

Ohio House of Representatives
Finance Subcommittee on Health and Human Services
FY2020-2021 Operating Budget
Knox County Head Start
Peg Tazewell, Executive Director
April 10, 2018

Good Afternoon, Chairman Romanchuk, Ranking Member West 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 has been in operation since 1965, and was a typical Head Start provider until August of 1998 when the two local centers accepting child care vouchers closed, and local leaders requested we enter the child care arena.

Today, Knox County Head Start serves almost 500 children and their families annually, with federal funding for 257 Head Start, Early Head Start, and Early Head Start Child Care Partnership slots (for ease from this point I'll use the term Head Start). We serve 83 Head Start children plus 70 private pay/subsidized children in four full day, five star rated centers in Knox County. In our rural community, we have a crisis of available child care and currently have more than 80 children on waiting lists for care.

In recent years, in response to Ohio's drug crisis, more children are in kinship or foster care. We provide supports to families, especially grandparents, great-grandparents and other family members who are unexpectedly raising our youngest and most vulnerable children. Many of those families require child care services as well.

Head Start funds provide for the enhanced supports needed for children who were born drug addicted, or who have experienced unimaginable trauma in their young lives. From parenting support and education, to family advocacy to develop parental strengths and to achieve family goals - we support foster/kinship care parents, while also working with biological parents if family reunification is the goal. We are essentially focused in supporting parents and other caregivers in their role as the first and most important teachers of their children.

Our ability to provide the full range of comprehensive, high quality Head Start services, along with full day and full year child care, is dependent upon the leveraging of federal dollars and child care revenue in support of extended services.

In September 2017, ODJFS eliminated the ability of Head Start programs to layer Head Start and child care funds, requiring programs to back out Head Start hours from reimbursement. This resulted in a significant loss of revenue.

In December 2018 ODJFS implemented the 2016 Child Care Market Rate Survey, and Knox County moved from the lowest reimbursement tier to the highest -- this was a welcome change and offset some of the previous revenue losses.

The proposed budget seeks to ***immediately*** implement the 2018 market rate survey, which moves Knox County down one rate tier, with significant revenue losses.

This loss of revenue is unsustainable and could result in a reduction of child care slots in favor of six-hour, school year-based days.

We cannot maintain the level of quality required by Head Start and sustain further revenue losses when we are already struggling to provide a living wage to teachers, and benefits to maintain a strong workforce.

We cannot sustain federal funding with child care operations in the red.

We have insufficient child care slots available in our county for parents who are doing the RIGHT thing – by either completing their education or working full time to support their families. Funding reductions will make a bad situation -- in terms of limited slots available in rural communities – worse.

I respectfully request that the committee consider, at minimum, holding those counties who just four months ago were moved to a higher reimbursement tier – harmless -- in the current market rate changes. Please recognize that these continued funding changes undermine programs that are a crucial part of our community's infrastructure.

Further, I hope that the new administration will work with Head Start 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.

Finally, I plead with you to increase state funding to meet the unmet need for child care. We are desperate for the funding and resources necessary to serve all eligible children, and especially infants and toddlers. This will require 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.

Ohio Senate
Finance Subcommittee on Health and Human Services
FY2020-2021 Operating Budget
Knox County Head Start
Peg Tazewell, Executive Director
June 5, 2019

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.