



## Senator Michele Reynolds - 3rd District

### Sponsor Testimony for SB 273: Child Care Credit Act

Chairman Cirnio, Vice Chair Rulli, Ranking Member Ingram, and Members of the Senate Workforce and Higher Education Committee.

Thank you for allowing me the opportunity to testify on Senate Bill 273. This is groundbreaking legislation designed as a public-private solution to tackle Ohio's childcare crisis head-on.

#### **The Childcare Crisis in Ohio**

As you know, the high cost of childcare in Ohio has become an overwhelming burden for countless families. On average, the annual cost of childcare for an infant and a four-year-old is a staggering \$18,277, exceeding the average annual rent in Ohio. This financial strain has forced many parents, especially mothers, to reduce their working hours or leave their jobs entirely to manage childcare responsibilities.

The COVID-19 pandemic and the limited availability of childcare have only compounded this problem. There is a significant shortage of licensed childcare providers in many parts of Ohio, particularly in rural areas, forcing parents to choose limited and often subpar options.

The workforce impact is severe, exacerbating existing shortages and contributing to economic instability. With the limited options available,

many families settle for childcare that does not meet quality standards, negatively impacting child development and readiness for school.

### **Current State Support and Gaps**

While Ohio provides publicly funded child care to families earning up to 130% of the federal poverty level, current state support is inadequate. Many families who don't qualify for publicly funded programs struggle to afford childcare. Additionally, low reimbursement rates for publicly funded care have made it difficult for childcare providers to sustain their businesses and pay competitive wages.

### **The Child Care Credit Act**

It became clear that legislative action was needed. Senate Bill 273, the Child Care Credit Act, proposes a cost-sharing model involving employees, employers, and the state to make childcare more affordable and accessible.

This act will permit the cost of childcare to be shared equally, with each contributing a one-third share. Eligible Ohio families selected by their employers and ineligible for publicly funded childcare can participate. The bill allocates \$10 million to this program, distributed on a first-come, first-served basis to licensed or certified childcare providers.

### **Benefits for Stakeholders**

For our families, I understand the need for policies making childcare affordable, allowing full workforce participation.

For our employers, I understand they struggle to retain employees who are parents. This voluntary program serves as a tool to attract and retain talented staff.

For our providers, I understand the financial challenges from low reimbursement rates, threatening viability and competitive wages. This act supports their businesses.

By passing the Child Care Credit Act, we can support Ohio's children, working families, employers, and childcare providers, making childcare more accessible and affordable. In turn, we can expect stable families, increased workforce participation, and economic growth.

### **Conclusion**

The childcare crisis is a multifaceted problem affecting families, employers, and the overall economy. Immediate and comprehensive action is needed. The Child Care Credit Program represents a viable solution through its cost-sharing model, supporting children, working families, employers, and childcare providers.

Thank you. I welcome any questions from the committee.