



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 273
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Reynolds

Elizabeth Molnar, Attorney

SUMMARY

- Creates the Child Care Cred Program in the Department of Children and Youth, a voluntary program that allows the costs of child care to be shared equally by eligible employees, participating employers, and the Department.
- Authorizes a participating employer to select each employee that the employer agrees to contribute to the employee's child care costs.
- Requires each participating employee to choose a child care provider for the employee's child, but specifies that the chosen provider must hold a license issued by the state or be certified by a county department of job and family services.
- Requires the Department to perform all administrative activities for the program, but also authorizes it to delegate that performance to one or more third-party entities.
- Appropriates \$10.0 million in FY 2025 from the GRF for the Child Care Cred Program.
- Allows the Director of Children and Youth, if there are insufficient funds for the Child Care Cred Program in FY 2025, to certify to the Director of Budget and Management the amount necessary to fund the program. Appropriates the amount certified.

DETAILED ANALYSIS

Child Care Cred Program

S.B. 273 creates the Child Care Cred Program in the Department of Children and Youth.¹ Under the program, the costs of child care may be shared by eligible employees, participating employers, and, subject to available funds, the Department. The bill specifies that the program

¹ R.C. 5180.41.

has three goals – enabling employers to attract and retain talent; assisting eligible employees with child care costs; and sustaining the businesses of child care providers.

Voluntary participation

The bill states that participation in the program is voluntary, specifying that neither an employee nor the employee’s employer is required to participate.²

Cost sharing

An employee’s child care costs are to be shared equally by the employee, the employee’s employer, and the Department, with each contributing a one-third share. An employer, however, may agree to also contribute some or all of the employee’s share.³

Eligibility conditions

The bill establishes the following conditions on program participation.⁴ In the case of an employee, the employee must reside in Ohio, be ineligible to participate in the state’s publicly funded child care program (PFCC), and have been selected for participation by the employee’s employer.⁵

In the case of an employer, the employer must employ individuals who are working in Ohio and have selected one or more of those employees to participate in the program.

With respect to a child care provider, the provider must 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.

Application

An employee seeking to participate in the program, together with the employee’s employer, must submit an application to the Department in a manner prescribed by the Department. The Department must review each application as soon as practicable after it is received and must determine if the employee and employer are both eligible to participate.⁶ Note that an eligibility determination remains valid as long as the employee, employer, and child care provider continue to satisfy the bill’s eligibility conditions.⁷

² R.C. 5180.41(B).

³ R.C. 5180.41(B).

⁴ R.C. 5180.41(C).

⁵ Until June 30, 2025, the maximum amount of family income for initial PFCC eligibility cannot exceed 145% of the federal poverty line (FPL), or 150% for special needs child care. For continued eligibility, the maximum amount cannot exceed 300% FPL. See R.C. 5104.38 and Section 423.130 of H.B. 33 of the 135th General Assembly.

⁶ R.C. 5180.41(D).

⁷ R.C. 5180.41(F).

Program administration

After the Department determines an employee and employer are both eligible and each agrees to participate in the program, the bill requires or authorizes the following actions:

- The employee, with the Department’s assistance, must select a child care provider for the employee’s child and must enroll the child with the selected provider. An employee may opt to choose his or her existing provider so long as that provider is licensed or certified as required by the bill.
- The Department may require the employee, employer, and child care provider to each sign a memorandum of understanding with the Department.
- The Department is responsible for coordinating and performing all administrative activities associated with the sharing of child care costs and making payments to child care providers.⁸

Third-party delegation

The bill authorizes the Department to delegate the performance of some or all of its administrative activities to one or more third-party entities. The Department is required to specify the conditions that an entity must satisfy before it delegates to the entity.⁹

Fraud, misrepresentation, or deception

If the Department finds that an employee or employer has committed fraud, misrepresentation, or deception in applying to participate, or in participating, in the program, the employee or employer is permanently ineligible to participate, or to continue to participate, in the program.¹⁰

Rulemaking

The bill authorizes the Department to adopt rules as necessary to implement its provisions.¹¹ If the Department adopts any rules for the program, it must do so in accordance with Ohio’s Administrative Procedure Act.¹² The bill also specifies that a regulatory restriction contained in such a rule is not subject to the two-for-one rule, effective until July 1, 2025, or the statutory cap, effective beginning July 1, 2025, on the number of regulatory restrictions that the Department may have in place.¹³

⁸ R.C. 5180.41(E).

⁹ R.C. 5180.41(E)(3).

¹⁰ R.C. 5180.41(G).

¹¹ R.C. 5180.41(H)(1).

¹² R.C. Chapter 119, not in the bill.

¹³ R.C. 5180.41(H)(2). See also R.C. 121.95 to 121.953, not in the bill.

Appropriation

The bill appropriates \$10.0 million in FY 2025 in GRF line item 830414, Child Care Cred Program, under the Department of Children and Youth.¹⁴ If the Director of Children and Youth determines that there are insufficient funds in FY 2025, the Director may certify to the Director of Budget and Management the necessary to administer the program. The bill appropriates the amount certified to line item 830414, Child Care Cred.

HISTORY

Action	Date
Introduced	05-21-24

ANSB0273IN-135/sb

¹⁴ Section 3.