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Testimony Of

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H.B. 33: Governor DeWine's Executive Budget Proposal

Fiscal Years 2024 and 2025

Chair Carruthers, Ranking Member Dr. Liston, and members of the House Finance Subcommittee on Health and Human Services, as the CEO of the Ohio Child Care Resource and Referral Association, it is my privilege to provide this testimony to you on House Bill 33 Biennial Budget Bill for Fiscal Years 2024 and 2025, specifically the budget provisions impacting publicly funded child care.

OCCRRA and our Child Care Resource and Referral (CCR&R) Network is a proven high functioning public-private partnership. Seven private non-profit CCR&R agencies serve as regional hubs providing professional development and technical assistance to child care, early learning, and school-age programs as well as support to the state departments of developmental disabilities, education, health, job and family services, mental health and addiction services serving providers, parents, and communities in Ohio's 88 counties. OCCRRA coordinates and ensures consistency among the seven CCR&R agencies and is responsible for managing multiple statewide quality initiatives.



OCCRA and the CCR&R agencies have built a sophisticated network of infant and toddler, preschool, school-age, and Step Up To Quality (SUTQ) child development specialists who develop and share programs, products, and services system-wide when and where applicable. These shared services include curriculum, training assessment, marketing, and outreach to early care, learning, and school-age programs and professionals throughout the state.

Last year, I had the opportunity to participate on the Ohio General Assembly’s Publicly Funded Child Care and Step Up to Quality Study Committee. In the committee’s final report issued in December 2022, the top findings of the committee included:

- Workforce Shortages and Trends
- Increases in the Cost of Doing Business
- Costs and Workforce Impact on Access
- Reducing Administrative Burdens and Increasing Business Supports
- Lack of Data and Resource Coordination
- Long-Term Funding Sustainability

The PFCC/SUTQ Study Committee brought forward the following nine (9) recommendations:

1. Complete a thorough review of all existing SUTQ standards to identify areas of improvement and make changes to enhance child outcomes while **removing unnecessary administrative barriers** to system participants. ODJFS and ODE should continue to reduce administrative burdens and enhance/streamline efficiencies to attract and retain a strong sector of quality early learning and child care providers.
2. Create an **exemption for Family Child Care Home providers enrolling a low number of children receiving PFCC** from being required to be rated under SUTQ.
3. ODJFS should use data, including national best practices and market research and conditions, to **explore different payment structures for PFCC** – starting with paying on



enrollment rather than attendance. Additional payment structures to explore could include paying based on a weekly minimum attendance of 1 – 2 days/week; paying a split rate that provide for a base for enrollment and hourly rate for attendance; and changing payment type categories.

4. Provide optional **shared services and business development resources** based on the feedback of child care providers to assist them in creating a sustainable business, leveraging, and utilizing existing state and local business and entrepreneurial supports.
5. Urgent action is needed to increase professionals entering the field, not only to fill the available PFCC slots, but to enable all families to access quality, affordable child care. **Address the early care and education workforce crisis** through a comprehensive strategy involving Ohio Departments of Development, Higher Education, local colleges and universities, and high schools to build pathways with a pipeline to fill critical jobs.
6. **Identify and develop business strategies** specifically designed **to address identified areas of greatest need where the demand for child care outpaces the supply** and, consider more provider incentives and supports to help providers remain, re-enter, or enter the field. Continue to engage the business community and others in local partnerships to support and expand child care programs in underserved areas.
7. Continue to **engage the business community and others in local partnerships** to support and expand child care programs, particularly in underserved areas.
8. Move Ohio forward in the state's ability to make data-driven policy decisions impacting early childhood needs, learning, programs, and supports. This starts with the inclusion of early childhood information into the Innovate Ohio Platform so that data can be accessible to the public and policy makers to inform policy decisions. **A fully integrated data system** that crosses systems and programs between social service, developmental disabilities, health, and education agencies will equip stakeholders with the information



needed to make systemic improvements and to address targeted early childhood needs.

9. Continued focus will be needed on improving access, increasing workforce participation, and sustainability over time. ODJFS and ODE should continue to model and share long-term financial projections on anticipated revenue and expenditures for the state’s child care system, with consideration toward **ensuring reimbursements cover providers’ costs of doing business**, while continuing to incentivize providers to reach a higher quality rating.

OCCRRA and CCRR Network strongly supports Governor DeWine’s creation of the new Department of Children and Youth, which will promote the efficient and effective delivery of services to Ohio’s children and families. The core services proposed in the new department provide the state with much needed opportunities to leverage and streamline investments and services across prevention, early identification, early education, and family supports; as well as aligning and removing redundant licensing, policies, rules, and regulations across program areas. The combining of these services and supports isn’t a new concept. In the early 2000s, one of the primary recommendations of the School Readiness Solutions Group included establishing a new approach to licensing early learning settings operated by a child-serving and family-serving single agency to promote a child’s development and readiness for school. As Governor DeWine and the Ohio General Assembly have demonstrated, now is the time to create this combined department and implement statewide reform to support Ohio’s children and families.

As Ohio transitions out of the pandemic and the \$1.2 billion of federal stimulus and stabilization funds will end in September 2023, we must maintain and increase the state’s investments into the programs that support our most vulnerable children and families. The federal funds kept



the centers and family child care programs open and operating, yet only at a portion of the total capacity due to workforce constraints and the increasing costs of doing business.

We support the Governor’s continued and increased investments on behalf of the children, families, programs, and professionals who serve as the “workforce behind the workforce.”

Thank you for your time and consideration this morning. I am happy to answer any questions that you may have regarding this testimony!