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H.B. 649
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Williams and Swearingen

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SUMMARY

Camera surveillance of child care centers

- Requires each child care center to procure and maintain a camera, collection of cameras, or camera system at every entrance to and exit from the center and in the center's general areas where children receive child care.
- Requires each camera, collection, or system to record each day that the center operates and to store each day's video for the 60-day period immediately following the day's recording.
- Requires each center to provide – on the request of the Department of Children and Youth (DCY) – access to every center camera, collection, or system, including the stored video.
- Beginning not later than 12 months after the bill's effective date, requires each center to also provide – on DCY's request – live access to every center camera, collection of cameras, or camera system.
- Beginning not later than 12 months after the bill's effective date, requires DCY to develop and implement a system capable of surveilling live and stored video from child care centers and to surveil and use video to conduct unannounced inspections and visual attendance audits of centers.
- Requires DCY to immediately suspend or withhold any further state payments to a center if an inspection or audit indicates that the center engaged in probable or suspected waste, fraud, and abuse, false attendance reporting, or other material misrepresentations, pending DCY's full investigation and adjudication.
- Authorizes DCY to terminate a center's contract to provide publicly funded child care (PFCC) if the center fails to comply with the bill's camera requirements.

- Specifies that live access video and stored video captured in a center camera, collection, or system are not public records.

Online attendance portal – child care centers

- Beginning not later than 12 months after the bill’s effective date, requires DCY to establish an online portal for the purpose of tracking child care center attendance through the automated child care system and to provide each center with appropriate software that allows a child’s caretaker parent to record the child’s center attendance.
- Establishes conditions on the portal’s use, including that it (1) allow for the use of pins or quick response codes when recording attendance, (2) require each attendance record submitted to include a photograph of the caretaker parent’s face, and (3) not permit a caretaker parent or center to backdate a child’s attendance.
- Requires DCY to use attendance records submitted through the portal when calculating a child care center’s PFCC payments.
- Specifies that records submitted to DCY through the portal are confidential and may be used only in accordance with the bill’s provisions.

Waste, fraud, and abuse investigations

- Requires DCY to conduct a preliminary investigation immediately after receiving an allegation of probable or suspected waste, fraud, and abuse related to a child care center providing PFCC.
- Requires DCY to refer the matter to the Auditor of State not later than 48 hours after determining, as part of its preliminary investigation, that the allegation is substantiated and the DCY Director believes that the center engaged in probable or suspected waste, fraud, and abuse.
- As soon as practicable after receiving DCY’s referral, requires the Auditor to conduct a full investigation in accordance with existing law.
- Requires the Auditor to make certain reports to the Speaker of the House of Representatives and Senate President at the beginning and conclusion of its investigation.
- Requires the Auditor to refer the matter to the Attorney General if the required investigation demonstrates that a center providing PFCC engaged in probable or suspected waste, fraud, and abuse or made material misrepresentations to DCY.
- Authorizes the Attorney General to institute appropriate legal action on the Auditor’s referral or at DCY’s request.
- Specifies that any investigative records are not public records.

Child Care Fraud Prevention Act

- Names the act the Child Care Fraud Prevention Act.

DETAILED ANALYSIS

Camera surveillance of child care centers

H.B. 649 requires each child care center to procure and maintain a camera, collection of cameras, or camera system at every entrance to and exit from the center and in the center's general areas where children receive child care. Under this requirement, the camera, collection, or system must have a clear line of sight to the entry's and exit's interior and exterior. Note that the requirement does not apply to administrative areas of centers, such as offices, or private center areas, including changing rooms and restrooms.¹

Stored video and DCY access

Under the bill, each camera, collection, or system must record for each day that the center operates and must be capable of storing each day's video for the 60-day period immediately following the day's recording. Storage may occur either on the center's site or digitally.²

Beginning on the bill's effective date, each center must provide – on the request of the Department of Children and Youth (DCY) – access to every center camera, collection, or system, including the stored video. The bill specifies that this access is necessary to enable DCY, under its existing law authority, to conduct unannounced inspections, including visual inspections relating to attendance, other administrative matters, or health and safety concerns.³

Live video and DCY access

Beginning not later than 12 months after the bill's effective date, each center must also provide – on DCY's request – live access to every center camera, collection of cameras, or camera system.⁴ By that same date, DCY must develop and implement a system capable of surveilling live and stored video from child care centers and must surveil and use video to conduct unannounced inspections, conduct visual attendance audits of centers, monitor children's health and safety, and to engage in any other administrative matter.⁵

The bill requires visual attendance audits to be logged into DCY's system by noting its date, time, and location and the individual who conducted the audit.⁶

¹ R.C. 5104.044(A)(1) and (2).

² R.C. 5104.044(A)(3).

³ R.C. 5104.044(A)(4).

⁴ R.C. 5104.044(B)(1).

⁵ R.C. 5104.044(B)(2) and (3).

⁶ R.C. 5104.044(B)(3).

Public records

The bill specifies that live access video and stored video, each required by the bill, are not public records.⁷

Penalties

If a child care center fails to comply with the bill's camera requirements, DCY may terminate the center's contract to provide publicly funded child care (PFCC).⁸

The bill also requires DCY to immediately suspend or withhold any further state payments to a center if an inspection or audit indicates that the center engaged in probable or suspected waste, fraud, and abuse, false attendance reporting, or other material misrepresentations, pending DCY's full investigation and adjudication.⁹

Rulemaking

The bill extends the requirement that DCY adopt rules establishing procedures for enforcing the law governing existing child care center inspections, by also requiring the adoption of rules for enforcing the bill's provisions regarding cameras, unannounced inspections, and visual attendance audits.¹⁰

Reports

Under the bill, DCY must prepare an annual report on inspections conducted by camera during that year. The report must include the number of inspections conducted, the number and types of violations found, and the steps taken to address violations. The report must be filed with the Governor, the President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House of Representatives on or before the first of January of each year.¹¹

Online attendance portal – child care centers

Beginning not later than 12 months after the bill's effective date, the bill requires DCY to establish an online portal for the purpose of tracking child care center attendance through the automated child care system (see "**Automated child care system**" below).¹² By that same date, DCY must provide each center with appropriate software to allow a child's caretaker parent to record the child's attendance.¹³

The bill establishes the following conditions on the portal's use:

⁷ R.C. 5104.044(D).

⁸ R.C. 5104.044(C)(2).

⁹ R.C. 5104.044(C)(1).

¹⁰ R.C. 5104.015(S).

¹¹ R.C. 5104.04(H).

¹² R.C. 5104.361(A).

¹³ R.C. 5104.361(B)(1).

- That the software provided by DCY serve as the only method for recording attendance through the portal;
- That a child's caretaker parent be responsible for recording the child's attendance on the child's entry to and exit from the center for each day the child attends;
- That a child's attendance be recorded only at the center or another location where the center is approved to provide child care to the child;
- That the online portal close at 11:59 PM each day, except for child care centers providing child care during nontraditional hours and with approval from DCY;
- That the portal not permit a caretaker parent or child care center to backdate a child's attendance;
- That the portal allow for the use of pins or quick response codes when recording attendance;
- That the caretaker parent, when recording attendance through a quick response code, allow location data from the caretaker parent's registered cell phone to be collected at the time the code is used;
- That each attendance record submitted through the portal include a photograph of the caretaker parent's face;
- That DCY reject any attendance record that does not include a clear picture of the caretaker parent's face.¹⁴

The bill also requires DCY to use attendance records submitted through the portal when calculating a child care center's PFCC payments. Records submitted to DCY through the portal are confidential and may be used only in accordance with the bill's provisions.¹⁵

Automated child care system

The bill requires the portal to be established through the automated child care system. Existing statutory law requires DCY to establish an automated child care system to track child attendance and enrollment and to calculate PFCC payments.¹⁶ DCY rules, as well as statutory law, establish duties and conditions on the system's use, including (1) that caretaker parents and caretaker designees are the only individuals permitted to use the system to record attendance, (2) that caretaker parents or designees must create and use personal identification information to access the system, (3) that PFCC providers are responsible for any costs associated with repairing or replacing the hardware necessary for the system's use, and (4) that PFCC providers may make changes to attendance data without caretaker approval in limited circumstances.

¹⁴ R.C. 5104.361(B)(2) to (6).

¹⁵ R.C. 5104.361(C). See also R.C. 5104.32(C)(1), not in the bill.

¹⁶ R.C. 5104.32(C)(1).

On its website, DCY discusses the payment process associated with PFCC. The site notes the use of an online system called [Time, Attendance and Payment \(TAP\)](#), under which families track their children's attendance and child care providers send attendance to DCY for payment.¹⁷

Waste, fraud, and abuse investigations

DCY duties

Under the bill, DCY must conduct a preliminary investigation immediately after receiving an allegation of probable or suspected waste, fraud, and abuse related to a child care center providing PFCC. The bill also requires DCY to refer the matter to the Auditor of State not later than 48 hours after determining, as part of the preliminary investigation, that (1) the allegation is substantiated and (2) the DCY Director believes that the center engaged in probable or suspected waste, fraud, and abuse, including false attendance reporting, or made material misrepresentations to DCY.¹⁸

Auditor duties

As soon as practicable after receiving DCY's referral, the Auditor of State must conduct a full investigation in accordance with existing law.¹⁹ If the required investigation demonstrates that a center providing PFCC engaged in probable or suspected waste, fraud, and abuse or made material misrepresentations to DCY, the Auditor must refer the matter to the Attorney General.²⁰

The bill also requires the Auditor to make certain reports to the Speaker of the House of Representatives and Senate President. At the beginning of a full investigation, the Auditor must report that a referral seeking a full investigation was received from DCY. And at the conclusion of a full investigation, the Auditor is required to provide a summary of the investigation, indicating whether the name of the center under investigation has been referred to the Attorney General for prosecution.²¹

Attorney General authority

On a referral from the Auditor, the Attorney General may institute appropriate legal action, including criminal prosecution, against the center that is the subject of the referral.²² The Attorney General also may institute appropriate legal action on DCY's request in any other instance of probable or suspected waste, fraud, and abuse relating to the PFCC program that DCY

¹⁷ Also may be accessed by entering *time, attendance and payment* in the search field on DCY's website: childrenandyouth.ohio.gov.

¹⁸ R.C. 5104.303(A).

¹⁹ R.C. 5104.303(A). See also R.C. Chapter 117, not in the bill.

²⁰ R.C. 5104.303(C).

²¹ R.C. 5104.303(B).

²² R.C. 5104.304(A).

is aware of.²³ Such an action may include criminal prosecution and is to be brought against the person or entity engaging in the probable or suspected waste, fraud, and abuse.

Public records

The bill specifies that, while an investigation remains ongoing, any of DCY's or the Auditor's investigative records are not public records.²⁴

HISTORY

Action	Date
Introduced	01-20-26

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²³ R.C. 5104.304(B).

²⁴ R.C. 5104.04(I) and 5104.303(D).