

Opponent Testimony on HB 647

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Chair White, Vice Chair Salvo, Ranking Member Lett, and members of the Committee:

Thank you for the opportunity to provide opponent testimony on House Bill 647. I am a childcare provider and community leader with more than 30 years of experience in early childhood education in Franklin County, and I strongly oppose this bill because it threatens the stability of Ohio's childcare system and the families who rely on it.

HB 647 would allow the Ohio Department of Children and Youth (DCY) to suspend—without prior hearing—the license of a child care center, type A family child care home, or licensed type B family child care home if the department has “reason to suspect” misuse of public dollars or intent to commit fraud in the publicly funded child care (PFCC) program. While accountability is important, this standard is dangerously broad and undermines due process. A suspension without prior hearing based merely on suspicion—not substantiated findings—creates enormous risk for providers who operate on thin margins. One allegation or administrative misunderstanding could immediately shut down a program, displace children, eliminate jobs, and destabilize entire communities before the provider has an opportunity to respond.

This proposal disproportionately impacts small, community-based providers—particularly Black- and women-owned programs—who already navigate complex billing systems and frequent policy changes. The PFCC program rules are highly technical, and errors can occur without fraudulent intent. Conflating clerical mistakes or compliance misunderstandings with fraud will discourage participation in PFCC and ultimately reduce access for low-income families. Last week, Director Wentz shared an example of 20 children clocked but not present. I want to present an alternative scenario where the system allows for schoolagers to be clocked in with younger sibling because they will be present for before or after school care. The system is built to automatically deduct the non present hours because the child is at school. This was a solution to the overburdened process of multiple clock ins and outs to capture school age attendance.

Additionally, HB 647 places new limitations on the number of permitted providers. At a time when Ohio continues to face a childcare shortage—particularly in infant and toddler care—restricting the number of providers will worsen access gaps. Families in rural areas and working-class neighborhoods will be hit hardest. Instead of expanding capacity and stabilizing supply, this bill risks accelerating closures and deepening childcare deserts across our state. The use of multiple providers creates wraparound care for families in mixed schedules that tend to go into non traditional hours, without over expanding the expectations of a singular program to accommodate all of the family needs.

The bill also removes pay based on enrollment—a policy that was already approved in the state budget to stabilize the childcare sector. Enrollment-based payments recognize the economic reality of childcare: providers must hire staff and maintain ratios based on enrollment, not daily attendance fluctuations. Eliminating this policy reverses a bipartisan solution designed to provide predictability and sustainability for the provider and also the state. Having an understanding on what is coming in for programs creates a real ability to project revenue and understanding of where fee based practices can be implemented. Predictably on what is going out creates the same opportunity for the state. It would eliminate the need to do budget balancing tactics that were seen in the last quarter of 2025. Attendance-based reimbursement punishes providers for factors outside their control, such as children’s illnesses, transportation disruptions, or parents’ unpredictable work schedules. Rolling back enrollment-based pay will destabilize programs and may force providers to withdraw from PFCC altogether.

Ohio families cannot afford further instability in the childcare system. Parents need reliable care to go to work. Children need continuity of care and trusted relationships with their educators. Providers need fair oversight processes and financial policies that reflect the realities of operating high-quality programs.

If the General Assembly seeks to address fraud, we urge you to:

- Maintain due process protections, including notice and the opportunity for a hearing prior to suspension except in cases of immediate health and safety threats.
- Clearly distinguish between intentional fraud and administrative error.
- Preserve enrollment-based reimbursement as adopted in the state budget.
- Invest in technical assistance and compliance support rather than punitive measures that reduce provider participation.
- Invest in a structure that creates timely/predictably efficient processing for payments to the providers
- Create a functional system that reduces the overburdening experiences from delayed processing of families benefit access.

Ohio's childcare infrastructure is already fragile. Policies that rely on suspicion rather than substantiated findings, restrict provider growth, and rolling back stabilization funding will harm the very families and children this system is meant to support.

For these reasons, I respectfully urge the committee to reject HB 647.

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