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Kasich doesn't go far enough with childcare assistance

Gov. John Kasich's budget proposal would slightly improve Ohio's childcare assistance program, which has some of the most stringent eligibility standards in the nation. But much more needs to be done to support low-wage families and help employers maintain a reliable, skilled workforce, Policy Matters Ohio says in a new report.

The executive budget proposal for 2016-17 would ease the childcare "cliff," which is the loss of childcare aid for a family at 200 percent of the poverty level (about \$40,000 a year for a parent with two children). The "cliff" means that a parent who gets a \$1 an hour raise may be thrust above the eligibility ceiling, even though the raise is not nearly enough to pay the steep cost of childcare. The average cost of childcare for a preschooler and school-age child in Cuyahoga County was \$1,602 a month in 2013 – almost half the income of a family earning \$40,000 a year.

Kasich proposes that instead of a sharp drop in assistance at 200 percent of poverty, the aid would taper off, ending at 300 percent of poverty (\$60,270 for a family of three in 2015). This is an improvement, but helps only a tiny share, the Policy Matters analysis found. About 98 percent of families lose assistance for other reasons, such as losing a job, failure to provide verification of eligibility or inability to afford the co-pay.

The governor's proposal also eliminates co-pays for families earning less than the federal poverty level, which will be helpful to many. But more is needed. The report recommends the public childcare program accept children for a full year, regardless of what happens to the parent's job or paperwork. Twelve months of consistent care offers long-term benefits for children, including improved stability in the classroom.

Kasich also proposes increasing initial eligibility from 125 percent of poverty (\$24,732 a year for a parent with two children in 2014), to 130 percent of poverty (\$26,117 in 2015). That still leaves Ohio among the most stringent states. The report recommends that initial eligibility be restored to 200 percent of poverty. Restoration of this threshold would help families climb out of poverty and put Ohio in line with model state programs for comprehensive childcare assistance.

"Only three states now make it harder for a family to qualify for help with childcare than Ohio," said Policy Matters Senior Project Director Wendy Patton, who authored the report. "Helping a family that earns \$30,000 or \$40,000 with the high cost of childcare is an excellent way help parents work and move up the earnings ladder."

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

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