FACTSHEET

March 7, 2025

How Ohio's Publicly Funded Child Care measures up

Heather Smith

Hearings for the Governor's proposed budget just finished in the Children and Human Services Committee, and Policy Matters testified on the Publicly Funded Child Care (PFCC) system in the state. Broadly, this budget proposal is strong and includes important measures to address the childcare crisis in the state, including:

- Increasing PFCC family income eligibility to 160% of the federal poverty line (FPL).
- Basing provider payment on the number of children enrolled in their program, rather than daily attendance.
- Aligning the Child Care Choice Voucher program parent co-pay and provider payment rates with those of PFCC, which is significantly better for both parents and providers.

In the last budget cycle, Ohio legislators only raised eligibility from 142% FPL to 145% FPL. That 3% bump in eligibility equated to a meager $745.80 rise in annual income eligibility for a family of three in 2023. Raising PFCC family income eligibility up to 160% FPL and continuing the Governor's Child Care Choice Voucher program up to 200% FPL would mean tens of thousands more children in Ohio would qualify.

Family income eligibility as a share of the 2025 Federal Poverty Level[1]

Vermont	575%
Maine	440%
New Mexico	400%
New Hampshire	388%
Connecticut	386%
Virginia	354%
New York	338%
California, Alaska	322%
Oregon	312%
District of Columbia	300%
Utah	295%
Maryland	292%
Missouri	280%
Indiana, Texas	273%
Rhode Island	261%
Tennessee, S. Carolina	260%
Kentucky	255%
Louisiana	253%
Washington	245%
Oklahoma	242%
North Dakota	241%

Arkansas	229%
Illinois	225%
Hawai'i	219%
Kansas, Mississippi	218%
South Dakota	209%
Massachusetts	206%
Alabama, Delaware, New Jersey, N. Carolina, Pennsylvania, Wisconsin	200%
Georgia	191%
Colorado, Montana, Nebraska, W. Virginia	185%
Wyoming	175%
Minnesota	169%
Arizona	165%
Michigan	161%
Ohio (proposed)	**160%**
Florida	150%
Ohio (current), Iowa	**145%**
Nevada	122%
Idaho	104%

Reimbursement rates for providers

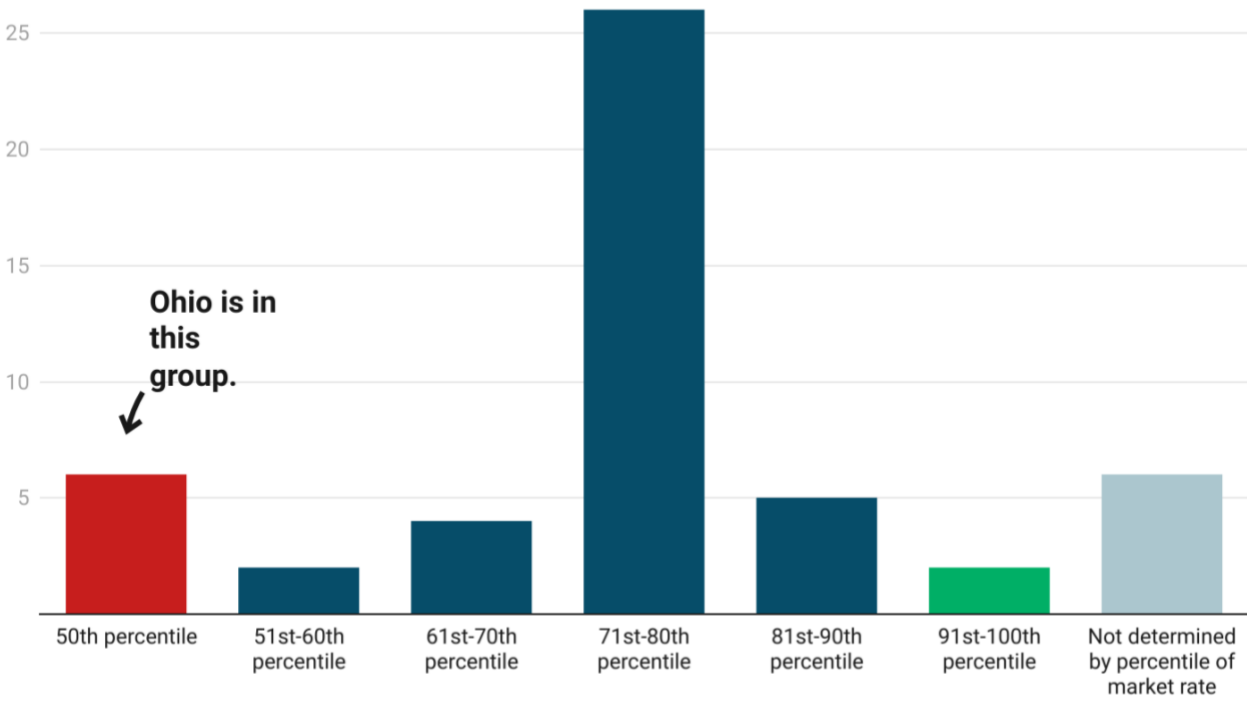
Until recently, Ohio paid providers at the 25th percentile. It was only after a federal mandate that, in July 2024, the state increased payment rates to what is still the lowest in the nation: the 50th percentile.[2] Remaining at the federally mandated 50th percentile keeps Ohio tied for last among the 45 states that utilize the market rate survey for payment rate determination.

[1] Some states use the state median household income to determine eligibility for PFCC. Those states have been converted to the FPL for comparison purposes. This list includes the District of Columbia, which has its own policy for publicly funded childcare assistance. LIHEAP State Median Income for 4-Person Family FY 25 and FY 25 Federal Poverty Guidelines used in calculating family income eligibility as a share of the federal poverty level. Several states (including Idaho and Nevada) decreased their income eligibility limit after the American Rescue Plan Act funds were depleted.

[2] For more information on provider payment rates, see Ohio's childcare crisis.

On provider payment rate, Ohio is tied for last

Number of states in each reimbursement-rate group



Reimbursement rates are based on different market rate surveys and cost model years, and vary depending on the age of children served. This chart assumes that all states and the District of Columbia are increasing their rates to the 50th percentile to comply with revised Child Care Development Block Grant requirements. For states that pay providers along a range, or have quality enhancements, the lowest/base payment rate was used.

Source: National Women's Law Center • Created with Datawrapper

We have been facing a childcare crisis in this state. If we don't take decisive action now, that crisis will worsen. Incremental action won't lower childcare costs or bring more early childhood educators back to the sector. Now is the time for action!