



## VPK Wrap Rates

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### OF INTEREST TO

The Office of Early Learning (OEL, the Office) and Early Learning Coalitions (ELCs).

### SUMMARY

State and federal requirements mandate that school readiness funds awarded to an early learning coalition be used exclusively for the coalition's school readiness program.

To preclude school readiness funds from being used to subsidize the Voluntary Prekindergarten (VPK) program, this program guidance provides instructions on:

- how coalitions shall establish school readiness payment rates for children concurrently enrolled in the VPK program;
- how a school readiness provider's daily payment rates are converted to hourly rates, and the number of payable hours for each child is reduced by the average number of daily VPK instructional hours; and
- that the parent copayment is reduced to a part-time copayment if the provider delivers fewer than 6 hours of school readiness services.

### REFERENCES

Section 1002.53, Florida Statutes

Section 1002.55(2), Florida Statutes

Section 1002.61(2)(a), Florida Statutes

Section 1002.81(1), Florida Statutes

Section 1002.85(2), Florida Statutes

Section 1002.87, Florida Statutes

Section 1002.89(5), Florida Statutes

45 C.F.R. § 98.56(a)

2 C.F.R. § 200.405(a)(1)

### PURPOSE

To adopt criteria for payment rates for school readiness services provided to children concurrently enrolled in the School Readiness and VPK programs. These criteria must ensure that school readiness funds are used exclusively for the school readiness program and do not finance the VPK program.

## BACKGROUND

Section 1002.85(2), Florida Statutes (F.S.), requires each early learning coalition to biennially submit a school readiness plan to the Office, prior to expenditure of funds. A coalition may not implement any revisions to its plan without prior approval from the Office. The plan must include the coalition's payment rate. Statute further requires the Office to adopt criteria for the approval of school readiness plans (s.1002.85(1), F.S.).

A substantial part of the funds allocated to early learning coalitions for their school readiness programs is provided from the federal Child Care and Development Fund (CCDF). Federal regulations governing CCDF require these federal funds to be expended consistent with those regulations and in accordance with state law (45 C.F.R. § 98.56(a)). Florida's School Readiness Act directs that "[a]ll state, federal, and local matching funds provided to an early learning coalition for purposes of this section shall be used for implementation of its approved school readiness program plan" (s. 1002.89(5), F.S.).

The United States Department of Health and Human Services administers CCDF. The federal Office of Management and Budget (OMB) has issued instructions to all federal departments prescribing cost principles for non-profit organizations that receive federal funds.<sup>1</sup> The federal CCDF funds allocated to early learning coalitions are governed by these instructions, which specify that a cost is allocable to a federal award if it is incurred specifically for the award.<sup>2</sup>

Accordingly, both state and federal requirements mandate that school readiness funds awarded to an early learning coalition specifically for the coalition's school readiness program must be used exclusively for the school readiness program.

The **school readiness program** is generally available to children who are younger than thirteen years of age and are considered at-risk or economically disadvantaged as defined by ss. 1002.81(1) and (7), F.S.; (s. 1002.81 and 1002.87, F.S.). Hours reimbursed for the school readiness program are based on the individual family's need for care.

The **VPK program** is available to each child who resides in this state who will have attained the age of 4 years on or before September 1 of the school year (s. 1002.53(2), F.S.). The VPK program gives a parent the option of a school-year program (540 instructional hours) or a summer program (300 instructional hours) (s. 1002.53(3), F.S.).

Since a child may be eligible simultaneously for the VPK program and the school readiness program, a child may be concurrently enrolled to receive services in both programs during different times of the day. The VPK law neither prohibits concurrent enrollments, nor prohibits a private provider or public school from delivering both programs for a child.

## INSTRUCTIONS

The payment rates adopted by each early learning coalition for the coalition's school readiness program must be consistent with the following criteria.

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<sup>1</sup> Executive Office of the President, Office of Management and Budget (OMB), Code of Federal Regulations (CFR) Title 2 Grant and Agreements, Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (December 2014).

<sup>2</sup> See 2 CFR 200.405(a)(1), Allocable costs.

**(1) Definitions**

As used in this program guidance, the term –

- (a) **“VPK hours per day”** means the average number of daily VPK instructional hours for the child’s VPK prekindergarten class, which is calculated by dividing the number of instructional hours required by law (i.e., 540 hours for classes in a school-year program or 300 hours for classes in a summer program) by the number of VPK instructional days scheduled for the class.
- (b) **“Wrap-around readiness services”** means school readiness services provided for a child who is concurrently enrolled in the VPK program.

**(2) Duplicate payment prohibited**

School readiness funds paid for a child concurrently enrolled in the school readiness program and the VPK program must be used exclusively for the school readiness program and may not be used for the VPK program. Consequently, services provided for a child during an instructional period reported for funding under the VPK program may not also be reported for funding under the school readiness program.

**(3) Payment rates for wrap-around readiness services**

School readiness payment rates for wrap-around readiness services shall be established as follows:

- (a) **Establish a child’s daily need for school readiness services**

Upon determining that a child is eligible for the school readiness program, the coalition or its designee shall analyze the child’s daily need for services and assign for that child the appropriate school readiness unit of care.

Table 1 below displays the units of care used in the Enhanced Field System (EFS).

<b>TABLE 1 – School Readiness Units of Care</b>		
<b>Standard code for unit of care</b>	<b>Description of units of care</b>	<b>Maximum hours</b>
<b>PTL</b>	Part time low ( <i>fewer than 3 hours</i> )	<b>3</b>
<b>PT</b>	Part time ( <i>3 or more hours but fewer than 6 hours</i> )	<b>6</b>
<b>PTS</b>	Part time sibling	
<b>PTBA</b>	Part time before and after school	
<b>FT</b>	Full time ( <i>6 or more hours but fewer than 11 hours</i> )	<b>11</b>
<b>FTS</b>	Full time sibling	
<b>FTPT</b>	Full time and part time ( <i>11 or more hours but fewer than 16 hours</i> )	<b>16</b>
<b>FTPS</b>	Full time and part time sibling	
<b>FTFT</b>	Full time and full time ( <i>16 or more hours</i> )	
<b>FTFS</b>	Full time and full time sibling	<b>20</b>

- (b) **Calculating the payment rate for wrap-around readiness services**

**1. Convert provider’s daily rate to hourly rate**

The provider’s daily payment rate for the school readiness unit of care assigned under (3)(a) above is converted to an hourly rate by dividing the daily rate by the maximum

hours listed in the Table 1 above for the unit of care. For example, if a child enrolls for a full-time (FT) unit of care, the FT daily payment rate is divided by 11 hours.

**2. Determine number of payable hours**

- a. The number of payable hours for wrap-around readiness services is determined by subtracting the number of VPK hours per day from the maximum hours listed for the unit of care in the Table 1 above. For example, if a child enrolls for a part-time (PT) unit of care, the number of payable hours for wrap-around readiness services is determined by subtracting the number of VPK hours per day from 6 hours.
- b. If a child’s parent or guardian and the school readiness provider jointly certify in writing to the early learning coalition, on forms prescribed by the coalition, that the provider delivers excess daily hours of wrap-around readiness services beyond the number of payable hours determined under (3)(b)2.a. above, the number of daily hours included in the certification is considered the number of payable hours.
- c. If an early learning coalition determines, under (5)(c) below, that a school readiness provider delivers fewer daily hours of wrap-around readiness services than the number of payable hours determined under (3)(b)2.a. above, the number of daily hours determined by the coalition is considered the number of payable hours.

**3. Multiply hourly rate by payable hours**

A payment rate for wrap-around readiness services provided for a child is established by multiplying the hourly payment rate calculated under (3)(b)1 above by the number of payable hours determined under (3)(b)2 above. Table 2 below displays examples of how the payment rates for wrap-around readiness services are established.

Note - The unit of care and reimbursement rate used for the wrap rate calculation does not change based on the number of payable hours determined under (3)(b)(2) above. For example, if the child's need established under (3)(b)(1) above is for full time care, then the calculation will be based on the full-time reimbursement rate and full-time maximum hours.

**TABLE 2 – Sample Calculation of Wrap-Around Payment Rates\***

Child’s need	Daily rate	Max. hours	Daily rate / Maximum hours	Hourly Rate	VPK hours	Maximum hrs. – VPK hours	Payable hours	Payable hours x Hour rate	SR daily
PT	\$15	6		\$2.50	3		3		\$7.50
FT	\$20	11		\$1.82	3		8		\$14.56
FTPT	\$25	16		\$1.56	3		13		\$20.28
FTFT	\$30	20		\$1.50	3		17		\$25.50

Child’s need	VPK hours	\$2.43 /	VPK hourly	VPK hours	VPK daily	From table	SR daily	VPK daily	Total daily
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<b>PT</b>	3	\$4.63**	\$13.89	\$7.50	\$21.39
<b>FT</b>	3	\$4.63**	\$13.89	\$14.56	\$28.45
<b>FTPT</b>	3	\$4.63**	\$13.89	\$20.28	\$34.17
<b>FTFT</b>	3	\$4.63**	\$13.89	\$25.50	\$39.39

\* The payment rates displayed in this table are sample calculations and are not actual payment rates.

\*\* VPK hourly rate assumes a base student allocation of \$2,437 in a school-year program (540 instructional hours).

**4. Compare payment rate to provider’s published rate**

If a school readiness provider publishes a payment rate for wrap-around readiness services which is lower than the payment rate established under (3)(b)3. above, the provider shall be paid at the lower published rate.

**(c) Record Payment Rate in EFS**

To record payment rates for wrap-around readiness services in the Enhanced Field System (EFS), the Office of Early Learning established two school readiness units of care, which are displayed in the following table. Use the chart below to determine the appropriate unit of care based on the number of payable hours to enter in EFS for wrap rates.

**TABLE 3 – Units of Care for Wrap-Around Readiness Services**

<b>Standard code for unit of care</b>	<b>Description of units of care</b>	<b>Maximum hours</b>
<b>PTV</b>	Part time wrap-around for VPK program (3 or more payable hours but fewer than 6 payable hours)	<b>6</b>
<b>FTV</b>	Full time wrap-around for VPK program (6 or more payable hours but fewer than 11 payable hours)	<b>11</b>

If a child’s service period established under (3)(a) above requires a unit of care that cannot be recorded using these two new units of care, the coalition or its designee shall record the child’s payment rate for wrap-around readiness services in EFS using the negotiated-rate screen.

**(d) Multiple providers or schools**

The payment rate for wrap-around readiness services is calculated in accordance with (3)(b) above, regardless of whether the private prekindergarten provider or public school delivering the VPK program for the child is the same or different than the school readiness provider delivering the wrap-around readiness services.

#### **(4) Change of Care Level**

If a child's care level changes (e.g., from PR4 to PR5), the payment rate for the child's wrap-around readiness services must be updated in accordance with (3) above for the new care level. If the payment rates for each care level within the FTV and PTV units of care are recorded in EFS, a child's payment rate automatically updates when the child's care level is changed.

#### **(5) Assessment of parent copayments**

A parent copayment for wrap-around readiness services shall be assessed as follows:

- (a) A school readiness provider may require a parent or guardian to pay the full-time copayment according to the coalition's sliding fee scale if the number of payable hours determined under (3)(b)2 above is 6 or more hours.
- (b) A school readiness provider may require a parent or guardian to pay the part-time copayment according to the coalition's sliding fee scale if the number of payable hours determined under (3)(b)2 above is fewer than 6 hours.
- (c) Regardless of the number of payable hours determined under (3)(b)2 above, a school readiness provider may not require a full-time copayment, and may only require a parent or guardian to pay a part-time copayment according to the coalition's sliding fee scale, if the coalition determines, based on the parent's or guardian's certification, that the provider delivers fewer than 6 daily hours of wrap-around readiness services for the child. The parent or guardian must submit the certification to the coalition in writing.

#### **(6) Multi-Coalition Payments**

If a private prekindergarten provider or public school is paid for a child served in the VPK program by one early learning coalition and the same or another provider or school is paid by a second coalition for wrap-around readiness services for the same child, the second coalition must establish the payment rate for the child's wrap-around readiness services in accordance with (3) above.

#### **EFFECTIVE DATE**

Issuance of this guidance represents approval by OEL management of the indicated guidance and related administrative forms.

#### **HISTORY**

This guidance replaces the prior version identified as OEL-PI-0022-05 (July 25, 2005). Reissued November 26, 2014. Revised and reissued June 1, 2016; Effective July 1, 2016. Revised and reissued June 1, 2017. Revised and reissued July 1, 2018.

If you have questions or need assistance, please contact the Office of Early Learning by phone at 850-717-8500 or email [oel.questions@oel.myflorida.com](mailto:oel.questions@oel.myflorida.com)