



Early Learning Coalition of the Nature Coast

Serving Citrus-Dixie-Gilchrist-Levy-Sumter Counties

Provider Alert #63

Date: May 6, 2009
Subject: American Recovery and Reinvestment Act (ARRA) also referred to as Stimulus Funding

During the recent Provider Retreat, Coalition staff informed providers that the Coalition received additional funding as a result of the President's Stimulus Plan. In addition, staff stated that guidelines associated with the funds were pending and requested providers to list three top priorities they would like the Board to consider when allocating the budget. The number one priority for providers was to increase the provider reimbursement rate.

Following the meeting, the Coalition received instructions for utilizing the funds. The guidelines prohibit the Coalition from allocating expenses that were incurred prior to April 17, 2009 to the ARRA funds, and established a new eligibility group with specific eligibility criteria. As a result of the requirements, the Coalition is restricted from increasing provider rates (utilizing the ARRA funds) and must utilize the funds to enroll new children in the new eligibility group.

The guidelines for the funds also revealed that the ARRA funding would recur next fiscal year. The estimated funding for the Nature Coast Coalition is \$596,000.

One hundred and fifty (150) children from the waiting list were recently invited to enroll in the School Readiness Program under the ARRA funding. The annual cost associated with the enrollment is \$510,900.

Analysis of the School Readiness and the ARRA budget for FY2009-2010 reveals the following:

School Readiness:

- Funding for direct services is \$6,416,480
- Annual costs to maintain current enrollment is projected at \$5,844,696.
- A total surplus of \$571,874 is projected.

ARRA:

- Funding for direct services is \$488,716
- Annual costs to maintain the current enrollment is projected at \$510,900
- A total deficit of \$22,184 is projected

Funding the ARRA deficit with the School Readiness surplus will result in an overall surplus of \$549,690. The overall surplus may be utilized to increase provider rates by \$1.13 per child per day (keeping in mind that rates may not exceed the rates reported in the 2007 or 2009 market rate survey).

Based on the information listed above and the 2007 Market Rate Coalition staff will recommend the Executive Committee to authorize a reimbursement increases for each age level, provider type, and county as follows:

Citrus County

Proposed FY2009-2010 Rate							Actual Rate Increase						
Full Time						School Age	Full Time						School Age
Infants	Toddler	Two	Three	Fours	Centers		Infants	Toddler	Two	Three	Fours		
Centers	23.13	20.13	19.13	17.13	17.13	16.13	Centers	1.13	1.13	1.13	1.13	1.13	1.13
Gold Seal	27.53	23.93	22.48	20.33	20.33	19.13	Gold Seal	1.13	1.13	0.88	1.13	1.13	1.13
Licensed Homes	25.00	25.00	20.13	20.13	18.13	15.60	Licensed Homes	0.00	1.00	1.13	1.13	1.13	0.60
Registered Homes	19.13	17.13	17.13	17.13	17.13	17.13	Registered Homes	1.13	1.13	1.13	1.13	1.13	1.13
Part Time						School Age	Part Time						School Age
Infants	Toddler	Two	Three	Fours	Centers		Infants	Toddler	Two	Three	Fours		
Centers	17.63	15.38	14.63	13.13	13.13	12.38	Centers	1.13	1.13	1.13	1.13	1.13	1.13
Gold Seal	20.93	18.23	16.86	15.53	15.53	14.63	Gold Seal	1.13	1.13	0.66	1.13	1.13	1.13
Licensed Homes	18.75	18.75	15.38	15.38	13.88	11.70	Licensed Homes	0.00	0.75	1.13	1.13	1.13	0.45
Registered Homes	14.63	13.13	13.13	13.13	13.13	13.13	Registered Homes	1.13	1.13	1.13	1.13	1.13	1.13

Dixie County

Proposed FY2009-2010 Rate							Actual Rate Increase						
Full Time						School Age	Full Time						School Age
Infants	Toddler	Two	Three	Fours	Centers		Infants	Toddler	Two	Three	Fours		
Centers	18.00	16.00	16.00	16.13	14.00	13.20	Centers	0.00	0.00	1.00	1.13	0.00	0.20
Gold Seal	21.60	19.20	19.13	19.13	16.80	15.84	Gold Seal	0.00	0.00	1.13	1.13	0.00	0.24
Licensed Homes	16.00	16.00	16.00	15.00	15.00	13.00	Licensed Homes	0.00	0.00	0.00	0.00	0.00	0.00
Registered Homes	18.00	16.13	15.00	15.00	15.00	12.13	Registered Homes	0.00	1.13	0.00	0.00	0.00	1.13
Part Time						School Age	Part Time						School Age
Infants	Toddler	Two	Three	Fours	Centers		Infants	Toddler	Two	Three	Fours		
Centers	13.50	12.00	12.00	12.38	10.50	9.90	Centers	0.00	0.00	0.75	1.13	0.00	0.15
Gold Seal	16.20	14.40	14.40	14.63	12.60	11.88	Gold Seal	0.00	0.00	0.90	1.13	0.00	0.18
Licensed Homes	12.00	12.00	12.00	11.25	11.25	9.75	Licensed Homes	0.00	0.00	0.00	0.00	0.00	0.00
Registered Homes	13.50	12.38	11.25	11.25	11.25	9.38	Registered Homes	0.00	1.13	0.00	0.00	0.00	1.13

Gilchrist County

Proposed FY2009-2010 Rate							Actual Rate Increase						
Full Time						School Age	Full Time						School Age
Infants	Toddler	Two	Three	Fours	Centers		Infants	Toddler	Two	Three	Fours		
Centers	19.13	18.13	19.13	19.13	19.13	19.13	Centers	1.13	1.13	1.13	1.13	1.13	1.13
Gold Seal	22.73	21.53	22.73	22.73	22.73	22.73	Gold Seal	1.13	1.13	1.13	1.13	1.13	1.13
Licensed Homes	16.00	18.00	17.00	16.00	15.00	13.00	Licensed Homes	0.00	0.00	0.00	0.00	0.00	0.00
Registered Homes	21.13	20.00	20.00	19.13	19.13	17.13	Registered Homes	1.13	0.00	0.00	1.13	1.13	1.13
Part Time						School Age	Part Time						School Age
Infants	Toddler	Two	Three	Fours	Centers		Infants	Toddler	Two	Three	Fours		
Centers	14.63	13.88	14.63	14.63	14.63	14.63	Centers	1.13	1.13	1.13	1.13	1.13	1.13
Gold Seal	17.33	16.43	17.33	17.33	17.33	17.33	Gold Seal	1.13	1.13	1.13	1.13	1.13	1.13
Licensed Homes	12.00	13.50	12.75	12.00	11.25	9.75	Licensed Homes	0.00	0.00	0.00	0.00	0.00	0.00
Registered Homes	16.13	15.00	15.00	14.63	14.63	13.13	Registered Homes	1.13	0.00	0.00	1.13	1.13	1.13

Levy County

Proposed FY2009-2010 Rate							Actual Rate Increase						
Full Time	Infants	Toddler	Two	Three	Fours	School Age	Full Time	Infants	Toddler	Two	Three	Fours	School Age
Centers	19.53	18.13	18.13	17.53	16.13	16.13	Centers	1.13	1.13	1.13	1.13	1.13	1.13
Gold Seal	23.21	21.53	21.53	20.81	19.13	19.13	Gold Seal	1.13	1.13	1.13	1.13	1.13	1.13
Licensed Homes	18.00	18.00	19.00	17.00	15.00	13.00	Licensed Homes	0.00	0.00	0.00	0.00	0.00	0.00
Registered Homes	18.13	18.13	18.13	17.00	16.13	14.13	Registered Homes	1.13	1.13	1.13	1.00	1.13	1.13
Part Time	Infants	Toddler	Two	Three	Fours	School Age	Part Time	Infants	Toddler	Two	Three	Fours	School Age
Centers	14.93	13.88	13.88	13.43	12.38	12.38	Centers	1.13	1.13	1.13	1.13	1.13	1.13
Gold Seal	17.69	16.43	16.43	15.89	14.63	14.63	Gold Seal	1.13	1.13	1.13	1.13	1.13	1.13
Licensed Homes	13.50	13.50	14.25	12.75	11.25	9.75	Licensed Homes	0.00	0.00	0.00	0.00	0.00	0.00
Registered Homes	13.88	13.88	13.88	12.75	12.38	10.88	Registered Homes	1.13	1.13	1.13	0.75	1.13	1.13

Sumter County

Proposed FY2009-2010 Rate							Actual Rate Increase						
Full Time	Infants	Toddler	Two	Three	Fours	School Age	Full Time	Infants	Toddler	Two	Three	Fours	School Age
Centers	31.13	28.00	25.13	20.13	20.13	18.13	Centers	1.13	1.00	1.13	1.13	1.13	1.13
Gold Seal	37.13	33.53	29.93	23.93	23.93	21.53	Gold Seal	1.13	1.13	1.13	1.13	1.13	1.13
Licensed Homes	30.00	24.13	24.13	20.13	20.13	19.13	Licensed Homes	0.00	1.13	1.13	1.13	1.13	1.13
Registered Homes	20.00	19.00	18.00	17.13	16.00	15.00	Registered Homes	0.00	0.00	1.00	1.13	0.00	0.00
Part Time	Infants	Toddler	Two	Three	Fours	School Age	Part Time	Infants	Toddler	Two	Three	Fours	School Age
Centers	23.63	21.00	19.13	15.38	15.38	13.88	Centers	1.13	0.75	1.13	1.13	1.13	1.13
Gold Seal	28.13	25.20	22.73	18.23	18.23	16.43	Gold Seal	1.13	0.90	1.13	1.13	1.13	1.13
Licensed Homes	22.50	18.38	18.38	15.38	15.38	14.63	Licensed Homes	0.00	1.13	1.13	1.13	1.13	1.13
Registered Homes	15.00	14.25	13.50	13.13	12.00	11.25	Registered Homes	0.00	0.00	0.75	1.13	0.00	0.00

For the purpose of this exercise it is important to note the difference between the Maximum Market Rate and the Coalition's Maximum Rates.

The Maximum Market Rate are the rates reported in the 2007 Market Rate Survey. The Coalition's Maximum Rates are the highest rates the Coalition can pay based on the School Readiness and ARRA budget but not more than the 2007 Market Rate.

Consequently, the proposed rate increase of \$1.13 was NOT applied to all rates. For example:

- If the current rate was \$1.00 less than the 2007 Market Rate an increase of \$1.00 was proposed. This methodology ensures the Coalition will not exceed the maximum rate allowed by the state.
- If the current rate was \$3.00 less than the 2007 Market Rate an increase of \$1.13 was proposed. This methodology ensures the Coalition will not exceed the surplus funds available to increase the reimbursement rates.

Coalition staff are confident that the rates that did not realize the full \$1.13 increase based on the 2007 Market Rate will likely be eligible for the full increase when the 2009 Market Rate Survey is released. In the event this occurs, Coalition staff will recommend a revised Reimbursement Rate Schedule.

The proposed rates will be presented to the Executive Committee on May 18, 2009 beginning at 2:00PM. A Provider Alert describing the actions of the Executive Committee, specifically if the proposed rate increase was approved or not, will be released immediately following the meeting.

In the event that the rate increase is approved providers will have the opportunity to amend their School Readiness Agreement for the purpose of increasing their rates. **It is important to note that providers may not charge the School Readiness program higher rates than those charged to private paying clients. Providers should carefully evaluate their rate increases and must apply increases to all clients.**

If you have any questions or concerns related to this Provider Alert please contact me at sbosanko@elc-naturecoast.org

Thank you,

Sonya Bosanko
Executive Director