



Testimony on HB 49
Katie Kelly, Executive Director, PRE4CLE
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Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell, and members of the Senate Finance Committee. My name is Katie Kelly, and I am the Executive Director of PRE4CLE, Cleveland's plan to expand access to high-quality preschool for all three- and four-year-olds. I appreciate the opportunity to share with you my testimony related to the state operating budget today.

In 2013, only 16% of Cleveland's children entered kindergarten fully prepared to succeed on Ohio's Kindergarten Readiness Assessment. Research nationally and in Cleveland shows that children who enter kindergarten behind struggle to catch up, often falling and staying behind in reading and math throughout their school careers. The Cleveland community realized we must act with urgency, intention, and strategic collaboration to address one of our greatest education challenges – school readiness. PRE4CLE is the collective impact organization working to ensure that every Cleveland child can enter school ready to succeed.

PRE4CLE partners with public and private preschool providers to help them improve the quality of their programs and expand the number of high-quality seats available to families. PRE4CLE also works directly with parents and families to provide information about the importance of high-quality preschool and provide the tools and resources they need to find the right opportunity for their child.

Since we launched in 2014, the Cleveland community has invested significant local funding towards our goals, including \$7.5 million from CMSD, \$1 million from Cuyahoga County, and \$2.1 in philanthropic and corporate support. Additionally, PRE4CLE worked alongside Cuyahoga County and private philanthropic and business leaders to advocate for and secure \$22.8 million in public-private investment for Universal Pre-K, Cuyahoga County's high-quality preschool model shown to produce great results for Cleveland's children. A list of the private funders supporting the UPK expansion and a list of PRE4CLE's leadership is attached to your testimony.

To-date, we helped to accelerate the expansion of high-quality preschool in Cleveland, increasing enrollment by 50%. We see the impact of these increases in our kindergarten readiness results. In fall of 2015, only 27% of children without a known preschool experience were designated as "on track" for literacy readiness at kindergarten entry into

the Cleveland School District; among children who experienced high-quality preschool that number increased to 47.2%.

While PRE4CLE and its partners are making significant strides in preschool expansion in Cleveland and throughout Cuyahoga County, our continued success is contingent upon a strong partnership with the state. Having a fair and adequate reimbursement rate for subsidized child care is an essential part of Ohio’s early learning system, and we cannot as a state or a community make large-scale progress without that foundation in place.

PRE4CLE is built on the quality framework that Ohio created through Step Up To Quality, and we strongly support the goals the state put in place to serve all children receiving state-funded early learning in high-quality programs by 2025 (see table below). We are also alarmed by how far behind Ohio is in reaching that goal. As of FY 2016, only 13.8% of programs were highly-rated, falling far short of the 25% goal by June of 2017. A significant driver for that shortfall is a lack of adequate support for the cost of operating a high-quality child care program.

State Goals for Providers to be rated high-quality (3-5 stars)*	
June 30, 2017	25%
June 30, 2019	40%
June 30, 2021	60%
June 30, 2023	80%
June 30, 2025	100%

**To achieve these quality goals the state requires all programs receiving state dollars for to be rated (no matter what star level) by 2020. Currently only 35% of programs are even rated with just 13.2% rated as high quality.*

As the state continues towards the goals the legislature set out in the previous budget, major challenges continue to exist. We believe that this state budget is a critical opportunity to address one of those challenges – the outdated way in which early learning programs in almost half of Ohio counties are reimbursed for subsidized child care. Specifically, 38 counties are categorized incorrectly in the state’s reimbursement system to the disadvantage of the programs and children being served in those counties. Currently, 13,800 children in Step Up to Quality rated programs receive a lower rate from the state for child care than the state’s assessments indicate they should receive. **This lack of funding is equal to an average of \$20,000 funding gap per child care preschool classroom per year in Cuyahoga County.**

These dollars would pay for quality enhancements such as more qualified teachers, increased professional development, early learning supplies, and other quality program essentials. The result of this funding gap is lower-quality child care for our state’s most at-risk young children and decreased kindergarten readiness. The full list of impacted counties is included in my testimony before you.

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

We are requesting your support to update Ohio's categorization of rated programs in these 38 counties by investing \$11 million per year, to support nearly 14,000 high-needs children to get the level of early learning support that the state's own data indicate they should receive.

In addition to the request for correcting the miscategorization of Cuyahoga and 37 other counties, we *also ask that cuts made to the early learning budget in the House be fully restored.*

These include:

1. GRF 600413 Child Care State/MOE in the JFS budget was funded, which received a \$2,541,982 over the biennium. Further, given the nature of this federal TANF funding stream, a cut to this line results in Ohio leaving additional federal dollars on the table.
2. GRF 200408 Early Childhood Education in the Department of Education budget, which received a \$5 million over the biennium. This line funds preschool slots and will result in fewer kids being served.

Given the need for significantly increased progress towards our quality rating goals, as referenced previously, we cannot afford to move backwards in any way during this biennium.

I want to close by stating that we understand the challenge that this budget presents to the legislature, and the difficult decisions you are faced with making. That said, we know that new investments will be made even in these difficult times to continue to move Ohio forward. I would argue to you today that the funding we are requesting, although significant, is much smaller than the cost of not making this investment. We have set important goals for our education system, including increasing our focus on reaching reading proficiency by third grade. We cannot reach them if our high-needs children are entering kindergarten years behind their peers in kindergarten readiness. We ask that you join with our community, and communities across the state, to make an investment in our future.

Thank you for the opportunity to share these recommendations. I am happy to answer any questions you have.