



**Ohio House of Representatives
Finance Subcommittee on Health and Human Services
House Bill 110
Robyn Lightcap
Preschool Promise, Inc.
March 4, 2021**

Chairman Roemer, Ranking Member West, and members of the Finance Subcommittee, my name is Robyn Lightcap, and I am the Executive Director of Preschool Promise, Inc., in Montgomery County. Thank you for the opportunity to provide written testimony on House Bill 110, Ohio's FY 2022-2023 budget bill as it relates to invited testimony from the Ohio Department of Job & Family Services (ODJFS), and more specifically the Publicly Funded Child Care program administered by the Department.

Preschool Promise, Inc., is a nonprofit organization in Montgomery County. Our vision is that all children in our County start kindergarten on track, setting them up for success in school and beyond. We work with preschool providers, child care providers, and community partners to provide exceptional training, coaching and support to early learning professionals. Children with strong and well-trained teachers are demonstrably less likely to start school behind.

Preschool Promise is testifying today as an interested party to House Bill 110 and asks this Committee to consider the following:

1. High-quality child care is critical to educating our youngest citizens during the most important time of their brain development. It also enables parents with young children to work.
2. Full-time child care costs \$10,000-\$15,000 a year, depending on the age of the child. This expense is unaffordable for many families, discouraging work or making it an impossibility.
3. Ohio's current eligibility level for Publicly Funded Child Care is incredibly low.
 - Parents must earn 130% of the Federal Poverty Level (FPL) or less to qualify for help paying for child care.
 - This threshold makes it extremely hard for many parents to justify taking jobs. If they work, they do not make enough to pay for child care; yet, they make too much to qualify for the Publicly Funded Child Care program.
 - **Ohio must commit to increasing the eligibility level over time for Publicly Funded Child Care to at least 200% of the FPL, and to at least 150% of the FPL in the FY22 budget.**
 - Table 1 on the following page provides examples of the household size and the annual income thresholds for the current eligibility at 130% of the FPL in orange, for the House Bill 110 eligibility at 138% in blue, and then for the recommended eligibility level of 150% in green. As you can see, the terribly low-income levels mean many struggling families do not qualify. Again, the long-term goal should be to increase eligibility to at least 200% of the FPL.



Table 1: Publicly Funded Child Care Eligibility Examples

	% of Federal Poverty Level*		
	CURRENT ELIGIBILITY <u>130%</u>	HOUSE BILL 110 ELIGIBILITY <u>138%</u>	RECOMMENDED ELIGIBILITY <u>150%</u>
<u>Mom + 1 Child</u>			
Hourly Wage	\$ 10.89	\$ 11.56	\$ 12.56
Annual Income	\$ 22,646	\$ 24,040	\$ 26,130
<u>Mom + 2 Children</u>			
Hourly Wage	\$ 13.73	\$ 14.57	\$ 15.84
Annual Income	\$ 28,548.0	\$ 30,304.8	\$ 32,940
<u>Family of 4</u>			
Hourly Wage	\$ 16.56	\$ 17.58	\$ 19.11
Annual Income	\$ 34,450.0	\$ 36,570.0	\$ 39,750

*Calculated using 2021 U.S. Federal Poverty Guidelines.

I recently spoke with a single mom who has one child. She works at one of our large hospital networks in Dayton. She makes \$15 per hour, or \$31,200 a year. She was panicked because she cannot afford to pay for child care, as the cost is literally 1/3 of her gross income. The math does not work. Families must earn so little that they qualify for PFCC, or they must be so high-income that they can afford to pay out-of-pocket. We’re giving families who are trying to be self-sufficient and pay their own way an impossible choice — and we’re setting them up to fail. To rebuild our economy especially in the wake of COVID-19, we need to support families by increasing the PFCC eligibility levels.

4. Ensuring quality in child care setting matters. Ohio’s Star Rating system (*Step Up To Quality*) allows child care providers to earn a Star Rating that recognizes their commitment to quality. Our local Montgomery County data show that children who attend Star-Rated sites are better prepared for kindergarten, which, not surprisingly, correlates to higher 3rd-grade reading assessment scores.
5. It stands to reason that higher quality child care costs more. According to the federal grant that provides child care funding, the State must increase the Publicly Funded Child Care base rates to at least the 25th percentile of the latest child care market rate survey. This ensures that all families, and most important low-income families, have access to high-quality child care options. **I support the proposed increase to reimbursement rates to the 25th percentile of the market rate survey.**



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6. Child care is a low-margin business. The COVID-19 pandemic has exacerbated the already intense financial pressure on this industry. In our community, three providers have already closed their doors due to the business challenges over the last year. We must dedicate additional state resources, beyond federal allocations, to ensure high-quality child care providers can keep their doors open as we rebound and rebuild after the pandemic.
7. Racial equity is a high priority for Preschool Promise. It is essential that Black families have access to high-quality child care. Since the pandemic, Black children have been disproportionately hurt by the loss of PFCC capacity — meaning we now are serving even fewer Black children than before. We must invest more in the Publicly Funded Child Care program to ensure all children have access to high-quality early learning programs.

Thank you for the opportunity to share my testimony today as you make important decisions about House Bill 110. Please let me know if I can provide additional information about the child care needs in our community.