



June 2025

**Re: Statewide Business Community Child Care Priorities for Conference Committee**

On behalf of thousands of Ohio families and businesses, our organizations write to elevate child care as a policy priority during the conference committee process and throughout the 136<sup>th</sup> Ohio General Assembly. As all industries struggle to attract and retain talent, the costs and scarcity of child care services are robbing our labor force of an entire demographic of skilled, educated, and hardworking Ohioans.

In an economic study just released by the U.S. Chamber of Commerce Foundation, the direct financial impact to Ohio of insufficient child care coverage is **\$5.48 billion annually**. This number includes \$1.52 billion in missed annual tax revenue, and \$3.97 billion in child care-related employee turnover and absenteeism costs to Ohio employers. 70% of Ohio parents of young children missed work or class at least once in the past three months for child care reasons, and 33% of parents that experienced disruptions to their employment in the past year reported leaving the workforce as a direct result of child care issues. Finally, in 75% of states child care now costs more than in-state university tuition.

The complexities surrounding Ohio's child care crisis are rivaled by the costs involved in greater investments. We understand that these burdens must be shared with the employer community, local governments, and non-profit organizations. As the conference committee begins its deliberations, please know that ***our coalition is unified behind core, structural investments in Ohio's child care system that support working families, employers, child care providers and the state including:***

**INCREASING ACCESS TO AFFORDABLE, QUALITY CHILD CARE FOR WORKING FAMILIES AT OR BELOW 200% FPL**

Governor DeWine proposed increasing access to the publicly funded child care program to families up to 160% of the Federal Poverty Level (up from 145% FPL, which currently puts Ohio at the lowest eligibility in the country) and maintaining the Child Care Choice Voucher Program implemented last year to support working families between 161% and 200% FPL. As reference, all surrounding states have FPLs exceeding Ohio's 145% eligibility, with Michigan, Kentucky and Pennsylvania at 200% FPL and Indiana and West Virginia at 150%.

The House budget, upheld by the Senate, continues Ohio's FPL at 145% while decreasing the Governor's proposed voucher funds from \$225 million over the biennium to \$200 million. While we acknowledge and appreciate the General Assembly's willingness to largely continue the voucher program, we urge the conference committee to increase FPL eligibility and boost voucher access to the Governor's proposed level to sustain the progress already made.

### **ENSURING FEDERAL COMPLIANCE THAT SUPPORTS FAMILIES AND CHILD CARE BUSINESSES**

Further, we thank the Governor and the General Assembly for supporting federal compliance with measures that support child care affordability by limiting family copays to 7% of a family's income and support providers by aligning payment practices with the private market including paying on child enrollment versus attendance. These critical measures will be funded with federal Child Care Development Block Grant (CCDBG) dollars rather than additional state dollars, and we appreciate the work of our state leaders to honor these commitments.

### **RESTORING HOUSE LANGUAGE TO ESTABLISH THE "CHILD CARE CRED PROGRAM"**

Several states have launched "Tri-Share" programs, where child care costs are shared by employees, employers, and the state. Pending bills HB 2 and SB 32 propose a similar "Child Care Cred Program" in Ohio, and the House budget appropriated \$10 million to initiate this program with a cost share of 40% borne by employees, 40% by employers, and 20% by the state. We support this collaborative solution to reduce costs and improve employment access and urge restoration.

### **CULTIVATING IN-HOME OPTIONS IN CHILD CARE DESERTS**

In rural Ohio particularly, investing in the recruitment and support of in-home providers could yield substantial new capacity in high-need areas. The House budget creates a "Child Care Provider Recruitment and Mentorship Grant Program" funded at \$3.2 million, to help increase licensed providers and assist recruited entities and individuals. This grant program was retained by the Senate, and we appreciate the legislature's assistance towards expanding the pool of child care options.

### **GROWING EARLY CHILDHOOD EDUCATION WORKFORCE**

Child care providers struggle to attract and retain staff due to competition with higher-paying industries. Ohio must incentivize people to enter the caregiver profession while driving higher wages and benefits to keep them in service.

Active in 23 states, the T.E.A.C.H. program helps address the education, compensation, and turnover issues in the early childhood field. The Powering Optimal Wages and Encouraging Retention (POWER) Ohio program offers scholarships to qualifying staff who work toward an associate's degree or child development associate credential while remaining employed with their program. POWER Ohio also provides wage supplements to child care professionals to boost their income while they achieve or further their education. By providing a GRF match to augment existing funding sources, Ohio can double the number of scholarships under these programs and entice more people to enter the child care space.

With Ohio's job market expanding, a stable and well-trained workforce is critical. Addressing child care access and affordability requires a shared commitment from both the public and private sectors, and our organizations stand ready to support these efforts. Thank you for your consideration of these initiatives during the final days of the budgeting process.