislature's intent of enhancing educational readiness, we recommend that the Florida Partnership for School Readiness and local coalitions take steps to ensure that all state-funded preschool programs, including subsidized child care, contain a strong educational component. Such steps should increase educational quality without impairing parental choice. For example, the program could develop standardized handbooks describing recommended education activities at each age level; these handbooks could be provided to all preschool providers, including registered child care homes and informal placements that serve subsidized child care clients. In addition, the local school readiness coalitions should offer training to such providers in ways to increase the educational quality of child care settings.

***School readiness and
subsidized child care
developmental
screening processes
should be combined***

To avoid unnecessary duplication, we recommend that the school readiness and subsidized child care developmental screening processes be combined. Specifically, minimum screening criteria should be used with uniform screening tools to assess all children enrolled in school readiness programs, and all children should be screened according to the same schedule. Consolidation would prevent children from being screened repeatedly and would more effectively utilize resources.

***Local coalitions should
use existing statewide
data system***

To effectively and efficiently maintain school readiness data and to ensure that data is gathered in a uniform manner, we recommend that local coalitions continue to use the Statewide Child Care Administration and Reporting System (SRS) to compile and track school readiness program enrollment, waiting list, payment, and client data. In addition, the partnership, in consultation with the Child Care Program, should form a working group to consider any necessary modifications to make SRS functional for gathering data across all school readiness programs, including Head Start and Pre-K.

Agency Response

The Secretary of the Department of Children and Families and the Executive Director of the Florida Partnership for School Readiness provided written responses to our preliminary and tentative findings and recommendations. (See Appendix B, pages 44 and 48, for their individual responses.)

Introduction

Purpose

This report presents the results of OPPAGA's program evaluation and justification review of the Department of Children and Families' Child Care Program. State law directs OPPAGA to complete a justification review of each state agency program that is operating under a performance-based program budget. OPPAGA is to review each program's performance and identify alternatives for improving services and reducing costs.

This report analyzes the services provided by the Child Care Program and identifies alternatives to improve these services. Appendix A summarizes our conclusions regarding each of the nine areas the law directs OPPAGA to consider in a program evaluation and justification review.

Background

Program mission

The purpose of the Child Care Program is to

- protect the health and welfare of children in child care by regulating child care centers and homes;
- enhance children's physical, intellectual, motor, and social development by promoting high quality child care; and
- provide subsidized child care to low-income families so they can obtain and maintain employment and increase financial self-sufficiency and to children at risk of abuse and neglect so that these children have a safe child care arrangement.

The Child Care Program comprises two components: child care licensing and subsidized child care.

- ***Child Care Licensing*** regulates child care providers, promotes high quality in child care settings, and provides training for providers.

Introduction

- ***Subsidized Child Care*** provides child care services to children at risk of abuse and neglect and children who come from economically disadvantaged families.

The program is important for two reasons. First, most children are now in child care because most mothers are employed outside of their homes. An estimated 63% of mothers with children under age six are in the labor force and, as a result, an estimated 73% of children under the age of six receive child care in Florida.¹ Second, high quality child care is important to child health and safety and to later educational achievement. National studies indicate that regulation of child care providers helps to ensure the health, safety, and well-being of children in care. In addition, studies show that quality child care has positive effects on children's intellectual and cognitive development.²

Client services

Child care licensing

Historically, Florida has made efforts to ensure the health and safety of children cared for outside of their homes. In 1927, the Legislature established minimum child care standards, and the 1941 Legislature established licensing and inspection requirements for individuals and entities caring for children in counties with populations exceeding 267,000. In 1974, Florida joined other states in passing a statewide child care licensure law that mandated the licensure of child care providers and the development of minimum child care standards for every county in the state.

The program regulates child care centers and family child care homes

There are two primary types of child care arrangements that are subject to program regulation: child care centers and family child care homes. See Exhibit 1 for the definition of these child care arrangements and the number of children that these settings can accommodate. The program does not regulate child care that is provided in parents' own homes, such as the services of babysitters, au pairs, or nannies. In addition, the program does not regulate family child care providers who care for their own children and those of relatives or one other unrelated family.

¹ An estimated 696,100 children, out of a total of 951,586, are in child care. Estimates were made by the Children's Defense Fund based on 1996 Census Bureau data. These represent the most recent estimates available.

² *The Florida Child Care Quality Improvement Study: 1996 Report*, Families and Work Institute, 1998; *Child Care Quality: Does it Matter and Does it Need to be Improved?*, D. Vandell and B. Wolfe, Institute for Research on Poverty, 1999; *Regulating Child Care Quality*, W. Gormley, 1999; *Children Score Higher on Tests when Child Care Meets Professional Standards*, 1999; *Study Confirms Quality of Child Care Centers Affects Children's Intellectual Development*, U.S. Health Resources and Services Administration, 2000.

Exhibit 1

The Program Regulates Two Types of Child Care Arrangements

| Type of Child Care Arrangement | Definition | Number of Providers ¹ | Provider Capacity ² |
|--------------------------------|--|----------------------------------|--------------------------------|
| Child Care Centers | Any child care facility or arrangement that provides child care for more than five children unrelated to the operator and receives a payment, fee, or grant for any of the children receiving care. All child care centers that are not statutorily exempt must be licensed. | 6,394 | 509,403 |
| Family Child Care Homes | Any occupied residence in which child care is regularly provided for children from at least two unrelated families and which receives a payment, fee, or grant for any of the children receiving care. A family child care home may care for up to 12 children, depending upon the age distribution of the children in care and licensure status. ³ Family child care homes may be either registered or licensed, depending on the county in which they are located and the operators' choice. | 8,226 | 63,636 |

¹ As of June 3, 2000.

² *Ibid.*

³ Family child care homes are generally limited to a maximum of 10 children. However, homes can be licensed as "large family child care homes" and accommodate up to 12 children, depending upon the age distribution of the children in care. Large family child care homes must be licensed.

Note: Numbers indicate providers' total capacity because the program does not track actual enrollment.

Source: Section 402.302, *F.S.*, and Department of Children and Families.

Regulation standards vary by child care arrangement

The level of regulation varies by type of child care arrangement. In most counties, family child care homes must register with the program or may, at the operator's discretion, become licensed. Licensing requires stricter standards than does registration (see Exhibit 2). However, all family child care homes must be licensed in the eight counties that have passed resolutions requiring all child care arrangements in their counties to become licensed.³ All child care centers statewide that are not statutorily exempt must be licensed.⁴

³ As authorized by s. 402.313(1), *F.S.*, any board of county commissioners may pass a resolution requiring family day care homes located within the county to be licensed rather than registered. As of July 2000, eight counties had adopted such resolutions; these are Broward, Dade, Duval, Hillsborough, Nassau, Palm Beach, Pinellas, and Sarasota.

⁴ Section 402.316, *F.S.*, exempts from licensure accredited child care facilities that are an integral part of church or parochial schools. In addition, s. 402.302, *F.S.*, exempts from licensure public and nonpublic schools, summer camps, and bible schools, and s. 402.3025, *F.S.*, exempts from licensure pre-K programs at public and non-public schools.

Exhibit 2
Health and Safety Standards Are Higher for Licensed Providers
Than for Registered Providers

| Child Care Arrangement | Minimum Health and Safety Standards |
|---|--|
| Registered Family Child Care Homes | <ul style="list-style-type: none"> ▪ Register annually ▪ Provide proof of substitute care ▪ Provide proof of screening/background checks of all adults in household ▪ Keep current immunization records of children on file ▪ Complete a 30-hour family child care course |
| Licensed Family Child Care Homes | <p>Licensed homes must meet all requirements for registration and must pass an initial state inspection to ensure compliance with statutory requirements. In addition, they must take the actions noted below.</p> <ul style="list-style-type: none"> ▪ Follow health, safety, and nutrition guidelines ▪ Maintain admissions and record keeping ▪ Maintain current certification of a CPR and first aid course ▪ Comply with two routine inspections per year ▪ Adhere to staff-to-child ratios ▪ Allow access to children in care ▪ Adhere to all other standards in statute |
| Licensed Child Care Centers | <p>Licensed child care centers must meet all requirements for licensure and must pass an initial state inspection to ensure compliance with statutory requirements. In addition, they must take the actions noted below.</p> <ul style="list-style-type: none"> ▪ Administer screening/background checks of all personnel ▪ Follow health, safety, and nutrition guidelines ▪ Maintain admissions and record keeping ▪ Maintain current certification of a CPR and first aid course ▪ Ensure that all child care personnel complete a 40-hour child care course ▪ Comply with transportation safety requirements ▪ Comply with three routine inspections per year ▪ Submit a plan of activities ▪ Adhere to staff-to-child ratios ▪ Allow access to children in care ▪ Adhere to all other standards in statute |

Source: Chapter 402, *F.S.*, and Department of Children and Families.

The program uses a progressive enforcement process to sanction noncompliant providers

The program may take a variety of enforcement actions when it identifies violations of legal requirements. As shown in Exhibit 3, sanctions are imposed upon providers using a progressive enforcement process that begins with a corrective action plan and ends with revocation of the provider's license. The program classifies violations into three categories. A Class I violation is defined as the violation of a standard that immediately threatens the safety and health of the children in care; a Class II violation is a serious violation that does not pose an immediate threat to the safety and health of the children in care; and a Class III violation is the least serious violation type and is generally related to the maintenance and operation of the child care facility or home.

Exhibit 3
Child Care Licensing Uses a Progressive Enforcement Model

| Enforcement Action | |
|-------------------------|--|
| Corrective action plan | This action is the least restrictive action. Violations are cited, discussed with the provider, and timeframes for correction are established. |
| Official warning/notice | If the provider does not begin to take corrective action, a letter is sent advising that an administrative fine will be levied if they do not come into compliance and are cited again for same violation. |
| Administrative fines | Monetary sanctions generally are used under only two conditions: when a provider has a Class I violation or when a provider fails to complete corrective action within specified time frames for a violation determined to be Class II or Class III. The maximum fines for Class I, II, and III violations are \$500, \$100, and \$50 per day, respectively. |
| Provisional license | When administrative fines have been levied and the items cited out of compliance remain uncorrected for reasons within the control of the provider, a provisional license for a period not to exceed six months is issued, with the understanding that the next step will be suspension of the license. Provisional licenses can also be issued pending timely background screening. |
| Suspension | If the provider is still out of compliance at the end of the provisional license period, their license will be suspended. There may also be reason to suspend a license when there is an allegation of overt abuse or neglect, pending the outcome of the investigation. |
| Revocation | Termination of license to operate as a result of long-standing deficiencies and noncompliance or as a result of an abuse or neglect investigation is the most restrictive action. |

Source: Department of Children and Families Licensing Desk Reference.

Subsidized child care

The Child Care Program has provided subsidized child care services to at-risk and economically disadvantaged children since 1978. The number of children served by the program has grown substantially over time, increasing from 39,912 children in January 1989 to 122,680 children in January 2000.

Introduction

The program uses a mix of state and federal funds to subsidize the cost of child care services for eligible children. State and federal funds pay for most of the cost of care (with subsidies that average approximately \$3,750 per child), but parents contribute to this cost on a sliding fee scale. The sliding fee is based on the family size, household income, and federal poverty level.⁵ Weekly parent fees range from \$4 to \$56 for one child in full-time care. Parents whose children are eligible for subsidized child care may seek services from a wide variety of child care providers, including child care centers, family child care homes, informal providers, and relatives.

Subsidized child care services are provided to three priority groups

As required by s. 402.3015, *Florida Statutes*, there are three primary target populations for subsidized child care services: children at risk of abuse and neglect; children whose family income is at or below the federal poverty level and whose parents are either currently enrolled or were enrolled within the past two years in the Work and Gain Economic Self-sufficiency (WAGES) Program; and children whose family income is greater than 100% but not exceeding 150% of the federal poverty level. Subsidized child care services are also provided to other clients, including children of migrant farm workers and teen parents.

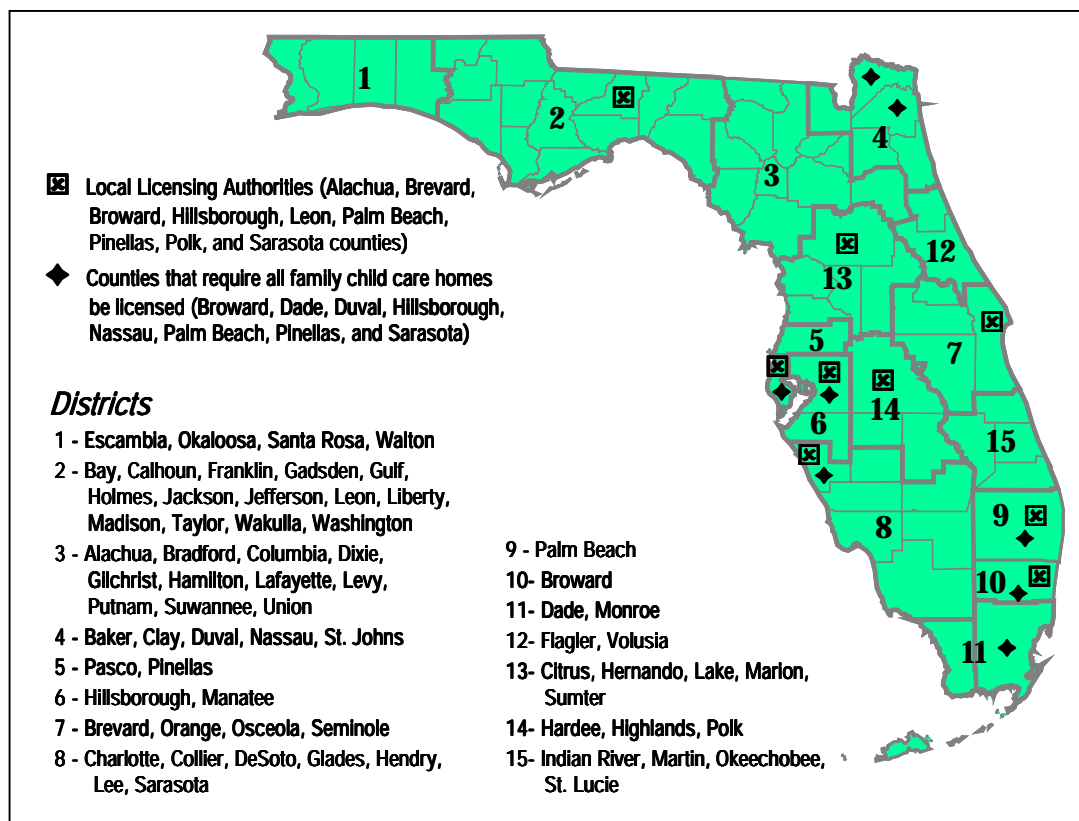
Program activities include determining client eligibility, informing families who apply for subsidized child care services about resource and referral services, and purchasing child care services. In addition, the program provides developmental assessments and ensures that follow-up services are provided to children in subsidized child care, and provides technical assistance to and monitors child care providers to ensure that quality care is provided in subsidized child care settings.

Program organization

The Department of Children and Families administers the Child Care Program through a central program office in Tallahassee and the department's 15 district offices (see Exhibit 4).

⁵ According to U.S. Department of Health and Human Services poverty guidelines, in 2000 the federal poverty level for a family of four was an annual income of \$17,050.

Exhibit 4
Department of Children and Families
Child Care Program Service Districts



Source: Map generated by OPPAGA from analysis of department records.

Child care licensing

The program is responsible for child care licensing in 58 of the 67 counties. Nine counties whose licensing standards meet or exceed the state's standards are local licensing authorities and are responsible for child care licensure within their counties.⁶

Child care licensing services are provided through a central program office, 15 district service offices, and 30 licensing units.

- **Central Program Office.** Staff headquartered in Tallahassee oversee state-level planning and policy development and provide technical assistance and support for district office staff. In addition, central program office staff contract with private agencies to provide training to child care personnel. Florida law requires training to be provided

⁶ According to s. 402.306, *F.S.*, any county whose licensing standards meet or exceed state minimum standards may designate a local licensing agency to license child care facilities in the county. Nine counties have chosen to be designated local licensing authorities; these counties are Alachua, Brevard, Broward, Hillsborough, Leon, Palm Beach, Pinellas, Polk, and Sarasota.

to child care personnel, which must include state and local rules and regulations that govern child care; health, safety, and nutrition; identifying and reporting child abuse and neglect; child development; and observing developmental behaviors.

- ***District Offices.*** Staff in the department's 15 district service offices monitor, review, and approve registration and license applications.⁷ District level licensing specialists provide technical assistance to licensing counselors in local licensing units and annually review the performance of local licensing authorities within their districts to ensure compliance with statutory requirements.
- ***Licensing Units.*** These units operate within the 15 districts, and licensing counselors are responsible for handling registration and license applications, assisting applicants, inspecting providers, and initiating enforcement actions against providers who do not comply with statutory requirements.⁸

Subsidized child care

As a result of school readiness legislation passed by the 1999 Legislature, the organizational structure of the subsidized child care component is in transition.⁹ The legislation established a statewide school readiness program for "at-risk" children (children at risk of abuse and neglect and children who come from economically disadvantaged families) with the intent of enhancing educational readiness, coordinating funding streams for current educational programs (e.g., subsidized child care, Head Start, and Pre-K), and facilitating locally designed, operated, and managed programs. The Florida Partnership for School Readiness governs the statewide program, while 57 school readiness coalitions are responsible for implementing the program at the local level.

Before the school readiness legislation, the program's subsidized child care services were provided through the department's central program office, its 15 district service offices, 25 community child care coordinating agencies, and child care providers. As of September 2000, this structure was still largely in place, but will likely change with the full implementation of the reorganization.

- ***Central Program Office.*** Staff in the department's headquarters in Tallahassee oversee state-level planning and policy development and provide technical assistance to district office staff and child care providers. The central program office also maintains the statewide subsidized child care information system and serves as the repository for federal funds.

⁷ In two districts (Districts 9 and 10), county governments issue all child care licenses.

⁸ *Ibid.*

⁹ Chapter 99-357, *Laws of Florida*.

- ***District Offices.*** The department's 15 district service offices contract with community child care coordinating agencies (4Cs) to provide subsidized child care services. District child care specialists are responsible for developing, negotiating, and monitoring contracts with 4Cs.
- ***Community Child Care Coordinating Agencies.*** These agencies are responsible for client eligibility determination, resource and referral services for families seeking subsidized child care, and purchasing child care services through directly operated centers, subcontracted facilities, and a voucher/certificate system. In addition, 4Cs are responsible for the developmental assessment of all children who receive subsidized child care services.
- ***Child Care Providers.*** The 4Cs contract with child care providers to provide direct services to program clients. Providers fall into two main categories: purchase of service providers, which includes centers directly operated by community child care coordinating agencies, subcontracted child care centers, and subcontracted family child care homes; and certificate/voucher providers, which includes centers, family child care homes, and informal providers who are reimbursed through a voucher from the parent.¹⁰

Currently, subsidized child care program central office staff are collocated with Florida Partnership for School Readiness staff, and program district level staff are also being transitioned to the partnership. However, all staff are still Department of Children and Families employees. Subsidized child care services continue to be provided through the community child care coordinating agencies and child care providers.

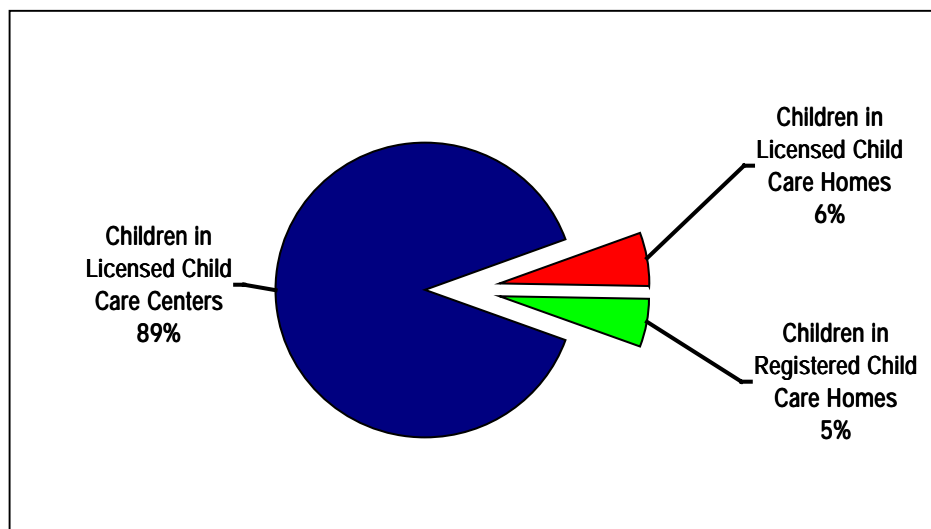
By June 30, 2001, all subsidized child care staff will be transitioned to the partnership. Once the legislation is fully implemented, the partnership will administer the subsidized child care program through the 57 local school readiness coalitions. According to program staff, the local coalitions may or may not continue to utilize the 25 community child care coordinating agencies to provide the primary subsidized child care services.

Clients served

As of June 2000, state-regulated child care settings had the capacity to serve 573,039 children. As shown in Exhibit 5, most of these children (89%) were cared for in licensed child care centers.

¹⁰ Informal providers are not regulated by the state and include relatives and friends of parents, nannies, au pairs, and babysitters.

Exhibit 5
Most Children in State-Regulated Settings Were Cared for in Licensed Child Care Centers

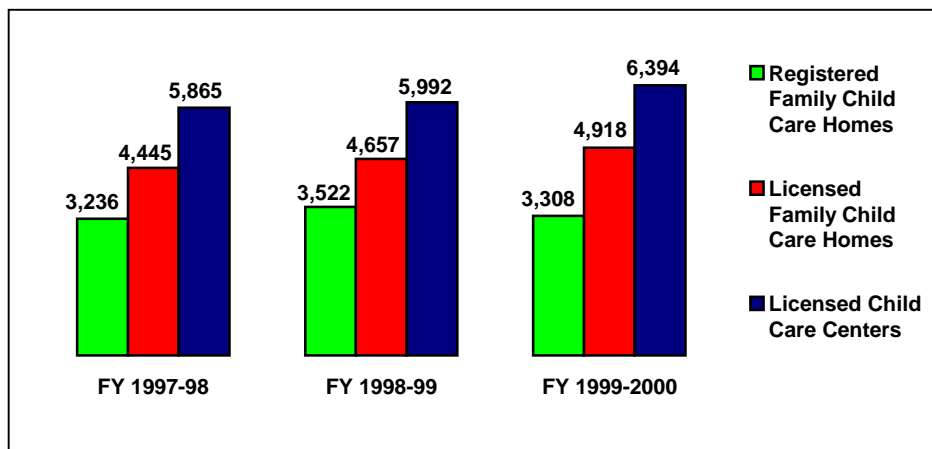


Note: Fiscal Year 1999-2000 data is as of June 3, 2000; in addition, numbers indicate providers' total capacity because the program does not track actual enrollment.

Source: Department of Children and Families.

The number of child care providers regulated by the program has increased from Fiscal Year 1997-98 to Fiscal Year 1999-2000. Exhibit 6 shows that the number of licensed child care centers and licensed family child care homes increased during this period, but the number of registered family child care homes decreased from Fiscal Year 1998-99.

Exhibit 6
The Number of Child Care Providers Regulated by the Program Has Increased Over Time

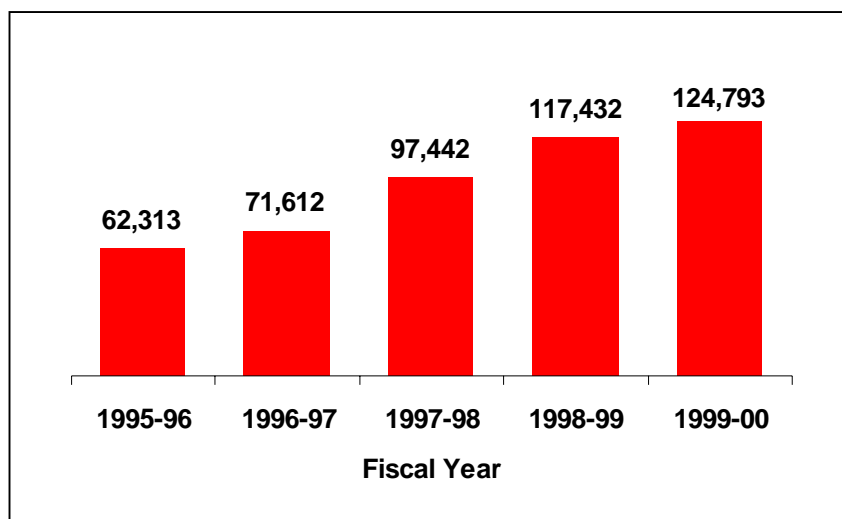


Note: Fiscal Year 1999-2000 data is as of June 3, 2000.

Source: Department of Children and Families.

Exhibit 7 shows that the number of children receiving subsidized child care services has increased steadily over the past five years. In Fiscal Year 1995-96, the program served an average of 62,313 children monthly, while in Fiscal Year 1999-2000, the program served an average of 124,793 children each month. This represents more than a 100% increase in the average number of children served each month. One likely reason for the increase is growth in the population of working-poor families who qualify for services as a result of welfare reform.¹¹

Exhibit 7
Between Fiscal Years 1995-96 and 1999-2000,
the Number of Children Receiving Services Doubled



Note: Numbers represent monthly averages.

Source: Department of Children and Families.

Program resources

The Child Care Program receives funding from several sources. The two largest sources are federal grants (82%) and state general revenue (16.9%), with licensing fees and administrative fines levied against providers accounting for the remaining resources allocated to the program. As shown in Exhibit 8, 5.3% of program funds are allocated to the child care licensing component, while 94.7% are allocated to the subsidized child care component.

¹¹ Under the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act, all families on welfare, including those with pre-school aged children, are required to work. As a result, the number of working-poor families is increasing as many former welfare recipients are transitioning to work. For example, nationally between 1989 and 1998, the number of children in working-poor families increased 34.9%, from 4.3 million to 5.8 million. In Florida, 23% of children under the age of 13 are living in low-income families with working parents.

Exhibit 8
The Program Is Funded Primarily With Federal Funds

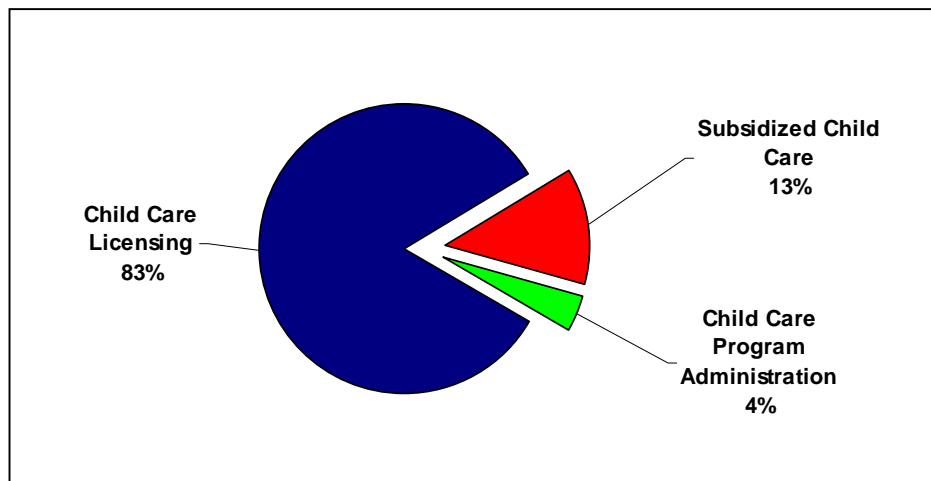
| Fund | Revenue Source | Fiscal Year 2000-01 Appropriations |
|---|---|--|
| Child Care Licensing | | |
| Operations and Maintenance Trust Fund | Licensing fees and administrative fines paid by child care providers | \$ 253,696 |
| General Revenue Fund | State general revenue | 1,372,889 |
| Social Services Block Grant Trust Fund | Social Services Block Grants and Temporary Assistance to Needy Families grants awarded by the US Department of Health and Human Services | 3,763,247 |
| Child Care and Development Block Grant Trust Fund | Child Care and Development Block Grants and Temporary Assistance to Needy Families Grants awarded by the US Department of Health and Human Services | 24,509,900 |
| Child Care Licensing Total | | \$ 29,899,732 |
| Subsidized Child Care | | |
| Social Services Block Grant Trust Fund | Social Services Block Grants and Temporary Assistance to Needy Families Grants awarded by the US Department of Health and Human Services | \$ 3,703,588 |
| Grants and Donations Trust Fund | Grants and donations from local organizations/entities (e.g., Children's Services Council of West Palm Beach) | 5,550,907 |
| General Revenue Fund | State general revenue | 93,736,865 |
| Federal Grants Trust Fund | Temporary Assistance to Needy Families Grants awarded by the US Department of Health and Human Services | 158,758,055 |
| Child Care and Development Block Grant Trust Fund | Child Care and Development Block Grants and Temporary Assistance to Needy Families Grants awarded by the US Department of Health and Human Services | 269,693,917 |
| Subsidized Child Care Total | | \$531,443,332 |
| Total Program Funding | | \$561,343,064 |

Source: 2000 General Appropriations Act.

For Fiscal Year 2000-01, the Legislature authorized 131 full-time equivalent (FTE) positions to administer the program. Exhibit 9 shows how the department assigned these FTE positions.

Exhibit 9

The Department Assigned Most Staff to Child Care Licensing Functions



Source: Department of Children and Families.

General Conclusions and Recommendations

Introduction

The Department of Children and Families established its Child Care Program under performance-based program budgeting in Fiscal Year 1998-99. The program regulates child care providers and provides subsidized child care services with the goals of protecting the health and welfare of children, promoting the development of children through quality child care, and helping low-income families obtain and maintain employment.

Program Need

Program services appear to provide benefits to clients and to the state

The program appears to provide beneficial services to clients and to Florida's citizens. Several state and national studies indicate that improvements in children's cognitive development are related to implementation of more stringent child care licensing standards.¹² For example, a 1998 study on the impact of increased licensing standards in Florida concluded that after more stringent standards were adopted, children showed improvements in their cognitive development and language proficiency skills and were observed to spend more time in learning activities.¹³

In addition, if the program's subsidized child care component were eliminated, Florida's most vulnerable children would likely be negatively affected. In the absence of subsidized child care, families of nearly 20,000 children who are at risk of abuse and neglect and economically disadvantaged families of over 100,000 children would likely be unable to

¹² In 1992, legislation went in to effect that changed the child care staff-to-child ratios for infants from 1:6 to 1:4 and for toddlers from 1:8 to 1:6. In 1996, legislation went in to effect that required one staff person per 20 children in a child care facility to have a Child Development Associate credential or its equivalent. In 1999, legislation went in to effect that increased the amount of training required for child care personnel and family child care home operators. Child care center personnel training increased from 30 to 40 hours, while family child care operator training increased from 3 to 30 hours.

¹³ *The Florida Child Care Quality Improvement Study: 1996 Report*, Families and Work Institute, 1998.

afford their current child care services. As a result, the parents would likely have to put their children in other settings that might not be as safe and secure, or stop working to care for their children.

Program Placement

Child care licensing should remain with the department at this time, but subsidized child care is being transferred

The administration of the child care licensing function by the Department of Children and Families is appropriate and there are no compelling reasons to transfer this function to any other state agency at this time. In most other states, the child care licensing function is administratively placed under the state's social services or human services agency.¹⁴

To fulfill the legislative intent of the 1999 school readiness legislation, the administration of the subsidized child care component is currently being transferred from the Department of Children and Families to the Florida Partnership for School Readiness and 57 local school readiness coalitions.¹⁵ The purpose of the transfer is to establish an integrated service delivery system for all publicly funded early education and child care programs, including Head Start, Pre-K, and subsidized child care. While the legislation did not mandate a date for full program implementation, the partnership and local school readiness coalitions have already begun implementation. The department is currently identifying the number of district-level staff that will be assigned to the partnership. However, the number of staff that will be transferred is unknown. The department will formalize these transfers by June 30, 2001.

Conclusions

Child care licensing

The number of verified incidents of abuse and neglect in licensed child care settings has decreased

Performance data shows that the program's licensing and enforcement efforts are reasonably effective in ensuring healthy and safe child care environments for children. Specifically, the number of verified incidents of abuse and neglect in child care settings regulated by the program declined slightly from 74 verified incidents in Fiscal Year 1997-98 to 64 verified incidents in Fiscal Year 1999-2000. This decline occurred during a

¹⁴ *Regulating Child Care Quality*, William Gormley, May 1999; Statewide Child Care Profiles, National Child Care Information Center, 1999.

¹⁵ Chapter 99-357, *Laws of Florida*.

General Conclusions and Recommendations

period when the number of verified incidents statewide increased from 15,321 in Fiscal Year 1997-98 to 17,321 in Fiscal Year 1999-2000.¹⁶

Steps have been taken to improve the quality of care in regulated child care settings

In addition, the program has taken steps to improve the quality of care in regulated child care settings. In the past several years, the Legislature has mandated, and the program has implemented, several initiatives intended to improve the quality of care in regulated child care settings. These initiatives include improved staff-to-child ratios and increased training requirements for child care personnel. An independent 1998 study assessing the impact of these statutory changes on children's cognitive development concluded that there was a statistically significant correlation between the changes and improved outcomes in children, including improvement in children's cognitive development and language proficiency.¹⁷

Enforcement problems reduce the program's regulatory effectiveness

However, our review identified two primary deficiencies with the program's enforcement activities that reduce its regulatory effectiveness. First, the department enforcement policies for child care regulations are not applied consistently across the department's district offices. Second, the department's information systems provide insufficient information to make informed policy and management decisions. These issues are discussed in Chapter 3.

Subsidized child care

All subsidized child care clients in two of three priority groups are being served

Based upon Fiscal Year 1998-99 and 1999-2000 subsidized child care performance information, we determined that the program is fulfilling its statutory mandate by serving two of its priority groups (at risk and WAGES/transitional child care clients).¹⁸ During Fiscal Year 1999-2000, the program served 100% of its clients in these two highest priority client groups.

Most subsidized child care clients feel that program services are helpful

Performance data also shows that program clients are generally satisfied with subsidized child care services. In Fiscal Year 1998-99, 94% of the clients reported that they were satisfied with program services. The highest areas of parent satisfaction were related to treatment of clients by program staff and usefulness of services; 95% of survey respondents felt that they were treated with courtesy and respect, and 94.6% of respondents felt that the services they received were very helpful.

¹⁶ The statewide number includes all verified incidents of abuse, neglect, and threatened harm in both institutional and non-institutional settings.

¹⁷ *The Florida Child Care Quality Improvement Study: 1996 Report*, Families and Work Institute, 1998.

¹⁸ The at-risk group includes children at risk of abuse and neglect and the WAGES/transitional child care group includes children whose family income is at or below the federal poverty level and whose parents are either currently enrolled or were enrolled within the past two years in the Work and Gain Economic Self-sufficiency (WAGES) Program.

General Conclusions and Recommendations

However, clients were the least satisfied with the timeliness of program staff returning their phone calls, with 82.7% of clients expressing satisfaction in this area.

Steps have been taken to address the needs of working-poor clients

The program and the Legislature have taken steps to address child care services for working-poor clients. The 2000 Legislature amended statutes to make it easier for the program to serve working-poor clients and to extend eligibility so that program clients can receive services for longer periods of time. Specifically, the new legislation classifies working-poor clients as "needy" within federal Temporary Assistance to Needy Families (TANF) definitions, which means that working-poor clients are now eligible for services using TANF funds without special authorization, thus making it easier to use TANF funds to serve working-poor clients. The legislation also extends eligibility for subsidized child care to working families currently in the program up to 200% of the federal poverty level, which will allow families to continue to receive child care support as their incomes increase. The 2000 Legislature also increased the appropriation for subsidized child care services by \$71 million, or a 15.5% increase over the Fiscal Year 1999-2000 appropriation.

Additional steps must be taken to effectively implement school readiness legislation

The program is working with the Florida Partnership for School Readiness to implement the recent school readiness legislation; but to effectively incorporate subsidized child care into the school readiness program, several issues must be addressed. First, subsidized child care, unlike Pre-K and Head Start, was not originally intended to be an educational program, so subsidized child care clients may not be prepared for school as intended by the legislation. Second, the subsidized child care developmental screening process is similar to the school readiness uniform screening process, which may lead to unnecessary duplication of screening procedures. Third, local school readiness coalitions are not required to utilize the statewide subsidized child care data system, which could lead to duplication in data systems. These issues are discussed in Chapter 4.

Further Improvements Needed in Child Care Licensing

Introduction

The primary goals of child care licensing are to ensure that children in care have a healthy and safe environment; improve the quality of child care through regulation and technical assistance; and ensure that child care centers and homes comply with regulatory requirements through inspection, technical assistance, and enforcement actions.

To determine whether the program is meeting its goals, OPPAGA reviewed Fiscal Years 1997-98 through 1999-2000 performance-based program budget (PB²) measures as well as other relevant performance data.¹⁹ Based upon this information, we determined that

- the program is reasonably effective in ensuring healthy and safe child care environments for children;
- the program has taken steps to improve the quality of care in regulated child settings; and
- enforcement problems reduce the program's regulatory effectiveness.

The number of verified incidents of abuse and neglect in licensed child care settings has decreased

A primary goal of the program is to ensure that children in child care settings regulated by the program are safe. To assess the program's effectiveness in protecting children in child care settings, we reviewed the number of verified incidents of abuse and neglect in licensed child care settings. As shown in Exhibit 10, the number of verified abuse and neglect incidents has declined slightly from 74 verified incidents in Fiscal Year 1997-98 to 64 verified incidents in Fiscal Year 1999-2000. This decline

¹⁹ We were unable to use three of the program's performance budgeting measures in our analysis due to problems with data accuracy and completeness. These measures were the percentage of licensed child care facilities and homes with no Class 1 violations during their licensure year, the number of provisional licenses as a result of noncompliance with child care standards, and the percentage of licensed child care providers who are satisfied with the licensing process.

Further Improvements Needed in Child Care Licensing

occurred during a period when the number of verified incidents statewide increased from 15,321 in Fiscal Year 1997-98 to 17,321 in Fiscal Year 1999-2000.²⁰

Exhibit 10

Verified Abuse and Neglect Incidents Have Declined Slightly in Licensed Child Care Settings Since 1997-98

| Fiscal Year | Number of Verified Incidents in Child Care Settings Licensed by Program | Number of Verified Incidents Statewide | Verified Incidents of Abuse and Neglect in Child Care Settings as a Percentage of Statewide Incidents |
|--------------------|--|---|--|
| 1997-98 | 74 | 15,321 | 0.48% |
| 1998-99 | 62 | 14,193 | 0.44% |
| 1999-2000 | 64 | 17,321 | 0.37% |

Source: Department of Children and Families quarterly licensing reports.

Program officials asserted that the decline in the number of verified abuse and neglect incidents in state-licensed child care settings may be attributed to enhancements in the introductory training curriculum provided for child care workers. This training now emphasizes the role of child care workers as identifiers and reporters of abuse and neglect and acceptable and unacceptable methods of discipline.

The Legislature and the program have taken steps to improve the quality of care in regulated child care settings

In the past several years, the Legislature has also mandated, and the program has implemented, several initiatives intended to improve the quality of care in regulated child care settings. Studies have shown that quality child care promotes the physical, intellectual, motor, and social development of children. The studies found several methods to be effective in improving child care quality, including lowering staff-to-child ratios, decreasing group class size, and increasing caregiver formal education and specialized training.²¹ The Legislature made significant changes noted below to program requirements that were consistent with these findings.

²⁰ The statewide number includes all verified incidents of abuse, neglect, and threatened harm in both institutional and non-institutional settings.

²¹ *The Florida Child Care Quality Improvement Study: 1996 Report*, Families and Work Institute, 1998; *Child Care Quality: Does It Matter and Does It Need to be Improved?*, D. Vandell and B. Wolfe, Institute for Research on Poverty, 1999; *Regulating Child Care Quality*, W. Gormley, 1999; *Children Score Higher on Tests when Child Care Meets Professional Standards*, 1999; *Study Confirms Quality of Child Care Centers Affects Children's Intellectual Development*, US Health Resources and Services Administration, 2000.

Further Improvements Needed in Child Care Licensing

- In 1992 and 1996, the Legislature mandated that child care centers lower their staff-to-child ratios and increase training requirements for child care personnel.²² An independent 1998 study assessing the impact of these statutory changes on children's cognitive development concluded that there was a statistically significant correlation between the changes and improved outcomes in children.²³ The study found that between 1992 and 1996, the time period when the higher standards were implemented, children's cognitive development seemed to improve and the children appeared to demonstrate an increased proficiency with language. Children were also observed to be more securely attached to their teachers and to spend more time in learning activities.
- The 1999 Legislature increased the amount of training required for child care personnel from 30 to 40 hours and for family child care home operators from 3 to 30 hours. In addition, the Legislature required all child care center directors/administrators to have a credential as part of the minimum licensing standards by January 1, 2003.²⁴

Enforcement problems reduce the program's regulatory effectiveness

While the program seeks to improve child care quality through its licensing and training functions, it must also take enforcement actions when providers fail to comply with regulatory requirements. The program is authorized to take a variety of enforcement actions when it identifies violations of legal requirements. The program classifies violations into three categories. A Class I violation is defined as the violation of a standard that immediately threatens the safety and health of the children in care; a Class II violation is a serious violation that does not pose an immediate threat to the safety and health of the children in care; and a Class III violation is the least serious violation type and is generally related to the maintenance and operation of the child care facility or home.

²² The 1992 legislation changed the child care staff-to-child ratios for infants from 1:6 to 1:4 and for toddlers from 1:8 to 1:6. The 1996 legislation required that one staff person per 20 children in a child care facility have a Child Development Associate credential or its equivalent.

²³ *The Florida Child Care Quality Improvement Study: 1996 Report*, Families and Work Institute, 1998.

²⁴ The credential is a comprehensive program consisting of educational and experiential requirements, including a high school diploma or general equivalency degree, the Department of Children and Families 40-hour introductory child care course, a Child Development Associate credential or its equivalent, and one to three approved courses in early care and education program management.

Further Improvements Needed in Child Care Licensing

The program uses a progressive enforcement model, imposing greater penalties when more serious or recurring violations are found. These steps include requiring child care centers and homes to establish corrective action plans when violations are found, issuing warnings, imposing administrative fines, placing providers on provisional licensure, and suspending and revoking provider operating licenses.

Our review identified two primary deficiencies with the program's enforcement activities that reduce its effectiveness.

- Districts use inconsistent practices when classifying violations and issuing provisional licenses.
- The department's information systems provide insufficient information to make informed policy and management decisions.

Inconsistent enforcement practices

The program does not consistently classify violations or issue provisional licenses

The department enforcement policies for child care regulations are not applied consistently across the department's district offices. Specifically, districts do not consistently classify violations or issue provisional licenses. These problems are important, as inconsistent enforcement actions lead to inequitable treatment of facility operators who commit similar violations as well as failure to take appropriate actions to ensure that violations are corrected.

Seven districts misclassify violations

Classifying Violations. Although the central program office has developed policies and procedures governing how violations should be classified, our review and a prior study by the department's internal auditors found that districts vary in their understanding of when providers should be cited for Class I, II, or III violations. We interviewed licensing staff in 11 service districts regarding how they classify violations and found that 7 of these districts use differing interpretations of the department enforcement policies.²⁵ Four districts (Districts 1, 3, 6, and 8) inappropriately classify background screening violations as Class III instead of Class II. Two districts (Districts 12 and 15) inappropriately classify violations related to immunization records as Class II instead of Class III. One district (District 7) reported that until recently, all violations regarding supervision of children were classified as Class I violations, although the policies state that these violations may vary from Class I to Class II depending on the circumstances involved.

A 2000 study by the department's internal auditors found a similar situation.²⁶ The study examined three districts and found that there were reporting discrepancies in two districts related to Class I violations.

²⁵ The remaining two districts for which the department has licensing authority did not respond to our interview requests.

²⁶ The study, *Performance Measures Assessment for Adult Services, Child Care, and Family Services*, is currently in draft form and is awaiting final approval by the department's Director of Auditing.

Further Improvements Needed in Child Care Licensing

For example, District 4 originally reported 11 Class I violations, but according to district staff only 3 of these cases merited classification as Class I violations.

Issuing Provisional Licenses. A second area of inconsistent enforcement practices is the issuance of provisional licenses. According to department policies and procedures, provisional licenses may be issued when a child care provider shows continued noncompliance with licensing standards that are within the provider's control, but only after other enforcement actions, such as corrective action, warnings, and administrative fines, have been imposed. The provisional license makes continued operation of the facility contingent upon the correction of the cited violations. Child care providers may also be issued provisional licenses for some violations that are beyond their direct control, but are important to child safety. For example, a child care provider may be issued a provisional license if it consistently violates the required staff-to-child ratios (which is within their control), or for lacking completed background screening checks on employees (which is outside their control because these checks are conducted by law enforcement agencies, but is important for ensuring that persons with prior histories of related crimes do not work with the children). The program recommends that child care providers operating under provisional licenses be inspected monthly to ensure that the violations are corrected and do not re-occur.

Five districts do not issue provisional licenses according to department procedures

Several districts do not issue provisional licenses in accordance with the department's policies and procedures. Specifically, of the 13 districts that issue provisional licenses (in 2 districts county governments issue all child care licenses), 5 do not follow the established policies. As shown in Exhibit 11, these districts use differing practices, such as issuing provisional licenses to all new child care centers and homes, issuing them only when providers fail to supply all required licensing data in their applications, and issuing provisional licenses only for violations beyond the provider's control (but not for continued violations within the provider's control).

Exhibit 11

Five Districts Do Not Follow Department Provisional Licensing Procedures

| District | Provisional License Procedure Consistent with Department Policies and Procedures | How Does District Practice Vary from Department Policies and Procedures? |
|----------|--|---|
| 1 | No | Provisional licenses are automatically issued to all new child care centers and family child care homes |
| 2 | Yes | |
| 3 | Yes | |
| 4 | Yes | |
| 5 | No | Provisional licenses are only issued when providers do not have complete information needed for licensure |
| 6 | Yes | |
| 7 | Yes | |
| 8 | Yes | |
| 9 | NA (local licensing authority) | |
| 10 | NA (local licensing authority) | |
| 11 | Yes | |
| 12 | No | Provisional licenses are only issued for circumstances beyond the control of the provider |
| 13 | Yes | |
| 14 | No | Provisional licenses issued for only one circumstance (i.e., repeated noncompliance) |
| 15 | No | Provisional licenses issued for only one circumstance (i.e., repeated noncompliance, after all other enforcement actions have failed) |

Source: OPPAGA interviews with Department of Children and Families district staff.

*The frequency of
inspections of
provisional licensees
varies by district*

In addition, as shown in Exhibit 12, we found that of the 13 districts that issue provisional licenses, only 7 conduct monthly inspections of providers with provisional licenses as recommended by program policies. The remaining districts conduct inspections with varying frequency. For example, three districts inspect less frequently than every month, two districts determine the frequency of inspection based upon the seriousness of the violation, and one district inspects more frequently than suggested.

*Further Improvements Needed
in Child Care Licensing*

**Exhibit 12
The Frequency of Inspections of Providers
With Provisional Licenses Varies by District**

| District | Frequency of Inspections for Providers with Provisional Licenses |
|----------|--|
| 1 | <ul style="list-style-type: none"> • Every other month for a six-month license • Monthly for a three-month license |
| 2 | <ul style="list-style-type: none"> • Monthly |
| 3 | <ul style="list-style-type: none"> • Varies with the seriousness of the violation |
| 4 | <ul style="list-style-type: none"> • Monthly |
| 5 | <ul style="list-style-type: none"> • Twice during a six-month period |
| 6 | <ul style="list-style-type: none"> • Monthly |
| 7 | <ul style="list-style-type: none"> • Monthly |
| 8 | <ul style="list-style-type: none"> • Monthly |
| 9 | <ul style="list-style-type: none"> • NA (local licensing authority) |
| 10 | <ul style="list-style-type: none"> • NA (local licensing authority) |
| 11 | <ul style="list-style-type: none"> • Varies with the seriousness of the violation |
| 12 | <ul style="list-style-type: none"> • One to three times during a three-month period |
| 13 | <ul style="list-style-type: none"> • Monthly |
| 14 | <ul style="list-style-type: none"> • Monthly |
| 15 | <ul style="list-style-type: none"> • Weekly or bi-weekly |

Source: OPPAGA interviews with Department of Children and Families district staff.

We identified two factors that contribute to these differing enforcement practices. First, some of the program's policies and procedures, such as the rate of inspection for provisional licenses, are recommended rather than mandatory practices. While some flexibility in local operating procedures is beneficial, the substantial variation in how enforcement procedures are implemented indicates that stronger statewide policy direction is needed. Second, district staff assert that department enforcement policies are vague and subject to misinterpretation.

***Most districts do not
conduct annual unit
monitoring***

Another reason for the inconsistent enforcement practices is that most districts have not conducted annual monitoring of licensing units to ensure consistent application of enforcement procedures. These monitoring visits, which are recommended but are not mandated, are to be conducted by district staff. They are intended to review local program procedures and determine if policies are being followed and whether licensing staff require technical assistance to improve their performance. This monitoring is to include reviewing a random sample of licensing files, making onsite visits to licensing units, interviewing licensing unit staff, and preparing a monitoring report. These monitoring visits are to be conducted by the licensing specialist in each district. However, this unit

Further Improvements Needed in Child Care Licensing

monitoring is not being conducted in all districts. Program staff were able to provide us with annual unit monitoring reports from only two districts.

The program has taken steps to address the inconsistent application of enforcement procedures

The program has taken steps to improve the application of enforcement procedures by districts. In March 1999, the program contracted with a private consultant to develop a standard training curriculum for licensing staff, which covers enforcement policies and procedures. The training was provided to all licensing staff between April and July 2000. In October 2000, training participants were sent a survey to determine if the training was useful and if the knowledge and skills taught in the course are being utilized in the field. Also, in December 1999, the program's central office sent a policy clarification memo to district licensing staff advising them how to issue provisional licenses. Specifically, district staff were advised to issue provisional licenses in accordance with the progressive enforcement action model outlined in statute and in the program's Licensing Desk Reference. These actions should help to improve enforcement consistency, but it is too early to determine the effects of the licensing training curriculum and the policy clarification.

Insufficient enforcement information

The program has limited information to make policy and management decisions

A second weakness in the program's enforcement activities is that it lacks adequate statewide information on licensing and enforcement actions. This is important because program managers and the Legislature cannot make informed decisions about the program's effectiveness unless they have such information. Specifically,

- the program lacks accurate and complete data on enforcement actions it imposes when it finds violations of program standards because districts do not report all violations they detect or enforcement sanctions they impose to the central office;
- the program lacks a comprehensive data system to collect enforcement data; and
- the program does not analyze enforcement data about family child care homes it registers, those that are required to be registered but are not, and child care centers and homes regulated by local licensing authorities.

Data regarding violations and provisional licenses are unreliable

Inaccurate and Incomplete Enforcement Data. Due in part to the differing enforcement practices the districts follow when they find violations of program standards (as discussed above), the program lacks accurate information about what violations of program standards are occurring and what sanctions are being imposed when these problems are detected. In March 2000, the department's internal auditors reported that the program's enforcement data related to Class I violations was inaccurate in two of the three districts reviewed. As discussed on page 22, we similarly found that five districts were not issuing provisional

Further Improvements Needed in Child Care Licensing

licenses according to department procedures, which indicates that the provisional license data for those districts is not accurate.

In addition, due to a lack of clear guidance from the central program office, data reporting has varied from district to district. For example, some districts have reported all provisional licenses to the program's central office, while others have reported only those provisional licenses issued for substantial noncompliance. Without accurate and complete data, managers cannot identify common violations and enforcement trends, which could enable managers to determine if licensing and enforcement procedures are being applied consistently across districts and identify problems that could be addressed through enhanced training for staff and facility operators or special attention during compliance reviews.

The current licensing data system is limited and does not include enforcement information

Lack of a Unified Data System. A related problem is that the program lacks a comprehensive, unified system for gathering statewide licensing enforcement and compliance data. The program's current licensing data system, the Correspondence and Project Tracking System (CAPTS), includes only limited and inaccurate information. CAPTS has the capacity to track license and registration due dates and basic demographic information about child care providers, but does not track enforcement and compliance information. As a result, the central office does not have comprehensive enforcement information, and most data on violations and enforcement actions is maintained only at the district level. Some districts have developed their own automated information systems to maintain this data, while others continue to rely on manual paper records.

To address this problem, the department's central office is developing a proposal to fund development of an enhanced statewide information system using Child Care and Development Fund (CCDF) grants.²⁷ The program has neither estimated the cost of the system nor determined the projected implementation date.

Limited Information About Certain Child Care Arrangements. The program does not analyze enforcement data about family child care homes it registers, those that are required to be registered but are not, and child care arrangements regulated by local licensing authorities.

The program gathers little information about registered family child care homes

During our interviews with licensing staff in all 15 districts, staff expressed concerns that the quality of care in family child care homes was inadequate. However, because the program's central office gathers only limited information about registered family child care homes, the program does not have adequate information to determine if these

²⁷ A percentage of Child Care and Development Fund grants can be used for child care quality initiatives, such as improving program data systems. In order to use CCDF grants for this purpose, the program will have to amend its CCDF state plan and submit the amendment to the U.S. Department of Health and Human Services Administration for Children and Families for approval.

Further Improvements Needed in Child Care Licensing

concerns are valid. Although s. 402.313 (7), *Florida Statutes*, requires the department to conduct an annual study of the registration and licensure system for family child care homes, central program office staff report that the study has not been completed in at least eight years.²⁸ The Legislature exempted the program from completing the evaluation for Fiscal Year 1992-93, and the program office has not completed one since. If program managers had the study, as well as additional information about enforcement actions taken against registered homes and rates of verified incidents of abuse and neglect within registered homes, they could report to the Legislature whether the regulation of registered homes is adequate to ensure the safety of children cared for in these settings.

The program does not compile data about family child care providers who fail to register

Similarly, although district licensing specialists believe that many family child care homes that legally should be registered fail to apply for registration, the program does not compile data collected by the districts related to these providers. Without registration, the state cannot ensure that these homes meet minimum health and safety standards and that child care providers receive background screening and department-sponsored training.²⁹ Half of the district licensing specialists we interviewed asserted that the illegal operation of unregistered family child care homes was prevalent or very prevalent within their districts. District staff identify illegal operations primarily by investigating complaints. However, the program does not analyze this complaint data to determine how many unregistered family child care homes it detects or the number of complaints it receives about these homes. Such analysis would enable the department to determine if unregistered homes are a problem and if additional actions, such as enhanced education efforts or additional strategies for identifying unregistered individuals, are needed.

The program collects limited data from local licensing authorities

Finally, the program lacks comprehensive data about regulated child care centers and homes, because it collects limited information on the facilities regulated by local government licensing agencies. Section 402.307(5), *Florida Statutes*, requires each local licensing agency to report annually to the department the number of child care providers under its jurisdiction, the number of children served, the ages of the children served, and the number of revocations or denials of licenses. However, the department does not collect information on the number and types of violations detected by the local licensing agencies or the other types of sanctions imposed by these agencies. This information could likely be readily

²⁸ According to s. 402.313(7), *F.S.*, such an evaluation shall, at a minimum, address the following: number of family day care homes registered and licensed and the dates of registration and licensure; number of children being served in both registered and licensed family day care homes and any available slots in such homes; number of complaints received concerning family day care homes, the nature of the complaints, and the resolution of such complaints; and the training activities utilized by child care personnel in family day care homes for meeting the state or local training requirements.

²⁹ If a family child care home is taking care of children from two or more unrelated families, the home must be registered.

Further Improvements Needed in Child Care Licensing

reported by the local governments, which would provide the department and the Legislature with more complete data on the effectiveness of the current statutory requirements in ensuring that children in regulated child care facilities are receiving safe and high quality care.

Recommendations

The program should follow up on recent training efforts

To improve the enforcement process, we recommend that program management follow up on the effectiveness of its recent training efforts. The program's central office should evaluate licensing counselors' knowledge within six months of their completion of the licensing curriculum. This would help to determine whether staff adequately understand the program's enforcement policies and procedures, which would help to ensure that these enforcement practices are applied consistently and appropriately. This evaluation should include a test, such as a variety of enforcement scenarios that licensing staff would be asked to review and to state how they should address the situations. If the evaluations indicate that staff continue to have misperceptions of the program's policies and procedures, additional training as well as on-site visits to licensing units should be conducted to provide additional technical assistance to licensing staff.

Districts should conduct annual unit monitoring

We also recommend that the department require all districts to conduct annual monitoring of licensing units. These monitoring visits should seek to ensure that licensing and enforcement standards are applied consistently statewide. The monitoring should address whether license and registration applications are renewed in a timely manner, whether facility inspections are conducted in accordance with program frequency standards, whether complaints are investigated in a timely manner, whether enforcement actions are properly initiated when violations are detected, and whether districts are maintaining complete information on child care providers. Reports on these monitoring visits should be submitted to the central office, which should review the reports to identify any procedural inconsistencies and provide technical assistance to licensing staff that are not applying department policies and procedures appropriately.

The program should develop a statewide licensing data system

To improve the accuracy and completeness of program licensing and enforcement data, we recommend that the department continue to pursue developing an automated statewide licensing data system for the Child Care Program. The enhanced system should include basic demographic information about regulated child care providers, as well as specific information about inspections, complaints, violations, and enforcement actions. The system should also include information about family child care homes including the number of complaints, number of verified complaints, rates of verified incidents of abuse and neglect, and

*Further Improvements Needed
in Child Care Licensing*

number of enforcement actions against both registered and unregistered family child care homes.

*The program should
complete the mandated
study of family child
care homes*

To determine if concerns about the quality and safety of registered family child care homes are valid, we recommend that the program conduct the statutorily mandated evaluation of the family child care home licensure and registration system required by s. 402.313(7), *Florida Statutes*, and inform the Legislature of its findings. In addition to gathering the data required in statute, the program should compile information about the number of enforcement actions taken against registered family child care homes, number of complaints received concerning unregistered homes and the resolution of such complaints, and rates of verified incidents of abuse and neglect within registered and unregistered homes. If the results of the evaluation demonstrate that the quality and safety of family child care homes is not a concern, the Legislature should consider eliminating the statutory requirement that the program conduct the evaluation.

*Local licensing
authorities should
report enforcement
data*

We recommend that the Legislature amend s. 402.307(5), *Florida Statutes*, to require local licensing authorities to report additional licensing and enforcement data as part of their annual program reports. Similar to the quarterly licensing reports that districts are required to submit, the annual licensing report for local licensing authorities should include the number of child care centers and homes regulated; the number of facilities in which violations are detected and the nature of these violations; and the number of repeat violations identified and the sanctions imposed for these violations.

Subsidized Child Care Program Is in Transition; Issues Need to Be Resolved

Introduction

The primary goals of subsidized child care are to provide quality child care to enhance the development and skills of children who are at risk of abuse and neglect and children of low income-families and to promote financial self-sufficiency and life skills for the families of children receiving subsidized child care services.

To determine whether the program is meeting its goals, OPPAGA reviewed Fiscal Years 1997-98 through 1999-2000 performance-based program budget (PB²) measures as well as other relevant performance data.³⁰ Based upon this information, we determined that

- the program is serving the priority at-risk and WAGES/transitional child care clients;
- program clients are generally satisfied with subsidized child care services;
- the program and the Legislature have taken steps to address child care services for working-poor clients; and
- the program is working with the Florida Partnership for School Readiness to implement the recent school readiness legislation, but there are potential implementation obstacles that must be addressed.

The program is serving all clients in two highest priority categories

The Legislature has established three groups that are to receive priority for subsidized child care services. Children who are assessed as at-risk of abuse and neglect are to receive the highest service priority, followed by

³⁰ We did not use one of the program's PB² measures—the percentage of four-year-old children placed in care with contracted providers for nine months or more who subsequently enter kindergarten and are assessed as ready to learn—due to validity and reliability problems with the department data used in this measure. These problems were noted in our prior report, *Follow-up Review of Early Education and Child Care Program*, [OPPAGA Report No. 98-38](#), January 1999, as well as cited by department internal auditors and program staff.

Subsidized Child Care Program Is in Transition; Issues Need to Be Resolved

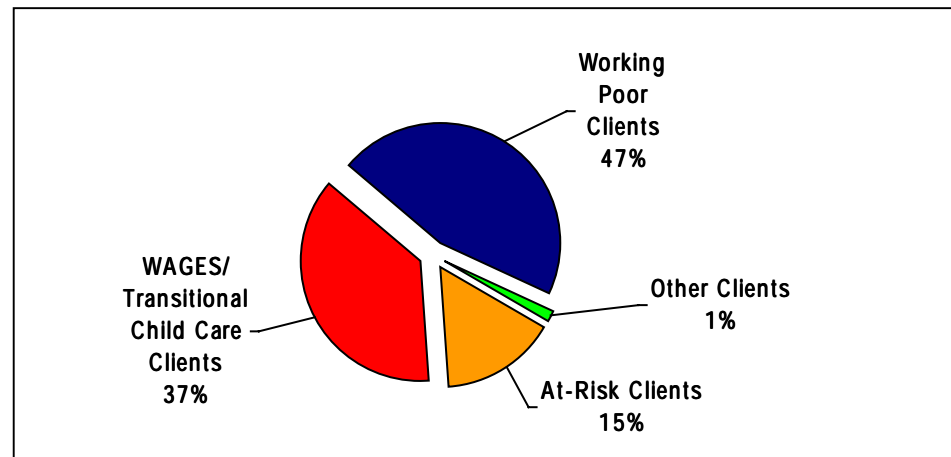
children whose parents are WAGES/transitional child care clients. Children whose families are classified as working-poor are to be the program's third service priority. The Legislature requires the program to serve 100% of the clients in the first two priority groups, with children from working-poor families to be served as funds permit.

The program is serving all of its at-risk and WAGES/transitional child care clients

During Fiscal Year 1999-2000, the program fulfilled its statutory mandate and served 100% of its clients in the two highest priority client groups. Exhibit 13 shows that these at-risk and WAGES/transitional child care groups made up 52% of the program's clients, while working-poor clients made up 47%. Other clients, including the children of migrant farm workers and children of WAGES clients who needed emergency child care, made up the remaining 1% of the program's clients.

Exhibit 13

In Fiscal Year 1999-2000, the Program Served 128,110 Children and Over One-Half of Them Were in the Two Highest Priority Target Populations



Source: Department of Children and Families.

Clients generally are satisfied with program services

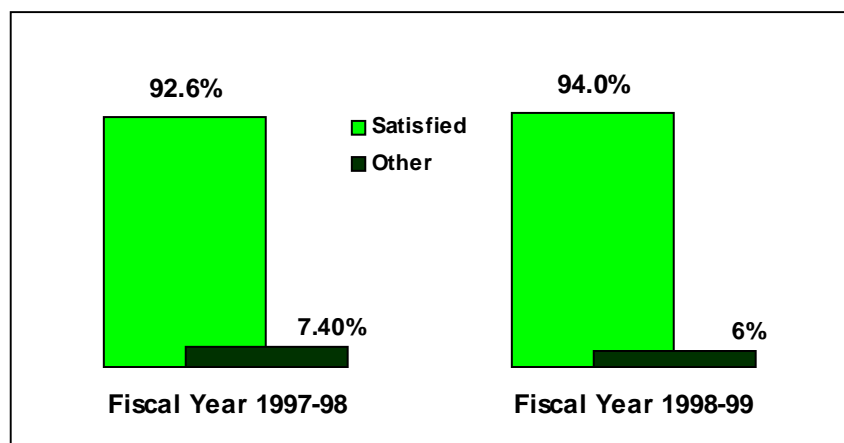
To measure parents' satisfaction with program services, the program conducts an annual survey of a random sample of parents in each of the 15 service districts. The survey was designed to assess clients' perception of how well the agency is fulfilling its vision of being client-centered, community-based, and results-oriented. The department has taken reasonable steps to ensure that survey results are valid and reliable.³¹

³¹ To ensure that the survey instrument is valid, the department's Office of Standards and Evaluation uses a reliability coefficient to determine how well the survey instrument measures client satisfaction. To ensure data reliability, the department's Office of Standards and Evaluation conducts quality control procedures and excludes non-valid survey forms from the data analysis.

Subsidized Child Care Program Is in Transition; Issues Need to Be Resolved

Exhibit 14 shows that most parents with children in subsidized child care are satisfied with program services. In Fiscal Year 1998-99 (the most recent year for which the data are available), 94% of the clients reported that they were satisfied with program services, which represented a slight increase from the prior year.

Exhibit 14
Most Parents of Children in Subsidized Child Care Are Satisfied



Note: Results of the Fiscal Year 1999-2000 survey are not yet available.

Source: Department of Children and Families client satisfaction surveys, Fiscal Years 1997-98 and 1998-99.

Most program clients feel that program services are helpful

The Fiscal Year 1998-99 satisfaction survey showed that the highest areas of parent satisfaction were related to treatment of clients by program staff and usefulness of services. Specifically, 95% of survey respondents felt that they were treated with courtesy and respect, and 94.6% of respondents felt that the services they received were very helpful. However, clients were the least satisfied with the timeliness of program staff returning their phone calls, with 82.7% of clients expressing satisfaction in this area.

The program and the Legislature have taken steps to address child care services for working-poor clients

Providing subsidized child care services to working-poor families is the program's third priority. The program served 58,929 children from families who were classified as working-poor (with incomes between 100% and 150% of the federal poverty level) in Fiscal Year 1999-2000.³² There is a waiting list for program services. As of May 2000, 35,929 children were on the waiting list for subsidized child care, with most

³² According to U.S. Department of Health and Human Services poverty guidelines, in 2000 the federal poverty level for a family of four was an annual income of \$17,050.

*Subsidized Child Care Program Is in Transition;
Issues Need to Be Resolved*

(34,329) classified as working-poor. Families on the waiting list receive services as child care slots become available within their appropriate priority category. While the time spent on the list varies, on the average these clients spend about 4.5 months awaiting services.

Recent legislation makes it easier to provide services and extends eligibility for working-poor clients

The program and the Legislature have taken steps to increase services to working-poor families. The 2000 Legislature amended statutes to make it easier for the program to serve working-poor clients and to extend eligibility so that program clients can receive services for longer periods of time. Chapter 2000-253, *Laws of Florida*,

- classifies working-poor clients as "needy" within federal Temporary Assistance to Needy Families (TANF) definitions. TANF is a federal grants program administered by the U.S. Department of Health and Human Services and is a major funding source for subsidized child care.³³ Before this legislation, the program typically used TANF funds to serve at-risk and WAGES/transitional child care clients and had to obtain special legislative authorization to use TANF funds for working-poor clients. As a result of the legislation, working-poor clients are now eligible for services using TANF funds without special authorization, thus making it easier to use TANF funds to serve working-poor clients.
- extends eligibility for subsidized child care to working families currently in the program up to 200% of the federal poverty level. Before the legislation, working families were eligible for services only up to 150% of the federal poverty level. This change will allow families to continue to receive child care support as their incomes increase. Consequently, families who are earning more, yet are still economically disadvantaged, can continue to receive the child care services vital to the maintenance of their employment.

In addition, the 2000 Legislature increased the appropriation for subsidized child care services by \$71 million, or a 15.5% increase over the Fiscal Year 1999-2000 appropriation. While some of these funds will be used for program administration (no more than 5%) and the Teenage Parent Program, approximately \$50 million in additional funds will be available to expand services to children in all priority categories, including the working-poor.³⁴

³³ The purposes of the TANF grant program are to provide assistance to needy families with children so that children can be cared for in their own homes; reduce dependency by promoting job preparation, work, and marriage; reduce and prevent out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families. Needy families with children, as determined eligible by the state, territory or tribe in accordance with the state or tribal plan submitted to the Department of Health and Human Services, are eligible for services using TANF funds.

³⁴ The funds for the Teenage Parent Program are contingent upon certifying the need for the funds.

Partnership should address issues to effectively implement school readiness program

The subsidized child care program is in transition due to major changes in law made by the 1999 Legislature. These changes established a statewide school readiness program for the state's at-risk birth-to-kindergarten population. The school readiness program will consist of an integrated seamless service delivery system for all publicly funded early education and child care programs, including Head Start, Pre-K, and subsidized child care.³⁵ The intent of the legislation is to

- provide a developmentally appropriate, research-based educational program that includes the necessary elements to prepare at-risk children for school;
- accommodate parents' work schedules and endeavors to help parents become financially self-sufficient;
- coordinate/integrate funding sources for full effectiveness and cooperation with other programs for young children; and
- promote local design, operation, and management of school readiness programs, with the Florida Partnership for School Readiness approving and periodically reviewing local coalitions' plans and establishing performance standards/outcome measures.

This initiative will result in a fundamental change in the organizational responsibility for the subsidized child care program. Responsibility for administering the program has shifted from the Department of Children and Families to the Florida Partnership for School Readiness, the governing body of the statewide school readiness program. In addition, 57 local school readiness coalitions will be responsible for providing subsidized child care services at the local level. The department is currently identifying the number of district-level staff that will be assigned to the partnership. However, the number of staff that will be transferred is unknown. The department will formalize these transfers by June 30, 2001.

Many steps have been taken to implement the school readiness program

While the legislation did not mandate a date for full program implementation, the partnership and local school readiness coalitions have begun implementation. As of September 2000, the Florida Partnership for School Readiness, in consultation with the Child Care Program, had

- approved the formation of 57 local school readiness coalitions;
- reviewed, evaluated, and scored school readiness plans submitted by all 57 local school readiness coalitions;

³⁵ Section 411.01, F.S.

*Subsidized Child Care Program Is in Transition;
Issues Need to Be Resolved*

- fully approved the plans of 14 local coalitions, fully approved pending additional information the plans of 9 coalitions, and conditionally approved the plans of the remaining 34;
- developed and approved program performance standards and outcome measures;
- prepared and submitted to the State Board of Education a system for measuring school readiness and established a method for collecting data and guidelines for using the data; and
- colocated partnership staff, Department of Children and Families subsidized child care central program office staff, and Executive Office of the Governor Prekindergarten Early Intervention Program staff.

During Fiscal Year 2000-01, the partnership will address several other implementation issues, including

- becoming the lead agency for the purpose of receiving federal funds on October 1, 2000;
- adopting a system for evaluating the performance of students through the third grade by December 31, 2000; and
- completing a study examining early intervention programs for developmental delays by January 1, 2001.

*Several issues must
be addressed for
effective program
implementation*

However, to effectively incorporate subsidized child care into the school readiness program, the Florida Partnership for School Readiness will need to address several issues.

- Subsidized child care, unlike Pre-K and Head Start, was not originally intended to be an educational program, so subsidized child care clients may not be prepared for school as intended by the legislation.
- The subsidized child care developmental screening process is similar to the school readiness uniform screening process, which may lead to unnecessary duplication of screening procedures.
- Local school readiness coalitions are not required to utilize the statewide subsidized child care data system, which could lead to duplication in data systems.

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Subsidized child care is not an educational program

Unlike Head Start and Pre-K, subsidized child care was not originally designed to promote educational readiness. Therefore, children receiving subsidized child care services may not achieve educational readiness as intended by the school readiness legislation. A 1999 OPPAGA report concluded that the original intent and design of subsidized child care and other pre-school programs reflect different goals and values, which can affect program quality.³⁶ Specifically, subsidized child care was designed to promote financial self-sufficiency and life skills for low-income families, while Pre-K and Head Start were designed as school readiness programs with an emphasis on providing quality educational experiences for children.

In addition, our previous report identified two primary obstacles to enhancing program outcomes and quality care for children enrolled in subsidized child care. First, specific state and federal requirements stipulate that parents may choose any legal child care provider, including registered family child care homes and unregulated informal providers. In May 2000, 7,023 children received subsidized child care services in such settings. Under state law, such providers are not subject to as stringent health, safety, and quality requirements as are licensed child care centers or licensed family child care homes. Second, the ability to influence program outcomes for children receiving services in these settings is limited because such providers are generally not under contract with the state and are not required to report data on their educational programs or child outcomes.

According to Child Care Program staff, the Florida Partnership for School Readiness recognizes that subsidized child care differs from other pre-school programs and it intends to increase the educational quality of subsidized child care by encouraging local coalitions to enhance “comprehensive services” to parents and child care providers. Such services will include resource and referral services for parents to help them make informed child care decisions, technical assistance to providers to help them improve services, and in-home support and consultation services to providers.

***Current steps to
improve educational
quality are not
adequate***

However, these services do not appear to adequately address minimum requirements for local school readiness programs, such as a developmentally appropriate curriculum and a character development program. Without further improvements in the educational quality of subsidized child care, the local school readiness programs may not fulfill the Legislature’s intent of ensuring that at-risk children are prepared for school. Such improvements could include providing standardized

³⁶ *Follow-up Review of Early Education and Child Care Programs*, OPPAGA [Report No. 98-38](#), January 1999.

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handbooks describing recommended education activities to all preschool providers, including registered child care homes and informal placements that serve subsidized child care clients. In addition, the local school readiness coalitions could offer training to such providers in ways to increase the educational quality of child care settings.

Similarities between developmental screening processes will result in unnecessary duplication and inefficient use of resources

The school readiness legislation and a subsidized child care law passed during the 1999 legislative session both require the developmental screening of children participating in local school readiness programs.³⁷ As shown in Exhibit 15, the two developmental screening processes are similar. For example, the school readiness legislation requires the development of a system for screening all children entering publicly funded pre-school programs and kindergarten. Similarly, the subsidized child care legislation requires the establishment and implementation of a system for the behavioral observation and developmental screening of all children in subsidized child care between the ages of one year and four years.³⁸ However, there are no current plans to combine the two processes, which would prevent unnecessary duplication of services and inefficient use of resources.

Exhibit 15

Similarities Exist Between School Readiness and Subsidized Child Care Screening Processes

| | School Readiness Screening | Subsidized Child Care Screening |
|----------------------|--|---|
| Legislative Intent | To give a valid and reliable indication of children at risk for having special needs; to provide objective information on children's performance as they enter kindergarten; and to evaluate the effectiveness of the school readiness program | To assist in the determination of appropriate developmental age level, the need for formal developmental assessment, or the need to make referrals for necessary early intervention programs and specialized services |
| Screening Population | All children, ages 0 through 5 years, entering publicly funded pre-school programs All children entering kindergarten and 30 to 60 days after entry | All children in subsidized child care between the ages of 1 year and 4 years |
| Screening Frequency | Upon entering publicly funded pre-school programs Upon entering kindergarten | Every six months |
| Screening Tools | Early Screening Inventory or Ages and Stages Early Screening Inventory and Devereux Early Childhood Assessment | Ages and Stages ¹ |

¹ The program pilot tested Ages and Stages between February and August 2000.

Source: Sections 411.01 and 402.3027, *F.S.*

³⁷ Chapters 99-304 and 99-357, *Laws of Florida*, and ss. 411.01 and 402.3027, *F.S.*

³⁸ Section 402.3027, *F.S.*

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Unified data system will be needed

The Statewide Child Care Administration and Reporting System (SRS) compiles and tracks subsidized child care enrollment, waiting list, payment, and client data from all 25 of the community child care coordinating agencies that provide subsidized child care services. The program uses the system to create several standard reports, including subsidized child care enrollment and waiting list reports, a monthly management report, a Work and Gain Economic Self-Sufficiency (WAGES) program payment data report, and several federal reports. SRS also has the capability to produce a variety of ad hoc reports. To date, the Child Care Program has spent \$3,135,922 to develop and implement the system.

Local school readiness coalitions are not required to use SRS to maintain subsidized child care data. However, all 57 local coalitions plan to use SRS during the first year of school readiness program implementation, and local coalitions will contract with the Child Care Program to administer the system.

*Using the existing data
system would be
efficient and cost-
effective*

Continued use of the current unified data system by local coalitions would be efficient and cost-effective and would ensure that data is gathered in a uniform manner across local coalitions. The system is already being utilized by community child care coordinating agencies, and the local coalitions are contracting with these agencies for the provision of subsidized child care services. Moreover, the coalitions are contracting with the Child Care Program to administer SRS during the first year of local program implementation. By continuing to use SRS, rather than developing their own data systems, the local coalitions will have a unified system that has already been extensively field-tested and will avoid the expense of developing a new system and training personnel to use the system.

To help ensure that all school readiness agencies continue to use a single data system rather than developing multiple and duplicate systems over time, the Department of Children and Families should form a working group of school readiness agencies. This working group should consider any necessary modifications to make SRS functional for gathering data across all school readiness programs, including Head Start and Pre-K.

Recommendations

The partnership should take steps to increase the educational quality of subsidized child care

In order for local school readiness programs to meet the Legislature's intent of enhancing educational readiness, we recommend that the Florida Partnership for School Readiness and local coalitions take steps to ensure that all state-funded preschool programs, including subsidized child care, contain a strong educational component. Such steps should increase educational quality without impairing parental choice. For example, the program could develop standardized handbooks describing recommended education activities at each age level; these handbooks could be provided to all preschool providers, including registered child care homes and informal placements that serve subsidized child care clients. In addition, the local school readiness coalitions should offer training to such providers in ways to increase the educational quality of child care settings.

School readiness and subsidized child care developmental screening processes should be combined

To avoid unnecessary duplication, we recommend that the school readiness and subsidized child care developmental screening processes be combined. Specifically, minimum screening criteria should be used with uniform screening tools to assess all children enrolled in school readiness programs. Furthermore, all children should be screened according to the same schedule. Consolidation would prevent children from being screened repeatedly and would more effectively utilize resources.

Local coalitions should use existing statewide data system

To effectively and efficiently maintain school readiness data and to ensure that data is gathered in a uniform manner, we recommend that local coalitions continue to use the Statewide Child Care Administration and Reporting System (SRS) to compile and track school readiness program enrollment, waiting list, payment, and client data. In addition, the partnership, in consultation with the Child Care Program, should form a working group to consider any necessary modifications to make SRS functional for gathering data across all school readiness programs, including Head Start and Pre-K.

Appendix A

Statutory Requirements for Program Evaluation and Justification Review

Section 11.513(3), *Florida Statutes*, provides that OPPAGA Program Evaluation and Justification Reviews shall address nine issue areas. Our conclusions on these issues as they relate to the Department of Children and Families' Child Care Program are summarized in Table A-1.

Table A-1
Summary of the Program Evaluation and Justification Review
of the Child Care Program

| Issue | OPPAGA Conclusions |
|--|---|
| The identifiable cost of the program | The Child Care Program was appropriated \$561,343,064 and was authorized 131 positions for Fiscal Year 2000-01. The two largest sources of funding are federal grants (82%) and state general revenue (16.9%), with licensing fees and administrative fines levied against providers accounting for the remaining resources allocated to the program. Over 5% of program funds are allocated to the child care licensing component, while nearly 95% are allocated to the subsidized child care component. |
| The specific purpose of the program, as well as the specific public benefit derived therefrom | The purpose of the Child Care Program is to protect the health and welfare of children in child care by regulating child care providers; enhance children's physical, intellectual, motor, and social development by promoting high quality child care; and provide subsidized child care to low-income families so they can obtain and maintain employment and increase financial self-sufficiency and to children at risk of abuse and neglect so that these children have a safe child care arrangement. |
| Progress towards achieving the outputs and outcomes associated with the program | In Fiscal Year 1999-2000, the program had 64 verified incidents of abuse and neglect in licensed child care arrangements, which nearly met the legislative performance standard of 62. Moreover, the program served 100 % of WAGES clients who needed subsidized child care services. |
| An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, <i>F.S.</i> , associated with the program. | Assessment of the program's performance in meeting its PB ² standards was hampered by data reliability and measure validity problems. For child care licensing, data for three of the program's performance-budgeting measures were unreliable due to inconsistent enforcement practices and insufficient enforcement information. For subsidized child care, the school readiness measure is unreliable because there is no uniform school readiness instrument utilized statewide. |

| Issue | OPPAGA Conclusions |
|---|--|
| Alternative courses of action that would result in administering the program more efficiently and effectively | <p data-bbox="618 258 1323 317">To improve the effectiveness of the program's regulatory function, we recommend the actions described below.</p> <ul data-bbox="618 331 1421 1060" style="list-style-type: none"> <li data-bbox="618 331 1421 493">• Program management should follow up on the effectiveness of its recent training efforts. The program's central office should evaluate licensing counselors' knowledge within six months of their completion of the licensing curriculum to determine whether staff adequately understand the program's enforcement policies and procedures. <li data-bbox="618 508 1421 604">• The department should require all districts to conduct annual monitoring of licensing units. These monitoring visits should seek to ensure that licensing and enforcement standards are applied consistently statewide. <li data-bbox="618 619 1421 678">• The department should continue to pursue developing an automated statewide licensing data system. <li data-bbox="618 693 1421 947">• To determine if concerns about the quality and safety of registered family child care homes are valid, we recommend that the program conduct the statutorily mandated evaluation of the family child care home licensure and registration system required by s. 402.313(7), <i>F.S.</i>, and inform the Legislature of its findings. If the results of the evaluation demonstrate that the quality and safety of family child care homes is not a concern, the Legislature should consider eliminating the statutory requirement that the program conduct the evaluation. <li data-bbox="618 961 1421 1060">• The Legislature should amend s. 402.307(5), <i>F.S.</i>, to require local licensing authorities to report additional licensing and enforcement data as part of their annual program reports. <p data-bbox="618 1075 1356 1134">To effectively incorporate subsidized child care into the school readiness program, we recommend the actions described below.</p> <ul data-bbox="618 1148 1421 1694" style="list-style-type: none"> <li data-bbox="618 1148 1421 1371">• The Florida Partnership for School Readiness and local coalitions should take steps to ensure that all state-funded preschool programs, including subsidized child care, contain a strong educational component. The program could develop standardized provider handbooks describing recommended education activities, and the local school readiness coalitions should offer training to providers in ways to increase the educational quality of all child care settings. <li data-bbox="618 1386 1421 1547">• The school readiness and subsidized child care developmental screening processes should be combined. Minimum screening criteria should be used with uniform screening tools to assess all children enrolled in school readiness programs, and all children should be screened according to the same schedule. <li data-bbox="618 1562 1421 1694">• Local school readiness coalitions should continue to use the Statewide Child Care Administration and Reporting System (SRS) to compile and track school readiness program enrollment, waiting list, payment, and client data. |

Appendix A

| Issue | OPPAGA Conclusions |
|---|--|
| The consequences of discontinuing the program | In the absence of the Child Care Program, the state would not have an agency devoted to ensuring adherence to child care licensing standards. Such standards have been shown to positively affect children's outcomes, including improvements in children's cognitive development. In addition, if the program's subsidized child care component were eliminated, nearly 20,000 children who are at risk of abuse and neglect and over 100,000 children who come from economically disadvantaged families would lose their child care services. As a result, parents would likely have to put their children in other settings that may not be as safe and secure, or stop working to care for their children. |
| Determination as to public policy, which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part | This program provides beneficial services to program clients and to Florida's citizens. This review identifies several alternatives for improving program services. |
| Whether the information reported pursuant to s. 216.03(5), <i>F.S.</i> , has relevance and utility for the evaluation of the program | The program's measures are comprehensive, measure program outcomes, and reflect the most critical functions of service provision. |
| Whether state agency management has established controls systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports | As discussed above, some of the program's data are not reliable. We recommend that the department continue to pursue developing an automated statewide licensing data system in order to improve data accuracy and completeness. |

Responses from the Department of Children and Families and the Florida Partnership for School Readiness

In accordance with the provisions of s. 11.45(7)(d), *Florida Statutes*, a draft of our report was submitted to the secretary of the Department of Children and Families and the executive director for the Florida Partnership for School Readiness for each to review and respond.

Both written responses are reprinted herein beginning on pages 44 and 48, respectively.



October 24, 2000

Mr. John W. Turcotte, Director
Office of Program Policy Analysis and
Government Accountability
Post Office Box 1735
Tallahassee, Florida 32302

Dear Mr. Turcotte:

Thank you for your October 3 letter providing the preliminary findings and recommendations of your justification review of the "Department of Children and Families' Child Care Program."

Our response to the findings and recommendations found in your review is attached. If I may be of further assistance, please let me know.

Very truly yours,

/s/

Judge Kathleen A. Kearney
Secretary

Enclosure

**RESPONSE TO OPPAGA'S JUSTIFICATION REVIEW OF THE
DEPARTMENT OF CHILDREN AND FAMILIES
CHILD CARE PROGRAM**

Overall, the Department feels this report supports initiatives already underway within the child care program office. Specifically, the Child Care Services program office believes policies are in place with regard to enforcement. The difficulty in enforcement is two-fold: The reality of limited resources for hearings and enforcement as compared with the necessity to prioritize legal actions within the districts (i.e., child welfare cases); and district procedures or processes that take precedence over programmatic policy or procedure. However, through recently completed child care licensing training clarifying the process for all staff; presentations on procedures and benefits of enforcement to district legal counsels, and policy clarification memos, the Department is working toward more consistent enforcement actions.

Additionally, for further clarity, the child care program office is working on clarifying language for Chapter 402, F.S., to improve enforcement classifications and provisional license usage and purpose.

This OPPAGA report highlights the need for annual unit monitoring which is recommended but not mandated by the program office. The Child Care Services program office would like to work with the Director of Operations, the Quality Assurance Unit and the districts on this initiative. Some of the benefits of annual monitoring are consistency and identification of areas of improvement and training, which promote the values of child care licensing and support the recommendations of this report and the mission of the child care program office.

Additionally, the program office is working with departmental information technology staff, regional prototype staff, and the substance abuse program office on a coordinated licensing information system. By combining resources, this initiative, which is critical, will become a much needed reality. This system will enhance licensing, promote consistency and provide valuable data for good program decision making within the Department and by the Legislature.

OPPAGA made two additional recommendations regarding the licensing program. It was recommended that the program office complete a follow-up on recent licensing training efforts. That follow-up and evaluation has been completed and is in the process of being analyzed. Generally, speaking, comments are positive. Additionally, on November 1st and 2nd the program office will conduct a statewide licensing meeting to follow-up on issues identified through the statewide training effort.

**RESPONSE TO OPPAGA'S JUSTIFICATION REVIEW OF THE
DEPARTMENT OF CHILDREN AND FAMILIES
CHILD CARE PROGRAM**

Secondly, OPPAGA recommends a change to s.402.307(5), F.S., as it relates to data collection from local licensing agencies. This is being addressed through recommended changes to current statute.

The remaining findings and recommendations in this report relate to the subsidized child care program which is being transitioned to the Florida Partnership for School Readiness. This report has been shared with the Partnership for response. The Department will continue to work with the Partnership on these recommendations and other subsidized issues as we finalize this transfer.

Specific technical responses are as follows:

Page 11, - program resources, the last sentence should read, - as shown in exhibit 8, 5.2% of program funds are allocated to the child care licensing and training component, while 94.8% are allocated to the subsidized child care component, based on the explanation below.

Page 12, exhibit 8 - indicates a FY 2000-01 child care licensing appropriation of \$14,724,208, which is the amount reflected in the General Appropriations Act legislation for child care regulation and information. In addition to this amount, there is an additional \$11,349,976 from the Child Care and Development Block Grant increase and set aside funding in specific appropriation 296, that is not included in the GAA.

The GAA also provides additional child care licensing and training funding in the Program Management and Compliance, and Special categories sections 426 and 427. The child care licensing and training funding included in these sections is an additional \$15,174,546, for a total of \$29,898,754.

Page 34, last paragraph - while the subsidized child care program is in transition, the child care program reports to the Florida Partnership for School Readiness. The major program responsibility was shifted on July 1, 2000.

Page 38, - unified data system will be needed, the last sentence in the first paragraph should indicate that \$3,135,922 has been spent to date.

OPPAGA Comment

We have addressed the department's technical responses in the published report.

**RESPONSE TO OPPAGA'S JUSTIFICATION REVIEW OF THE
DEPARTMENT OF CHILDREN AND FAMILIES
CHILD CARE PROGRAM**

Additionally, for clarification, SRS is described accurately; however, SRS is a system that interfaces with two other systems to accomplish the technical support for child care services statewide. SRS receives data from the Community Child Care Coordinating Agencies base or local field systems. These local field systems are used by the agencies to perform eligibility, fund accounting, and data compilation, among other functions. Data extracts from the local agencies are then transmitted to SRS for statewide functions. For several agencies, SRS also receives payment data, which is transmitted to the Electronic Benefits Transfer/Electronic Funds Transfer (EBT/EFT) System for direct deposit of provider payments.

Page 38, 2nd paragraph - local coalitions are in essence contracting with local community child care coordinating agencies to continue these services.



JEB BUSH
GOVERNOR

STATE OF FLORIDA
Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

October 24, 2000

Mr. Frank Alvarez
Office of Program Policy Analysis and Government Accountability
The Florida Legislature
111 West Madison Street
Room 312
Claude Pepper Building
Tallahassee, Florida 32399-1475

Dear Mr. Alvarez:

The Florida Partnership for School Readiness has reviewed the preliminary and tentative findings of the Office of Program Policy Analysis and Government Accountability's (OPPAGA) Justification Review of the Department of Children and Families' Child Care Program. We also had the opportunity to meet with OPPAGA staff to discuss the preliminary findings. In general, the report appears to be thorough and well-prepared.

The following are some specific responses to the preliminary review:

Page 15, paragraph 1: Now that the Subsidized Child Care Program is being transferred to the Partnership, the placement of the licensure program should be annually evaluated. While we would agree that there is no urgent need to transfer the function, there are some compelling reasons to consider eventually placing the two components under the same roof.

First, ensuring the health and safety of child care facilities is integrally related to the mission of the Partnership, which is to ensure that all children enter school physically, emotionally, and cognitively ready to learn. The Partnership cannot accomplish this goal without a foundation of strong child care licensure policy and enforcement.

Second, it is administratively inefficient to separate the functions. For at least 15 years, the Subsidized Child Care Program and the Child Care Licensure Program have been administered by the same program office, namely the child care unit in the Department of Children and Families. According to the Department, 94.8% of the unit's funds have been allocated to the subsidized child care component. Maintaining a separate licensure

office at the state level to oversee the remaining 5 percent of funds has deprived the Partnership of some staff expertise that was formerly benefiting both the subsidy and licensure program.

Page 15, "district level staff that will be assigned to the coalitions: The district-level staff will be assigned to the Partnership, not the coalitions.

OPPAGA Comment

We have addressed this comment in the published report.

Page 33, paragraph 1, last sentence "while some of these funds will be used for program administration and the Teenage Parent Program": None of the \$71 million will be used for the Teenage Parent Program; rather \$17 million of the \$71 million appropriation for Subsidized Child Care depends upon documenting school district expenditures for teen parent child care as match to draw down federal Child Care and Development Fund dollars.

Page 39, "Specifically, to assess all children enrolled in school readiness programs minimum screening criteria should be used with uniform screening tools. Furthermore, all children should be screened according to the same schedule."

We concur with this recommendation. Section 411.01, F.S. requires a uniform screening process utilizing the same screening tools for all children entering kindergarten. The same statute requires local coalitions to conduct age-appropriate assessments and pre- and post-tests for children in publicly funded school readiness programs. The Partnership and Department staff are working closely together to provide guidance to the coalitions on appropriate screening tools.

Thank you for the opportunity to comment on the Justification Review.

Sincerely,

/s/

Susan Muenchow
Executive Director