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**Ohio Senate  
Finance Committee  
Sub. HB 33  
Lynanne Gutierrez, Chief Operating & Policy Officer  
Groundwork Ohio  
May 16, 2023**

Chair Dolan, Vice Chair Johnson, Vice Chair Cirino, Ranking Member Sykes 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.

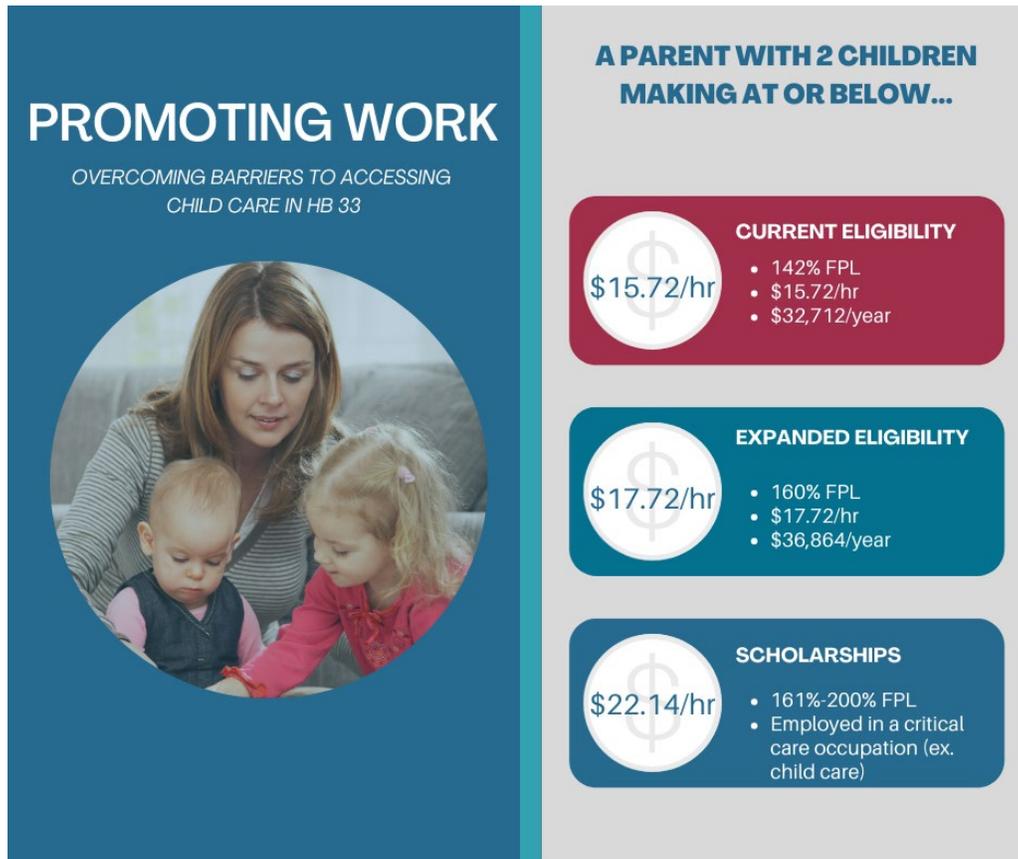
Groundwork Ohio is a statewide, nonpartisan public-policy research and advocacy organization that champions high-quality early learning and healthy development strategies from the prenatal period to age five, that lay a strong foundation for Ohio kids, families, and communities. Our vision is to make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

Specifically, we ask the Committee to support Ohio's critical care workforce by restoring the Governor's proposed \$150 million in fiscal year 2024 that establishes 12,000 child care scholarships for critical occupations and other direct service professionals including child care professionals. (**SC0329**).

*Critical care occupations include the following fields including child care professionals who make, on average, \$12.00 per hour in the state of Ohio:*

- Children & Community Health
- Early Childhood Education
- First Responders
- Lead Abatement
- Mental & Behavioral Health
- Nursing
- Physicians
- Wellness Research & Technology

Figure 1: The Impact of Increased Eligibility & Critical Care Occupation Scholarships



### **Investing in Child Care Strengthens Ohio's Workforce**

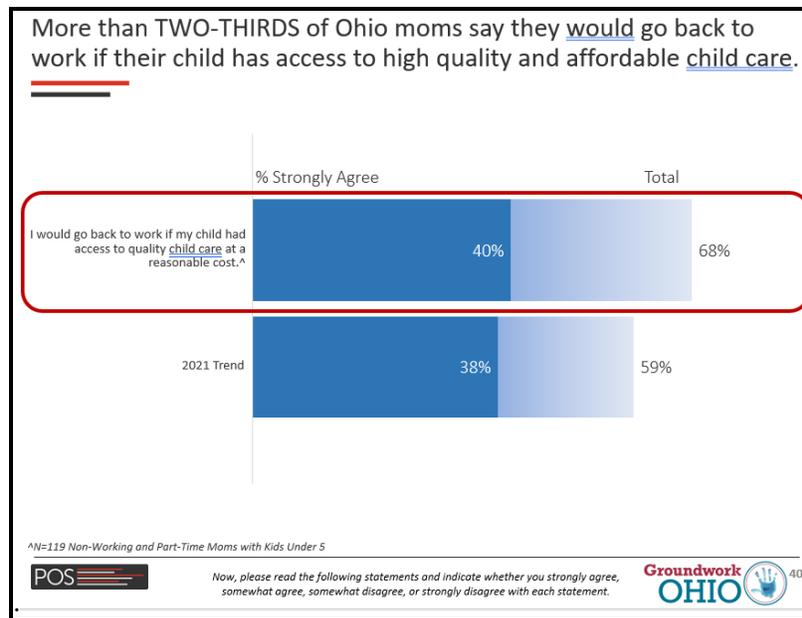
***The lack of investment in Ohio's young children and child care leaves Ohio's young children behind and jeopardizes our future workforce.*** All of Ohio's young children need early learning opportunities to ensure they can reach their full potential and a lifetime of success. It's no surprise that most children aren't ready to learn given that only about half of eligible low-income children ages 0-5 under 200% of the Federal Poverty Level, those that stand to benefit the most from early learning interventions, are able to access any state funded child care, preschool or Head Start. (See *Groundwork Ohio*, [Early Childhood Data Dashboard](#))

Figure 2: Kindergarten Readiness, Children Who Start Behind Stay Behind



**The lack of investment in Ohio’s young children and child care directly impacts a working mothers’ ability to provide for her family.**

Figure 3: Moms Need Child Care to Work (See Appendix A, [Public Opinion Strategies, Ohio Statewide Poll Key Findings](#))<sup>i</sup>



**The lack of investment in Ohio’s young children and child care restricts Ohio’s workforce today in and in the future.** A strong child care industry means parents can go back to work today knowing their child is receiving early learning experiences while building and strengthening the workforce of tomorrow.

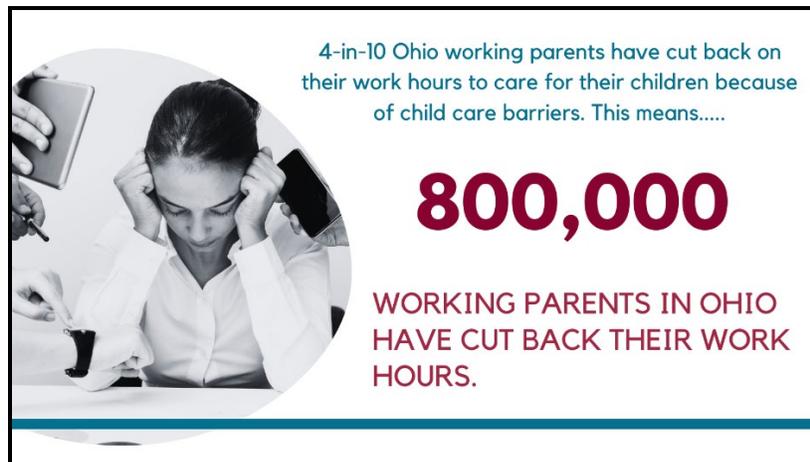
- On average, child care costs are more costly than rent in Ohio. Our cost ratio is among the worst in the nation.
- Further, child care availability is severely limited. 60% of rural Ohioans and 30% of all Ohioans are living in a child care desert, defined as an area with three times as many children as licensed child care slots.

Figure 4: Child Care Wait Lists



**The lack of investment in Ohio’s young children and child care 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 4: 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.**

Ohio parents, voters, child care professionals and business leaders support investments in child care. Several dozen statewide early childhood organizations and nearly 1,000 frontline child care professionals have signed a letter elevating the need for more investment in the early childhood workforce including elevating the need to restore Governor DeWine’s proposed \$150 million in child care scholarships that include child care professionals. (See,

*Appendix B, Workforce Letter Printed in Columbus Dispatch on 5/9/23*) In addition to the child care workforce, 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, nearly 40 business leaders from across the state signed an open letter to policy makers supporting investments in child care, including the \$150 million child care scholarship investment reflected in SC 329 (See *Appendix C, Business Letter Printed in Columbus Dispatch on 3/29/23*).

Thank you for your consideration. We urge you to support SC329 to support critical care occupations through a necessary workforce development strategy—access to child care. I am happy to answer questions you have today. Please use as a resource during the budget process and I can be reached directly via email at [lgutierrez@groundworkohio.org](mailto:lgutierrez@groundworkohio.org) or by phone at 614-204-6106.

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<sup>i</sup> 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.

## 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

## SUPPORT THE WORKFORCE BEHIND THE WORKFORCE

### AN OPEN LETTER TO OHIO POLICYMAKERS



#### Dear Members of the Ohio General Assembly,

Each week, more than 82,000 child care professionals across the state care for and educate Ohio's youngest children while providing critical support for working parents. They are the backbone of our state's economy — **the workforce behind the workforce**. And this critical pillar of our economy is in crisis.

Child care providers serve a vital role in our communities and economies:

- Children need quality child care for healthy development and growth.
- Parents need quality child care so they can work to provide for their families.
- Employers need quality child care so that they can have a reliable workforce.
- **BUT professionals are leaving the child care workforce, creating a significant gap.**

We depend on high-quality, accessible child care in Ohio, and yet the **child care workforce is shrinking and needs support**: they are underpaid, under-resourced, and struggling to meet the needs of children and families across our state.

Our state's short- and long-term economic success is impossible without quality child care programs and the passionate educators and administrators who lead them. Yet every week we see classrooms closing and child care waitlists growing due to the lack of child care professionals.

And 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 much higher-paying jobs in places like Target, Costco, Amazon, and even McDonald's. Families are left without the care they need and children miss out on the early, responsive learning experiences they need for healthy development and school readiness. More than 62% of Ohio kindergartners are not prepared for school and as the child care infrastructure continues to erode, fewer and fewer children will enter kindergarten ready to learn.

Notwithstanding the overwhelming evidence around the need for more investment in our child care system, the Ohio House cut two key provisions originally proposed by Governor DeWine. We ask the state legislature to restore these cuts to the governor's proposal:

- **Child Care Capacity:** An investment of \$150 million for child care scholarships for the direct care workforce, including early childhood professionals, and to support the opening of additional child care classrooms.
- **Early Childhood Mental Health:** An increased investment of \$20 million over the biennium to expand Early Childhood Mental Health Consultation that was reduced by \$10 million in the Ohio House.

At the same time, we celebrate the targeted investments that build upon the Governor's proposal and **ask the state legislature to maintain the following investments and policies that were included in HB #33, as passed by the Ohio House:**

- **Targeted Infant & Toddler Child Care Capacity Building in Child Care Deserts:** A new investment of \$30 million in state funds to address child care deserts, specifically in Appalachia and communities with high infant mortality rates, to provide safe and developmentally appropriate child care for infants and toddlers.
- **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 \$61 million per year in Early Childhood Education grants, estimated to expand preschool to an additional 15,250 3- and 4-year-olds.

Children cannot tell policymakers what they need to thrive, but we can. As child care professionals, we see the positive impacts of high-quality, accessible child care on our youngest citizens. We also see the harsh reality as the child care crisis continues to worsen. **Providers can no longer hold this system together without meaningful investment that supports the child care infrastructure.** Rebuilding and reinforcing the workforce behind the workforce is essential to Ohio's economic vitality and future strength.

Sincerely,

**Shannon Jones**  
President & CEO,  
Groundwork Ohio

**Gloria Blevins**  
President, Black Child Development  
Institute Ohio

**Qianna Tidmore & Kimberly Tice**  
Co-Executive Directors,  
Ohio Association for the Education  
of Young Children

**Julie Stone**  
Executive Director,  
Ohio Head Start Association

**Todd Barnhouse**  
CEO, Ohio Child Care Resource and  
Referral Association

**Kim Eckhart**  
Interim Director,  
Children's Defense Fund-Ohio

**Dustin Holfinger**  
State Government Relations Director,  
American Heart Association

**Melissa Wervey Arnold**  
CEO, Ohio Chapter-American  
Academy of Pediatrics

**Michelle Bieber**  
President, Ohio Association of Child  
Care Providers

**Rachel Konerman**  
Executive Committee Chair,  
Ohio Voices for Learning

**Vanessa Freytag**  
President & CEO,  
4C for Children

**Eric Karolak**  
CEO,  
Action for Children

**Jennifer Dodge**  
Executive Director,  
Child Care Resource Center  
(CRCC)

**Scott Hasselman**  
Executive Director,  
Early Childhood Resource Center

**Michelle Corrigan**  
Director, COAD4Kids  
Corporation for Ohio  
Appalachian Development

**Nancy Mendez**  
President & CEO,  
Starting Point

**Dr. David James**  
Executive Director,  
Summit Education Initiative

**Marie Willins**  
President,  
Southwest Ohio Association for the  
Education of Young Children

**Tamara Lunan**  
Care Economy Organizing Director,  
Ohio Organizing Collaborative

**Kelley Griesmer**  
President & CEO,  
The Women's Fund of Central Ohio

**Chara Fisher Jackson**  
Executive Director & CEO,  
Preschool Promise Cincinnati

**Sharon Sobol Jordan**  
President & CEO, United Way of  
Greater Cleveland

**Mario Basora**  
CEO, Future Ready Columbus

**Liz Brown**  
President & CEO,  
YWCA Columbus

**Moira Weir**  
President & CEO,  
United Way of Greater Cincinnati

**Robyn Lightcap**  
Executive Director,  
Preschool Promise Dayton

**Michael Corey**  
Executive Director,  
Human Services Chamber of  
Franklin County

**Carrie Woody**  
CEO, United Way of  
Fairfield County

**Shawna Rohrman, Ph.D.**  
Interim Director,  
Invest in Children

**Stephanie Geneseo**  
All Nestled Inn, Lawrence County  
Family Child Care Provider

**Shannon Starkey-Taylor**  
CEO,  
Learning Grove

**Hannah Halbert**  
Executive Director,  
Policy Matters Ohio

**Dr. Thea Wilson**  
Vice President of Children & Families,  
Step Forward

**Wendy Pestrue, J.D.**  
CEO,  
United Way of Greater Toledo

**Alicia Miller**  
Executive Director, The Women's Fund  
of Greater Cincinnati Foundation

**Dawna Fogarty**  
CEO,  
Warren County Community  
Services, Inc.



View the list of nearly 1,000 child care professionals supporting this letter: [GroundworkOhio.org/workforce](https://GroundworkOhio.org/workforce)

Paid for by Groundwork Ohio, [groundworkohio.org](https://groundworkohio.org)

# 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.