



## School Readiness Funds Management

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### OF INTEREST TO

The Office of Early Learning (OEL, the Office), Early Learning Coalitions (ELCs, coalitions), and other subrecipients of OEL implementing federal and state early learning programs. For the purposes of this guidance, references to coalition(s) includes both Early Learning Coalitions and Redlands Christian Migrant Association (RCMA).

### AUTHORITY

Sections [1002.82, Florida Statutes \(F.S.\)](#), [1002.85\(2\)\(j\) F.S.](#), [1002.87, F.S.](#), [45 CFR Parts 98](#) and [99, CCDBG Act of 2014](#) and [Chapter 414, F.S.](#)

Reference to any laws, rules and regulations in this guidance document includes revisions to those laws and regulations made after the effective date of this guidance document.

### SUMMARY

To ensure the prudent management of School Readiness (SR) funds, a coalition must track its use of SR funds on an ongoing basis. If a deficit or surplus is forecasted, appropriate actions must be taken. This document provides potential strategies for use by coalitions facing such situations. As a condition of receiving SR funds, coalitions agree to implement this guidance in accordance with the Early Learning Grant Agreement or contract, as appropriate.

### BACKGROUND

As a recipient of federal funds, OEL is required to comply with federal administrative regulations in the administration of the Child Care and Development Block Grant Trust Fund (CCDBG). In addition, Florida statute requires OEL be responsible for the prudent use of all public and private funds in accordance with all legal and contractual requirements; safeguarding the effective use of federal, state, and local resources to achieve the highest practicable level of school readiness for the children described in [Section 1002.87, F.S.](#)

During a fiscal year, fluctuations in the number of children receiving assistance in the SR program may result in fluctuations in the amount of SR funds needed to support the program. With the implementation of the [CCDBG Act of 2014](#), these fluctuations may level off due to the 12-month eligibility criteria and it will be critical for coalitions to accurately project the number of children and their budget can support. These factors must be documented and tracked and action must be taken by ELCs to account for recurring trends and conditions and to accurately assess funding needs.

[Section 1002.87\(1\), F.S.](#), establishes priority eligibility groups for participation in the SR program as follows:

- Priority shall be given first to a child younger than 13 years of age from a family that includes a parent who is receiving temporary cash assistance under Chapter 414, F.S., and subject to the federal work requirements.
- Priority shall be given next to an at-risk child younger than nine (9) years of age.
- Subsequent priority must be given, based on the ELC's local priorities identified under section [1002.85\(2\)\(j\)](#), F.S., and to children who meet criteria defined in section 1002.87(1)(c) F.S., as approved in the coalition SR plan.

The General Appropriations Act (GAA) provides the OEL with the authority to reallocate funds for SR services as funds are available or in the instance a coalition does not have eligible children on its waiting list and has met its expenditure cap pursuant to [section 1002.89\(6\)](#), F.S. At least 14 days prior to reallocating any school readiness funds, the office shall submit written notification to the Governor's Office of Policy and Budget and the chairs of the Senate Committee on Appropriations and the House of Representatives Appropriations Committee that includes the total amount of school readiness funds being reallocated and the early learning coalitions involved in the reallocation.

## **GUIDANCE**

### **Budget Tracking and Analysis**

Each coalition must track enrollments in, and expenditures for, the SR program. The forecast for the current grant period must be reflected in the School Readiness Projection Model as part of the Reimbursement Request Invoice Workbook (see OEL Program Guidance 240.06).

A monthly projection must be performed which:

- Estimates annual expenditures through the end of a fiscal year based on current enrollment, current expenditures of SR funds, and recurring trends and conditions anticipated to affect enrollment and expenditures.
- Estimates the number of children to be served in the SR program through the end of the fiscal year.
- Forecasts for a budgetary surplus or deficit through the end of the fiscal year.

### **Fund Management Strategies for Preventing Deficits**

Local strategies must be established for managing SR funds and preventing a budgetary deficit. Where applicable, a coalition plan amendment will be required. Strategies may include, but are not limited to the following:

- Projecting the number of children that can be served during the fiscal year.
- Transferring SR funds from administration, non-direct services, or quality services to direct services within the targets and restrictions of the coalition's grant award or contract amount.
- Leveraging resources through partnerships (e.g., local governments, Head Start, Children's Services Councils).
- Delaying the enrollment of a child in a subsequent priority eligibility group.

- Amending SR plans to increase parent copayments and remain in compliance with [Section 1002.84\(8\)](#), F.S., and OEL Program Guidance 400.01. Parent copayments may only be increased at redetermination.

### Projected Deficit and Disenrollment of Children

In accordance with the [CCDBG Act of 2014](#), a child receiving CCDF funded SR assistance may not be terminated from the program unless the family income exceeds the federal threshold of 85 percent of the State Median Income. Children in CCDF funded eligibility categories may not be disenrolled due to a projected deficit. Children in non-CCDF funded eligibility categories may not be disenrolled due to a projected deficit unless a deficit has been forecasted through the end of the fiscal year and the fund management strategies listed above have been addressed and implemented, as appropriate. If, after implementation of fund management strategies, a deficit continues to be projected, making disenrollment a continued possibility, no individual child nor group of children shall be disenrolled due to a projected deficit before consulting with and obtaining written approval from the Executive Director of OEL.

CCDF funded eligibility categories (OCA)	97R00, 97P00, 97PP0
Non-CCDF funded eligibility categories (OCA)	97GNW, 97G00, 97RSP, 97GTA, 97CFO

A coalition must adopt a written policy which, at a minimum, provides for the following:

- Written notification to OEL at least forty-eight (48) hours prior to the initiation of formal consideration by the board to disenroll a group of children from non-CCDF funded eligibility categories due to a projected funds deficit.
- Written notification to OEL at least five (5) business days prior to taking action to notify providers or families of a determination to disenroll a child from an early learning program due to a projected funds deficit. The notice to OEL must:
  - be submitted with a copy of the two most recent monthly analyses; and
  - identify the enrollment priority group and non-CCDF funded eligibility categories from which the coalition plans to disenroll children due to a projected funds deficit and the number of children planned to be disenrolled within each enrollment priority group.
- Written notice to any affected child’s parent or guardian at least two (2) weeks before the child is disenrolled from the SR program due to a projected funds deficit, which includes the effective date of the child’s disenrollment.
- Written notice to any affected child’s SR provider at least two (2) weeks before the child is disenrolled from the SR program due to a projected funds deficit, which includes the effective date of the child’s disenrollment.
- The continued initial enrollment of a child in a priority eligibility group in accordance with [Section 1002.87\(1\)\(c\)](#), F.S.
- Establishing enrollment priorities among the subsequent priority eligibility groups in descending order, beginning with the highest enrollment priority, in accordance with [Section 1002.87\(1\)](#), F.S.

- Prohibiting the disenrollment of children enrolled in CCDF funded eligibility groups.
- Prohibiting the disenrollment of groups of children for a reason other than preventing a deficit or failure to comply with eligibility requirements.
- Permitting the disenrollment of children in order, pursuant to [Section 1002.87\(7\)](#), F.S. The policy may allow for the disenrollment of a distinct subgroup within an enrollment priority (e.g., a school-age child older than a specified age).
- Submitting a plan amendment, if applicable, and receiving written approval of the submitted plan amendment from OEL prior to disenrollment of children.

### **Fair Disclosure Statement**

SR eligibility determination and redetermination forms must include a fair disclosure statement notifying a child’s parent or guardian SR services are subject to the availability of funding and enrollment priorities.

### **Requests for Reobligation and Deobligation of SR Funds**

A coalition may request an increase in its allocation of SR funds (i.e., reobligation) if the coalition forecasts a deficit for the fiscal year or projects additional eligible children on the waiting list can be served. To receive consideration for an increase in its allocation, the coalition must submit an electronic request to the coalition’s assigned OEL grant manager. The reobligation request must be submitted between the last Friday in February and the first Friday<sup>1</sup> in April of a grant award or contract period and include, at a minimum:

- The amount of increase requested, not to exceed the amount of the forecasted deficit, if applicable;
- Details for the requested increase at the county level if a coalition is a multi-county service provider;
- A justification for the requested increase including, but not limited to, the methodology used to determine the amount of the forecasted deficit or the number of additional children to be served, as appropriate;
- Details of actions taken or planned to resolve the projected deficit without additional funding or with limited additional funding, if appropriate; and
- A description of all actions taken subsequent to the identification to eliminate the projected deficit, including actual dates of the actions taken, if appropriate.

A coalition may request a decrease in its allocation of SR funds (i.e., deobligation) if the coalition forecasts a surplus for the fiscal year. For a decrease in its allocation, the coalition must submit a written request electronically to the coalition’s assigned OEL grant manager. The deobligation request must be submitted between the last Friday in February and the first Friday in April of a grant award or contract period and include, at a minimum:

- The amount of decrease requested; and
- A description of all actions taken subsequent to the identification of the surplus of funds to eliminate the projected surplus, including actual dates of the actions taken, if appropriate.

The requests for reobligation or deobligation of funds must be supported by the ELC’s Projection Model that is submitted as part of the monthly invoice process. An earlier or later submission timeframe for submission of deobligation and reobligation requests may be requested and approved, if appropriate, by the OEL grant manager on a case-by-case basis.

### **OEL Reallocation of Funds**

Upon receipt of requests for reobligation, OEL will determine any amount of projected surplus funds available for possible reallocation, pursuant to proviso language in the GAA as described in the Background Section of this guidance. OEL will then coordinate with potentially affected coalitions for the reallocation of any projected surplus funds (deobligation) to one or more of the other coalitions forecasting a budgetary deficit or requesting to serve additional children. If the amount of the reobligation requests exceeds the projected surplus funds available, OEL will determine, on a case-by-case basis, the amount of SR funds to be reallocated among the coalitions.

Contingent upon OEL’s determination of reallocation of funds, a revised notice of award (NOA), reflecting a total funding increase (reobligation) or decrease (deobligation), will be provided to the affected coalitions.

Upon receipt of an updated NOA, coalitions must revise their Budget Allocation by OCA as instructed in Program Guidance 240.06, Reimbursement Requests. The revised Budget Allocation by OCA must equal the total amount of the updated NOA.

### **EFFECTIVE DATE**

Issuance of this guidance represents approval by OEL management of the indicated procedures and related administrative forms. These procedures will be effective as of the date of this guidance.

### **HISTORY**

Original – OEL-FG-0001-10 (July 30, 2010). Revised – OEL-FG-0002-12 (August 16, 2012). Revised – OEL-FG-0001-13 (August 6, 2013). Reissued Program Guidance 240.04 - July 1, 2015. Revised and reissued August 2016, effective September 1, 2016. Revised and Effective July 1, 2018. Revised and Effective July 1, 2019. Revised and Effective July 1, 2021.

If you have any questions, contact [OEL.Questions@oel.myflorida.com](mailto:OEL.Questions@oel.myflorida.com).