

Amendment to SB 522-FN-A

1 Amend the bill by replacing all after the enacting clause with the following:

2
3 1 Short Title. This act shall be known as the "Early Childhood Education Act."

4 2 New Subparagraph; New Hampshire Employment Program and Family Assistance Program;
5 Rulemaking. Amend RSA 167:83, II by inserting after subparagraph (q) the following new
6 subparagraph:

7 (r) Modification of reimbursement for the early childhood education account program,
8 pursuant to 194-F:13, as follows:

9 (1) Allow transfer of annual childcare grant amounts per child to the entity
10 designated by the department of education to administer the Early Childhood Education Account
11 (ECEA), in accordance with the Child Care and Development Block Grant Act, 42 U.S.C. section
12 9858, as amended, and section 418 of the Social Security Act, 42 U.S.C. section 618, as amended;

13 (2) Implement adjustments federally permitted by the Office of Child Care to the
14 market rate survey which more equitably account for geographic differences, inflation, off-hours
15 care, and other costs of child care which are not currently captured in the market rate survey; and
16 upon implementation, the department of health and human services shall develop and engage in
17 training of all staff on program eligibility and reimbursement changes to the ECEA grant program.

18 3 New Subdivision; Early Childhood Education Account Program. Amend RSA 194-F by
19 inserting after section 12 the following new subdivision:

20 Early Childhood Education Account Program

21 194-F:13 Early Childhood Education Account Program Established.

22 I. There is hereby established an early childhood education account program for eligible New
23 Hampshire children. "Eligible child" means a resident of this state who is between 4 and 5 years old
24 and whose annual household income at the time the child applies for the program is less than or
25 equal to 500 percent of the federal poverty guidelines as updated annually in the Federal Register by
26 the United States Department of Health and Human Services under 42 U.S.C. section 9902 (2).
27 Beginning July 1, 2028, "Eligible child" shall mean a resident of this state who is between 3 and 5
28 years old and whose annual household income at the time the child applies for the program is less
29 than or equal to 500 percent of the federal poverty guidelines as updated annually in the Federal
30 Register by the United States Department of Health and Human Services under 42 U.S.C. section
31 9902 (2). No income threshold need be met in subsequent years, provided the child otherwise
32 qualifies.

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1 II. The early childhood education account program funding shall be non-lapsing and
2 continually appropriated to the department of education for the purposes of the early childhood
3 education account (ECEA) program grants under this section. The fund shall consist of transfers
4 from the education trust and appropriations of general funds, if needed, to implement the program,
5 and shall allow contributions from individuals, communities, and businesses. The state treasurer
6 shall invest the moneys deposited in the fund as provided by law. Interest earned on moneys
7 deposited in the fund shall be deposited into the fund. Businesses making donations or
8 contributions to the early childhood education account grants shall be eligible for tax credits against
9 state business taxes the same as provided for in RSA chapter 77-G.

10 III. The commissioner of the department of education shall issue a request for proposal to
11 select a third party fiscal intermediary organization to manage and distribute the grant funds
12 established under this subdivision. The selected fiscal intermediary shall have the duties,
13 obligations, and authority as in RSA 194-F:4 and RSA 194-F:6.

14 IV. The amount of annual grants to children shall be equal to the cost of an opportunity for
15 an adequate education determined pursuant to RSA 198:40-a.

16 V. Parents of an ECEA child shall agree to use the grant funds deposited in their child's
17 ECEA only for the following qualifying expenses to educate the early childhood education child in
18 accordance with the Child Care and Development Block Grant Act, 42 U.S.C. section 9858, as
19 amended, and section 418 of the Social Security Act, 42 U.S.C. section 618, as amended:

20 (a) A high quality, community-based, mixed delivery public or private pre-kindergarten
21 program.

22 (b) Tuition and fees at a licensed childcare provider, family childcare provider, or private
23 school with independence under RSA 194-F:7, providing pre-kindergarten programs.

24 (c) Services contracted for and provided by a district public school, chartered public
25 school, public academy, or independent school, including, but not limited to, childcare, individual
26 classes and curricular activities and programs.

27 (d) Textbooks, curriculum, or other instructional materials, including educational
28 software and applications.

29 (e) Tuition and fees for summer education programs and specialized education
30 programs.

31 (f) Educational services and therapies, including, but not limited to, occupational,
32 behavioral, physical, speech-language, and audiology therapies.

33 (g) Any other pre-kindergarten educational expense approved by the third party fiscal
34 intermediary organization or the department of education.

35 VI. ECEA funds shall not be refunded, rebated, or shared with a parent or pre-kindergarten
36 EFA student in any manner. Any refund or rebate for goods or services purchased with ECEA funds
37 shall be credited directly to the student's ECEA.

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1 VII. Parents may make payments for the costs of childcare and educational goods and
2 services not covered by the funds in their child's ECEA. However, personal deposits into an ECEA
3 shall not be permitted.

4 VIII. Funds deposited in a ECEA shall not constitute taxable income to the parent or the
5 ECEA child.

6 IX. An ECEA shall remain in force, and any unused funds shall roll over from quarter-to-
7 quarter and from year-to-year until the parent withdraws the ECEA child from the program, or an
8 ECEA converts to an EFA pursuant to RSA 194-F upon entering kindergarten, unless the EFA is
9 closed because of a substantial misuse of funds. Any unused funds shall revert to the education
10 trust fund established in RSA 198:39 and be available to fund other EFAs.

11 X. Nothing in this subdivision shall require that an ECEA child must be enrolled, full or
12 part-time, with either a licensed childcare provider, family childcare provider, or private school.

13 XI. If any provision of this subdivision, or the application thereof to any person or
14 circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this
15 subdivision which can be given effect without the invalid provision or application, and to this end the
16 provisions of this subdivision are declared to be severable.

17 XII. For the fiscal year ending June 30, 2025, and every fiscal year thereafter, the amount
18 necessary to fund the grants under this section is hereby appropriated to the department from the
19 education trust fund established in RSA 198:39. If the balance in the education trust fund is less
20 than zero, the governor is authorized to draw a warrant for sufficient funds to eliminate such deficit
21 out of any money in the treasury not otherwise appropriated. The commissioner of the department
22 of administrative services shall inform the fiscal committee and the governor and council of such
23 balance. This reporting shall not in any way prohibit or delay the distribution of grants under this
24 section.

25 194-F:14 Rulemaking.

26 I. The commissioner of the department of education, in collaboration with the commissioner
27 of the department of health and human services, shall:

28 (a) Develop a detailed, publicly available rubric for approving quality pre-kindergarten
29 programs eligible for funding under this subdivision, in line with the Early Learning New
30 Hampshire standards. The departments shall consult with a variety of stakeholders, including
31 families, when developing the standards and benchmarks of a quality pre-kindergarten program.

32 (b) Develop a technical assistance and monitoring program of pre-kindergarten
33 programs receiving funding under this subdivision. Monitoring and technical assistance shall focus
34 on the standards and benchmarks of quality approved under this subdivision.

35 (c) Identify the variety of federal, state, and private funding streams to be used in the
36 implementation of this subdivision and how these various funding streams will be combined to fund
37 pre-kindergarten under this subdivision.

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1 (d) Identify the stackable versus exclusionary grants per student available for ECEA
2 eligible students.

3 (e) Collaborate to leverage all available funds at the child level to support pre-
4 kindergarten.

5 (f) Develop outcome measures for pre-kindergarten programs receiving funding under
6 this subdivision.

7 (g) Build off work done by New Hampshire's preschool development grant and
8 Kindergarten Entry Assessment when designing, implementing, and monitoring the availability of
9 pre-kindergarten in New Hampshire.

10 II. The commissioner of the department of education shall, in collaboration with the
11 department of health and human services, approve programs eligible for funding that meet the
12 requirements of the rubric established in subparagraph I(a).

13 III. The departments shall prioritize special education services, as well as regions where
14 access to quality pre-school programs or Pre-K services is limited when designing, implementing,
15 and monitoring this subdivision.

16 IV. The commissioner of the department of education, in collaboration with the department
17 of health and human services, shall adopt rules under RSA 541-A to implement the provisions of this
18 subdivision.

19 V. The commissioner of the department of education shall submit a report every 2 years,
20 with the initial report due by September 1, 2026, and subsequent reports due on September 1 in
21 even numbered years thereafter, to the governor, speaker of the house, president of the senate, and
22 the chairs of the house and senate education committees. The report shall:

23 (a) Detail the grants provided under this subdivision, the localities and districts, the
24 duration of the program, and a summary report of students and families served.

25 (b) Highlight high-performing programs, including those that have improved student
26 and family outcomes.

27 (c) Provide descriptions and analysis of practices that contributed to the improvements
28 described in paragraph II.

29 (d) Provide information on the development of the report, to include information solicited
30 from pre-kindergarten programs, with descriptions and explanations of strategies, services, and
31 programs that they have implemented, and evidence demonstrating their effectiveness.

32 (e) Include specific requests and outlines of legislative action needed, including budget
33 requests.

34 (f) Summarize non-identifiable demographic and economic data on grant recipients.

35 4 Effective Date. This act shall take effect July 1, 2024.

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AMENDED ANALYSIS

This bill requires rulemaking by the departments of education and health and human services on child care early education and establishes an early childhood education account grant program to provide funds for a third party financial intermediary to administer grants to eligible New Hampshire pre-kindergarten children for qualifying expenses.