

Tarrezz Thompson-FCC
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Testimony on House Bill 96

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for the opportunity to provide testimony today on HB 96. My name is Tarrezz Thompson. I operate and own Linique Childcare, I also represent the CEO Project.. I am here to ask that you support Ohio kids, families, and childcare providers by including the childcare improvements outlined in Governor DeWine's executive budget, including investing in childcare as the workforce behind the workforce.

As a family of 4 in Franklin County, the cost of living averages \$3,300 a month. That equates to around \$20 per hour. The cost of living doesn't incorporate the cost of childcare that can range from \$700-\$1600 a month per child. That's \$1400-\$3200 for a family of 4. A family of 4 also does not qualify at the current eligibility rate making \$20 per hour. I state these numbers because I'm a family of 4 and a childcare provider who also has similar cost of living expenses that are outside of my financial business obligations to maintain operations. Often, I'm pulling from my living expenses budget to cover the cost of business operations. The families aren't able to keep up with the cost of care and I'm unable to make any more sacrifices and still maintain stability for my family. I'm here because I believe Governor Dewine held that in his mind when he wrote portions of the budget such as increasing eligibility to 160%, keeping copays at 7% for families and moving to pay based on enrollment vs attendance for providers.

I want to talk about increasing eligibility and access. I was excited to see Governor Dewine again consider what his state needs and the constituents who reside in the state. We are aware how the pandemic affected the state revenue, business stability and operations. A large contributor came from the result of access to childcare. With the ever increasing cost of goods and living expenses, the reach to afford childcare is growing further and further away. Families are forced into sacrificial decisions. In 2019, Ohio was operating with over 7400 licensed programs. As of 2024, the state operates with just over 4400.

That's a loss of 3,000+ accessible programs and the list is still growing. With the cost of the eidl loans and the PPP loans just to stay open through pandemic, programs are beyond stretched to undertake daily operation expenses. We are beyond the pandemic now and the growth in the workforce is slow. The biggest contributor to that slow growth is access to affordable childcare within an ever changing economy. But access isn't just about increasing more affordable programs. It's a multitude of compounding needs that the workforce has. I'm going to focus on just 3 today. Access is about creating stabilizing investment in current operating programs while growing back to pre pandemic numbers, along with increasing eligibility to affordable childcare for families of the state of Ohio. Programs are needing sustainable predictable and timely reimbursement. Programs are being lost out the back end over delayed reimbursement, loss of authorizations for families for more than 30 days and quality staff moving on as result of slow pay. Families are needing assistance with childcare to combat the increased cost of living. Presumptive eligibility moves families into the workforce in a timely fashion. The current eligibility amount does not assist families making \$20 an hour when \$20 an hour is the bare minimum to be able to afford housing. Getting eligibility to 300% would not only grow the workforce for childcare but also the state whose unemployment percentage is still high. I ask you to please consider the increase to entitled eligibility. If not to 200% at least to the recommended 160% Dewine has proposed for the last two budgets. Pay based on enrollment creates predictable income similar to our private pay partners and reduces the need to borrow from living expenses to support business shortages that happen with attendance based pay. The current state of reimbursement also needs revision to create a more consistent and predictable timeline of expectancy. To know that reimbursement can be anywhere between 5-21 days after submission doesn't allow PFCC serving programs predictably to handle payroll, replenish necessary goods and supplies nor cover required mandated obligations in a timely fashion. Each of these decisions moves the state in the direction of creating stability for both families and the workforce that serves them to stay in the workforce. I also believe that one of the most transitional ways to increase right size investment is by moving away from the current market rate survey and into a cost model system to operate within the true cost of care.

The current model does not account for the investment in training, cost of goods increasing, and livable wages needed to match the increasing cost of living. Under a cost model system, decision makers would have a better picture of the true cost for care and the real investment that's needed to support its future citizens.

As a business program in the community for over 14 years which identifies as an inclusion program, I've invested in multiple families with a child with identified and unidentified disabilities. In service, each child has a unique developmental need to create a least restrictive environment. Although the recent increases have created mild relief, the truth of the challenge is there needs to be a system that creates a whole picture of the cost of care for all services including inclusion programs. Financial decisions for eligibility and reimbursement are based on archaic numbers that historically result in low investment in the workforce that supports the workforce. When considering the budget, I'm asking you to consider keeping the investments from Governor Dewine, the cost of living working families have, and the tools that are identifying the cost of operations of the very businesses that make it possible for workers to work.

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