
	AGENCY FOR WORKFORCE INNOVATION <b>Office of Early Learning</b>		
	SUBJECT FILE: 400.02	POLICY NUMBER: OEL-PI-0016-05	
	UNIT: Program	STAFF CONTACT: Lisa L. Barnes, (850) 921-3171	
	ISSUE DATE: June 15, 2005	DEPUTY DIRECTOR: Gladys W. Wilson	

**Subject:** Market-rate survey

**References:** Section 402.3051(1)(c), F.S.  
 Section 411.01(5), F.S.<sup>1</sup>  
 45 C.F.R. parts 98 and 99  
 Federal Register, Vol. 63, No. 142, July 24, 1998

**Purpose:** To adopt procedures for implementing new market rate surveys upon their release

This program instruction rescinds FPSR-IM-FSM-03-04 (Market Rate Survey Data)

**Background:** The federal Child Care and Development Fund (CCDF) require the Agency for Workforce Innovation (AWI), as Lead Agency for the state's CCDF program, to establish payment rates that ensure eligible children equal access to comparable care. The payment rates are required to be adequate and based on a local market-rate survey conducted no earlier than 2 years before the effective date of the current CCDF plan (45 C.F.R. § 98.43(b)(2)).

The federal regulations remind Lead Agencies of the general principle that federal subsidy funds may not pay more for services than are charged to the general public for the same services.<sup>2</sup>

Florida's School Readiness Act specifies that "the Agency for Workforce Innovation ... [m]ust consider the access of eligible children to the school readiness program, as demonstrated in part by waiting lists, before approving a proposed increase in payment rates submitted by an early learning coalition" (s. 411.01(5)(c)1.f., F.S.). The act further specifies that funds made available due to enrollment shifts to the Voluntary Prekindergarten Education (VPK) Program shall be used to increase the number of children served before increasing payment rates.

<sup>1</sup> Citations to the School Readiness Act, s. 411.01, F.S., were amended by s. 2, ch. 2004-484, L.O.F.

<sup>2</sup> Federal Register, Vol. 63, No. 142, Friday, July 24, 1998, Rules and Regulations

The School Readiness Act also specifies that “Agency for Workforce Innovation ... [m]ust require each approved plan to include ... [p]ayment rates adopted by the early learning coalitions and approved by the Agency for Workforce Innovation. Payment rates may not have the effect of limiting parent choice or creating standards or levels of services that have not been authorized by the Legislature” (s. 411.01(5)(d)4.f., F.S.).

The act requires each early learning coalition to adopt a payment schedule that must consider the relevant market rate, must include the projected number of children to be served, and must be approved by the Agency for Workforce Innovation (s. 411.01(5)(e)2, F.S.).

The “prevailing market rate,” is defined as “the annually determined 75th percentile of a reasonable frequency distribution of market rate in a predetermined geographic market at which licensed child care providers charge a person for child care services” (s. 402.3051(1)(c), F.S.).

**Instructions:** Upon the release of a new market rate survey, the Office of Early Learning shall electronically distribute the survey to all early learning coalitions. The survey must be used by the coalitions when setting their current payment rates. Each coalition shall:

- (1) Initiate a plan amendment when the coalition adjusts its payment rates. The amendment must be submitted electronically to the coalition’s program analyst for review. Upon review, the program analyst shall forward the amendment to the Office of Early Learning for approval. When submitting an amendment, coalitions must follow the instructions outlined in OEL File 206.15.
- (2) Ensure that the payment-rate schedule (Form AWI-EL 34) is attached to the amendment. The payment-rate schedule must list the coalition, the counties it represents, and the effective date.
- (3) Ensure that full-time and part-time rates are addressed. The care levels, weekly and daily rates, and each type of available care provider must be addressed for special needs, informal, and Gold Seal rates. These rates shall be addressed in the following manner:
  - (a) Special needs rates shall be negotiated up to 10 percent above the licensed center infant payment rate, however, the special needs rates may not exceed the private pay rate for licensed center infant care.
  - (b) Gold Seal rates shall be negotiated up to 20 percent above the licensed center payment rate, however, the Gold Seal rates may not exceed the private pay rate for licensed center care.
  - (c) Informal arrangements shall be paid at not more than 50 percent of the rate established for a licensed home.

- (4) Ensure that the schedule includes the projected number of children to be served.
- (5) Ensure that payments for services (including Gold Seal) do not exceed the amount that is charged to the general public for the same services in order to ensure equal access to comparable care.
- (6) Distribute its payment rate schedule, after approval by the Office of Early Learning, with implementation instructions, to any agency providing school readiness services.

**Attachment:** Form AWI-EL 34 (Payment-rate schedule)

PLEASE DIRECT QUESTIONS AND COMMENTS TO THE STAFF CONTACT LISTED ABOVE.

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**EARLY LEARNING COALITION OF \_\_\_\_\_**  
 Serving the counties of \_\_\_\_\_

PAYMENT-RATE SCHEDULE (Effective \_\_\_\_\_)

Care Level		Full-Time Rates											
		Licensed or Exempt Providers		Gold Seal		Licensed Homes		Registered Homes		Informal Providers		Licensed Before or After School	
		Daily	Weekly	Daily	Weekly	Daily	Weekly	Daily	Weekly	Daily	Weekly	Daily	Weekly
Infant	(0-12 Mo.)												
Toddler:	(13-23 Mo.)												
	(24-35 Mo.)												
Preschool:	(36-47 Mo.)												
	(48-59 Mo.)												
	(60-72 Mo.)												
Special Needs													
School-Age													
VPK Wrap-Around													
Care Level		Part-Time Rates											
		Licensed or Exempt Providers		Gold Seal		Licensed Homes		Registered Homes		Informal Providers		Licensed Before or After School	
		Daily	Weekly	Daily	Weekly	Daily	Weekly	Daily	Weekly	Daily	Weekly	Daily	Weekly
Infant	(0-12 Mo.)												
Toddler:	(13-23 Mo.)												
	(24-35 Mo.)												
Preschool:	(36-47 Mo.)												
	(48-59 Mo.)												
	(60-72 Mo.)												
Special Needs													
School-Age													
VPK Wrap-Around													

**Additional information:**

Has your coalition adopted a sibling discount rate?	<input type="checkbox"/> Yes ____% of the payment rate.	<input type="checkbox"/> No
Describe any additional parameters your coalition has adopted (For example: Rate for special needs is negotiated and may exceed regular rate by up to x%.):		
What is the projected number of children to be served within the fiscal year(s) this schedules covers?		