



PUBLIC COMMENT

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Kathryn Poe, Michael Shields, and Ali Smith

Against a rule that will decrease funding for child care providers

Comment to ODJFS and DCY on proposed amendments to PFCC payment structure

The federal government — which provides three of every four dollars in Ohio’s public child care system — has recognized that providers need more resources and is mandating that all states increase base reimbursement rates to at least the 50th percentile. Following thousands of child care program closures since the COVID pandemic, this mandate was intended to stabilize the child care sector.

Due to the tight margins and difficult economic circumstances that providers have faced for many years, providers need this money to stay open. Rather than increasing funding to make this change, Ohio lawmakers are leaving the Department of Children and Youth (DCY) to shift around the same too-small pool of money instead of directing state revenue to fill the gap. The proposed rule changes decrease Step Up to Quality (SUTQ) enhancement rates for all current 2-, 3-, 4-, and 5-star programs. As a result, many of Ohio’s Publicly Funded Child Care (PFCC) providers will see cuts to reimbursement rates. In short, federal changes intended to help providers make ends meet, advance services, and provide reasonable pay for workers are being manipulated to short-change providers and ultimately harm PFCC families and children.

By stripping these SUTQ dollars from providers who have invested years of time and material resources to earn them, Ohio has created a cynical plan to meet the letter of the new federal mandate, but not its intent. The point is that child care providers need more money. Under Ohio’s scheme, many will end up with less. If these changes are implemented, early childhood educators, parents and kids will be the ones left to deal with the consequences.

Programs will close. Child care workers will walk away from careers the state has said are among its core workforce development priorities to work in retail stores and fast-food restaurants instead. Children will be left at home alone. More parents will grapple with the impossible choice of accepting a job with no safe place to leave their kids and foregoing one when it means no money to pay the rent.

This is the crisis the federal government intended to quell when — along with the more than \$800 million it sends to Ohio to bolster child care each year — it laid out the mandate that child care providers be reimbursed at the 50th percentile rate so they would get more money, not less.

Ohio legislators must add funding to DCY’s budget to fund the base rate mandate while leaving Step Up to Quality tiers and reimbursements intact.