

## Improving public childcare: It's getting better. There's still more to do

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Ohio's public childcare program was improved in the current budget. Legislators eliminated charges for the poorest working families, allowed families in the program to remain enrolled with some help all the way up to 300 percent of poverty, and allowed extended time for a job search once a year. They also raised the ceiling at which a family can get into the program from 125 percent of the poverty level (\$25,200 for a parent with two children) to about 130 percent (\$26,208).

These changes help, but there is much more to do. Quality childcare is an essential state investment, with one of the highest returns that can be made for children, families, communities and the economy. It helps employers by reducing turnover among working parents. It has a strong multiplier effect, pumping \$1.92 into the economy for each dollar invested and over time. The rate of return from investments in childcare also beats the market average, according to the Nobel prizing winning economist James Heckman. Here's what Ohio needs to invest in:

**Boosting the level for initial entry into the program to 200 percent of poverty:** A mother of two offered at job at just \$26,500 would earn too much to become eligible for help with childcare. Her monthly earnings are just \$2,208. If she lives in Cleveland and has an infant and a three year old, her childcare costs are around \$1,742 a month, or 80 percent of what she earns. Even if this family makes \$40,000 a year – or 200 percent of the poverty line – childcare takes about half of total monthly earnings.

Childcare is expensive, but for working parents it's a necessity. Ohio should provide aid to struggling, working families that make up to twice the poverty level.

**Boosting payments to providers of public childcare:** The quality of Ohio's public childcare program suffers because the state's rate of pay to the small businesses providing childcare services is among the lowest in the nation. As a result, many centers do not accept public childcare vouchers. Those that do have trouble keeping qualified teachers, because the pay is too low. Legislators need to raise reimbursement rates, so childcare providers can keep qualified staff, ensure safe facilities and and childcare workers earn a living wage.

### Key findings: Childcare in Ohio

#### Checked off:

- Co-pays have been eliminated for the poorest;
- The cliff is smoothed;
- Up to 13 weeks for job search is allowed once a year.

#### To do:

- Restore initial eligibility to 200 percent of poverty.
- Boost quality with adequate reimbursement to the small businesses providing state-funded childcare.