



EVERY STUDENT | EVERY DAY | EVERYBODY'S BUSINESS

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Ohio House Children & Human Services Committee

Ohio Excels' House Bill 96 Testimony

March 4, 2025

Chair White, Vice Chair Salvo, Ranking Member Lett, and Members of the House Children and Human Services Committee, thank you for the opportunity to speak with you today to share Ohio Excels' strong support for the early education and child care provisions included in House Bill 96.

My name is Lisa Gray, and I am the President of Ohio Excels. Ohio Excels is a nonpartisan, nonprofit organization founded by the Ohio Business Roundtable, Cincinnati Business Committee, Columbus Partnership, and Greater Cleveland Partnership to engage and unite Ohio's business community on helping to improve the full education-to-workforce pipeline, from early childhood, K-12, higher education, and into the workforce. We convene coalitions, conduct research, work with schools and community partners, and advocate for solutions that improve educational outcomes for all Ohio students.

While we support the broad array of early education and child care provisions proposed in HB 96 for the sake of time, I am going to focus my remarks today on the importance of better preparing our youngest students for kindergarten and building the critical foundation for continued success in K-12 -- an investment that not only benefits children's long-term success but also enables more parents, especially mothers, to re-enter and remain in the workforce with confidence.

The first years of life are critical for brain and cognitive development, stimulated by high-quality early learning experiences. This is when children cultivate social skills, learn to manage their emotions, form foundational literacy skills, and develop resilience. These cornerstone skills pave the way for kindergarten readiness, elementary and middle school proficiency, and long-term academic success.

Research shows that investments in child care and high-quality early learning opportunities yield the greatest return. Additionally, early learning opportunities enable kindergarten readiness, the most powerful predictor of short- and long-term student success. This early success, combined with proficiency in 3rd - and 8th-grade reading and math, and consistent school attendance, are essential measures for predicting future academic success, high school graduation, and workforce readiness.

The return on investment in early learning is significant: every dollar spent yields four to nine times that amount. Children who attend high-quality early learning programs perform better academically throughout their school years, enabling them to excel in reading, math, and other core subjects later in their education careers--often despite living in low-income households.

To benefit from these investments, all families must have access and be able to afford quality early learning opportunities. This is NOT the case in Ohio right now.

Let's do the math.

The average annual cost of childcare for a family with two children in 2023²⁵ is **\$22,600**.

Families with two children pay more than **\$1,883** per month for childcare.



This is **\$860** more than the average rent in Ohio, which is currently around **\$1,023** per month.

The state's median household income is **\$65,720**.



Based on that, families must dedicate more than 34% of their annual income to childcare.

Kindergarten readiness strongly predicts proficiency in future grades and is linked to ongoing academic success, graduation rates, higher income, employment stability, and lower reliance on social services, including incarceration. Early reading skills are predictive of later academic success. Students who demonstrate kindergarten readiness are more likely to score proficient in third grade reading as measured by Ohio's State Test in English language arts. Becoming a proficient reader makes a student seven times more likely to graduate from high school.

At this moment, Ohio's Kindergarten Readiness indicators are not good. Every year a full 64% of Ohio's students are NOT ready for kindergarten. This means that over 70,000 kindergarten students every year lack critical skills in social foundations, mathematics, language and literacy, and physical well-being, and motor development, as measured by the Kindergarten Readiness Assessment Revised (KRA-R). Children who enter kindergarten behind all too often are not able to catch up, which creates a hard-to-break pattern for students and costs Ohio significantly more money in remediation, intervention, and additional supports.

An analysis conducted by the Ohio Department of Education and Workforce and Ohio Department of Children and Youth found that students who demonstrated readiness upon entering kindergarten were:

- **8x** more likely to be proficient in **3rd-grade reading** than students in the same class who did not demonstrate kindergarten readiness.
- **7x** more likely to be proficient in **4th-7th-grade reading** than their peers who were not demonstrating kindergarten readiness.
- **6x** more likely to be proficient in **8th-grade reading** than their peers who were not demonstrating readiness at the start of kindergarten.

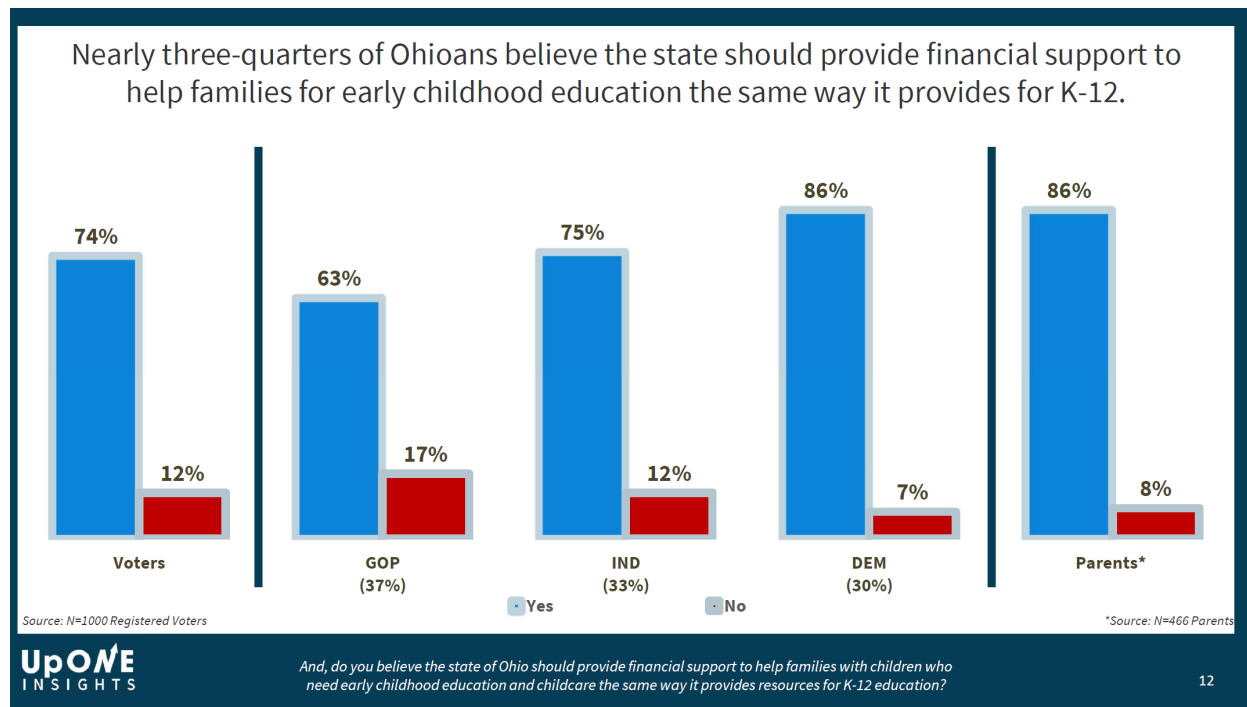
There is a strong connection between a child's readiness to enter kindergarten and math and reading scores throughout a student's academic career. When children are prepared for kindergarten, they are ready for future academic success. When unprepared, they face hurdles that can be extremely difficult to overcome throughout their education journeys.

This is why we strongly support increased investments in quality child care and early education made by the Governor's proposed budget, including:

- **Increased Child Care Eligibility:** Increases the income threshold for publicly funded child care from 145% to 160% of FPL. Families between 160% and 200% of the FPL will be eligible for the Child Care Choice Voucher program. *We would like to see this go even further by raising the income threshold to 200% FPL for all families.*
- **Sustainable Program Payments:** Sets the amount that the state pays for early child care programs for publicly funded slots at the 50th percentile of the 2024 market rate survey for child care services.
- **Enrollment Payments:** Moves payments to child care providers to be based on the students enrolled in their programs, instead of attendance. This brings the payment method into alignment with federal law and Ohio's K-12 and higher education systems.
- **Full-Time Preschool:** Creates a pilot to convert more public preschool part-time grants to full-time grants to make public preschool options more accessible to 11,000 additional children. Recent polling by Ohio Excels indicates that 56% of parents have struggled to find child care and close to 75% are seeking full-time care.
- **Family Copayment Caps:** Establishes a new cap that families receiving publicly funded child care will pay no more than 7% of their income for child care, saving a working family of four almost \$8 per hour.
- **Child Tax Credit:** Creates a new, refundable income tax credit worth up to \$1,000 per child aged six or under. Families are eligible if they make at least \$22,500 per year and under \$94K if married or \$69K if single.

As you have heard from my colleagues today, this is not simply good for our children, it is good for our families and our workforce. We think of these investments as two for the price of one – better prepared students and support for parents to stay in and re-enter the workforce.

And we are not the only ones who believe in these important investments. Recent polling conducted by Ohio Excels in the last month indicates that Ohio's public, especially parents, strongly agrees with increased state support for early education efforts. Consider these results:



Thank you for allowing me to testify today and I hope you will continue to increase critical investments for Ohio's children, families, and employers. I am happy to answer any questions you may have.