

Senate Health and Human Services Committee

Sophie Walsh 271-3469

SB 645-FN, relative to income eligibility for the New Hampshire child care scholarship program and reallocating certain revenue to fund the program.

Hearing Date: January 14, 2026

Time Opened: 1:17 p.m.

Time Closed: 1:44 p.m.

Members of the Committee Present: Senators Long, Rochefort, Avard, Birdsell and Prentiss

Members of the Committee Absent: None

Bill Analysis: This bill directs the department of health and human services to amend its policy to increase eligibility for the child care scholarship program and directs revenues to fund the eligibility increase.

Sponsors:

Sen. Reardon

Sen. Long

Sen. Watters

Sen. Rosenwald

Sen. Perkins Kwoka

Who supports the bill: 49 people signed in support of the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (sophie.walsh@gc.nh.gov).

Who opposes the bill: 2 people signed in opposition to the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (sophie.walsh@gc.nh.gov).

Who is neutral on the bill: 2 people signed in neutral on the bill. Full sign in sheets are available upon request by contacting the Legislative Aide, Sophie Walsh (sophie.walsh@gc.nh.gov).

Summary of testimony presented:

Senator Tara Reardon, Senate District 15

- Senator Reardon explained that the availability and affordability of child care has influenced the decisions she has made in her life and the decisions her children have made for her grandchildren.
- Child care access is the difference between going to work or not, getting a specific role or not, seizing opportunities or not, and going to school or not.

- Child care also impacts housing choices, as parents must decide whether they can afford child care in different areas.
- Senator Reardon has family members who pay \$32,800 per year on child care expenses for two children.
- Currently, child care scholarships are available for those up to 85% of an area's median income. This makes about 61,000 children eligible, with a utilization rate of only 8% in New Hampshire.
- This bill proposes increasing the income limit to 95% of an area's median income per household, which would be approximately \$95,000 for a family of four.
- As written, this proposal would add \$5-6 million in revenue to the Child Care Scholarship Fund.
- Senator Reardon has an amendment that would encompass 2% more in lottery funding, which would bring the total revenue going to the Child Care Scholarship Fund closer to \$10 million.
- This bill could save a family of four \$16,800 per year in child care expenses. This bill presents a chance to make a real impact on young families in New Hampshire and our communities.
- Senator Rochefort commented that his initial calculations had the figure of around \$3.39 million and asked if Senator Reardon is saying that with the added 2% it will bring the total to around \$10 million.
- Senator Reardon replied that with her original calculation of \$5 million, the added 2% would bring it to \$10 million.

Karen Hebert & Brian Clark, Department of Health and Human Services

- Mr. Clark explained that we currently have a Child Care Scholarship program that utilizes federal dollars from the Child Care Development Fund (CCDF).
- This fund provides child care for families who are working, have children enrolled in a participating facility or with a license-exempt provider, and have a household income less than or equal to 85% of the state median income.
- This bill would create a new expanded eligibility for child care scholarships.
- There is hard limit on what the Department can do with CCDF dollars in terms of income eligibility, so they would not be able to use CCDF dollars for this new income group. DHHS would have to make system changes to ensure that the new 95% level of income is separate from CCDF cases who are under the 85% level.
- Using census data, every household with children in this age bracket would total up to 6,000 children now eligible. This funding would only cover about 25% of the group.
- The proposed legislation lets the Department put limits based on financial availability.

- In practice, they would start accepting applications from individuals who are over 85%, open them for child care scholarships, monitor the funding, and implement a wait list when it gets too low.
- Senator Avard confirmed that there would be potentially 6,000 children eligible and funding would only cover 25% of those children, so the \$10 million would be going to that 25%. Mr. Clark confirmed.
- Senator Rochefort asked how much money the scholarship fund has annually.
- Ms. Hebert explained that the current budget per fiscal year is approximately \$53 million, which includes the maximum allowable transfer of TANF funding to avoid a wait list for the scholarship.
- Senator Rochefort asked what the anticipated administrative costs to implement this would be.
- Mr. Clark explained that fiscal note worksheet is forthcoming. The Department will need a business administrator, a systems analyst, and additional staff to handle the caseload.
- Senator Rochefort asked how many full time employees they would need, and Mr. Clark answered that they would need 9 additional FTEs.

Mackenzie Nicholson, Moms Rising

- Ms. Nicholson stated that she is speaking in support of this bill and the conversation it opens around a dedicated revenue source to support the struggling child care sector.
- The New Hampshire Fiscal Policy Institute found that the median household income in New Hampshire did not cover the basic costs for a family of four.
- In 2024, it cost the average family over \$30,000 a year to have an infant and a toddler in a child care center. The federal government says that child care is deemed affordable at a maximum of 7% of a family's income. Thus, that family of four would need to earn almost \$429,000 a year before their child care is deemed affordable.
- Ms. Nicholson emphasized that families are not failing to budget. Rather, the state is failing to build a system that supports modern working families.
- When families have access to child care that meets their needs, they can work, employers can fill jobs, and children can get the stable early learning that they need to thrive.
- A recent New Hampshire Fiscal Policy Institute study found that New Hampshire businesses may lose out on up to \$56 million per year due to parents being absent from the workforce.
- This bill recognizes that the child care crisis cannot be solved without a dedicated revenue source. Ms. Nicholson asked the Committee to use this as a launching point to commit to dedicated revenues for child care.

David Trumble

- Mr. Trumble explained that he has a personal interest in this as a former stay-at-home dad, which gave him insight into being a caretaker for young children.
- Mr. Trumble cited data from a 2021 U.S. Department of Treasury report, explaining that at the time in life when most people have young children, their earnings and net worth are at their lowest. By the time their kids are 16 years old, most parents will have three times as much wealth compared to when their children are young.
- Due to the high costs of child care, many families who do not qualify for aid must choose to have a parent stay home with their children. This means a loss in the work force, missed opportunities, less chance for advancement, lower salaries upon return to work, and lower life-time earnings.
- Mr. Trumble stated that passing this bill will be an investment in our families and society.
- The aforementioned New Hampshire Fiscal Policy Institute report found that 17,000 people in New Hampshire are out of the workforce every month due to lack of child care access. In New Hampshire, the lack of affordable child care leads to lower wages to the tune of \$180 million per year. This represents a loss in state and local tax revenue that could be as high as \$14 million per year.
- Mr. Trumble emphasized that while this bill is asking the state to spend \$10 million, we will be losing \$14 million by not spending it.

Cora Hoppe

- As a child care provider for almost 300 children, Rochester Child Care is still struggling. Ms. Hoppe said that she is severely underpaid and her staff is not paid enough for the care that they are providing.
- As Rochester Child Care is nearing their 50th year in business, they face potential programming cuts.
- Ms. Hoppe explained that they have no financial cushion to fall on if something bad were to happen. She noted that essentially no one wants to finance child care centers as well, especially the non-profits.
- Ms. Hoppe does not qualify for scholarships as a parent due to her husband's income, meaning she cannot send her kids to summer camp because they cannot afford it.
- Ms. Hoppe emphasized that another dedicated revenue source is needed, and this bill is a step in the right direction.