

**TESTIMONY BEFORE HOUSE SUBCOMMITTEE OF HEALTH AND HUMAN SERVICES**  
**March 22, 2017**

Good afternoon Chairman Romanchuk, Ranking Member Sykes and members of the Ohio House Health & Human Services Finance Subcommittee:

My name is Becky Ciminillo and I am the Vice President of Youth Development for the YMCA of Central Ohio. The Y provides care and education for 1,100 children ages 6 weeks through 6 years at 15 locations in Central Ohio each day. Currently, over 80% of the children we serve are low income. Their child care fees are paid through publicly funded child care and/or grant funds.

As you may know, in 2005, Ohio created an early education quality rating system of standards so that all children receiving state subsidized child care would receive high quality early education. Ohio's Step Up to Quality (SUTQ) recognizes and promotes learning and development programs that meet quality program standards that exceed licensing health and safety regulations. The program standards are based on national research identifying standards which lead to improved outcomes for children. (ex: degreed teachers lower teacher/child ratios)

Our Early Education programs are mostly 5 star rated in the Step Up To Quality program. In addition, they are accredited by the National Association for the Education of Young Children (NAEYC).

I am here today to discuss with you **The high costs related to maintaining a 5 star rating and why the current reimbursement rates for publically funded child care make it difficult for centers to maintain a sustainable business model,**

**A few examples of high costs related to maintaining a 5 star rating include:**

**Hiring qualified staff and maintaining lower staff:child ratios.**

**Hiring degreed teachers is costly for centers:** In order for centers to maintain a 5 star rating, 75% of teachers must have a college degree in early childhood education or some education related field. Teacher effectiveness is one of the most important factors impacting the quality of preschool programs. When teachers hold degrees and have specialized training in early childhood education, they are better able to support children's healthy development and school readiness.

It is becoming more and more difficult to attract degreed teachers. This industry-wide issue has made it necessary to increase wages and benefits in order to attract qualified teachers. Our payroll has increased significantly over past year and it is based on the need to attract degreed teachers.

Because of the need for degreed teachers, we are in direct competition with area school districts for their services. However, we are unable to offer the pay and benefits that a school

system can, so it is a losing battle for us. We lose numerous teachers each year who take jobs with a school system for better pay and benefits. This turnover is stressful and a constant source of frustration for our staff and families and the lack of consistency can have a negative effect on our children. The expenses related to turnover cost centers thousands of dollars each year.

**In addition to hiring qualified staff, there are high costs related to maintaining lower ratios:**

The State of Ohio provides teacher:student ratios that all programs must follow to be licensed. In order to be a 5 star rated program, a childcare center must have lower ratios than what the State allows. Children benefit from lower ratios because they have more direct involvement with their teachers. Teachers, in turn, are better able to assess and address the needs of the students in their class when ratios are low.

I'd like to share an example of lower ratios required for star rated programs: In our 3 year old preschool classrooms, state licensing allows for up to 24 children with two teachers present, a 1:12 ratio. A 5 star rated program's staff:child ratio requirements are 1:10, so in this classroom, even though capacity may be set by the state at 24 children, our 5 star rating only allows us to have 20 children. By participating in Step Up To Quality and being a 5 star rated program, we voluntarily give up tuition for 4 children. We charge \$910 per month per child which results in an annual loss of \$43,680 just in this one classroom.

The struggles related to providing high quality care for low income children and families with a sustainable business model is evident in the following example with one of our YMCA full-day Early Learning Centers. The center has a 5 star rating and a one of healthier funding mixes that consists of 48% full pay, 45% children who receive PFCC and 7% of children who are paid for through local initiative dollars through the City of Columbus. In 2016, the center ended the year with a \$58,000 loss that thankfully we were able to cover with United Way funding. With the way the system works and the current reimbursement rates, organizations like ours that serve high percentages of low income families are forced to seek alternate funding to offset deficits like the one in this example.

In sum, current reimbursement rates provided by the State for children receiving publically funded child care do not adequately cover the total cost incurred by centers who participate in Step Up to Quality. Centers that choose to participate now do so with this understanding. However, schools and centers that provide care and education for high percentages of children receiving PFCC may not be able to afford to participate because of the extra costs that they must incur.

Since ORC 5104.29 requires all high needs children to be served in quality rated child care centers by 2020, there needs to be an incentive for centers serving these children to invest in the quality metrics and maintain them. There is a cost to quality early education. The costs of maintaining high quality education for the children we serve are not sustainable under today's system.

High quality early childhood education is essential to the long term success of Ohio's economy through improved Kindergarten Readiness, Third Grade Reading, High School Graduation and ultimately a productive workforce. We would like to respectfully request a portion of the current funds be directed to incentivize and support centers to move into and move up in the quality system.

Thank you for your time and I would be happy to answer any questions.