



Contact: Wendy Patton, 614.221.4505
policymattersohio.org/childcare-may2014

Ohio childcare rules undercut work

Report finds subsidy “cliffs,” recommends ways to strengthen aid

Ohio could improve lives of many working moms this year by making public childcare work better for families and children, according to a report released today by Policy Matters Ohio. The study examines Ohio’s “childcare cliff,” where a small increase in earnings causes families to lose childcare subsidies and see reductions to their family budgets.

“Work supports like childcare assistance are supposed to help families move out of poverty, but the transition can be difficult,” said report author Wendy Patton. “Childcare is so expensive that parents may be reluctant to accept more hours, a raise or a better-paid job if it threatens eligibility.”

Work supports, including childcare assistance, are designed to help families make ends meet with jobs that don’t pay enough to raise a family. Most of the largest occupational categories in Ohio pay far less than a family needs for self-sufficiency. Work supports help families bridge that gap.

The report outlines other gaps in childcare assistance. Changes in shifts, hours, or jobs, or problems with paperwork, are “cracks” through which families can fall out of the system. Once out of the system, they often are unable to regain childcare support unless their earnings put them at the level of initial eligibility, 125 percent of poverty.

“In the low-wage economy, these childcare gaps mean employers may struggle to retain a flexible workforce,” said Patton.

The report recommends that:

- The state ease the cliff by raising the level of initial eligibility and extending support to the self-sufficiency level in each county;
- Children be accepted in a classroom for a full year, regardless of changing circumstances of parental employment (“continuous eligibility”), as in other Ohio early learning programs;
- Childcare centers be allowed to accept children for care before final approval for assistance is granted (“presumptive eligibility”).

Amendments proposed to House Bill 483, the Mid-Biennium Review, are steps in the right direction on continuous eligibility and presumptive eligibility.

“Good childcare has a short-term benefit as a work support, and lifelong benefits for children,” said Patton.

###

*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*