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STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

DIVISION OF ECONOMIC STABILITY

Lori A. Weaver
Interim Commissioner

Karen E. Hebert
Director

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March 29, 2023

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court and

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Division of Economic Stability, to accept and expend federal funds from the American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), in the amount of \$3,600,000, to provide one-time grants to child care providers to strengthen the workforce that delivers that care for New Hampshire parents and their children. Effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2023, and further authorize the allocation of these funds in the accounts below. This is an allowable use of ARPA SFRF funds under Section 602 (c)(1)(A) to respond to the public health emergency or its negative economic impacts. 100% Federal Funds.

05-95-94-940010-2465¹ HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, FISCAL RECOVERY FUNDS

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase/ (Decrease) Amount	Revised Modified Budget
000-400338-16	Federal Funds	\$ 82,199,672	\$ 3,600,000	\$ 85,799,672
	General Fund	\$ -		\$ -
	Total Revenue	\$82,199,672	\$ 3,600,000	\$ 85,799,672
010-500100	Personal Services Perm Class	\$ 122,104		\$ 122,104
020-500200	Current Expenses	\$ 410,001		\$ 410,001
022-500255	Rents-Leases other than State	\$ 3,891,727		\$ 3,891,727
030-500301	Equipment New/Replacement	\$ 68,001		\$ 68,001
040-500800	Indirect Costs	\$ 2,123,973		\$ 2,123,973
041-500801	Audit Fund Set Aside	\$ 75,359	\$ 3,600	\$ 78,959
042-500620	Additional Fringe Benefits	\$ 8,733		\$ 8,733
046-500462	Consultants	\$ 1		\$ 1
047-500240	Own Forces Maintenance (Bldg-Grnds)	\$ 1		\$ 1
048-500226	Contract Repairs: Bldg, Grounds	\$ 1		\$ 1
059-500117	Temp Full Time	\$ 98,133		\$ 98,133
060-500601	Benefits	\$ 119,996		\$ 119,996
072-502683	Grants Federal	\$ 250,000	\$ 3,596,400	\$ 3,846,400
085-588514	Interagency Transfers Out Federal	\$ 52,750		\$ 52,750
102-500731	Contracts for Program Services	\$ 50,311,610		\$ 50,311,610
103-502507	Contracts for Operational Services	\$ 24,667,282	\$ -	\$ 24,667,282
	Total Expenses	\$82,199,672	\$ 3,600,000	\$ 85,799,672

¹All direct program costs will be accounted for using activity 00FRF602PH9542A and all administrative and indirect costs will be accounted for using activity 00FRF602PH9542Z. Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

EXPLANATION

The Department is requesting funding to strengthen child care in New Hampshire. The role of child care professionals has been recognized as an essential workforce that empowers working families and enables New Hampshire's economy to flourish. Child care professionals nurture the social and emotional development of children who will be New Hampshire's future leaders, employees, business owners and community members.

The federal funding for the child care industry provided through the Department of Health and Human Services (DHHS) to date to respond to and recover from the COVID-19 pandemic, has assisted hundreds of child care providers. Yet, providers remain in a unique and volatile position, still fighting pandemic impacts to meet the high demand of families, businesses and industries across New Hampshire. The number of programs operating at partial capacity, due to staff shortages, affects the number of children that can attend, thereby causing a ripple effect to businesses and communities.

Of the 479 reporting licensed child care providers in New Hampshire, the current collective staff vacancy rate is 26%. This lack of workforce stability threatens the quality of care and further loss of staff. Throughout the State, many providers are at risk of closure. In 2021, New Hampshire had 756 licensed child care programs open and operating with a capacity to provide care to 45,660 children. In 2022, New Hampshire has 717 licensed programs that are open and operating, with the capacity to provide care to 44,515 children. While capacity has decreased, the actual number of children that programs can serve is further decreased because of frequent child care staff shortages.

This program, which would provide one-time grant assistance to help child care providers cover long-term mortgage or lease payments, pay for deferred maintenance/repair expenses, or to fund programming, building expansion or outdoor space, would help address the child care provider shortage and aim to improve access to healthy child care environments. By reducing operating costs, this program will free up funds to further invest in professional childcare workforce retention and recruitment.

Funds are budgeted as follows:

- Class 041 – RSA 124:16 requires .1% to be budgeted to pay for financial and compliance audits.
- Class 072 – The funds will be used for one-time grants to childcare providers.

Areas Served: Statewide

Source of Funds: These funds are 100% Federal Funds.

In the event that Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully Submitted,



Lori A. Weaver
Interim Commissioner