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Ohio House of Representatives
House Children and Human Services Committee
House Bill 41

Chairperson White, Vice Chair Salvo, Ranking Member Lett, and members of the House Children and Human Services Committee, thank you for the opportunity to submit testimony on House Bill 41, to establish a child care grant program.

My name is Robyn Lightcap and I am the Executive Director of Preschool Promise, Inc., in Dayton/Montgomery County, Ohio. Preschool Promise is a nonprofit with the vision that every child in our County is ready for success in kindergarten and beyond. We are fortunate to have local funds that allow us to provide tuition assistance for *some* of the preschool aged children in Montgomery County. However, we do not have adequate funding to help all working parents afford high quality child care and preschool for their children.

I am here to share recommendations related to House Bill 41. I support investments in innovative solutions to child care, and I support encouraging businesses to invest in child care to support their workforce needs. However, I do not believe that this kind of investment solves our child care problems. It does not replace the need to expand child care assistance such as was proposed in the Governor's House Bill 96 statewide budget. It is imperative that we first expand child care eligibility in our state to make it possible for more parents with young children to afford to work.

Assistance Paying for Child Care is Still Needed

Table 1 below provides examples of income limits for the Current Publicly Funded Child Care (PFCC) cap compared to what was proposed in House Bill 96 for PFCC and the Child Care Choice Voucher. Ohio has one of the lowest eligibility levels for child care assistance and we must invest to make child care affordable for all working parents.

We must recognize that more investment is needed to help working families afford child care. Those who do not qualify for Publicly Funded Child Care and the current Child Care Choice Voucher need help paying for child care. For example, a single mom who earns $54,000 a year

and has two children cannot afford to pay for child care. If both children are under 5 she would pay a minimum of $24,000 in childcare costs. If one child is under 5 and the other is school age, child care costs might reduce to $16,000 given the need for after school care.

Table 1: Household Income for Child Care Eligibility as Proposed in House Bill 96

Annual Household Income - 2025 Federal Poverty Levels			
Household Size	**145% Current PFCC Cap**	**160% Proposed PFCC Cap**	**200% Proposed Choice Voucher Limit**
2	$30,668	$33,840	$42,300
3	$38,643	$42,640	$53,300
4	$46,618	$51,440	$64,300

Learnings from the Child Care Business Partnership

Last year Preschool Promise was selected to facilitate the Child Care Business Partnership Pilot that was initiated through the Department of Children and Youth. The goal was to create partnerships between businesses and child care solutions. Over the past eight months I have been working very closely with the Dayton Area Chamber of Commerce and other organizations such as Dayton Development Coalition, City of Dayton Economic Development, University of Dayton FastLane, and Montgomery County Economic Development. We meet weekly to discuss the businesses in our community and identify leaders to connect with to discuss the child care funding opportunity. We partnered with the Dayton Chamber, Wright State University, and Groundwork Ohio to host a large event on January 30 to bring business leaders together to discuss why child care matters for business success.

I have met with over 30 businesses individually, including Human Resource leaders and Regional Directors, to learn more about their local operations and workforce needs. We discuss their operating hours, shift schedules, wages, retention rates, and salaries. We have provided surveys and have gone on site to meet with employees one on one so we can better understand how they navigate child care decisions. We have researched solutions from around the country to propose to our business leaders. We have suggested innovative ways to use the funding from the state to try new child care solutions. However, we still do not have a signed

agreement with a business. This is a difficult model to implement due to a number of challenges.

Our conversations with **working parents** have confirmed that:

- One child care solution does not work for all employees in a company
- Child care is too expensive for most parents with young children to afford
- Many working parents cannot afford licensed child care so they find a family, friend or neighbor to care for their children
- Working parents who rely on friends, family and neighbors often do not have reliable back up child care options and have to call off work

Our conversations with **business leaders** have confirmed that:

- Businesses acknowledge that child care is important, however they do not think very many of their employees have child care needs (which is in fact, true - usually the number of employees with young children is less than 20% of their total workforce). Businesses are hesitant to invest in a child care solution when only a small number of their employees need child care.
- Businesses do not have any idea how the child care system works (understandably). They do not know what funding is available to help working parents afford child care, how to access help finding child care, etc.
- Businesses usually don't think it is their responsibility to solve the child care solution.
- Oftentimes the local business leader may not have decision making power for child care solutions - for example, if a company is headquartered in another state, they cannot decide to pilot something just in Montgomery County.
- Conversely, if a company is headquartered in Ohio, they may not want to implement a child care solution that will only help people in Ohio and not help employees outside of the state.

We also talk regularly with child care directors to understand their challenges. Our conversations with **child care providers** have confirmed that:

- We need better financed child care, not just more child care sites
- Many child care providers have availability in their programs, in other words, enrollment is lower than their capacity
- The financing of child care is broken and their profit margins are slim, many child care providers don't have the funds needed to pay teachers appropriate wages and benefits or to invest in their facilities

- In addition to abysmally low wages, child care workers cannot work remotely, and there are often few to no benefits, making it difficult for child care providers to keep classrooms staffed
- When child care providers cannot staff classrooms this limits the capacity of the program and leads to instability in the care and education of children
- It is too expensive to operate infant and toddler classrooms, leading to a shortage of infant and toddler child care options for families

Considering the input from working families, businesses and child care providers, I submit the following recommendations as it relates to House Bill 41.

1. We must leverage existing child care facilities and **address the financial challenges that prevent them from operating at full capacity**. The Iowa Child Care Solutions Fund is the best model that I have seen.
2. The child care grant **should be flexible and support different strategies in rural communities vs urban areas**.
3. We need to make it easier for families and businesses to navigate the state child care assistance options. We should invest in **making a radically simplified application and approval process for child care assistance for working families** to make sure eligible families are getting access to the benefits intended to support them. We should ensure efficiency and excellent customer service for working parents.
4. There is an opportunity to **better fund and position the Resource & Referral agencies to provide support to business leaders**, such as Human Resource personnel, to support their employees in finding child care.
5. We need to highlight businesses that already invest in child care solutions. They are models for other businesses and we should **make grant funding available to support what businesses are already doing, and encourage them to do more.**
6. **Solutions must be extremely simple for businesses to participate in,** otherwise it simply will not work. Depending on the solution, it may be necessary for administration costs to be covered so that businesses can afford to participate.
7. The **parameters of this grant should be extremely flexible**, ensuring that all child care solutions can be considered to meet the needs of families and businesses. While in general I fully support the quality rating system and prioritizing Publicly Funded Child Care, I would not recommend restricting the funds to child care providers that have PFCC and are participating in the rating system. There needs to be maximum flexibility to meet the needs of working families and businesses.
8. It should be **permissible for funds to be used on construction of child care facilities** - either new construction, renovations, or expansion.

9. Requiring businesses to show “sustainability” will be difficult -**the state investment should continue if the programs have proven to be successful.**
10. Other states, such as Iowa, Kentucky, Colorado, and Michigan have already learned from their efforts to encourage business investment in child care solutions. **Any learning labs created in Ohio should first learn from what has failed and what has succeeded in other states and communities**. Colorado has the EPIC (Executives Partnering to Invest in Children) design lab, which should be a starting point so we do not waste resources reinventing what others have already figured out.

Child care providers that already exist within the state need resources to continue to serve families. We know that care from child care providers better prepares children for success in kindergarten and beyond.

Thank you for your consideration as you determine next steps with House Bill 41. I appreciate your willingness to prioritize investments to address child care challenges, with the goal of making it possible for more parents with young children to be able to work.