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Ohio Department of Children and Youth
 246 N. High Street, 8th Floor
 Columbus, Ohio 43215
 (via electronic delivery to childcarepolicy@childrenandyouth.ohio.gov)

Re: Draft Child Care and Development Fund (CCDF) Plan for Ohio FY 2025-2027

To Whom It May Concern:

On behalf of Groundwork Ohio, I want to express our gratitude for the hard work and dedication that has gone into developing Ohio's Child Care and Development Fund (CCDF) State Plan for FY 2025-2027. As the child care administrator for our state, the department of Children and Youth has developed a commitment to:

- Understanding data.
- Utilizing strategic financing to match needs to revenue sources.
- Shifting culture to focus on outcomes for kids and not on the bureaucracy of program administration.
- Listening to family voices and engaging in open and transparent dialogue with programmatic leaders and professionals.

We appreciate the opportunity to submit feedback on this plan, which will shape the future of child care services in Ohio. As an organization committed to championing high-quality early learning and healthy development strategies for Ohio's youngest children, we have carefully reviewed the draft plan and would like to offer the following comments and recommendations.

We acknowledge the substantial cost of most measures addressed in the draft state plan and our comments. We appreciate it is difficult to balance the many needs of children and families in Ohio with limited funding. This is a critical juncture, with the end of one-time federal relief funds. We will continue to be a partner in advocacy for the necessary state and federal funds to resource these important measures.

Reduce Barriers to Family Enrollment and Redetermination

(Section 2.1)

We appreciate the effort that the state has implemented to reduce administrative burden for child care programs, which has greatly improved the process for providers. We encourage

the state to explore additional ways to reduce administrative barriers to support families. Streamlining administrative processes and reducing paperwork can make it easier for families to access child care services and for providers to participate in the subsidy system. This includes simplifying eligibility requirements, reducing the frequency of required documentation, and providing clear and accessible information to families and providers.

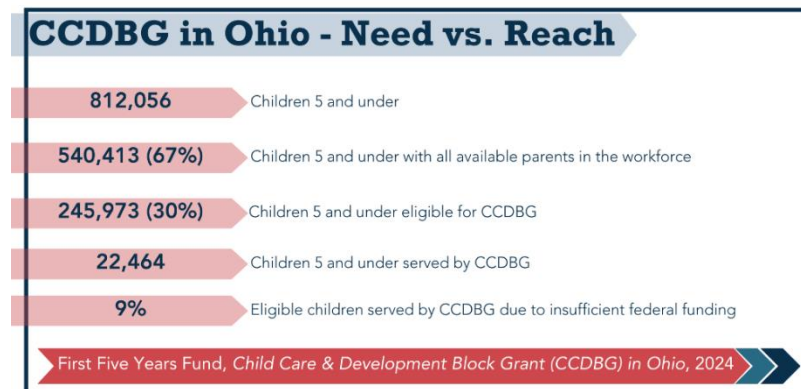
Recently, Groundwork Ohio conducted a survey of parents. Of respondents who reported receiving Publicly Funded Child Care (PFCC); 38% reported having difficulty retaining their subsidy and 24% said it took more than 3 months from the time of application to start receiving PFCC. Subsidized child care is an important work support for parents, economic support for families, and educational support for the child. We need to make it easier for the people who need help to get it quickly.

Increasing Access Through Eligibility

(Section 2.2)

We strongly encourage the state to establish presumptive eligibility while eligibility is being determined. This practice ensures that families can access necessary child care services immediately, without waiting for the full determination process to be completed. By leveraging eligibility from other public assistance programs, Ohio can simplify and expedite the eligibility process, ensuring that families do not face unnecessary delays in receiving the support they need.

Future Five Years Fund, Child Care & Development Block Grant in Ohio, 2024



We also strongly encourage the state to increase initial eligibility to 200% of the federal poverty level. Ohio currently has the lowest initial eligibility in the country. Only 9% of eligible children in Ohio are served by CCDBG. We acknowledge the difficulty in prioritizing decisions between affordability, access, and quality. We commend Ohio's use of federal relief dollars to improve access and affordability to child care, including the Child Care Choice Program that will serve 8,000 children whose families fall between 146% to 200% FPL. However, given the end of federal relief funding, we encourage the state to explore creative ways to continue key programs with increased state funding. We commit to continue advocating for this funding.

Prioritizing Services for Vulnerable Children and Families

(Section 2.3)

The State is required to prioritize child care assistance for vulnerable children, including children with special needs, families with very low incomes, and children experiencing homelessness. We appreciate that the state defines "special needs" broadly to include various developmental challenges, ensuring these children receive necessary care without income restrictions. However, we recommend also expanding the definition of protective services to include more vulnerable children to further enhance support.

Outreach for Vulnerable Children

(Section 2.4)

We commend the outreach efforts to families experiencing homelessness, limited English proficiency, and children with disabilities. The strategies employed, such as multilingual applications, informational materials, and partnerships with community organizations, enhance accessibility and ensure inclusivity. However, encouraging the state to adopt a more comprehensive definition of homelessness, aligning with McKinney-Vento Act guidelines, and implementing presumptive eligibility for homeless children would improve service effectiveness. The McKinney-Vento Act defines homeless children as "individuals who lack a fixed, regular, and adequate nighttime residence." This approach would eliminate delays in service access and ensure timely support for vulnerable children and families.

Promote Continuity of Care for Children

(Section 2.5)

We also urge the state to coordinate determinations for children within the same household and ensure that each child receives a consistent 12 months of eligibility. This approach not only reduces the administrative burden on families but also provides stability and continuity of care for children. Ensuring that all children in a household are assessed and granted eligibility concurrently can help streamline processes and reduce the risk of service gaps.

Make Child Care More Affordable for Families

(Section 3.1)

While Ohio set up the current copay structure to minimize the benefit cliff for parents exiting the program, the current copayment levels, particularly for lower income parents, exceed the federal threshold of 7%. Families below the poverty line are required to pay little, other families face significantly high copayments, creating substantial financial burdens. This disproportionately affects middle-income families, who may struggle to afford the high copayments required for child care services. In our recent survey of parents, 60% of respondents reported relying on child care subsidies and one in four respondents who currently receive child care subsidies reported that their copayment is not affordable. High copayments can act as a deterrent for families seeking quality child care, potentially forcing them to choose less expensive, lower-quality options, or forgo child care altogether, which can hinder the development and well-being of their children and the long-term economic stability of the family.

This high cost of care relative to income significantly limits accessibility for moderate-income families who may still struggle with affordability despite not being among the very poor. By incorporating additional factors such as the unique needs of children with disabilities and children in low-income households into the co-payment assessment, Ohio can better provide equitable access to child care services. This adjustment would not only alleviate financial strain on affected families but also ensure that vulnerable populations receive the necessary support without undue hardship.

Ohio's current co-payment structure ranks among the most burdensome nationally, particularly impacting families above 200% of the FFPL.

States with copays above 7%



State	Maximum % that could be charged as copayment	Additional Information Provided by Lead Agency
ID	n/a	
MT	8%	Eight percent (8%)
AK	9%	The maximum a family currently pays is 9% of their gross monthly income.
HI	9%	The maximum percent of a family's gross income is 9%. The Department of Human Services is in the process of amending the Hawaii Administrative Rules (HAR) Chapter 17-798.3, Child Care Payments, for copayments at 7% of a family's gross income. The amendment package for Subsidy Rules is currently with the Attorney General for review. The eligibility chart in HAR, Chapter 17-798.3-9(b)(1) lists dollar amounts. The amendments will include language to refer to the most recent data rather than having actual dollar amounts.
CO	10%	Currently, copays (parent fees) are capped at 10% of a family's income. Colorado will be adjusting our parent fee formula to ensure that the fee does not exceed 7% of the family's income by April 1, 2026.
CT	10%	A family could be charged a maximum of 10% as a copayment based on household size and income.
FL	10%	Currently, DEL requires co-pays to be no more than 10% of a family's income. The DEL is working to establish co-payment policies for families receiving CCDF assistance to be no more than 7% of family income to help ensure family co-payments are not a barrier to accessing child care.
ME	10%	The Lead Agency intends to file for a waiver to implement 7% by FFY 2026.
NC	10%	
MA	11.9%	The most that any family can be charged for a copayment as a percentage of their income is 11.9%. This figure is based on a family of two that has recertified with a maximum income of \$7,008 per month.
WI	12%	The current Wisconsin State Statutes allow the Lead Agency to charge a family a maximum of 31% of their family income. Beginning 7/1/2024, the Lead Agency will only be allowed to charge a family a maximum amount of 12% of their family income. Further efforts to reduce a family's copay to no more than 7% of their gross income is being explored and will require statutory changes.
VT	12.40%	
MIN	14%	The maximum percent of a family's gross income paid by families is 14 percent at the exit income range at redetermination, which is 67 percent SMI. The percent paid reduces to 11 percent, during the 12-month eligibility period, for families with income above 67 percent SMI and below 85 percent SMI.
KY	15%	Fifteen (15) percent. Citation: CCAP Policy Manual Volume VIII (MS 5015)
IN	26%	
OH	27%	The family copayment is calculated on a sliding fee scale. Families below 100 percent of the federal poverty level (FPL) have no copayment. Families between 101 percent to 200 percent increase from 7 percent of their income to 8.75 percent of their income.

Family Copayments

(Section 3.3)

We strongly encourage Ohio to consider waiving copayments for children with disabilities and families below 200% FPL, to alleviate these burdens and ensure equitable access to child care services. Waiving copayments for children with disabilities, for example, can provide much-needed financial relief to families already facing additional costs related to health care, special education, and other support services.

Ensure Adequate Payment Rates

(Section 4.3)

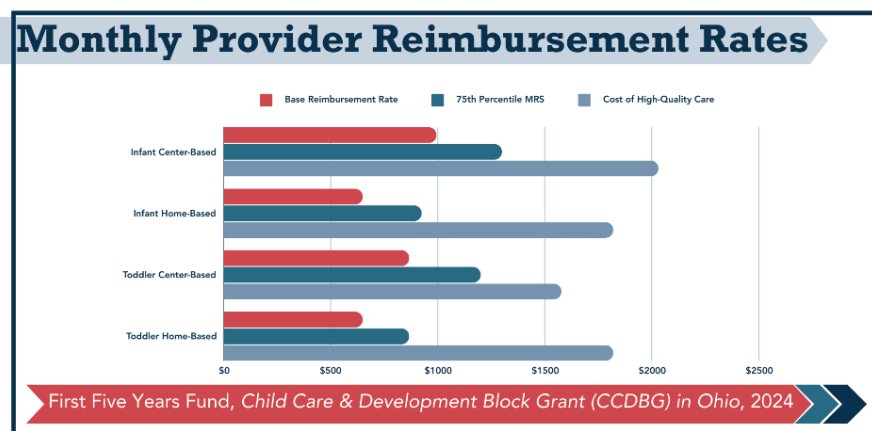
Ohio's low reimbursement rates, coupled with unpredictable revenue for providers, act as significant barriers to provider participation in the subsidy system. Providers who do participate may struggle to maintain financial stability, leading to high turnover rates among staff and inconsistent care for children.

We appreciate that the state has made significant progress by increasing base rates to the 35th percentile of the 2022 Market Rate Survey and planning to move to the 50th percentile in July 2024. As the state knows, the 2022 Market Rate Survey is outdated and does not adequately reflect the rising cost of care. We urge the state to consider data from the upcoming 2024 Market Rate Survey or consider an alternative cost model to determine appropriate rates that reflect the true cost of care. Additionally, we recommend the state make regular and frequent adjustments to rates to ensure they remain aligned with market conditions and the true cost of providing quality child care.

States Should Improve Payment Practices

(Section 4.4)

Monthly provider reimbursement rates for Publicly Funded Child Care (PFCC) are below the 75th percentile (the longtime goal to ensure equal access for children receiving subsidies) of the 2022 Market Rate Survey, and well below the true cost of high-quality care. Paying providers prospectively, like private pay parents do now, is crucial for supporting the infrastructure of the child care system. Inconsistent and delayed payments can create significant financial hardships for providers, making it difficult for them to cover operating expenses, pay staff, and maintain the quality of their programs. Prospective payments provide stability and predictability, allowing providers to focus on delivering high-quality care rather than managing cash flow issues. Alternatively, the state should consider extending additional absent days to programs and eliminating the hourly payment category.



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Build Supply and Increase Parental Choice through Grants and Contracts

(Section 4.5)

The plan requests a waiver for contracts and grants. However, the state only needs to implement at least one type of contract or grant to serve specific populations. We encourage the state to implement, or expand on an existing contract or grant, rather than seeking a waiver. The Child Care Choice voucher program and the Infant and Toddler Infrastructure grants serve as two effective examples where the state has improved access for families that could be sustained and expanded on. Targeted contracts or grants could also provide focused support for specific needs, such as services for children with disabilities, infants and toddlers, and families in underserved areas. By implementing targeted contracts or grants,

Ohio can better address the unique challenges faced by these populations and ensure that all children have access to high-quality care.

Maintaining the Health and Safety of Children

(Section 5)

We appreciate that the state continues to prioritize the health and safety of children being served in child care programs through child care licensing. We encourage that the state maintains a strong commitment to ensuring the children being served in Ohio have access to healthy and safe environments that they can learn, grow, and play. Licensing is the foundation for quality care. Low child to teacher ratios supports environments that provide opportunities for quality adult and child interactions, in addition to meeting health and safety standards. As our state continues to be challenged by resources it is critical to ensure that this basic component of care is not undermined.

Supporting the Child Care Workforce

(Section 6.1)

Additionally, the plan should address the challenges of maintaining and expanding the child care supply. This includes strategies for recruiting and retaining qualified early childhood educators, supporting the professional development and career advancement of child care staff, and providing resources and support for new and existing child care programs. The plan references increasing rates as a means to meet compensation requirements for staff. However, there is insufficient support for how these increased rates, without other accountability measures, will translate into higher wages for child care professionals. Adequate compensation is an influencing factor for attracting and retaining qualified early childhood educators, who play a vital role in delivering high-quality care and supporting children's development.

We encourage the state to adopt creative solutions and initiatives to attract and retain qualified early childhood educators. Initiatives such as bonuses, stipends, and other forms of financial support can help ensure that child care staff are adequately compensated for their important work. Additionally, we encourage the state to consider policies that support the financial well-being of child care providers, such as granting them categorical eligibility for PFCC.

High-Quality Early Learning Experiences

(Section 7)

We celebrate Ohio's ongoing commitment to championing high-quality early learning and development for Ohio's children through maintaining the integrity of Ohio's Step Up to Quality (SUTQ) System. SUTQ strengthens child care in Ohio. By prioritizing quality child care, Ohio can secure a foundation for positive child outcomes and long-term success from early childhood to adulthood. In the new revised Quality Rating and Improvement system, we appreciate the state emphasizing the importance of child-focused policies, evidence-based decision-making, equity, and simplicity in the new three-tiered program. We are especially appreciative of the addition of curriculum at the Bronze level and lower ratios at the Gold level.

We appreciate the significant efforts made by Ohio's Department of Children and Youth in thoughtfully drafting the CCDF State Plan. We believe that implementing the states commitments and our suggested enhancements will create a more equitable, accessible, high-quality child care system that better serves Ohio's children, families, and professionals. Thank you again for considering our feedback.

We are always available to discuss these suggestions in further detail and provide any additional information or clarification as needed.

Sincerely,

A handwritten signature in black ink that reads "Lynanne Gutierrez". The signature is written in a cursive, flowing style.

Lynanne Gutierrez
President
Groundwork Ohio