

92nd House District

Hocking and Vinton Counties
Portions of Perry
And Ross County

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Committees

Chair of Commerce & Labor
Workforce Development
Finance
Natural Resources

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Mark Johnson

State Representative

**Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney
and members of the House Finance Committee,**

Thank you for hearing sponsor testimony on House Bill 2, which will establish the Childcare Cred Program.

The program is a public/private solution to tackle Ohio's childcare crisis head-on. As many of you know, the high cost of childcare in Ohio has become an overwhelming burden for countless families.

On average, childcare for an infant and a four-year-old costs a family \$21,931 annually as of 2024 which is up over \$17,000 from 2023. This financial strain has forced many parents, especially mothers, to reduce their working hours, or leave their jobs entirely to manage childcare responsibilities. In some areas we are seeing as low as 50% of the working age population actually being in the workforce leaving the rest to stay at home for childcare. The state of Ohio's workforce is operating at half capacity in many places and only 2/3rds capacity in the others.

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If we want to remain known as a business-friendly state, we need to address the childcare crisis. I feel this is a step in the right direction. This program is not mandatory. Both the employer and the employee have to apply and be approved. The employer also must have more than 1 employee in order to participate.

While Ohio provides publicly funded childcare to families earning up to 130% of the federal poverty level, current state support for childcare is inadequate. Additionally, low reimbursement rates for publicly funded care have made it difficult for childcare providers to sustain their businesses and pay competitive wages to their staff.

This program requires the participating family income not to exceed 400% of the federal poverty level. This legislation will establish the Childcare Cred Program under The Department of Children and Youth.

The bill allocates \$10 million to the program. This program is a Tri-Share program, the state puts in 20%, the employer 40%, and the employee 40%.

What piqued my interest in childcare was more than two years ago, Steve Stivers and the Ohio Chamber put on a session about the need for childcare. It was in my hometown of Chillicothe,

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where we had deep discussions about how we can provide childcare.

Marvin Jones, the CEO of my local Goodwill Center, who was also in the session, and his board took on opening a childcare center in Chillicothe, the first Goodwill to do that. They have worked to eliminate barriers to employment and now, as a legislature, we need to do our part to eliminate barriers for families.

I believe this is a solution that works, is business-friendly, and helps solve the problem.

I hope we can move forward with this legislation to build a strong partnership between our families and businesses.

Again, thank you for bringing this bill forward for consideration. I will take any questions you may have.