

**Testimony on House Bill 64, State Budget
Ohio House of Representatives, Finance Subcommittee on Primary and
Secondary Education**

**Mark Kehoe – President/CEO of Brightside Academy
Representing the Alliance of Early Learning Advocates**

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Chairman Cupp, and members of the subcommittee: My name is Mark Kehoe. I am the President/CEO of Brightside Academy. Our company operates 65 schools in Ohio, Pennsylvania and NYC where we serve approximately 8,000 children each day. Our program includes services for infant/toddlers, preschoolers and Before/After-School for children up to age 12. Brightside Academy is a company that has committed to serving at-risk children from impoverished communities. Approximately, 90% of our children's families are receiving some form of subsidy.

We are a company committed to achieving the highest levels of quality in each community we serve. We are part of the Stars programs, Head Start and UPK programs. In Ohio specifically, we operate 13 academies (Toledo – 3, Cleveland – 4, Columbus 4, Akron-2). Our 290+ employees in Ohio serve over 1,100 children each day. Our Ohio academies are all part of ODJFS Step Up to Quality and current credentialing ranges from a Star 1 to Star 5.

I am here today representing the Alliance of Early Learning Advocates (Alliance). The Alliance is comprised of six organizations focused on strengthening early learning experiences for Ohio's youngest children: Action for Children, the Ohio Association of Child Care Providers, the Ohio Alliance of YMCAs, the Ohio Child Care Resource and Referral Association, Voices for Ohio's Children, and the Early Care and Education Consortium which is a national organizational representing the largest multi-site providers in the country.

We commend the Governor for his investment to early childhood education in this budget and the legislature's broad bi-partisan support for investing in our most at risk children to ensure they are ready and prepared for kindergarten which leads to 3rd grade literacy competency and ultimately overall academic success.

Low Income Subsidized Child Care

The Governor budget proposal is making positive changes to the eligibility rules for the TANF child care subsidy program, which provides funding for our most at-risk children:

| Summary of Budget | Incremental Investment |
|---|------------------------|
| Eliminates copays for families under 100% FPL (Aligns copays 101 - 200% FPL with public pre-K) | \$7M per year TANF |
| Increases intake from 125 to 130% FPL | \$3M per year TANF |
| Increases outtake from 200 to 300% FPL (Implements escalating co-pays) | \$4M per year GRF |

This \$14 million per year investment ensures families with the most economic challenges can afford to have their children in early care and education programs. It also creates consistency across our different funding efforts

Early Childhood Mental Health

The value of early intervention is universal whether in healthcare or early education. The sooner we can identify children with developmental delays and other mental health challenges, the better chance we can intervene to ensure they over-come their obstacles. Our current system is significantly understaffed:

| Summary of Budget | Incremental Investment |
|---|------------------------|
| Increases statewide staff from 9 to 78 for mental health consultation in child care centers and public pre-K programs. Eliminates “preschool drop-out” | \$5M per year |

Pre-school

| Summary of Budget | Incremental Investment |
|--|--------------------------------|
| Year 1 -Expand ECE slots by 3,675 at \$4,000 per slot (Limited to part-day, school-year only) | \$15M 1 st year GRF |
| Year 2 – Expand ECE slots by 6,125 at \$4,000 per slot (layer with part-time TANF child care subsidy, limits pre- to 4 years old) | \$25M 2 nd year GRF |

We support the \$40 million pre-school expansion, but ask that the dollars be focused more specifically on the needs of low-income working families who have full day, full year needs. Currently, it is estimated that 68% of Ohio families have all parents

working. For this reason, we recommend that 65% of the new expanded ECE slots be available to full day, full year programs that can provide families a single source need for their childcare and kindergarten readiness needs. There are many examples today of families needing to manage difficult logistics to have their children attend an ECE program for part of the day then need to transport their child to a different provider who can provide the “wrap-around” care for the remainder of the day. In addition, we recommend that the dual funding be available in year one versus waiting to the 2nd year of the budget to allow parents a single source provider

Quality

Research overwhelmingly shows that high-quality programs produce the strongest school readiness outcomes, particularly for low-income children. High quality is not easily achieved so focused efforts need to be implemented to ensure our regulatory system incentivizes, rewards and sustains the achievement of high quality.

| Summary of Budget | Incremental Investment |
|--|--|
| Unspecified allocation. Requires a study to be completed by Jan 2016 | \$20M per year Casino Settlement Fund |
| | |

We ask that these funds be specified in year one of this budget to accelerate the number of children receiving high quality care and early education. Currently only 13% of our highest needs children are receiving high quality childcare / early childhood education measured by Ohio’s quality rating system, Step Up to Quality. SUTQ designates high quality as a Star 3 or higher in the five star rating system. It is important to note that Star 3 is the point in the quality continuum where a kindergarten readiness system has been implemented by credentialed teaching staff. This is where the ROI of taxpayer dollars begins.

Our recommendation for quality has four key elements:

1. Establish multi-year targets for the number of children being served by Star 3 or higher rated providers to ensure the number of Ohio children receiving kindergarten services increases each year

2. Increase the reimbursement for Star 3, 4 and 5 credentials to ensure the providers that have committed and demonstrated quality can sustain that level of service. It has been demonstrated through a cost/reimbursement study that providers who invest in these levels of quality have significantly reduced cash flows than low quality providers creating significant sustainability issues.

3. Increase the base reimbursement for the rural community providers that have been historically set at lower levels than their suburban and urban peers. This has prevented these providers from investing in quality which ultimately minimizes choice for parents seeking quality in these communities.

4. We recommend that ODJFS and ODE develop an accelerated rating approach for high quality preschool programs meeting the Step Up To Quality (SUTQ) benchmarks in order support the preschool expectations per House Bill 64. This will create a faster supply of high quality preschool programs to meet the increase number of ECE slots in this budget as well as maximize the number of Ohio preschool children receiving kindergarten readiness programming outside of the ECE funding.

I conclude with reiterating our recognition and appreciation for the Governors Early Education Budget proposal and the legislatures commitment to breaking the poverty cycle of our most at-risk children.

I leave you with a few facts in hopes of increasing the sense of urgency we all must have for the children of greatest need:

- 95% of a child's brain is developed by age 5.

- There are approximately 1800 days from the time a child is born to their first day of kindergarten.

- A child from an at-risk community who does not receive a high quality early childhood education that prepares them for kindergarten are:
 - 25% more likely to drop out of school.
 - 40% more likely to become a teen parent.
 - 50% more likely to be placed in special education.
 - 60% more likely to never attend college.
 - 70% more likely to be arrested for a violent crime.

Thank you Mr. Chairman, I would be happy to answer any questions.