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## School Readiness Guidance and Communication Improve; Fiscal Issues, Evaluation Need Attention

### *at a glance*

The Agency for Workforce Innovation has improved guidance and technical assistance to the early learning coalitions as well as communication on program requirements and expectations. As a result, coalition executive directors indicate that their satisfaction with the agency's information and services has increased.

The agency should continue to take steps to fully address other issues identified in our previous reports. For instance, although the agency has taken some steps to resolve fiscal issues, it should take additional measures to help strengthen the financial condition of coalitions, including making changes to its payment process and addressing reasons why some coalitions continue to experience year-end deficits. In addition, the agency has worked with the Florida Department of Education on a new kindergarten uniform screening instrument to be administered in September 2006, but it has made little progress toward conducting the longitudinal analysis of program outcomes.

### Scope

In accordance with state law, this progress report informs the Legislature of actions taken by the Agency for Workforce Innovation in response to two prior OPPAGA reports related to Florida's School Readiness Program.<sup>1</sup> This report presents

OPPAGA's assessment of the extent to which the agency has addressed our findings and recommendations in these two previous reports.<sup>2</sup>

### Background

Florida's School Readiness Program is intended to increase children's chances of achieving future educational success and becoming productive members of society. The program is to be developmentally appropriate, research-based, involve parents as their children's first teachers, serve as preventive measures for children at risk of future school failure, enhance the educational readiness of eligible children, and support family education. The program also is to provide the elements necessary to prepare at-risk children for school including health screening and referral and an appropriate educational program.

Program responsibility is shared among the Agency for Workforce Innovation (AWI), the Department of Education, and local Early Learning Coalitions.<sup>3</sup> There are 31 coalitions that serve one or more counties, and these entities plan, coordinate, and implement the program following the standards and guidelines established by AWI

<sup>1</sup> Section 11.51(6), *F.S.*

<sup>2</sup> *School Readiness Coalitions' Progress Varies in Implementing the Program Over Two Years*, OPPAGA [Report No. 03-75](#), December 2003; *School Readiness Program's Potential Is Beginning to Be Realized, But Is Hindered by Partnership Guidance Issues*, OPPAGA [Report No. 04-06](#), January 2004.

<sup>3</sup> While the Partnership for School Readiness initially administered the program, the 2005 Legislature eliminated the partnership and transferred its responsibility for school readiness to the Agency for Workforce Innovation's Office of Early Learning.

and the Department of Education.<sup>4</sup> The Department of Education evaluates children's school readiness through a screening instrument called the Florida Kindergarten Readiness Screener (FLKRS), which will be administered to each child entering kindergarten in 2006-07.

Between March 2005 and February 2006, the School Readiness program provided pre-school education and child care services to approximately 110,600 children age birth to five, in addition to 36,350 children who were served in the Head Start program.<sup>5</sup> During this period, the program also served approximately 60,000 school-age children (over five years old).

In Fiscal Year 2005-06, the School Readiness Program received \$671.5 million in funding (see Exhibit 1). Approximately 73% of these funds were federal grants, with most of the remaining funds (\$178.2 million, 26.5%) provided from state general revenue. Local funds accounted for less than 1% of all program funding. In 2006-07, the School Readiness program received a total of \$671.4 million in funding from all sources.

#### Exhibit 1 Funding for the School Readiness Program Comes From a Variety of Sources

Fund Source for 2005-06	Percentage of Funding	Amount (millions)
<b>State</b>		
General Revenue	26.5%	\$178.2
<b>Total State Funding</b>	<b>26.5%</b>	<b>\$178.2</b>
<b>Federal</b>		
Child Care and Development Fund	56.5%	379.6
Temporary Assistance for Needy Families	16.6%	111.5
Even Start	0.1%	1.0
Social Services	0.1%	0.5
<b>Total Federal Funding</b>	<b>73.4%</b>	<b>\$492.6</b>
<b>Local</b>		
Local sources	0.1%	0.7
<b>Total Local Funding</b>	<b>0.1%</b>	<b>\$0.7</b>
<b>Total All Sources</b>	<b>100.0%</b>	<b>\$671.5</b>

Source: Agency for Workforce Innovation.

<sup>4</sup> At the time of our original reviews, there were 50 early learning coalitions. As of May 2006, the number of coalitions has decreased to 31 primarily as a result of consolidation.

<sup>5</sup> OPPAGA obtained data on the number of children served by the School Readiness program from AWI's website as of June 2006.

Our prior reviews concluded that state and local agencies had made progress implementing many aspects of the School Readiness program. Our reports recommended improving the program in four areas: program guidance and technical assistance, monitoring the financial condition of coalitions, school readiness assessment, and program communication.

## Current Status

The Agency for Workforce Innovation has made progress addressing the issues raised in our previous reports, although it has not fully implemented all of our recommendations. The agency has made the most progress in improving guidance and technical assistance to coalitions and strengthening communication regarding program requirements and expectations. However, it should take additional steps to strengthen the financial condition of some coalitions and to evaluate the program's success in meeting its intent.

### *Guidance and technical assistance have improved, but coalitions need more direction on program requirements*

AWI has taken several steps to provide better guidance on School Readiness to local coalitions. For instance, AWI has issued rules and policies, and it has provided technical assistance to assist coalition staff in implementing several program requirements outlined in Ch. 411, *Florida Statutes*. However, coalitions continue to express the need for more direction on program implementation.

Coalitions continue to need direction on their authority to implement key program requirements. AWI has made significant progress in providing guidance to local early learning coalitions. The agency has developed and distributed a program procedures manual, and it sends new policies electronically to coalition executive directors. In addition, AWI has developed a new indexing system that has made it easier for coalitions to locate state rules, policies, procedures, and board actions. Coalitions have found these changes to be helpful.

However, coalition staff indicate that they need additional information on critical issues such as selecting and administering readiness screening and assessment tools and defining the coalitions'

role in assisting providers implement developmentally appropriate curricula. Coalition staff cited a lack of direction in these areas as one of their greatest concerns. AWI should expand its guidance and technical assistance to coalitions on these issues.

AWI has issued criteria for plan elements, but the tracking system is still not accessible to coalitions. In February 2006, AWI issued detailed criteria for each element that coalitions are required to include in their annual program plans. This action addresses the problem noted in our prior reports that expectations for these plans were not clear. The agency is developing a new tracking database, which will enable coalitions to submit and amend their plans electronically and allow AWI and coalitions to separately track the plan approval process. The new database, which AWI anticipates will be fully operational after December 2006, also will enable the agency to more easily aggregate certain types of program data across the state or by region.

Coalitions remain uncertain of their authority to enforce requirements with providers. To clarify the enforcement authority coalitions have regarding provider adherence to health and safety requirements, AWI filed amendments to the state's Child Care and Development Fund Plan, which were subsequently approved by the federal government. The agency plans to incorporate these amendments in its rules by September 2006. While these changes should clarify some of the uncertainty over coalitions' enforcement authority, AWI should clarify how coalitions are to ensure that providers are meeting other program requirements established in law, particularly those pertaining to educational standards. AWI anticipates proposing additional plan amendments to address these issues once it promulgates the new health and safety rules in the fall of 2006.

### ***Program communication has improved***

AWI has made several changes to strengthen its internal and external communication, which have improved coalition satisfaction with the agency's information and services. AWI should build upon these efforts by regularly assessing its effectiveness in meeting coalition needs.

Communication and customer service have improved. AWI has worked to resolve weaknesses in communication and customer service that were

noted in our prior report. Specifically, it has established a single point of contact for each local coalition, and it has reduced the amount of time needed to respond to coalition questions. Coalition executive directors told us that these changes have been generally effective. In addition, an AWI survey of coalitions conducted in December 2005 found that 55% of coalitions were satisfied with the service and support they received from AWI and 66% were satisfied with the agency's analysts.<sup>6</sup> However, the AWI survey also identified areas needing further improvement. For instance, according to AWI, 67% of coalitions were dissatisfied with the Enhanced Field System, the database system they must use for enrollment, eligibility determination, case management, and provider payments. Also, AWI indicates that 35% of the coalitions reported difficulty navigating its website. AWI should address these areas and continue to obtain feedback from coalitions at least annually.

### ***Some fiscal issues have been addressed, while others continue to need attention***

Although AWI has taken steps to address fiscal issues, it should take additional measures to help strengthen the financial condition of some coalitions. In June 2005, the agency proposed a revised funding formula that would adjust for variations in the cost of living and the age and type of children served by the coalitions, but this proposal was not adopted by the Legislative Budget Commission. Florida law requires AWI to make recommendations to the Legislature on revisions to the funding formula each year.<sup>7</sup>

AWI has clarified the definition of "full-time reimbursement" and is revising the methodology for calculating market rates. To address the wide variation in reimbursement policies across coalitions, AWI has issued a memorandum to clarify 'full-time' care and parents' responsibility to pay for additional care hours.<sup>8</sup> AWI should verify that coalitions are providing adequate information to parents about their responsibility for arranging

<sup>6</sup> This information is based on a draft AWI report dated May 2006 that summarized the results of its survey.

<sup>7</sup> The 2006 Legislature passed and the Governor approved CS for SB 840 (Ch. 2006-17, *Laws of Florida*), which requires AWI to make annual recommendations on the allocation formula based upon equity and performance. The bill provides that the Legislature will indicate in the General Appropriations Act each year any changes in the methodology AWI must use to allocate program funds.

<sup>8</sup> Rule 60BB-4.100(12), *F.A.C.*, defines "full-time" care as at least 6 hours but no more than 11 hours of care in a 24-hour period.

and paying for this additional care and assisting parents in locating extended day programs. Furthermore, AWI should carry out the responsibility it has assumed for revising and updating the market rates for each coalition. AWI reports that it plans to address concerns raised by coalitions regarding the methodology used to determine these rates.

Restructuring the provider payment system would help address financial problems. AWI has not yet implemented our recommendation to base provider payment on enrollment rather than attendance. Restructuring the payment system would help make providers' revenue streams more predictable and allow them to better manage their fixed costs. AWI cites technical limitations with its current database system as one reason for not yet taking this step and will consider this change as it develops specifications for a new system later this year. In addition, AWI indicates that it is in the process of determining whether state and federal laws restrict its ability to change the current payment process.

AWI should continue working to prevent local budget deficits. AWI indicated that federal regulations prevented the agency from implementing our recommendation to allow coalitions to maintain a reserve fund of 1.5% of their budgets to help guard against deficits. To address this issue, the agency is monitoring local expenditures on a monthly basis to help identify deficits and surpluses and has drafted a policy that redistributes funds at the end of the year. While these efforts may be helpful, AWI should strive to address the root causes of the deficits by continuing its efforts to revise the funding formula and restructure the payment system, as mentioned above.

Disruption of services continues to be a problem for children who are ineligible for recertification. AWI continues to require coalitions to recertify program eligibility every six months, which helps to serve children on the waitlist but also results in children being dropped from the program in mid-year if they become ineligible. These mid-year disruptions may cause hardships on families. For instance, some parents may not be able to afford to pay the cost for their children to continue at their current provider and therefore must either find another less costly center or some other means of child care. In addition, children may lose the developmental progress they made in the School Readiness Program if their parents cannot find a new center that uses the same or a similar high quality curriculum as their current provider. Some coalitions have taken steps to address this problem by arranging for other agencies to pay for children who become ineligible. AWI should continue to work with coalitions to help avoid service disruptions by coordinating financial support within each community.

### ***Agencies are working towards longitudinal program evaluation***

While AWI has been working with the Department of Education on a new uniform screening instrument to be administered in September 2006, it has not yet conducted the longitudinal analysis of program outcomes.<sup>9</sup> Although the statewide school readiness screening instrument has changed over the years, these changes would not preclude AWI from conducting cohort studies that examine the relationship between readiness scores and FCAT scores in the third grade. To facilitate such an analysis, AWI and DOE are currently working to develop a data sharing interagency agreement, consistent with federal requirements.

<sup>9</sup> Section 411.01(10), *F.S.*, required a longitudinal analysis of program outcomes, but this section was repealed in 2004. Despite this fact, DOE and AWI are together pursuing a longitudinal evaluation of program outcomes.

OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475). Cover photo by Mark Foley.

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Project conducted by Sarah Mendonça-McCoy under the supervision of David D. Summers (850/487-9257)  
Jane Fletcher, OPPAGA Education Policy Area Staff Director  
Gary R. VanLandingham, OPPAGA Director