
The Ohio Senate
Finance Subcommittee on Health and Medicaid
House Bill 166
Misti Norman
May 16, 2019

Thank you, Chairman Hackett, Vice Chairman Huffman, Ranking Member Thomas and members of the committee. My name is Misti Norman and I am the Owner and Director of Heavenly Kids Center for Learning, a 5-star rated program in Ohio's Step Up to Quality system, which is located just a few blocks from here. I am offering written testimony as an interested party on House Bill 166, the Fiscal Year 2020-2021 Operating Budget on behalf of Heavenly Kids Center for Learning.

Currently, my center serves 154 children here in Columbus. Of those children, the vast majority—nearly 80%—receive subsidized care through Ohio's publicly funded child care program. Since 2007 our program has been committed to serving those members of our community who have the highest need for affordable, quality care—our low-income families. But time and time again, we are approached by families who do not qualify for subsidized care. These are often families whose income is just \$10 or \$20 too high for them to be eligible for publicly funded child care at our current threshold of 130% of the Federal Poverty Level, the second lowest eligibility level in the country.

We had a parent who received PFCC but due to a promotion, the mom no longer qualified when it was time to re-apply for benefits. The additional \$200 per month she received from the promotion caused her to pay out of pocket \$1100.00 per month as a private payer. This is a real-life scenario that is happening to thousands of families daily; and sometimes the promotion only yields \$50 per month but still comes with a penalty of \$1100.00 in childcare costs.

So what was the resolve for this parent? When parents are not eligible for publicly funded child care, but cannot afford high private pay rates, they seek lower paying jobs, request less hours in their current position, refuse promotions or drop out of the workforce to stay home and care for their child. Even more alarmingly, if these are not feasible options due to their cost of living, parents are forced to leave their child in a setting that is not safe, let alone a quality environment. We have this conversation with prospective parents at least 2 to 3 times per month.

For a two-parent family of 4 to qualify for publicly funded care, each parent must earn less than minimum wage to qualify. If each parent makes \$8.55 per hour working fulltime, they will not qualify as their combined income will be over 130% threshold. The income guidelines must be revisited as it causes a discrepancy with two parent households who make minimum wage.

Whenever possible, Heavenly Kids has tried to be flexible in providing quality care, even when it comes at a loss to our bottom line. Some 4-year olds, for example, qualify for the early childhood education grant through ODE, otherwise known as public preschool, and can receive subsidized care for 12.5 hours each week. This alone, however, does not meet the needs of parents who work full time and need a quality, nurturing environment to promote healthy development for their little ones for 40 plus hours a week. Knowing this, I often only charge these parents \$50 out of pocket each week to care for their kids for the additional 35 hours they need to finish their work day —far less than the actual cost of that care.

I, along with countless child care providers across the state, recognize the importance of providing quality care for young children *and* recognize the clear barriers working families face to accessing that care. And we have been willing, time and time again, to make sacrifices to provide quality care for those families. But the burden of our state's child care crisis should not fall on the shoulders of families and early educators—those who work day after day to ensure Ohio's youngest children have the nurturing support they need to reach their full potential.

So how can we better support families *and* early educators? As a state, we need to ensure sustainable funding that not only supports investments that better reflect the real cost of providing quality care, but also expand our low eligibility threshold

to serve more working families whose young children could benefit from quality early learning in our child care programs. This expansion would not only support individual families, but would allow providers like myself to better support the needs of the communities we serve. In this spirit, I ask that you increase sustainable state investments in the child care system both to improve outcomes for young children and support our state's working families, all of whom want nothing but the best for their kids.