

**Ohio Senate
Health Committee
House Bill 110
David Melin, PNC Bank Regional President
May 4, 2021**

Chair Huffman, Vice Chair Antani, Ranking Member Antonio, and members of the Health Committee, my name is David Melin, and I am regional president of PNC Bank in Dayton.

Today, I join with my fellow PNC regional president colleagues from across Ohio in thanking you for the opportunity to provide interested party testimony on House Bill 110, Ohio's FY 2022-2023 budget bill, regarding eligibility for publicly funded child care programs housed within the Ohio Department of Job and Family Services.

PNC's support of expanding access to high-quality early education is longstanding and unwavering – dating back to 2004 with the launch of our signature philanthropic initiative, PNC Grow Up Great®, through which we have provided nearly \$200 million in early education grants in the communities where we do business across the country. A \$500 million multi-year, bilingual initiative, Grow Up Great provides support to pre-K education centers with the ultimate goal of helping children from birth through age 5 become better prepared for success in school and life.

Here in Ohio, over the past five years PNC has invested \$10 million in early education grants, and our employees have spent more than 91,000 hours volunteering in early childhood education settings across the state.

The support is more critical than ever before as the COVID-19 pandemic has dealt child care and early education a significant blow, while also highlighting child care's vital role in a healthy economy. Child care is an industry already operating on thin margins. Pandemic-related temporary closures and increased expenses required to operate safely are leading to additional strain on the industry. According to the U.S. Chamber of Commerce Foundation, almost two-thirds of child care centers are small businesses serving less than 75 children, and they are struggling to break even.

Furthermore, our preschoolers are losing important learning opportunities. Through a PNC Foundation-funded study, the National Institute for Early Education Research (NIEER) found that as of December 2020, preschool enrollment rates are down nearly a quarter across the nation, with in-person education down even more.

The study, led by early childhood education public policy expert Dr. Steve Barnett, also found that young children in poverty had less than one-third the amount of access to in-person education than their higher-income peers enjoyed. Yet we know that young children learn best from hands-on activities and face-to-face interactions, and the study shows that most parents found the demands of supporting remote preschool overwhelming.

Today's preschoolers are our future workforce, and they are facing unprecedented academic challenges, with those already at a disadvantage falling even further behind.

We know that 90% of a child's brain develops by age 5. That is when they are most receptive to learning. Once children reach kindergarten, the gaps in learning and development start to widen, especially if they haven't received high-quality pre-K education. Attempting to level the playing field becomes more expensive and the results decline as children age.

That's why PNC supports bolstering Ohio's Publicly Funded Child Care program, which currently is available only to the poorest of low-income families — those whose earnings fall below 130% of the Federal Poverty Level. That means in order to qualify, a parent of two children cannot earn more than \$13.73 per hour — or an annual salary of \$28,548. If the parent earns more, he/she is not eligible for child care benefits, which gives them little incentive to advance in the workplace.

Providing for two children on a gross salary of little more than \$28,000 a year is nearly impossible. Only Indiana and Alabama have more restrictive income eligibility standards. Ohio can and should do better than ranking 48th in the nation on this measure.

The new federal funding that is coming to Ohio for pandemic relief gives the state the opportunity to invest in its future. In his budget, Governor Mike DeWine is proposing increasing the eligibility threshold for subsidized child care to 138% of the Federal Poverty Level. That is a necessary step forward, but the increase is not enough to encourage struggling parents to stay in the workforce. A parent of two children would have to make less than \$30,304 with that change in order to qualify.

Recently, PNC testified in support of House Bill 145, bipartisan-sponsored legislation, which would expand initial eligibility for publicly funded childcare to 200% of the Federal Poverty Level. PNC supports expanding eligibility to 200% of the Federal Poverty Level and sees this budget as an opportunity to move closer to this eligibility threshold. Throughout this budget process, advocates have pushed for increasing the initial eligibility to 150% of the Federal Poverty Level, which would benefit at least 14,000 additional children throughout the state. This would mean a parent of two children earning \$32,580 per year would qualify for publicly funded childcare. Many parents would be less likely to quit the workforce if they knew they wouldn't be penalized for accepting a raise, a promotion or more responsibility on the job.

Make no mistake – we understand the immense pressure to consider all suggestions and requests to fund quality programs and services throughout Ohio that you are being asked to make during Senate deliberations. However, we ask you to consider increasing the eligibility to 150% of the Federal Poverty Level, which expands upon the as-introduced version of HB 110, due to the oversized positive impact this investment would provide for our youth and families in our state.

Ohio also must continue its smart investment in Step Up to Quality, which rewards child care programs for hiring credentialed teachers, using evidence-based curriculum, helping families teach children at home, and more. Quality programming, of course, comes with a cost. So, Ohio

should grant tax dollars only to providers that are teaching children the skills they need to be ready for school on the first day of kindergarten.

In Ohio's most highly rated early education programs, young children are learning early literacy and math skills. They're learning teamwork, empathy, persistence and resiliency. In addition, children are receiving interventions that address developmental delays. This experience is precisely the kind of start every young child deserves – one that sets them up for lifelong success.

Ohio's Publicly Funded Child Care program and Step Up to Quality are investments — investments in our children, our working families and Ohio's future. We must adopt a long-term view, knowing we will reap the dividends of our investment for years to come.

The time to invest is now! We appreciate the opportunity to provide written testimony.

Thank you for your consideration of this critical support for our state's future leaders and their families. We urge you to consider increasing initial publicly funded child care eligibility to 150% of the Federal Poverty Level in House Bill 110.

Respectfully,



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