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**Ohio Senate
Finance Committee
Sub. HB 33
Lynanne Gutierrez, Chief Operating & Policy Officer
Groundwork Ohio
June 8, 2023**

Chair Dolan, Vice Chair Johnson, Vice Chair Cirino, Ranking Member Sykes and members of the Finance Committee, my name is Lynanne Gutierrez and I am the Chief Operating and Policy Officer at Groundwork Ohio.

Today, I join with fellow advocates, professionals, community leaders and families from across Ohio in thanking you for the opportunity to provide interested party testimony on Substitute House Bill 33, Ohio's FY 2024-2025 budget bill, regarding the state publicly funded child care program.

Groundwork Ohio is a statewide, nonpartisan public-policy research and advocacy organization that champions high-quality early learning and healthy development strategies from the prenatal period to age five, that lay a strong foundation for Ohio kids, families, and communities. Our vision is to make Ohio the best place to be a young child so that every child can reach their full potential.

Upon review of the Senate's proposal, we are pleased to see that you have maintained the Department of Children and Youth. We also are deeply disappointed to find that so many of your choices undermine its intent by disinvesting in vital programs and solutions for Ohio's youngest children. While the House had cut the Department by \$18 million over the biennium and eliminated a \$150 million dollar investment of federal funds in child care scholarships for critical care occupations, **the Senate has further cut the Department by an additional \$149 million and walked back significantly on an investment of more than \$200 million dollars in increased access to child care. At this point in the budget process, Ohio's youngest and most vulnerable children have weathered cuts that surpass A HALF A BILLION DOLLARS from Governor DeWine's proposal.** The following is a summary of our asks to restore Governor DeWine's proposed investments in young children and families:

1. **Restore devastating changes to Ohio's child care system that diminishes our quality system completely.**
 - a. Restore the agreement between the legislature and the Governor regarding Step Up to Quality in HB 45 (Lame Duck Session, December 2022) that in effect

exempted 60% of all publicly funded programs (those who serve low-income children on subsidy) from any quality requirements. The Senate substantially changed this agreement in the substitute bill to impact even more programs (doubling the exemption threshold), frustrating the purpose of the quality rating and improvement system altogether.

- b. Remove the prohibition of the Step Up to Quality rating system from even considering highly trained staff as part of its requirements or its tiered rating system. This prohibition de-professionalizes an already challenged child care workforce ensuring that no trained professionals will ever work in child care programs.
 - c. Remove anti-quality provisions that as a result of the senate substitute bill have been extended to now include public preschool, where longstanding current law requires public preschool to be highly rated (3-5 stars in the Step Up to Quality system).
 - d. Restore the state's remaining commitment to quality early learning by restoring the Governor's quality support fund by \$14 million over the biennium (the Senate proposed cutting from \$20 million to \$13 million per year) to achieve quality goals, a 35% cut to the line over the biennium.
 - e. Restores funds cut to support child care licensing funding to ensure the safety of young children in care (\$1.7 million over the biennium).
2. **Restore provisions to support increased access to publicly funded child care relative to the urgent need and remove provisions that harm current access.**
- a. Restore the Governor's proposed increase for publicly funded child care eligibility from 160% FPL to 145% FPL. The Senate's meager three percentage points increase in eligibility from FY23 (current eligibility at 142% FPL) is nominal and the cut equates **to an effective \$202 million cut over the biennium and 15,000 children and families losing access to needed care.**
 - b. Restore the House's cut of **\$150 million** in Ohio ARPA funds to support 12,000 child care scholarships for parents in critical care occupations (including child care professionals) earning between 161-200% FPL.
 - c. Restore the Governor's proposed requirement that the state conduct a child care market rate survey every year so that program rates could be updated mid-biennium to respond to the rise in inflation and skyrocketing child care costs, contributing to program closures.
 - d. Restore House proposed Child Care Infrastructure grants focused on babies and toddlers. The Senate cut this investment in half, leaving \$15 million over the biennium to support child care deserts. Additionally, restore the House language supporting the investment where the Senate specifically eliminated the focus on infant mortality communities while using the reduced funds only to support Appalachian communities. The House specified that both communities should receive targeted investment.
3. **Recognize and act on the need for investments in early childhood mental health.**
- a. Restore additional Senate cuts to the Governor's proposed investment in the only state budget line discreetly supporting young children's mental health. The House cut the executive proposal by \$10 million, and the Senate further cut it by \$5.5 million over the **biennium leaving the program with only \$3**

million and \$4 million in each of the respective fiscal years. This is a nearly 70% cut to the Governor’s proposed investment.

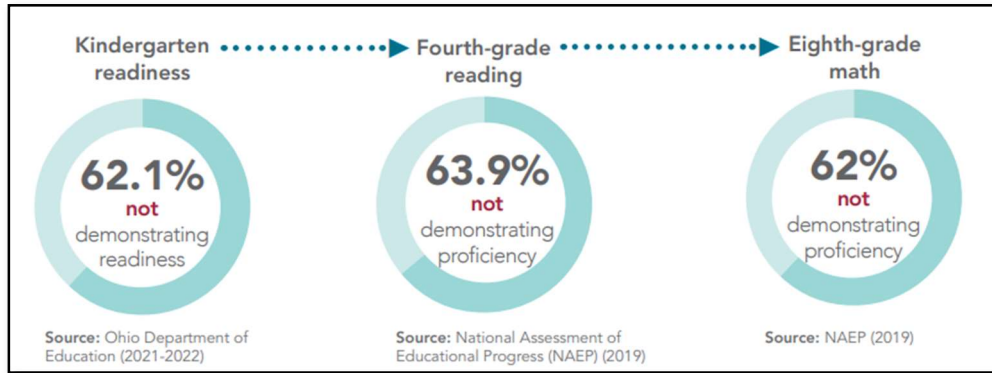
4. **Support the implementation of the longstanding leadership of the Governor’s Children’s Services Transformation task force.**
 - a. The Senate and the House cut **Family and Children’s Services by a total of \$111 million** over the biennium, a nearly 20% cut to the line. Restore cuts to vulnerable children.
5. **Support the Governor’s commitment to pregnant women and babies and don’t stall progress on the response to the infant mortality crisis.**
 - a. Restore the Governor’s proposed Infant Health Grants which were eliminated. (\$1.587 million)
 - b. Restore the Governor’s proposed Infant Vitality grants which the Senate reduced by \$1 million each year.
 - c. Restore cuts to the Governor’s proposed increase to Help Me Grow Home Visiting—a near \$20 million cut over the biennium equating to a 15% cut in the line.
 - d. Restore cuts that support safe housing for pregnant women, Healthy Beginnings at Home, which the Senate reduced from the Governor’s budget proposal of \$17 million to \$3.5 million over the biennium, a nearly 80% cut to the line.
 - e. Restore the Governor’s proposal to extend Medicaid coverage to pregnant women and children under age 19 with incomes up to 300% of FPL which the Senate eliminated.
 - f. Restore the Governor’s proposal to extend Medicaid coverage to children adopted through private agencies with special health care needs which the Senate eliminated.
 - g. Restore the House’s proposal to implement multi-year continuous Medicaid coverage for eligible babies, age 0-3, that was eliminated in the Senate proposal.
 - h. Restore the House added provision supporting a pathway for Medicaid reimbursement of Doula services for Medicaid eligible pregnant women.
 - i. Restore TANF earmarks in FY25 that support children and families—for example, the Senate cuts eliminate:
 1. The Ohio Commission on Fatherhood earmark in FY25 completely and reduces the FY24 earmark by half (to \$2.5 million).
 2. The Ohio Children’s Trust Fund in FY25 completely.
 3. The Children’s Hunger Alliance in FY25 completely.

Investing in Young Children Strengthens Ohio’s Workforce, Today & Tomorrow

The lack of investment in Ohio’s young children and child care leaves Ohio’s young children behind and jeopardizes our future workforce. All of Ohio’s young children need early learning opportunities to ensure they can reach their full potential and a lifetime of success. It’s no surprise that most children aren’t ready to learn given that only about half of eligible low-income children ages 0-5 under 200% of the Federal Poverty Level, those that

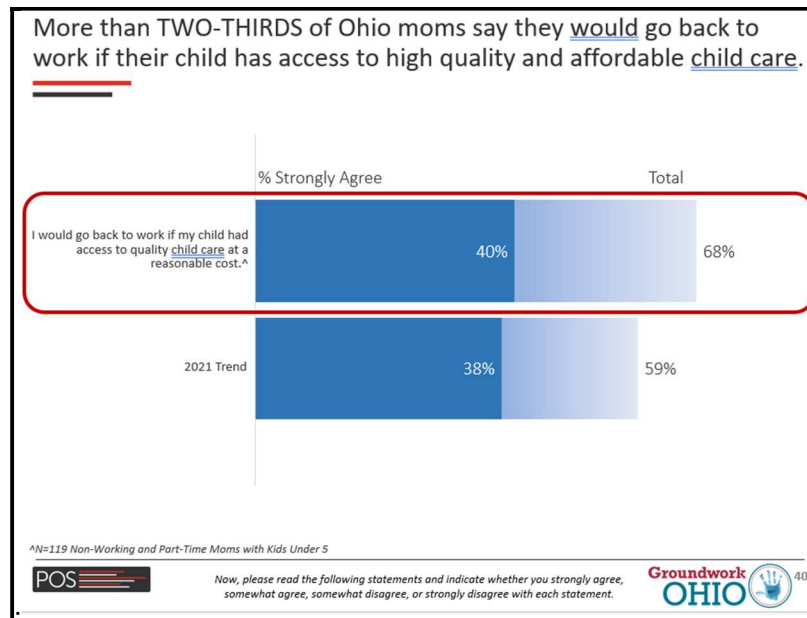
stand to benefit the most from early learning interventions, are able to access any state funded child care, preschool or Head Start. (See *Groundwork Ohio, Early Childhood Data Dashboard*)

Figure 2: Kindergarten Readiness, Children Who Start Behind Stay Behind



The lack of investment in Ohio’s young children and child care directly impacts a working mothers’ ability to provide for her family.

Figure 3: Moms Need Child Care to Work (See Appendix A, *Public Opinion Strategies, Ohio Statewide Poll Key Findings*)



The lack of investment in Ohio’s young children and child care restricts Ohio’s workforce today in and in the future. A strong child care industry means parents can go back to work today knowing their child is receiving early learning experiences while building and strengthening the workforce of tomorrow.

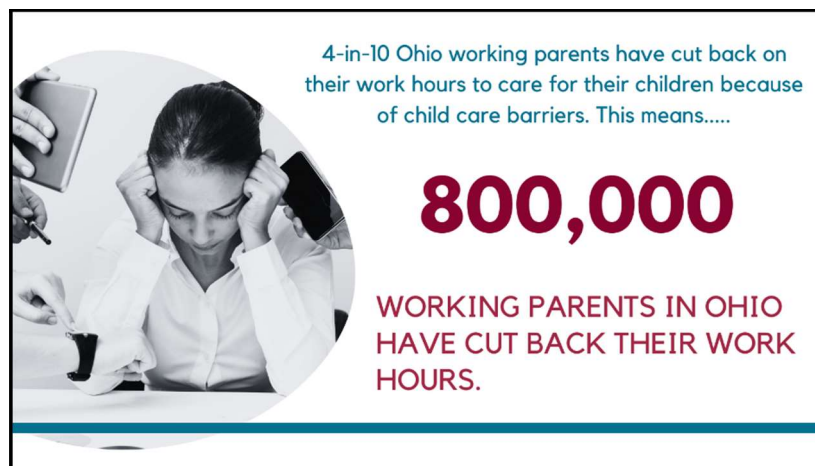
- On average, child care costs are more costly than rent in Ohio. Our cost ratio is among the worst in the nation.
- Further, child care availability is severely limited. 60% of rural Ohioans and 30% of all Ohioans are living in a child care desert, defined as an area with three times as many children as licensed child care slots.

Figure 4: Child Care Wait Lists



The lack of investment in Ohio’s young children and child care impacts Ohio’s ability to attract new business investment across the state. Right now, Ohio parents are forced to choose between taking on full-time employment because they cannot afford the high cost of child care.

Figure 4: 800,000 working parents have cut back their work hours



Given these alarming challenges of working parents and the recognition of these challenges by voters demonstrated through the poll, it is no surprise that **80% of voters and 87% of parents favor increasing funding in the state for child care and early learning programs.**

Now is the time to make the bold changes necessary to focus on the results our taxpayers demand, our parents expect and our communities need –that means investing in young children and child care. Ohio parents, voters, child care professionals and business leaders support these investments. Hundreds of Ohio parents are in support of Governor DeWine’s child care and young child proposals. (See, *Appendix B, Parent Letter Printed in Columbus Dispatch on 6/8/23*). Several dozen statewide early childhood organizations and nearly 1,000 frontline child care professionals have signed a letter elevating the need for more investment in the early childhood workforce including elevating the need to restore Governor DeWine’s proposed \$150 million in child care scholarships that include child care professionals. (See, *Appendix C, Workforce Letter Printed in Columbus Dispatch on 5/9/23*) In addition to the child care workforce, business leaders are also calling for more state investment in child care. In October 2022, the Ohio Chamber of Commerce released its [Blueprint for Ohio’s Economic Success](#), leading its recommendations for reducing barriers to employment with the recommendation to remove child care as a barrier for caregivers and working parents. Earlier this year, nearly 40 business leaders from across the state signed an open letter to policy makers supporting investments in child care, including the \$150 million child care scholarship investment reflected in SC 329 (See *Appendix D, Business Letter Printed in Columbus Dispatch on 3/29/23*). These business leaders understand that solving the child care crisis requires increased investment in a quality-based system. They won’t recover workers who’ve left or recruit a new workforce if only sub-standard care is available.

Thank you for your consideration. We urge you to reconsider the sub bill’s proposed approach to the child care crisis and invest in Ohio’s pregnant women, babies, toddlers, preschool children and their families. I am happy to answer questions you have today. Please use as a resource during the budget process and I can be reached directly via email at lgutierrez@groundworkohio.org or by phone at 614-204-6106.

ⁱ NOTE: All data referenced in this testimony is from the Public Opinion Strategies [Public Opinion Strategies, Ohio Statewide Poll Key Findings](#) attached hereto as *Appendix A* unless otherwise cited within the document.