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**Ohio House of Representatives
Finance Subcommittee on Health and Human Services
FY2018-2019 Operating Budget-Executive Proposal Testimony
Groundwork Ohio
Shannon Jones, Executive Director
March 15, 2017**

Good Afternoon, Chairman Romanchuk, Ranking Member Sykes and members of the subcommittee. I am Shannon Jones, Executive Director of Groundwork Ohio. Thank you for the opportunity to be here today and give testimony concerning the executive proposal for the Ohio Department of Jobs and Family Services Budget for state fiscal years 2018 and 2019. My testimony is limited to comment and concern on the child care investments in the ODFJS budget.

As you may know, Groundwork is Ohio's statewide advocacy leader for early care and education. In addition to myself and my staff, Groundwork is governed by a robust steering committee of child-focused experts from around the state, including those who are leading the early care and education charge in their local communities, public school leaders, child advocates, and center and home child care providers. We enjoy consistent support from our funders, our largest including the United Way of Greater Cincinnati and The George Gund Foundation, and have cast a wide net of support including to those in the business community.

Quality Matters

Early care and education, and what falls under the scope of "child care," in the JFS budget is no longer merely providing basic safety and supervision to kids. The evidence is overwhelming that early development is key -- 90% of a child's brain connections are formed in the first five years of life and most of the growth in IQ has taken place by age 3. Poor children's ability to develop on par with their peers is greatly compromised -- by age 3, higher-income children hear 30 million more words than low-income children and by age 5, a typical middle-class child recognizes 22 letters of the alphabet, compared to only 9 for a child from a low-income family. These indisputable facts explain why the investments made during the first five years of life are so significant. The earlier the investment, the greater the return.

Not only do we know that early childhood education works, now we know how it works best—and we call the best "high quality." High quality means enriching curriculum aligned with standards, highly educated teachers and low teacher to student ratios, and consistent communication and engagement with family. High quality is a powerful package that delivers not only cognitive, but social emotional skills to kids and families.

High quality programs produce high quality outcomes. The Perry Preschool Program and Abecedarian Preschool Project—long considered the quality gold standards of research because they follow children through the life course, giving us reliable longitudinal data—delivered better education, health-related behavior, and social and economic outcomes for disadvantaged children who received programming versus those who

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received none. Abecedarian, a comprehensive birth to age five program, had lasting effects on IQ, boosted academic and economic achievement and helped prevent the incidence of chronic disease and obesity in adulthood. At the age of 27, participants in the Perry Preschool Project had spent 1.3 fewer years in special education services, had a 44% higher high school graduation rate and had 50% fewer teen pregnancies. And at the age of 40, these same participants were 46% less likely to have served time in jail or prison, had a 42% higher median monthly income and were 26% less likely to have received government assistance.

Clearly, high quality outcomes translate to a high return on investment. In fact, Dr. James Heckman, a Nobel Laureate in economics and an expert in the economics of human development at the University of Chicago, recently analyzed the early childhood research and concluded that high-quality birth-to-five programs for disadvantaged children can deliver a 13% per year return on investment.

Ohio's System Knows Quality Matters but Our Kids Still Don't Have Access to Quality

Ohio's response to all of the empirical data supporting early investments in high quality interventions was the establishment of the Step Up to Quality Program (SUTQ) with the goal of increasing access to high quality programs as part of Ohio's Race to the Top Early Learning Challenge Grant. In SUTQ, early care and education programs earn 1- to 5-Star ratings based on meeting nationally researched quality program standards administered by ODJFS. We thank the administration for their leadership and tenacity in providing a framework that embraces quality.

As part of the Grant, the state set statutory goals that mandated 100% of licensed child care providers be high quality (rated 3 to 5 stars) by 2025 with the following threshold benchmarks:

- By June 30, 2017, 25%
- By June 30, 2019, 40%
- By June 30, 2021, 60%
- By June 30, 2023, 80%

To ensure adequate progress towards these benchmarks, all programs are required to be rated by 2020.

The State of Ohio is making incredibly slow progress in getting kids into the programs it knows work.

ODJFS's Redbook cites that in FY 2016, a total of 1,668 programs were star rated reflecting a 13.8% increase from FY 2015. However, this statistic does not provide the full picture. According to JFS data, in FY 2016, only a scant 13.2% of programs are rated high quality --- far off the statutory benchmark of 25% by this June. In fact, only 35% of *all* programs serving publicly funded children are even rated.

We appreciate and affirm Director Dungey's statement in her testimony that high-quality child care continues to be a priority for the agency, however, we are concerned that flat funding over the biennium does not set the stage for progress when it is already substantially behind the benchmarks established by the state.

What is even more concerning to this abysmal progress is the racial disparity among the children currently receiving publicly funded child care (PFCC): 17% of white PFCC children are in high quality programs compared to only 11% of black children. Further, 70% of black PFCC children remain in unrated programs as compared to 57% of white children.

Clearly more must be done to impact all children, but the racial inequity that exists is alarming and requires special consideration. We look forward to understanding these disparities and working with the administration and the legislature to address them.

Compounding the problem of slow progress for at-risk kids to access quality programs, however, is that the state has 39 counties in the incorrect peer group to the state's advantage. These 39 counties are being paid less than their similar counterparts which makes it much more difficult for them to make up any ground in improving access to quality.

For reference, the following is a list of those 39 counties who need to be moved to the correct peer group:

Allen	Erie	Licking	Preble
Ashland	Fairfield	Logan	Sandusky
Athens	Greene	Lucas	Seneca
Auglaize	Hancock	Miami	Shelby
Belmont	Harrison	Monroe	Stark
Carroll	Highland	Morrow	Trumbull
Clark	Huron	Knox	Union
Columbiana	Knox	Ottawa	Wayne
Cuyahoga	Lake	Pickaway	Wood
Darke	Lawrence	Portage	

Amongst the counties that have been underpaid for its early childhood education services, perhaps the most significant is Cuyahoga County—one of Ohio's largest urban counties serving many of the state's poorest kids. Only 16% of Cleveland's children entering kindergarten are fully prepared for success (Ohio's Kindergarten Readiness results, 2013) and yet this county remains underfunded.

Simply put, these counties remaining in the incorrect rate category provides an additional burden to kids gaining access to quality programs in these 39 counties--over a third of our state. Funding quality in Ohio cannot be achieved without addressing this significant gap. This fix necessitates a legislative response.

Every child needs quality early childhood education, but our most vulnerable children stand to benefit the most. In Ohio, 50% of our young children (under the age of 6) live in low-income families and child poverty is growing. Investing in quality programs not only changes the lives of the kids and families reached, but is also the best and most cost-effective means of limiting the inevitable consequences of poverty – on these kids, these families and on this state budget. The evidence tells us that investing in early childhood education is the smart strategy -- even during difficult budgets. Short-term costs are more than offset by the immediate and long-term benefits.

As we approach this budget in an increasingly challenging fiscal environment, Groundwork looks forward to working with you to address this incremental but critical step in improving the trajectory of progress for Ohio's most important investment—our kids.