

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1282

SPONSOR: Senator Cowin

SUBJECT: School Readiness Trust Fund/Governor

DATE: March 13, 2000

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Harkey</u>	<u>O'Farrell</u>	<u>ED</u>	<u>Fav/1 amendment</u>
2.	<u>McKee</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

## I. Summary:

This bill creates the School Readiness Trust Fund in the State Treasury, to be administered by the Executive Office of the Governor. Funds budgeted for the prekindergarten early intervention program, the subsidized child care program, and other state or locally funded education and care programs for preschool children may be transferred to the trust fund for school readiness programs. The Florida Partnership for School Readiness will distribute funds to the fiscal agent of each school readiness coalition for use by that coalition.

If created, the trust fund would be terminated on July 1, 2004, as required by the State Constitution.

The bill will take effect on July 1, 2000.

This bill creates three unnumbered sections of the Florida Statutes.

## II. Present Situation:

The School Readiness Act of 1999 (s. 411.01, F.S.) requires the development of local school readiness coalitions to better prepare children for success in school. Florida has numerous programs designed to help families foster the development of their young children. The School Readiness Act created the Florida Partnership for School Readiness to help local leaders coordinate these many programs into a system for preparing children to enter school. The Partnership has approved 57 local coalitions to plan and oversee the school readiness program. Every county in the state is represented by a coalition.

The Partnership will approve each coalition's plan for the use of public funds and other resources to ensure that children are ready for school. The law specifies that each coalition will have available to it funding from all the coalition's early education and child care programs that are funded with state, federal, lottery, or local funds. The law also requires the Florida Partnership

for School Readiness, the state-level policy-making body, to recommend to the Legislature the combining of funding streams for school readiness programs into a School Readiness Trust Fund.

In Senate Interim Project Report 2000-42, the staff of the Senate Fiscal Policy Committee identified over \$867.3 million in public funds that would be spent for school readiness programs in Florida during FY 1999-2000. Only some of those funds, such as Prekindergarten Early Intervention funds (\$97 million), subsidized child care for working parents (\$193.2 million) and child care for WAGES program participants (\$158.8 million) are appropriated in the General Appropriations Act. Others, such as Head Start funds (\$191 million) go directly from the Federal Government to local grantees who provide the program. Thus, a coalition's plan for service to children will include more programs than those for which its fiscal agent receives funding.

In February 2000, the Partnership for School Readiness recommended to the Legislature inclusion of the following program funds in a School Readiness Trust Fund:

**Florida First Start Program**--\$3 million in Lottery funding provides early intervention services to infants and toddlers (ages birth to three) and their families.

**Even Start Literacy Program**--\$5.7 million in Federal Title I funds provides a family literacy program that includes adult literacy, adult basic education, early childhood education, and parenting education.

**Prekindergarten Early Intervention Program**--\$97 million in Lottery funds provides a preschool program that includes health screening and referral.

**Migrant Prekindergarten Program**--\$5.6 million in Lottery funds provides preschool programs for children of migrant laborers.

**Subsidized Child Care Program**--\$460 million in Federal, state and local funds provides child care for children (ages 0-12) of working parents and WAGES program participants.

**Home Instruction Program for Preschool Youngsters (HIPPY)**--\$750,000 in General Revenue teaches parents whose income is at, or below, the poverty level ways to be teachers for their three- to five-year-old children.

The Partnership recommended including child care serving children from birth to age 12, as well as 13-17 year old children with special needs. While the child care population would stretch far beyond the preschool years, the Partnership based its recommendation on the fact that the program serves families at whatever ages their children happen to be, and on the efficiency of a single delivery system.

### III. Effect of Proposed Changes:

Section 1 creates the School Readiness Trust Fund in the State Treasury, to be administered by the Executive Office of the Governor.

Section 2 specifies that the funds budgeted for the prekindergarten early intervention program, the subsidized child care program, and other state or locally funded education and care programs for preschool children may be transferred to the School Readiness Trust Fund. Additional funds, including state-appropriated incentive funds, may be placed in the trust fund for purposes of this section.

All funds transferred to and retained in the trust fund are to be invested under s. 18.125, Florida Statutes. Any undisbursed balance remaining in the trust fund and interest accruing to the trust fund not distributed at the end of the fiscal year shall remain in the trust fund to increase the total funds available for the coalitions.

The Partnership for School Readiness will annually distribute to each fiscal agent funds from the trust fund for the benefit of each coalition. Additional funds and investment income from the trust fund will be distributed to the coalitions implementing school readiness programs based on achievement of performance outcomes or need, or a combination thereof.

State funds appropriated for the school readiness program may not be used for the construction of new facilities or the purchase of buses, but may be used for educational field trips that enhance the curriculum.

Section 3 specifies that the termination date of the trust fund is July 1, 2004. Prior to its scheduled termination, the trust fund must be reviewed as provided in Section 215.3206 (1) and (2), Florida Statutes.

Section 4 creates an effective date of July 1, 2000.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

Under Article III, section 19, of the State Constitution, a trust fund must be created in a separate bill for that purpose only, and the bill must be passed by three-fifths of the membership of each house of the Legislature in order to become law.

#### **V. Economic Impact and Fiscal Note:**

##### **A. Tax/Fee Issues:**

None.

##### **B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

Funds for the school readiness program may be transferred to the trust fund. All funds transferred to and retained in the trust fund are to be invested under s. 18.125, Florida Statutes. Any undisbursed balance remaining in the trust fund and interest accruing to the trust fund not distributed at the end of the fiscal year will remain in the trust fund to increase the total funds available for the coalitions.

Under s. 411.01, F.S., the Florida Partnership for School Readiness is to determine the distribution of funds to the school readiness coalitions. The trust fund will be administered by the Partnership, which is administratively housed in the Governor's Office, within the Partnership's current resources.

State funds appropriated for the school readiness program may not be used for the construction of new facilities or the purchase of buses, but may be used for educational field trips that enhance the curriculum.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

# 1. by Education Committee---

Corrects a cross-reference.