

Mrs. Kisha Johnson - FCC Provider / In-Home Center

The Johnson's Day Care Center LLC

April 2, 2025

Testimony on House Bill 96

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the committee, thank you for the opportunity to provide testimony today on HB 96. My name is Kisha Johnson and I am the owner of: The Johnson's Day Care Center LLC / FCC In-Home Center. I represent the CEO Project. As a childcare provider in Hamilton County in Cincinnati, District 8th area., I, am a childcare business owner and have been in business as an FCC In-Home Center for the past 27 years. I have served at least 80 Publicly Funded child care families over the years. Through my daily experiences, and business insight.

I am here to ask that you support Ohio kids, families, and childcare educators by including the childcare improvements outlined in Governor DeWine's executive budget, which are inclusive of, but not limited to

Topics:

- **Adopting and streamlining a fully Funded Cost-Of-Care Model to help stabilize Ohio's childcare economy.**

Why this is important and how it affects us - This will help to build and sustain a strong and supportive workforce in childcare businesses and early childcare educators, & help providers increase working wages to at least \$20 an hour, provide healthcare benefits for themselves and their employees, and remove challenging working conditions. Moreover, Ohio is the 51st State that pays the lowest childcare reimbursement rates to their childcare providers/educators. We, as childcare educators, receive less than a livable wage, meaning we make less than employees working at McDonald's on an hourly wage basis. Without unsustainable funding measures, our programs will face financial instability that will impact the quality of care that our centers and in-home centers will be able to provide. With the rising cost of childcare, our mothers have to work more overtime or have to reduce their hours at work to qualify for childcare or just leave the workforce entirely. The proposed rule would change how and when providers are paid and clarify a minimum payment rate for childcare providers.

- **Reimbursing childcare providers at the 75th percentile of the market rate surveys to ensure sustainability and quality care.**

Why this is important and how it affects us - Ohio's reimbursement rate is among the poorest in the nation. As, a childcare provider, we haven't seen a proper increase in childcare rates since we received the 7% cut across the board back in 2005 - 2009 based on the Market Rate Survey's data analysis. To deliver high-quality care, Publicly Funded Child Care (PFCC) providers need to recruit and retain a highly skilled workforce. That requires child-care workers to be paid adequately for their work, which requires that PFCC providers are reimbursed enough to do so. Ohio was recently ordered by the federal government to increase its reimbursement to at least the 50th percentile of the market rate: the midway point between the lowest rate charged by providers and the highest. The proposed rule restates an even higher standard for equal access: at the 75th percentile. At that level, states can ensure all parents and caregivers can access high-quality child care, regardless of race, income, or ZIP code.

Ohio uses a complex system based on the market rate [survey](#) to determine how much to reimburse PFCC providers. As a result, different providers receive different amounts per child in different counties, making it difficult to describe reimbursement in specific dollar amounts. Instead, the reimbursement rate is expressed as a "percentile of the [market rate](#)": the share of providers who charge less than the state's reimbursement rate. For example, Ohio reimburses at the 25th percentile. In other words, only 25% of similar providers charge families less than the rate at which Ohio reimburses PFCC providers — and 75% of providers charge more. We, as providers, are proposing that legislation move to pay all providers/educators at the 75th Percentile and to pay all existing counties at the same rates across the board for each child's categories, such as for Infants, Toddlers, Preschoolers, and School-Agers, and to remove the hourly wages and pay us by the full-time and part-time categories only.

- ***Raising the eligibility requirements for Publicly Funded ChildCare by expanding the Federal Poverty Level assistance for parents who make up under 300% of the federal poverty level, and investing in childcare as the workforce behind the workforce.***

Why is this important, and how will it affect us -? - By raising eligibility requirements for childcare assistance, parents will be able to sustain their jobs and provide stable housing for their family and children, which will make childcare more affordable. Families often struggle to afford child care, especially those with limited means. Families in Ohio can initially enroll in Publicly Funded Child Care (PFCC) if their gross monthly household income is at or below 145% of the federal poverty level (\$2,783 for a family of three). Once enrolled, they can remain so as they grow their income up to 300% of the federal poverty level (\$5,758 for a family of three). Currently, families with monthly income at or below 100% of the federal poverty level (\$1,919 for a family of three) are not required to pay a co-pay in Ohio. Above that income level, co-pay amounts increase as a family's income grows. The proposed rule would cap that co-payment at 7% of family income. This would provide savings and alleviate some financial stress for many families in PFCC with income over 100% of the federal poverty level.^[1] It would not affect PFCC families with income below that level who do not have a co-payment.

As providers/educators, we are proposing that legislation support making childcare free for early childhood educators and other employees of childcare facilities to support the workforce as well as move to expanding the FPL Federal Poverty Level to under 300% to make childcare more affordable for families.

- ***Funding federal requirements to make changes to copay caps and reimbursing based on enrollment over attendance to meet federal law requirements.***

Why this is important, and how it will affect us -? The Child Care and Development Fund (CCDF) final rule mandates Ohio to make policy changes to lower childcare costs for families, improve provider payment practices, and simplify enrollment processes. Providers must be reimbursed based on enrollment rather than attendance per the childcare block grant. The impact will lower co-payments, create additional choices in care arrangements, and simplify eligibility determination processes for families.

Capping parents' co-pays at 7% of their income will make childcare more affordable and will help keep the children in the childcare programs and not at home unsupervised. This will also help childcare providers to make ends meet, and plan for the long term by reimbursing providers based on the child being enrolled in the program versus, the child attending the program on an hourly basis. To comply with federal law, Ohio needs to implement changes to childcare subsidy systems, including capping copayments and reimbursing providers based on enrollment rather than attendance, which requires funding for these changes.

Thank you again for the opportunity to provide testimony today. I am happy to answer any questions you may have.