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CEO Project

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Testimony for HB96

Chair White, Vice Chair Salvo, Ranking Member Lett, and members of the committee,

Thank you for the opportunity to speak today about Governor DeWine's childcare budget. My name is Tamara Lunan, I'm the Care Economy Organizing Director at the Ohio Organizing Collaborative. The CEO Project Represents over 300 Providers across the State of Ohio we are united in the belief every child deserves access to high quality education I am here to express my strong support for the childcare improvements outlined in the Governor's executive budget and the positive impact these changes will have on families, children, and Early Childhood Educators across the great state of Ohio.

Governor DeWine's proposed budget represents a much-needed investment in Ohio's childcare system. By raising eligibility for childcare assistance and increasing funding for key areas like copay caps and reimbursement based on enrollment, we are making a critical step toward ensuring that all families in Ohio—regardless of income—have access to the high-quality child care they need.

Raising eligibility for childcare assistance is especially important for low-income families who are often faced with the challenge of working multiple jobs while also caring for their children. The current eligibility thresholds leave many families struggling to afford care, even though they're just above the income limits. By expanding eligibility, we are helping these parents remain in the workforce and provide stability for their children. For single parents, especially, this change is a lifeline.

Additionally, funding changes to copay caps and reimbursing providers based on enrollment, rather than attendance, will significantly reduce the financial burden on childcare businesses. Many small childcare providers, like the base we represent, face the difficult challenge of paying staff and covering overhead costs when children do not attend. Shifting to enrollment-based billing provides predictability for both families and providers, ensuring that providers are compensated fairly while still offering affordable care for families. This change helps support the financial stability of small businesses in our communities, allowing them to continue serving families effectively.

Increasing eligibility for childcare subsidies is an urgent need for Ohio, especially given that we are currently ranked **51st in the nation for eligibility rates**. This unfortunate position highlights the critical gap in support for families across the state who are struggling to afford quality childcare. Many hardworking parents are falling just above the current eligibility threshold, which

is typically set at 145% to 160% of the federal poverty level. As a result, they are unable to access the assistance they need, despite their inability to pay for childcare out of pocket.

By increasing the eligibility for childcare subsidies, Ohio can begin to address this inequity and support a larger portion of the population. Raising the eligibility to 200% of the federal poverty level would allow many more working parents, particularly single mothers, to access affordable childcare and, as a result, remain in the workforce, continue their education, and improve their financial stability.

As it stands, Ohio's low eligibility rates force parents into a difficult position where they must choose between paying for childcare or staying home to care for their children, often at the expense of their careers or education. This only perpetuates the cycle of poverty. Increasing eligibility for childcare subsidies is not just a moral obligation—it is a necessary step in ensuring the future success of Ohio's families, children, and economy. Let's not wait any longer to make Ohio a leader in supporting working families by expanding access to affordable childcare.

It is critical that we urge the legislature to **implement the capped copays at 7% for families in 2026** rather than delaying this much-needed change until 2027. Families in Ohio are already facing significant financial hardships, and the high cost of childcare is one of the largest barriers to their economic stability. By capping copays at 7% of a family's income, we can immediately alleviate the financial burden many parents are struggling with, allowing them to keep more of their hard-earned money for other essential needs. Waiting until 2027 would only prolong the financial strain on working families, many of whom are already struggling to make ends meet. Implementing this change sooner will not only provide urgent relief to low-income families, but it will also ensure that more parents can stay employed, pursue educational opportunities, and provide their children with the care they need to succeed. This is a critical policy change that cannot afford to wait another year. The legislature must act swiftly to ensure that families are supported in 2026, and not left to wait until 2027 for much-needed assistance.

It is urgent that we implement **billing based on enrollment rather than attendance in 2026**, rather than waiting until 2027, to stabilize Ohio's childcare system. Childcare providers across the state, particularly small businesses, are struggling with unpredictable cash flow due to the current attendance-based billing model. When children are absent, providers still incur the same operational costs—paying staff and covering overhead—without the corresponding revenue. This creates financial instability for childcare centers, making it harder for them to remain open and continue serving families. Shifting to an enrollment-based billing system in 2026 will immediately provide stability for providers, allowing them to plan more effectively, manage staffing needs, and reduce financial risks. Additionally, this change will ensure that families are able to access consistent, reliable care, even when their child misses a day. Delaying this policy change until 2027 would prolong the financial strain on childcare providers and leave families without the dependable care they need. It is critical that we act now to implement this change in

2026 to ensure the sustainability of childcare businesses and the continued support of working parents and their children.

If **Presumptive Eligibility** were to be removed from Ohio's child care assistance system, it could have a detrimental impact on many families who rely on the immediate support it provides. Presumptive Eligibility currently allows parents to begin receiving child care assistance while their application is being processed, ensuring that they can access care without delay. Without this provision, families would be forced to wait longer for assistance, potentially leaving them without the childcare they need to maintain employment or pursue educational opportunities. This could disproportionately affect low-income families, who may not have the resources to pay for childcare upfront while awaiting approval. The removal of presumptive eligibility could lead to disruptions in childcare access, causing parents to miss work or school, ultimately placing even more strain on their financial stability and well-being. It's crucial that we maintain presumptive eligibility to provide timely support to families, ensuring they have access to the childcare they need without unnecessary gaps or delays.

The **State Child Tax Credit** is an essential tool that can provide financial relief to Ohio families, and it is critical that we implement it now. For many parents, especially those in low- and middle-income households, the cost of raising children is a significant financial strain. From childcare to healthcare to education, these costs can quickly add up and make it difficult for families to make ends meet. By establishing a state-level child tax credit, we can help reduce this burden, ensuring that parents have more resources to invest in their children's well-being and future.

This credit would not only provide financial relief, but it would also create long-term benefits for the state's economy. Families who receive the child tax credit are more likely to spend that money in their communities, stimulating local economies and creating a ripple effect that benefits businesses, schools, and healthcare providers. Additionally, by reducing the financial barriers to child-rearing, we encourage a stronger, healthier workforce and give children the resources they need to thrive.

Providing **free childcare for homeless women** is a critical and urgent need that can make a significant difference in helping these women rebuild their lives and achieve long-term stability. Homelessness is already an overwhelming challenge, and for women, particularly mothers, the lack of affordable childcare adds an additional barrier to accessing education, employment, and the services they need to get back on their feet. By offering free childcare, we remove one of the most significant obstacles preventing homeless women from securing jobs, attending job training programs, or pursuing education, all of which are essential for breaking the cycle of homelessness.

This initiative not only supports women in their journey to self-sufficiency but also benefits their children, providing them with a stable and nurturing environment while their mothers work to improve their circumstances. Homelessness often leads to disruptions in children's lives, including inconsistent schooling and care. Free childcare would give these children access to

quality early childhood education and a safe place to be while their mothers take steps toward improving their lives.

Investing in free childcare for homeless women is an investment in Ohio's future. By providing this support, we are empowering these women to become contributing members of society, which helps reduce overall reliance on social services, increases workforce participation, and promotes the well-being of children. It is a vital program that can create lasting positive change, both for the mothers and their children, by offering the stability they need to succeed. We must act now to ensure that free childcare is available to homeless women in Ohio.

Governor DeWine's proposed budget also acknowledges the importance of early childhood education as a key driver of future success for children. By investing in this sector, we are ensuring that Ohio's children have a strong foundation for lifelong learning and success. Quality childcare not only supports parents as they work but also provides a safe, nurturing environment for children to grow, develop, and thrive.

In conclusion, I fully support Governor DeWine's childcare budget and urge the committee to do the same. This budget is a critical step toward making childcare more accessible, affordable, and sustainable for Ohio's families. By expanding eligibility, improving reimbursement systems, and supporting the businesses that provide care, we can create a stronger, more vibrant workforce and provide children with the best possible start in life.

Thank you again for the opportunity to testify today, and I'm happy to answer any questions you may have.