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**Ohio House
Finance Committee
Substitute H.B. 96
Lynanne Gutierrez, President & CEO
Groundwork Ohio
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Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the committee, thank you for the opportunity to speak today. My name is Lynanne Gutierrez, and I serve as the President and CEO of Groundwork Ohio. We are the state's leading early learning and maternal and young child health advocates, focused on the healthy development of young children, prenatal-to-five, and their families. We work with policymakers, business and community leaders, early childhood professionals, and families to advance policies that support the healthy development of young children to build a more prosperous future for Ohio.

Ohio Families and the State's Future

We appreciate the Ohio House's stated commitment to investing in Ohio families and the state's future. However, we are concerned that decisions reflected in the House's budget proposal fall short of meeting that important goal. By removing critical investments originally included in the Governor's proposed children's budget, the House's current version risks leaving behind the very children and families who need the most support—at a time when working families and the systems that serve them are stretched thin.

We respectfully urge lawmakers to fully restore the Governor's children's budget so that Ohio's youngest and most vulnerable are once again at the center of our state's priorities. The breadth of the House's proposed cuts compared to the Governor's children's budget is deeply concerning. *Please see the attached list of cuts impacting young children and families.*

Access to Safe, Affordable Child Care

Child care is a top concern for families and employers across Ohio. Just Tuesday, the Ohio Chamber's *Untapped Potential in Ohio* report highlighted that the state loses \$5.48 billion in lost economic activity and \$1.52 billion is lost in tax revenue each year as a result of child care issues. Recent polling further reveals that access to affordable quality child care would prompt more than 6-in-10 non-working Ohio moms with children under age 6 to return to work. This underscores just how urgent and costly the issue has become.

Despite this, the House budget falls short of addressing these challenges. While we recognize the inclusion of \$13.2 million for new child care pilot programs, this one-time

funding doesn't begin to address the \$300 million gap left by House cuts to the TANF-funded core of Ohio's child care system. The House proposal does not expand eligibility to child care beyond 145% FPL keeping Ohio at the bottom of eligibility across the country and restricts the Child Care Choice Voucher Program to \$50 million per year (maintaining current program capacity), representing a cut of \$125 million over the biennium from the Governor's proposal.

These reductions threaten the stability of a system already in crisis and will result in fewer options and higher costs for families including serving 30,000 less children than proposed by Governor DeWine at a time when demand is increasing and only 35.4% of kindergartners are entering the classroom ready to learn.

Further, the House has eliminated the Kindergarten Readiness Assessment altogether, the only measure we have for every kid in Ohio to understand the impact of experiences they are having in the first five years of life and where they begin their academic journey.

Perhaps, most concerning is the breadth of cuts to children from the Governor's proposal and existing programs beyond child care, including the removal of the proposed Child Tax Credit, cuts to infant and maternal vitality, home visiting, health care coverage, public health infrastructure, early learning and literacy. These cuts undermine the Governor's vision for a comprehensive, forward-looking investment in our youngest Ohioans and instead signal a step backward at a time when we can least afford it.

The following is additional topline data from Groundwork Ohio's Early Childhood Data Dashboard and polling commissioned by Public Opinion Strategies that demonstrate the mismatch between the needs of Ohio families with young children and the proposals in substitute bill:

- **Economic Stability:** 1 in 5 Ohio children ages 0-5 live in poverty (under 100% FPL) and 1 in 10 live in extreme poverty (at or below 50% FPL). More than one-third (34%) of parents with children under five report serious problems paying rent or their mortgage, and nearly half (47%) are struggling to pay their credit card bills. Inflation is forcing 82% of parents with young children to cut back on groceries, impacting their ability to provide healthy, nutritious meals for their kids.
- **Infant & Maternal Mortality:** With 7.1 deaths per 1,000 live births, Ohio continues to rank among the bottom 10 states for infant mortality compared to 5.6 deaths per 1,000 nationally. 11% of infants are born preterm. Maternal mortality increased by 17% between 2011 and 2021 even though research suggests more than 80% of pregnancy-related deaths are preventable. The severe maternal morbidity rate is 84.9 per 10,000 delivery hospitalizations.
- **Home Visiting:** Ohio is ranked 30th in the nation for infant maltreatment and 43rd for infant mortality. Only a small portion of eligible Ohio families are currently able to access home visiting services. Although 12,436 families were enrolled in home visiting programs in 2024, there are approximately 141,474 children 0-2 living under 200% of the Federal Poverty Level. This means that only 8.8% are currently benefitting from home visiting services.
- **Medicaid Access for Moms and Babies:** Nearly 48% of all Ohio children under age six depend on Medicaid for health coverage, the program covers about half of all births in the state and thousands of Ohio women rely on Medicaid to ensure a healthy pregnancy and support postpartum recovery.

- **Lead Poisoning:** Lead paint can be found in as many as two-thirds of Ohio's homes built before 1978, where young children can ingest lead through contact with contaminated paint, soil, or water. There is no safe blood lead level. Even small amounts of lead exposure in early childhood can harm the brain, delaying growth and development, and may cause learning, behavior, speech, and other health problems. Ohio has nearly double the national rate of children with elevated blood lead levels.
- **Tobacco Use:** While the percent of women who smoked cigarettes in the last 3 months of pregnancy has decreased by 36% between 2020 and 2022, the percent of women who used e-cigarettes has increased by 188%.
- **Early Learning & Literacy:** Nearly 4 out of 5 low-income children are not demonstrating kindergarten readiness, an early predictive measure of their later performance in literacy and math proficiency, high school graduation and post-secondary attainment. 44% of Ohio's kindergartners are not on track for literacy.

Thank you for your attention to these issues. We understand that you are making tough decisions, and we look forward to further conversations with you.

Ohio Department of Children and Youth

Policy	Executive	Sub. H.B. 96
Publicly Funded Child Care	Increases maximum income for a family's initial eligibility for PFCC at 160% of the federal poverty level (FPL) and 300% FPL for continued eligibility. Currently, the eligibility is 145% for initial eligibility unless the child has special needs, then the initial eligibility is 150% FPL. This increase would allow a family of three with an annual income of \$42,640 to qualify for initial eligibility.	Maintains initial PFCC eligibility at 145% Federal Poverty Line (FPL) and 150% for special needs child care. (According to DCY, the estimated cost to increase eligibility to 160% FPL is approximately \$76.3M in FY 2026 and \$101.8M in FY 2027.)
Child Care Choice Voucher Program	Maintains and expands the Child Care Choice Voucher Program to assist families with child care costs in the form of vouchers. To be eligible to participate, a family must meet all of the following conditions: (1) the caretaker parent is employed or participating in a program of education or training for an amount of time reasonably related to the time that the parent's children are receiving child care, (2) the family does not meet the income conditions for initial eligibility under PFCC, but the maximum amount of the family's income does not exceed 200% FPL, and (3) the family meets any other condition established by DCY. The bill specifies that the program must utilize PFCC rates, in providing vouchers under the program, no later than November 1, 2026. DCY is already providing services under this program; as of December 2024, approximately 6,500 children were being served. This program allows a family of three with incomes of between \$42,640 and \$53,300 to receive vouchers. According to DCY, the estimate for this program is \$75.0 million in FY 2026 and \$150.0 million in FY 2027. About 29,000 children over the biennium will receive care under this program.	Restricts the Child Care Choice Voucher program to \$50M/FY (According to DCY, the proposed voucher program in the executive bill was projected to cost \$75M in FY 2026 and \$150M in FY 2027; Due to changes in federal line item amounts, the substitute bill instead provides a budget of approximately \$50M in each fiscal year for the voucher program.)
TANF Block Grant	Allocates \$427,850,000 for FY 26 & 27 from the TANF Block Grant	Proposed cuts of \$150,000,000 in each of FY 26 & 27 from TANF. <i>This means 30,000 less children will have access to child care under the House proposal.</i>

Kindergarten Readiness Assessment	No provision.	Removes requirement that school districts administer KRA provided by DCY and that data is published on state report card
Imagination Library	Proposes an increase of \$2M per FY.	Decreases Executive by \$2M each FY.
Science of Reading	Requires that Early Care and Education Learning Standards, to be used to support the state's early learning assessment work, required assessments, and the implementation of curricula, assessments, and learning activities that are aligned with the science of reading and the early learning and development standards	Removes requirements.
Help Me Grow	Proposes \$63,591,050 in FY 26 and \$85,521,869 in FY 27.	Reduced by \$22,521,869 in FY 2027.
Infant Vitality	Appropriates \$7,500,000 to be used to support programming by community and local faith-based service providers that invests in maternal health programs, provides services and support to pregnant women	Reduces community and local faith-based infant vitality programming to \$6M each FY

Ohio Department of Taxation

Program	Executive	Sub. H.B. 96
Refundable Income Tax Credit for Dependents Under Age 7	Proposes to help Ohio families during the initial years of a child's development with a refundable child tax credit. Targeted at those who need it the most, the credit phases out at designated income levels. Working parents who hold a full-time minimum wage job will be eligible for a \$1,000 refundable credit per child through age six.	Removes authorization of a refundable income tax credit for dependent children

Ohio Department of Health

Program	Executive	Sub. H.B. 96
Tobacco Use Prevention, Cessation, and Enforcement Fund	Requires the OBM Director, on July 1, 2025, or as soon as possible thereafter, to transfer up to \$20,000,000 cash from the Pre-Securitization Tobacco Payments Fund (Fund 5LS0) to the Tobacco Use Prevention Fund.	Decreases the fund by \$4M each FY and eliminates a \$20M cash transfer to the fund from the Pre-Securitization Tobacco Payments Fund.

Lead Safe Home Fund and Lead Abatement	Requires ODH to distribute the following funds to local governments for projects that include lead hazard control and housing rehabilitation initiatives that expand ODH's lead hazard control and prevention efforts: (1) \$1M in GRF ALI 440530, Lead-Safe Home Fund Program; and (2) \$500,000 in each fiscal year in GRF ALI 440527, Lead Abatement.	Removes \$1,500,000 each FY from execution; eliminates Lead Safe Home and Lead Abatement programs from ODH
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Ohio Department of Medicaid

Program	Executive	Sub. H.B. 96
Continuous Medicaid Enrollment for Children ages 0-3	No provision.	Eliminates established law that requires ODM to seek approval to provide continuous Medicaid enrollment for Medicaid-eligible children from birth through age three.
Doula Services	No provision.	Limits current Medicaid coverage of doula services to the six counties with the highest infant mortality rates and requires total payments for doula services not to exceed \$500,000 in a given fiscal year.