



OHIO HOUSE OF REPRESENTATIVES

State Representative Andrea White

H.B. 41 – Creating Public-Private Partnerships to Help Solve the Workforce and Child Care Crises
Representatives Andrea White and Bill Roemer
Sponsor Testimony

Representative White:

Chair Stewart, Vice Chair Dovilla, and Ranking Member Sweeney, thank you for allowing us to come and testify on House Bill 41. This legislation is about stimulating new public-private partnerships to help our businesses, community partners, child care providers and others work together to create increased access to on-site or near-site child care.

It's no secret that Ohio employers are facing a staggering workforce crisis as they seek to attract and retain employees, while sustaining economic growth. This crisis is only exacerbated by a second dueling crisis – the unprecedented challenges families are facing when they try to access safe, affordable and convenient quality child care in their communities. We are seeing examples all across Ohio where families who cannot afford child care are leaving the workforce altogether. Currently, the average cost of center-based child care for Ohio families ranges from \$9,580 to \$12,351 per year depending on the age of the child, with amounts being much higher than that in some of our cities like Columbus and Dayton. For example, a mom with two young children – an infant and a preschooler – would spend the first \$10 an hour she earned on child care alone, making a return to work

unaffordable for many Ohioans. Recent data provided by McKinsey at a statewide Childcare Summit in my district revealed that only 8% of Ohio families can currently afford the price of child care for both an infant and a toddler simultaneously, with 40% of Ohio parents already in debt due to child care costs and 55% expected to be in debt very soon.

Consider the following:

- 48% of small business owners say lack of available or affordable child care affected their ability to recruit and retain employees.
- 4 out of 10 parents have missed work, left early, or lost focus due to child care challenges.
- 1 out of 4 Ohio parents cite lack of child care as their reason for leaving the workforce.
- 1 million Ohio working parents have cut back on work hours due to child care barriers, with a recent survey showing more than 60 percent of moms with children under 5 would return to work or work more if they had access to child care at a more reasonable cost.
- And 13% of Ohio kids under the age of six live in families where someone quit, changed, or refused a job because of problems with child care.

The lack of access to quality early education is felt in virtually every community and every business sector across our state. Close to 40% of our citizens are living in areas that have little to no access to child care – considered in essence, a child care “desert.” Many of our neighbors travel considerable distances to drop their children off at a

child care center or family home, only to head off in a different direction another 20 or more minutes to get to work. These child care “deserts” are most prevalent in our rural and urban areas – the same areas which also have lower literacy rates as well as higher poverty rates. Let’s not forget, lack of access to quality child care and early learning impacts not only our workforce of today, but the developing young workforce of tomorrow who need access to quality early learning. Only 36% of our children are entering kindergarten ready to learn. The population of Ohio children who are under the age of six is 812,000. 67% of these children have all available parents in the workforce to some degree, with roughly 20% of these children living below 100 percent of the federal poverty level. As we expand access to sustainable, quality, early learning- we can make an impact on these Ohioans that need the help the most.

Ohio families and Ohio businesses are both losing ground due to our child care crisis. That’s why we need to act now to help our communities partner together and put their best ideas forward to help solve this problem – both for our families and for our businesses. We need an all-hands-on-deck approach to help solve this crisis and that’s what HB 41 is all about.

You may recall back in 2021 during the budget process of the 134th General Assembly, there were many conversations surrounding the topic of child care because we recognized that we had some significant problems in the state of Ohio in this area. This led to the creation of a year-long joint-legislative study committee that I co-chaired with Senator Jerry Cirino. The committee gathered input from dozens of stakeholders, including business leaders, child care partners, state administrators and families citing lack of access to quality,

affordable child care and subsequently lack of workforce availability. The committee created a final analysis and this legislation is actually the result of one of those recommendations. Representative Roemer will now tell you more about the bill's specifics and opportunities for impact.

HB 41 provides a new state grant fund, training, an employer toolkit and Design Learning Lab, to help employers partner with child care providers, non-profit, government and community organizations to expand affordable, quality on-site or near-site child care options to meet their workforce needs. A start-up innovation fund of \$10 million would be allocated, with grants capped at up to \$750,000.

Partnerships can use the funds to assist in retrofitting or equipping on-site or near-site facilities for child care, building new facilities, providing the space at reduced cost to child care providers so they can pay higher wages to attract workers into the field, or partnering in countless other ways with other providers, government entities, or non-profits on community initiatives to increase child care capacity. Long-term sustainability will need to be part of the plan for successful grantees, but the possibilities of what and how they choose to do are endless because they will be driven by community partners coming together to create innovative, locally-tailored solutions based on their own unique needs and existing resources. The initiative would be administered by the Department of Children and Youth, in conjunction with JobsOhio and the Department of Development.

HB 41 will help solve a human problem and an economic problem. As a direct result of child care issues, the United States loses \$122 billion in earnings, productivity, and revenue annually. Ohio's economy alone suffers an annual loss of \$5.48 billion according to a recent U.S. Chamber of Commerce Foundation study on Ohio: \$1.52

billion in lost tax revenue and \$3.97 billion in employee turnover and absenteeism costs related to child care. Our partners in the business community have increasingly acknowledged the need for quality child care for our workforce. The Ohio Chamber of Commerce has been a particularly strong business advocate in this area. Both former Lt. Governor and now US Senator Husted and Governor DeWine have spoken more frequently and loudly on this topic, and the Governor's plan and the Legislature's vote to create the new Department of Children and Youth last GA are all helping to magnify the issue and bring resources and ideas to bear in this area. We in the Ohio General Assembly need to continue to do our part to advance innovative solutions to the child care crisis and this creative approach to addressing the individual needs of specific communities is good place to start.

I want to point out we're seeing legislation like HB 41 spring up throughout the country, with positive outcomes being generated. For example, Colorado created a public- private partnership grant program with a design lab and since the program's beginning they have been able to create over 1,000 new child care slots with over half of them being infant/ toddler spots (some of the hardest slots to find). Colorado started in a similar situation as Ohio, with lack of access to child care throughout their state. Their data shows that for every dollar that has been invested there, there has been \$8.60 return on investment. Furthermore, 100% of the participants who pursued projects cited the design lab as vital to their process as well as feeling equipped with the tools to support designs, decisions making, and launch their solutions.

Another side benefit for employers who choose to participate in this initiative that I believe is important to mention is the impact on their employees while they are at work. Studies find that when the parents of these young children—our employees—know their children are in a place where they are well cared for, companies are able to improve productivity, reduce absenteeism and foster a more loyal, happier workplace.

With this legislation, we are diligently working to create a space where families can afford child care without leaving the workforce all together. If the imbalance of wages to child care costs remains, our workforce will continue to see shortages. We don't want to negate the work Ohio has done to become a business-friendly state with numerous job opportunities for families to thrive. We must continue to work with parents and businesses to establish affordable on-site and near-site child care facilities.

Chair Stewart, Ranking Member Dovilla, and Ranking Member Sweeney, we thank you for your time and the opportunity to testify, we can answer any questions you may have.