



Ohio House Families, Aging, & Human Services Committee
House Bill 145
Holly Gross, Columbus Chamber of Commerce
April 15, 2021

Chair Manchester, Vice Chair Cutrona, Ranking Member Liston and members of the committee, my name is Holly Gross, Vice President of Government Relations for the Columbus Chamber of Commerce. Thank you for the opportunity to provide testimony in support of House Bill 145, which would expand initial child care eligibility from 130 percent of the Federal Poverty Level to 200 percent of the Federal Poverty Level.

With nearly 2,100 members, the Columbus Chamber serves as the voice of small businesses across the 11-county Columbus region.

The Chamber would like to thank the bill sponsors, Columbus delegation member Representative Lightbody and joint-sponsor, Representative White for introducing this important bill.

Under current law, families can enter Ohio's publicly funded child care system if they earn up to 130 percent of the federal poverty level, or \$34,450 a year for a family of four. Under his executive budget, Governor DeWine proposed to increase that threshold to 138 percent, and 150 percent for families of children with special needs. The House version of the budget released earlier this week maintains the executive level funding, and we would like to thank you for that. The Columbus Chamber supports an incremental approach offered in the budget, but certainly favors this legislation's more meaningful and immediate increase in investment to cover families with an annual income up to \$53,000, or 200 percent of the federal poverty level. The goals of each proposal are the same: to provide increased support for Ohio's youngest children, help Ohio businesses fill open jobs by increasing workforce participation, and ultimately grow the state's economy.

According to a November 2020 study of Columbus Chamber members, 50 percent of businesses relied upon keeping open in-person child care in order to operate. The pandemic exacerbated and also highlighted some of the many challenges that were present before COVID-19, and will persist afterwards absent policy changes. However, I believe a silver lining of the pandemic is that it made clear to employers just how integral a fully functioning child care system is to the success of their business. Businesses began asking the Chamber for guidance and consultation on this topic so much that we added it as a data point to permanently track, monitor, and seek to address. We added to the Chamber's public policy agenda a new legislative priority: *we aim to address workforce attraction and retention problems and level the playing field for economic success by helping parents afford child care, and ensuring more low-income children have access to high-quality care.* The Columbus Chamber is committed to advocating for this change.

Lack of child care options during the pandemic has kept people out of the workforce. This has a disproportionate impact on working mothers, with 2.3 million women leaving the U.S. workforce over the last year, leaving the women's labor force participation rate at 57 percent - the lowest it's been since 1988. As of September of 2020, 1.1 million people stopped looking for work, 80 percent of which were women, and 50% of the women were between the ages of 30 to 45 - prime working years. These should be troubling statistics to anyone, but especially to policymakers whose priorities are focused on economic growth and prosperity.

While this legislation is not specifically tied to the pandemic, it will certainly help to spur our economic recovery. With the State of Ohio slated to receive a substantial infusion of federal dollars under the American Rescue Plan Act of 2021, a portion of which is dedicated to helping children and families, the legislature is poised to make a down payment on transforming our child care system for children, families, and businesses. And this legislation will ensure the continuation of that investment.

Small businesses, especially those employing unskilled and entry level workers, will especially benefit from increasing the investment in publicly funded child care. Under current law, many parents, most often mothers, have to make the tough decision of whether it makes more economic sense to enter or reenter the workforce, or to stay home and care for their children. In the Columbus Region right now, there are nearly 20,000 unfilled jobs that typically require on-site participation, such as positions in the healthcare, manufacturing, logistics and construction industries. We need public policy solutions to help employers tap into the talent they need, and House Bill 145 would accomplish that goal by allowing more parents the opportunity to work.

Most small businesses, even those that would like to, find it cost prohibitive provide on-site daycare or child care benefits to their employees. The workforce, and therefore these employers, rely on a quality, reliable child care system. This is especially true of businesses employing lower wage workers, such as the individuals that would be captured by this legislation, who rely most heavily on a robust publicly funded system.

H.B. 145 has a multi-generational workforce impact. Not only does it help to address the workforce challenges of today, it also sets us up to address the challenges of tomorrow. Increased public investment in high-quality child care is a wise business decision for the state, because it delivers a strong return. The highest return comes from investments in the earliest years because that work reduces later spending on special education, health care, and the criminal justice system. Only 41 percent of children entering kindergarten are ready to learn. This statistic is the most relevant figure to determine outcomes for 3rd grade reading, 8th grade math, and even outcomes after high school graduation, such as earning potential and utilization of social services. Increased access to quality child care options, as well as additional programmatic support, can greatly improve that number, and in turn, improve the trajectory for success for many Ohioans.



House Bill 145 will have a significant positive impact on the business community. To address workforce challenges and to grow our economy, we respectfully request the committee's favorable consideration of this legislation.

Thank you, and I'm happy to answer any questions.