

Senate Health and Human Services Committee

Sophie Walsh 271-3469

SB 243-FN, relative to the child care scholarship program.

Hearing Date: February 19, 2025

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

Members of the Committee Absent: None

Bill Analysis: This bill requires the commissioner of the department of health and human services to adopt administrative rules regarding payments for child care providers, the child care scholarship presumptive eligibility pilot program, and the child care scholarship application process study.

Sponsors:

Sen. Ricciardi

Sen. Fenton

Sen. Perkins Kwoka

Rep. Beauchemin

Rep. Wallner

Rep. Rice

Who supports the bill: 619 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: 7 people signed in opposition of 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: 1 person signed in neutral to 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 Denise Ricciardi, Senate District 9

- Senator Ricciardi stated that this bill is a critical step forward for New Hampshire families, childcare providers, and the economy.
- It addresses key issues with the childcare scholarship program to ensure it works as effectively as possible for those who rely on it the most.
- The childcare scholarship program is more than financial assistance; it is an investment in the future of our children, the stability of our workforce, and the prosperity of our state.

- When this program functions well, everyone benefits. Children gain access to quality learning environments and parents can return to the workforce more easily. This contributes to the economy as a whole, while childcare providers gain a stable source of funding that helps them sustain this sector.
- As it stands today, this program includes barriers that make it difficult for families and providers to access these critical benefits.
- This bill offers four concrete solutions to cut through the red tape, streamline the process, and support those who need it most.
- It utilizes presumptive eligibility, with families able to receive up to 60 days of funding while their applications are processed.
- It will streamline applications, with a study simplifying the application process and eliminating unnecessary information requests that deter participation.
- It utilizes prospective payments, with providers receiving payments upfront.
- It simplifies reporting by eliminating detailed hourly attendance reporting, which will save providers time and resources.
- This also aligns New Hampshire with federal requirements, which will allow us to maximize the impact by leveraging federal matching funds,
- Senator Ricciardi said she believes this bill is a win for parents, providers, and the state's economy.

Representative Paige Beauchemin, Hillsborough – District 3

- Representative Beauchemin explained that while all 3 of her children are out of daycare, it did cost them around \$1,000 per child per month when they were in daycare.
- Representative Beauchemin is part of the Nashua Family Network and is involved in other organizations focused on perinatal mental health and early childhood health.
- In these roles, she has spoken with many parents and professionals. The number one issue they talk about is childcare. The current childcare scholarship program is a cumbersome, complicated process.
- This issue is vital to the financial health of New Hampshire families and the economy.
- This is one of the top issues she hears from her constituents.
- Representative Beauchemin emphasized that parents want to work, but the system has failed them.
- She asked the Committee to give these families the support they need.

Karen Hebert, Department of Health and Human Services

- Ms. Hebert introduced herself as the Director for the Division of Economic Stability at DHHS.

- There will be a fiscal impact of \$371,000 on the Department, with respect to some of the provisions including system changes and the application process study.
- Ms. Hebert addressed the childcare presumptive eligibility pilot and proposed including language that would ensure the pilot would not commence or would be suspended if a waitlist is put in effect.
- Ms. Hebert addressed the application process study and noted that the current evaluation completion date of May 1st, 2026 is not realistic. She believes November 1st would be a better choice because of the standard procurement process.
- The changes in this bill would require federal approval for changes to our State Plan, so Ms. Hebert recommends noting this in the language.
- Senator Avard asked how long getting federal approval would take.
- Ms. Hebert said she does not expect it to take a long time, as there is rather quick turnaround for State Plan amendments.
- Senator Rochefort asked Ms. Hebert to provide the recommended language changes to the Committee, and Ms. Hebert agreed.

Dr. Janet Perkins-Howland

- Dr. Perkins-Howland stated that she is speaking in support of this bill as an OB in New Hampshire.
- She has firsthand experience seeing how childcare is the number one stressor for young families. Her patients who are parents would love to find safe and affordable daycare.
- There is a declining birth rate, and we need to get young families to move to New Hampshire.
- Dr. Perkins-Howland recalled her own experience trying to enroll in daycare, and explained that she had to call every day until she was eventually taken off the waitlist.
- She has seen how the lack of accessible daycare keeps talented people out of the workforce.
- Dr. Perkins-Howland told a story about a patient of hers who had to turn down a promising job opportunity because she could not afford the 2-month gap while her childcare was being arranged. This bill's provision for 60 days of bridge funding would have made all the difference for that family.
- She noted that one of her patients spends more in childcare than their monthly mortgage.
- Dr. Perkins-Howland emphasized that this is about New Hampshire's economic future. When we support parents returning to work, we strengthen the entire community.

Leanna Lorden, White Birch Center

- Ms. Lorden stated that she is speaking in support of this bill as the Chief Operating Officer of the White Birch Center, which is a nonprofit organization providing childcare.
- This bill would streamline the New Hampshire childcare scholarship for parents and providers.
- This will be beneficial for the White Birch Center and the families they serve because it creates presumptive eligibility and prospective payments.
- Currently, families must either pay full tuition or stay at home with children while in the application process.
- Ms. Lorden explained that at the White Birch Center, families may go against tuition policy and accrue a balance. As a result, White Birch Center ends up struggling to get families to catch up on payments. They often go out of their way to find alternative funding opportunities to support families during these transitions.
- Since the market rate survey and increase in eligibility to 85% of the state median income, the White Birch Center has doubled their enrollment in the scholarship program.
- While these changes have kept aging balances at bay, they are still facing challenges such as spending extensive time submitting claims, back-billing with delays in linking a child, and backtracking accounts receivable when cost shares change unexpectedly.
- Ms. Lorden addressed presumptive eligibility and explained that as a center, they would be getting paid for the care of a child while their application is being processed. This also means parents will not have to worry about childcare costs or missing work while applications are in process.
- This bill will also make the application simpler, with the aim of fast-tracking the application timeline.
- Ms. Lorden addressed prospective payments and explained that they currently receive scholarship payments after they have already provided childcare. Prospective payments will allow them to receive scholarship payments ahead of the care being provided, which is more in line with normal business practices and would allow them to operate more efficiently.

Carlisa Choate, YMCA

- Ms. Choate introduced herself as the Executive Director of Education at the YMCA of Greater Nashua. She is representing all YMCAs across New Hampshire in support of this bill.
- The 8 YMCAs of New Hampshire are among the largest youth serving organizations in the state. They provide care to thousands of children through

early childhood education, before and after school programs, and summer camps..

- The YMCA of Greater Nashua – Merrimack Branch cares for over 480 children per day.
- There are many eligible families in need that are facing barriers when applying for assistance. They often give up on the process due to its complexity and red tape.
- This bill would simplify the process and ensure that eligible families can receive the help they need.
- Ms. Choate explained that hourly attendance tracking is another burden for childcare providers. Since 2023, providers are reimbursed on enrollment, rather than attendance. Yet, they are still required to track hours, which is wasting time that could be better spent on care. Removing this requirement would free up valuable resources for the children they serve.
- She stated that the upfront payments proposed in this bill will give childcare providers financial stability.
- Currently, providers can wait up to a month for payments. This often leaves a gap of \$2,000-\$4,000, which is nearly impossible for the many programs operating on a thin margin.
- Thus, some programs have opted out of the scholarship program because it does not meet their business needs.
- Ms. Choate emphasized that the presumptive eligibility pilot will be a game changer for families and providers.
- This bill will make childcare more accessible and reliable for families, more sustainable for providers, and will ultimately strengthen our workforce and the economy.
- Senator Avard asked for clarity on the number of families they serve each day.
- Ms. Choate explained that the Merrimack branch alone serves over 480 families each day. In addition, they have other branches, camps, and offsite programs.

Trina Ingelfinger, New Futures

- Ms. Ingelfinger stated that she is speaking in support of this bill because it will help working families in New Hampshire access the care that they need.
- This past fall, New Futures has resoundingly heard that there are significant barriers to accessing the childcare scholarship program through a series of listening sessions and interviews with stakeholders.
- This is a cost-effective program, with federal funds covering approximately 57 cents on the dollar for the programmatic costs of the childcare scholarship.
- Ms. Ingelfinger cited a report from the New Hampshire Fiscal Policy Institute, which underscored that every dollar invested in subsidy programs like this yield more than a dollar in returns by the end of that year.

- This report also noted how underused this program is, with only 7% of eligible families currently accessing the program.

Laquisha Gebhard

- Ms. Gebhard stated that she is speaking in support of this bill.
- She moved to Bristol from Massachusetts for a better life and better opportunities for her and her daughter.
- One of the hurdles they faced was finding easily and safely accessible childcare. While her daughter attends Pre-K part time, they were on three childcare waitlists for over a year and a half. This took a toll on them, as she was unable to work a full-time or part-time job.
- Ms. Gebhard emphasized that this scholarship program is a need for young families who want a safe and healthy environment for their children.

Cora Lynn Hoppe

- Ms. Hoppe stated that she is the Executive Director of Rochester Childcare. They serve 130 young children and 250 school-aged children; 168 of them are on scholarship.
- Last year, Rochester Childcare saw losses of \$600,000 and had to completely revamp their business. They are still recovering from this market failure.
- As a result of this, they must make families pay private rates while they await the scholarship.
- Ms. Hoppe has personally tried to apply for the scholarship in the past and described it as a nightmare. It took approximately 20 hours over a two-week span.
- Oftentimes, when families are unlinked from the scholarship, her agency will try to cover that cost, but that puts them into the red.
- Ms. Hoppe explained that they were dropped from their workman's compensation insurance and had to enter a high-risk pool, increasing their rate approximately 25%. This is the second time they have been kicked off insurance.
- Ms. Hoppe stated that she is getting paid minimum wage and is being forced to subsidize that cost with the school age program. She keeps it affordable by keeping it at the state minimum, but they are barely hanging on.
- She emphasized that bills do not wait, so it is important as a business owner that she has access to these funds prior.
- Rochester Childcare is a \$3.5 million company with a profit margin of about 2%. It is one of the largest childcare centers left on the Seacoast. If they shut down, it would shut down the city of Rochester and their economy.

SW

Date Hearing Report completed: March 4, 2025