



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

ReadyNation Ohio

March 4, 2021

Chairman Roemer, Ranking Member West and members of the committee, my name is Rick Rennell and I am the former owner of Resource Title Agency, Inc. based in Independence, Ohio. Resource Title Agency, Inc. has consisted of five companies in the Resource Title Agency, Inc. corporate family and approximately 137 employees across all of its locations. 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 today from the Ohio Department of Job and Family Services (ODJFS).

ReadyNation Ohio is testifying today as an interested party to House Bill 110 to.....

- a. Sustain: Protect all current levels of state and federal investments in Publicly Funded Child Care (PFCC) and increase state investment in the program to preserve Ohio's Step Up to Quality 5-star rating system; support the increased cost of operations during COVID-19; recover lost capacity as a result of COVID-19; and ensure that the system has sustainable funding mechanisms throughout the FY22-23 budget.
- b. Expand initial eligibility for publicly funded child care from 130% of the Federal Poverty Level (FPL) to 200% FPL (which would support a family of three making \$43,440 or less) to keep Ohio working by helping parents afford child care and ensuring more children in low-income families have access to high-quality care.

[ReadyNation](#) is a group of over 3,000 business executives building a skilled workforce by promoting solutions that prepare children to succeed in education, work and life.

Ohio has a child care crisis. Ohio's working parents know how difficult it is to find child care that's accessible, affordable, and high-quality. This problem is particularly acute for parents of very young children, as infant and toddler care is typically the least available and most expensive. Further, children under age three are experiencing one of the most crucial periods of brain development.

[ReadyNation commissioned a national survey](#) of 812 working parents of children under age three. The survey shows how parents work commitments, performance, and opportunities are diminished by problems with child care.

- 86 percent of parents or care givers stated child care impacted their work.
- Productivity problems cause employers to lose \$12.7 billion annually due to child care challenges faced by their workforce.
- Nearly one-third of American parents and about two-thirds of Ohio parents surveyed report having difficulty finding affordable, quality child care.

Child care is truly a work force development tool that has the added benefit of enriching our youngest children, infants and toddlers.

The cost of insufficient child care are great.

- Families lost an average of \$3,350 per working parents. The total burden for 11 million parents of children under age three is \$37 billion per year.
- Businesses lost an average of \$1,150 per working parent in reduced revenue and in extra hiring costs. Annual burden on business is \$13 billion.
- Taxpayers lost an average of \$640 per working parent in lower income tax and sales tax revenue. Nationally amounting to \$1.7 billion in annual costs for Ohio.
- Ohio's Gross Domestic Product and populations represent roughly three percent of the nation's GDP and total populations. The lack of reliable child care for working parents of young children up to age two could come to \$1.7 billion in annual costs for Ohio.

The current child care system does not meet the needs of Ohio families or employers.

- Access: About two-thirds of Ohio parent surveyed reported that finding affordable quality child care is a problem in their area. Ohio has a particularly serious problem with infant- toddler child care "deserts," with more than four children under age three for each licensed child care slot.
- Affordability: Infant care in a center in Ohio averages \$10,000 per year, about the same as public college tuition. This high cost makes child care unaffordable for many families, particularly those with low incomes. Ohio is one of the most difficult states in the nation to qualify for child care assistance, requiring that parents earn less than 130 percent and the proposed budget increases this to 138 percent of the federal poverty level. Other states allow families to earn up to 200 or even 300 percent of the FPL and still qualify for assistance.
- Quality: Effort are underway to improve the quality of child care in Ohio, recognizing that while health and safety are foundational, early childhood development and brain science instruct us to also invest in high quality educators, lower teacher to child ratios, parent engagement and quality curriculum and assessments.

The simple fact is that, from a business leader's perspective, Ohio needs to do whatever it takes to provide quality access to child care services for working families. Child care is a workforce development issue.

ReadyNation Ohio thanks Governor DeWine and the state legislature for their historic investments in the last state budget. We recognize the unexpected impact of shutting down Ohio's and the nation's economy due to COVID-19 and appreciate the continued financial prioritization of these programs in the proposed state budget.

Respectfully,

Richard J. Rennell, J.D.