



# Early Learning Coalition of the Nature Coast

Serving Citrus-Dixie-Gilchrist-Levy-Sumter Counties

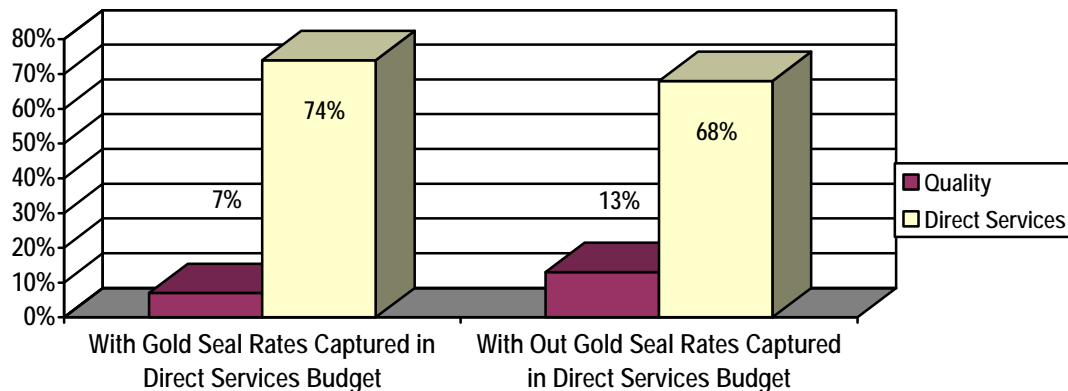
## Provider Alert #62

Date: May 6, 2009  
Subject: Gold Seal Rates

During the Provider Retreat held on April 24, 2009, Coalition staff informed providers that a concern with regard to Gold Seal rates has been noted.

Specifically, Coalition staff notified providers that the state's position on Gold Seal expenditures is: *Gold Seal expenditures are considered quality expenditures instead of direct services expenditures*. This position places a hardship on the Coalition with regard to meeting the requirement to spend at least 70% of the School Readiness budget on direct services to children.

The following chart illustrates the impact of the state's position.



Note:

1. When Gold Seal rates are captured in the direct services budget the Coalition exceeds the 70% minimum spending in direct services.
2. When Gold Seal rates are captured in the quality budget the Coalition does NOT meet the 70% minimum spending in direct services.

During the Board meeting today, Coalition staff reluctantly recommended the Board to take one or more of the actions below **OR** request the Coalition's legal counsel to challenge the state's position:

- o Reduce the increased Gold Seal rate from 20% to 17-18%.
- o Cap the Gold Seal Budget to an amount that ensures 70% spending in direct services. Pay standard rates after the cap has been reached.
- o Suspend the Mini Grant Quality Initiative program that is designed to assist providers in becoming accredited. The purpose of this action is to reduce the number of eligible Gold Seal providers. This action works against the Coalition's desire to increase the quality of School Readiness Programs.
- o Repeal all Quality Initiative programs and reallocate the funding to the direct services line items. This action will allow the Coalition to serve additional children, increasing the direct services expenditures. This action must be coupled with reducing the Gold Seal rate percentage.

Fortunately the Board decided to challenge the state's position on Gold Seal rates; however, the Board is seeking your assistance and support.

**If** you support the Coalition's position that Gold Seal expenditures should be considered direct services expenditures instead of quality expenditures please write a letter to the Coalition. I encourage you to express your opinion of the consequences related to the state's position of Gold Seal expenditures utilizing factual data and expected results. I also encourage you to comment on the four actions listed above that may be implemented by the Board if the state does not revise its position on Gold Seal expenditures. For example:

- The first action would require the Board to reduce the Gold Seal rate from 20% above the maximum rate to 17%-18% above the maximum rate. Describing the amount of money your program would lose and the associated consequences, such as reduced salaries resulting in the turnover of staff, may be persuasive.
- The second action would require the Board to cap the amount of expenditures in the Gold Seal line item. Consequently, once the cap is reached provider rates would decrease by 20%. Again, describing the impacts of the reduced rate may be persuasive. In addition, you may consider including what you think the consequences of capping the Gold Seal budget may cause such as a decrease in the number of providers maintaining Gold Seal accreditation.
- The third action would require the Board to repeal the Gold Seal Accreditation Mini Grant Program. Describing the hardship of maintaining accreditation without the financial support of the Board may be persuasive.
- The fourth action would require the Board to repeal all quality initiative programs placing a hardship on providers and teachers. Describing the impacts and including statements from teachers may be powerful.

Please submit your letter to:  
Early Learning Coalition of the Nature Coast  
Attention: Sonya Bosanko  
1564 North Meadowcrest Blvd.  
Crystal River, FL. 34429

This issue is time sensitive. Please submit letters as soon as possible.

If you have any questions or concerns related to this Provider Alert please contact me at [sbosanko@elc-naturecoast.org](mailto:sbosanko@elc-naturecoast.org)

Thank you,

Sonya Bosanko  
Executive Director