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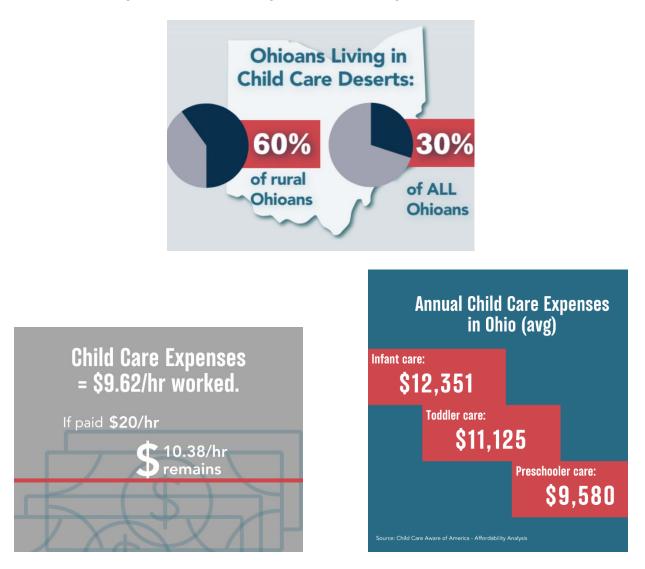
Ohio House Children & Human Services Committee H.B. 96 Lynanne Gutierrez, President & CEO Groundwork Ohio February 27, 2025

Chair White, Vice Chair Salvo, Ranking Member Lett, 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.

We are testifying today because access to affordable, high-quality child care is not just a family issue—it is an economic issue that affects businesses, workforce participation, and the future prosperity of our state. Parents across Ohio are struggling to balance work and child care, often facing difficult choices that impact their ability to stay employed and financially stable. At the same time, child care programs are facing challenges in sustaining their businesses and meeting the growing demand for care. Without meaningful policy action, Ohio risks exacerbating labor shortages and hindering economic growth. **That is why we strongly support expanding publicly funded child care and enacting a refundable Child Tax Credit to provide much-needed relief to working families as proposed in House Bill 96.**

Ohio families are working harder than ever to provide for their children, yet too many are still struggling to make ends meet. Rising costs and financial uncertainty have made it increasingly difficult for parents of young children to stay in the workforce and contribute to our economy. The numbers tell a clear story:

• More than a third of parents with children five and younger (34%) report serious problems paying their rent or mortgage. Nearly half (47%) are struggling to pay their credit card bills. These are hardworking Ohioans trying to do the right thing, but they're finding it increasingly difficult to get ahead. • Child care is a key driver of this financial strain. Almost half of parents (49%) say child care is difficult to find, and a staggering 73% agree that child care is simply too expensive. It is now one of the biggest expenses a family faces– exceeding the cost of housing or in-state college tuition.



Ohio's publicly funded child care program currently provides assistance to working families earning up to 145% of the Federal Poverty Level (FPL). Only families who are employed qualify for assistance. The proposed expansion in HB 96 would increase eligibility to 160% FPL, ensuring more working families can access high-quality child care. Additionally, the proposal supports the Child Care Choice Voucher Program, which would provide assistance for families earning between 161% and 200% FPL. This expansion ensures that more parents remain in the workforce while supporting the economic stability of child care programs in a fiscally responsible way.

Ohio's economic future depends on a strong workforce. But today, too many parents are being forced to make impossible choices.





Parents with young children say they have had to leave the workforce because of an inability to find affordable child care.

These disruptions are not just personal hardships-they have a direct impact on Ohio's economy, exacerbating workforce shortages and slowing economic growth.



We know that investing in early childhood development is one of the smartest decisions we can make for our state's long-term economic success because highquality early childhood education is the foundation for kindergarten readiness, ensuring children enter school prepared to learn and thrive. Unfortunately, most Ohio children are not ready to learn when they begin school (65% of all children), and this increases to 79% of low-income children. The disparity between low-income children and their higher income peers exists in every county in the state. Children who participate in high-quality early learning programs are more likely to be kindergarten ready, graduate from high school, and contribute to a stronger workforce in the future. Simply put, today's child care investments not only support families and the workforce of today, but shape the workforce of tomorrow.

Ohio has an opportunity to respond to what families are asking for, and Ohioans– across party lines–want us to act. 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. They recognize what so many Ohio parents already know: when families have access to reliable child care, they work more, earn more, and contribute more to their communities.

61%

of non-full-time working moms say they would go back to work if their child had access to

quality child care at a reasonable cost.

Expanding publicly funded child care is the most direct and effective way to support working parents and ensure that Ohio businesses have the workforce they need. A robust child care infrastructure allows parents to reenter the workforce, increase their hours, and provide for their families without the constant worry of unreliable care. This investment pays off in the long run–producing a healthier economy, a stronger workforce, and greater opportunities for Ohio's youngest learners.

To ensure this investment is effective, we must also support program compliance measures that prioritize families' needs while strengthening the capacity of child care programs. We support the additional child care system improvements required by the federal government included in HB 96.

In addition to expanding child care assistance, we must also enact a refundable Child Tax Credit to help working families keep more of their hard-earned money. Voters understand that when families can afford the basics, they work more, earn more, and contribute more to Ohio's economy. Ohioans overwhelmingly agree: families need relief, and the Child Tax Credit is a solution that works. A staggering 84% of Ohio voters support a Child Tax Credit, including 83% of Republicans, 78% of Independents, and 94% of Democrats. That support only grows–to 87%–when voters learned that both President Trump and the former president have backed expanding the Child Tax Credit. We don't see bipartisan consensus like this often, especially in today's political climate. This is a unique moment for Ohio to take action on a policy that truly unites voters and working families across the political spectrum.

A Child Tax Credit ensures that work pays for Ohio families. It incentivizes parents to stay in the workforce, reduces financial stress, and allows families to invest in their children's futures. Studies have consistently shown that when families receive this kind of targeted tax relief, they spend it on essential goods and services–groceries, rent, child care–directly stimulating the local economy and supporting small businesses.

This is Ohio's moment to act. By expanding publicly funded child care and the Child Care Choice Voucher program to serve families up to 200% of the Federal Poverty

Level and enacting a refundable Child Tax Credit, we can remove barriers that keep parents out of the workforce, strengthen our economy, and ensure Ohio remains a great place to live, work, and raise a family. These are policies that reward work, reduce dependency, and promote the growth of our youngest children and the economy. Supporting Ohio's youngest children is not just the right thing to do-it's the smart thing to do for our state's future.

Finally, we support other key programming proposed by the Department of Children and Youth in HB 96, which provides further critical support for young children and families including, but not limited to, the following:

- Investments to scale community impact models like Cradle Cincinnati to encourage collaboration between women, clinicians, hospitals, managed care and other community partners to reduce infant and maternal mortality.
- Increased access to evidence-based home visiting programs including scaling of the Family Connects model statewide.
- Increased state investment in Early Intervention (Part C) to ensure timely evaluations, assessments, and service coordination for infants and toddlers with developmental delays.
- Expanded access to evidence-based early literacy initiatives, including curricula grounded in the science of reading and the Dolly Parton Imagination Library of Ohio.

Investing in these initiatives ensures Ohio's babies have access to the care and resources they need to survive *and* thrive, strengthening our communities and our economy for generations to come.

Thank you for your time, and I welcome any questions you may have.

Attached to this testimony is a copy of the polling memo that is the source for all poll data used in this testimony. To view additional polling data, visit <u>www.groundworkohio.org/poll</u>.

Also attached to this testimony is a summary of the impact of the proposed child tax credit proposed in House Bill 96 from the Prenatal-to-Three Policy Impact Center at Vanderbilt University.

To learn more about the needs of young children and families, view Groundwork Ohio's <u>Early Childhood Data Dashboard 2025</u>.





MEMORANDUM

TO:INTERESTED PARTIESFROM:NEIL NEWHOUSE/JARRETT LEWIS/TOMMY DOW
PUBLIC OPINION STRATEGIESCC:LYNANNE GUTIERREZ, PRESIDENT & CEO, GROUNDWORK OHIOSUBJECT:OHIO STATEWIDE SURVEY: KEY FINDINGSDATE: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 ages five and younger 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 five and younger (44%) rate their own financial situation as only fair or poor. And, over a third of parents with children five and younger (34%) share they have been having serious problems paying their rent or mortgage. Nearly half of parents with children five and younger (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 five and younger (49%) believe child care is difficult to find. Further, most parents with children five and younger (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.

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

More than 4-in-10 working parents with children five and younger (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 five and younger 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.