



OHIO CHAMBER OF COMMERCE

BEFORE THE HOUSE FINANCE COMMITTEE INTERESTED PARTY TESTIMONY ON HOUSE BILL 96 MARCH 11, 2025

Good morning, Chairman Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, my name is Justin Barnes, and I'm the Vice President of Government Affairs for the Ohio Chamber of Commerce. Thank you for this opportunity to testify on behalf of our members on the State Operating Budget for Fiscal Years 2026 and 2027.

As you may know, for over 130 years, the Ohio Chamber has served as the state's leading business advocate, and we represent over 8,000 companies that do business in Ohio. Our mission is to aggressively champion free enterprise, economic competitiveness, and growth for the benefit of all Ohioans. As part of our mission, we seek to make Ohio the best place in the country for businesses to operate and grow.

When we at the Ohio Chamber canvass our members on their most immediate challenges, the universal response across all economic sectors continues to be workforce. That term, however, encompasses a broad spectrum of characteristics beyond merely job training and credentialing. We recognize that to have a qualified, reliable, and thriving base of employees available to Ohio businesses, any discussion of workforce must also include access to affordable housing, childcare, and transportation.

To that end, I'd like to highlight a few items that we have specifically requested through members of the House in the budget:

WorkLearnOHIO

Ohio's population growth from 2010-2020 lagged the national average, costing us a seat in the U.S. House of Representatives in the reapportionment process. While the national average for population growth was just over a half-percent, Ohio's population grew by just a quarter-percent. This demographic shift represents a coming challenge for the state's economy and future growth. The Ohio Chamber believes policymakers should aggressively consider recruitment campaigns, incentives, and advocacy to grow our population and retain top talent.

We applaud the establishment of the Governor's Merit Scholarship in the previous budget, a targeted measure to keep our brightest high school graduates in-state while equipping them with the financial means to continue their learning. While we strongly encourage continuing these scholarships, we should also look to retain more of Ohio's college students post-graduation.

Whether public or private, whether in a major city or in small towns across Ohio, our state's higher education institutions successfully attract students from across the United States. Unfortunately, a 2022 study from the National Bureau of Economic Research shows that approximately 12 percent more people leave the state after graduating from college than stay in Ohio. Further, research has shown that Ohio only retains approximately 55% of all degree-earning graduates of Ohio private and public colleges and universities, including associate degrees. This trend will exacerbate our population challenges unless we find a way to retain the skilled and educated talent we are developing here in Ohio.

One of the most important requests we would make of the General Assembly through this year's process is for the creation of a new proposal in the budget that we are calling **WorkLearnOHIO**, which would establish a statewide work-based learning platform for college students to more readily connect with Ohio-based employers during their time in school, and ideally leading to increased employment in Ohio post-graduation. We envision a one-time grant offered through a competitive bidding process that would create such a platform connecting employers with the talent they desperately need.

This employer-driven concept would align with provisions in the Executive Budget tasking each state institution of higher education with developing and implementing a program to *"connect students with Ohio-based employers to facilitate work-based learning opportunities, which may include internships, externships, and co-ops, tied to the student's course of study."* We believe WorkLearnOHIO is the right concept to connect students and employers on a statewide basis.

Enact Ohio Manufacturing Technologies Assistance Program

Manufacturing remains the backbone of Ohio's economy, accounting for nearly 17% of the state's GDP and employing over 700,000 Ohioans. However, manufacturers face increasing pressure to modernize, adopt advanced technologies, and upskill their workforce. The **Manufacturing Technologies Assistance Program**, currently being proposed by Representatives Santucci and Demetriou, provides critical support to small and mid-sized manufacturers by assisting in the adoption of new technologies, providing technical assistance and funding to help manufacturers innovate and remain competitive, and supporting workforce training initiatives to ensure employees have the skills needed for the future of manufacturing.

This proposal would provide \$12.5 million per fiscal year, for a total of \$25 million, in state matching funds to Ohio-based businesses that have been operating for years or even decades on thinning margins with little room to upgrade their software or machinery. By investing in this program, Ohio can position itself as a national leader in manufacturing innovation, attract new investments in legacy manufacturing businesses, and sustain high-quality jobs for Ohioans.

Expand Access to Affordable Childcare

Childcare is a key workforce participation barrier for Ohio parents and caregivers, who often make the difficult decision to disengage partially or completely from the labor market due to prohibitive costs or lack of availability. As all industries struggle to attract and retain talent, the costs and scarcity of childcare services are robbing our labor force of an entire demographic of skilled, educated and hardworking Ohioans.

There are complex challenges surrounding Ohio's childcare crisis. Those challenges are rivaled perhaps only by the costs involved in greater investments in this space. We understand that these burdens must be shared, and that solutions will necessarily involve the employer community, local governments, and non-profit organizations standing alongside the General Assembly to address these issues.

We believe that there are three core areas the state should address through this budget:

- 1) **Childcare must be made affordable for more working families.**
- 2) **Ohio must increase the capacity of center-based and in-home options, particularly in its numerous childcare deserts.**

3) Incentives must be provided to attract and retain childcare staff.

Accordingly, we would encourage the state's pursuit of the following policies:

Improving Affordability

- **Maintain 200% FPL Through the Continuation of the Childcare Choice Voucher Program**

Governor DeWine's 2024 Childcare Choice Voucher Program helped expand access to affordable childcare for families earning up to 200% of the Federal Poverty Level. To sustain this progress, we urge the Ohio General Assembly to maintain eligibility and voucher access at this level.

- **Implement a "Tri-Share" Public-Private Cost Sharing Partnership**

Several states have launched "Tri-Share" programs, where childcare costs are equally shared by employees, employers, and the state. Pending bills HB 2 and SB 32 propose a similar "Child Care Cred Program" in Ohio. We support these measures as collaborative solutions to reduce costs and improve employment access.

- **Make Foster and Kinship Caregivers Eligible for Publicly Funded Child Care**

Foster and kinship caregivers who are working are challenged with the same childcare challenges as other parents and caregivers when trying to access childcare. Childcare availability results in tough decisions that not only influences their ability to stay in the workforce, but often deters them from taking on the responsibility of caring for children who need the loving support of foster and kinship placements. This policy is reflected in HB 7 of the 136th GA and was also introduced last session.

Increasing Center-Based and In-Home Capacities

With 60% of rural and 39% of overall Ohioans living in childcare deserts, expanding supply is essential. We propose:

- **Financial Incentives for Redeveloping Dormant Facilities into Childcare Spaces**

The state should consider financial incentives for developers, non-profits, and local governments to convert unused buildings and spaces into functional childcare classrooms, similar to House Bill 41's \$10 million proposal.

- **Continued Provision of Childcare Access Grants**

The DeWine Administration previously reallocated \$85 million in federal funds to expand childcare facilities and services. Continuing these grants to center-based providers will support critical repairs and expansions to accommodate more children.

- **Cultivating In-Home Options in Childcare Deserts**

In rural Ohio particularly, capacity needs may be best met by stimulating the creation of more in-home providers. Investing \$3.5 million over two years to recruit and support in-home providers could create 1,500–2,000 new childcare slots in high-need areas.

- **Continue Modernizing Ohio’s Childcare Systems**

Ohio successfully streamlined its Step Up to Quality rating system in 2024, reducing tiers and the paperwork and administrative burdens for compliance. Additionally, in 2022 the bicameral *Publicly Funded Child Care and Step Up to Quality Study Committee* made several recommendations to improve and increase Ohio’s systems of childcare and early learning. Ohio should continue to thoughtfully examine its childcare systems to create new capacity and enhance existing options without sacrificing quality.

Early Childhood Workforce Development

Childcare 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. To strengthen this workforce, we recommend:

- **State Funding Matches to the T.E.A.C.H. Early Childhood OHIO and POWER Ohio Programs**

Expanding these scholarship and wage supplement programs through a GRF match to existing funding sources can double participation and help more workers enter and stay in the field.

- **Covering Costs Associated with CDA Credentialing Fees and Renewals**

Child Development Associate (CDA) credentials for early childhood educators cost \$425 per new certification, \$125–\$150 per renewal, and are valid for three years. In a field that pays comparatively low wages, even the slightest financial relief for these workers through the state covering these credentialing costs over the biennium would be meaningful.

- **Providing Childcare Scholarships to Early Childhood Workers**

In late 2022, Kentucky made childcare workers categorically eligible for free childcare benefits and will continue to do so at least through fiscal year 2026. As of January 2024, nearly 4,000 workers across the state utilized this program. Providing this benefit to working Ohio parents who themselves are childcare workers significantly increases their wage value while also freeing up providers already providing similar benefits to re-direct those monies into higher wages. We propose initially funding up to 5,000 slots for the children of childcare workers.

Promote Computer Science Offerings in K-12

Ohio’s economic competitiveness depends on having a technology-proficient workforce that is prepared with the skill sets for jobs that have yet to even be invented. Central to this idea is the continued integration of Computer Science (CS) educational courses at the K-12 level. Unfortunately, 38% of Ohio’s public school districts have zero offerings of CS at the high school level.

Improving the access and quality of technology education in our K-12 system is just one of many opportunities Ohio must capitalize on to fill critical job openings, improve the economic mobility of its residents, and enhance our state’s overall competitiveness national AND globally. The Ohio Chamber is

proud to stand with other members of the Ohio Computer Science Advocacy Coalition to advocate for the following:

- Support for the Governor’s renewal of the \$8 million line-item renewing the Teach CS program, which funds coursework, materials, and exams to professionally develop more CS teachers
- Requiring all students take a unit of Computer Science to graduate by 2032
- Fund a “CS District Playbook” at \$500,000 in FY2026 to help more schools implement computer science programs
- Extending the Computer Science teacher licensure waiver through 2032, allowing a teacher who completes professional development for a particular computer science class to teach that class without a full license

Bolster Efforts to Market Ohio as a Premier Destination

Ohio’s tourism industry is a key driver of Ohio’s economy, generating millions in revenue and supporting thousands of jobs across the state, but we are falling behind our neighbors in promoting the Ohio as a destination to visit, to work, to live, and to raise a family. We are supportive of efforts by Representative Melanie Miller to **increase the funding for TourismOhio from \$7.5 Million each Fiscal Year to \$10 Million in FY26, and \$12 Million in FY27.**

For the sake of comparison, surrounding states average \$25 Million per year, including West Virginia at a rate of \$39 Million per year, Michigan at \$35 Million per year, Indiana at \$20 Million per year, Pennsylvania at \$19 Million per year, and Kentucky at \$15 Million per year. We feel a modest increase will help to share our unique features and attractions and will be a good return on investment.

Increase Ohio’s Housing Availability

A lack of affordable and available housing is a growing concern for Ohio businesses and workers. Without sufficient housing options, attracting and retaining talent becomes more difficult. Increasing Ohio’s housing supply will support economic growth by ensuring workers can live near job opportunities, address workforce shortages by removing housing-related barriers to employment, and strengthen local communities by promoting development and revitalization.

We support the efforts to **add additional funds to the Ohio Low-Income Housing Tax Credit (LIHTC)** program and to extend it for a number of years. This program has demonstrated its worth since enactment in the previous budget and we feel that building upon that success will improve housing availability for working families across Ohio.

The Chamber supports the **revitalization of the Transformational Mixed-Use Development (TMUD) program for at least 4 additional rounds over two years.** The awards often contained a housing element, and this program should be allowed to offer local areas transformational development and increase housing supply.

We also support the efforts to **stabilize the Housing Trust Fund.** This fund provides gap financing, secures funds for housing the elderly, the homeless and other transition housing. The fund is also used to repair homes as well. The recorder fee as a source has not produced the level (\$70 million) needed so other sources either GRF or other dedicated sources should be examined for the fund.

Housing development is often constrained at the local level, and the Ohio Chamber supported efforts during the previous General Assembly in House Bill 499 which would **offer local governments incentives to modernize zoning, and other efforts to allow development and increase density of housing**. The source of the fund is open for debate and could come from a current tax expenditure or other sources identified during deliberation of this budget.

Miscellaneous Items

There are several miscellaneous items that I'll mention briefly in closing. First, we are engaged in active dialogue with the Department of Job and Family Services regarding **the imposition of a new fee on the employer community to pay for the construction of and maintenance on a new Unemployment Compensation system**. The pandemic revealed the need for an upgraded system that will be more efficient and effective in delivering results to the people of Ohio, and few understand that need better than the employer community. However, we believe the revenue derived from the surcharge should be accurately attuned to the true costs of building and maintaining this system. Constructing this fee such that it collects the necessary amount of money and no more will ensure that Ohioans are provided with the services they need without over-charging employers. I should also note that members of the General Assembly should be aware that none of the dollars collected from this new fee would be aimed at addressing overall solvency of the system.

Secondly, we have **concerns with language that would increase the fee for disposal of construction and demolition debris from \$1.60 to \$4.75**. This fee increase would have significant impact on the development projects that are in the pipeline for completion as well as any new development and construction that would result from the investments you make in this budget.

Additionally, we support a proposal that aims to **create a Transformational Sports Mixed-Use Development District**. This concept would partner state bonding authority with significant private investment to create world-class mixed-use development districts with sports complexes as a central focus. Sports development projects in Los Angeles, Dallas, and elsewhere have proven successful in bolstering economic growth, and this proposal would allow any groups interested in meeting the requirements put forward to pursue this funding mechanism.

We also support the **restoration of a publicly available database known as CIVICC**, the Civil Impacts of Criminal Convictions. This database offers a catalog of "collateral sanctions," or consequences of a criminal conviction that is not imposed by a court trial or judgment. These collateral sanctions can impact housing, civic participation, and – importantly – what type of job an individual can hold. CIVICC can be used by the workforce development system to help Ohioans with a past conviction fully engage with their communities and with the labor market to support themselves and their families.

In conclusion, we understand that this process is a long, time-consuming affair in which you will no doubt hear from countless Ohioans, whether they be business owners, local government officials, non-profit leaders, or those representing their clients in any number of capacities. On behalf of the over 8,000 members of the Ohio Chamber of Commerce, I want to express our sincere thanks for your consideration of these requests and for your hard work in shepherding our state's budget through the House. I would welcome the opportunity to answer any questions the committee may have.