

SB 243-FN - AS INTRODUCED

2025 SESSION

25-0961

11/06

SENATE BILL ***243-FN***

AN ACT relative to the child care scholarship program.

SPONSORS: Sen. Ricciardi, Dist 9; Sen. Fenton, Dist 10; Sen. Perkins Kwoka, Dist 21; Rep. Beauchemin, Hills. 3; Rep. Wallner, Merr. 19; Rep. Rice, Hills. 38

COMMITTEE: Health and Human Services

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.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears ~~[in brackets and struckthrough]~~
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to the child care scholarship program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Findings and Purpose. The general court finds:

2 I. The availability of quality, affordable, safe, and reliable child care is critical for parents to
3 remain in the workforce, build a strong and future-focused economy, and provide a supportive
4 environment for healthy child development, preparing children for success in school and in life.

5 II. Broad investment in the child care system has been identified as a priority by diverse
6 stakeholders including businesses, state leaders, providers, early care and education professionals,
7 higher education, faith leaders, and families across New Hampshire.

8 III. New Hampshire's child care scholarship plays a significant role in ensuring all New
9 Hampshire families have choice and access to quality, safe, and reliable child care, regardless of
10 income, geographic location, or field of work.

11 IV. Aligning the child care scholarship program with New Hampshire child care business
12 practices enables child care providers to include scholarship-eligible children in their programs
13 without excessive administrative burdens.

14 V. Reducing unnecessary administrative barriers will help ensure eligible families and
15 providers are not unnecessarily deterred from participating in the child care scholarship program.

16 VI. Adopting a streamlined system of presumptive eligibility will remove undue delays in
17 the provision of child care.

18 2 New Subparagraphs; New Hampshire Employment Program and Family Assistance Program;
19 Rulemaking. Amend RSA 167:83, II by inserting after subparagraph (r) the following new
20 subparagraphs:

21 (s) Payments for child care providers. Such rules shall:

22 (1) Streamline data entry requirements for providers receiving child care scholarship
23 payments by eliminating any requirement to report hourly attendance, to the extent that such
24 reporting is not necessary for administering child care scholarship payments; and

25 (2) By December 2025, implement a system of prospective provider payments,
26 through which child care providers shall receive scholarship program payments in advance of or at
27 the beginning of each payment period. If a provider begins providing care to a child in the middle of
28 a service period, the department may delay the first payment until the start of the next service
29 period.

30 (t) Child care scholarship presumptive eligibility pilot program.

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1 (1) The department shall develop and implement a presumptive eligibility pilot
2 program, whereby applicants who meet threshold screening requirements established by the
3 department will receive the benefit of child care scholarship funds while the application process is
4 underway, from the date of the initial screening until the earliest of:

5 (A) 60 days after the initial screening;

6 (B) The date on which a final eligibility determination is made; or

7 (C) The expiration of a submission period, the length of which shall be identified
8 by the department, if the applicant fails to submit the required information or documentation to
9 establish eligibility during this period. The department shall provide both the applicant and the
10 child care provider at least 10 days notice, and shall supply the applicant a list of the verification
11 documents still required to determine eligibility, before terminating the presumptive eligibility
12 period on this basis.

13 (2) Except in cases of fraud or intentional violation of program rules, no child care
14 provider and no scholarship applicant shall held be responsible for the costs of care paid from
15 scholarship funds during such period of presumptive eligibility, even if the child is ultimately
16 determined ineligible for scholarship funds.

17 (3) The department shall establish criteria and parameters as needed to implement
18 the program.

19 (4) The duration of this pilot program shall be 24 months, beginning January 1,
20 2026.

21 (5) On or before May 1, 2028, the department shall provide a detailed report of the
22 presumptive eligibility pilot program to the house health and human services oversight committee
23 and senate health and human services committee of the general court. The report shall include the
24 following information:

25 (A) Information regarding family and provider interest and utilization of the
26 program during the pilot period;

27 (B) Information regarding the costs and benefits of the program as implemented,
28 and any suggestions for improvements;

29 (C) Funding levels necessary to sustain the program going forward; and

30 (D) Any other relevant information regarding the program.

31 (u) Child care scholarship application processes study. Such rules shall direct the
32 department, by May 1, 2026, to evaluate information regarding challenges in the application process
33 and make a plan for the implementation of improvements such as a fast-track application or other
34 appropriate measures, to ensure that child care scholarship applicants do not face unnecessary
35 burdens in the eligibility determination process and are not directed to submit information or
36 documents that are not necessary for determination of child care scholarship program eligibility,
37 except when an applicant has expressly opted to be considered for other assistance programs.

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1 (v) District office staff training. The department of health and human services shall
2 develop and engage in training of all district office staff regarding changes to the child care
3 scholarship program.

4 3 Prospective Repeal. RSA 167:83, II(t), related to the child care scholarship presumptive
5 eligibility pilot program, is repealed.

6 4 Effective Date.

7 I. Section 3 of this act shall take effect May 2, 2028.

8 II. The remainder of this act shall take effect July 1, 2025.

SB 243-FN- FISCAL NOTE
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AN ACT relative to the child care scholarship program.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	\$0	\$0	\$0	\$0
<i>Revenue Fund(s)</i>	None			
Expenditures*	\$0	\$371,600	\$0	\$0
<i>Funding Source(s)</i>	General Fund			
Appropriations*	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

***Expenditure = Cost of bill**

***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill requires the Commissioner of the Department of Health and Human Services to adopt administrative rules regarding payments for childcare providers, the child care scholarship presumptive eligibility pilot program, and the child care scholarship application process study.

The Department of Health and Human Services indicates the bill would require the Department to eliminate hourly attendance reporting to the extent such reporting is not necessary for administering childcare scholarship payments. While hourly attendance is not required for billing, the Department is required to report hours of service to the Administration of Children and Families (ACF) pursuant to 42 CFR 98.71(a)(13). The Department would need to replace the requirement that providers report hourly attendance with each billing cycle with a requirement that providers report hourly attendance at least quarterly. To do so the Department would need to make systems changes to its billing process. The Department would also need to amend its CCDF state plan to eliminate the hourly attendance requirement.

To create a childcare presumptive eligibility pilot program, the Department would make systems changes and amend the CCDF state plan. The presumptive eligibility would allow applicants to become eligible after meeting a threshold screening requirement established by the Department. An applicant's presumptive eligibility would continue until the earliest of 60 days after application, a final determination for childcare scholarship eligibility, or the expiration of a

submission period as identified by the Department. There would be an indeterminable increase to the number of individuals that will be eligible for a child care scholarship. The Department expects a great majority of individuals that would receive presumptive child care benefits if the bill were enacted will be eligible for child care scholarships. Because children eligible for presumptive eligibility for child care would largely be eligible for child care scholarship normally, the Department is not considering the change in eligibility in its estimation of the cost of the bill. This is because the bill is not expanding eligibility but shifting eligibility to start sooner.

The Department expects the system changes for both eliminating hourly attendance and creating a presumptive eligibility pilot program to cost \$171,600 (\$66,000 for changes to New HEIGHTS and \$105,600 for changes to BRIDGES).

To conduct a study of the childcare application process, the Department states it would contract with an outside firm for an objective analysis of Department procedures. The Department expects this study would cost less than \$200,000 to complete. The Department believes the proposed deadline of May 1, 2026 for the study is unrealistic. The Department would need to conduct a procurement process that takes approximately 9 months to complete. The Department suggests November 1, 2026 would be the earliest an application study could be fully completed.

The Department estimates the total cost of the proposed legislation to be \$371,600 including the cost of system changes, and to contract out a study of the application process.

Regarding training of district office staff, the Department indicates it regularly conducts such training. The Department expects training on changes to the childcare program to be conducted as part of the regular training and would not have a cost.

AGENCIES CONTACTED:

Department of Health and Human Services