



**TED STRICKLAND**  
GOVERNOR  
STATE OF OHIO

## **Executive Order 2007 – 04S**

### **Establishing a Strong Foundation for Basic Child Care and Supporting Access to Affordable Child Care for Parents**

- 1. Increasing the Child Care Provider Reimbursement Rates.** Creating an affordable system of high quality early care and education for Ohio's children is a top goal of my Administration. A critical step in achieving this goal is ensuring that those currently caring for our children in licensed child care centers are fairly reimbursed for basic health and safety services.
- 2. The Importance of High Quality Early Child Care.** Research tells us that *high quality* early care and education reduces rates of crime and teen pregnancy, reduces the achievement gap between low-income and more advantaged children, increases rates of college attendance, creates savings in K-12 education through fewer grade repetitions and lower special education costs, results in higher tax revenues and rates of home ownership, and lowers health and welfare expenditures.
- 3. The Importance of Adequate Funding for Child Care Services.** Adequate child care provider reimbursement rates support a core set of basic services that are a fundamental building block to a quality early care and education system. When adequate, these rates provide a measure of the financial stability needed by these small businesses to support quality improvements, help keep well-trained, highly-qualified staff in this field, and allow working poor families access to needed care for their children.
- 4. Accessing Federal Funds for Child Care Reimbursement.** In order to access the federal Child Care and Development Fund, the Code of Federal Regulations requires payment rates for the provision of child care services to be adequate based on a local market rate survey every two years. The most recent market rate survey, conducted and analyzed in 2006 by the Ohio Department of Job and Family Services, demonstrates that Ohio is not

currently providing reimbursement reflective of market rates. Thus, increasing child care reimbursement rates is necessary to access available federal funds, will establish a strong foundation for improving basic health and safety standards for our youngest Ohioans and supports access to affordable child care for Ohio's parents. Accordingly, I direct the Director of the Ohio Department of Job and Family Services (ODJFS) to take the following actions:

- a. **Emergency Rule.** ODJFS will file an emergency rule raising maximum reimbursement rates to qualified child care providers to the 65<sup>th</sup> percentile of the 2006 market survey findings beginning in May, 2007.
    - i. ODJFS will file the emergency rule by March 30, 2007 making the maximum reimbursement rate increases effective May 1, 2007.
    - ii. ODJFS will notify county Departments of Job and Family Services within two business days of the issuance of this Executive Order to provide local agencies time to modify current contracts with local providers.
  - b. **Permanent Rule.** ODJFS will file a permanent rule raising maximum reimbursement rates to qualified child care providers to the 65<sup>th</sup> percentile of the 2006 market survey findings. ODJFS will file the permanent rule within sufficient time to be effective prior to the end of State Fiscal Year 2007.
  - c. **Hold Harmless Provision.** When reimbursement rates were modified for State Fiscal Year 2006 based on the 2004 market rate survey, child care providers in all counties were "held harmless" against rate reductions. In both of the rule filings discussed above, ODJFS will again "hold harmless" the child care providers in all counties so that their reimbursement rates will in no case be reduced.
  - d. **Amend Current Rule.** Ohio Administrative Code 5101:2-16-41 must be modified to reflect the revision to maximum reimbursement rates based on the 2006 market survey and the addition of three more area rate assignments to more accurately reflect the regional diversity within Ohio's child care market.
5. **Establishing the Early Childhood Cabinet.** The growing need for child care and the growing awareness of the importance of the first years of life is an opportunity to ensure that we are not only providing healthy and safe settings for our youngest children but also settings that promote early learning and positive child development leading to genuine readiness for all

children entering the K-12 education system. Embracing this opportunity is necessary if we are to meet the workforce demands of our future economy. Accordingly, this Executive Order establishes an Early Childhood Cabinet that will unite key state agencies around the common goal of promoting school readiness by setting and coordinating state policy and programs in that regard which serve Ohio's children, prenatal to six years of age.

- a. **Cabinet Composition.** State departments represented on the Cabinet will be: Job and Family Services; Education; Health; Mental Retardation and Developmental Disabilities, Mental Health, and Alcohol and Drug Addiction Services.
  - b. **Cabinet Staff Leadership.** I will appoint an Early Care and Education Director, housed in the Department of Job and Family Services, to lead the efforts of the Early Childhood Cabinet.
6. The Executive Order I signed on March 16, 2007, which is identical in substance to this Order, was incorrectly numbered as 2007-03S and is, therefore, rescinded and replaced by this Order.
  7. I signed this Executive Order on March 19, 2007 in Columbus, Ohio and it will expire on my last day as Governor of Ohio unless rescinded before then.



*Ted Strickland*

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Ted Strickland, Governor

ATTEST:

*Jennifer Brunner*  
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Jennifer Brunner, Secretary of State