

Opponent/Interested Party Testimony on House Bill 647
Ohio House Department of Health and Human Services
Angela Pappas

Thank you for the opportunity to provide testimony on House Bill 647.

My name is Angela Pappas. I am an Ohio childcare center owner and a licensed attorney. I appreciate the General Assembly's commitment to protecting children and ensuring the responsible use of public funds in Ohio's publicly funded childcare program. Those goals are shared by every responsible provider in this state.

However, House Bill 647 raises serious concerns because it significantly expands enforcement authority against childcare providers while removing fundamental due process protections and relying on undefined legal standards.

Due Process Concerns

House Bill 647 significantly expands enforcement authority against childcare providers while removing fundamental due process protections.

The bill allows the Department of Children and Youth to suspend a childcare license without a prior hearing and states that decisions regarding publicly funded childcare—including contract suspensions, terminations, and recovery of funds—are final and not subject to appeal or hearing under Chapter 119 of the Revised Code.

Chapter 119 hearings exist specifically to ensure that individuals and businesses have the opportunity to respond when a state agency takes action affecting a license or contractual relationship. These hearings allow parties to present evidence, challenge the agency's decision, and obtain review before severe penalties are imposed.

Participation in the publicly funded childcare program represents a significant property interest for providers. Childcare centers hold state licenses, operate under state contracts, and rely on publicly funded childcare payments to sustain their businesses and employ staff. When the state suspends a license or terminates a contract, the consequences are immediate and severe. Children must be relocated, parents lose childcare that allows them to work, and employees may lose their jobs.

Despite these consequences, the bill allows enforcement actions to occur based on undefined standards such as **“suspicion” of misuse of public funds** and references to **“improper activity,”** terms that are not defined in the legislation.

Reports or suspicions are not determinations of wrongdoing. Due process protections exist precisely so that allegations can be examined and evidence can be presented before penalties are imposed.

Removing administrative hearings while simultaneously expanding enforcement authority creates a system in which severe consequences may occur before providers have any meaningful opportunity to respond.

Undefined Legal Standards

In addition to the removal of due process protections, House Bill 647 relies on several key terms that are not clearly defined in the bill.

For example, the bill allows enforcement action when the department has **reason to suspect misuse of public funds**. The term “suspicion” is not defined, and the bill does not establish any evidentiary threshold for triggering enforcement actions. Without defined standards, providers are left without clear guidance as to what conduct could result in suspension or termination.

The bill also authorizes investigations of **“improper activity”** related to the publicly funded childcare program, yet that term is also undefined. When legislation grants significant enforcement authority while leaving key terms undefined, it creates uncertainty for providers and increases the risk of inconsistent enforcement.

The bill also appropriates funding for **automated attendance reviews** using data analytics. However, the legislation does not define what patterns would trigger enforcement action or what safeguards exist to prevent errors or false positives.

Attendance-Based Payment Requirement

House Bill 647 also contains language affecting how publicly funded childcare payments are calculated through the automated childcare system. The bill requires payments to be calculated based on **attendance rather than enrollment**.

The method used to calculate publicly funded childcare payments is a major policy decision that affects the financial stability of childcare providers across the state. Whether Ohio should use an attendance-based or enrollment-based model is a significant policy question that deserves full and transparent legislative debate.

Embedding such a major policy change within a bill primarily focused on enforcement authority raises concerns. Decisions about how providers are reimbursed should be considered separately so that providers, families, and policymakers can fully evaluate the impact on Ohio’s childcare system.

Conclusion

Childcare providers share the state's commitment to protecting children and ensuring responsible stewardship of public funds. However, enforcement authority must be balanced with clear legal standards and fundamental procedural protections.

House Bill 647 expands enforcement authority while eliminating important due process protections, relying on undefined terms, and embedding significant policy changes within an enforcement bill.

- **Payments can be stopped based on suspicion alone**

HB 647 allows the state to withhold payments or terminate contracts based on “reason to suspect” misuse of funds — without a completed investigation.

- **Earned money can be withheld**

The bill allows the state to withhold reimbursement for care already provided, creating severe cash-flow risk for providers.

- **No hearing, no appeal**

Provider overpayment determinations, contract suspensions, and terminations are declared “final” and not subject to Chapter 119 appeal or review.

- **License suspension expanded to financial allegations**

Summary license suspension — traditionally tied to child safety — is expanded to include suspected financial misuse.

- **Key terms are undefined**

Words like “misuse,” “waste,” and “improper activity” are not defined, allowing arbitrary or inconsistent enforcement.

- **Automated surveillance without safeguards**

The bill funds expanded data analytics and automated attendance reviews while removing due-process protections.

- **Hurts good providers, not just bad actors**

HB 647 increases risk for compliant providers, discourages participation in PFCC, and threatens child care access for working families.

Accountability matters. Due process matters too. HB 647 fails to protect both.

For these reasons, I respectfully urge the committee to reconsider these provisions and ensure that Ohio's publicly funded childcare system maintains both strong oversight and basic procedural fairness.

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