

Ohio Senate
Finance Subcommittee on Health and Human Services
FY2020-2021 Operating Budget
Knox County Head Start
Peg Tazewell, Executive Director
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Good Afternoon, Chairman Dolan, Ranking Member Sykes and members of the committee. I am Peg Tazewell, Executive Director of Knox County Head Start. Thank you for the opportunity to give testimony concerning House Bill 166, Ohio's budget bill for state fiscal years 2020 and 2021. My testimony is limited to comment and concern on Ohio's quality child care system and funding.

I am a member of the Groundwork Steering Committee and past president of the Ohio Head Start Association, and I've worked in our Head Start program with full day child care services for over 20 years. Knox County Head Start is the largest provider of child care services to both subsidized and private pay children in four, 5-Star Step Up to Quality rated centers in Knox County.

In December 2018, Knox County moved up two payment tiers with the implementation of the 2016 child care market rate survey. Now, six months later, ODJFS is seeking to implement the 2018 market rate survey, and Knox County is one of the thirteen counties that are moving down a rate tier with a resulting loss of funding.

Child care, and especially child care serving primarily subsidized children is a business that operates on slim profit margins. Year to date, even with the increases received in December, my child care operations are in the red. When I calculate outstanding reimbursements due, I am in the black by a margin of 1.8% -- it's a fine line, especially for child care programs like ours that provide benefits, including health insurance, to our employees.

Reductions in rates due to the implementation of this survey so quickly after the 2016 survey changes will challenge the survival of child care businesses like mine. Knox County Head Start will stay in business as a Head Start program – but we may not be able to maintain child care services with these changes. We cannot operate child care in the red, as we risk the financial stability of our organization, and our status as a low-risk auditee, which provides the foundation for our federal grants.

The market rate survey has a negative impact on rural areas like Knox County, further challenging the ability of child care programs to provide quality care and education and to meet the needs of children and families in the community. It is near impossible to find care for an infant or toddler in our community – and this reduction in rates will worsen this situation.

We provide the care needed for parents and caregivers who are doing what we expect in our society – working to support their family or going to school to ensure that they can support their family in the future. They are the families doing the right thing, and their access to care in rural communities is at risk with these changes.

So first, I am asking that you consider holding these 13 counties harmless in these rate changes – given that it took until December of 2018 to implement the 2016 market rate survey – at minimum consider holding these providers harmless for the next biennium, or at least the 14 months difference.

Second, I am concerned about the validity of the survey in rural counties such as Knox and the other counties moving down a tier. While I believe federal regulations require the detailed survey to be widely published (and indeed the 2010, 2012, 2014 and 2016 rate surveys are available on ODJFS' website), I could not find a full copy of the 2018 survey for review. In

my organization I only recall one of four centers receiving a call about the survey completion, with instructions to look in junk mail for the invitation – but there was no invitation in any of our email files. I am concerned that no data was collected through the survey from any of the Knox County Head Start centers, although that data was available as part of our publicly funded child care contracts as we must report our private pay rates.

For transparency sake, before implementation this full market rate survey should be released with a time for comments, and I encourage the department to take into consideration other issues around availability of care in rural communities prior to making market rate changes. Rates that are set do not have to come only from the survey, and one only has to look at the wide variation of rates from center based to family child care, or between hourly rates, to see that there is questionable data in the survey.

As a representative of Head Start, I also hope that the new administration will work with Head Start programs to return to a layered funding model in keeping with what most states allow and federal funders expect. Head Start's child care services and partnerships are a critical part of Ohio's mixed market system.

High-quality child-care crosses sectors as both a workforce issue for families, and an education and school readiness issue for children. The children and families of Ohio, including those in the 13 counties where reductions are pending, deserve the funding and resources necessary to serve all eligible children, and especially infants and toddlers. I ask that you consider this commitment to children and families with additional state funding that maximizes our ability to leverage federal dollars.

Thank you for your time today, and I wish you well as you consider the difficult choices necessary to provide for our community's vulnerable children and families.