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**Ohio Senate  
Senate Education Committee  
House Bill 33  
Beth Hess, Managing Director of Policy | Groundwork Ohio  
May 9, 2023**

Chair Brenner, Vice Chair O'Brian, Ranking Member Ingram, and distinguished members of the Senate Education Committee, thank you for the opportunity to testify on House Bill 33. My name is Beth Hess, and I serve as the Managing Director of Policy at Groundwork Ohio.

Groundwork Ohio is a nonpartisan public-policy research and advocacy organization. The vision of Groundwork Ohio is to make Ohio the best place to be a young child so that every child can reach their full potential. Our organization focuses on the time when children's experiences and environments most influence their health, development, and life trajectory: from birth to age 5. We work to ensure that every baby, toddler, and young child in Ohio has the resources and opportunities for a strong start. It is never too early to invest in a child, but it can be too late.

***The success or failure of Ohio's education system is often characterized by the investments or achievements that occur from kindergarten through graduation. However, data and research indicate that the gaps occurring in K-12 begin well before kindergarten and the success of our education system, our state's current and future economy, is also very much dependent on the investments made in children birth to age five.***

We ask the Committee to support the following investments in early childhood that greatly impact the potential for children's future success and well-being:

- (1) Restore the Governor's proposed \$150 million in fiscal year 2024 to establish child care scholarships for critical occupations and other direct service professionals and increase access to child care programs for infants and toddlers (**SC0329**).
- (2) Restore the \$10 million cut by the House to the Governor's proposed investment to support early childhood mental health credentialed counselors and consultation services (**SC0331**).
- (3) Restore the nearly \$20 million cut by the House to the Governor's proposed investment for the state evidence-based home visiting program, Help Me Grow (**SC0330**).
- (4) Maintain the \$30 million grant as passed by the House 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.
- (5) Maintain the increased funding for the state's preschool Early Childhood Education grants as passed by the House.
- (6) Maintain the increase in eligibility for publicly funded child care from 142% to 160% of the FPL as passed by the House.

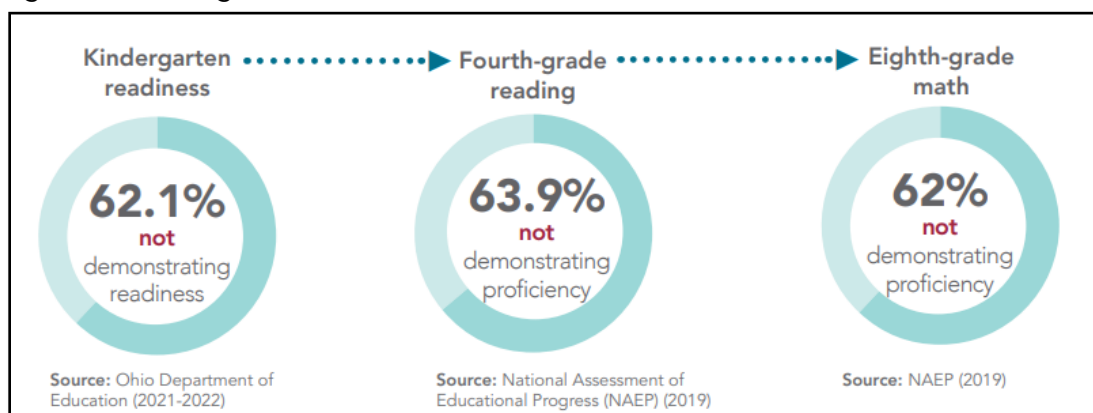
As you deliberate on this bill, it is crucial you understand the importance of early childhood education for our future workforce and the future of this state. After two years of extensive research, fact-gathering, and input from children and family experts throughout the state, including families themselves, we proudly released the 2023 [Early Childhood Data Dashboard](#) earlier this year. This first-of-its-kind tool incorporates more than 60 metrics across six domains, including early learning access, kindergarten readiness, poverty, prenatal care, well-child visits, and more, spotlighting the immense challenges and broad inequities faced by the families in our state.

### **Students in Ohio are starting behind and staying behind.**

**One key takeaway from our research reveals that Ohio kids are starting behind in kindergarten and staying behind.** Research shows a strong connection between a child’s readiness to enter kindergarten and their math and reading skills throughout their academic career. Currently, 62.1% of Ohio kindergartners are not demonstrating readiness for kindergarten and children who are economically disadvantaged are more than two times less likely to demonstrate kindergarten readiness than their more affluent peers (76.9% of economically disadvantaged kindergartners are not demonstrating readiness). This gap in kindergarten readiness exists in suburban, Appalachian, rural, and urban counties (see Appendix A). Even counties that perform relatively well overall see a gap in readiness for children from economic disadvantage. Even more alarming is that this readiness gap doesn’t close—nearly the same percentage of children who do not demonstrate readiness for kindergarten also do not demonstrate proficiency in fourth grade reading or eighth grade math. **It’s no surprise that most children aren’t ready to learn and continue to struggle throughout K-12 given that less than half of children ages 0-5 under 200% of the Federal Poverty Level are able to access any state or federally funded child care, preschool or Head Start.**

Early learning experiences set the foundation for school readiness and positive outcomes in school and life. The most significant period for brain development occurs from birth to age five and research shows that children who participate in preschool have more developed language and social skills when entering kindergarten, are more likely to graduate from high school and have good careers as adults. Investing in early learning from birth to age five prevents the costly learning gaps that our colleagues in K-12 are struggling to close.

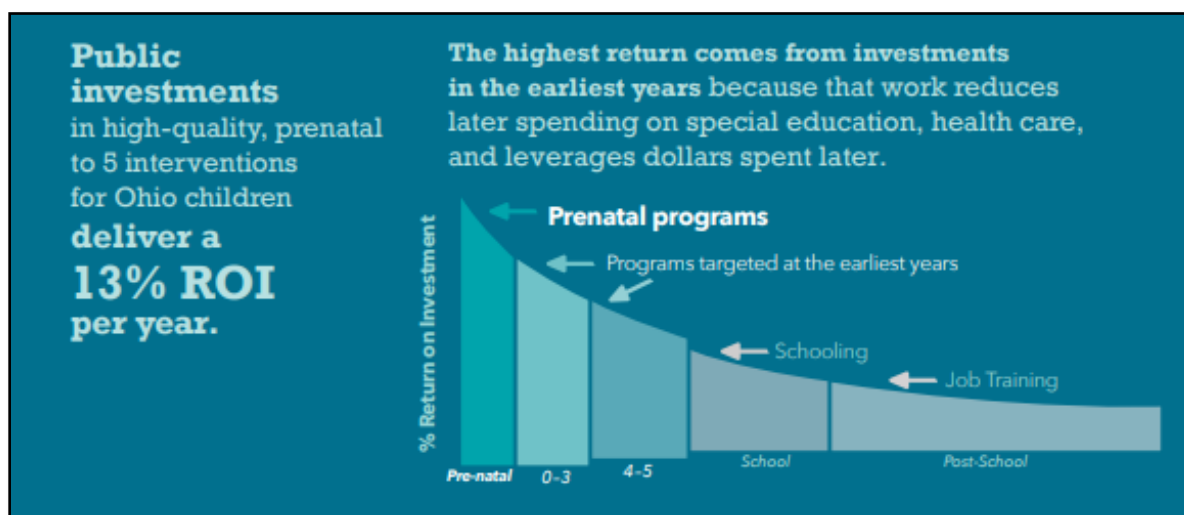
Figure 1: Kindergarten Readiness



## Ohio's children, including our youngest, are experiencing a mental health crisis.

*Invest Now, Save Later:* In babies and young children, prevention services delivered in diverse settings seek to identify risk factors, support early learning and healthy development, and mitigate the impact of trauma and adverse experiences. These interventions can intervene in child/caregiver dynamics that threaten healthy development. Research demonstrates that early prevention and treatment are more beneficial and cost-effective than attempting to treat emotional difficulties and their effects on learning and health after they have become more serious.

Figure 2. [The Heckman Equation](#)



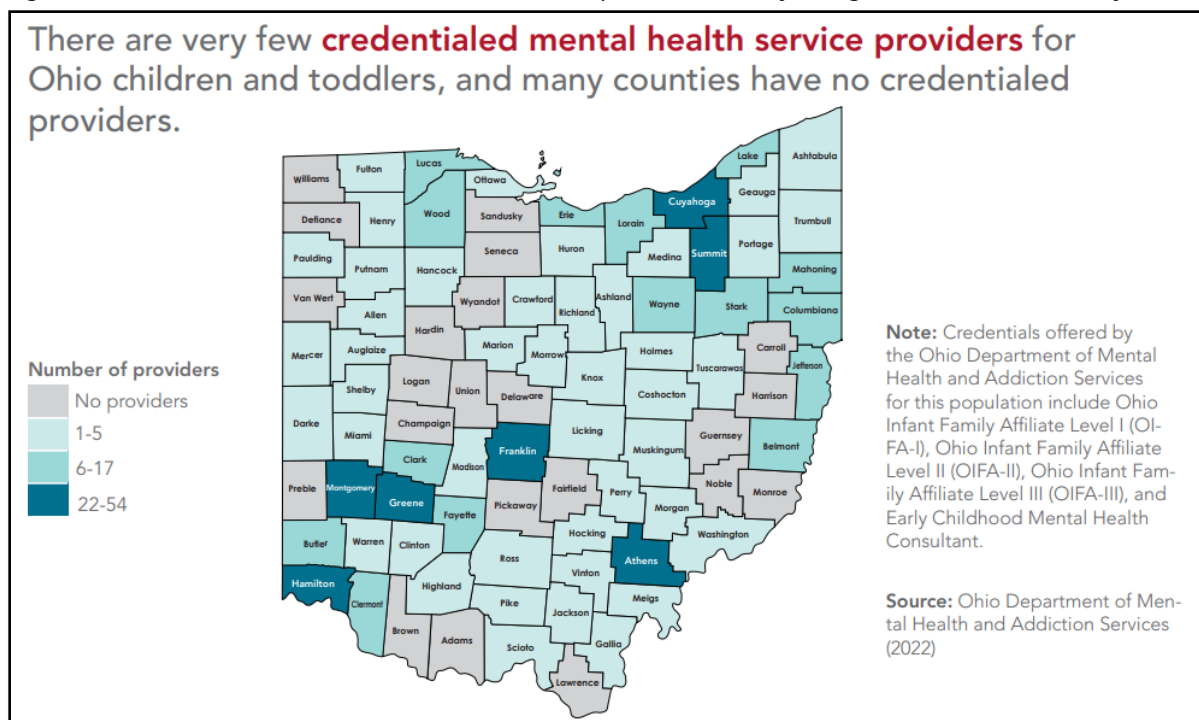
*Trauma Deeply Impacts Babies:* Because infants' and young children's reactions to traumatic experiences may be different from older children's, and because they may not be able to verbalize their reactions to threatening or dangerous events, many people assume that young age protects children from the impact of traumatic experiences. A growing body of research, however, has established young children are affected by experiences that threaten their safety or the safety of their parents or caregivers, and their symptoms have been well documented. These traumas can be the result of intentional violence such as child physical or sexual abuse, or domestic violence. Young children also may experience traumatic or toxic stress when constant, unrelenting negative experiences take a toll on a child's growth and development. Upon birth, Ohio babies and their families are faced with insurmountable challenges:

- There are almost twice as many cases of neonatal abstinence syndrome in Ohio than in the U.S. overall.
- More young children experience maltreatment (child abuse or neglect under age 1) in Ohio than in most other states. The trend only gets worse for Ohio babies with a 20% increase from 2017 to 2020.
- Nearly 1 in 5 Ohio children ages 0-5 have been exposed to two or more adverse childhood experiences (ACEs).

Governor DeWine has been steadfast in supporting children’s healthy development, including their mental health, and proposed much needed increases to Ohio’s evidence-based home visiting program, Help Me Grow, and in Early Childhood Mental Health Consultants and consultation services. Investing in Help Me Grow is an investment in preventing traumatic and adverse experiences for young children. It is a direct investment in Ohio families to increase positive outcomes for children. **We ask that the Senate restore the nearly \$20 million removed by the House for Help Me Grow.**

It is imperative, now more than ever, to invest in Early Childhood Mental Health Consultants and consultation services. There are very few credentialed mental health services providers (6.4 for every 10,000 children ages 0-5) for Ohio’s young children, and a fourth of counties have no credentialed providers. To increase access to mental health services for children across the state, Governor DeWine proposed a funding increase for Early Childhood Mental Health Consultants and consultation services. We support Governor DeWine’s proposals and **ask the Senate to restore the \$10 million removed by the House for Early Childhood Mental Health Consultants and consultation services.**

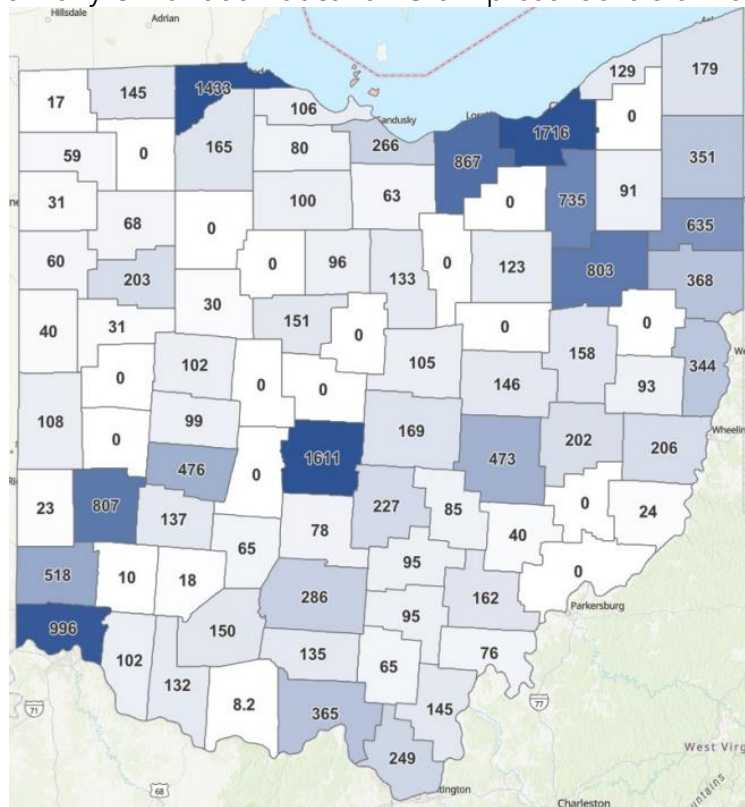
Figure 3. Credentialed mental health service providers for young children in Ohio by county.



**We must ensure children in Ohio have access to preschool.**

According to the National Institute for Early Education Research, Ohio ranks 37<sup>th</sup> in the nation for access to preschool for four-year-olds and 33<sup>rd</sup> in state preschool spending.<sup>i</sup> Approximately a third to a half of low-income 3-and 4-year-olds are not being served by any publicly supported preschool programming. In school year 2022-2023, Ohio is serving approximately 88,000 low-income 3-and 4-year-olds across varying programs, including the state’s Early Childhood Education program, preschool special education, publicly funded child care, and the Head Start program.<sup>ii</sup> Children in some of Ohio’s most vulnerable counties are not being served by the current state investment in preschool.<sup>iii</sup> Without further investment in the Early Childhood Education Grant, they never will. **This is why our organization is recommending the Senate maintain the \$30 million new investment in infant and toddler child care as passed by the House.**

Figure 4. Number of Early Childhood Education Grant preschool slots in each county (2022).

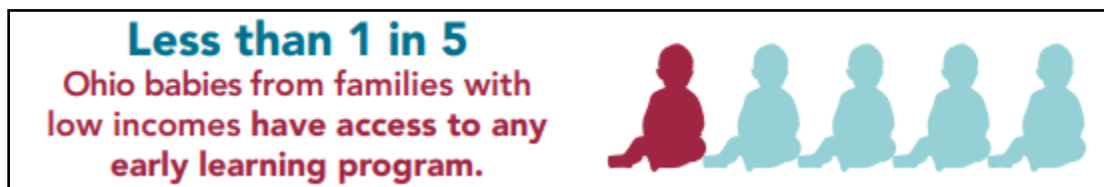


Currently, the Early Childhood Education Grant provides for 12.5 hours of preschool each week to less than 15% of income eligible three- and four-year-olds. As passed by the House, House Bill 33 proposes expanding preschool access through the Early Childhood Education Grant to an additional 11,525 children from low-income households, growing the program to over 29,000 children each year and reducing the number of unserved children from low-income households by 25%. The preschool expansion as passed by the House also provides funding for piloting full day preschool and other local innovations. For every \$1 million added to this program, 250 more low-income 3- and 4-year-olds gain access to preschool.

**Preschool and child care are inextricably linked** and the children attending a preschool program using the Early Childhood Education grant require additional child care beyond the 12.5 hours a week covered by the grant. Many working families cannot utilize the Grants unless they have child care for the remainder of their work week. Because of this, it's imperative that the Early Childhood Education grant be viewed within the full scope of early care and education opportunities for children birth to age five. There are currently 348 Early Childhood Education grantees. Over a third of these grantees are private child care and Head Start programs, while the remaining grantees are local education agencies, including school districts, community schools and educational service centers. **Preschool experiences in a child care setting often closes the care gap that working parents need.**

**Preschool investments must be done in tandem with investments in infant and toddler child care.**

Figure 5. Babies have limited access to early learning.



It's important to also note that while Groundwork Ohio is extremely supportive of expanding access to preschool, our organization is also very concerned about the growing gap of child care availability for infants and toddlers. Currently, less than 1 in 5 Ohio babies from families with low incomes have access to child care. Nearly forty percent (39%) of Ohioans live in an area considered a child care desert. This percentage increases to 60% for rural Ohioans.<sup>iv</sup> We cannot solve our state's workforce crisis or kindergarten readiness without investing in care and early learning birth through age five. It is imperative to invest in both preschool expansion and building capacity for infant and toddler care. **This is why our organization is also recommending the Senate maintain the \$30 million new investment in infant and toddler child care as passed by the House.**

**Ohio's economy today and in the future depends on investing in young children now.**

It is widely acknowledged that Ohio is facing a workforce crisis. Our state and industries are creating new jobs as they struggle to even maintain their 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.

A recent poll by Public Opinion Strategies highlighted the difficulty parents have in accessing and affording child care which plays a foundational role in stabilizing families, businesses and rebuilding our economy. Nearly 70% of non-working or part-time working moms with children under the age of five in Ohio said they would go back to work or work more hours if

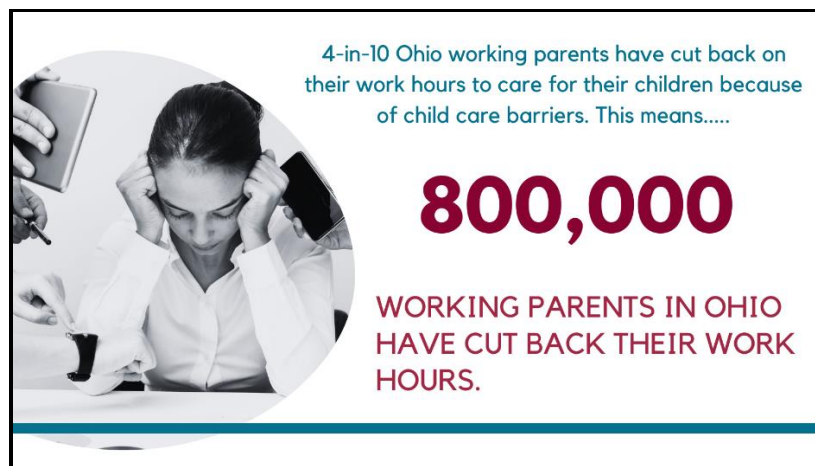
they had access to child care at a reasonable cost. (See Appendix B, [Public Opinion Strategies, Ohio Statewide Poll Key Findings](#))<sup>y</sup>

The poll indicates that parents believe the pandemic has made it harder to both access and afford care for their children. The lack of investment in Ohio’s young children in both child care and preschool impacts Ohio’s ability to attract new business investment across the state. Right now, Ohio parents are forced to choose between taking on full-time employment because they cannot afford the high cost of child care.

Figure 6: A majority of parents say they or someone they know are on a wait list for child care.



Figure 7: 800,000 working parents have cut back their work hours.



Given these alarming challenges of working parents and the recognition of these challenges by voters demonstrated through the poll, it is no surprise that **80% of voters and 87% of parents favor increasing funding in the state for child care and early learning programs.**

In addition to voters and parents, business leaders are also calling for more state investment in child care. In October 2022, the Ohio Chamber of Commerce released its [Blueprint for](#)

[Ohio's Economic Success](#), leading its recommendations for reducing barriers to employment with the recommendation to remove child care as a barrier for caregivers and working parents. Earlier this year, business leaders from across the state signed an open letter to policy makers supporting investments in child care and preschool (Appendix C). Expanding early learning opportunities in our state provides more than just a strong foundation in early learning for the child, it's also a needed workforce support for parents and overwhelmingly supported by voters. **This is why our organization recommends maintaining the increase in eligibility for publicly funded child care from 142% to 160% of the Federal Poverty Level as passed by the House.**

**Ohio's commitment to early learning must include investments in the early learning workforce.**

There is no mystery as to why our child care system is in crisis: child care pays among the **lowest wages of all frontline workers with an average hourly wage of only \$12.00/hour**, contributing to a 29.4% employee turnover rate. Child care professionals are leaving their classrooms for higher paying jobs in places like Target, Costco, Amazon, and even McDonald's, resulting in leaving families without the care they need for their children and the children without the early, responsive learning experiences they need that prepare them for school and beyond.

Governor DeWine's proposed executive budget included two important investments to support the early learning workforce that were not included or funded fully by HB 33 as passed by the House. The Governor proposed a \$150 million investment in one time ARPA funds to provide child care scholarships to critical occupations, including child care workers, with incomes at or below 200% of the Federal Poverty Level and to provide workforce supports for programs to serve more infants and toddlers. **We are asking for the Senate to restore the ARPA child care funds removed from HB 33 as passed by the House to support the early learning workforce.**

In conclusion, we hope that as the members of the Senate Education Committee dedicated to positive educational outcomes for Ohio's children, you will choose to invest in the early learning systems needed to support our youngest learners. Investing in strong early childhood systems is a necessary step to achieving the excellent education outcomes we all desire. We encourage this Committee to consider the positive educational and economic impact that this legislation will have for families with young children.

Thank you for your time and consideration. I am happy to answer any questions today or by email at [ehess@groundworkohio.org](mailto:ehess@groundworkohio.org).



## Citations

Unless noted below, all data shared in this testimony is available in the Groundwork Ohio [Early Childhood Data Dashboard](#) (2023).

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<sup>i</sup> Friedman-Krauss, A. H., Barnett, W. S., Garver, K. A., Hodges, K. S., Weisenfeld, G., Gardiner, B. A., Jost, T. M. (2022). The State of Preschool 2021: State Preschool Yearbook. New Brunswick, NJ: National Institute for Early Education Research.

<sup>ii</sup> Preschool Programs and Service Levels, Ohio Department of Education (September 2022)

<sup>iii</sup> Note: There are no state funded Early Childhood Education grants for preschool in the following counties: Ashland, Carroll, Delaware, Geauga, Hancock, Henry, Holmes, Madison, Medina, Miami, Morrow, Noble, Shelby, Union, Washington, Wyandot. However, low-income children may be served by the federally funded Head Start program or private preschools utilizing Ohio's Publicly Funded Child Care subsidy.

<sup>iv</sup> <https://childcaredeserts.org>

## Appendix A

Percent of students demonstrating kindergarten readiness by county, disaggregated by economic status (school year 2021-2022).

County	Kindergarten Readiness (2021-2022) - county overall	Economic Disadvantaged	Kindergarten Readiness (2021-2022) - by economic disadvantage status	Disparity
Adams	22%	Y	21%	
		N	24%	Moderate disparity (1.16)
Allen	39%	Y	27%	
		N	50%	Moderate disparity (1.90)
Ashland	40%	Y	20%	
		N	48%	Large disparity (2.44)
Ashtabula	26%	Y	19%	
		N	36%	Moderate disparity (1.89)
Athens	31%	Y	20%	
		N	46%	Large disparity (2.28)
Auglaize	42%	Y	11%	
		N	50%	Large disparity (4.63)
Belmont	48%	Y	31%	
		N	59%	Moderate disparity (1.90)
Brown	35%	Y	23%	
		N	43%	Moderate disparity (1.82)
Butler	34%	Y	21%	
		N	43%	Large disparity (2.06)
Carroll	27%	Y	20%	
		N	35%	Moderate disparity (1.76)
Champaign	33%	Y	20%	
		N	37%	Moderate disparity (1.85)
Clark	27%	Y	14%	
		N	42%	Large disparity (3.00)
Clermont	35%	Y	19%	
		N	38%	Large disparity (2.03)
Clinton	37%	Y	26%	
		N	42%	Moderate disparity (1.64)
Columbiana	36%	Y	26%	
		N	44%	Moderate disparity (1.88)
Coshocton	24%	Y	15%	
		N	34%	Large disparity (2.30)
Crawford	33%	Y	23%	
		N	40%	Moderate disparity (1.76)
Cuyahoga	35%	Y	22%	
		N	54%	Large disparity (2.51)
Darke	48%	Y	28%	
		N	56%	Moderate disparity (1.97)
Defiance	25%	Y	16%	
		N	30%	Moderate disparity (1.92)
Delaware	64%	Y	39%	
		N	65%	Moderate disparity (1.67)
Erie	34%	Y	17%	
		N	47%	Large disparity (2.82)
Fairfield	37%	Y	20%	
		N	43%	Large disparity (2.14)
Fayette	24%	Y	17%	
		N	26%	Moderate disparity (1.50)
Franklin	38%	Y	23%	
		N	54%	Large disparity (2.32)
Fulton	40%	Y	21%	
		N	45%	Large disparity (2.13)
Gallia	38%	Y	36%	
		N	47%	Moderate disparity (1.31)
Geauga	56%	Y	29%	
		N	60%	Large disparity (2.07)
Greene	47%	Y	40%	

Guernsey	22%	Y	21%	
		N	24%	Moderate disparity (1.12)
Hamilton	40%	Y	26%	
		N	54%	Large disparity (2.11)
Hancock	35%	Y	11%	
Hardin	37%	Y	24%	
		N	45%	Moderate disparity (1.83)
Harrison	39%	Y	29%	
		N	44%	Moderate disparity (1.56)
Henry	37%	Y	19%	
		N	42%	Large disparity (2.17)
Highland	25%	Y	14%	
		N	35%	Large disparity (2.57)
Hocking	21%	Y	21%	
		N		N/A
Holmes	43%	Y	28%	
		N	46%	Moderate disparity (1.63)
Huron	30%	Y	22%	
		N	35%	Moderate disparity (1.80)
Jackson	36%	Y	31%	
		N	46%	Moderate disparity (1.47)
Jefferson	41%	Y	40%	
		N	44%	Moderate disparity (1.12)
Knox	37%	Y	24%	
		N	45%	Moderate disparity (1.90)
Lake	43%	Y	23%	
		N	51%	Large disparity (2.20)
Lawrence	32%	Y	27%	
		N	48%	Moderate disparity (1.79)
Licking	39%	Y	21%	
		N	47%	Large disparity (2.26)
Logan	29%	Y	19%	
		N	34%	Moderate disparity (1.77)
Lorain	37%	Y	16%	
		N	55%	Large disparity (3.40)
Lucas	33%	Y	21%	
		N	48%	Large disparity (2.28)
Madison	36%	Y	22%	
		N	41%	Moderate disparity (1.88)
Mahoning	37%	Y	20%	
		N	56%	Large disparity (2.77)
Marion	31%	Y	25%	
		N	42%	Moderate disparity (1.66)
Medina	50%	Y	18%	
		N	57%	Large disparity (3.12)
Meigs	33%	Y	28%	
		N	50%	Moderate disparity (1.80)
Mercer	49%	Y	20%	
		N	54%	Large disparity (2.72)
Miami	40%	Y	17%	
		N	48%	Large disparity (2.85)
Monroe	23%	Y	7%	
		N	32%	Large disparity (4.75)
Montgomery	33%	Y	22%	
		N	46%	Large disparity (2.04)
Morgan	59%	Y	59%	
		N		N/A
Morrow	30%	Y	12%	

Muskingum	43%	Y	31%	
		N	58%	Moderate disparity (1.89)
Noble	50%	Y	27%	
		N	61%	Large disparity (2.22)
Ottawa	42%	Y	17%	
		N	51%	Large disparity (3.04)
Paulding	43%	Y	24%	
		N	54%	Large disparity (2.27)
Perry	31%	Y	22%	
		N	57%	Large disparity (2.59)
Pickaway	37%	Y	31%	
		N	42%	Moderate disparity (1.35)
Pike	23%	Y	24%	
		N		N/A
Portage	43%	Y	28%	
		N	51%	Moderate disparity (1.79)
Preble	27%	Y	17%	
		N	31%	Moderate disparity (1.85)
Putnam	50%	Y	28%	
Richland	39%	Y	28%	
		N	51%	Moderate disparity (1.78)
Ross	40%	Y	32%	
		N	52%	Moderate disparity (1.59)
Sandusky	35%	Y	29%	
		N	43%	Moderate disparity (1.51)
Scioto	27%	Y	19%	
		N	38%	Large disparity (2.02)
Seneca	42%	Y	27%	
		N	47%	Moderate disparity (1.71)
Shelby	38%	Y	20%	
		N	45%	Large disparity (2.20)
Stark	37%	Y	20%	
		N	52%	Large disparity (2.58)
Summit	38%	Y	21%	
		N	54%	Large disparity (2.50)
Trumbull	39%	Y	28%	
		N	52%	Moderate disparity (1.82)
Tuscarawas	35%	Y	25%	
		N	44%	Moderate disparity (1.71)
Union	38%	Y	15%	
		N	42%	Large disparity (2.71)
Van Wert	52%	Y	31%	
		N	61%	Moderate disparity (2.00)
Vinton	41%	Y	42%	
		N	NC	N/A
Warren	52%	Y	20%	
		N	57%	Large disparity (2.91)
Washington	29%	Y	18%	
		N	36%	Moderate disparity (1.96)
Wayne	40%	Y	24%	
		N	48%	Moderate disparity (1.99)
Williams	37%	Y	26%	
		N	41%	Moderate disparity (1.58)
Wood	41%	Y	20%	
		N	48%	Large disparity (2.42)
Wyandot	48%	Y	17%	
		N	57%	Large disparity (3.33)

## MEMORANDUM

**TO:** INTERESTED PARTIES  
**FROM:** NEIL NEWHOUSE/JARRETT LEWIS/JAMIE WADOVICK GENTLE  
PUBLIC OPINION STRATEGIES  
**CC:** SHANNON JONES, PRESIDENT & CEO, GROUNDWORK OHIO  
**SUBJECT:** OHIO STATEWIDE SURVEY: KEY FINDINGS  
**DATE:** MARCH 2, 2023

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*On behalf of Groundwork Ohio, Public Opinion Strategies completed a statewide survey of 800 registered voters and an oversample of 435 parents with children under the age of five in Ohio. The survey was conducted February 2-13, 2023 and has credibility interval of  $\pm 3.95\%$  for the registered voter sample and  $\pm 5.36\%$  for the parents oversample.*

### **KEY FINDINGS**

- 1. Early childhood education/child care are strong secondary issues on voters' minds.***  
Four-in-10 Ohioans (40%) and more than one-half of parents with children under five (51%) rank the issue of making sure children get a strong start in life through quality early childhood education programs as extremely important. And, more than three-in-ten Ohioans believe helping provide child care for working parents with young children (32%) and lowering the cost of child care (30%) is extremely important.
- 2. Ohioans, parents especially, are feeling the economic slowdown.***  
Nearly one-half of Ohioans (45%) and parents with children under five (47%) rate their own financial situation as only fair or poor. And, over a quarter of parents with children under five (27%) share they have been having serious problems paying their rent or mortgage. More than 4-in-10 parents with children under five (41%) share they are having serious problems paying their credit card bills over the last few months.
- 3. For Ohio parents, child care is difficult to access and afford.***  
Most parents with children under five (55%) believe child care is difficult to find, with a plurality of all Ohioans (46%) believing it has become harder to access child care since COVID-19 started. Further, most parents with children under five (52%) believe it has gotten harder to afford and access quality child care in the last year. When it comes to the cost of child care, Ohioans (84%) overwhelmingly believe child care is expensive.
- 4. Ohio parents are struggling to afford child care and put food on the table.***  
Nearly one-half of Ohioans (47%) are concerned about being able to put enough food on the table over the next year, with fully 58% of parents with children under five sharing that concern. Further, a majority of these parents (56%) say they are having issues accessing high quality child care. In fact, nearly three-quarters of parents with children under five (72%) are either concerned about being able to put enough food on the table over the next year or are having issues accessing high quality child care.

**5. *Problems with child care are having an economic impact.***

Nearly 4-in-10 working parents with children under five (38%) say they have had to miss work, leave early or lose focus because of challenges with child care. Further, almost one-third of working parents (32%) say they have lost more than five days of work in the past two years because of a lack of child care. And, among all Ohio working parents 4-in-10 (40%) have cut back on their work hours to care for their children. Putting this into real numbers using Census data, this means over 800,000 working parents in Ohio have cut back their work hours.

**6. *Ohioans acknowledge serious staffing shortages at child care facilities as a problem, with many saying their child has been wait-listed for a spot.***

More than two-thirds of Ohioans (69%) say that local child care facilities in their area are having “serious staffing shortages.” Further, a majority of parents with children under five (52%) say they or someone they know are on the waitlist for child care, and more than 4-in-10 (45%) of those parents on a wait list say they have been on it for more than six months.

**7. *There is a clear connection between the state’s economy and child care.***

When parents without child care are asked what would they be able to do if they had it, the dominant responses are “work more” and “get a job.” And, parents who have child care agree that child care allows them to “work more.” Further, fully two-thirds of Ohio moms with children under five who do not currently work full time (68%) say they would go back to work if they had access to high quality and affordable child care. Clearly, parents believe that child care allows them to work more, provide for their families and be productive members of Ohio’s economy.

**8. *The support for increasing funding in Ohio for child care is broad and deep.***

Fully 8-in-10 Ohioans (80%) and nearly 9-in-10 parents with children under five (87%) believe the state should increase funding for child care. Even across party lines this support remains high, with nearly 7-in-10 Republicans (69%), over three-quarters of Independents (78%) and nearly all Democrats (92%) wanting to see an increase in funding.

***BOTTOM LINE***

Ohioans are still feeling the economic slowdown. In an environment where labor shortages continue to be pervasive across the state/country, child care remains an economic issue. With nearly half of parents with children under five (47%) experiencing only fair or poor financial situations and Ohioans overwhelmingly believing it is expensive, affording child care becomes remains a significant barrier to further workforce participation.

Those who don’t already have child care are running into issues accessing it. With serious staffing shortages taking place at Ohio’s child care facilities, most parents with children under five say they or someone they know is on a waitlist—with nearly half of them (45%) saying it’s a waiting period of more than 6 months. But, even those working parents who do have child care are having issues at work because of lack of child care coverage. They miss work, leave early, take days off, or cut back hours to care for their children.

Ohioans clearly understand and see the need for child care from an economic standpoint. They readily make the link between increasing access to child care and improving the state’s economy.

# 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

\_\_\_\_\_ moved to amend as follows:

1 After line 160341a, insert:

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

3 In line 160347, add \$150,000,000 to fiscal year 2024

4 In line 160376, add \$150,000,000 to fiscal year 2024

5 After line 160806, 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; and

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 In line 166876, delete "\$6,250,000 \$6,250,000" and insert  
2 "\$11,250,000 \$11,250,000"

3 In line 166878, add \$5,000,000 to each fiscal year

4 In line 166901, add \$5,000,000 to each fiscal year

5 The motion was \_\_\_\_\_ agreed to.

6 SYNOPSIS

7 **Department of Children and Youth**

8 **Section 423.10**

9 Increases GRF ALI 830505, Early Childhood Mental Health  
10 (ECMH), by \$5,000,000 in each fiscal year (thereby restoring As  
11 Introduced appropriation levels).

