



**TESTIMONY**  
**MAY 25, 2023**

Shared Prosperity, Thriving Ohioans

## **Testimony on HB 33 before Senate Finance Committee**

**Will Petrik**

Chairman Dolan, Vice Chairman Cirino, Ranking Member Sykes, and members of the Senate Finance Committee, my name is Will Petrik. I am the Project Director with Policy Matters Ohio, a nonprofit, nonpartisan organization. Our mission is to create a more prosperous, equitable, sustainable and inclusive Ohio. Thank you for the opportunity to testify today on House Bill 33.

No child should have to go to bed hungry in Ohio. No family should have to worry about whether to pay the rent or go to see a doctor. Yet, Ohio's children are more likely than children nationwide to go without food and less likely to live in financially secure households.<sup>1</sup> The child care sector is in crisis, stifling children's development and hamstringing the workforce. Legislators have the opportunity and responsibility to use the state budget to reverse course, and make Ohio the best state to live, work, raise a family and pursue happiness. We have the resources to do it.

Things recently got worse for many of our neighbors: An estimated 673,000 households in Ohio now have fewer resources to keep food on the table.<sup>2</sup> Households have seen their Supplemental Nutrition Assistance Program (SNAP) food assistance decline by \$188 a month, on average. An estimated 220,000 Ohioans are expected to lose health coverage and be disenrolled from Medicaid as the state redetermines eligibility for the program.

When children and families don't have enough to eat or lack the healthcare they need, they don't have the secure foundation they need to thrive. Children who grow up in poverty are more likely to do worse in school, have health problems and get involved with the criminal legal system as adults, compared to their peers in more economically secure households.<sup>3</sup>

These outcomes don't have to be the norm. When families have the resources to pay for the basics, we all benefit: Children are healthier, get better grades, have higher college enrollment rates, and earn more during their lifetime. They are less likely to engage in criminal activity, go to prison, or get involved with the child welfare system.<sup>4</sup>

The budget approved by the Ohio House includes several priorities that research indicates will improve the health, education, and well-being of children. **Policy Matters Ohio supports the following priorities:**

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<sup>1</sup> Annie E. Casey Foundation. Kids Count Data Center analysis of data from the U.S. Census Bureau, American Community Survey. [https://bit.ly/ChildPov\\_OH](https://bit.ly/ChildPov_OH) | Note: Child poverty refers to the share of children under age 18 who live in families with incomes below the federal poverty level; child food insecurity rates by state, "Child Food Insecurity," Feeding America, [https://bit.ly/ChildFoodInsecurity\\_OH](https://bit.ly/ChildFoodInsecurity_OH)

<sup>2</sup> "February 2023 Supplemental Nutrition Assistance Program Extension Approved," Ohio: COVID-19 Waivers & Flexibilities, USDA Food and Nutrition Service, accessed on March 8, 2023, <https://bit.ly/3J30GA5>

<sup>3</sup> "A Roadmap to Reducing Child Poverty," National Academies of Sciences, Engineering, and Medicine, 2019. <https://bit.ly/3DIKAKT>

<sup>4</sup> Irwin Garfinkel, Laurel Sariscsany, Elizabeth Ananat et al., "The Benefits and Costs of a Child Allowance," Journal of Benefit-Cost Analysis, Cambridge University Press, September 23, 2022. <https://bit.ly/3Lovqa7>

**Expand health care coverage to pregnant women and children in Ohio.** H.B. 33 would provide more health coverage for children and pregnant women by increasing eligibility for Medicaid up to 300% of federal poverty level (a family of three with income just over \$74,580 annually).<sup>5</sup> The House also added continuous Medicaid enrollment, which would ensure Ohio kids get the health care they need from birth to age three.<sup>6</sup> This will provide families with health coverage for labor, birth, and postpartum care as well as doctor visits for the first three years of their child's life without the stress of incurring major costs for critical health care services.

We're grateful that your colleagues in the House included an amendment to establish a five-year program in Medicaid to cover doula services. Research indicates that having a doula present during pregnancy, childbirth, and postpartum can provide many benefits for women and their babies, including reduced rates of medical interventions, shorter labor, increased satisfaction with the birth experience, improved health outcomes for the mother and the baby, and better breastfeeding outcomes.<sup>7</sup>

**Prepare more kids for kindergarten and help parents stay in the workforce.** H.B. 33 will help an estimated 15,000 children get the child care they need by expanding eligibility for publicly funded child care to more working parents.<sup>8</sup> The House also included \$15 million each fiscal year to expand safe and developmentally appropriate child care for infants and toddlers in Appalachia and in communities with high infant mortality rates.<sup>9</sup>

The House budget expands on Gov. DeWine's proposed budget by including new investment in early childhood education. An additional 15,550 3- and 4-year-old children in families with low incomes will have an opportunity to get high-quality early childhood education programming.<sup>10</sup> High-quality early care and education gives children a strong start and improves their long-term health and economic opportunities.<sup>11</sup>

**Provide healthy school meals for more Ohio children.** When students get regular healthy meals, they have more energy and focus in the classroom.<sup>12</sup> The House-passed budget includes \$4.2 million each fiscal year to make school breakfasts and lunches free for all students eligible for reduced-price meals at participating schools.<sup>13</sup>

**Fund Ohio's emergency food relief network.** Four of the 10 most common jobs in our state don't pay enough to feed a family of three without food assistance.<sup>14</sup> The House-passed budget improved on Gov. DeWine's proposed budget to help meet the needs of families and food banks across Ohio by appropriating \$39.55 million to the foodbanks in each fiscal year.

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<sup>5</sup> Maureen Corcoran, Ohio Department of Medicaid, Director, Testimony to the House Finance Committee, February 8, 2023, <https://bit.ly/3yhuvEO>

<sup>6</sup> "Comparison Document," House Bill 33 - 135<sup>th</sup> General Assembly, Legislative Budget Office, MCD43 Continuous Medicaid enrollment for children section, April 26, 2023, <https://bit.ly/3APrPmo>

<sup>7</sup> Alexis Robles-Fradet and Mara Greenwald, "Doula Care Improves Health Outcomes, Reduces Racial Disparities and Cuts Cost," National Health Law Program, August 8, 2022, <https://bit.ly/422Fzl>

<sup>8</sup> Suveksha Bhujel and Ryan Sherrock, "Redbook, LBO Analysis of Executive Budget Proposal, Ohio Department of Job and Family Services," Legislative Service Commission, accessed on March 7, 2023, <https://bit.ly/41Umloc>

<sup>9</sup> "Comparison Document," House Bill 33 - 135<sup>th</sup> General Assembly, Legislative Budget Office, KIDCD20 Child Care Infrastructure section, April 26, 2023, <https://bit.ly/41YHBHA>

<sup>10</sup> Estimate based on \$62.2 million increase from OBM estimate for FY 2023 compared to the House Reported FY 2024. According to the Ohio Department of Education, for every \$1 million, the program can serve 250 children, "Preschool Programs and Service Levels," Ohio Department of Education, September 2022, <https://bit.ly/3WpW7V6>

<sup>11</sup> James Heckman and Ganesh Karapakula, "Early childhood education strengthens families and can break the cycle of poverty." The Heckman Equation, accessed on March 6, 2023, <https://bit.ly/3ZOMIOY>

<sup>12</sup> "The Impact of Breakfast after the Bell," No Kid Hungry, Center for Best Practices, Accessed on October 6, 2022, from <https://bit.ly/3MfmidN>

<sup>13</sup> "Comparison Document," House Bill 33 - 135<sup>th</sup> General Assembly, Legislative Budget Office, EDUCD105 Reimbursements to make reduced-price school meals free section, April 26, 2023, <https://bit.ly/42gV6SR>

<sup>14</sup> Michael Shields, "New data show wages up for many, but four of Ohio's 10 most common jobs pay near poverty," Policy Matters Ohio, April 28, 2022, <https://bit.ly/3Sie5aQ>

**We support these investments.**

**And, we must do more to make sure more Ohioans have the resources to pursue their dreams.** We encourage state lawmakers to pursue several additional strategies in the 2024-25 budget to provide more security and stability for families:

**Boost the economic security of children and families.** A Thriving Families Tax Credit would help nearly 986,000 families and 1.8 million children with an average tax refund of roughly \$1,000 a year. This tax credit would help more families pay for groceries and reduce hunger and insecurity. State lawmakers can amend H.B. 33 to include the Thriving Families Tax Credit.<sup>15</sup>

**Boost the financial security of Ohio workers.** Adding a 10% refundable option to Ohio's Earned Income Tax Credit (EITC) would put more money back in the pockets of workers who are paid low wages. State lawmakers can rewrite the tax code to help stabilize families, give children more opportunities for a better life, and build a more equitable Ohio.<sup>16</sup>

**Provide one healthy school meal for all Ohio children.** School meals are a critical part of a child's education and future success. State lawmakers can ensure that all children in Ohio get at least one healthy meal each day.

**Make sure older adults can live with dignity and get enough to eat.** Older adults reported that recently-eliminated SNAP emergency payments provided relief, improved people's mental and physical health, and helped people afford healthy food.<sup>17</sup> State lawmakers must make sure all older adults who participate in SNAP get at least \$50 a month for groceries they need. This is estimated to cost the state \$21 million per year and assist nearly 70,000 older adults.

**Fully fund Ohio's emergency food relief network.** Ohio's food banks are facing increased demand due to the end of federal food aid to households across Ohio and because wages aren't keeping up with the increasing costs of food and other necessities. State lawmakers can help meet the needs of families and food banks across Ohio by allocating \$50 million per year to the Ohio Foodbanks through the Ohio Food Program and Agricultural Clearance Program.

**Restore support to help stabilize kinship families.** Kinship caregivers change their lives out of love for their kin. They nurture and support children the same way non-relative foster parents do, but with fewer resources, less training and limited preparation. H.B. 33 would eliminate the Kinship Caregiver Program, which was earmarked in TANF at \$10 million per year in the current biennium. The program provides one-time stabilization expenses, such as cribs or beds for children and short-term reimbursement for child care for kinship caregivers. We ask that you prioritize the economic stability of children who have recently been separated from their biological parent(s) and kinship families by restoring \$10 million per year in TANF funding for this critical program.

**Expand opportunity: Help more parents get the child care they need and participate in the workforce.** State lawmakers must ensure all Ohioans can support their families and participate in the economy. The proposed budget takes a step in making child care more affordable by boosting initial eligibility for publicly funded child care from 142% to 160% of the federal poverty level. Lawmakers can make child care affordable and accessible for more families by increasing initial eligibility for publicly funded child care up to 200% (a family of three making \$49,720 or

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<sup>15</sup> Will Petrik, "State thriving families tax credit would increase stability for nearly 2 million Ohio children," Policy Matters Ohio, November 14, 2022, <https://bit.ly/3Gx7C7A>

<sup>16</sup> Ben Stein, "Refundability Now: A refundable state EITC will help Ohio's working families," Policy Matters Ohio, June 4, 2019, <https://bit.ly/3Qv2WU6>

<sup>17</sup> "Older Adults, Food Insecurity, and SNAP: A special brief on the crisis facing Ohioans 60+," Ohio Association of Foodbanks and the Center for Community Solutions, May 2022, <https://bit.ly/3TuXXV1>

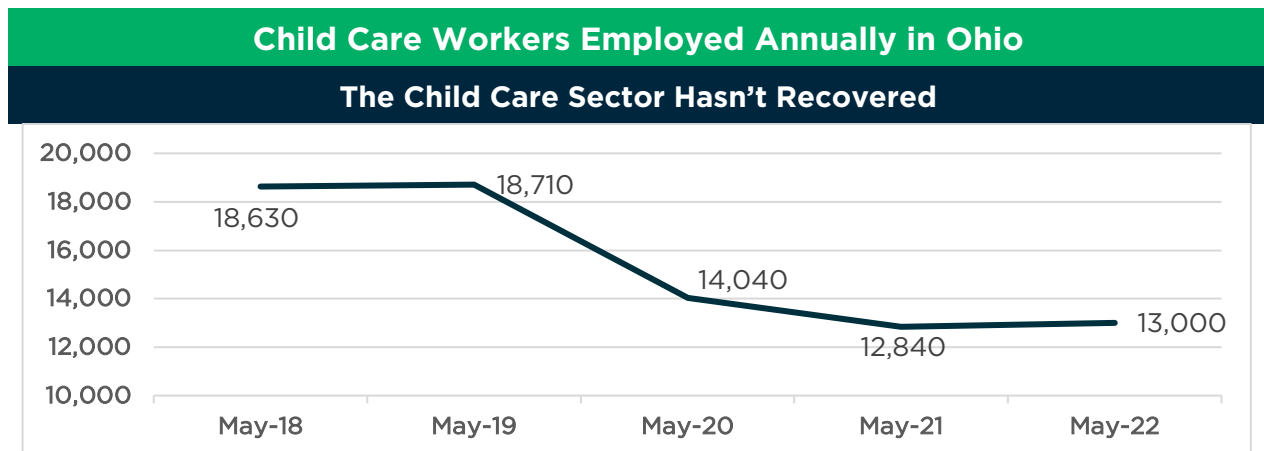
less would be eligible) of the federal poverty level. This would help more mothers participate in the workforce and better prepare our children for the future.

**Make sure workers who have been laid off have the support they need to get back into the workforce.** Ohio makes it more difficult to qualify for unemployment compensation (UC) based on pay than all but three other states. State lawmakers can protect more Ohioans in times of crisis. That means 1) not creating new onerous ID requirements to qualify for unemployment compensation; 2) retaining the governor’s ability to accept federal assistance on an emergency basis, 3) ensuring Ohioans keep the money they earned on the job by not using bonus or vacation pay as an offset against unemployment compensation owed, and 4) committing the \$60 million in General Revenue dollars Gov. DeWine asked for to fund UC administration. My colleague, Michael Shields, has submitted written testimony outlining how lawmakers can protect working people and preserve access to unemployment compensation.

**Child care and home health care professionals deserve family-sustaining wages**

At some point, we all need care. That may be care for a sick or aging family member, or child care for a toddler, so a parent can go to work, or care that we need for ourselves. Caregiving professionals perform an essential role of loving, caring for and teaching our children and caring for older adults and people with disabilities and enabling them to stay in their homes and in the community. Caregiving professionals enable people to stay in the workforce. They are the workforce behind the workforce.

But today, low wages for caregiving professionals have led to a caregiving crisis in Ohio. There were an estimated 5,710 fewer child care employees in May 2022 than there were in May of 2019, before the pandemic, according to employment estimates from the Bureau of Labor Statistics.<sup>18</sup> The home- and community-based care sector is facing a similar challenge. Ursel McElroy, the Director of the Ohio Department of Aging, recently warned that the number of home care workers has become “dangerously low,” at a time when the population of people age 65 and older is expected to increase by almost 30% between 2015 and 2030.<sup>19</sup>



Source: Policy Matters Ohio analysis, U.S. Bureau of Labor Statistics, State Occupational Employment Estimates, Ohio, May 2018, May 2019, May 2020, May 2021, and May 2022, <https://bit.ly/3tQWJqj>

While the Governor’s Office of Workforce Transformation deemed early childhood education and children and community health as “critical jobs” in Ohio, early educators and home health aides in

<sup>18</sup> See the table below.

<sup>19</sup> Lydia Coutré, “Caregivers in Crisis,” Crain’s Cleveland Business, Dec 12, 2022, <https://bit.ly/3oRXOel>; Ursel McElroy, “Testimony: Modernizing our approach to aging, fiscal year 2024 and 2025 executive budget request,” Ohio Department of Aging, February 23, 2023, <https://bit.ly/3LzQQIC>

Ohio are deeply undervalued and underpaid.<sup>20</sup> Child care professionals are paid a median wage of just \$13.15 an hour and the median wage for home health aides is just \$13.19. Child care and home health professionals are mostly women and disproportionately Black women. Women make up 95% of the child care workforce in Ohio.<sup>21</sup>

Care professionals are paid poorly in Ohio		
	Median Hourly Wage	Mean Annual Wage
Child Care Professionals	\$13.15	\$28,180
Preschool Teachers	\$13.97	\$31,830
Home Health and Personal Care Aides	\$13.19	\$27,910

*Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics, "May 2022 State Occupational Employment and Wage Estimates: Ohio," <https://bit.ly/3tQWJaj>*

The low wages for work in caregiving professions and the emergence of more competitive job opportunities is a major reason why many child care providers and direct care providers are struggling to recruit and retain staff.

The budget passed by the House would increase reimbursement rates to home- and community-based organizations to boost wages for personal care workers (the direct care workforce) up to \$17/hour in 2024 and \$18/hour in 2025 is clearly needed.<sup>22</sup> At a minimum, we urge you to maintain this increase to pay personal care aides and direct care professionals a more competitive wage.

While the budget passed by the House makes progress for direct care workers, it doesn't do anything to improve wages for child care professionals and it removed a temporary support for the child care workforce. The House eliminated a proposed \$150 million appropriation in SFY 2024 from ARPA that could help ensure that child care professionals and professionals in other critical occupations can afford child care for their own children.<sup>23</sup> We urge you to restore this funding.

In order to attract and retain talented professionals in early care and education and in the direct care workforce for seniors and people with disabilities, they must be paid a competitive, livable wage.

This is why we urge you to require child care professionals be paid at least \$20 an hour by reimbursing child care providers that receive public funding for the actual cost of child care. Similarly, the reimbursement for home- and community-based service providers should be increased and providers should be required providers to pay at least \$20 an hour to home health workers. This is valuable work and needs to be recognized for the impact it has on children, families, older adults, and people with disabilities.

Increasing pay has been shown to reduce care worker shortages and turnover, even in highly transient communities. In 1989, Congress passed the Military Child Care Act, which helped provide

<sup>20</sup> "Top Jobs in Ohio," Governor's Office of Workforce Transformation, accessed on April 28, 2022, <https://bit.ly/44abqz6>

<sup>21</sup> "The Workforce Behind the Workforce," Groundwork Ohio, October 2020, <https://bit.ly/3NCoNtE>

<sup>22</sup> "Comparison Document," House Bill 33 - 135<sup>th</sup> General Assembly, Legislative Budget Office, MCD67 Direct care payment rates section, April 26, 2023, <https://bit.ly/44rfeDz>

<sup>23</sup> "Comparison Document," House Bill 33 - 135<sup>th</sup> General Assembly, Legislative Budget Office, JFSCD64 ARPA Childcare section, April 26, 2023, <https://bit.ly/3NGfaI8>

military families with high-quality child care regardless of their service branch or base where they lived. This act increased teacher pay 76% and provided an additional boost to new program associates after a 40-hour training and orientation. Staff turnover rates plummeted as a result. Prior to 1990, turnover rates were between 65% and 300%. After implementation, turnover dropped to 27% – and that’s for caregiver staff largely made up of military spouses who are frequently moved to new communities.<sup>24</sup>

**We have enough to make Ohio the best state to live, work, and raise a family.**

We have enough resources in Ohio for all of us to have a roof over our heads, get enough to eat, and get the health and child care we need to contribute and thrive — but some policymakers have chosen to direct our public funds elsewhere. Since 2005, Ohio lawmakers have shifted public resources away from families who are paid low wages and toward the wealthy and well-connected through tax cuts and special interest giveaways. As a result, the wealthiest 1% of Ohio households are taking home on average over \$50,000 every year in tax cuts. Meanwhile, Ohio households making less than \$65,000 are, on average, paying more in taxes today compared to their state and local taxes in 2005. In addition, the tax cuts have drained \$8 billion a year from Ohio’s budget.<sup>25</sup> Some of those dollars could be going toward making high-quality child care more affordable for families while improving pay for the people caring for their children.

Instead of more tax cuts for the rich, let’s provide more stability to families and give more Ohio children opportunities to follow their dreams. Thank you for your commitment to building the best state to raise a family. Together, we can ensure all Ohioans can thrive. Thank you for the opportunity to testify. I’m happy to answer any questions.

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<sup>24</sup> Marcy Whitebrook, Deborah Phillips, and Carollee Howes, “Worthy Work, STILL Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study,” Center for the Study of Child Care Employment, UC Berkeley, accessed on March 14, 2023, <https://bit.ly/3Te9oiS>

<sup>25</sup> Guillermo Bervejillo, “The great Ohio tax shift, 2022,” Policy Matters Ohio, February 10, 2022, <https://bit.ly/3vSU557>