



LYNANNE GUTIERREZ
Chief Operating & Policy Officer | Groundwork Ohio
lgutierrez@groundworkohio.org
4041 N. High St., Suite 204
Columbus, Ohio 43214
www.groundworkohio.org

**Ohio House of Representatives
Finance Committee
Substitute House Bill 33
Lynanne Gutierrez, Chief Operating & Policy Officer
Groundwork Ohio
April 19, 2023**

Chair Edwards, Vice Chair LaRe, Ranking Member Sweeney, and members of the Finance Committee, my name is Lynanne Gutierrez, and I am the Chief Operating and Policy Officer at Groundwork Ohio.

Today, I join with fellow advocates, professionals, community leaders and families from across Ohio in thanking you for the opportunity to provide interested party testimony on Substitute House Bill 33, Ohio's FY 2024-2025 budget bill, regarding the state publicly funded child care program and preschool program.

Groundwork Ohio is a statewide, nonpartisan public-policy research and advocacy organization that champions high-quality early learning and healthy development strategies from the prenatal period to age five, that lay a strong foundation for Ohio kids, families, and communities. Our vision is to make Ohio the best place to be a young child so that every child can reach their full potential.

Investing in Young Children Today and Tomorrow Strengthens Ohio

Our organization and partners are pleased to see the inclusion of the Department of Children and Youth and the increase in publicly funded child care eligibility in the Substitute House Bill. However, given the extreme workforce crisis the child care industry is facing, we are pleading with this Committee to **restore the \$150 million in state ARPA funds** proposed by Governor DeWine for child care scholarships and increasing access to licensed child care programs for infants and toddlers, as well as **invest new general revenue funds to increase child care and preschool capacity** in local communities with the greatest need.

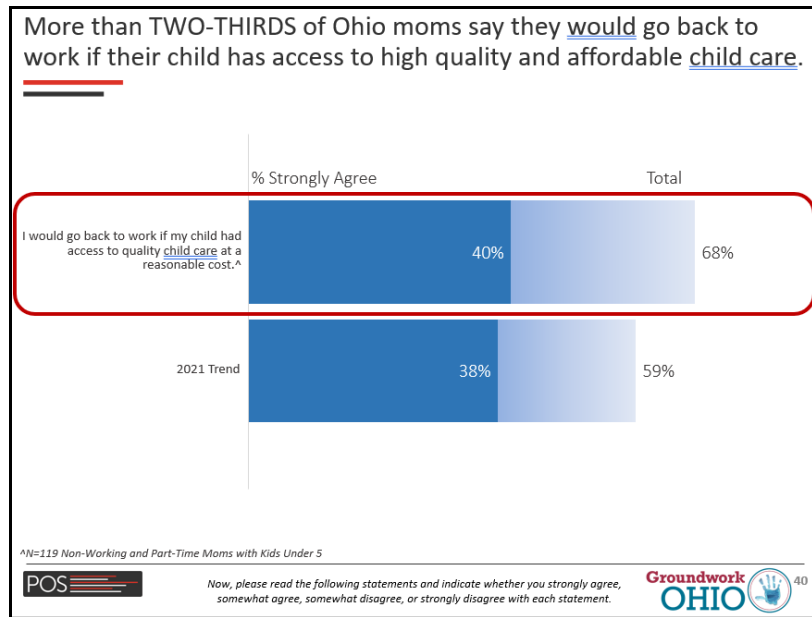
Ohioans cannot go back to work without access to child care and the child care workforce cannot be left out of this budget.

It is widely acknowledged that Ohio is facing a workforce crisis. Our states and industries are creating new jobs as they struggle to even maintain current capacity. The challenge to find accessible and affordable child care, which was made worse by the pandemic, is a serious problem, particularly in rural areas of Ohio that is greatly impacting our workforce crisis. It is costing families and the state economy billions of dollars, is

worsening the labor shortage challenges for Ohio businesses and causing children to fall further behind.

The lack of investment in Ohio’s young children and child care directly impacts a working parents’ ability to provide for her family. This plays a foundational role in stabilizing business, rebuilding our economy and helping families thrive. According to a recent poll of Ohio voters and parents by Public Opinion Strategies, we have found the following: (See Appendix A, [Public Opinion Strategies, Ohio Statewide Poll Key Findings](#))

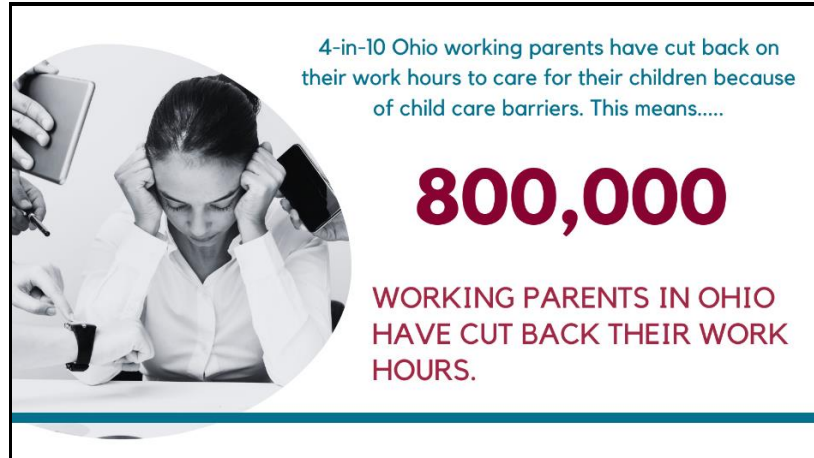
Parents Need Child Care to Work



Child Care is Difficult to Access & Afford



**Lack of Child Care
Negatively Impacts the
Economy**



4-in-10 Ohio working parents have cut back on their work hours to care for their children because of child care barriers. This means....

800,000


**WORKING PARENTS IN OHIO
HAVE CUT BACK THEIR WORK
HOURS.**

Urgent Changes Needed to Substitute House Bill

1. We recommend **restoring Governor DeWine’s proposed \$150 million in state FY 24 from Fund 5CV3, line item 6006A7 (See attached HC2022)**. These ARPA funds will (1) establish a child care scholarship for critical occupations and other director services professionals with incomes less than 200 percent of the FPL and (2) increase access to licensed child care programs for infants and toddlers with priority for those in rural and urban areas.
2. We recommend a **new investment in infant & toddler child care (See attached HC2020)**. Infant & Toddler Child Care Infrastructure Grant—Allocate \$30 million of General Revenue Funds over the biennium to increase capacity of local communities, specifically Appalachian and communities with high infant mortality rates, to provide safe and developmentally appropriate child care for infants and toddlers.
3. We recommend **increasing proposed funding for preschool (See attached HC2021)**. Early Childhood Education Grant—Increase the proposed additional funding for the Early Childhood Education grants by an additional \$46 million over the biennium. These additional funds can support providing additional half-day preschool slots or for the piloting of full day preschool slots. For every \$1 million added to this program, 250 more low-income 3- and 4-year-olds gain access to preschool.

PROMOTING WORK

OVERCOMING BARRIERS TO ACCESSING
CHILD CARE IN HB 33



A PARENT WITH 2 CHILDREN MAKING AT OR BELOW...

\$

CURRENT ELIGIBILITY

\$15.72/hr

- 142% FPL
- \$15.72/hr
- \$32,712/year

\$

EXPANDED ELIGIBILITY

\$17.72/hr

- 160% FPL
- \$17.72/hr
- \$36,864/year

\$

SCHOLARSHIPS

\$22.14/hr

- 161%-200% FPL
- Employed in a critical care occupation (ex. child care)

I am happy to answer any questions you may have. Attached please also find a signed letter from business leaders across the state supporting investments in child care and preschool in addition to a summary of all the news clips related to this critical issue since budget deliberations have begun. I can be reached directly via email at lgutierrez@groundworkohio.org or by phone at 614-204-6106.

ⁱ NOTE: All data referenced in this testimony is from the Public Opinion Strategies [Public Opinion Strategies, Ohio Statewide Poll Key Findings](#) attached hereto as *Appendix A* unless otherwise cited within the document.

_____ moved to amend as follows:

1 After line 155230a, insert:

2 "5CV3 6006A7 ARPA Childcare \$150,000,000 \$0"

3 In line 155236, add \$150,000,000 to fiscal year 2024

4 In line 155265, add \$150,000,000 to fiscal year 2024

5 After line 155616, insert:

6 **"Section 307.230.** ARPA CHILDCARE

7 Of the foregoing appropriation item 6006A7, ARPA Childcare,
8 \$150,000,000 in fiscal year 2024 shall be used by the Ohio
9 Department of Job and Family Services, in consultation with the
10 Department of Children and Youth, to do both of the following:

11 (A) Establish a child care scholarship for critical
12 occupations and other direct service professionals as identified
13 in consultation with the Governor's Office of Workforce
14 Transformation. Individuals awarded scholarships shall have
15 incomes that are less than 200 per cent of the federal poverty
16 level.

17 (B) Increase access to licensed child care programs for
18 infants and toddlers with priority for those in rural and urban
19 areas and to streamline administrative efficiency of the child

20 care program, in accordance with the program guidelines for the
21 use of these funds provided by the U.S. Department of the
22 Treasury."

23 The motion was _____ agreed to.

24 SYNOPSIS

25 **Department of Job and Family Services**

26 **Sections 307.10 and 307.230**

27 Restores an As Introduced appropriation of \$150,000,000 in
28 FY 2024 in Fund 5CV3 ALI 6006A7, ARPA Childcare. Restores As
29 Introduced language requiring the funds to be used by ODJFS, in
30 consultation with DCY, to (1) establish a child care scholarship
31 for critical occupations and other direct service professionals
32 for individuals with incomes that are less than 200% of the
33 federal poverty level and (2) increase access to licensed child
34 care programs for infants and toddlers with priority for those
35 in rural and urban areas and to streamline administrative
36 efficiency of the child care program.

_____ moved to amend as follows:

1 After line 161473, insert:

2 "GRF 830XXX Child Care Infrastructure \$15,000,000 \$15,000,000"

3 In line 161481, add \$15,000,000 to each fiscal year

4 In line 161503, add \$15,000,000 to each fiscal year

5 After line 161843, insert:

6 **"Section 423.____.** CHILD CARE INFRASTRUCTURE

7 The foregoing appropriation item 830XXX, Child Care
8 Infrastructure, shall be used to award child care infrastructure
9 grants to entities to assist them in providing safe and
10 developmentally appropriate child care for infants and toddlers
11 in Appalachian communities and communities with high infant
12 mortality rates. The Director of Children and Youth, in
13 collaboration with the Director of Job and Family Services and
14 members of the Early Childhood Advisory Council, shall review
15 and evaluate grant applications. The review process shall
16 consider the needs of applicants and the ability of the
17 communities in which applicants are located to serve publicly
18 funded child care eligible infants and toddlers in
19 developmentally appropriate child care settings.

Prioritize Investments in Child Care in the State Budget

AN OPEN LETTER TO OHIO POLICYMAKERS



Dear Members of the Ohio General Assembly,

For businesses to compete, grow, and succeed—and for Ohio’s economy to thrive—we must build a strong workforce foundation and pipeline for continually increasing participation.



The child care crisis facing our state is among the primary challenges in recruiting and retaining reliable and productive workers. Parents’ decisions about work are greatly impacted by whether they have access to quality, affordable child care. The harsh reality is, in our state, they all-too-often do not.



As cited by the Ohio Chamber of Commerce, child care costs in Ohio are on average more costly than rent, with the cost ratio among the worst in the nation. There is also limited child care availability, with **60% of rural Ohioans and 30% of all Ohioans** living in a “child care desert”—an area with more than 50 children under five and no providers, or an area with three times as many children as licensed child care slots.



Make no mistake—this is a crisis that is also hamstringing our economy. In fact, the lack of quality child care for children ages three and younger is costing our country **\$122 billion a year** in lost earnings, productivity, and revenue, and Ohio’s economy loses an estimated **\$3.9 billion per year** due to child care issues, according to the Council for a Strong America, ReadyNation Report from February 2023.



Specifically, the lack of quality, affordable child care is a significant contributor to ongoing workforce challenges and labor shortages, which, according to the National Federation of Independent Business, remain among the top problems facing businesses. U.S. Chamber of Commerce studies show that **half of all workers and nearly 60% of parents** cite lack of child care as their reason for leaving the workforce, and **1 in 3 unemployed women** are not returning to the workforce because they must provide care for a family member.



Our state and our businesses are in dire need of strategic state investment in early childhood education, as expanding access to publicly funded childcare will help more people enter and remain in the workforce. Not only will it address the workforce challenges of today, but access to quality early childhood education is a two-generation workforce approach that also prepares the future workforce for school, career, and lifelong success. Research shows these investments have a domino effect, with each step predictive of the next—from kindergarten readiness to third grade reading achievement to eighth grade math achievement to high school graduation to postsecondary attainment. Ultimately, public policy to improve outcomes for our youngest Ohioans will also ensure the workforce of tomorrow is prepared to excel and contribute to a thriving economy in the future.



(continued next page)





That is why we—business and community leaders from across the state of Ohio—are strongly urging our state legislature to protect and pass through the upcoming biennial budget the new investments to increase accessibility and affordability of quality early education proposed by Governor DeWine. This includes the following measures:

- **Child Care Capacity:** An investment of \$150 million of state ARPA funds to provide child care scholarships and to increase infant and toddler child care capacity in communities throughout the state.
- **Child Care Eligibility:** An expansion of the state’s publicly-funded child care program from 142% of the Federal Poverty Level (FPL) to 160%, which would result in more than 15,000 children and families gaining access to care.
- **Preschool:** An additional \$46 million per year in Early Childhood Education grants, estimated to expand preschool to an additional 11,525 children under 200% FPL.



Even with these targeted investments, too many children and their families will still be left out. They are just the beginning of what is needed to fully address the child care crisis facing kids, parents, and Ohio businesses, but they are a vital step in the right direction.

Sincerely,

Pat Tiberi
President & CEO
Ohio Business Roundtable

Gordon Gough
President & CEO
Ohio Council of Retail Merchants

Janetta King
Midwest Director
Goldman Sachs 10,000 Small Businesses Voices

Kelly O'Reilly
President & CEO
Ohio Association of Health Plans

Rick Baxter
President
Alliance Area Development & Alliance Chamber

Eric Kearney
President & CEO
Greater Cincinnati | Northern Kentucky
African American Chamber of Commerce

Don DePerro
President & CEO
Columbus Chamber of Commerce

Deborah Feldman
President & CEO
Dayton Children's Hospital

Timothy Dutton
Executive Vice President
Kettering Health

Wendy Gramza
President & CEO
Toledo Regional Chamber of Commerce

Jane Grote Abell
Chief Purpose Officer & Chairwoman
Donatos Pizza

Robert E. O'Neill
President & Founder
Southgate Corporation

John Pepper
Former CEO
Proctor & Gamble

Steve Stivers
President & CEO
Ohio Chamber of Commerce

John Barker
President & CEO
Ohio Restaurant Association

Shannon Jones
President & CEO
Groundwork Ohio

Todd Baker
Chief Executive Officer
Ohio State Medical Association

Kristin Miller
President
Athens Area Chamber of Commerce

Brendon Cull
President & CEO
Cincinnati USA Regional Chamber

Kenny McDonald
President & CEO
Columbus Partnership

Sarah Hackenbracht
President & CEO
Greater Dayton Area Hospital Association

Jennifer McDonald
President & CEO
Licking County Chamber of Commerce

Eric Phillips
CEO
Union County Chamber of Commerce

Tanny Crane
President & CEO
Crane Group

Jim Spurlino
CEO
Spurlino Materials

Chris Burns
Ohio Businessman
Parent & Grandparent of two young boys

Ryan Augsburger
President
Ohio Manufacturers' Association

Kristin Mullins
President & CEO
Ohio Grocers Association

Lisa Gray
President
Ohio Excels

Steve Millard
President & CEO
Greater Akron Chamber of Commerce

Dennis P. Saunier
President & CEO
Canton Regional Chamber of Commerce

Baiju Shah
President & CEO
Greater Cleveland Partnership

Chris Kershner
President & CEO
Dayton Area Chamber of Commerce

Dan Bates
President & CEO
Greater Hamilton Chamber of Commerce

Jed Metzger
President & CEO
Lima/Allen County Chamber of Commerce

Guy Coviello
President & CEO
Youngstown/Warren Regional Chamber

Jim Stout
CEO
Coastal Pet Products, Inc.

Trishia Hauck
Dayton Facility Manager
Cargill

Megan Riddlebarger
Executive Director
Corp. for Ohio Appalachian Development

Business Leaders, Parents, and Experts Agree: The Legislature Should Invest to Help Solve the Child Care Crisis

Data Highlight 1: More than two-thirds of non-working or part-time working Ohio moms say they would go back to work if their child had access to high quality and affordable child care.

Statewide Poll

In a new poll released by Public Opinion Strategies, the data was clear in showing a clear linkage between child care and Ohio's economy. The ongoing child care crisis has kept many parents - particularly mothers - out of the workforce, hampering Ohio's businesses and economy. [Review the poll data.](#)

Data Highlight 2: Nearly four-in-ten working parents (38%) say they have had to miss work, leave early, or lose focus because of challenges with child care.

Recent in-depth journalism also shines a bright spotlight on the crucial need for investment in quality early childhood education and child care.

A lack of investment in child care through the state budget would hamper Ohio's economy and fail to address a growing crisis for parents, children, and businesses.

Dayton Daily News, April 18:

[***New public money helping child care crisis: Advocates say more is needed***](#)

"It's going to cost money. There is no way of doing this without investing in this. Sometimes that makes people squeamish but we have to be willing to invest in creating a quality early learning environment for our kids and for parents to (be able to) come to work."

Dayton Daily News, April 17: ['Workforce behind the workforce' challenged by low pay even as child care becomes less affordable](#)

Dayton Daily News, April 16: ['Child care crisis' holds back children, parents, economy](#)

When parents can't find child care, they can't take jobs.

Bloomberg News, April 13: [Child Care Has Failed. The Government Can Help](#)

America's childcare market is an abject failure. Even at prohibitively high prices, supply doesn't meet demand, preventing children, parents and the entire economy from reaching their full potential. This is a problem that only government intervention can solve.

Columbus Business First, April 11: [What the continuing childcare crisis means for the workforce](#)

The Nation, March 23: [The Childcare Crisis Is Getting Worse](#)

"When child care is unaffordable and unavailable, people can't get to work—it's mainly mothers who are held back."

The Plain Dealer/Cleveland.com, March 12: [We all need childcare. Cleveland, let's solve a crisis](#)

The Hill, February 12: [What's behind the US's worsening child care crisis?](#)

Meanwhile, the crisis itself threatens the future of the U.S.'s youngest minds and is hindering employment and educational advancement of the American workforce.

ReadyNation, February 2: [\\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis](#)

ReadyNation's updated study finds that the nation's infant-toddler child care crisis now costs \$122 billion in lost earnings, productivity, and revenue every year. This staggering economic toll impacts working parents, their employers, and the nation's taxpayers.

The 19th, February 2: [Child care crisis is causing parents to leave their jobs or get fired, study shows \(19thnews.org\)](#)

Spectrum News 1 Ohio, January 31: [Study shows lack of child care creates serious problem in rural areas](#)

Ohio Capital Journal, January 27: [Awaiting budget proposal, child advocates hope for more](#)

The report found that one in five Ohio infants don't have access to child care or early learning and six in 10 children aren't ready to attend school based on kindergarten readiness, fourth-grade reading proficiency and eighth-grade math proficiency.