



Championing public policy so that every young child is healthy and ready to learn by age 5.

**House Children and Human Services Committee
House Bill 647
Interested Party
Lynnanne Gutierrez, President & CEO
Groundwork Ohio
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Chair White, Vice Chair Salvo, Ranking Member Lett, and members of the House Children and Human Services Committee, thank you for the opportunity to provide interested party testimony for House Bill 647 on behalf of Groundwork Ohio, the state's leading early childhood research and advocacy organization.

Ohio's publicly funded child care program helps families access safe, reliable care - enabling parents to work and more than 100,000 children each year to learn, develop, and enter school ready to succeed. Ohio's data reinforces the importance of early investment. Today, 64 percent of kindergartners - and 79 percent of those from low-income families - enter school not demonstrating readiness across key developmental domains. Strengthening the early years is one of the most effective and fiscally responsible strategies available to improve educational outcomes, support current workforce participation, build the future workforce, and reduce long-term public costs. For many families, child care assistance is the difference between staying employed and falling behind.

Recent polling underscores how rising costs and financial uncertainty are affecting family stability, workforce participation, and long-term economic growth:¹

- **Nearly 80% of Ohio voters and voters across the nation say the ability of working parents to find and afford quality child care is either in a "state of crisis" or a "major problem."**
- **The child care crisis drives the workforce crisis.** More than one-third (34%) of Ohioans – and 56% of Ohio parents – say they or someone they know would consider entering the workforce if quality child care were available.
- **Affordability tops the issue agenda in Ohio.** Ohioans struggle to cover basic expenses and 20% of Ohioans have put off expanding or starting a family because of the cost of child care. These challenges are more dire for parents of young children—more than 1 in 4 struggle to pay for child care costs and more than one third of Ohio parents are not able to save money or get ahead financially due to child care costs.

Fraud at any level is unacceptable and diverts resources away from eligible families who depend on public subsidies to ensure safe care for their children while they go to work. We support rigorous oversight and accountability and agree that credible allegations of fraud must be investigated swiftly, thoroughly, and by the appropriate authorities. At the same time, any changes to these safeguards must be carefully designed so that it does not intentionally disrupt access to care, destabilize providers, or compromise child safety. As public interest in these allegations has grown, the safety and well-being of children must



remain the top priority, and oversight actions must be carried out in a way that maintains continuity of care for families.

Ohio has established a multi-layered system of oversight and accountability, including regular reviews of more than 5,200 publicly funded child care programs, to ensure taxpayer dollars are used as intended to support young children. Beginning December 31, 2025, Governor DeWine and Ohio Department of Children and Youth Director Wentz have addressed publicly funded child care multiple times, outlining the protocols in place to protect public funds while prioritizing the safety of Ohio's children, families, and early childhood professionals. At every point, Governor DeWine and Director Wentz have been clear: Ohio has built strong safeguards and maintains a robust track record of taking child care system fraud allegations seriously. Per Director Wentz, of the 124 referrals of suspected fund misuse in 2025, fewer than one in five (24) resulted in termination or closure, while the majority (70) were resolved through corrective action and technical assistance to bring providers into compliance with program requirements, demonstrating that the current system is addressing concerns proportionately while prioritizing stability for families and providers.

In Ohio, 46% of Ohio children under age 5 living in households earning less than 200% of the federal poverty level are *not* accessing care through publicly funded child care or Head Start.¹ While this bill does not purport to increase access, it does ensure public dollars support working families who need care and honest providers. The proposal, however, must be viewed as part of a larger strategy to sustain Ohio's current child care system. As we look ahead to the next state budget cycle, Ohio's child care system faces a \$600 million funding gap of one-time Temporary Assistance for Needy Families (TANF) dollars that must be replaced in order to maintain current service levels. Without sustainable revenue, there will be a dramatic cut to working families currently accessing child care.

The statutory removal of implementation of an enrollment-based payment policy, rather than attendance, is consistent with the Governor and the Department's public statements and in keeping with emerging guidance from the federal government (Docket number 2024-24272 / RIN number 0970-AD20) at this time. This transition, however, underscores the importance of continued dialogue around practical, fiscally responsible solutions that continue to strengthen stability for families and providers alike. Given that the legislature approved funding for both payment on enrollment and to support the limiting of family copays to no more than 7% of a family's income in the state budget, some of these funds should be repurposed to support families and providers through alternative policies. While any policy must be balanced with the reality of our anticipated fiscal cliff in FY28, if we fail to invest in our programs and families, we will undermine and accelerate both provider capacity and

¹ [Groundwork Ohio Data Dashboard](#). 2025.



family access. One way the Department could invest in programs is to implement rates consistent with the 75th percentile of the 2024 Market Rate Survey (MRS), where providers are currently operating on rates consistent with the 50th percentile of the 2024 MRS. We hope the Department and the legislature will continue to explore strategies that support sustainable business models and the provider community through the end of this biennium. Ohio's state and national leaders must remain focused on protecting the integrity of child care programs and continue the bipartisan progress that has expanded access and strengthened support for working families and young children across the state.

Finally, program integrity improvements proposed in this bill are attached to a \$5 million appropriation that the General Assembly had previously approved to be spent on the Child Care Cred Program—a cost-sharing model between employers, employees and the state to support working families access child care and earning more than 200% of the Federal Poverty Level. While we believe the pilot and learnings will continue to be supported through the remaining \$5 million appropriation, we would ask this committee to consider amending this bill to allow for spending of any unspent funds for this program from this fiscal year to extend through FY27. This will allow additional time for businesses to take advantage of this opportunity. There were no funds made available for marketing of the new program and states who are successfully piloting or implementing similar programs have benefited from a longer on-ramp for businesses to engage. Additionally, employers can now, in this calendar year, also benefit from an increased federal child tax credit for funds spent on employee child care thanks to the One Big Beautiful Bill Action which, we believe, will continue to incentivize participation in the program beyond the current state fiscal year.

Thank you for your consideration and I am happy to answer any questions.

ⁱ Groundwork Ohio. (2025). [Ohio Voter Poll Data](#).