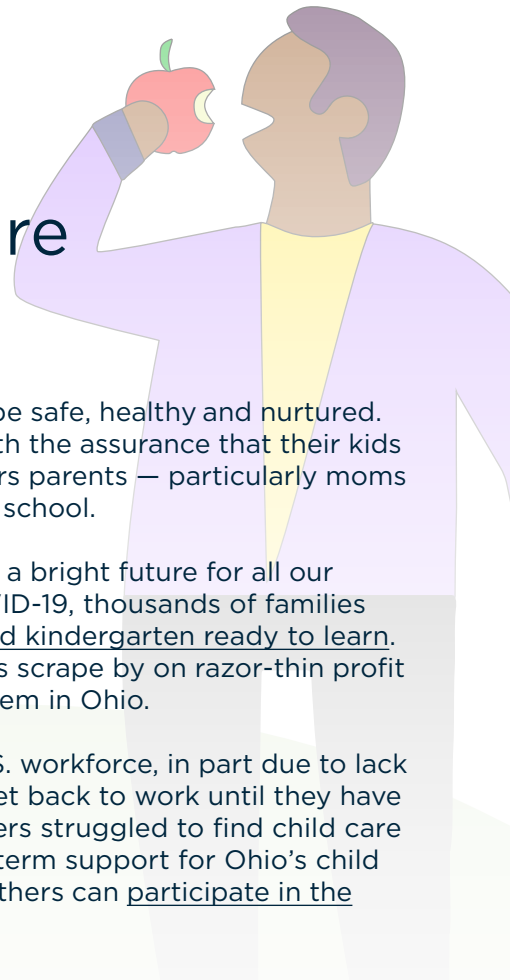


# Budget Bite

## Expand access to high-quality child care

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Every child, regardless of what they look like or where they live, deserves to be safe, healthy and nurtured. All parents, no matter how much money they make, deserve to go to work with the assurance that their kids have a safe, nurturing place to be. High-quality, affordable child care empowers parents — particularly moms — to go to work while providing children with a strong foundation to thrive in school.

For decades, Ohio lawmakers haven't devoted the resources required to build a bright future for all our children or to properly compensate child care professionals. Even before COVID-19, thousands of families could not afford high-quality child care and only 26% of Black children started kindergarten ready to learn. Most child care workers are paid poverty-level wages and child care providers scrape by on razor-thin profit margins. These issues are all symptoms of an under-resourced child care system in Ohio.

Since the beginning of the pandemic, over 2.3 million women have left the U.S. workforce, in part due to lack of child care options. Mothers who have left the workforce won't be able to get back to work until they have access to safe, affordable child care options. Even before COVID, many mothers struggled to find child care that aligned with their work schedules. State lawmakers must dedicate long-term support for Ohio's child care system to reduce the cost of child care and increase access so more mothers can participate in the workforce.

Child care can be crushingly expensive. Right now, a single mother in Ohio with an infant and a 4-year-old, working full time at \$15 an hour, makes too much to qualify for publicly funded child care. She would have to spend \$18,267 (58.5% of her income) on child care expenses alone, leaving her with too little to pay for other basic necessities to support herself and her family. (See table below.)

*Source: Average cost of center-based care for one infant and for an infant and a 4-year-old from "Price of Child Care in Ohio," Child Care Aware of America, <https://bit.ly/2BRqCjc>.*

Ohio ranks near the bottom among all 50 states when it comes to helping parents afford high-quality child care. Ohio policymakers set initial eligibility for publicly funded child care at 130% of the federal poverty level (FPL). That means that a parent with two children can make no more than \$13.75 an hour (\$28,548 or less annually) to get help with the high cost of child care. If she makes more, she won't qualify for subsidized child care. Only two states make it harder to qualify for public support to help afford child care.



The state budget for 2022-23 would boost initial eligibility for publicly funded child care from 130% to 138% of FPL (\$13.75 an hour to \$14.57 an hour for a full-time job for a family of three). The Ohio Department of Job and Family Services (ODJFS) estimates that this will help an additional 2,000 children in state fiscal year (SFY) 2022 and 2,500 children in SFY 2023. While this is a step in the right direction, tens of thousands more children and families are still left out. This is why we call on lawmakers to boost initial eligibility for publicly funded child care up to 200% of FPL (about \$21 an hour or \$43,900 a year for a family of three). This would expand child care aid to an estimated 37,000 children.

Although child care is out of reach for far too many Ohio families, the child care system is built on a low-paid workforce, which is 95% women who are disproportionately Black and brown. The median wage of child care workers in Ohio is just \$10.90 an hour. Poverty-level wages lead to high turnover, which increases costs for child care providers and reduces the quality of child care. State lawmakers can increase the minimum wage to \$15 an hour by 2026. Lawmakers can also reimburse child care providers at a rate that enables them to pay at least \$15 an hour and make sure increased reimbursement rates are tied to wage increases.

Short-term federal funds are available to expand access and improve the wages of the child care workforce. The American Rescue Plan includes \$500 million in federal money to strengthen Ohio's child care system and \$800 million to stabilize child care providers, but this is one-time money, and the state hasn't decided yet how the stimulus funds will be used. The Temporary Assistance to Needy Families (TANF) program is another source of federal funds that supports Ohio's child care system. Over the last several years, Ohio hasn't spent all of TANF, leading to a surplus of \$656 million at the end of SFY 2019. ODJFS projects this surplus will run out at the end of SFY 2023. The federal stimulus and the TANF surplus are both short-term funding streams, so state lawmakers need to provide sustainable state funding to build a strong, resilient child care system that serves and supports all working families and pays child care workers a wage that reflects their critical work.

### Recommendations

**Make sure all working families who need it can afford high-quality child care.** Ohio lawmakers need to increase initial eligibility for publicly funded child care from 130% to 200% of the federal poverty level. This will make child care affordable for thousands of Ohioans who need it, give more children a brighter future, and help more mothers get and keep good jobs.

**Pay child care workers a living wage.** No child care worker should be paid less than \$15 an hour. Ohio lawmakers can improve wages for child care workers by increasing the minimum wage to \$15 by 2026. State lawmakers can also increase reimbursement rates to child care providers and make sure the increases are tied to wage increases for the child care workforce.

**Make long-term investments in children and families.** Ohio can't afford to continue neglecting our children's future and parents who want to get back to work. State lawmakers must make child care more affordable, serve more children and families, and ensure the child care workforce is paid a living wage. State lawmakers must dedicate enough public resources to build a sustainable child care system that supports children, families, child care professionals and the economy.