



720 E. Pete Rose Way, Suite 120
Cincinnati, OH 45202
cincinnatiwomensfund.org

**Ohio Senate
Health Committee
Sub. HB 33**

Submitted by Holly Hankinson, Women's Fund of the Greater Cincinnati Foundation
May 10, 2023

Chair Huffman, Vice Chair Johnson, Ranking Member Antonio and members of the Health Committee, my name is Holly Hankinson and I am the Advocacy Director of the Women's Fund of the Greater Cincinnati Foundation. Thank you for the opportunity to provide interested party testimony regarding Substitute House Bill 33, expressing my support for investing in child care and early childhood education in Ohio's FY 2024-2025 budget.

The Women's Fund mission is to advance gender and racial equity for women by addressing systemic barriers to upward mobility. We accomplish this work through leadership, research and policy advocacy with a focus on economic mobility, public benefits and benefit cliffs, and civic engagement. We have more than two decades of deep involvement, understanding and building results to address women's self-sufficiency issues, and have spent the past decade researching the challenges of lower-wage workers and families.

The Women's Fund is testifying today because we believe Ohio must put children and families first. And in order for Ohio children to thrive, families must have support and opportunities to meet their critical needs. This includes access to affordable, quality child care and early childhood education.

Specifically, we are requesting that this Committee maintain the following policies included in the House Omnibus Bill:

- ***An increase in eligibility for Publicly Funded Child Care from 142% to 160% FPL***, expanding child care services to an additional 15,000 children and families
- ***\$61 million per year allocated to early childhood education grants***, expanding preschool to an estimated 15,250 additional children ages three and four in families making less than 200% FPL

- *\$30 million for targeted infant and toddler capacity building in communities with child care deserts*, specifically Appalachian communities and areas with high infant mortality rates, providing safe and developmentally appropriate child care for infants and toddlers

In addition, we are requesting that this Committee restores the following cut to the Governor's proposal:

- *\$150 million from ARPA funds for a one-time investment in Ohio's child care workforce through child care scholarships to direct care professionals*, restoring our depleted child care system and increasing infant and toddler child care capacity across the state

There are two critical challenges to child care access for families today: affordability and availability. The investments requested above address both concerns, supporting our most vulnerable families and children.

Expand Eligibility for More Low-Wage Families

While many working families have child care concerns, no one feels this more acutely than low-wage workers, who are also disproportionately women.

The journey to economic self-sufficiency is a long one, marked by complexity, economic fragility and frustration. As we talk with women across our region, we hear an innate desire to feel secure in their finances and provide for their families, without government or social service assistance. However, as hard as they work, they struggle to get ahead.

The public benefit system is meant to be a safety net for community members when they experience economic hardship, providing a pathway out of poverty without sacrificing basic needs like food, housing, and of course, child care. While the purpose is well-meaning, there are structural disincentives in the benefits system that make the journey to self-sufficiency longer without significant financial gain.

One of the most significant factors is the low eligibility threshold in our publicly funded child care system. Currently, a family is only eligible for child care if they make under 142% FPL. If they enters the workforce making more, they receive no child care assistance at all.

Under the current system, Tami, a single mother with a pre-school age child, gets a job as a home health aide making \$13.50 per hour. She is eligible for child care benefits, and will maintain eligibility through raises and promotions until she makes over \$29.00 per hour, a very good and stable wage. In contrast, her next-door neighbor Rachel works as a nursing assistant earning \$14.50 per hour. Although she makes just \$1.00 more than Tami, or about \$29,000 per year, she is over the 142% eligibility threshold.¹ Rachel receives no childcare benefits at all. With the average cost of care for a four-year old at over \$7,800 per year,² this is a huge and nearly insurmountable burden for Ohio parents like Rachel.

It's important to note that the Federal Poverty Level is not the same as self-sufficiency, or the ability for a family to meet their basic needs without reliance on benefits.³ In Ohio, the threshold for self-sufficiency ranges from 189% FPL in rural Brown County to 261% FPL in urban Franklin County.⁴ Even in places with the lowest cost of living, affordable child care is simply out of reach for many families without public assistance.

The Women's Fund recommends maintaining the policy included in the House Omnibus Bill to increase the publicly funded child care eligibility threshold from 142% to 160% FPL, and providing an additional \$61 million in funding to allow children in families under 200% FPL

¹ Eligibility for both Tami and Rachel is based on working 40 hours per week, 50 weeks a year, and was calculated using the HHS Poverty Guidelines for 2023. Retrieved: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

² Economic Policy Institute. (2023). *The Cost of Child Care in Ohio*. Retrieved: <https://www.epi.org/child-care-costs-in-the-united-states/#/OH>

³ Unlike the FPL, the Self-Sufficiency Standard measures the direct cost of basic family needs and considers geographical location and family makeup. Center for Women's Welfare, University of Washington. (2019). *The Self-Sufficiency Standard 2019*. Retrieved: <http://www.selfsufficiencystandard.org/>

⁴ This analysis measured the Self-Sufficiency Standard across five Ohio counties representing rural, suburban, and urban locations. The numbers listed here represent a single-parent household with one child. Women's Fund of the Greater Cincinnati Foundation. (2020). *The Cliff Effect and Other Disincentives in our Public Benefit System*. Retrieved: <https://www.gcfdn.org/wp-content/uploads/2020/07/00.-2020-The-Cliff-Effect-and-Other-Disincentives-in-our-Public-Benefit-System.pdf>

access to early childhood education grants, expanding preschool to an estimated 15,250 more children. Maintaining these two critical budget investments would provide much-needed stability and support to low-wage families in Ohio.

Access to Quality Care by Investing in Capacity Building and Training

Affordability of child care is one component, but equally important is ensuring children have access to quality care.

Due to low pay, increased demand and the disruptions caused by COVID-19, the child care industry is facing significant labor shortages.⁵ Ohio must respond to this challenge, and invest in its early childhood workforce. *The Women's Fund requests that this Committee maintain the \$30 million investment in infant and toddler capacity building in communities with child care deserts, and restore the Governor's recommended \$150 million investment in Ohio's child care workforce through scholarships for direct care professionals.* The resulting expanded workforce will be an investment in the future of Ohio.

Evidence continues to demonstrate that quality early childhood education is critical to the long term success of our kids, especially from children in low-income families.⁶ It is linked to higher outcomes later in life and more successful and productive adults. And ultimately, the future of Ohio workers.

Supporting this one-time investment in Ohio's child care industry is one step in ensuring that workers caring for and educating our children have the training they need to give our youngest Ohioans the best start possible. Investing in childcare training and early childhood education workers is an investment in Ohio children.

⁵ E. Kos, S. Sastri, N. DasGupta, R. Sajdeh, G. Novacek, A. Pittman, N. Ravi, and A. Vashi. (2022). *Solving the \$290 Billion Care Crisis*. Boston Consulting Group. Retrieved: <https://www.bcg.com/publications/2022/solving-the-care-crisis>

⁶ Bustamante, A., Dearing, E., Zachrisson, H. & Vandell, D. (2021). *Adult outcomes of sustained high-quality early child care and education: Do they vary by family income?* Retrieved: <https://srcd.onlinelibrary.wiley.com/doi/10.1111/cdev.13696>

Economic Impact

Not only critical to families, Ohio's child care system is a necessary component of our economy. It is essential to keep Ohio working by helping parents afford child care and ensuring more children in low-income families have access to high-quality care. In a recent study conducted by Groundwork Ohio, over two-thirds of Ohio mothers of young children who do not work full time said they would return to work or work more hours if they had access to affordable, quality child care.⁷

The broader economic costs of the child care crisis are staggering. Due to COVID-19, the child care crisis cost our national economy \$122 billion per year in 2023, more than double the impact in 2018.⁸ The current economic impact of the child care crisis to Ohio is \$3.9 billion per year.⁹

Ensuring access to this fundamental resource is essential to keep Ohio working and our economy thriving.

Conclusion

Thank you again for your consideration and commitment to Ohio families and children. I urge you to support the policies outlined above, expanding child care eligibility, early childhood education funding and expanded child care training. This investment will provide much needed support to working parents and families, as well as the future of Ohio's economy.

I appreciate the opportunity to provide testimony on this important issue.

⁷ Groundwork Ohio and Public Opinion Strategies. (2023). *Ohio Statewide Survey: Key Findings*. Retrieved: https://www.groundworkohio.org/files/ugd/d114b9_3f9b5bfcf8ac41f292e4816991714270.pdf

⁸ ReadyNation & Council for a Strong America. (2023). *\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis*. Retrieved: [https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;filename=%22\\$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22](https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;filename=%22$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22)

⁹ *Id.*