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H.B. 2
(1_136_1461)
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 2's Bill Analysis](#)

Version: In House Children and Human Services

Primary Sponsor: Rep. Johnson

Local Impact Statement Procedure Required: No

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Highlights

- The bill appropriates \$10.0 million in FY 2026 in GRF line item 830414, Child Care Cred Program, under the Ohio Department of Children and Youth's (DCY) budget, to support the Child Care Cred Program.
- If any state or local public employer chooses to participate in the program, the employer would realize costs. Costs would depend on the number of employees and their children that participate and the cost of child care provided.

Detailed Analysis

Child Care Cred Program

The bill creates the Child Care Cred Program under the Ohio Department of Children and Youth (DCY). Under the program, the costs of child care are as follows: participating employees are responsible for 40%, employers are responsible for 40%, and, subject to available funds, DCY is responsible for 20%. The bill establishes certain conditions on program participation, including that a participating employee's family income must be at or below 400% of the federal poverty level. In addition, the bill requires a child care provider under the program to hold a child care center or family child care home license issued by the state or be certified as an in-home aide by a county department of job and family services. However, the bill prohibits DCY from requiring a child care provider to participate in the Step Up to Quality Program in order to be an eligible program provider. Each employee and employer must together submit an application to DCY in a manner prescribed by the Department. DCY must review each application and determine if both are eligible to participate.

After DCY determines an employee and employer are both eligible and each agrees to participate, the bill requires the employee to select a child care provider, with DCY's assistance,

and requires the employee to enroll the child with the selected provider. DCY may require the employee, employer, and child care provider to each sign a memorandum of understanding with the Department. DCY is responsible for coordinating and performing all administrative activities associated with the sharing of child care costs and making payments to child care providers. The bill authorizes DCY to adopt rules as necessary to implement the bill's provisions.

Fiscal impact

The bill appropriates \$10.0 million in FY 2026 in GRF line item 830414, Child Care Cred Program, under DCY's budget to support the program. If any state or local public employer chooses to participate in the program, the employer would realize costs depending on the number of employees and their children that participate and the cost of child care provided by each participating child care provider.

Synopsis of Fiscal Effect Changes

The substitute bill (I_136_1461) makes changes to the distribution of child care costs under the program, caps a participating employee's family income at 400% of the federal poverty level as a condition of eligibility, and prohibits the Ohio Department of Children and Youth (DCY) from requiring a child care provider to participate in the Step Up to Quality Program in order to be an eligible provider. The substitute bill does not change the appropriation, as it is still \$10.0 million in FY 2026. However, making DCY responsible for a smaller percentage of program costs and capping family income levels could allow more individuals to receive services under the program. The provision prohibiting Step Up to Quality as a condition of provider eligibility could allow additional child care providers to participate in the program.