



News Release – For Immediate Release

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Childcare changes will affect families and caregivers

Changes to Ohio's subsidized childcare program will reduce benefits to families and increase requirements for providers.

Beginning June 9, 2003, an estimated 2,504 Hamilton County families will lose government-funded vouchers that help them pay for childcare. The cut will affect 3,936 children and reduce the county's subsidized childcare program by 29 percent.

In addition, all parents receiving childcare benefits will see an increase in their co-payments. Co-payments are currently based on a sliding income scale, but will increase uniformly to nearly 10 percent of a family's monthly gross income.

Reductions in Ohio's subsidized childcare program – which will affect parents state-wide – are due to budget cuts announced last January by Gov. Bob Taft.

Other changes in the program will affect childcare home providers. New rules will toughen the standards for certified Type B homes. These homes are certified by counties to provide care for up to six children (including the provider's own children under age six). The new rules include increased training and a requirement that the provider have a high school diploma or GED. Local providers are independent business persons who hold contracts with the Hamilton County Department of Job and Family Services (HCJFS). HCJFS contracts with approximately 2,000 providers who will be affected by the new rules.

HCJFS will hold a forum for its contracted child care providers from 6:30-8:30 p.m. May 6 at North College Hill High School. The purpose is to explain the changes to the program. The forum will also reinforce to childcare providers their legal obligation to know the signs of child abuse and neglect and to report suspected cases to 241-KIDS.

The reduction in childcare benefits means state funds will be focused on the neediest families. The new rules will lower the income eligibility level for childcare vouchers from 185 percent of the official federal poverty level to 150 percent. For example, currently, a family of three can earn up to \$27,792 per year and remain eligible for the program. After the change, the maximum income level will drop to \$22,536.

"This will be a hardship on many Hamilton County families who are struggling to live up to the ideals of welfare reform," said Rick Roberts, HCJFS Assistant Director for Client Services. "Hamilton County deeply regrets the need for this state budget cut, but it's the only option to balance the needs of our consumers while addressing the state fiscal crisis."

Gov. Taft announced the change as part of his release of the budget for the state's 2004/2005 fiscal biennium. His administrative order will go into effect on June 9. As of that date, all new applicants for subsidized childcare must be at or below 150 percent of poverty. Over-income

families who are now involved in the program will be notified at the time of their required re-application and will become ineligible beginning Sept. 30.

Ohio's childcare program is a victim of its own success. As more and more families moved off welfare and into work, government-subsidized childcare experienced tremendous growth. Also, when more money was available, Ohio raised the income eligibility level in order to help more families. If the state does not contain costs, childcare expenditures will exceed their 2004/2005 state budget by an estimated \$200 million.

In Hamilton County, childcare expenditures grew by six percent in 2002 over the previous year. They now total about \$5.4 million each month. The program is funded by the federal Child Care and Development Block Grant.

The HCJFS Child Care division served 7,875 families (including 13,948 children) in March, 2003. About 75 percent are working parents whose incomes are low enough to qualify for childcare assistance. Others are welfare recipients or people who have recently transitioned off cash assistance.

The program provides vouchers to low and moderate-income parents who are working and/or attending school. Parents use the vouchers at childcare centers or homes that are either licensed by the state or certified by the county. Parents select a child care provider from approximately 2,000 certified homes and 327 licensed centers that Hamilton County JFS has under contract.

While Ohio can't sustain the growth that government-supported childcare has been experiencing in recent years, cuts in the program will pose a hardship for many families who can't afford the full cost of childcare. Many parents will be forced to find alternative arrangements for their children. Some may choose to reduce their income, by cutting back their hours or refusing wage increases, so they can still qualify for child care assistance. Others may apply for public cash assistance.

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