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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 41  
136<sup>th</sup> General Assembly

## Bill Analysis

[Click here for H.B. 41's Fiscal Note](#)

**Version:** As Re-referred by House Rules & Reference

**Primary Sponsors:** Reps. A. White and Roemer

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### SUMMARY

- Requires the Department of Children and Youth (DCY) to administer, in consultation with the Department of Development and JobsOhio, a grant program to expand child care capacity, support the state's workforce, and aid in business growth and recruitment.
- Appropriates \$10 million each in FY 2026 and 2027 for the program's administration, limits each recipient's grant award to not more than \$750,000, and requires the recipient to use its award only for the bill's purposes.
- Appropriates \$250,000 each in FY 2026 and 2027 to DCY to establish child care cohorts, create an employer-based child care co-design learning lab, and develop tools and resources to support efforts to increase Ohio's child care capacity.

### DETAILED ANALYSIS

#### Child care capacity grant program

The bill appropriates \$10 million each in fiscal years 2026 and 2027 to the Department of Children and Youth (DCY) to administer a grant program to assist employers in the following:

- Retrofitting or equipping their onsite or near-site child care facilities;
- Building new child care facilities;
- Partnering with child care providers, government entities, nonprofit organizations, or others on initiatives to create child care capacity within their communities to support the workforce.

The bill specifies that the program's aim is to increase the availability of child care in communities across Ohio and to aid in business growth and recruitment in Ohio. In administering the program, DCY must consult with the Department of Development and JobsOhio.<sup>1</sup>

### **Grant applications and eligibility**

Under the program, any entity may apply for a grant, but DCY must give priority to the following applicant types: employers seeking child care for their employees' children; government entities, nonprofit organizations, and other community partnerships seeking to expand child care capacity for the workforce in the communities they serve; or any combination of these applicant types.

To be eligible for an award, an applicant must demonstrate that the applicant's facility or applicant's partner provides, or intends to provide, publicly funded child care and participates, or intends to participate, in Ohio's tiered quality rating and improvement system for child care (referred to as Step Up to Quality).<sup>2</sup> An applicant also must submit a plan for ongoing sustainability to support its capacity expanding initiative and must identify the needs and gaps its initiative would address.<sup>3</sup>

### **Grant amounts**

The bill limits each grant recipient's award to not more than \$750,000 and requires the recipient to use the award only for the bill's purposes.<sup>4</sup>

### **Additional incentives**

The bill requires the Department of Development, in coordination with JobsOhio and DCY, to create additional incentives for new or existing businesses to expand child care capacity or child care support for the state's workforce.<sup>5</sup>

### **Child care cohort, learning lab, and resources**

The bill appropriates an additional \$250,000 each in fiscal years 2026 and 2027 to DCY to contract with an entity to do the following:

- Establish a cohort of child care grant recipients;
- Create an employer-based child care co-design learning lab;

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<sup>1</sup> Section 2(A).

<sup>2</sup> R.C. 5104.29, not in the bill

<sup>3</sup> Section 2(A).

<sup>4</sup> Section 2(A).

<sup>5</sup> Section 2(A).

- Develop tools and resources to train and support future child care grant applicants and other employers, government entities, or nonprofit organizations interested in expanding child care capacity.<sup>6</sup>

## **Cohort**

The contracting entity must coordinate education and knowledge-sharing among the grant recipients and cohorts and must provide them with technical assistance. The entity also must collaborate with recipients to collect and measure data, outcomes, and best practices, all as prescribed by DCY. The entity must prepare a report compiling the data, outcomes, and best practices and to submit it to DCY, the Governor, and members of the General Assembly. DCY must assist the entity in making the report available on DCY's website.<sup>7</sup>

## **Employer-based child care co-design learning lab program**

Under the bill, the aim of the employer-based child care co-design learning lab program to be established by the contracting entity is twofold:

- To assist employers, including businesses, government entities, and nonprofit organizations, in learning how to form partnerships and best fund, including by utilizing tax credits, grants like those available under the bill, and employer contributions and other opportunities as necessary to create onsite or near-site child care spots or facilities;
- To identify other innovative strategies to expand child care capacity in Ohio's communities.

The program must prioritize rural and underserved areas of Ohio. Each design lab may be regionally based and provide four to six months of intensive learning to employer participants. Participants are to learn processes and develop knowledge and competencies to plan, organize, and find operations partners, to create long-term financial modeling and business plans, to partner with community stakeholders and organizations, and to apply for grants, including those awarded by DCY. The program must emphasize the importance of operations partners, provide participants with sample requests for proposals, and encourage engagement with community and regional workforce leadership.<sup>8</sup>

## **Tool kit and other resources**

The bill requires the contracting entity to design an employer tool kit and other resources as determined by DCY, in consultation with JobsOhio and the Department of Development. The tool kit and resources may be used to educate employers on issues impacting, and solutions improving, employee access to child care.

The required tool kit must include the following:

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<sup>6</sup> Section 2(B)(1).

<sup>7</sup> Section 2(B)(2).

<sup>8</sup> Section 2(B)(3).

- Strategies to expand child care capacity;
- Any information, competencies, best practices, and other resources identified in the co-design lab program;
- Procedures for applying for available child care-related federal, state, and local tax credits and creating child care-related flexible spending accounts or other employee benefit supports;
- Any other resources identified by DCY, in consultation with JobsOhio and the Department of Development.

DCY must distribute copies of the tool kit to businesses, government entities, nonprofit organizations, and other entities, including by making it available on DCY's website.<sup>9</sup>

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## HISTORY

Action	Date
Introduced	02-03-25
Reported, H. Children & Human Services	05-14-25
Re-referred, H. Rules & Reference	05-21-25

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<sup>9</sup> Section 2(B)(4).