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Ohio House of Representatives Families, Aging & Human Services House Bill 145 Dawn Blalock Little Miracles Early Development Center April 15, 2021

Chairman Manchester, Vice Chair Cutrona, Ranking Member West and members of the committee, my name is Dawn Blalock and I am the Education Operations Manager at Little Miracles Early Development Center. Thank you for the opportunity to provide written testimony on House Bill 145, which would expand initial child care eligibility from 130% of the Federal Poverty Level to 200% of the Federal Poverty Level.

Little Miracles EDC is an Ohio licensed 4 star Step Up to Quality child care program that prepares future generations for life long success through quality early learning experiences and family partnerships. We are open non-traditional hours. Our pre-pandemic hours were 5am-12am midnight but due to low enrollment and parents not yet returning to the workforce; we have reduced our hours to close at 8pm.

Little Miracles EDC is testifying today as an interested party to House Bill 145 to urge you to 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. The percentage increase will keep Ohio working by helping parents afford child care and ensuring more children in low-income families have access to high-quality care. We know that 38% of Ohio's children are living in a single-parent household. The income eligibility standards take gross salary into consideration not net income. With almost 1/3 of Ohio's family income going to rent, mortgage, insurance, taxes, and other related expenses. We are not setting our families up for financial success.

The Center on Urban Poverty and Community Development found that women and communities of color experienced the biggest challenges in the loss of childcare option due to the pandemic. Families are being denied the chance to succeed at work and become self- sufficient because they can't afford quality child care, or it's just not available. Achievement gaps widen year after year due to little to low quality early foundation. 80% of brain growth happens in the first three years of a child's life. Investing in early childhood education is a great way to stop gaps where they begin, long before a child enters kindergarten. But we have to do it in a way that is smart, strategic, and that is equitable. Increasing the federal poverty level for income eligibility standards is a great way to start.

Today I would like to tell you about three diverse stories of families that are affected by the income eligibility standards. Then I will discuss how these all too familiar circumstances directly effect child care programs across the state of Ohio.

**Family 1 is the Walker family of five.** Ms. Walker was denied childcare benefit in March 2021 because she was considered over income with an annual salary of \$33k which is an hourly rate of \$15.86. Because she was denied her childcare benefits, she was left with no choice but to dis-enroll her 4 year old son from our preschool program. This would have been his last year for us to get him academically ready to enter Kindergarten. Ms. Walker does not qualify for medicaid benefits due to her income so health insurance along with federal withholdings drastically reduce income. If the eligibility rate standards were increased to 200% then she would be considered eligible and her son would be able to

receive quality childcare and education to prepare him for this upcoming school year.

**Family 2 is the Washington family of six.** Ms. Washington works as an intervention specialist so she understands the importance of her daughter receiving quality early education. Her copay is \$80 per week for one child. Her hourly rate is \$22 per hour which seem like enough to provide for her family however her net weekly income is \$672. She too has to provide health insurance for herself and five children because she is over income for medicaid. After basic expenses, she struggles each week to make the copayment on time and is currently behind 1 and 1/2 months. If the eligibility standards were increased to 200% then she would see a significant reduction in her weekly copayment.

**Family 3 is the Argus family of two.** Ms. Argus works at Amazon and her daughter is in our pre-kindergarten program. Our teachers have only a couple of months to continue to prepare her for Kindergarten this fall. During redetermination in December 2020, because she had been promoted to a supervisor position, her copayment increased from \$48 to \$264 per week. The Ohio Department of Job and Family Services pays us \$229 per week for a preschooler. How could her copayment be more than what ODJFS pays? Due to this, she had to dis-enroll her daughter from our program. Three months later, Ms. Argus made the tough decision to reduce her hours to part time in order to be eligible for childcare benefits. If the eligibility standard were increased to 200% then she would be able to work full time and provide for her families basic care needs.

Programs across the state are constantly experiencing these types of problems and we are seeing a decrease in enrollment because parents are losing childcare benefits. Now, as private pay parents, they have to make the tough decision to either stay home, reduce their income to meet the eligibility standards, or send their children to unlicensed providers. Star rated programs are losing private pay families to family members, baby sitters, or unlicensed providers due to our required higher customary rates. These type of unmonitored and unregulated environment are not developmental appropriate and often time lead to neglect or abuse of our young children. Additionally, they are not trained to provide assessment for developmental delays, able to recognize early intervention, and refer the family to services. They are not required to make developmental appropriate lesson plans or provide activities that foster learning and development. With this type of care, how will Ohio's children be academically and socially-emotionally prepared for school?

As you are already aware, expanding child care eligibility to 200% benefits all Ohioans by preparing more children for success, allowing families like these to return to work full time, increasing enrollment for child care providers, supporting the business workforce, and increasing state and local economies. There is a negative correlation which simultaneously place individuals at high risk of crime due to low educational outcomes. We should use education as one way for crime prevention by closing the achievement gap and equipping Ohio's children to be set up to successfully graduate high school, then college, and become skillfully employed. Thus allowing them to break generational barriers and become financially secured and able to continue to stimulate Ohio's economy.

Childcare is the backbone of our society and we are considered the workforce behind the workforce. The sustainability of our child care system is critical but it is also fragile. This tenuous system has been this way well before the pandemic and then you add this huge shock to a system that is already fragile; it's going to have a hard time recovering. In its current state, childcare desperately needs this increase to see enrollment retention in child care programs and allow highly rated center to expand because the need would grow.