



OHIO
CHILDREN'S
BUDGET
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ISSUE BRIEF

Expand Access to High Quality Child Care

Every child, regardless of race, class, or zip code, deserves to be safe, cared for, and educated. High quality childcare provides care for our children and helps prepare them to be successful in school and their future. Childcare also keeps our economy running and helps parents stay in the workforce.

Policy

Ohio's publicly funded childcare (PFCC) program is available to children of working parents at or below 130 percent of the federal poverty level (a family of three making \$28,236 a year or less). Once qualified, families can continue to participate in the program until they surpass 300 percent of the federal poverty level (which is \$65,160 for a family of three). PFCC is administered by the Ohio Department of Job and Family Services. All licensed childcare providers serving PFCC kids are rated at least a 1-star as of September 2020 and must be rated at least a 3-stars by 2025 in the state's Step Up to Quality rating and improvement system in order to continue receiving state funds.

Challenge

In Ohio, only 26% of Black children and 41% of all children start kindergarten ready to learn. When children have access to high quality early education, they are more likely be ready to learn and grow when they enter kindergarten. This is critical because we children who start behind often stay behind.

While childcare has always been critical, the COVID-19 pandemic shows just how challenging life is when families lose access to it. Before COVID-19, childcare providers operated on razor-thin margins. Like other businesses, some childcare centers have had to close or reduce capacity. As of August 2020, Ohio's publicly funded childcare program served 24,581 less children compared to August 2019.

This has hurt our economy, families, and ultimately, our children. Black children and their families have disproportionately borne the brunt of this capacity loss. The same is true for our youngest children—our state's capacity to serve infants as opposed to older children in the system has been disproportionately impacted. Based on a national survey of providers including Ohio, 53% of Ohio programs identified that they will face permanent closure within 6 months without additional support.

The decreased childcare capacity in Ohio is already forcing parents to make choices about child care and school at the same time that they're having to make decisions about the economic security and health of their household. In September, over a million people nationwide dropped out of the workforce and 80% were women. A single mother of two, earning \$15/hour spends half her income on childcare. She makes too much to qualify for PFCC, but she makes too little to afford high quality childcare and other basics to support her family. Ohio lawmakers can make childcare more affordable to reach more children with high quality care and help more women provide for their families and stay in the workforce.



Long before the pandemic, the childcare system was built on low-wage labor performed by women and disproportionately Black women. Women make up 95% of the childcare workforce were making an average wage of just \$10.64 an hour. Childcare workers perform an essential role of loving, caring for and teaching our children and helping parents stay in the workforce; their wages should reflect this essential work.

Opportunity

Ohio has made an incredible effort over the past months to protect the public from harm, support the health systems that are needed to fight COVID-19, address the severe economic impact on many businesses, and set the stage for a swift economic recovery.

Childcare is essential for each of these efforts. In fact, none of them can happen without a well-functioning childcare system. But the past months have exposed the fundamental weaknesses in our childcare system that many families, early educators and employers have experienced over the past decades.

We now have an opportunity to make structural changes to fix the system. Now is the time for state lawmakers to fully fund an early care and education system that supports all kids, families, and our state's economy. We need to build a system that offers high-quality care and education to children, is reliable and affordable for parents as they head back to work and offers a living wage for childcare professionals. Childcare requires investment, time, attention, and creativity to get through this crisis and help our state get back on its feet.

Despite COVID-19, childcare has proven to be a critical work support for our current workforce and increase a child's likelihood to be ready to learn when they enter the kindergarten classroom. Kindergarten readiness predicts academic and life success making quality childcare a down payment on our future workforce. This is why quality childcare during the critical early years of development is a powerful prevention policy that offers a 13 percent return on public investment.

This is why Ohio's childcare providers have made a commitment to quality. 100% of Ohio's publicly funded childcare providers are now participating in Ohio's Step Up to Quality System, including 47% of programs that are highly rated. With continued commitment to and investment in high-quality childcare, Ohio can ensure that low-income children are positioned for success early. We know that high-quality childcare in Ohio works for families and children and is good for our state's economy.

Budget Recommendation

- **Sustainability:** Protect all current levels of state and federal investments in PFCC and increase state investment in the program to support the increased cost of operations during COVID-19, recover lost capacity as a result of COVID-19 and ensure that the system has sustainable funding mechanisms throughout the FY22-23 budget.
- **Access:** Expand initial eligibility for publicly funded child care from 130 percent FPL to 200 percent FPL (which would support a family of three making \$43,440 or less) to help parents afford child care and ensure more at-risk children have access to high-quality care
- **Quality:** Support all providers serving children in publicly funded child care in achieving 3-stars by 2025 in Ohio's Step Up to Quality rating and improvement system to ensure kids receive the quality care they need to thrive. This includes supporting a highly skilled and fairly compensated early childhood workforce.
- **Equity:** Evaluate programs from an equity lens and utilize data to make targeted investments that eliminate barriers to access and the impacts of COVID-19 based on race, rural geography and age of the child.

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