

Ohio House of Representatives
Finance Subcommittee on Health and Human Services
House Bill 110

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Chairman Roemer, Ranking Member West and members of the committee, I am Eric Karolak, CEO of Action for Children in Columbus. Thank you for the opportunity to provide written testimony as an interested party concerning House Bill 110, the FY 2022-2023 biennial budget bill, particularly as it relates to invited testimony from the Ohio Department of Job and Family Services (ODJFS).

About Action for Children

Action for Children is a private, not-for-profit organization headquartered in Columbus and serving Franklin and the six surrounding counties: Delaware, Fairfield, Licking, Madison, Pickaway, and Union. We are the only non-profit organization exclusively focused on expanding access to quality early childhood experiences for all children throughout central Ohio. In a typical year, we:

- Help more than 9,000 early childhood teachers improve their practice;
- Prepare more than 100 practitioners to complete nationally-recognized para-professional certification;
- Achieve a 98% success rate in helping child care programs achieve, maintain, or increase their rating in Ohio's quality rating and improvement system, Step Up to Quality (SUTQ);
- Help hundreds of parents, including many restored citizen fathers, with individualized coaching and job placement;
- Reach several hundred young children through our evidence-based home-visiting service, a two-generation program built on developing parents as their child's first and constant teacher; and
- Provide for 750,000 nutritious snacks and meals in child care settings.

This is important community-building work that lays the foundation for success in school and beyond. We support parents, family members, early childhood educators and child care programs all, with the strategies and tools they need to provide children with quality early learning experiences. Through these programs combined, we reach more than 50,000 children in Central Ohio annually.

We wish to draw the Committee's attention to the critical condition of child care in Central Ohio, and to the elements of the budget that promise to help hold the line or improve the situation.

Child Care is Essential

Over the last five decades of work with parents, families, early childhood educators, and child care programs, we have seen first hand how child care is essential. Employers use it to assure a larger and more reliable pool of labor. Working parents – and frankly, their extended families – rely on it so they can focus on what they need to do knowing that their child is in a safe environment with a skilled guide and teacher. And young children in quality child care and early learning settings reap rewards that can last a lifetime from enhanced school readiness to reduced juvenile delinquency, from better health outcomes to higher graduation rates and lifetime earnings.

Now, because of the pandemic, everyone has seen that child care is essential. Child care is not just a business. It's infrastructure, every bit as important as roads and schools. Without child care, parents literally can't get to work; employers can't get the workforce they need; and children can't get the fair and strong start we owe them.

“Open Does Not Mean OK” – Child Care in the Pandemic

Action for Children has been alongside families and the child care providers they rely on from Day One of the pandemic. We helped programs prepare to close, and then to reopen again. Almost 30 percent of Central Ohio child care programs remained open throughout, pivoting to meet new standards thoroughly and to serve families of essential workers, even if they were not previously clients at that or any child care.

Most programs returned online by the end of summer 2020, but some have not returned yet and others have closed since. Others will share the statewide picture, but I want to share the words of one provider: *“open does not mean ok.”* We detailed the challenge child care faces in two reports last year.

In [Pandemic Child Care: Lessons From Central Ohio](#) (May 2020), we outlined the fundamental math problem confronting child care now: *operating under pandemic conditions means too few children are enrolled at prevailing tuition to yield enough revenue to cover increased costs.* What was already a tough operating environment before the pandemic, marked by narrow margins and labor supply challenges, has become even tougher.

Drawing on our Central Ohio Child Care Provider Survey, the only ongoing local or state survey data set of child care programs in Ohio, and we believe the nation, we issued [Make of Break Moment: Child Care Providers Weigh In On Survival + Offer Bold Vision for Future](#) in December 2020. The report detailed the financial conditions, material needs, and workforce challenges of providers in our community. Providers reported that they are “tired and worried,” stressed by the dual challenge of meeting added responsibilities for the health and safety of their students

and staff, while also risking having to close their program because not enough children were enrolled. In fact, across the region enrollment lagged at just 54 percent of provider capacity, inclusive of private-pay and PFCC. Heightened costs, low enrollment, and mounting financial losses, left nearly one in four providers uncertain they could remain in operation more than three months. This, despite the remarkable priority and support Ohio has given to child care in the relief effort. All Ohioans can be proud of the effort of the public servants at ODJFS in responding to the pandemic. The problem remains significant, and while there is reason for hope, we are not yet out of the woods. *“Open does not mean ok.”*

Child Care in the Biennial Budget

In HB 110, there are several areas of particular interest to child care programs and families with young children that I’d like to draw your attention to at this time:

- eligibility for Publicly Funded Child Care
- state reimbursement for PFCC, and
- support for families with young children through home visiting.

We note the historic increase in PFCC income eligibility to 138% of Federal Poverty Level (and 150% FPL for children with special needs). Governor DeWine’s commitment to address eligibility, exercised at this moment, will help additional families afford access to licensed and high quality child care.

The maintenance of support for child care and preschool is so important now as we end a year of pandemic and look ahead to recovery fueled by the widespread distribution of COVID-19 vaccines. Deploying federal resources in this way keeps preschool enrollment level and assures that Ohio will continue reimburse child care at the base rate at the 25th percentile of the federally-mandated market rate survey. Continuing to pay incentive rates at for programs that have higher quality ratings in Ohio’s rating system, Step Up To Quality (SUTQ), is critical for Ohio to meet the requirement that all publicly-funded programs participate in SUTQ and child care centers must achieve high quality ratings by 2025.

We celebrate the \$1.9 million state investment in Help Me Grow Home Visiting. By directing state dollars to this evidence-based parent support program more families and young children will have the resources and the professional support they need to assure progress in healthy child development and early learning when they need and when they need it most.

Open, though, is not ok. As a state, we need to make sure that we look beyond today, even beyond this biennium, to assure Ohio prioritizes full funding of its commitments for child care and early learning programs. Only then will young children and their families, child care and early learning professionals and the programs they work in, and businesses and communities across the state truly thrive.

Thank you for the opportunity to share what we have learned and what families and early childhood educators are telling us they need. If you have any questions, please reach out using the contact information included on the witness form.