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136th General Assembly
Regular Session
2025-2026

Sub. H. B. No. 647

To amend sections 5104.30, 5104.32, and 5104.34 and 1
to enact sections 5104.321 and 5104.45 of the 2
Revised Code to revise the law governing the 3
publicly funded child care program. 4

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 5104.30, 5104.32, and 5104.34 be 5
amended and sections 5104.321 and 5104.45 of the Revised Code be 6
enacted to read as follows: 7

Sec. 5104.30. (A) The department of children and youth is 8
hereby designated as the state agency responsible for 9
administration and coordination of federal and state funding for 10
publicly funded child care in this state. Publicly funded child 11
care shall be provided to the following: 12

(1) Recipients of transitional child care as provided 13
under section 5104.34 of the Revised Code; 14

(2) Participants in the Ohio works first program 15
established under Chapter 5107. of the Revised Code; 16

(3) Individuals who would be participating in the Ohio 17
works first program if not for a sanction under section 5107.16 18

of the Revised Code and who continue to participate in a work 19
activity, developmental activity, or alternative work activity 20
pursuant to an assignment under section 5107.42 of the Revised 21
Code; 22

(4) A family receiving publicly funded child care on 23
October 1, 1997, until the family's income reaches one hundred 24
fifty per cent of the federal poverty line; 25

(5) Subject to available funds, other individuals 26
determined eligible in accordance with rules adopted under 27
section 5104.38 of the Revised Code. 28

The department shall apply to the United States department 29
of health and human services for authority to operate a 30
coordinated program for publicly funded child care, if the 31
director of children and youth determines that the application 32
is necessary. For purposes of this section, the department of 33
children and youth may enter into agreements with other state 34
agencies that are involved in regulation or funding of child 35
care. The department shall consider the special needs of migrant 36
workers when it administers and coordinates publicly funded 37
child care and shall develop appropriate procedures for 38
accommodating the needs of migrant workers for publicly funded 39
child care. 40

(B) The department of children and youth shall distribute 41
state and federal funds for publicly funded child care, 42
including appropriations of state funds for publicly funded 43
child care and appropriations of federal funds available under 44
the child care block grant act, Title IV-A, and Title XX. The 45
department may use any state funds appropriated for publicly 46
funded child care as the state share required to match any 47
federal funds appropriated for publicly funded child care. 48

(C) In the use of federal funds available under the child care block grant act, all of the following apply: 49
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(1) The department may use the federal funds to hire staff to prepare any rules required under this chapter and to administer and coordinate federal and state funding for publicly funded child care. 51
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(2) Not more than five per cent of the aggregate amount of the federal funds received for a fiscal year may be expended for administrative costs. 55
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(3) The department shall allocate and use at least four per cent of the federal funds for the following: 58
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(a) Activities designed to provide comprehensive consumer education to parents and the public; 60
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(b) Activities that increase parental choice; 62

(c) Activities, including child care resource and referral services, designed to improve the quality, and increase the supply, of child care; 63
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(d) Establishing the step up to quality program pursuant to section 5104.29 of the Revised Code. 66
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(4) The department shall ensure that the federal funds will be used only to supplement, and will not be used to supplant, federal, state, and local funds available on the effective date of the child care block grant act for publicly funded child care and related programs. If authorized by rules adopted by the department pursuant to section 5104.42 of the Revised Code, county departments of job and family services may purchase child care from funds obtained through any other means. 68
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(D) The department shall encourage the development of 76

suitable child care throughout the state, especially in areas 77
with high concentrations of recipients of public assistance and 78
families with low incomes. The department shall encourage the 79
development of suitable child care designed to accommodate the 80
special needs of migrant workers. On request, the department, 81
through its employees or contracts with state or community child 82
care resource and referral service organizations, shall provide 83
consultation to groups and individuals interested in developing 84
child care. The department of children and youth may enter into 85
interagency agreements with the department of education and 86
workforce, the chancellor of higher education, the department of 87
development, and other state agencies and entities whenever the 88
cooperative efforts of the other state agencies and entities are 89
necessary for the department of children and youth to fulfill 90
its duties and responsibilities under this chapter. 91

The department shall develop and maintain a registry of 92
persons providing child care. The director shall adopt rules in 93
accordance with Chapter 119. of the Revised Code establishing 94
procedures and requirements for the registry's administration. 95

(E) (1) The director shall adopt rules in accordance with 96
Chapter 119. of the Revised Code establishing both of the 97
following: 98

(a) Payment rates for providers of publicly funded child 99
care not later than the first day of July in each odd-numbered 100
year; 101

(b) A procedure for paying providers of publicly funded 102
child care. 103

(2) In establishing payment rates under division (E) (1) (a) 104
of this section, the director shall do all of the following: 105

(a) Use the information obtained from the market rate survey developed and conducted in accordance with 45 C.F.R. 98.45;	106 107 108
(b) Establish an enhanced payment rate for providers who enroll children whose <u>provide child care for caretaker parents who work</u> nontraditional hours;	109 110 111
(c) With regard to the step up to quality program established pursuant to section 5104.29 of the Revised Code, establish enhanced payment rates for child care providers that participate in the program.	112 113 114 115
(3) In establishing payment rates under division (E) (1) (a) of this section, the director may establish different payment rates based on any of the following:	116 117 118
(a) Geographic location of the provider;	119
(b) Type of care provided;	120
(c) Age of the child served;	121
(d) Special needs of the child served;	122
(e) Whether the expanded hours of service are provided;	123
(f) Whether weekend service is provided;	124
(g) Whether the provider has exceeded the minimum requirements of state statutes and rules governing child care;	125 126
(h) Any other factors the director considers appropriate.	127
Sec. 5104.32. (A) All purchases of publicly funded child care shall be made under a contract entered into by a licensed child care center, licensed type A family child care home, licensed type B family child care home, certified in-home aide, approved child day camp, licensed preschool program, licensed	128 129 130 131 132

school child program, or border state child care provider and 133
the department of children and youth. All contracts for publicly 134
funded child care shall be contingent upon the availability of 135
state and federal funds. The department shall prescribe a 136
standard form to be used for all contracts for the purchase of 137
publicly funded child care, regardless of the source of public 138
funds used to purchase the child care. To the extent permitted 139
by federal law and notwithstanding any other provision of the 140
Revised Code that regulates state contracts or contracts 141
involving the expenditure of state or federal funds, all 142
contracts for publicly funded child care shall be entered into 143
in accordance with the provisions of this chapter and are exempt 144
from any other provision of the Revised Code that regulates 145
state contracts or contracts involving the expenditure of state 146
or federal funds. 147

(B) Each contract for publicly funded child care shall 148
specify at least the following: 149

(1) That the provider of publicly funded child care agrees 150
to be paid at the rate established pursuant to section 5104.30 151
of the Revised Code; 152

(2) Whether the county department of job and family 153
services, the provider, or a child care resource and referral 154
service organization will make eligibility determinations, 155
whether the provider or a child care resource and referral 156
service organization will be required to collect information to 157
be used by the county department to make eligibility 158
determinations, and the time period within which the provider or 159
child care resource and referral service organization is 160
required to complete required eligibility determinations or to 161
transmit to the county department any information collected for 162

the purpose of making eligibility determinations; 163

(3) That the provider, other than a border state child 164
care provider, shall continue to be licensed, approved, or 165
certified pursuant to this chapter and shall comply with all 166
standards and other requirements in this chapter and in rules 167
adopted pursuant to this chapter for maintaining the provider's 168
license, approval, or certification; 169

(4) That, in the case of a border state child care 170
provider, the provider shall continue to be licensed, certified, 171
or otherwise approved by the state in which the provider is 172
located and shall comply with all standards and other 173
requirements established by that state for maintaining the 174
provider's license, certificate, or other approval; 175

(5) Whether the provider will be paid by the department of 176
children and youth or in some other manner as prescribed by 177
rules adopted under section 5104.42 of the Revised Code; 178

(6) That the contract is subject to the availability of 179
state and federal funds. 180

(C) (1) The department shall establish an automated child 181
care system to track child attendance and enrollment and 182
calculate payments for publicly funded child care. ~~Not later-~~ 183
~~than July 9, 2028, and thereafter, the~~ Subject to section 184
5104.321 of the Revised Code, the department shall calculate 185
payments for publicly funded child care based on a child's 186
~~enrollment, as described in 45 C.F.R. 98.45(m), rather than on a~~ 187
~~child's attendance.~~ 188

(2) Each eligible provider that provides publicly funded 189
child care shall participate in the automated child care system. 190
A provider participating in the system shall not do any of the 191

following:	192
(a) Use or have possession of a personal identification number or password issued to a caretaker parent under the automated child care system;	193 194 195
(b) Falsify child attendance or enrollment records;	196
(c) Knowingly seek or accept payment for publicly funded child care for a child not enrolled <u>in attendance</u> with the provider or for which the provider was not eligible;	197 198 199
(d) Knowingly seek or accept payment for child care for a child who resides in the provider's own home.	200 201
<u>(3) Unless evidence demonstrates and the department has reason to suspect waste, fraud, or abuse on the part of a provider or caretaker parent, the department may do the following:</u>	202 203 204 205
<u>(a) Except as provided in division (C) (3) (b) of this section, allow each provider participating in the automated child care system and each caretaker parent to backdate a child's attendance record only within ten business days or fourteen calendar days of the date that publicly funded child care was provided. If the tenth business day and fourteenth calendar day do not fall on the same date, the later of the two dates shall be the date within which the department shall allow the child's attendance record to be backdated.</u>	206 207 208 209 210 211 212 213 214
<u>(b) Grant approval to the provider or caretaker parent to backdate a child's attendance record within thirty days of the date that publicly funded child care was provided or scheduled to be provided if the backdating relates to either of the following:</u>	215 216 217 218 219

(i) A documented emergency or extenuating circumstance 220
beyond the provider's or caretaker parent's control, such as a 221
system outage, natural disaster, or other serious event as the 222
department determines; 223

(ii) The thirty-day period described in division (L) of 224
section 5104.38 of the Revised Code. 225

(D) The department may withhold any money due under this 226
chapter and may, recover through any appropriate method any 227
money erroneously paid under this chapter, or suspend or 228
terminate a contract to provide publicly funded child care 229
entered into under this section if evidence demonstrates that a 230
provider of publicly funded child care failed to comply with 231
either any of the following: 232

(1) The That a provider of publicly funded child care 233
failed to comply with the terms of the contract entered into 234
under this section; 235

(2) This That a provider of publicly funded child care 236
failed to comply with this chapter or any rules adopted under 237
it; 238

(3) That a provider of publicly funded child care engaged 239
in the misuse of public funds or committed fraud against the 240
publicly funded child care program. 241

(E) In addition to the authority granted in division (D) 242
of this section, the department may withhold from a provider of 243
publicly funded child care any money due for a child or children 244
in the provider's care if evidence demonstrates that, in the 245
case of the child or children, the provider engaged in the 246
misuse of public funds or committed fraud against the publicly 247
funded child care program. 248

(F) If the department has evidence that a provider has 249
employed an individual who is ineligible for employment under 250
section 5104.013 of the Revised Code and the provider has not 251
released the individual from employment upon notice that the 252
individual is ineligible, the department may terminate 253
immediately the contract ~~entered into under this section~~ to 254
provide publicly funded child care entered into under this 255
section. 256

~~(F)~~(G) Any decision by the department concerning publicly 257
funded child care, including the recovery of funds, overpayment 258
determinations, and contract suspensions or terminations is 259
final and is not subject to appeal, hearing, or further review 260
under Chapter 119. of the Revised Code. 261

Sec. 5104.321. Beginning July 1, 2027, in calculating 262
payments for publicly funded child care based on a child's 263
attendance under division (C)(1) of section 5104.32 of the 264
Revised Code, all of the following apply: 265

(A) Unless evidence demonstrates and the department of 266
children and youth has reason to suspect waste, fraud, or abuse 267
on the part of a provider of publicly funded child care or 268
caretaker parent, the department may recognize the following as 269
an absent day: any day that the child is authorized and 270
scheduled to be in the care of a provider but does not receive 271
the care as authorized. Any such recognition depends on the 272
child's caretaker parent first having been notified of, and 273
giving approval for, the provider's use of the absent day. 274

(B) The department shall not pay a provider for an absent 275
day before the child's actual, initial attendance with the 276
provider. 277

(C) The department shall not recognize a full-time plus 278
authorization. 279

(D) Unless evidence demonstrates and the department has 280
reason to suspect waste, fraud, or abuse on the part of a 281
provider or caretaker parent, the department may allow a 282
provider to use an eligible absent day when care cannot be 283
provided due to an emergency or other circumstance beyond the 284
provider's control, which prevented the provider from operating 285
on a day that the child was authorized and scheduled to receive 286
care. 287

Sec. 5104.34. (A) (1) Each county department of job and 288
family services shall implement procedures for making 289
determinations of eligibility for publicly funded child care. 290
Under those procedures, the eligibility determination for each 291
applicant shall be made no later than thirty calendar days from 292
the date the county department receives a completed application 293
for publicly funded child care. Each applicant shall be notified 294
promptly of the results of the eligibility determination. An 295
applicant aggrieved by a decision or delay in making an 296
eligibility determination may appeal the decision or delay to 297
the department of children and youth in accordance with section 298
5101.35 of the Revised Code. The due process rights of 299
applicants shall be protected. 300

To the extent permitted by federal law, the county 301
department may make all determinations of eligibility for 302
publicly funded child care, may contract with child care 303
providers or child care resource and referral service 304
organizations for the providers or resource and referral service 305
organizations to make all or any part of the determinations, and 306
may contract with child care providers or child care resource 307

and referral service organizations for the providers or resource 308
and referral service organizations to collect specified 309
information for use by the county department in making 310
determinations. If a county department contracts with a child 311
care provider or a child care resource and referral service 312
organization for eligibility determinations or for the 313
collection of information, the contract shall require the 314
provider or resource and referral service organization to make 315
each eligibility determination no later than thirty calendar 316
days from the date the provider or resource and referral 317
organization receives a completed application that is the basis 318
of the determination and to collect and transmit all necessary 319
information to the county department within a period of time 320
that enables the county department to make each eligibility 321
determination no later than thirty days after the filing of the 322
application that is the basis of the determination. 323

The county department may station employees of the 324
department in various locations throughout the county to collect 325
information relevant to applications for publicly funded child 326
care and to make eligibility determinations. The county 327
department, child care provider, and child care resource and 328
referral service organization shall make each determination of 329
eligibility for publicly funded child care no later than thirty 330
days after the filing of the application that is the basis of 331
the determination, shall make each determination in accordance 332
with any relevant rules adopted pursuant to section 5104.38 of 333
the Revised Code, and shall notify promptly each applicant for 334
publicly funded child care of the results of the determination 335
of the applicant's eligibility. 336

The director of children and youth shall adopt rules in 337
accordance with Chapter 119. of the Revised Code for monitoring 338

the eligibility determination process. In accordance with those 339
rules, the state department shall monitor eligibility 340
determinations made by county departments of job and family 341
services and shall direct any entity that is not in compliance 342
with this division or any rule adopted under this division to 343
implement corrective action specified by the department. 344

(2) (a) All eligibility determinations for publicly funded 345
child care shall be made in accordance with rules adopted 346
pursuant to division (A) of section 5104.38 of the Revised Code. 347
Except as otherwise provided in this section, all of the 348
following apply: 349

(i) Publicly funded child care may be provided only to 350
eligible infants, toddlers, preschool-age children, school-age 351
children under age thirteen, or children receiving special needs 352
child care. 353

(ii) For an applicant to be eligible for publicly funded 354
child care, the caretaker parent must be employed or 355
participating in a program of education or training for an 356
amount of time reasonably related to the time that the parent's 357
children are receiving publicly funded child care. This 358
restriction does not apply to families whose children are 359
eligible for protective child care. 360

(iii) The eligibility period for publicly funded child 361
care shall be at least twelve months. 362

(b) If a caretaker parent who has been determined eligible 363
to receive publicly funded child care no longer meets the 364
requirements of division (A) (2) (a) (ii) of this section, the 365
caretaker parent may continue to receive publicly funded child 366
care for a period of at least three but not more than four 367

months not to extend beyond the caretaker parent's eligibility 368
period. 369

(c) If a child turns thirteen, or if a child receiving 370
special needs child care turns eighteen, during the eligibility 371
period, the caretaker parent may continue to receive publicly 372
funded child care until the end of that eligibility period. 373

Subject to available funds, the department of children and 374
youth shall allow a family to receive publicly funded child care 375
unless the family's income exceeds the maximum income 376
eligibility limit. Initial and continued eligibility for 377
publicly funded child care is subject to available funds unless 378
the family is receiving child care pursuant to division (A) (1), 379
(2), (3), or (4) of section 5104.30 of the Revised Code. If the 380
department must limit eligibility due to lack of available 381
funds, it shall give first priority for publicly funded child 382
care to an assistance group whose income is not more than the 383
maximum income eligibility limit that received transitional 384
child care in the previous month but is no longer eligible 385
because the eligibility period has expired. Such an assistance 386
group shall continue to receive priority for publicly funded 387
child care until its income exceeds the maximum income 388
eligibility limit. 389

(3) An assistance group that ceases to participate in the 390
Ohio works first program established under Chapter 5107. of the 391
Revised Code is eligible for transitional child care at any time 392
during the immediately following twelve-month period that both 393
of the following apply: 394

(a) The assistance group requires child care due to 395
employment; 396

(b) The assistance group's income is not more than one 397
hundred fifty per cent of the federal poverty line. 398

An assistance group ineligible to participate in the Ohio 399
works first program pursuant to section 5101.83 or section 400
5107.16 of the Revised Code is not eligible for transitional 401
child care. 402

(B) To the extent permitted by federal law, the department 403
of children and youth may require a caretaker parent determined 404
to be eligible for publicly funded child care to pay a fee 405
according to the schedule of fees established in rules adopted 406
under section 5104.38 of the Revised Code. The department shall 407
make protective child care services and homeless child care 408
services available to children without regard to the income or 409
assets of the caretaker parent of the child. 410

(C) A caretaker parent receiving publicly funded child 411
care shall report to the entity that determined eligibility any 412
changes in status with respect to employment or participation in 413
a program of education or training not later than ten calendar 414
days after the change occurs. 415

(D) If the department of children and youth determines 416
that available resources are not sufficient to provide publicly 417
funded child care to all eligible families who request it, the 418
department may establish a waiting list. The department may 419
establish separate waiting lists within the waiting list based 420
on income. 421

(E) A caretaker parent shall ~~not~~ receive publicly funded 422
child care only from ~~more than one~~ child care provider per child 423
during a week, unless a ~~county department grants the family is~~ 424
granted an exemption on a temporary basis for one of the 425

following reasons: 426

~~(1) The child needs additional care during non-traditional hours;~~ 427
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~~(2) The child needs to change providers in the middle of the week, for a period not more than one week, and the hours of care provided by the providers do not overlap;~~ 429
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~~(3)(2) The child's provider is closed on scheduled school days off or on calamity days;~~ 432
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(3) The child's need cannot be met by one provider without impacting the family's education, employment, or training schedule. 434
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The department is responsible for granting exemptions under this division, except that the department may authorize a county department of job and family services to do so in place of the department. The department shall not authorize a person or government entity other than a county department to grant exemptions in the department's place. 437
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An exemption described in division (E) (3) of this section shall be valid for a period not to exceed thirty days, except that the department may extend the thirty-day period to a period not to exceed six months. To be eligible for one or more such extensions from the thirty-day limit, the caretaker parent shall demonstrate to the department that the family's education, training, or employment schedule continues, as described in division (E) (3) of this section, to be impacted for a period more than thirty days. 443
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(F) As used in this section, "maximum income eligibility limit" means the amount of income specified in rules adopted under division (A) of section 5104.38 of the Revised Code. 452
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Sec. 5104.45. (A) Upon the written request of the director 455
of children and youth or upon the attorney general's becoming 456
aware of criminal or improper activity related to Chapter 5104. 457
and the publicly funded child care program described in section 458
5104.30 of the Revised Code, the attorney general shall 459
coordinate with the director to determine an appropriate course 460
of action in the matter, which may include an investigation 461
conducted by the attorney general. If it is determined that an 462
investigation is appropriate, the attorney general shall 463
investigate the matter, which investigation may be conducted 464
with the assistance of the superintendent of the bureau of 465
criminal identification and investigation. 466

(B) As soon as practicable after the attorney general 467
completes an investigation into the matter as described in 468
division (A) of this section and that investigation yields 469
credible findings of criminal or improper activity, which may 470
relate to waste, fraud, and abuse, the attorney general shall 471
share the investigation's findings with the prosecuting attorney 472
having jurisdiction of the matter. 473

(C) Not later than sixty days after the findings are 474
shared, the prosecuting attorney shall indicate to the attorney 475
general whether the prosecuting attorney intends to initiate and 476
prosecute in any court or tribunal of competent jurisdiction in 477
this state any necessary criminal or civil action relating to 478
the matter. If the prosecuting attorney so indicates, the 479
prosecuting attorney may initiate and prosecute any necessary 480
criminal or civil action. 481

If the prosecuting attorney notifies the attorney general 482
before the sixty days have elapsed that such a time period is 483
not sufficient for determining whether to initiate and prosecute 484

any necessary criminal or civil action, then not later than one 485
hundred twenty days after the findings are shared, the 486
prosecuting attorney shall indicate to the attorney general 487
whether the prosecuting attorney intends to initiate and 488
prosecute any necessary criminal or civil action. If the 489
prosecuting attorney so indicates, the prosecuting attorney may 490
initiate and prosecute any necessary criminal or civil action. 491

(D) If the prosecuting attorney indicates to the attorney 492
general by either time period described in division (C) of this 493
section that the prosecuting attorney will not initiate and 494
prosecute any necessary criminal or civil action, then, as part 495
of such indication, the prosecuting attorney shall share with 496
the attorney general any information that the prosecuting 497
attorney gathered when determining whether to initiate and 498
prosecute an action. 499

(E) The attorney general may initiate and prosecute any 500
necessary criminal or civil action after either of the 501
following: 502

(1) The prosecuting attorney shares the findings and 503
information as described in division (D) of this section; 504

(2) The prosecuting attorney never indicates to the 505
attorney general by a time period described in division (C) of 506
this section whether the prosecuting attorney intends to 507
initiate and prosecute an action. 508

When proceeding under this division, the attorney general, 509
and any assistant or special counsel designated by the attorney 510
general for that purpose, has all rights, privileges, and powers 511
of prosecuting attorneys. The attorney general has exclusive 512
supervision and control of all investigations and prosecutions 513

initiated by the attorney general under this section. The 514
forfeiture provisions of Chapter 2981. of the Revised Code apply 515
in relation to any such criminal action initiated and prosecuted 516
by the attorney general. 517

Section 2. That existing sections 5104.30, 5104.32, and 518
5104.34 of the Revised Code are hereby repealed. 519