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Mission: Partnering with individuals with disabilities and challenges to help them lead the lives they envision

TESTIMONY

Workforce and Higher Education Committee S.B. No. 273: Establish Child Care Cred Program Nov. 13, 2024

Chair Cirino and members of the committee. Good morning and thank you for allowing me to testify in favor of legislation that can help get mothers and fathers into the workforce, which can help employers fill more of their open positions and provide safe and inviting environments for the children of this state. I am Marvin Jones, CEO of Goodwill of South Central Ohio.

Slightly more than a year ago, we opened our childcare center in Chillicothe in Ross County. Today, we serve almost 40 children and hope to serve 40 more in the coming months after an expansion project. But we're not so sure that we can attract that many more even though data says there is still a big demand for daycare services in our county. The reason: Many just can't afford our services.

Our fee schedule ranges from \$200 to \$225 per week. So, a single mom making \$20 an hour in a full-time job would have to spend 25 percent of her gross pay per week on childcare. Take into consideration her other expenses such as housing, food, a car payment and insurance and you can see why she can't afford childcare.

She would be better off getting a lower paying job so she could qualify for getting the state's subsidy. But she couldn't make more than 145 percent of the federal poverty rate. That means she can't make more than \$421 per week, or \$10.53 per hour, which will be below the state's minimum wage next year.

Now, imagine that same mom working for an employer that is willing to offer her a benefit of paying for up to a third of our rate with the state throwing in another third. This mother now goes from paying \$200 a week to \$67 a week, or only 8 percent of her gross wages. So, for an investment of \$3,500 a year, the employer gets to attract and retain a good employee while the state gets another tax-paying citizen to help offset that \$67 a week.

This approach is having some success in other states, such as Michigan, and is being rolled out in others across the nation, such as North Carolina. It is not *THE* solution to the daycare dilemma, but it can be one element in a multi-pronged approach. Much more needs to be addressed by the state if it wants to count itself among those that really value and take care of its children.

As I mentioned, we opened our center about 14 months ago and it is still not close to breaking even financially. We've invested well over \$250,000 in renovations, in buying cribs and cots and desks and chairs and kitchen equipment not to mention installing a playground. When we decided to offer childcare, we also wanted to attract good employees. We are one of the higher paying daycares in our area at \$17-\$14 per hour for teachers who we require to become certified.

We have been encouraged and hope to open a daycare center in McArthur in Vinton County, but our experience in Chillicothe gives us pause. There currently are no licensed daycare centers in that county, the last one closing about two years ago.

According to the Corporation for Ohio Appalachian Development, or COAD which has been exceedingly helpful in getting us started, 56 daycare centers have closed in the 31 counties it serves in the last three years. I am sure the COVID pandemic had an impact, but the fact remains that there are few if any financial incentives to open one today.

Our Goodwill has a unique perspective on this. We have provided services for those with developmental disabilities for more than 50 years. It was always a struggle financially because of the fee schedule. That all changed this year when DODD increased its fees across the board by almost 40 percent. That allowed us to give substantial pay raises to our direct service provider employees and improve our facilities. It also opened opportunities for competitors to take us on.

While this tri-share approach for daycares would help, I also would encourage you to find more ways to encourage the opening of more childcare centers. That gets more people into the workforce and that gets more people contributing to the economy. It would be an investment with a big return.

Thank you again for allowing me to testify in favor of legislation that could have a big impact on the people of this state.