

2021 School Readiness Provider Rate Increases

Background

The 2020 Legislature appropriated \$50M in federal Child Care Development Funds for School Readiness (SR) provider rate increases to, "...reduce variance and inequities in provider payment rates across the state." Provider reimbursements for SR services are based on many factors including:

- The child's age/care level (infant, toddler, 2-year olds, 3-, 4- or 5-year olds, or school age).
- The type of provider (private center, family child care home, public school, non-public school).
- Whether the provider has earned Gold Seal status.
- The coalition's negotiated reimbursement rate with each provider.
- The provider's private pay rate for non-SR families.

Each state is required to calculate a market rate which is what the general population is being charged for child care services by providers. This is so that payment rates can be set to allow SR families equal access to the full range of child care available to families not receiving subsidies. While there is no threshold set for equal access, a benchmark of the **75th percentile** of rates reported in the market rate is a national goal.

Priorities for Increasing Rates

A tiered methodology was used to increase SR provider reimbursement rates, effective January 1, 2021. This prioritized the Infants, Toddlers and 2-Year Olds care levels and also raised the reimbursement rates for 3-, 4-, and 5-Year Olds.

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

Implementation

Each early learning coalition and Redlands Christian Migrant Association (RCMA) are completing the processes required to implement these changes to over 7,100 SR providers. Most will process supplemental payments for January's increases this month. February payments will reflect these higher rates.

Impact

It is estimated that over 6,600 School Readiness providers or 92% will benefit from these increases. It is important to note, that if the coalition's approved base reimbursement rate is higher than the percentages proposed, there will be no increase to these rates. However, there will not be any reductions in provider reimbursement rates.

SHAN GOFF

EXECUTIVE DIRECTOR, OFFICE OF EARLY LEARNING

250 MARRIOTT DRIVE • TALLAHASSEE, FL 32399 • 850-717-8550 • Toll Free 866-357-3239 • www.FloridaEarlyLearning.com