

PDG-R Cost of Quality Study on Family Child Care Home FY 20-21

Purpose

The purpose of this Contract is to engage the University of Florida (Contractor) to conduct a Cost of Quality Study on family childcare home (FCCH) providers and develop a report based on the results of that study that analyzes School Readiness (SR) provider payment rates and how those rates impact subsidized child care capacity across Florida.

Program Description

Building on the Cost of Quality work completed with the 2019 Preschool Development Grant, the OEL is hiring a contractor through the Florida Preschool Development Grant Birth through Five Renewal PDG-R (PDG-R) to complete the following:

- Conduct an analysis of currently approved county subsidy payment rates and the authorized stacked differentials to determine which counties are still not able to meet the 75th percentile of the current market rate for FCCH provider types.
- Design enhancements to the Cost of Quality calculator to ensure it is sensitive to the unique county and FCCH provider type nuances that can influence quality and access. The calculator tool, housed in the existing Quality Performance System (QPS), allows providers to analyze their income and expenses by answering questions about their business model including operating costs such as insurance, licensing fees, personnel salaries and benefits along with sources of revenue such as their base reimbursement and any differential payments they receive.
- Determine base payment rates needed in each county to ensure school readiness providers that attain the highest levels of quality have the ability to draw down the 75th percentile rate.
- Design a phase-in-plan based on the cost projections, to equalize payment rates and provide a more efficient system for families and providers and improve quality across the state.