

The lack of affordable, high-quality child care in Ohio is holding back working families, employers, and the economy, with **78% of parents reporting that child care accessibility is a barrier to work**. This issue affects not only low-income families but also middle-income and mid/senior-level workers, **costing businesses in Cuyahoga County alone over \$120 million annually in lost productivity and turnover**. Governor DeWine's 2026-2027 budget offers a vital opportunity to address these challenges by expanding access to affordable child care and introducing a child tax credit for families with young children. These initiatives will reduce financial burdens, support working parents, and strengthen Ohio's economy by helping tens of thousands of families return to the workforce.

Ohio's child care system needs the following investments during the next biennium to meet the demands of Ohio's workforce:

RAISE OHIO'S STATUS FROM WORST IN THE NATION FOR CHILD CARE SUPPORTS FOR WORKING FAMILIES



Governor DeWine's budget proposals to increase child care supports **up to 200% of the federal poverty level and cap family co-pays at 7% of a family's income** would bring Ohio in line with 39 other states and allow 20,000 parents sidelined by lack of access to return to the workforce.

MAKE IT AFFORDABLE TO OPERATE A CHILD CARE BUSINESS



Modernizing Ohio's child care funding structure will encourage more center- and home-based providers to enter the market, **creating more choices for working families seeking child care**.

UPDATE OHIO'S TAX POLICY TO SUPPORT FAMILIES WITH YOUNG CHILDREN



The Executive Budget includes a \$1,000 per-child tax credit for middle and low-income families. Families with children six and younger would be eligible. In addition to benefiting the families themselves, it **would produce nearly three-quarters of a billion dollars in annual benefit to the Ohio economy**. This cost would be offset by a modest increase to tobacco taxes.

Affordable Child Care's Impact

- Increasing child care supports will bring Ohio in line with 39 other states and allow 20,000 parents sidelined by lack of access to return to the workforce.
- Allowing home and center based child care operators to afford to serve publicly-funded children, including updating how child care operators are paid, increases financial stability and provides a cost of living update for child care rates.
- The first five years are the most critical time for brain development that lays the foundation for all future development and learning in that child's life. Through the proposed tax credit, families will gain critical resources to support the health, safety, and care of young children during this critical time.

Using TANF to support child care

Temporary Assistance for Needy Families, or TANF, is utilized in the Governor's budget alongside federal child care funding to support working families through increased access to child care. The Temporary Assistance for Needy Families (TANF) program is designed to help families with children experiencing low-income achieve economic security and stability, with child care as a main focus of that funding stream.

As proposed, the amount of TANF utilized for child care in the 2026-2027 biennium would **decrease by \$3.8 million per year compared to the current biennium, and decrease by \$18.3 million compared to FY 2022.** This right-sizing of TANF funding supports working families while ensuring TANF sustainability.

PRE4CLE: EXPANDING HIGH-QUALITY PRESCHOOL IN CLEVELAND

PRE4CLE is a collaborative initiative dedicated to ensuring that every child in Cleveland has a high-quality preschool education.

By working with families, educators, and community partners, PRE4CLE advocates for opportunity, helping all children build a strong foundation for academic success and lifelong learning.

With a focus on empowering families and preparing children for kindergarten, PRE4CLE plays a vital role in nurturing the future of Cleveland's youngest learners, ensuring they are ready to thrive in school and beyond.