OACCP Ohio Association of Child Care Providers

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On behalf of the Ohio Association of Child Care Providers (OACCP) we thank you for the opportunity to comment on the Ohio FFY 2016-2018 Child Care and Development Fund Plan. After careful review of the 2014 CCDBG, State Plan preprint and guidance documentation we believe that Ohio is substantially in compliance with the majority of federal expectations required for drawing down the CCDF funds. We thank the State for its leadership in eligibility, regulations, monitoring, professional development and consumer education. However, we have significant concerns over Ohio's lack of equal access for the low income children served in Ohio's Publically Funded Child Care (PFCC) system. A considerable amount of research supports that access to high quality early childhood programing can change the trajectory of poverty for low-income children. It is the fiduciary and moral responsibility of the leaders in this state to ensure not just access to any care, but quality care education for its most at-risk children.

We have included responses and citations below to specific components of the draft Ohio CCDF State Plan. Thank you for your consideration of our comments and we look forward to working with you as we continue to improve the access and affordability of quality of early care and education in Ohio.

Plan Component	Section or Plan Page #	OACCP Response	Supporting Information
Promote Family Engagement through Outreach and Consumer Education	Section 2	OACCP members are supportive of any and all steps taken by the State to increase awareness of SUTQ and the importance of high quality early care and education. We encourage the State to undertake a comprehensive communications strategy for families and stakeholders that supports access to and availability of high-quality programs throughout Ohio's robust mixed –delivery system. We also encourage the State to consider strategies to prioritize SUTQ rated programs in all communications strategies.	
Provide Stable Child Care Financial Assistance to Families	Section 3	OACCP members support the recent efforts by Ohio to extend eligibility to families up to 300% of FPL with a graduated phase-out. We also thank the state for the recent changes to support families through a temporary disruption in their work activity with the 13 week continued eligibility. However OACCP encourages Ohio	

		to evaluate all its eligibility requirements to minimize the administrative burden on the parent, state and provider and to truly allow for a 12-month uninterrupted eligibility for the child.	
Ensure Equal Access to High Quality Child Care for Low-Income Children	Section 4	The 2014 reauthorization of the CCDBG Act added multiple provisions in this section to advance the improvements to the quality of child care services and access to those services by low-income children. Although we commend Ohio on its 2020 and 2025 goals, we encourage the State to develop a comprehensive plan with financially supported strategies in order to comply with the 2014 CCDBG equal access provisions and achieve the 2020 & 2025 Ohio goals. Specifically addressing the following:	"A substantial body of research establishes that high quality preschool education can enhance cognitive and social development with long-term benefits for later success in school, the economy, and society more broadly. Such programs have been found to have particularly large benefits for children who are economically disadvantaged. Such children are found to have fallen behind their more advantaged peers in language and other abilities essential to school success prior to age 3, and the achievement gaps that receive so much attention on exams at 3rd grade and beyond are largely evident at kindergarten entry. Therefore, access to quality preschool education is one way in which greater equality of opportunity can be extended to children from minority and low-income families. Unfortunately, our research on access to preschool in the United Sates finds that access--especially access to quality--is highly unequal despite the extent to which public policy at federal and state levels targets disadvantaged children." Source: Access to High Quality Early Care and Education: Readiness and Opportunity Gaps in America CEELO & NIEER POLICY REPORT Milagros Nores, PhD & W. Steven Barnett, PhD May 2014

Child Care Service Available through Grants or Contracts 4.1.3	Page 59	OACCP encourages the State to consider utilizing grants in order to grow capacity of high quality programs and/or serve underserved populations. We urge the evaluation of how other states are utilizing grants and contracts in this capacity, specifically Georgia.	CCDF Reauthorization Frequently Asked Questions http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq **"Does the law allow States to use grants and contracts to build supply of high-quality child care?** Yes, the law continues to allow States to use grants and contracts, as well as vouchers, as an allowable strategy for addressing the needs of underserved populations and communities. States can award grants and contracts to providers in order to provide financial incentives to offer care for special populations, require higher quality standards, and guarantee certain numbers of slots to be available for low-income children eligible for CCDF financial assistance. Grants and contracts can provide financial stability for child care providers by paying in regular installments, paying based on maintenance of enrollment, or paying prospectively rather than on a reimbursement basis. Without stable funding, it can be difficult for providers to pay for the higher costs associated with providing high quality child care, particularly those in low-income or rural communities. ACF encourages States to explore how grants and contracts can be used as part of a strategy to increase the supply of high quality care and anticipates providing further guidance on the use of grants and contracts. *(Reference: Section 658E(c)(2)(A))"*
Assessing Market Rates and Child Care Costs 4.2	Pages 60-64	The CCDF plan states that payment rates must be updated every three years and "The State/Territory must set CCDF subsidy payment rates in accordance with the results of the current MRS or alternative methodology. When setting payment rates, the law requires States and Territories to take into consideration the cost of providing higher quality child care services than were provided prior to November 2014."	CCDF Reauthorization Frequently Asked Questions http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq

		Although Ohio has completed a MRS every two years and its data has supported an increase cost in child care, Ohio has not implemented the use of a current MRS to set rates since 2009 when rates were **lowered** from the previous implemented reimbursement rates. We have fallen behind the nation to one of the lowest percentile reimbursing state in the nation. Our neighboring states: Indiana, Michigan, Kentucky, and West Virginia, have all enacted new MRS supported reimbursement rates in the past two years. And, although Pennsylvania has not implemented a new MRS in the past two years, the equivalent percentile to the current market rate and actual reimbursement dollars are significantly higher than those in Ohio. In addition, all of those states also have considerably more provider friendly absent day and reimbursement policies, which in turn lead to the provider's ability to actualize more reimbursement of costs. **For comparison, in actual dollars the FT weekly infant reimbursement rates is** • **$43.64/week higher in PA** • **$71.39/week higher in IN** • **and almost double at $150.39/week in WV** **than the $164.61 reimbursement rate for the most populous geographic region in Ohio.** Like Ohio, these states also offer additional tiered reimbursement for those that meet higher quality standards through their TQRIS system. (source: draft state CCDF plans 2016-2018)	**"Must States use the current market rate survey or alternative methodology to set rates?** Yes, the State must use its current, most recent market rate survey or alternative methodology to establish their payment rates. The new law indicates that the State must set payment rates "in accordance with the results of the market rate survey or alternative methodology conducted pursuant to clause (i)." Clause (i) indicates that the market rate survey or alternative methodology must be developed and conducted no earlier than two years before the date of State Plan submission. This effectively requires States to conduct a new market rate survey or alternative methodology and re-evaluate their existing payment rates at least every three years to determine whether rates continue to provide equal access based on present market conditions, which may change over time due to shifts local markets or inflation. Rates should also be examined and updated as the State deems appropriate to keep pace with inflation. In the CCDF Plan, States will be asked to provide the date of its most recent market rate survey or alternative methodology. *(Reference: Section 658E(c)(4)(B)(iii)(I))"*
Setting Payment Rates 4.3.2	Pages 64-65	Supportive documentation by the State does not address "indicate the process and basis used for determining the tiered rates" or "indicate if the rates were set based on the MRS or another process" as was required by the plan document. In addition, it has been verified by the Cost of Quality Tool that the tiered rate add-ons do not cover the additional cost of the additional quality required by the TQRIS level for the 3-5 star levels. The cost of providing services has consistently gone up while reimbursement rates have stayed stagnant or are even lower in many cases than 15 years ago. Examples:	CCDF Reauthorization Frequently Asked Questions http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq **"Are States required to take into account the cost of providing high quality child care?** Yes, the law requires States to take into account the cost of providing higher quality child care services when setting payment rates for

		Clark County • FT Preschool Weekly Reimbursement 2001 $108.00 to 2016 $109.96 1.81% increase • School Age School Age school year 2001 $100.00 to 2016 $61.50 -38.5% Franklin county • PT Preschool weekly reimbursement 2001$ 76.00 to 2016 $ 63.73 -16.14% • School Age school year 2001 $ 69.00 to 2016 $ 53.68 -22.20% Compare these to CPI change Jan 2001 (175.1) Dec 2015 (237.017) or a 35.5% increase in cost while rates have remained stagnant. The stagnant funding to the providers serving PFCC children has brought dramatic erosion to the investments that these businesses can make to support the vastly increasing costs of doing business. We encourage the State to increase reimbursement rates to levels that ensure provider investment in quality services and generate increased access for low-income families to high-quality programs. In addition, we encourage the State to set tiered reimbursement rates at an amount sufficient to cover the cost of the higher quality indicators necessary to maintain that level of quality.	providers serving CCDF children. The purpose of this provision is for States, when setting payment rates, to consider the level of subsidy needed to ensure that providers can afford the cost of fully implementing high quality care so that more low-income families can access that care – a purpose of the revised law. Base provider payment rates – including for those families without copayments -- should be sufficient to support quality, including compliance with all health and safety requirements, a well-trained, effective staff, a good learning environment, and the provision of age-appropriate learning activities or curricula. In addition, ACF encourages States to provide tiered payment with a sufficient rate difference between tiers to support higher quality in which teachers may meet higher education standards, more comprehensive health and family supports are offered, or particularly vulnerable populations receive more intensive development and learning supports. Linking enhanced subsidy rates to higher quality is an important component of promoting quality, particularly when implemented in conjunction with other ongoing financial supports, assistance, and incentives. Besides tiered payment, another approach would be to set rates after considering the cost of providing quality care using a cost estimation model or other method. Another approach would be to track the participation rate of high-quality providers in the subsidy system (e.g., using indicators from a quality rating system to measure provider quality) and to adjust payment rates if necessary. *(Reference: Section 658E(c)(4)(B)(iii)(II))"*
Setting Payment Rates 4.3.3	Page 65	We appeal to the state to comply with the requirement of the 2014 CCDBG Act by setting the reimbursement rates utilizing the most recent MRS and in sufficient of a manner to ensure equal access. We also disagree with the assertion that Ohio has	Sources: Ohio Annual Licensing Report, Monthly SUTQ Effort Projection Reports, ELCG application. See supporting information under

		"a comparable number of child care providers". The number of providers (both home providers and centers) has significantly decreased over the past 10 years. Please see response to 4.4.1 for further documentation on the loss of providers in Ohio.	4.4.1
Setting Payment Rates 4.3.4	Page 65	This section was unanswered in Ohio's draft plan. OACCP recommends that the State include more information on the planned use of a "cost of quality" tool to evaluate the costs of providing services over time and at different quality levels. We encourage the state to set the tiered reimbursement rates for SUTQ at sufficient levels to support the cost of the higher quality and encourage participation of programs at the high-quality thresholds.	Source: groundWork Ohio Cost of Quality analysis
Setting Payment Rates 4.4.1	Pages 65-66	OACCP encourages the State to develop Ohio's benchmark of "equal access" and work with the legislature on a long-term sustainable plan to ensure Ohio's ongoing compliance with its benchmark. Currently Ohio is not meeting "equal access" as defined by the 2014 CCDBG. This assertion is supported by the data on the proportion of children receiving subsidy being served by high-quality providers or CCDF children not having access to the same type or quality of care. Ohio's low income children currently do not have access to the same quality of care as families not receiving PFCC. Utilizing data from the May 2015 SUTQ Effort Projection Report of the number of PFCC and non-PFCC children in rated programs and comparing that to the total number of children in child care as reported in the 2015 Ohio Licensing Report it can be ascertained that about 50% of Ohio children in child care are in rated programs (1-5). However, that number accounts for 65% of private pay children in child care in rated programs and only 31% of all PFCC funded children in rated programs. Utilizing the same sources it should be noted that of the non-PFCC children in child care 32% are in highly-rated (3-5 star) programs while only 11.5% of PFCC children have access to Ohio's highly-rated programs. While OACCP appreciates the State's evaluation of the 2014 MRS, cost of quality calculator and other data. However, OACCP members feel strongly that we are long past the point of evaluation and that a plan of action is necessary in order to ensure the stability and viability of the early childhood market in Ohio. In addition, there is strong evidence that we have substantially lost the number of providers licensed by JFS and those providers with a provider agreement: • 2006-2015 ODJFS licensing reports show a net loss of 428 centers • ODJFS SUTQ Effort Projection Report May 2012 vs. May 2015 shows a loss	Ohio ECAC Supply and Demand County Profiles show a lack of access to high quality programs by low-income families "Currently 18% of programs with pfcc are rated. This has not increased a significant amount over the past year." – Kara Wente ECAC January 2016 "By 2020, 100% of programs serving publicly-funded children must be SUTQ rated. Currently, approximately 18%, or about 1,150 of 6,600, of providers with publicly-funded provider agreements in SUTQ. Centers and Type A providers must be highly-rated by 2025. The first statutory progress target is 2017 at 25%. This means 376 more programs must become highly rated within the next 18 months. "Kara Wente ECAC Meeting November 2015 Ohio is trending well under RTT-ELCG goals for participation in SUTQ and especially in SUTQ highly rated 3-5 stars –Also under targets of high-needs children served in rated PFCC programs and under the targets of high needs children served in top tiers of SUTQ PFCC programs - source RTT-ELCG annual report year 3.

		of 216 centers • 8647 providers receiving PFCC – source Ohio ELCG application. Draft State Plan "approximately 8000" Loss of 647 providers receiving PFCC since 2011 • OCCRRA January 2015 Program Closure Report "Over the past couple of years, approximately 25% of the learning and development programs across the state have closed."	
Setting Payment Rates 4.4.2	Page 66	Due to the overwhelming evidence above detailing how Ohio has not ascertained equal access for its children receiving CCDF funds and that reimbursement rates are set at the 26th percentile of the 2008 MRS (equivalent to the 16th percentile of the 2014), we do not feel the state can in good faith certify that payment rates are sufficient to ensure equal access. It is our understanding that in order for the State to come into compliance with this requirement of the 2014 CCDBG the State must develop an implementation plan for achieving compliance. The implementation plan should include: planned activities, necessary legislative or regulatory steps to meet compliance by September 30, 2016.	
Payment Practices and Timeliness of Payments 4.5.1	Page 68	The 2014 CCDBG requires that States implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider payment rates from an eligible child's occasional absence. Ohio's current policy of 10 absent days every 6 months following the child does not support the fixed costs of providing child care services. We believe a "no" should be indicated in this section and a plan developed to meet: 1. Paying based on enrollment rather than attendance 2. Providing full payment if child attends 85% of auth. Time (equivalent to 40 days/yr) 3. Providing full payment if the child is absent 5 or fewer days (equivalent to 60 days/yr)	CCDF Reauthorization Frequently Asked Questions http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq **"Does the law require States to pay for absence days?** The law says that States must implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider payment rates from an eligible child's occasional absences due to holidays or unforeseen circumstances such as illness. Paying for days when the child is occasionally absent helps promote continuity of care by allowing the provider to retain the slot for the child without a financial penalty to the provider. Child care programs have fixed costs (staff, facilities, etc.) that must be paid regardless of whether or not a child is present on any particular day. Private-paying parents

			generally pay for an entire period (e.g., a week or month) even if the child is out sick within that period. The law says States must implement this provision "to the extent practicable." Each State is expected to implement policies, including policies that require payment for absence days, to the extent that is practicable for that State. A refusal to implement any such policies as being "impracticable" will not be accepted, as will policies that set unreasonable limitations on providers utilizing such policies. ACF may establish additional parameters through regulation, and in the meantime strongly encourages States, at a minimum, to pay for a significant number of absence days in order to promote stability and continuity for families and providers. ACF will ask each State to describe the rationale for its policy in the CCDF Plan. *(Reference: Section 658E(c)(2)(S)(ii))"*
Payment Practices and Timeliness of Payments 4.5.2	Pages 69-70	Ohio's policy of hourly payments for 6.9 hours per week or less does not meet the definition of "generally accepted payment practices" or support the fixed costs of providing child care services. The Market Rate Surveys for years have substantiated that hourly rates for child care services are not the normal practice of private paying families in the state. OACCP encourages the State to revise payment practices to those that are streamlined, provider-friendly and encourage high quality providers to participate in the subsidy program.	CCDF Reauthorization Frequently Asked Questions http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq **"What is meant by "generally accepted payment practices"?** Under the law, each State must have in place generally accepted payment practices that reflect payment practices of non-CCDF providers. The law indicates that the goal of this provision is to provide stability of funding and encourage more child care providers to participate in the subsidy program. Too often, subsidy payments are unpredictable and based on the attendance of individual children, meaning that providers can't rely on stable program income. When providers don't have stable income, they can't commit to hiring

			highly trained teachers, may send teachers home midday, or may not be able to invest in educational materials and curriculum. All of these practices are contrary to the CCDF purposes of delivering high-quality, coordinated early childhood care and education services to maximize parents' options and increasing the number and percentage of low-income children in high-quality child care settings. "Generally accepted payment practices" are practices that align with the private-paying child care market in order to encourage providers to accept children receiving CCDF child care assistance and enable families to retain child care services. Pending further guidance, States should identify the practices common in their State for private-pay families and then determine which are most important to meet the goals of ensuring that high quality providers will participate in the subsidy program, and States will be required to certify and describe these practices in the CCDF Plan. Private practices commonly include: paying prospectively based on enrollment and paying for all days in which the provider is open in a given month. A number of States have developed streamlined, provider-friendly payment policies and administrative processes, such as paying providers when a child is absent due to an illness or other reasons. Other payment practices include: • Giving prompt notice to child care providers of changes to a family's eligibility status that may impact payment; • Allowing providers to receive payment for registration fees and other fees charged to private-paying families; • Paying providers prospectively rather than only on a reimbursement basis

			(which may be tied to required enrollment levels or other reporting on a regular basis); • Establishing a dedicated phone line, web portal or other access point for providers to easily reach the subsidy agency for questions and assistance regarding payments; • Ensuring timely appeal and resolution processes for payment disputes; • Utilizing automated billing and payment mechanisms including direct deposit; and • Providing materials on payment practices in multiple languages to promote participation of diverse child care providers. *(Reference: Section 658E(c)(2)(S)(i))"*
Recruit and Retain a Qualified and Effective Child Care Workface 6.1.7	Page 105	OACCP encourages the State to explore this area further. Teacher turnover is considerably high in early childhood programs serving low income children. This turnover has a direct and significant impact on program quality and children's outcomes. The State should take an active role in developing payment practices that support the cost of quality teaching faculty salaries and benefits, develop State supported tuition remission programs and other incentives for teachers working in programs serving PFCC children.	http://www.earlychildhoodohio.org/files/resources/2013%20Workforce%20Study-General%20Analysis%20Report.pdf Tenure/Turnover • Teaching staff from ODE licensed programs have been employed at their programs longer. • Turnover rates are much higher for ODJFS programs with 22% of teachers and 30% of assistant teacher having left their positions within the last 12 months. Wages • The highest average wages reported for ODJFS licensed staff were lower than the average starting wages for ODE licensed staff. • ODE licensed staff had current average salaries over $9 per hour higher ODJFS licensed staff. • In general more education was associated with higher hourly pay. Benefits • ODE licensed programs offer more health (66%) and dental coverage (51%) than ODJFS

			licensed centers (37% and 26% respectively). • Health and dental coverage for full-time staff has changed very little between 2005 and 2013. • In general, the percentage of programs offering benefits other than health and dental coverage to full-time staff has increase from 2005 to 2013. Education • Directors of ODE licensed programs were far more likely to hold graduate degrees than directors of ODJFS licensed centers (62% versus 15%). • 83% of teachers from ODE licensed programs had at least an Associate's degree compared to 57% of ODJFS licensed teachers.
Quality Rating and Improvement System7.2.2 & Other Quality Improvement Activities 7.9.1	Pages 121 & 124	OACCP is supportive of the 2020 and 2025 goals that Ohio has set to increase the number of rated and highly-rated programs serving PFCC children in the State. However, as eloquently said by Antoine de Saint-Exupery "A goal without a plan is just a wish." We believe that in order to turn these wishes into achievable goals, they must be backed with the necessary funding, step by step planning and implementation support. Ohio has a significant lift in order to meet these goals and currently is not seeing additional growth in programs choosing to become SUTQ rated as noted by Kara Wente at the January 2016 ECAC meeting: " only 18% of programs with PFCC children are rated currently. This number has not increased a significant amount over the past year." OACCP encourages the State to immediately activate the $40m in funds designated in the current state budget to support this work and develop a longer-term plan to adequately fund the attainment of these goals.	