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Ohio Senate Finance Committee Amended Substitute H.B. 96 Brittany Boulton, Vice President Groundwork Ohio May 27, 2025

Chair Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the committee, thank you for the opportunity to speak today. I'm Brittany Boulton and I am the Vice President of Groundwork Ohio. We are the state's leading early learning and maternal and young child health advocates, focused on the healthy development of children from prenatal to age 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

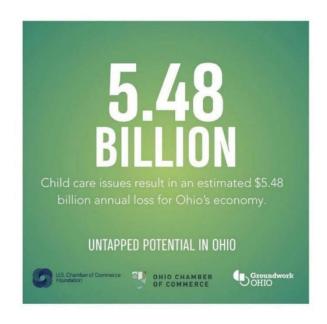
Amended Substitute House Bill 96 as first proposed by Governor DeWine included a strong budget to support Ohio's youngest learners. Groundwork Ohio strongly urges the Ohio Senate to consider restoring a number of these provisions that would:

- 1) Make work pay for working families
- 2) Improve health outcomes for moms and babies
- 3) Support quality early learning experiences

# 1. Make Work Pay for Working Families

Child care is a top concern for families and employers across Ohio. Just last month, the Ohio Chamber's *Untapped Potential in Ohio* report highlighted that the state loses \$5.48 billion in 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. The average cost for full-day infant care in 2024 in Ohio was \$13,780.



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.

Ohio voters overwhelmingly support a Child Tax Credit. According to a December 2024 poll conducted by Public Opinion Solutions across over 800 Ohio voters, 84% support creating a Child Tax Credit. Results included 83% of Republicans, 78% of Independents, and 94% of Democrats supporting the policy.

The current budget proposal does not expand eligibility to child care beyond 145% FPL, keeping Ohio at the bottom of eligibility across the country. The bill also currently restricts the Child Care Choice Voucher Program to \$100 million per year, representing a cut of \$25 million over the biennium from the Governor's proposal.



Groundwork Ohio respectfully requests the Ohio Senate restore the following provisions in Amended Substitute HB 96:

- REQUEST: Restore publicly funded child care eligibility to 160% of the Federal Poverty Level.
- REQUEST: Restore the Child Care Choice Voucher program to \$75M in FY26 and \$150M in FY27.
- REQUEST: Restore the refundable Child Tax Credit of up to \$1,000 per child under age 7.

#### 2. Improve Health Outcomes for Moms and Babies

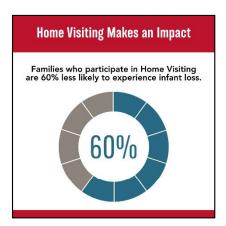
Ohio continues to rank among the bottom 10 states for infant mortality and 11% of Ohio infants are born preterm. Maternal mortality increased by 17% between 2011 and 2021 even though research suggests more than 80% of pregnancy-related deaths are preventable. The severe maternal morbidity rate is 84.9 per 10,000 delivery hospitalizations.

Department of Children and Youth Director Kara Wente shared earlier this month in Senate Health Committee that infant mortality numbers are trending in the right direction; 2024 data shows 6.6 per 1,000 live births, the lowest in two decades. That means 70 more babies made it to their first birthdays than the year before – enough to fill four kindergarten classrooms.

Investments in critically-needed, evidence-based maternal and infant health programming are clearly working. Now is not the time to make cuts when we are finally seeing more Ohio babies reach their first birthdays.

Families who participate in home visiting programs as funded through the Help Me Grow line item are 60% less likely to experience an infant death. Under the recently-launched Family Connects program, being piloted in 11 counties but scalable to all 88 counties under As Introduced funding levels, families are experiencing a 50% reduction in emergency room visits during a new baby's first year of life.

In addition to home visiting programming, community-led infant vitality programs that center the voices of moms and birth workers at a local level are seeing return on investment, as is evidenced in Hamilton County. Cradle Cincinnati has



seen a reduction of local infant mortality levels by 30% in 20 months, and yet funding for the line item supporting the scaling of such programs was reduced in the Ohio House version of Amended Substitute HB 96. This line item also includes support for fathers and faith-based programming.

- REQUEST: Restore the As Introduced funding levels for Help Me Grow and Infant Vitality line items.
- REQUEST: Remove the House provision repealing existing law directing Ohio Department of Medicaid to provide continuous eligibility for children from birth to age 3.
- REQUEST: Remove the Ohio House amendment to Amended Substitute HB 96 that would restrict doula Medicaid reimbursement to six counties.

# 3. Support Quality Early Learning Experiences

Only 35.4% of Ohio kindergartners are entering the classroom ready to learn. The Ohio House eliminated the Kindergarten Readiness Assessment (KRA) in their version of Amended Substitute HB 96. 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.

The KRA is the only measure Ohio has available to understand the impact of experiences children are having in the first five years of life and where they begin their academic journey. Removing this measure will realize minimal cost savings, and damage our state's ability to measure the return on meaningful early childhood investments detailed above.

• REQUEST: Restore the Kindergarten Readiness Assessment eliminated in the House version of Amended Substitute HB 96.

#### **Conclusion**

Groundwork Ohio partners with a vast network of caregivers, advocates, health and early childhood professionals, and families around the state whose day-to-day work impacts the life of children from birth to age five. We have traveled to urban and rural communities alike to conduct deep listening sessions and learn about the concerns of those who are closest to this work. Our requests as detailed in this document are a direct result of that engagement, as

well as of our team's analysis of existing data on state program outcomes and analysis of the national policy landscape for young children.

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. I would be happy to answer any questions.

# **Groundwork Ohio Amendment Request Summary**

- **SC0460**: Restore As Introduced language expanding Publicly Funded Child Care Eligibility to 160% FPL for initial eligibility
- SC0459: Restore additional \$25M in FY 27 from As Introduced in Child Care Choice
- **SC0458**: Restore As Introduced investments in Help Me Grow and Infant Vitality
- **SC0572**: Restore As introduced version of child tax credit
- **SC0459**: Restore additional \$25M in FY 27 from As Introduced in Child Care Choice
- **SC0456**: Restore the Kindergarten Readiness Assessment, removed in the House
- **SC0457**: Remove the House's repeal of existing law that would require Ohio Department of Medicaid to seek approval for continuous coverage of Medicaid enrollment for Medicaid-eligible children birth through age three
- **SC0461**: Remove restriction of Medicaid reimbursement for doulas to only 6 counties

#### **Attachments**

- Groundwork Ohio Child Care Sign-on Letter
- Groundwork Ohio Poll Data (December 2024)
- <u>Untapped Potential</u>
- Groundwork Ohio 2025 Early Childhood Data Dashboard
- USA Today: Ohio has a chance to make child care affordable for working families

# **Prioritize Investments in Child Care in the State Budget** AN OPEN LETTER TO MEMBERS OF THE OHIO SENATE

May 16, 2025

Dear Members of the Ohio General Assembly,

Groundwork Ohio and the undersigned organizations thank the House of Representatives for restoring \$100 million of the \$300 million initially removed from Governor DeWine's proposed budget for Child Care to support working families up to 200% of the Federal Poverty Level (FPL). Your action recognizes that affordable, high-quality child care is not only essential for children's healthy development but also a cornerstone of Ohio's workforce and

Yet urgent gaps remain. We respectfully ask the Senate to make HB 96 a meaningful investment in working families and Ohio's economies by restoring the remaining support.

#### We urge the Senate to:

#### 1. Reinstate the full \$300 million in TANF funds to Child Care.

Ohio already spends about \$400 million TANF dollars each year on child care<sup>[1]</sup>; pulling funds now would cut the overall child care budget, weakening one of our most effective anti-poverty and workforce tools.

#### 2. Restore the Governor's proposal to raise Publicly Funded Child Care (PFCC) initial eligibility to 160% FPL (continuing eligibility at 300% FPL)

Increasing eligibility would open the door to child care for 11,000 additional children each year to families of three earning up to \$42,6409.

#### 3. Protect early literacy and school readiness supports by restoring:

- The Kindergarten Readiness Assessment (KRA), Ohio's only statewide measure of early learning impact.
- The Dolly Parton Imagination Library expansion.
- Requirements to align early learning curricula with the science of reading.

#### Why Investments in Child Care Matter

- The workforce behind the workforce is struggling. Between 2023 and 2024, nearly 1 in 5 early childhood educators left the field<sup>[2]</sup> and more than half (58%) of Ohio child care programs report staffing shortages that limit available slots for families<sup>[3]</sup>
- Families are being priced out. Nearly half of Ohio parents with children under five (49%) say child care is hard to find, and 73% call it expensive."[4]
- The economy is losing talent. Forty -four percent of working parents missed work or left early in the past two years because of child-care breakdowns; 49 % cut back hours, over one million Ohio workers<sup>[5]</sup>
- Children are arriving at school unprepared. Nearly four in five low-income children are not demonstrating kindergarten readiness, and 44 % of all kindergartners are off track in literacy 6. Children who start behind are far less likely to meet third grade reading and math benchmarks, graduate, or earn post-secondary credentials.
- Ohio voters see the link. 86% of voters, and 90 % of parents, agree that expanding access to high-quality child care-will strengthen the state's

#### Expanded Access to Child Care Puts Parents Back to Work

- Restoring the proposal to move initial eligibility for PFCC to 160% of the Federal Poverty Level would not only bring Ohio out of last place among other states, but it would also serve 11,000 more children.
- The Child Care Choice Voucher program serves families earning up to 200% FPL who are working or in training but do not qualify for PFCC. Already supports over 8,000 children (April 2025)<sup>[8]</sup> and is projected to reach 29,000 children over the biennium<sup>[9]</sup>. Estimated cost of \$75 million in FY 2026 and \$150 million in FY 2027<sup>[10]</sup>, a modest investment compared with the \$5.48 billion annual hit Ohio's economy takes from child care related workforce losses<sup>[11]</sup>.

#### The KRA Must Be Restored

The KRA is Ohio's only statewide, child level tool that measures how prepared every kindergartner is across four domains: social emotional development, language and literacy, mathematics, and physical wellbeing.

- Tracks Return on Investment. Policymakers and taxpayers can see whether public dollars for child care, preschool, and home visiting programs are improving outcomes statewide and in local communities.
- Identifies Delays Early. The KRA highlights gaps among student groups, allowing districts to direct resources before small differences become entrenched achievement gaps.
- Predicts Later Success. Children who enter kindergarten demonstrating readiness are nine times more likely to score proficient or higher on the third-grade Ohio State Test in mathematics and seven times more likely to do so in English Language Arts<sup>[12]</sup>. Eliminating the KRA would leave Ohio without a critical early indicator of student progress, making it harder to identify learning gaps and invest in the supports that children need most.

Investing in child care today prevents more costly academic remediation and workforce shortages tomorrow. Ohioans have spoken, loudly and clearly:

- Parents want to work.
- Early Childhood Professionals need support
- Businesses need reliable employees.
- Children deserve a fair start.

Completing Governor DeWine's vision for child care, and preserving the tools that gauge its impact, will pay dividends for decades.

Thank you for your leadership and for considering these vital restorations. We stand ready to partner with you to ensure every Ohio child, and every Ohio parent, can contribute fully to our state's prosperity.





































- [1] Administration for Children & Families, TANF Financial Data FY 2023
- [2] Ohio Child Care Resource and Referral Agency. State fiscal year 2024 summary: July 1, 2023 – June 30, 2024, (2024)
- [3] National Association for the Education of Young Children. Ohio: Early childhood educator workforce state highlights. (2024)
- [4] Groundwork Ohio (2025). 2024 Child Care Poll.
- [5] Groundwork Ohio (2025). 2024 Child Care Poll
- [6] Ohio Department of Education and Workforce, School Report Card data (2022-2023
- [[7] Groundwork Ohio (2025). 2024 Child Care Poll.
- [8] Ohio Department of Children and Youth (2025)
  - [9] Ohio Legislative Service Commission. (2025). Redbook: Department of Children and Youth
  - [10] Ohio Legislative Service Commission. (2025). Redbook: Department
- [11] The US, Chamber Foundation (2025), UNTAPPED POTENTIAL IN OHIO
- [12] Ohio Department of Children and Youth. (2024). Impact Brief.





### **MEMORANDUM**

TO: INTERESTED PARTIES

FROM: NEIL NEWHOUSE/JARRETT LEWIS/TOMMY DOW

**PUBLIC OPINION STRATEGIES** 

CC: LYNANNE GUTIERREZ, PRESIDENT & CEO, GROUNDWORK OHIO

SUBJECT: OHIO STATEWIDE SURVEY: KEY FINDINGS

**DATE: JANUARY 23, 2025** 

On behalf of Groundwork Ohio, Public Opinion Strategies completed a statewide survey of 800 registered voters and an oversample of 484 parents with children under the age of five in Ohio. The survey was conducted December 5-15, 2024, and has a credibility interval of  $\pm 3.95\%$  for the registered voter sample and  $\pm 5.08\%$  for the parent oversample.

#### **KEY FINDINGS**

1. The economic issues faced by Americans over the last several years have hit parents of young children especially hard.

Approximately one-half of Ohioans (51%) and parents with children under five (44%) rate their own financial situation as only fair or poor. And, over a third of parents with children under five (34%) share they have been having serious problems paying their rent or mortgage. Nearly half of parents with children under five (47%) share they are having serious problems paying their credit card bills over the last few months.

#### 2. For Ohio parents, child care is difficult to access and afford.

Almost half of parents with children under five (49%) believe child care is difficult to find. Further, most parents with children under five (51%) believe the availability of high quality and affordable child care has gotten worse over the last few years. When it comes to the cost of child care, these parents (73%) overwhelmingly believe child care is expensive.

3. To most Ohioans – especially parents – the linkage between child care and the state's economy is undeniable.

Overwhelming majorities of Ohio voters (86%) and parents with young children (90%) agree that increasing access to high-quality childcare will help strengthen the state's economy and workers. Similarly, majorities of voters (53%) and parents (79%) agree that the labor shortages permeating throughout the state are in part due to the lack of quality and affordable child care.

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# 4. Problems with child care are having an economic impact.

More than 4-in-10 working parents with children under five (44%) say they have had to miss work, leave early or lose focus because of challenges with child care. Further, more than one-third of working parents (41%) 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, nearly 5-in-10 (49%) have cut back on their work hours to care for their children. Putting this into real numbers using Census data, this means over 1,000,000 working parents in Ohio have cut back their work hours.

## 5. 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, more than 6-in-10 Ohio moms with children under five who do not currently work full time (61%) 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.

6. With support extending cross party lines, Ohio voters are overwhelmingly in favor of increasing funding for child care "in order to increase access, affordability, and quality."

Nearly 9-in-10 Ohioans (84%) believe the state should increase funding for child care to increase access, affordability, and quality. Notably, this support includes 77% of Republicans, 84% of Independents, and 92% of Democrats.

# 7. The support for a Child Tax Credit is wide-ranging and deep.

By an overwhelming margin, Ohio voters (84%) support creating a Child Tax Credit to provide tax relief to working families, with 83% of Republicans, 78% of Independents, and 94% of Democrats in favor of the relief efforts. The support of these voters edges even higher (87%) when they are informed that both Biden and Trump support expanding the Child Tax Credit.

#### **BOTTOM LINE**

The survey results paint a clear picture: Ohio's child care crisis is hitting families hard and voters across the political spectrum recognize both the problem and potential solutions. Parents of young children are facing significant financial strain, with many struggling to pay basic expenses while simultaneously dealing with the high costs and limited availability of quality child care. The overwhelming, bipartisan support for both increased child care funding and a Child Tax Credit suggests Ohioans understand this isn't just a family issue – it's an economic one. There is a clear mandate for state action on child care accessibility and affordability.

Looking ahead, state policymakers have an opportunity to address these challenges with strong public backing. The cross-party consensus on solutions, combined with voters' understanding of child care's role in economic growth, creates a favorable environment for policy change. Ohioans clearly understand and see the need for child care from an economic standpoint. They make the link between increasing access to child care and improving the state's economy – and they support policy changes to make that increased access a reality.

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**GUEST** | **Opinion** This piece expresses the views of its author(s), separate from those of this publication.

Ohio Add Topic

# Ohio has a chance to make child care affordable for working families | Opinion

Lynanne Gutierrez President and CEO, Groundwork Ohio

April 3, 2025, 6:01 a.m. ET

# **Key Points**

In his two-year state budget, Gov. Mike DeWine has proposed giving families with children under age 7 up to a \$1,000 refundable tax credit.

DeWine is also asking lawmakers to raise the eligibility for receiving subsidized child care to families earning 200% of the Federal Poverty Level.

Working families across Ohio are struggling. Grocery prices, rent increases and child care costs are crushing them. Ohio lawmakers can do something to help. But families need to put the pressure on them to do so.

In his two-year state budget, Gov. Mike DeWine has proposed giving families with children under age 7 up to a \$1,000 refundable tax credit. The new tax break would put money in families' pockets, making work pay.

Take, for example, a full-time preschool teacher earning the median hourly wage of \$14.20 per hour in Akron. Her annual income is \$29,536, meaning she earns just under 150% of the Federal Poverty Level for a two-person household. With one child, she'd get the full \$1,000 credit — effectively a 4% raise, which could pay for about three months of groceries.

Consider another hypothetical family — say, a married couple who recently had their first child. Assume mom is staying home with the newborn, while dad is working two

jobs. The first job is part-time at a coffee shop, where dad works 20 hours a week earning the median salary of \$11.47 per hour in Akron. His second job is at a fast-food restaurant, where he only gets 10 hours per week at \$11.09 per hour. That family's total household income is \$17,696 - 66% of the Federal Poverty Level.

Because they don't earn at least \$22,500 annually, they'd only qualify for about a \$760 child tax refund under the governor's proposal. But, again, this represents about a 4% increase in their income — a big raise considering the family's financial needs.

# Need a break? Play the USA TODAY Daily Crossword Puzzle.

DeWine's partially refundable tax credit is intentionally designed to reward work and to reach low- and middle-income working families who need it most.

If you think supporting families is good public policy, you are not alone. A staggering 84% of Ohio voters support a child tax credit, including 83% of Republicans, 94% of Democrats and 78% of Independents. President Donald Trump has supported the idea of federal child tax credits.

Many parents choose not to work because the cost of child care takes the bulk of their paycheck (assuming they can even find quality child care). DeWine's proposed budget would also address that frustrating reality. He's asking lawmakers to raise the eligibility for receiving subsidized child care to families earning 200% of the Federal Poverty Level. A family of four earning under \$60,000 annually would be eligible for sliding-scale assistance.

Why is making child care affordable so critical to families, employers and Ohio's economy? According to our independently conducted, scientific poll of Ohioans, nearly half of working parents have cut back their hours due to child care challenges. That's a million Ohio working parents reducing their hours at a time when our employers are desperate to hire and keep employees.

Among mothers with young children under age 3 who don't currently work full- time, 61% say they would return to work if they had access to affordable, high-quality child care.

Ohio's working families deserve a break, and they need affordable child care. They want to work. They want to provide for their children, pay their bills on time, save for the future and contribute to their communities. But they can't do those things if work doesn't pay.

Ohio's next two-year budget will be decided in the next 100 days. If you believe that working families deserve better, join us in sharing that message with state lawmakers. Go to groundworkohio.org/act and join thousands of Ohioans who are raising their voice in favor of a child tax credit and expanding access to affordable child care.

Lynanne Gutierrez is President and CEO of Groundwork Ohio, the state's leading early childhood advocacy organization focused on the healthy development of young children and their families.