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April 18, 2025

United States House Committee on Ways and Means Work & Welfare Subcommittee 1139 Longworth HOB Washington D.C. 20515

Submitted electronically to <u>WMSubmission@mail.house.gov</u> on April 18, 2025.

Re: Temporary Assistance for Needy Families (TANF) Program In Need of Reform, Better State Accountability, and Fraud Protection

Chairman LaHood, Ranking Member Davis, and Members of the Subcommittee:

Thank you for the opportunity to submit comments on behalf of Groundwork Ohio. As a nonpartisan, nonprofit organization committed to advancing early learning and healthy development for Ohio's youngest children, we write today to emphasize the indispensable role that the Temporary Assistance for Needy Families (TANF) program plays in stabilizing working families through child care access.

In Fiscal Year 2023, Ohio dedicated nearly \$400 million of TANF funds (\$398,697,519) to support child care¹, making it one of the largest uses of TANF in our state. These investments help support an infrastructure that allows working families to participate in the economy, avoid deep poverty, and provide safe, nurturing environments for their children.

TANF Child Care Funding Enables Work and Economic Stability

In a state where child care costs now exceed the price of college tuition, TANF plays a vital role in connecting low-income families with child care they could not otherwise afford.

The annual cost of center-based care in Ohio has surged over the past three years²:

- Infant care: from \$10,118 (2021) to \$12,351 (2023)
- Toddler care: from \$9,050 (2021) to \$11,125 (2023)
- Preschool care: from \$7,966 (2021) to **\$9,580 (2023)**

¹Administration for Children & Families, <u>TANF Financial Data FY 2023</u>.

² Child Care Aware of America. (2023). <u>The U.S. and the high price of child care: 2023 affordability</u> <u>analysis.</u>

These increases, up to 23% in just two years, have made child care one of the largest expenses for Ohio families. The average family with two young children now spends 29% of their annual income on child care, a burden that is simply unsustainable without public support. Yet Ohio ranks last in the nation (51st) in income eligibility for child care subsidies, meaning too many working families fall through the cracks³. TANF funding helps fill that gap by providing subsidies to working families under 145% of the Federal Poverty Level.

New Data Confirms Widespread Economic Harm and Public Support

A 2024 statewide poll commissioned by Groundwork Ohio and conducted by Public Opinion Strategies provides striking insights into how this crisis is affecting families and the economy⁴. For families with young children, child care is at the center of their financial stress and these challenges have a direct and measurable impact on workforce participation

- 51% of Ohioans and 44% of parents with children under age five rate their financial situation as "only fair" or "poor."
- 73% of parents with young children say child care is expensive and 49% say it is difficult to find.
- Nearly half (49%) of all working parents in Ohio have reduced their work hours due to child care responsibilities–affecting more than 1 million workers statewide.
- 61% of Ohio moms with children under five who are not currently working full time say they would return to work if they had access to affordable, quality child care.

New data published in the *Untapped Potential* report, released jointly by the U.S. Chamber of Commerce Foundation, the Ohio Chamber of Commerce, and Groundwork Ohio, reveals the extraordinary economic toll of Ohio's child care crisis⁵. The report estimates that Ohio's economy loses \$5.48 billion each year due to child care challenges. Employers incur \$3.97 billion in annual costs related to absenteeism and turnover caused by unreliable child care, and the state forfeits an estimated \$1.52 billion in tax revenue annually.

TANF Stabilizes Children and Families

Your hearings have focused on the accountability and structure of TANF non-assistance spending, and we urge the Subcommittee to fully recognize the stabilizing role that TANF plays in supporting families with young children. The vast majority of TANF non-assistance spending that occurs in Ohio under the TANF block grant is to support child care for lowwage working parents and to support emergency hunger relief through foodbanks—both vital services. With an underfunded and increasingly fragile child care system in Ohio, TANF is one of the few investments helping to keep both families and providers afloat alongside the Child Care Development Block Grant. In fact, there are no additional state investments in the child care system beyond the "maintenance of effort" requirement for these block grants. In our work with families, we consistently hear how child care makes the difference between

³ National Women's Law Center. (2024). <u>Two Steps Forward, One Step Back: State of Child Care</u> <u>Assistance Policies 2023.</u>

⁴ Groundwork Ohio (2025). <u>2024 Child Care Poll</u>.

⁵ The US. Chamber Foundation (2025). UNTAPPED POTENTIAL IN OHIO.

keeping a job and losing it, between staying in safe housing or falling into crisis. These funds help families avoid the need for more costly interventions, from unemployment benefits to child welfare involvement.

Ohio Voters Strongly Support Continued Investment

Ohioans are united across party lines in their support for child care investments:

- 84% of voters believe the state should increase funding for child care to improve access, affordability, and quality.
- That support includes 77% of Republicans, 84% of Independents, and 92% of Democrats.

Ohioans understand the link between child care and the economy. They see it in their families, in their workplaces, and in their communities. It is essential that federal policy continues to reflect this reality.

In Ohio, TANF child care funding keeps parents in the workforce, stabilizes children in safe and enriching environments, and helps ensure a strong start for the next generation. As you consider reforms to strengthen accountability and performance in TANF spending, we urge you to ensure that the essential function of supporting working parents through access to child care is preserved, protected, and prioritized.

Thank you for your leadership and for your commitment to children and families.

Lynanne Gateure

Lynanne Gutierrez President & CEO Groundwork Ohio

Enclosure: Groundwork Ohio 2024 Child Care Poll Memo

CC: The Honorable Max Miller (R-Ohio-07) The Honorable Mike Carey (R-Ohio-15)





MEMORANDUM

то:	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.

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.