

# Committee Report

**REGULAR CALENDAR**

**March 1, 2017**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Majority of the Committee on Finance to which was referred HB 370-FN-A,**

**AN ACT making an appropriation for the purpose of meeting new federal regulations relative to child care.**

**Having considered the same, report the same with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.**

**Rep. Frank Byron**

**FOR THE MAJORITY OF THE COMMITTEE**

**MAJORITY  
COMMITTEE REPORT**

Committee:	<b>Finance</b>
Bill Number:	<b>HB 370-FN-A</b>
Title:	<b>making an appropriation for the purpose of meeting new federal regulations relative to child care.</b>
Date:	<b>March 1, 2017</b>
Consent Calendar:	<b>REGULAR</b>
Recommendation:	<b>INEXPEDIENT TO LEGISLATE</b>

**STATEMENT OF INTENT**

This bill seeks to make an additional appropriation of \$15 million for the \$ million Child Care and Development Block Grant Program. The program provides child care services to low-income working parents, helping them maintain their job and obtain suitable care of their children. Recent changes to the Block Grant Act require the state to extend to twelve months service eligibility to twelve months as well as a minimum of 3 months of continued assistance in the event of the parent's job loss. Also required under the new changes is the coverage payments to the child care agency to compensate for the absence of a sick child; these were that was not previously paid. The new grant requirements include that the provisions require the state to adjust to the 50th percentile the payment rates to child care providers based upon a market survey. The bill as drafted seeks to appropriate \$7,000,000 in SFY18 and an additional \$8,000,000 in SFY19 for the purpose of covering the program changes. The Governor's proposed SFY 18/19 budget contains funding in each year of the biennium, therefore the funds already exist in the Governor's proposed budget. Based upon this information, it was the majority opinion of the committee that this appropriation, included as part of the Governor's budget should be part of the consideration during the legislature's budget review and the bill should be marked Inexpedient to Legislate. The majority believes that, since the appropriation for child care services is already a part of the Governor's proposed budget (HB 1), any increase should be considered, along with other priorities, during the House phase of the budget process. As a result, this bill is unnecessary.

Vote 15-11.

Rep. Frank Byron  
FOR THE MAJORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

### Finance

**HB 370-FN-A**, making an appropriation for the purpose of meeting new federal regulations relative to child care. **MAJORITY: INEXPEDIENT TO LEGISLATE. MINORITY: OUGHT TO PASS.** Rep. Frank Byron for the **Majority** of Finance. This bill seeks to make an additional appropriation of \$15 million for the \$ million Child Care and Development Block Grant Program. The program provides child care services to low-income working parents, helping them maintain their job and obtain suitable care of their children. Recent changes to the Block Grant Act require the state to extend to twelve months service eligibility to twelve months as well as a minimum of 3 months of continued assistance in the event of the parent's job loss. Also required under the new changes is the coverage payments to the child care agency to compensate for the absence of a sick child; these were that was not previously paid. The new grant requirements include that the provisions require the state to adjust to the 50th percentile the payment rates to child care providers based upon a market survey. The bill as drafted seeks to appropriate \$7,000,000 in SFY18 and an additional \$8,000,000 in SFY19 for the purpose of covering the program changes. The Governor's proposed SFY 18/19 budget contains funding in each year of the biennium, therefore the funds already exist in the Governor's proposed budget. Based upon this information, it was the majority opinion of the committee that this appropriation, included as part of the Governor's budget should be part of the consideration during the legislature's budget review and the bill should be marked Inexpedient to Legislate. The majority believes that, since the appropriation for child care services is already a part of the Governor's proposed budget (HB 1), any increase should be considered, along with other priorities, during the House phase of the budget process. As a result, this bill is unnecessary. **Vote 15-11.**

Original: House Clerk

Cc: Committee Bill File

**REGULAR CALENDAR**

**March 1, 2017**

**HOUSE OF REPRESENTATIVES**

**REPORT OF COMMITTEE**

**The Minority of the Committee on Finance to which was referred HB 370-FN-A,**

**AN ACT making an appropriation for the purpose of meeting new federal regulations relative to child care.**

**Having considered the same, and being unable to agree with the Majority, report with the recommendation that the bill OUGHT TO PASS.**

**Rep. Cindy Rosenwald**

**FOR THE MINORITY OF THE COMMITTEE**

## MINORITY COMMITTEE REPORT

Committee:	<b>Finance</b>
Bill Number:	<b>HB 370-FN-A</b>
Title:	<b>making an appropriation for the purpose of meeting new federal regulations relative to child care.</b>
Date:	<b>March 1, 2017</b>
Consent Calendar:	<b>REGULAR</b>
Recommendation:	<b>OUGHT TO PASS</b>

### STATEMENT OF INTENT

This bill appropriates \$15 million over the biennium to childcare scholarships to meet new federal requirements. These scholarships are important to help low income families afford the cost of childcare, which can reach \$10,000 per child per year. Without this added funding, it is projected that the state may have to limit the number of children served by as much as 40% and start a waiting list. This would be unfortunate since it could lead to parents, who are unable to afford childcare, leaving the workforce and qualifying for other public assistance programs. The Governor's budget does include increased funding for childcare; however, without an explicit position of the House, the minority is concerned that this increase could fall victim to other priorities along the way as the budget is finalized later on this spring. With employers facing a workforce shortage and a clear need to attract young families to New Hampshire, we believe it is critical for the House to stand up for childcare as a spending priority.

Rep. Cindy Rosenwald  
FOR THE MINORITY

Original: House Clerk  
Cc: Committee Bill File

## REGULAR CALENDAR

Finance

**HB 370-FN-A**, making an appropriation for the purpose of meeting new federal regulations relative to child care. **OUGHT TO PASS.**

Rep. Cindy Rosenwald for the **Minority** of Finance. This bill appropriates \$15 million over the biennium to childcare scholarships to meet new federal requirements. These scholarships are important to help low income families afford the cost of childcare, which can reach \$10,000 per child per year. Without this added funding, it is projected that the state may have to limit the number of children served by as much as 40% and start a waiting list. This would be unfortunate since it could lead to parents, who are unable to afford childcare, leaving the workforce and qualifying for other public assistance programs. The Governor's budget does include increased funding for childcare; however, without an explicit position of the House, the minority is concerned that this increase could fall victim to other priorities along the way as the budget is finalized later on this spring. With employers facing a workforce shortage and a clear need to attract young families to New Hampshire, we believe it is critical for the House to stand up for childcare as a spending priority.

Original: House Clerk

Cc: Committee Bill File

## Clayman, Janet

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**From:** Frank Byron <frankstaterep@gmail.com>  
**Sent:** Tuesday, February 28, 2017 8:40 PM  
**To:** Clayman, Janet  
**Subject:** Fwd: HB370 Blurb  
**Attachments:** Blurb HB370-1.docx

Janet,

Here is the final blurb on HB370. Seen and approved by Neal.

HB370-FN- A seeks to make an additional appropriation of \$15 million for the \$ million Child Care and Development Block Grant Program. The program provides child care services to low-income working parents, helping them maintain their job and obtain suitable care of their children. Recent changes to the Block Grant Act require the state to extend to 12 months service eligibility to 12 months as well as a minimum of 3 months of continued assistance in the event of the parent's job loss. Also required under the new changes is the coverage payments to the child care agency to compensate for the absence of a sick child; these were that was not previously paid. The new grant requirements include that the provisions require the state to adjust to the 50th percentile the payment rates to child care providers based upon a market survey.

The bill as drafted seeks to appropriate \$7,000,000 in State Fiscal Year (SFY)'18 and an additional \$8,000,000 in SFY'19 for the purpose of covering the program changes. The Governor's proposed SFY '18/'19 budget contains funding in each year of the biennium, therefore the funds already exist in the Governor's proposed budget.

Based upon this information, it was the majority opinion of the committee that this appropriation, included as part of the Governor's budget should be part of the consideration during the legislature's budget review and the bill should be marked inexpedient to legislate.

The majority believes that, since the appropriation for child care services is already a part of the Governor's proposed budget (HB 1), any increase should be considered, along with other priorities, during the House phase of the budget process.



As a result, this bill is unnecessary.

Regards,

**Frank**

*Frank A. Byron  
State Representative  
Litchfield*

**Committees:**

Finance - Chairman Division III  
Capital Budget Overview Committee  
Joint Committee on Employee Classification

**Email:** [frankstaterep@gmail.com](mailto:frankstaterep@gmail.com)

**Home:** (603) 889-7424

----- Forwarded message -----

From: **Weare Representative** <[rep03281@aol.com](mailto:rep03281@aol.com)>

Date: Tue, Feb 28, 2017 at 7:40 PM

Subject: Re: HB370 Blurb

To: [frankstaterep@gmail.com](mailto:frankstaterep@gmail.com)

Hi, Frank,

My thoughts are reflected in the attachment. Use them as you see fit, and submit to Janet.

Thanks, Neal

-----Original Message-----

From: Frank Byron <[frankstaterep@gmail.com](mailto:frankstaterep@gmail.com)>

To: Neal Kurk <[rep03281@aol.com](mailto:rep03281@aol.com)>; Clayman, Janet <[Janet.Clayman@leg.state.nh.us](mailto:Janet.Clayman@leg.state.nh.us)>

Sent: Tue, Feb 28, 2017 4:10 pm

Subject: HB370 Blurb

Regards,

**Frank**

*Frank A. Byron  
State Representative  
Litchfield*

**Committees:**

Finance - Chairman Division III  
Capital Budget Overview Committee  
Joint Committee on Employee Classification

**Email:** [frankstaterep@gmail.com](mailto:frankstaterep@gmail.com)

HB 370-FN-A

OTP

Minority Report

Rep. Rosenwald

This bill appropriates \$15 million over the biennium to childcare scholarships to meet new federal requirements. These scholarships are important to help low income families afford the cost of childcare, which can reach \$10,000 per child per year. Without this added funding, it is projected that the state may have to limit the number of children served by as much as 40% and start a waiting list. This would be unfortunate since it could lead to parents, who are unable to afford childcare, leaving the workforce and qualifying for other public assistance programs.

The Governor's budget does include increased funding for childcare; however, without an explicit position of the House, the minority is concerned that this increase could fall victim to other priorities along the way as the budget is finalized later on this spring. With employers facing a workforce shortage and a clear need to attract young families to New Hampshire, we believe it is critical for the House to stand up for childcare as a spending priority.

*WLR*  
2/28/17

# Voting Sheets

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on HB 370-FN-A

BILL TITLE: making an appropriation for the purpose of meeting new federal regulations relative to child care.

DATE: February 28, 2017

LOB ROOM: 210-211

MOTION: (Please check one box)

Options: OTP, ITL (checked), Retain (1st year), Adoption of Amendment #, Interim Study (2nd year)

Moved by Rep. Byron, Seconded by Rep. Daniaelson, Vote: 15-11

MOTION: (Please check one box)

Options: OTP, ITL, Retain (1st year), Adoption of Amendment #, Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_, Seconded by Rep. \_\_\_\_\_, Vote: \_\_\_\_\_

MOTION: (Please check one box)

Options: OTP, ITL, Retain (1st year), Adoption of Amendment #, Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_, Seconded by Rep. \_\_\_\_\_, Vote: \_\_\_\_\_

MOTION: (Please check one box)

Options: OTP, ITL, Retain (1st year), Adoption of Amendment #, Interim Study (2nd year)

Moved by Rep. \_\_\_\_\_, Seconded by Rep. \_\_\_\_\_, Vote: \_\_\_\_\_

CONSENT CALENDAR: YES NO (X)

Minority Report? X Yes No If yes, author, Rep. Rosenwald Motion: OTP

Respectfully submitted: Rep. Rep Kenneth Weyler, Clerk

HOUSE COMMITTEE ON FINANCE

EXECUTIVE SESSION on HB 370-FN-A

BILL TITLE: making an appropriation for the purpose of meeting new federal regulations relative to child care.

DATE: 2/28/17 Taken out of order

LOB ROOM: 210-211 excuse errors -

MOTION: (Please check one box)

OTP  ITL  Retain (1st year)  Adoption of Amendment # 0543 (if offered)
Byron McKinney Daniel Johnson
Moved by Rep. McKinney Secoded by Rep. Daniel Johnson Vote: 15-11

MOTION: (Please check one box)

OTP  ITL  Retain (1st year)  Adoption of Amendment # (if offered)
Moved by Rep. Secoded by Rep. Vote:

MOTION: (Please check one box)

OTP  ITL  Retain (1st year)  Adoption of Amendment # (if offered)
Moved by Rep. Secoded by Rep. Vote:

MOTION: (Please check one box)

OTP  ITL  Retain (1st year)  Adoption of Amendment # (if offered)
Moved by Rep. Secoded by Rep. Vote:

CONSENT CALENDAR: YES NO

Minority Report? Yes No If yes, author, Rep: Rosenwald Motion:

Respectfully submitted: Kenneth L Weyler
Rep. Rep Kenneth Weyler, Clerk



STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/6/2017 8:32:09 AM  
Roll Call Committee Registers  
Report

2016 SESSION  
2017

FINANCE

Bill #: HB 370

Title: Making an appropriation for the purpose of meeting new federal regulations relative to child care.

PH Date: 1/1/17

Exec Session Date: 2, 28, 17

Motion: ITL

Amendment #: \_\_\_\_\_

MEMBER

YEAS

NAYS

MEMBER	YEAS	NAYS
Kurk, Neal M. Chariman	15	
Ober, Lynne M. Vice Chairman	6	
Weyler, Kenneth L. Clerk	2	
Allen, Mary M.	3	
Umberger, Karen C.	4	
McKinney, Betsy	5	
<del>Twombly, Timothy L.</del> <i>sterling</i>	6	
Byron, Frank A.	7	
Danielson, David J.	8	
Emerick, J. Tracy	9	
Spanos, Peter J.	10	
Bates, David M.	11	
<del>Hennessey, Erin T.</del> <i>Gagne</i>	12	
Vaillancourt, Steve	13	
Griffin, Gerald	14	
Wallner, Mary Jane		1
<del>Nordgren, Sharon</del> <i>Heath</i>		2
Eaton, Daniel A.		3
Smith, Marjorie K.		4
Rosenwald, Cindy		5
Leishman, Peter R.		6
Buco, Thomas L.		7
Hatch, William A.		8
Rogers, Katherine D.		9
Walsh, Robert M.		10
Lovejoy, Patricia T.		11
<b>TOTAL VOTE:</b>	<b>15</b>	<b>11</b>

Division III  
Work Session  
Minutes

HOUSE COMMITTEE ON Finance

DIVISION III WORK SESSION ON HB 370-FN-A

**BILL TITLE:** making an appropriation for the purpose of meeting new federal regulations relative to child care.

**DATE:** February 7, 2017

**ROOM:** 210-211

**Time Work Session Called to Order:** 11:39 a.m.

**Time Adjourned:** 12:27 p.m.

(please circle if present)

**Committee Members:** Byron, McKinney, Kurk, Danielson, Bates, Hennessey, Wallner, Nordgren, Rosenwald and Rogers

**Bill Sponsors:**

Rep. Rosenwald  
Rep. Nordgren  
Sen. Feltes

Rep. Fothergill  
Rep. M. MacKay  
Sen. Bradley

Rep. LeBrun  
Sen. Fuller Clark

**TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

\*State of NH DHHS, DCYF

\*Barbara Couch, Hypertherm, Inc.

Chair **Byron** called the session to order at 11:39 a.m.

LBA distributed two documents: one letter to Chairman **Kurk** from Barbara **Couch** of Hypertherm, listing their support for the bill and second a spreadsheet by the Department of Health and Human Services (DHHS) on the bill.

DHHS - Mary **Calise**, Executive Project Manager, Office of the Commissioner and Kristin **Booth**, Senior Planner, Division of Child Protection: Two scenarios childcare budget with inclusion of Gateway to Work with federal funding broken out in FY 18 CCDF of \$15.4 million, \$4.2 million TANF being transferred, leaving \$2.8 million that could be transferred.

Rep. **Kurk** - What can be done with money not transferred?

DHHS - It could be used with any of the purposes allowed by TANF. It does not lapse or go away, it does not have an end date.

Rep. **Kurk** - How certain can we be that we would in future years have money in TANF program that we would be able to continue this without decreasing money for other programs?

DHHS - That would be difficult to answer, currently we have a balance of \$68 million of TANF funds.

Rep. **Kurk** - If we ignore the \$68 million and increase the childcare grant, could we sustain with ongoing \$70 million we spend on TANF?



DHHS in FY 18 -19 I believe so, not sure beyond that.

Rep. **Rosenwald** - What has happened to TANF caseload since 2009?

DHHS - It has continually declined. I do not have current caseload information with me.

Rep. **Danielson** -If client base has declined has the expenses declined as well?

DHHS - Yes the maintenance of effort requires we are required to spend \$38 million of state per year.

Rep. **Wallner** - One reason legislation brought in is to be sure to meet federal regulations, if this is it, would this meet what federal government is requiring us to do?

DHHS - based on the estimate of 3 million we would meet the requirements at a minimum

Maureen **Ryan**, Dir. of Office of Human Services - These documents have not been provided to any group but you, at your request.

Rep. **Wallner** - Can you tell me how much less was in the efficacy budget that went to the Governor?

Ms. **Ryan** - The \$1million with the market rate.

Rep. **Wallner** - That went to Governor so this is the road map of how to have the requirements that the federal govt. is asking of us?

DHHS - If it included the Gateway to Work program - additional amount authorized to transfer TANF funds is \$2.8 million

Rep. **Kurk** - So this would take nothing of the \$68 million reserve - does the \$2.8 do the job?

DHHS - It does not, but the next page does not have the Gateway to Work and allows the \$3.4 million and shifts it from within the \$70 million TANF dollars.

Rep. **Wallner** - When you refer to Gateway to Work, that is TANF federal funds used for child care fed clients. So that \$3.4 is basically is in the \$6.2 on the second page?

Rep. **Kurk** - How much money is necessary to meet minimum requirements of federal?

DHHS -

3,39694 million in 18

3,953694 million in 19

Rep. **Kurk** - What will this get the state of New Hampshire?

DHHS - 12 months of eligibility for families and some absentee days for children.

Rep. **Kurk** - Provided the number of hours given to parents and all of these numbers can be done within our existing \$70 million appropriation.

Rep. **Wallner** - What the \$3 million and \$3.9 covered eligibility absentee what about the market rate survey?

DHHS - That was part of the efficacy budget.

Rep. **Wallner** - How many additional dollars did we need from last year?

DHHS - We have \$4,110,804 million that's the 50% rate increase market rate serves increase two week sick allowance.

Rep. **Wallner** - Were there other things that were required that we needed to do like additional inspections of providers that were license exempt? How much was that

DHHS - That would be within the licensing budget.

Rep. **Wallner** - But aren't we tendering money from this account?

DHHS - There are federal dollars that are also part of that unit.

Rep. **Wallner** - How much does that piece cost the state?

DHHS - We can get that for you.

Rep. **Kurk** - We need \$3 million, then you raised it to \$4 million. What is the additional?

DHHS - Starting from today was the increase in the market rate survey, that is a state mandate.

Rep. **Danielson** - We have less clients and increase in 3.5% increase in cost but why higher expense?

Chair **Byron** - Because of changes in the program market rate and 12 month eligibility.

Rep. **Kurk** - Who determines eligibility fed or state? Could the state change the definition of poor or working or create a waiting list?

DHHS - Would have to think about whether we would keep eligibility the same as eligibility increases sometimes if their income increases if they lose their eligibility they may lose their funding.

Rep. **Kurk** - Dept has a process of figuring out how to allocate money appropriated so you have flexibility of eligibility program. Obviously more services with more money but you have the flexibility to have more or less services?

DHHS - Yes.

Rep. **Kurk** - Although request is for additional money if same about is given you can make program work but less services will be provided?

DHHS - Yes.

Rep. **Wallner** - Using Rep. **Kurk's** analysis, wouldn't you have to ask families on program to leave, create a waitlist and wasn't one reason TANF rolls have gone down is we have gotten families into work? And one reason is that families with children have been able to work?

DHHS - Last two years we have been highest in country on TANF work often childcare is so expensive if they lose that funding they are forced to stop working.

Rep. **Hennessey** - Looking at the budget picture if we change rule would those families be feeding off

the state in another area?

DHHS - If they don't have the childcare funds they might be using TANF funds.

Rep. **Rosenwald** - It seems you are telling us cost for next two years, \$7 million of that we can take \$2.8 million of excess TANF funds leaving us what used cost of that are in the efficiency budget?

DHHS - We have \$2.8 transfer over and above agency budget \$6.2 if ignore Gateway to Work.

Rep. **Kurk** - For the \$11.4 cap what happened to money in that cap not spent?

DHHS - Any dollars left over from the #38 go into the reserve.

Chair **Byron** - Seeing no other questions, ask for a motion.

Rep. **Hennessey** - ITL motion, seconded by Rep. **Danielson**

Rep. **Hennessey** - Information provided some of the things whether in budget or not we don't know would like to bring back in the budget process it is important need to address but will do in the budget process.

Rep. **Rosenwald** - I think we are voting on this prematurely. It is not due until March 2. I think we should leave our options open.

Rep. **Wallner** - I agree with Rep. **Rosenwald**. We are acting faster than we need to. We don't know if Governor is going to adopt efficacy budget and I would like to wait an additional 10 days to see what is in Governor's budget and see where we are at the end of that period. It is important to keep TANF funds from being spent too rapidly.

Rep. **Kurk** - Regardless of whether Governor proposes a certain amount, this committee is going to make up its own mind. I asked Rep. **Rosenwald** to withdraw her motion because we will discover later in March we maintain the flexibility by killing this bill we could retain now and kill later on, but that would be making a different statement, for that reason I support ITL.

Motion passed 5-3. Chair **Byron** closed the work session at 12:27 p.m.

Respectfully submitted,

Rep. Katherine Rogers  
Clerk, Division III

HOUSE COMMITTEE ON Finance

DIVISION III WORK SESSION ON HB 370-FN-A

**BILL TITLE:** making an appropriation for the purpose of meeting new federal regulations relative to child care.

**DATE:** February 7, 2017

**ROOM:** 210-211

**Time Work Session Called to Order:** 11:39

**Time Adjourned:** 12:25 pm

(please circle if present)

Committee Members: Byron, McKinney, Kurk, Danielson, Bates, Hennessey, Wallner, Nordgren, Rosenwald and Rogers

Bill Sponsors:

Rep. Rosenwald  
Rep. Nordgren  
Sen. Feltes

Rep. Fothergill  
Rep. M. MacKay  
Sen. Bradley

Rep. LeBrun  
Sen. Fuller Clark

TESTIMONY

\* Use asterisk if written testimony and/or amendments are submitted.

DRAFT

Feb 7, 2017

HB 370- FN making an appropriation for the purpose of meeting new federal regulations relative to child care

Present - Byron, Kurk, Danielson, Bates, Hennessey, Wallner, Rosenwald, Rogers

Rep Byron Called the session to order at 11:39am

LBA distributed two documents one letter to chairman Kurk from Barbara Couch of Hypotherm listing their support for the bill and second a spreadsheet by DHHS on the bill

DHHS - Mary Calise & Kristin Booth

Two scenarios childcare budget with inclusion of gateway to work with federal funding broken out in FY 18 CCDF of 15.4 million 4.2 million TANF being transferred leaving 2.8 million that could be transferred

Kurk. What can be done with money not transferred

DHHS - it could be used with any of the purposes allowed by TANF it does not lapse or go away it does not have an end date

Kurk - how certain can we be that we would in future years have money in TANF program that we would be able to continue this without decreasing money for other programs

DHHS - that would be difficult to answer currently we have balance of 68 million of TANF funds

Kurk - if we ignore the 68 and increase the childcare grant could we sustain with ongoing 70 million we spend on TAND

DHHS in 18-19 I believe not sure beyond that

Rosenwald - what have happened to TANF caseload since 2009

DHHS - it has continually declined I do not have current caseload info with me

Danielson - if client base has declined has the expenses declined as well -

DHHS - yes the maintenance of effort requires we are required to spend 38 million of state per year

Wallner - One reason legislation brought in is to be sure to meet federal regulations if this is it would this meet what federal got is requiring us to do

DHHS - based on the estimate of 3 million we would meet the requirements at a minimum

Maureen Ryan - Dir of Office of Human Services - these documents have not been provided to any group but you at your request

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DRAFT

Ryan - the one million with the market rate

Wallner - that went to Gov so this is the roadmap of how to have the requirements that the federal govt. is asking of us

DHHS - if it included the gateway to work program - additional amount authorized to transfer TANF funds is 2.8 million

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DHHS - 12 months of eligibility for families and some absentee days for children

Kurk - provided the number of hours given to parents and all of these numbers can be done with in our existing 70 million appropriation

Wallner - what the 3 million and 3.9 covered eligibility absentee what about the market rate survey

DHHS - that was part of the efficacy budget

Wallner - how many additional dollar did we need from last year

DHHS - we have 4,110,804 million that's the 50% rate increase market rate serves increase two week sick allowance

Wallner - were there other things that were required that we needed to do like additional inspections of providers that were license exempt

DHHS - that would be monitored by childcare licensing those funds would be transferred

Wallner - how much was that

DHHS - that would be within the licensing budget

DRAFT

Wallner - but aren't; we tendering money from this account

DHHS - there are federal dollars that are also part of that unit

Wallner - how much does that piece cost the state

DHHS - we can get that for you

Kurk - we need 3 million then you raised it to 4 million what is the additional

DHHS - starting from today was the increase in the market rate survey that is a state mandate

Danielson - we have less clients and increase in 3.5% increase in cost but why higher expense

Byron - because of changes in the program market rate and 12 month eligibility

Kurk - who determines eligibility fed or state could the state change the definition of poor or working or create a waiting list

DHHS - would have to think about whether we would keep eligibility the same as eligibility increases sometimes if their income increases if they lose their eligibility they may lose their funding '

Kurk - Dept has a process of figuring out how to allocate money appropriated so you have flexibility of eligibility program obviously more services with more money but you have the flexibility to have more or less services

DHHS - yes

Kurk - although request is for additional money if same amount is given you can make program work but less services will be provided

DHHS - yes

Wallner - using Kurk analysis wouldn't you have to ask families on program to leave create a waitlist and wasn't one reason TANF rolls have gone down is we have gotten families into work and one reason is that families with children have been able to work

DHHS - last two years we have been highest in country on TANF work often childcare is so expensive if they lose that funding they are forced to stop working

Hennessey - looking at the budget picture if we change rule would those families be feeding of the state in another area

DHHS - if they don't have the childcare funds they might be using TANF funds

Rosenwald - it seems you are telling us cost for next two years 7 million of that we can take 2.8 million of excess TANF funds leaving us what used cost of that are in the efficiency budget

DHHS - we have 2.8 transfer over and above agency budget 6.2 if ignore gateway to work

Kurk - for the 11.4 cap what happened to money in that cap not spend

DHHS - any dollars left over from the 38 go to the reserve

Byron - seeing no other question ask for a motion

Hennessey - AITL motion, Seconded by Danielson

Hennessey - info provided some of the things weather in budget or not we don't know would like to bring back in the budget process it is important need to address but will do in the budget process.

Rosenwald - I think we are voting on this prematurely it is not due until March 2 I ethic we should leave our options open

Wallner - I agree with Rosenwald we are acting faster than we need to we don't know if Gov is going to adopt efficacy budget and I would like to wait an additional 10 days to see what is in Gov budget and see where we are at the end of that period it is important to keep TANF funds from being spend too rapidly

Kurk - regardless of weather Gov proposes a certain amount this committee is going to make up its own Ming I asked Rosenwald to withdraw her motion because we will discover later in March we maintain the flexibility by killing this bill we could retain now and kill later on but that would be making a different statement for that reason I support ITL.

Yes - Kurk, Danielson, Bates, Hennessey, Byron

No - Wallner, Rosenwald, Rogers

Motion carries - 5-3

Byron closes session at 12:27pm

DRAFT





STATE OF NEW HAMPSHIRE  
OFFICE OF THE HOUSE CLERK

1/11/2017 8:55:22 AM  
Roll Call Committee Registers  
Report

2017 SESSION

FIN-DIV3

Bill #: 370-FN

Title: Making an appropriation for the purpose of mtg. new federal reg. re: to child care.

PH Date: 2 / 7 / 17

Exec Session Date: 2 / 7 / 17

Motion: ITL

Amendment #: \_\_\_\_\_

MEMBER	YEAS	NAYS
Byron, Frank A. Chariman	5	
McKinney, Betsy Vice Chairman		
Kurk, Neal M.	4	
Danielson, David J.	2	
Bates, David M.	3	
Hennessey, Erin T.	4	
Wallner, Mary Jane		1
Nordgren, Sharon		Absent
Rosenwald, Cindy		2
Rogers, Katherine D.		3
<b>TOTAL VOTE:</b>		

5

3

DCYF		SFY 2016	SFY 2017	SFY 2018	SFY 2018	SFY 2018	SFY 2019	SFY 2019	SFY 2019
Development Program									
ORG	DESCRIPTION	Expended	Adj. Auth.	Efficiency Expenditure Request	Prioritized Problematic Needs	Total Request	Efficiency Expenditure Request	Prioritized Problematic Needs	Total Request
	05-00095-042-CDE421110-2977CDP								
	Class Title								
020	Current Expense		1	1	-	1	1	-	1
041	Audit Fund Set Aside	17,826	17,853	18,197		18,197	18,197	-	18,197
102	Contracts for Program Services		1	1	-	1	1	-	1
536	Employment Related Child Care	28,646,596	29,667,570	35,944,659		35,944,659	35,944,659	-	35,944,659
564	Child care Prevent & Protect	1,038,123	827,011	1,038,123	-	1,038,123	1,038,123	-	1,038,123
	<b>Total</b>	<b>29,702,546</b>	<b>30,512,436</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>
000	CCDF Funding	18,844,245	19,654,133	15,285,608	-	15,285,608	15,285,608	-	15,285,608
	TANF - Usual Transfer			4,200,000		4,200,000	4,200,000		4,200,000
000	TANF - Gateway to Work			3,444,183		3,444,183	3,444,183		3,444,183
000	TANF - Amount to transfer up to cap			2,832,906		2,832,906	2,832,906		2,832,906
	<b>Federal</b>	<b>18,844,245</b>	<b>19,654,133</b>	<b>25,762,697</b>	<b>-</b>	<b>25,762,697</b>	<b>25,762,697</b>	<b>-</b>	<b>25,762,697</b>
009		-							
009		-							
009		-							
009		-							
	<b>Other</b>	<b>-</b>							
	GF Staff	-							
	General	10,858,301	10,858,303	11,238,284		11,238,284	11,238,284		11,238,284
	<b>Total GF</b>	<b>10,858,301</b>	<b>10,858,303</b>	<b>11,238,284</b>	<b>-</b>	<b>11,238,284</b>	<b>11,238,284</b>	<b>-</b>	<b>11,238,284</b>
	<b>Total Revenue</b>	<b>29,702,546</b>	<b>30,512,436</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>
<b>NUMBER OF POSITIONS</b>									
	PERMANENT CLASSIFIED	-	-	-	-	-	-	-	-
	UNCLASSIFIED	-	-	-	-	-	-	-	-
	TEMPORARY CLASSIFIED	-	-	-	-	-	-	-	-
<b>TOTAL NUMBER OF POSITIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

HB 370  
Source - DHHS

DCYF Child Development Program		SFY 2016	SFY 2017	SFY 2018	SFY 2018	SFY 2018	SFY 2019	SFY 2019	SFY 2019
ORG	DESCRIPTION	Expended	Adj. Auth.	Efficiency Expenditure Request	Prioritized Problematic Needs	Total Request	Efficiency Expenditure Request	Prioritized Problematic Needs	Total Request
	05-00095-042-CDE421110-2977CDP								
	Class Title								
020	Current Expense		1	1	-	1	1	-	1
041	Audit Fund Set Aside	17,826	17,853	18,197		18,197	18,197	-	18,197
102	Contracts for Program Services		1	1	-	1	1	-	1
536	Employment Related Child Care	28,646,596	29,667,570	35,944,659		35,944,659	35,944,659	-	35,944,659
564	Child care Prevent & Protect	1,038,123	827,011	1,038,123	-	1,038,123	1,038,123	-	1,038,123
	<b>Total</b>	<b>29,702,546</b>	<b>30,512,436</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>
000	CCDF Funding	18,844,245	19,654,133	15,285,608	-	15,285,608	15,285,608	-	15,285,608
	TANF - Usual Transfer			4,200,000		4,200,000	4,200,000		4,200,000
000	TANF - Gateway to Work			-		-	-		-
000	TANF - Amount to transfer up to cap			6,277,089		6,277,089	6,277,089		6,277,089
	<b>Federal</b>	<b>18,844,245</b>	<b>19,654,133</b>	<b>25,762,697</b>	<b>-</b>	<b>25,762,697</b>	<b>25,762,697</b>	<b>-</b>	<b>25,762,697</b>
009		-							
009		-							
009		-							
009		-							
	<b>Other</b>	<b>-</b>							
	GF Staff	-							
	General	10,858,301	10,858,303	11,238,284		11,238,284	11,238,284		11,238,284
	<b>Total GF</b>	<b>10,858,301</b>	<b>10,858,303</b>	<b>11,238,284</b>	<b>-</b>	<b>11,238,284</b>	<b>11,238,284</b>	<b>-</b>	<b>11,238,284</b>
	<b>Total Revenue</b>	<b>29,702,546</b>	<b>30,512,436</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>	<b>37,000,981</b>	<b>-</b>	<b>37,000,981</b>
<b>NUMBER OF POSITIONS</b>									
	PERMANENT CLASSIFIED	-	-	-	-	-	-	-	-
	UNCLASSIFIED	-	-	-	-	-	-	-	-
	TEMPORARY CLASSIFIED	-	-	-	-	-	-	-	-
<b>TOTAL NUMBER OF POSITIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**From:** Barbara Couch <Barbara.Couch@Hypertherm.com>

**Date:** February 4, 2017 at 5:59:47 PM EST

**To:** "rep03281@aol.com" <rep03281@aol.com>

**Cc:** "Sharon.Nordgren@leg.state.nh.us" <Sharon.Nordgren@leg.state.nh.us>, Jackie Cowell <jcowell@earlylearningnh.org>

**Subject:** HB 370

Dear Chairman Kurk:

Thank you for presiding over the recent HB 370 Hearing. Before you arrived, I had the opportunity to offer testimony. I was one of two persons representing the private business sector; the other was Amanda Grappone Osmer, who testified in your presence. You asked Amanda a very good question about why businesses don't participate more in the cost of childcare. Since you missed my testimony, I would like to respectfully address that question here because it is the right one. The company I represent, Hypertherm, a manufacturing company located in the Upper Valley with 1,500 employees, believes we should participate in the costs of child care. We strongly believe in the importance of investing upstream in our future workforce and that starts in the earliest years. We have supported child care centers in our area enabling them to offer more scholarships to families in need. Currently, we are contemplating a strategy for providing direct financial support to our families, so we may help level the playing field and be assured all Hypertherm children have access to high-quality, affordable care. We are also seriously contemplating launching our own care center. So your question was the right one. We all own this -- families, businesses, and New Hampshire. We, at Hypertherm, will continue to do more. I hope the state will too by supporting HB 370.

Respectfully yours,  
Barbara J. Couch

*Barbara J. Couch*

*Hypertherm, Inc.*

*President, Hypertherm HOPE Foundation*

*21 Great Hollow Road, Hanover NH 03755*

*603 643 3441 ext. 1212 (office)*

*603 443 1557 (cell)*

Division III  
Work Session  
Minutes

HOUSE COMMITTEE ON Finance

DIVISION III WORK SESSION ON HB 370-FN-A

**BILL TITLE:** making an appropriation for the purpose of meeting new federal regulations relative to child care.

**DATE:** February 1, 2017

**ROOM:** 210-211

**Time Work Session Called to Order:** 11:35 a.m.

**Time Adjourned:** 12:03 p.m.

(please circle if present)

**Committee Members:** Byron, McKinney, Kurk, Danielson, Bates, Hennessey, Wallner, Nordgren, Rosenwald and Rogers

**Bill Sponsors:**

Rep. Rosenwald  
Rep. Nordgren  
Sen. Feltes

Rep. Fothergill  
Rep. M. MacKay  
Sen. Bradley

Rep. LeBrun  
Sen. Fuller Clark

**TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

**Maureen Ryan**, Director of Public Health, Department of Health and Human Services (DHHS)  
**Mary Calise**, Financial Reporting Administrator II, Office of the Commissioner, DHHS  
**Kristin Booth**, Director of Residential and Inst., Division of Child Development, DHHS

\*Transfer of TANF to SSBG, CCDF

Respectfully submitted,

Rep. Katherine Rogers  
Clerk, Division III

HOUSE COMMITTEE ON Finance

DIVISION III WORK SESSION ON HB 370-FN-A

**BILL TITLE:** making an appropriation for the purpose of meeting new federal regulations relative to child care.

**DATE:** <<Date MMMM D, YYYY>> 2/1

**ROOM:** 210-211

**Time Work Session Called to Order:** <<Start Time>>

11:35am  
**Time Adjourned:** <<End Time>>

12:03

(please circle if present)

**Committee Members:** Byron, McKinney, Kurk, Danielson, Bates, Hennessey, Wallner, Nordgren, Rosenwald and Rogers

**Bill Sponsors:**

Rep. Rosenwald  
Rep. Nordgren  
Sen. Feltes

Rep. Fothergill  
Rep. M. MacKay  
Sen. Bradley

Rep. LeBrun  
Sen. Fuller Clark

**TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

Maureen Ryan - DHHS  
Mary Calife - DHHS  
Kristin Booth - DCYF

Transfer of TANF to SSBG, CCDF  
 Ref: Maximum amounts per year

SFAG:	\$ 38,521,260	
Total Allowable Transfer for all purposes (including JARC)	\$ 11,556,378	
Less: JARC obligations	\$ (142,895)	Nashua Transit & No. Country Transport SFY 2009
Total Transfer Allowable to CCDF & SSBG at 30%	\$ 11,413,683	
Total Transfer to SSBG Allowable at 10%	\$ 3,852,126	This is a subset of the \$11.5 above

\$ 11,413,683	\$ 3,852,126
FFY Max To Both	FFY Max To SSBG

Transfers Made/Proposed	QE Reported	To CCDF	To SSBG	Total Transferred	Balance Avail. To Transfer	Balance Avail. To Transfer	Transferred by SFY
Total FFY 2003		\$ 1,195,910	\$ 2,931,389	\$ 4,127,299	\$ 7,286,384	\$ 920,737	
Total FFY 2004		\$ 146,703	\$ -	\$ 146,703	\$ 11,266,980	\$ 3,852,126	
Total FFY 2005		\$ 5,505,081	\$ 3,852,126	\$ 9,357,207	\$ 2,056,476	\$ -	
Total FFY 2006		\$ 4,192,138	\$ 1,147,874	\$ 5,340,012	\$ 6,073,671	\$ 2,704,252	
Total FFY 2007		\$ 5,562,624	\$ 3,000,000	\$ 8,562,624	\$ 2,851,059	\$ 852,126	
Total FFY 2008		\$ 5,742,151	\$ 2,644,753	\$ 8,386,904	\$ 3,026,779	\$ 1,207,373	
Total FFY 2009		\$ 3,441,455	\$ 390,666	\$ 3,832,121	\$ 7,581,562	\$ 3,461,460	
Total FFY 2010		\$ 1,513,778	\$ -	\$ 1,513,778	\$ 9,899,905	\$ 3,852,126	
Total FFY 2013		\$ 4,861,417	\$ 406,367	\$ 5,267,784	\$ 6,145,899	\$ 3,445,759	
SFY 2015 Usual CCDF Allocation	09/30/14	\$ 4,200,000		\$ 4,200,000			
SFY 2015 Usual SSBG Allocation	09/30/14		\$ 936,937	\$ 936,937			
Total FFY 2014		\$ 4,200,000	\$ 936,937	\$ 5,136,937	\$ 6,276,746	\$ 2,915,189	
SFY 2016 Usual CCDF Allocation	09/30/15	\$ 4,200,000		\$ 4,200,000			
SFY 2016 Usual SSBG Allocation	09/30/15		\$ 936,937	\$ 936,937			
Total FFY 2015		\$ 4,200,000	\$ 936,937	\$ 5,136,937	\$ 6,276,746	\$ 2,915,189	
SFY 2017 Usual CCDF Allocation	09/30/16	\$ 4,200,000		\$ 4,200,000			
SFY 2017 Usual SSBG Allocation	09/30/16		\$ 936,937	\$ 936,937			
Total FFY 2016		\$ 4,200,000	\$ 936,937	\$ 5,136,937	\$ 6,276,746	\$ 2,915,189	



# Hearing Minutes

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON HB 370-FN-A

**BILL TITLE:** making an appropriation for the purpose of meeting new federal regulations relative to child care.

**DATE:** January 31, 2017

**LOB ROOM:** 210-211                      **Time Public Hearing Called to Order:** 1:00 p.m.

**Time Adjourned:** 2:15 p.m.

**Committee Members:** Reps. Kurk, L. Ober, Allen, Umberger, McKinney, Twombly, Byron, Danielson, Emerick, Spanos, Bates, Hennessey, Vaillancourt, G. Griffin, Wallner, Nordgren, Eaton, M. Smith, Rosenwald, Leishman, Buco, Hatch, Rogers, R. Walsh, Lovejoy and Weyler

**Bill Sponsors:**

Rep. Rosenwald  
Rep. Nordgren  
Sen. Feltes

Rep. Fothergill  
Rep. M. MacKay  
Sen. Bradley

Rep. LeBrun  
Sen. Fuller Clark

**TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

\* Written testimony submitted.

Please refer to the attached transcript for a detailed account of the public hearing on HB 370-FN-A.

Respectfully submitted,

Rep. Kenneth L. Weyler  
Clerk

HOUSE COMMITTEE ON FINANCE

PUBLIC HEARING ON HB 370-FN-A

①

**BILL TITLE:** making an appropriation for the purpose of meeting new federal regulations relative to child care.

**DATE:** <<Date MMMM D, YYYY>>

1/31/17

**LOB ROOM:** 210-211  
**Time>>**

**Time Public Hearing Called to Order:**

<<Start

1:00

**Time>>**

**Time Adjourned:**

<<End

2:15

**Committee Members:** Reps. Kurk, L. Ober, Allen, Umberger, McKinney, Twombly, Byron, Danielson, Emerick, Spanos, Bates, Hennessey, Vaillancourt, G. Griffin, Wallner, Nordgren, Eaton, M. Smith, Rosenwald, Leishman, Bucu, Hatch, Rogers, R. Walsh, Lovejoy and Weyler

**Bill Sponsors:**

Rep. Rosenwald  
Rep. Nordgren  
Sen. Feltes

Rep. Fothergill  
Rep. M. MacKay  
Sen. Bradley

Rep. LeBrun  
Sen. Fuller Clark

**TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

**HOUSE FINANCE COMMITTEE**

Legislative Office Building, Rooms 210-211

Concord, NH

Tuesday, January 31, 2017

**HOUSE BILL 370-FN-A, AN ACT** making an appropriation for the purpose of meeting new Federal regulations relative to child care.

**TESTIMONY BY:**

Rep. Cindy Rosenwald . . . . .	Pg. 2
Maureen Ryan . . . . .	Pg. 3
Jackie Cowell . . . . .	Pg. 3
Rebecca Lorden . . . . .	Pg. 7
Fred Kocher . . . . .	Pg. 9
Barbara Couch . . . . .	Pg. 14
Steve Barber . . . . .	Pg. 15
Jim Doremus . . . . .	Pg. 17
George Cushing . . . . .	Pg. 19
Marti Ilg . . . . .	Pg. 21
Robert Lister . . . . .	Pg. 25
Sheri Lancaster . . . . .	Pg. 26
Heather Metzger . . . . .	Pg. 27
Michelle Scott . . . . .	Pg. 28
Scott Spradling . . . . .	Pg. 29
Julie Day . . . . .	Pg. 31
Julie McConnell . . . . .	Pg. 31
Amanda Sears . . . . .	Pg. 35
Amanda Grappone Osmer . . . . .	Pg. 38
Rebecca Woitkowski . . . . .	Pg. 40

(The public hearing convened at 1:00 p.m.)

LYNNE OBER, State Representative, Hillsborough County, District #37, and Vice-Chair of House Finance Committee: Good afternoon. I'd like to call the hearing -- the public hearing on House Bill 370 to order. Chairman Kurk is doing what I was doing this morning, testifying on other bills, so he will be back. And I'd like to recognize the prime sponsor, Representative Cindy Rosenwald, a Honorable Member of this Committee. Welcome.

CINDY ROSENWALD, State Representative, Hillsborough County, District #30: Thank you, Madam Chair, and Members of the Committee. For the record, I'm Representative Cindy Rosenwald. I represent Hillsborough County, District 30, which is Nashua. And I'm pleased to introduce House Bill 370 to the Finance Committee today.

We know that among New Hampshire's major long-term challenges is how to attract and keep young people and families in this state. We have employers looking to fill jobs. We have basically the lowest unemployment rate in the country. But the high cost of child care can be a barrier for lower income workers. The cost of one child attending full-time day care in New Hampshire can be about \$10,000 a year. And so the cost is prohibitive for many families if they have two children.

Our major -- our source of Federal funds for child care scholarships is the Child Care Development Block Grant and this operates for lower-income families on a sliding scale according to their income. We currently serve about 5,000 children.

So on September 30<sup>th</sup> after the Agency phase of the budget was finished, new Federal regulations on this block grant were finalized. Because it was after the Agency phase, this request was not included in the budget. The child care community has been working with the Department to try to figure out the cost of compliance. It's not firmed up yet, but the concern is that without added funding we could end up putting 40% of our children onto a wait list. This is, obviously, a problem for our employers if workers can't afford child care and end up having to leave the workforce instead.

There are many subject matter experts in the room today and because there's a time limit on this hearing, I hope the Committee will ask technical questions of others. Thank you, Madam Chair.

VICE-CHAIRWOMAN OBER: It's a nice way to please don't ask me questions.

REP. ROSENWALD: I try to be nice.

VICE-CHAIRWOMAN OBER: Any questions for our colleague?  
Seeing none.

REP. ROSENWALD: Thank you very much.

VICE-CHAIRWOMAN OBER: Thank you. Is Mr. Williams in the room? Is he in the hall?

REP. ROSENWALD: John Williams?

VICE-CHAIRWOMAN OBER: Yes.

MAUREEN RYAN, Director of Public Health, Department of Health and Human Services: I'm here for the Department, Maureen Ryan.

VICE-CHAIRWOMAN OBER: Maureen, maybe I can ask you and thank you. Could you come forward just a minute. The Representative testified that this came up after the budget was done. I know we heard some other bills. Have you been working with the Governor to try to get this funding in the budget as well?

MS. RYAN: The Department is working with the Governor and Governor's Budget.

VICE-CHAIRWOMAN OBER: Okay. Thank you. And thank you for coming forward. I appreciate that. Jackie Cowell who is representing the Early Learning of New Hampshire. She says she has 30 written copies of testimony that LBA will take from you and will speak for two minutes. Welcome.

JACKIE COWELL, Early Learning of New Hampshire: Thank you. How do you do, Vice-Chairwoman Ober, and Members of the Committee. I am Jackie Cowell from Early Learning New Hampshire, and I was one of the members of the Child Care Community Coalition that came to Representative Rosenwald and to Senator Jeb Bradley and other sponsors on this bill. We are very

**HOUSE FINANCE COMMITTEE** **January 31, 2017**

grateful this has been brought forward to bring it to your attention.

As Representative Rosenwald said so well, it had been known to us that there were these new Federal requirements coming down the pike and they were finalized on September 30<sup>th</sup>, again, after the Department had the chance to do its budget. So it had to go back and look to see what the repercussions would be. And these are really terrific recommendations and requirements that the Federal Government went through.

What this does is it brings alignment with current families that are receiving State child care assistance policies that are closer to those that are private pay in the child care community. So that the parents that are off private pay, their rate doesn't fluctuate a lot and they're able to sort of stay in continuity of care. What these policies do is it helps those lower-income families looking to reach financial stability, the rate doesn't constantly change. And if they're, you know, this really is a terrific policy. We agree with it. And so it does cost a little bit more to make sure it's not constantly a different rate that they can't afford. People are losing their child care with the current policies we have. So we're pleased about these new Federal requirements and what they do. But we know it does cost different extra money so we have been working with the Department talking with them about coming to a good understanding of what that would be so that we don't start a wait list.

VICE-CHAIRWOMAN OBER: Thank you. Representative Umberger, did you have a question?

KAREN UMBERGER, State Representative, Carroll County, District #02: Yes, I do. Thank you, Madam Chair.

VICE-CHAIRWOMAN OBER: You're welcome.

REP. UMBERGER: You talk about cost of compliance.

MS. COWELL: Yeah.

REP. UMBERGER: What's an example of this cost?

MS. COWELL: Sure. And so I think the Department is a little bit more expert than me; but, for instance, eligibility for 12 months versus constantly changing six-month eligibility here and there. So a family earning a lower income can have more continuity of care. They sign up and then they have that eligibility for 12 months.

I used to work in a child care program for several years. We saw a lot of hard-working families that when the fluctuating rate would happen, it would be very tough for them to meet the difference and they would lose their child care. So that's what this does.

VICE-CHAIRWOMAN OBER: Follow-up.

REP. UMBERGER: Thank you. So this is not such things as restructuring a building because it's not meeting requirements?

MS. COWELL: Correct. No, it's not. It's really about the assistance. There's also some health and safety standards, stricter standard around making sure -- like background checks. Making sure there's safe environments, more health in safety regulations. But the bulk of the change in the budget is really in that alignment of policies for the families, lower-income families.

REP. UMBERGER: Thank you.

VICE-CHAIRWOMAN OBER: If I could follow-up to that. So this bill asks for \$15 million and it's not all direct aid. How much is direct aid, how much is not?

MS. COWELL: If I could have the Department answer that better than I. I think they know that better in terms of -- so 7 million in year -- in the first year of the biennium and then 8 million in the second was our best estimate based on -- I'm sorry.



VICE-CHAIRWOMAN OBER: It's okay. Is the Department still here?

MS. RYAN: Yes.

CHAIRWOMAN OBER: Do you know the answer to that?

MS. RYAN: We have a handout that outlines the specifics.

VICE-CHAIRWOMAN OBER: Do you plan to testify? I thought you were not going to testify today but come to the Division meeting?

MS. RYAN: We can testify if that's your pleasure or we can come tomorrow.

VICE-CHAIRWOMAN OBER: Maybe you could join the speaker since we have two chairs and you guys could jointly answer this question, because I believe Representative Byron has a question for you and I don't want you to leave the table.

MS. COWELL: Terrific. I would ask are Rebecca Lorden, our finance administrator.

VICE-CHAIRWOMAN OBER: That would be fine. If you have copies of the handout, LBA will take it.

MS. COWELL: And, ma'am, just before I forget, I did also hand in some testimony from Tom Raffio from Northeast Delta Dental.

VICE-CHAIRWOMAN OBER: They're three-hole punching, and we keep everything in our binder so we really do read it. So they three-hole punch for us before they give it out or we would never get it in the binders.

MS. COWELL: Thank you.

VICE-CHAIRWOMAN OBER: Rebecca, thank you for stepping forward. The question is there's \$15 million. How much goes to direct aid and how much goes to other things?

REBECCA LORDEN, Administrator III, Division of Human Services, Department of Health and Human Services: The Department came up with an estimate of \$4,100,000. That would be for year one, and 4.5 for year two.

VICE-CHAIRWOMAN OBER: Direct aid?

MS. LORDEN: Yes.

VICE-CHAIRWOMAN OBER: Okay. That's good. The rest then goes for other things. Yes?

MS. LORDEN: The numbers that were presented in this bill were not from the Department.

MS. COWELL: Right. Yes.

VICE-CHAIRWOMAN OBER: What is the Department then -- what is your estimate of what should be total in Fiscal Year 18 and total expenditure in Fiscal Year 19, because we can always get a new Fiscal Year but that will help for the audience.

MS. LORDEN: Correct. The totals that we had come up with was the 4,110,804 for Fiscal Year 18. Fiscal Year 19 was 4,567,804.

VICE-CHAIRWOMAN OBER: But that's direct aid with nothing going to safety features?

MS. LORDEN: Correct.

VICE-CHAIRWOMAN OBER: Okay. That's good. Thank you. Representative Byron, I believe you had a question of the speaker.

FRANK BYRON, State Representative, Hillsborough County, District #20: Yes, I do. Thank you, Madam Chair. What I'm trying to find out is a couple things. Number one, is this a -- and I'm familiar with the program, so is this a mandatory program or is this optional for the State to participate in?

MS. COWELL: My understanding is that it is optional for states to participate in. Yep. We have been participating it in many years to get the State child care assistance.

REP. BYRON: Follow-up.

VICE-CHAIRWOMAN OBER: Follow-up.

REP. BYRON: Is there any Federal matching money for this?

MS. COWELL: Yes. So Rebecca may be able to tell better. But of the 33 or so million dollars, I believe, that are currently allocated for this Fiscal Year, about half of them are Federal funds and then half are State funds. Some of it is also Federal TANF transfer dollars. Rebecca, is that close to the percentage?

MS. LORDEN: The Federal funds are 63.4%.

REP. BYRON: One more.

VICE-CHAIRWOMAN OBER: One more follow-up.

REP. BYRON: You said something that caught my attention. I understand that the State has currently right now \$62 million in unspent TANF monies. Is that something that could be applied to this program?

MS. LORDEN: It's not something I'm prepared to speak on. I could take back any questions you have and respond tomorrow.

REP. BYRON: That would be fine.

VICE-CHAIRWOMAN OBER: If you could take that to Division III. They're going to be working with you in-depth.

MS. COWELL: Representative Byron, what I can answer is that federally, I believe, states are allowed to transfer up to 30% of their -- of their TANF allocation towards child care.

REP. BYRON: Thank you.

MS. COWELL: Thank you.

REP. BYRON: Thank you, Madam Chair.

VICE-CHAIRWOMAN OBER: Seeing no other questions. Jackie, thank you for coming and testifying. Rebecca, you're off the hot seat for a while.

MS. LORDEN: Thank you.

VICE-CHAIRWOMAN OBER: Thank you for your answers. They were very helpful.

Okay, I need to give a little commercial here. I'm an equal opportunity name misspeller. Even when I can read it, like I can the next card, I can think of at least two ways to pronounce it and I'm sure it's going to be the wrong one I pick. So do not be offended if I mispronounce your name. Just correct it when you sit down at the table. Thank you. Fred Kocher from Barrington, New Hampshire. Welcome.

FRED KOCHER, Barrington, NH: Thank you, Madam Chair. It's Fred Kocher.

VICE-CHAIRWOMAN OBER: Thank you. That's why we have the commercial.

MR. KOCHER: It's a good Swiss name. I own my own business in New Hampshire, Kocher & Company, Inc., which is a marketing and public affairs and human resources counsel business to businesses and organizations in the state. I'm also a Trustee of the New Hampshire High Tech Council of which I'm a past-president. I'm speaking in favor of House Bill 370.

Based on my personal experience with my three-year old grandson, Connor, as well as my collaboration with Spark NH, which as you know is an early childhood learning advisory council, I've adopted their motto which is "Children Are the Bedrock of New Hampshire." I expect every person in this room would agree with the concept that the future prosperity of this state depends more and more, more and more on our ability to educate and guide and retain the next generation who will live and work and eventually lead our state and sit in these chairs that you're sitting in right now.

We know from decades of experience of success in high school and college and career is directly related to successful early childhood experience. As a state, we then get a return when the next generation eventually gives back through a lifetime of productivity and responsible citizenship. Here's my point. Providing quality care for the child in their early years, especially to children from low-income families, is a must and it's an obligation. If we are serious about confronting our workforce strategies going forward.

As somebody who's interviewed economists, demographers, business CEOs, college presidents in New Hampshire for 23 years on Channel 9, I'm acutely aware of the slowdown of in-migration to the state of talent that our companies need to grow. And I've concluded there's only a few options to grow that talent. We can and are marketing New Hampshire to prospective college students -- graduates to stay and work and play in New Hampshire. We can and we are marketing continuing education to our adult workforce to increase their education credentials and their value to our employees -- employers. We can and we are focusing on mentoring high school students to better prepare them for college. But we can and we must also focus on early childhood and child care if we are to prepare our youngest children for the challenging world they're about to enter.

House Bill 370 is part of that preparation by providing child care assistance for working families, especially low-income and that requires funding. And if this necessary

funding is not appropriated, I'm advised that as many as half of the 5,000 children whose working families currently receive child care assistance in New Hampshire would likely end up on a wait list. And a wait list for child care will take their parents out of the workforce rather than add to it. And I can testify to that through experience in my own family.

I urge this Committee to make a sufficient appropriation to child care so that the Wait List for assistance is not created. We're at a point in this state where we either commit to those programs that spur workforce growth from the earliest years or we don't. I'm glad to answer any questions.

VICE-CHAIRWOMAN OBER: Questions for the speaker?  
Seeing -- Representative Rogers.

KATHERINE ROGERS, State Representative, Merrimack County, District #28: Mr. Kocher, you work with the High Tech Council.

MR. KOCHER: Right.

REP. ROGERS: Is workforce development a problem in the state?

MR. KOCHER: Yes.

REP. ROGERS: Is child care one of the issues people move here for?

MR. KOCHER: Especially for entry level employees who aren't making a lot of money and they're happy to pay child care costs and they can't afford it, they will go to another state where they can get that assistance and where the jobs actually pay more as well. So yes, it's a disincentive.

REP. ROGERS: If I could follow-up?

VICE-CHAIRWOMAN OBER: Follow-up.

REP. ROGERS: Would your testimony be that if we don't fund this or if there's lack of funding that this would contribute to the growing lack of workforce in the state?

MR. KOCHER: It's not going to help.

REP. ROGERS: Thank you.

VICE-CHAIRWOMAN OBER: Seeing no further -- Representative Twombly.

TIMOTHY TWOMBLY, State Representative, Hillsborough County, District #34: Thank you, ma'am. Is this funding like for -- I believe it says early childhood -- I mean, child care.

MR. KOCHER: Right.

REP. TWOMBLY: Does that include something like sub primary or kindergarten or something like that or is it --

MR. KOCHER: These are the early years for child care when my grandson, who is three now, but back when he was one and one and a half years old, my daughter and her husband had a hard time affording child care. They now live in Ohio where they can get it.

REP. TWOMBLY: Thank you.

VICE-CHAIRWOMAN OBER: Representative Danielson.

DAVID DANIELSON, State Representative, Hillsborough County, District #07: Thank you, Chair. And thank you for your testimony this afternoon. Appreciate it.

MR. KOCHER: Hm-hum.

REP. DANIELSON: Relative to the Fiscal Note that's been attached to this bill, first of all, it's a new program, but a Fiscal Note coming from the LBA says that, and quote, it has

not -- the Department has not yet determined how the appropriation will be used to comply with Federal regulations.

MR. KOCHER: Right.

REP. DANIELSON: This, in effect, is a blank check then.

MR. KOCHER: And I think you will get testimony from the Department on that. I would want testimony on that actually. But let me just tell you that based on what I have received in terms of the goals for the child care and development fund, let me just tick them off for you. There's four bullets. Protecting the health and safety of children in child care; helping parents make informed consumer choices and accessing information to support child development; support equal access to stable, high-quality child care for low-income children, and enhance the quality of that care. Those are the goals of that Federal program which, of course, sends funds to the State for this program, and we have to match it with our own. But I would defer to the Department of Health and Human Services to answer that. I noted that note on the bill and that does require an answer.

REP. DANIELSON: Thank you.

VICE-CHAIRWOMAN OBER: Representative Danielson, the Department did tell me, although they are not testifying this morning, they're planning to come to Division III when you meet with them and work with you in an in-depth manner. And I believe they're taking any -- they're sitting in the audience. They're taking any questions and they will bring that with them.

REP. DANIELSON: Thank you, ma'am. Thank you, sir.

VICE-CHAIRWOMAN OBER: Thank you for coming.

MR. KOCHER: Thank you.



VICE-CHAIRWOMAN OBER: Barbara Couch from Hanover, New Hampshire, needs two minutes for testimony. Welcome. And if you have testimony, LBA will pick that up.

BARBARA COUCH, Hypertherm, Hanover, NH: Thank you, Madam Chair. Thank you, Members of the Finance Committee. And thank you for the opportunity to be here this morning to testify on behalf of Hypertherm where I have worked for 30 something years.

We are a privately-held company with 1500 employees, 1,000 of which reside in the Upper Valley. I served as Vice-President of Human Resources for 22 years and currently I serve as a President of our Corporate Foundation. I also chair Corporate Social Responsibility Committee on the Board of Directors. And like Fred I, too, am a member of the New Hampshire Committee for Business and -- Coalition for Business and Education. I am also going to speak personally.

I've seen firsthand what access to high-quality early learning can make in the lives of our young children and their parents. I've also experienced and felt the pain of our employees when they return to work after leaving their small children in less than optimal settings. For most working families, the cost of high-quality care is prohibitive, forcing them to seek out lower-quality options, sometimes even stepping out of the workforce.

We, at Hypertherm, do what we can to support our young families. We educate on the importance of early learning. We offer flexible work schedules. We provide four days of paid time off so parents can volunteer in their children's schools and in their child care centers. We educate on the importance of reading, and we make sure every child has a new book in their backpack to take home. We say upfront in our mission statement that we provide for the well-being of our employees. We know our employees' well-being is dependent on the well-being of their families, their children, the children who are our future workforce, and our future leaders.

We believe all children have the right to high-quality and affordable early education, essential to reaching their fullest potential. Hypertherm will continue to do all that we can, but we need the public support, too. We urge you to support House Bill 370. Thank you.

VICE-CHAIRWOMAN OBER: Thank you. Since you didn't testify directly on the bill, I doubt that there will be any questions for you; but I thank you for coming and giving your testimony.

MS. COUCH: Thank you.

VICE-CHAIRWOMAN OBER: I'd like to call Steve Barber from Concord, New, Hampshire who also has two minutes but has 30 copies of written testimony to pass out which LBA will pick up. Thank you for coming.

STEVE BARBER, Concord, NH: Thank you, Madam Chair, and good afternoon to you and Members of the Committee. My name is Steve Barber. I currently live in Concord, but for 48 years I was in Dixville Notch, New Hampshire, and ran the Balsams as President and Managing Partner for 36 years. After that, for ten years I was at Plymouth State University on the President's Cabinet. Although I'm retired now, my wife and I travel to babysit for our two granddaughters two days a week. Our daughter gave up full-time employment and took half time so that we could babysit for two days and then she works two days plus Saturday when her husband takes over. So child care is an important part in our life. But even more so, I serve on the Donor-Advised Committee of the Neil and Louise Tillotson Fund for Coos County, and we have made investing in early child care development as a priority of that fund which distributes \$3 million a year in Coos County.

So I support HB 370 because investments in young children are one of the smartest investments we can make. Many studies compare early childhood development investments to other kinds of state investments, with the conclusion that they yield a return that far exceeds the return on most public projects that are considered traditional economic development. Nobel Laureate

in economics, Dr. James Heckman, has proven a conservative 7 to 10% return on investment in early childhood development. He also points out that key workforce skills, such as problem solving, perseverance, and the ability to work well in teams are best developed early. Heckman concludes that public schooling comes too late while other remedies are prohibitively costly as well, such as job training programs and second-chance GED programs in comparison to the cost of early childhood programs, such as child care. It's more efficient, both economically and biologically, to get it right the first time than to try and fix-it later. We all know how difficult it is to save teenage kids who are failing at school, getting into trouble with drugs and delinquency. It makes sense and it has proven to be true that focusing on the positive development of children from birth to age five will set our children on a positive life track and will bring substantial civic and economic benefits to our communities for years to come. I urge you to support HB 370.

I also understand that in mid-February the Rand Corporation will be releasing a return on the investment study relative to early childhood education here in New Hampshire. There will be a legislative lunch on Thursday, February 16<sup>th</sup>.

VICE-CHAIRWOMAN OBER: That's not part of this bill, sir, so we need to stick to the bill.

MR. BARBER: Okay. I was just notifying you and hoping you might be able to attend.

VICE-CHAIRWOMAN OBER: We need to stay on the bill.

MR. BARBER: I'm done.

VICE-CHAIRWOMAN OBER: Thank you. Any questions? Thank you.

MR. BARBER: Thank you.

VICE-CHAIRWOMAN OBER: We have a lot of pink cards. If what you wanted to say has been said by the time you're called, please feel free to sit down and say you support all the

testimony that you've heard. We do read everything people give us.

We'd like to call Jim Doremus from Henniker, New Hampshire. And, Jim, I'm sure I mispronounced your name.

JAMES DOREMUS, CIO, YMCA, Concord, NH: That's fine, Madam Chair. It's Doremus. And thank you for allowing us to speak. Thank you to the Committee Members. My name is Jim Doremus. I'm with the Concord Family YMCA. We provide preschool and after school programming. On any given day we have somewhere in the vicinity -- we serve somewhere in the vicinity of 400 children, 450 families. About 40% of those families receive financial assistance in order to be able to partake in our program. And one of the biggest concerns that I have, that we have as an organization, if this bill is not passed, what is going to happen to those families that won't be eligible for that kind of assistance. The biggest concern that we see from these families they're caught in the middle. They want to work, the parents want to work, but they won't have any options for their children. And so, in many cases, they're probably going to have to stop working, leave the workforce, and so they can take care of their children.

About six years ago, I think in 2009, 2010, there was a division went to a waiting list. We saw the same situation occur. It was very traumatic. We tried to do everything we could to support those families, but there was -- it was very difficult for them. So that's -- I just want to make sure you're aware of that, the toll that it takes on those families, and we hope you'll support House Bill 370.

VICE-CHAIRWOMAN OBER: Thank you. I don't know where the Committee will go. I will tell you even if a bill isn't supported in the beginning of a budget year, doesn't mean the Committee isn't committed to getting it into the budget. In fact, we have two bills we killed that are on this week's House Calendar that we are committed to putting the funding into the budget. So this is the year when you kind of have two slices at the pie. And so one bill many of you may not be familiar with

that dying does not mean the program has died. Questions for the speaker? Representative Vaillancourt.

STEVE VAILLANCOURT, State Representative, Hillsborough County, District #15: Thank you, Madam Chair. My question is more of people that might come later. I have no idea what this money will be used for specifically. If somebody could explain that.

VICE-CHAIRWOMAN OBER: It is to provide direct services for child care payments for families who meet the criteria set by the Federal Government. So if you have three or four kids but you have a low income and you want to work, we will help subsidize your child care. I believe somebody asked about the TANF surplus, because the TANF program has long provided child care money for low-income families who need assistance.

REP. VAILLANCOURT: Thank you. That helps because it says for complying with Federal regulations. I thought that meant some study to provide more regulation.

VICE-CHAIRWOMAN OBER: No, no. It's for families to provide direct services child care. That's why I asked how much was direct services and the Agency testified 4.1 million in '18, 4.5 million in '19. Representative Danielson.

REP. DANIELSON: Sir, this is more a philosophical question, but it applies to finances because the State is being asked to put in some money here. *Future Shock* Alvin Toffler back along when I was a boy said, you know, at some point in time in the future we are going to give up our children so the state can take care of them.

MR. DOREMUS: You know, I don't think that's really the case. In most situations, the State assistance is a supplement to what oftentimes families pay or in the case of many of us providers we are providing some financial assistance as well. So in a majority of the cases the parent -- the State is not taking over. The State is providing a portion of that financial assistance that enables families to be able to work.

REP. DANIELSON: I think my comment was more --

VICE-CHAIRWOMAN OBER: Do you have a follow-up?

REP. DANIELSON: Thank you, ma'am. Follow-up. I think my comment was more are we aware that we are doing what we're doing? I am not saying to the Chairman's point earlier, I'm not saying we would -- I would vote against this bill, but I'm saying are we aware of what we are doing when we are doing -- when we are letting someone else take a little bit more influence in the bringing up of our children?

VICE-CHAIRWOMAN OBER: That's an individual parent's decision. I don't think any one person can answer for every parent who has kids in New Hampshire. Thank you for coming.

MR. DOREMUS: Thank you very much.

VICE-CHAIRWOMAN OBER: George Cushing has 30 copies of written testimony and needs two minutes. Mr. Cushing, I assure you, we do read. You do not need to read it to us. So hit us with the highlights and welcome to House Finance.

GEORGE CUSHING: It's all pretty important. Good afternoon and thank you for the opportunity to give testimony today. My name is George Cushing. In my 43 years as a New Hampshire public school educator, I've had many opportunities to witness how important it is for parents to be able to access quality child care and preschool learning opportunities for their children. For example, in my early years as a teacher in an impoverished district, I made some home visits to students with truancy issues only to find the parent had to make a difficult decision to keep an older child home to care for a preschool sibling so that that parent would not miss work. I saw firsthand the difficult decisions that single parents have to make when they don't have the means to access child care.

As principal of Rye Junior High School, I testified in the Claremont case, which contrasted the educational services

provided by towns with different means within our state. Access to quality, early child care and education should be a right of all children regardless of their zip code.

While Superintendent of Schools in SAU 50, I served on the Governor's Dropout Recovery Council for ten years. In that capacity, I had the opportunities to hear from school drop-outs across the state, many of whom shared a common theme and that was that they had difficulty learning to read and felt that they were never able to catchup to their peers. It is very difficult for teachers to overcome the effects of missed opportunities and poor learning experiences that have already negatively impacted a child's early brain development by the time they enter school.

Today, as a retiree and a grandfather of six children, age seven months to 6 years, I live in a fish bowl of our youngest learners. I see how quickly they learn, how important life experiences are for them, and how they piece together these experiences to become early readers and thoughtful learners.

VICE-CHAIRWOMAN OBER: I think you're reading to us.

MR. CUSHING: I'm almost done. All of our young children need exposure to adults who speak in educated ways who see empathy in the value of working together. Money is always the issue, but money invested in quality child care and early learning has the highest rate of return for our children's success and our Society's future. I urge you to do right by our youngest citizens and pass House Bill 370.

VICE-CHAIRWOMAN OBER: Thank you.

MR. CUSHING: My written testimony is twice that long.

VICE-CHAIRWOMAN OBER: You didn't read it all. Good for you.

MR. CUSHING: Sorry about that.

VICE-CHAIRWOMAN OBER: Gold Star. Principals get gold stars, too. Thank you for coming. Marti Ilg from Concord. Did I butcher your name as well?

MARTI ILG, Concord, NH: You did not.

VICE-CHAIRWOMAN OBER: Thank you.

MS. ILG: Thank you. My name is Marti Ilg, and I'm the Executive Director of Lakes Region Child Care Services. I'm responsible for the overall management of eight programs employing 50 early childhood professionals.

Last year we provided over 56,000 days of care to over 420 children from 28 New Hampshire towns. I often say child care makes the world go round. This is a positive way to frame the fact that child care holds up our economy. We support today's workforce, the working moms and dads right now, while developing the workforce of tomorrow. If child care were suddenly unavailable, thousands of people working in every field in this state would not be able to show up for work. When children are in high-quality, early childhood programs and receive early interventions and supports, it saves the State money in short-term expenditures, including special-education, juvenile justice, health care, and unemployment. I know because I've seen this from many perspectives.

A few years ago, eight out of the ten infants in one of our programs were found eligible for early supports and services. All eight received services and when the cohort transitions to public school, only one child went with an IEP. This is tremendous savings to taxpayers, changed the lives for those children, and the families were ensured that their children were ready to go to school, ready to learn. As a parent of older children, I know many New Hampshire young people --

VICE-CHAIRWOMAN OBER: Could I --

MS. ILG: -- put off starting a family.  
Yes.



VICE-CHAIRWOMAN OBER: We need really need to concentrate what's in the bill.

MS. ILG: Yes.

VICE-CHAIRWOMAN OBER: The Federal regulations, the money. I understand people put off having children or wanting to invite us to lunch, but if we could concentrate on the subject of the bill. It helps us the most.

MS. ILG: Yes. Well, this is where the early screenings are very, very important, because we know that skills beget skills. And when a child is screened early and services are put into place, it changes the trajectory of that child's development. So this is support for today's workforce and support for the workforce of tomorrow, and I support HB 370.

VICE-CHAIRWOMAN OBER: Representative Vaillancourt.

REP. VAILLANCOURT: Thank you, Madam Chair.

VICE-CHAIRWOMAN OBER: Followed by Representative Byron.

REP. VAILLANCOURT: I'm still confused how this money is precisely going to be spent. The Fiscal Note says they don't know how it's going to be used. Maybe if I asked a direct question it would help. You said you had how many, 420 students?

MS. ILG: Yes.

REP. VAILLANCOURT: How much per student do you spend?

MS. ILG: We serve children six weeks to 12 years. The average price per day is \$30 per day.

VICE-CHAIRWOMAN OBER: Representative Byron.

REP. BYRON: Thank you. Madam Chair. As you run a group that's already doing this type of thing, are there other Federal

programs that would put money into this type of an effort besides this and maybe TANF? Are there other programs that you know of would have money to match it?

MS. ILG: Child care is a very difficult business. Eighty percent of our income is fees-for-service. The other 20% is typically contributed support and by contributed support, I mean local efforts and also some State funders, not Federal funding.

VICE-CHAIRWOMAN OBER: Follow-up.

REP. BYRON: So what you're saying is there's, to your knowledge, there's no Federal funding.

MS. ILG: Yes, sir.

REP. BYRON: Thank you.

VICE-CHAIRWOMAN OBER: Representative Hatch.

REP. HATCH: I think this is along the same venue and I was going to ask the question similar to Representative Byron, but you already spoke of the worthiness of this.

MS. ILG: Yes.

REP. HATCH: Let's look at your particular program that has other supports. If this bill were to pass and more people could access child care, how would that impact what you do and what kind of improvements could one anticipate from that expenditure and that impact? Does that make sense?

MS. ILG: Yes, it does. My first concern would be for a wait list. So, currently, we serve as an average over all the eight programs 33% child care scholarship folks. So if the wait list were to go into place, and the numbers were cut in half, we could presume that maybe our percentage of child care scholarship would be cut in half. So we would have folks that would not be able to access because they wouldn't be able to afford it. We could fill the spots with full-pay parents but

that doesn't -- because we have wait lists anyway. We are not able to provide enough slots, period. But we want to serve low-income folks as well because that helps people to work and to come off of public assistance.

REP. HATCH: If I may follow-up, Madam Chair?

VICE-CHAIRWOMAN OBER: Follow-up.

REP. HATCH: So in terms of specific numbers for your program --

MS. ILG: Hm-hum.

REP. HATCH: -- and you have a wait list, but that really doesn't tell me the magnitude or the impact. Do you have those numbers or approximate numbers available?

MS. ILG: The numbers would stay the same. We wouldn't be able to add anymore child care slots without adding more facilities. It would shift the population and that would be our concern as that folks would not be able -- who were lower income wouldn't be able to access the quality child care that is so important.

REP. HATCH: If you have 400 and 200 of them need assistance, and the other 200 are full pay, maybe you could shift 100 of those to assistance as opposed to full pay.

MS. ILG: That's what would happen naturally, yes.

REP. HATCH: Okay.

MS. ILG: What happens is the other hundred go into what we would call the gray market or unlicensed care. And the quality is -- is sometimes hard to measure and can sometimes be dangerous. I think we have heard some cases of unlicensed care in certain towns where children have been wandering around.

REP. HATCH: Thank you. Thank you, Madam Chair. Excuse me. Mr. Chair.

NEAL KURK, State Representative, Hillsborough County, District #02, and Chairman of House Finance Committee: Further questions? Thank you very much.

MS. ILG: Thank you.

CHAIRMAN KURK: Chair recognizes Robert Lister representing himself.

ROBERT LISTER, Portsmouth, NH: Good afternoon.

CHAIRMAN KURK: Good afternoon, sir, and welcome to House Finance.

MR. LISTER: Thank you very much, Chairman Kurk. Chairman Kurk and Members of the Committee, thank you for the opportunity to be here this afternoon. My name is Bob Lister, and I'm a former teacher, school administrator, superintendent of schools in Portsmouth, and former mayor of the City of Portsmouth. My testimony here is purposely brief because I know that you have many people to hear from and many issues to address. Please know that I would be glad to speak to and be a resource for any of the members of the Committee to help address early learning here in New Hampshire. Should you wish to hear more information, my contact information is provided within. And early education -- early childhood education such as child care and preschool is a personal, professional priority for me, and it is also a national priority as well.

I've seen firsthand how providing quality child care can be a major solution to ensuring educational success for all children as they progress through the school system. I hope this good investment in children HB 370 will be top priority for this Finance Committee because the benefits for communities in New Hampshire are very clear. Ensuring this appropriation is made for child care supports today's hard-working families and helps

build a workforce of tomorrow. Thank you again for allowing us to be in front of you. Thank you.

CHAIRMAN KURK: Thank you, sir. There being no questions, thank you again. Chair recognizes Shannon Lancaster who's representing herself.

SHERI LANCASTER: My name is Sheri Lancaster.

CHAIRMAN KURK: I apologize.

MS. LANCASTER: Oh, not at all. Thank you for letting me speak. I wanted to share my story with you because I have personally used the child care scholarship.

I moved to New Hampshire five and a half years ago, a single mother, with limited support. I accessed TANF. I was in the New Hampshire Employment Program where I received child care scholarship. I first placed my son in a lower-quality child care which was, I'll tell you, pretty traumatic for myself and my then year old son. And then I found Lakes Region Child Care, the Laconia Early Learning Center where met Marti Ilg. And at the time I was in the employment program and she showed me around, and I ended up actually applying and I'm currently the Director of Laconia Early Learning Center. But without the child care scholarship, I would not have been able to job search. I would not have been able to work and even working there starting out and getting on my feet, the cost at the time for my son, a full-time slot was \$195, and that was way more than I could afford.

I also, as I said, I'm the Director. We have eight -- eight classrooms and we license for 111 children. I also have staff with their children there that are accessing the child care scholarship. Without that, they're going to have to make a choice whether they can stay employed with our organization or not. So it's extremely important.

I share the same story as many of my families who are in the program or job searching. We provide consistent care for

these children and I can personally say my son, who's now seven years old and in first grade, left there completely prepared for kindergarten. I knew he was safe. I was able to continue working, and it's been a blessing. So thank you very much.

CHAIRMAN KURK: Thank you, ma'am. Are there any questions? There being none, thank you again.

MS. LANCASTER: Thank you.

CHAIRMAN KURK: The Chair recognizes Heather Metzger representing herself.

HEATHER METZGER: Good afternoon. Thank you for letting me speak.

CHAIRMAN KURK: Good afternoon and welcome.

MS. METZGER: Thank you. Ladies and gentlemen, I come before you today with a personal story. This is a picture of my nephew Kade. He would have been turning 32 this June had he lived. My sister has been a special-ed. teacher full-time since 1976. When my nephew was born in 1985, she had been with the District long enough to be granted a sabbatical for one year. She knew all along that come September of 1986, she'd have to return to work. She enjoyed a wonderful first year with her son. She was still getting paid and receiving her health benefits. But as of June -- as June of 1986 rolled around, her search for care began. By August she had not found anything to her liking meaning safe, affordable, and caring people, and had run out of options. A girlfriend she had graduated high school with stepped forward and said she could take care of Kade. She was home with her own two daughters and figured it wouldn't be hard to care for my nephew as well.

The first day of school my sister dropped Kade off in the morning with agreed upon time to pick him up at 4:00 p.m. He spent the morning playing with the girls and enjoyed himself thoroughly. After lunch, he became tired and the friend put him down for a nap. The crib he was placed in had some sort of

hanging toy over it suspended by a coiled spring like cord. He was put down at 1:00 p.m. The friend never checked on him, as she became involved with her own daughters and either lost track of time or completely forgot about Kade.

Around 3:30 p.m. she realized that my sister would soon be there and went to wake Kade. His little body was sitting upright in the crib, the toy wrap tightly around his little neck. As my sister arrived to pick up her son, the ambulance was screaming by her going the other direction and a police cruiser sat in front of the house, its lights still flashing. It was later determined that he had been dead for a while before he was found. It was theorized that he had played with and become entangled by the toy hanging from the ceiling. Growing tired, he sat down and strangled himself.

My nephew died at 15 months. Had my sister had access to quality, affordable care, this tragedy might not have happened. There have been many other stories since my sister's in 1986, the majority happening to middle class and low-wage working mothers. This can be corrected if you have the courage to do so. Thank you.

CHAIRMAN KURK: Thank you, ma'am. Appreciate your testimony. At this point, in order to allow all of you who have come here to testify, we are going to have about a one minute recess of this hearing so I could open up the next hearing, recess that till tomorrow, and then reopen this hearing. Okay. So at this time we will recess the hearing on House Bill 370.

(Recessed at 1:47 p.m.)

(Reconvened at 1:49 p.m.)

CHAIRMAN KURK: I'd now like to open the recessed hearing on House Bill 370 and recognize Michelle Scott who represents Pediatric Practice in Nashua.

MICHELLE SCOTT, Nashua, NH: Good afternoon. I'm Michelle Scott, and I work in a pediatric practice in Nashua. I work

directly with mothers, and I've been working with mothers for about over 30 years now. I've seen many changes in the workplace and child care, but I think as a person in New Hampshire, I would be proud to see that we increase our young families' ability to get child care and the State can fund that kind of situation. This is not paying -- the government paying for children or educating children. It is supporting parents' desires to have quality child care.

So a lot of the mothers that I work with believe as the American Academy of Pediatrics does that the first thousand days of a child's life are critical to their development. So the guidelines at the Federal Government handed down for these new guidelines just relate to health and safety, common sense things. But as you can hear, not all places comply with that. So these are just checks to make sure that the quality of health -- of child care is up to par. So I ask you to pass this legislation. It would be good for New Hampshire and good for business in New Hampshire. Thank you.

CHAIRMAN KURK: Thank you so much. Chair recognizes Scott Spradling of Manchester who's representing himself, and he's only asked for two minutes.

SCOTT SPRADLING, Manchester, NH: My TV career, sir. I don't know how to talk longer than that.

CHAIRMAN KURK: Welcome, sir. It's good to see you.

MR. SPRADLING: Likewise. Mr. Chairman, Members the Committee, good afternoon. My name is the Scott Spradling. I'm here representing myself, but I also serve as a volunteer voice in this conversation. I am the Chair of the Board of Directors for Early Learning New Hampshire. I'm also a father of four teenagers so I figure that puts my free time estimation at about 2027 when I have five minutes to myself. More importantly, I'm here to testify in support of House Bill 370. Not to echo what you have already heard, and in the interest of brevity, I would like to direct you to a few simple conclusions that I've reached about this bill.



First and foremost, you as members of finance are looking for a smart return on investment for something like this. I think what you've heard in testimony from a variety of voices and, most importantly, what we know from science, it tells us that the early years of life will serve as a foundation for all future learning and health. The better the investments in that time early on in a child's life, the better the outcomes will be down the line. We know you can't build anything sturdy on a shaky foundation, which is why, as a group, we also sit here before you to say we believe that the standards that are set by the Federal Government are important benchmarks and an important piece of this conversation so that you can, as members of finance watching these dollars, help find ways to measure the success of these investments. You need to have some goal points down the line in order to make sure that this is money that is spent in the right place.

We provide -- when we provide children with supportive environments, like, quality child care, we are also building a healthy, educated workforce and citizenry for tomorrow. And I will simply finish with this to save time. One thing we hear over and over again when we meet as the Board of Early Learning from child care providers to business leaders, what we hear over and over again is the struggle so many families have to afford quality care. And we also know that it is very difficult to find quality care because we don't have adequate standards in place. We believe this bill takes a tremendous step in the direction to achieve both goals. Thank you very much for your time.

CHAIRMAN KURK: Thank you, sir. Questions? There being none, thank you again.

MR. SPRADLING: Thanks.

CHAIRMAN KURK: Chair recognizes Julie Day representing the New Hampshire Children's Trust. Good afternoon, ma'am, and welcome to House Finance.

JULIE DAY, New Hampshire Children's Trust: I have some copies of my testimony. I will also not go over my whole testimony. My name is Julie Day. I'm from the New Hampshire Children's Trust. We're the Prevent Child Abuse Chapter for the State of New Hampshire. And we know per evidence based work from the Center for the Disease Control that children will experience safe, stable, nurturing relationships in environments and decrease the risk of mal-treatment-related fatalities when they're in affordable, stable child care. We've heard time and time again with the work that we've done with My Voice Matters which talks to parents all over the state about how they beg their parents -- they beg their employers not to give them raises because if they get raises, then they lose their subsidies. And the little bit that they get to help pay for child care is much more than what they would have received in the pay raise.

The other thing we hear often is that they have to make a choice between a -- between child care and employment. And oftentimes they stay home because they cannot afford the child care. So we are asking for your support in Bill 370 for Granite State children, families and employers. Thank you.

CHAIRMAN KURK: Thank you, ma'am. Chair recognizes Julie McConnell representing the New Hampshire Community Loan Fund. Good afternoon and welcome.

JULIE MCCONNELL, New Hampshire Community Loan Fund: Good afternoon, Chairman Kurk, and Members of the Committee. And I do have handouts of my testimony. I will do my best to keep my comments brief.

My name is Julie McConnell. I'm a resident of Gilford, and I work for the New Hampshire Community Loan Fund which is a non-profit community development financial institution. We provide financing, leveraging largely private dollars to support affordable housing, business development, and I manage a program working with early childhood programs providing financing for facility needs. And I want to address a few key points relative to House Bill 370 in support of House Bill 370.

We have a unique role as a lender where we are analyzing the budgets of early childhood programs when we consider a loan request. And while you're hearing about how expensive child care is for parents, I can tell you that the business model itself is very challenging. Eighty percent of a programs's operations are largely personnel. And when you're providing care for 8 to 10 hours a day, five days a week year round, it makes it an expensive operation to run.

I just want to highlight the reauthorization of the Child Care Development Block Grant was significant in that that block grant at the Federal level had not been reauthorized in over 20 years. And I concur with most of the testimony you've heard today. What is significant about some of those new regulations is the emphasis on improved health and safety in early childhood programs, as well as increasing access to subsidies for low and moderate income working families. We do have a shortage in the State of licensed child care. We have about -- I believe about 46,000 licensed spaces, close to a thousand early childhood programs operating with an estimated need from child care we're estimating that we have about 52,000 preschoolers in need of care.

One of the things that's significant, I think, is that these dollars that flow through the Department of Health and Human Services, 90% of the Child Development Bureau's budget, those dollars go to child care subsidies and scholarships.

I think one of the major concerns and one of the reasons this bill was brought forward in understanding the Department's funding a concern that the new Federal requirements the funding level is not sufficient to meet those new requirements that will be put into place through 2020. And a major concern is that if the Department does not have additional funds in the budget to meet these requirements, the Department could end up cannibalizing dollars that were earmarked for subsidies and you would end up with a situation where you would have the need to establish wait lists for access to child care. So you've heard about that concern. That's a major concern that we avoid having

to create wait lists and avoid any Federal penalties that could be attached if the State were not able to meet those requirements.

And I think I just want to highlight one other comment in understanding how the subsidy program works. That it's really intended to be short-term support for families while they need it. They use the subsidies, and then when they're able to move off the subsidy when their situation improves, they no longer need the subsidy. And those dollars become available for someone else who might need them. And it helps families on the margins to avoid having to access more expensive State services when they can get just what they need in child care subsidy to enable them to work. And those are my comments. Happy to answer any questions.

CHAIRMAN KURK: Representative Byron, followed by Representative Vaillancourt, and Representative Umberger.

REP. BYRON: Thank you, Mr. Chairman. Ma'am, you had said that -- well, I have a document here that says that State Fiscal Year 16 the monthly average number of children were -- served were 5,378, but you mentioned a number of 52,000, if I recollect correctly.

MS. MCCONNELL: Let me clarify. Those are the numbers of children currently receiving subsidy. I was referring to statewide child care capacity, trying to paint the picture of what the demand is in this state for child care.

REP. BYRON: Follow-up.

CHAIRMAN KURK: Follow-up.

REP. BYRON: Can you then limit what you would -- what do you anticipate on this program, which is the Child Care and Development Block Grant Program, would be the number of children that we would serve at 100%?

MS. MCCONNELL: I would defer to the Department of Health and Human Services. Those are their numbers and they would have to speak to that.

REP. BYRON: Okay. Thank you, ma'am.

CHAIRMAN KURK: Representative Vaillancourt.

REP. VAILLANCOURT: Thank you, Mr. Chairman. Do you know how much money from the Federal Government we are currently receiving for this or how much would be in jeopardy if we failed to provide what's mentioned in this bill?

MS. MCCONNELL: Again, that I think it's in the neighborhood of 30 million a year but mix of Federal and State dollars, and you heard that the Federal dollars are about 60% of that. But, again, that's a question for the Department. They have those budget numbers.

CHAIRMAN KURK: Representative Umberger.

REP. UMBERGER: Thank you, Mr. Chairman. Several people have said that child care was high cost and I won't -- I don't have any clue. So do you have a range of what child care costs per month for, you know, just the range that's out there?

MS. MCCONNELL: It varies tremendously by region, certainly, and locale. I know for a four-year old in this state it can cost 10 to 11,000 a year for full-time care.

REP. UMBERGER: And what's the low end of that?

MS. MCCONNELL: I'm not sure. It's a broad range. That would be an average.

REP. UMBERGER: Thank you.

CHAIRMAN KURK: Could you tell us what impact this bill might have on existing child care providers, whether it's folks in the home, a mom taking care of three children in the

neighborhood, some of the facilities that are licensed but perhaps are not of the same quality that would be covered by this bill?

MS. MCCONNELL: My understanding and, again, the Department can speak to the specifics, my understanding, however, is that some of those dollars would help again to improve safety of facilities. There are additional training requirements for providers, both home-based and center-based; and, certainly, the benefit of the subsidies to serve the families that -- that need those subsidies for working.

CHAIRMAN KURK: Thank you. Thank you very much. Oh, there are no further questions. Thank you very much, ma'am. The Chair recognizes Amanda Sears who's representing the Campaign for a Family Friendly Economy, I believe.

AMANDA SEARS, Director, Campaign for a Family Friendly Economy: Thank you, and I appreciate the opportunity to speak with you today. Excuse me. I have a little bit of a cold.

The Campaign for a Family Friendly Economy is a New Hampshire-based effort to advance smart policies that help families to be able to make ends meet and to be there for their families when they need to be. We have about 23,000 supporters across the state. This is a really big priority for us because child care is a workforce policy and this state needs to get -- to have proactive policies that can address some of our biggest challenges and our workforce challenges are among those large challenges we have. In fact, Chairman Kurk, I was in a budget hearing when the budget was being presented, and I know you were discussing with the Department of Employment Security, we have very high workforce participation, about 70%. But you had asked what is keeping the other 30% out of our workforce and the answers that were provided that day were transportation, substance abuse, and personal disability. Caregiving responsibilities are a huge factor keeping people out of our workforce, and this state can't afford to be losing people who are making the calculation that they can't afford to go to work because of the high cost of child care.

Representative Umberger, you asked more about what the costs are. The average cost for a family that has two young children, a one year old and a four-year old, are \$22,000 a year in the State of New Hampshire for child care costs. Meanwhile, the average household income is 66,000 a year.

CHAIRMAN KURK: Could you -- her question dealt with the range, not the average. Do you have the low and the high?

MS. SEARS: I don't, but I could look for that and find that for you. I could find that for you definitely.

CHAIRMAN KURK: Thank you.

MS. SEARS: This is a really big factor for families. Families -- 70% of kids in this state have all available parents in the workforce. So that makes child care a priority for those families to be able to just get out the door and get to work. Child care scholarships are a big piece of helping families who are low income stay in the workforce and pull themselves out of poverty. They help avoid dependency on other forms of public assistance. Studies have found, for instance, that single mothers of young children who receive child care assistance were 39% more likely to still be employed after two years than those low income -- than similar low-income single mothers who did not receive child care assistance. So 39% more likely to be in the workforce two years later because of these kinds of scholarships. It's a big factor in helping low-income people to be able to pull themselves out of poverty, remain employed, and build their future.

This is a really important piece for our workforce shortage, making sure we don't lose people in the state in our workforce. It's also a big part of families' personal economy and financial security. I've spoken to many people around this state who have had to drop out of the workforce because they couldn't afford child care. The thing -- what that does for somebody's long-term financial security is dramatic. For instance, a 28-year old who drops out of the workforce when they

were making 35,000 a year, their life -- if they drop out of the workforce for five years to provide child care to their children, their lifetime loss of earnings is a half a million dollars. So that really undermines that mother or father's ability to build a financial future for their whole family.

Thank you very much. I hope you'll consider supporting the appropriation amount asked for in HB 370 for child care scholarships.

CHAIRMAN KURK: Thank you for your testimony. Would you be willing to answer some questions?

MS. SEARS: Of course I would.

CHAIRMAN KURK: How many additional children will receive child care if this bill passes?

MS. SEARS: I am not certain of that number. What I have heard is that if this bill doesn't pass, the amount of people that we are currently providing scholarships to will be reduced. So, currently, we provide about a little over 5,000 scholarships. So we would need to reduce the amount of scholarships that we are currently providing to families if this bill doesn't pass.

CHAIRMAN KURK: I see. So your testimony basically is that this bill keeps us treading water. It's not going to increase the number of -- it's not going to raise the 70% you mentioned to 75%. It's not going to see new people in the workforce. It's not going to see additional people getting child care. It just maintains us where we are.

MS. SEARS: This bill asks for an appropriation of \$15 million. What we have since heard from the Department is that they require about \$4 million, 4.1 or 4.5 per year over those two years to basically tread water. So if this bill were to pass as written for 15 million that would allow us to serve more families with these scholarships.



CHAIRMAN KURK: What would it cost us if we just wanted to tread water?

MS. SEARS: That's what the Department had said would be the 4.1 and 4.5.

CHAIRMAN KURK: Thank you. Further questions?  
Representative Byron.

REP. BYRON: Thank you, Mr. Chairman. On that number, I think they said 4.1 and 4.5 was the direct aid portion of what would be in there. So my understanding is that that combined with the indirect would be around 15 million already.

MS. SEARS: I'm not certain. You'd have to ask them for clarification on those numbers.

REP. BYRON: Thank you.

CHAIRMAN KURK: There being no further questions, we thank you very much.

MS. SEARS: Thank you.

CHAIRMAN KURK: Chair recognizes Amanda Osmer who's representing Grappone Automotive. Good afternoon and welcome to Finance.

AMANDA GRAPPONE OSMER, Grappone Automotive: Hello. By way of explanation, I picked a fight with a sidewalk and I lost. Apologize for my appearance.

I just wanted to echo my support of House Bill seven -- 370. And you have heard much testimony and I have nothing new to add other than to say from a business perspective it makes a lot of sense for us to do a route cause analysis to figure out how to you grow up the best possible kids who are, as Steve Barber mentioned, problem solvers, creative solution finders and who have confidence. And in my research and my personal belief and with my business hat on, as well as my

mother hat on, I believe the best way to do that is support kids at the earliest possible age. On behalf of my company, I would ask that you support House Bill 370.

CHAIRMAN KURK: Thank you for your testimony. Question. The obvious question. If this is so important to you, do you and why do -- and if you don't, why don't you pay full child care for your employees?

MS. OSMER: It's very cost prohibitive. We do feel like we provide excellent benefits. We estimate about 30% of somebody's annual salary can be reflected in the benefits we provide. Health care costs are just gigantic for us and that really overshadows. We do have a flexible work schedule. So we are very accommodating, excuse me, for people who need time away to help with, you know, child care, elder care as well, but child care as well. So to answer your question, you know, it's very difficult to just keep spending. And last year alone we spent \$2.7 million on health care for our team members. So with that cost already burdening us, it's very difficult to allot extra for child care.

CHAIRMAN KURK: Just so you might know, the State of New Hampshire spends approximately 48% of salary on its benefits cost for its employees, rather than 30%. We'd love to go back to 30%. I guess the question is, if this is so important to business, why should we ask the taxpayers to pick up the cost of child care rather than those who benefit, such as your business in picking up the cost?

MS. OSMER: I mean, those who benefit are also the families. So, of course, they have a cost to bear as well. And I would say that the public-private partnership is, to me, a very creative solution and a way to go so that no one entity or no one group has to burden the entire cost. I think it is so expensive that it makes sense to just sort of divide it up, if you will, among different parties. That being the people, obviously, who require or who would like the services, as well as the employer, as well as the State.

CHAIRMAN KURK: Thank you. Representative Hatch.

WILLIAM HATCH, State Representative, Coos County, District #06: Thank you, Mr. Chair. And your appearance you need no apologies. But in all seriousness and to the Chair's questions, isn't this program more inclined to help those that are starters in the workforce and that type of individual for a business? I was a businessman, also. It be very hard to provide taking the risk for a start-up employee.

MS. OSMER: Hm-hum.

REP. HATCH: Whereas if they had access of this type of care for their children they could migrate into the workforce and move up the ladder, so to speak. Is that better defined other than just pure cost or sensibility for business?

MS. OSMER: Yes. I don't pretend to be an expert on what this bill will or will not provide in terms of concrete numbers; but we as part of our mission statement commit to try and create life-long relationship with our team members and a big part of that is making sure their family needs are met. I hope that answers the question.

REP. HATCH: And I purchased a few vehicles at your business. You do a good job on that, too.

CHAIRMAN KURK: Follow-up. There being no further questions, thank you very much, ma'am:

MS. OSMER: Thank you for your time.

CHAIRMAN KURK: May you win in your next battle. And, finally, the last card from Rebecca Woitkowski representing New Futures.

REBECCA WOITKOWSKI, Early Childhood Policy Coordinator, New Futures: Good afternoon, Honorable Chairman, and Committee Members. I appreciate you considering my testimony today.

My name is Rebecca Woitkowski and I am the Early Childhood Policy Coordinator at New Futures. New Futures is a non-partisan, non-profit organization that advocates for policies that improve the health and wellness of all New Hampshire families, including our children. New Futures strongly supports House Bill 370 because by compliance with the regulations, we will enable ourselves to help children of the opiate crisis. Funding for the child care scholarship program for low-income families is a critical and cost-effective way not only to improve the lives of our children, but to help prevent a new generation from substance misuse.

Due to the opiate epidemic, there are increasing numbers of low income-children in the state who are suffering from toxic stress. Toxic stress results from the continual exposure to adverse circumstances within a child's environment, such as abuse, neglect, parental substance use, conflict within the home, incarceration of a parent, and poverty. Toxic stress is incredibly harmful to the developing child's brain because it is built from the bottom up. Exposure to adverse childhood experiences disrupt a child's developing brain and result in negative health effects lasting into adulthood, including increased rates of substance misuse and addiction. However, investment in intervention and early childhood can dramatically improve the future of a child who has been exposed to toxic stress.

Access to quality child care is one of the proven early interventions that help offset the effects of toxic stress. Studies show children involved and enrolled in quality child care have had better health outcomes, improved quality of life, reduced involvement in the justice system, increased future incomes, and decreased rates of substance misuse and addiction.

Access to quality child care is important not only because it helps prevent future substance misuse, but because it also helps families who are currently seeking treatment in recovery. Parents who have affordable and reliable child care are able to seek recovery services, work, and contribute to our communities without worrying about the well-being of their children. This

means that access to quality child care not only helps prevent and combat toxic stress, but also provides long-term health, wellness, and financial benefits to the children, the family, and our state. For these reasons, New Futures urges the Committee to vote House Bill 370 ought to pass. Thank you, and I am happy to answer any questions you may have.

CHAIRMAN KURK: Questions from Committee Members? There being none, we thank you very much.

MS. WOITKOWSKI: Thank you.

CHAIRMAN KURK: Is there anyone else who wishes to speak with respect to House Bill 370? If you don't wish to speak but you wish to express your opinion, there's a blue sign-up sheet on the table.

I am now going to read, unless somebody is actually signing it, I'm now going to read the list of those people who did not testify but on that blue sheet express support or opposition to House Bill 370.

AUDIENCE MEMBER: May I submit written testimony, please?

CHAIRMAN KURK: I'm sorry?

AUDIENCE MEMBER: May I submit written testimony?

CHAIRMAN KURK: You can do that at any time. If you'll give it to one of our assistants that will be fine. I'm going to -- I'm not going to read all of the names, but I will state that 69 people signed in in support of this bill and none signed in opposition to this bill.

With that, I will close the hearing on House Bill 370.

(The public hearing concluded at 2:15 p.m.)

## CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

*Cecelia A. Trask*

Cecelia A. Trask, LSR, RMR, CRR  
State of New Hampshire  
License No. 47



# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 370 Date 1-31-17

Committee Finance

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Betsy Forubon	15 Gill St. Exeter	580-2586	Rock 18	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MARILEEN SCHULTE	215 FOSTER Hill HENNIKER	428-7506	SELF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Susan Osborne	42 Boulder Hill Rd Weare	496-6667	Self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sem Martha Hennessey				<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHRIS ROBERT	174 RUSH ROAD, HENNIKER	617-866-7432	SELF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dagmar B Clark	248 Huntington Road Henniker	325-8934	self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
McKenzie St-Germain	1200 Elm St unit 602 Manchester NH	491-6975	Self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Zack Sheehan	14 Hill St. Concord NH 03301	496-5552	Self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cody Jacobsen	47 Arden Rd Grafton NH	603-767-1420	Self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Edward French	190 Elm St Littleton	603-444-0268	Self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sarah Sadowski	68 S Curtisville Concord NH	988-9907	self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Kelly Mikal	252 Bell St Manchester, NH 03105	493-1937	SELF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
John Tittle	190 Front St Concord NH	801-0237	Easterseals	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Melissa Kachavos	11 Mammoth Rd. Manchester, NH	851-1185	EASTERSEALS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Phoebe Stone	224 Freedom St Manchester, NH 03102	668-6496	SELF	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E. Alcauskas	195 McGieges St	442-5701	self	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rihanna McLaughlin	Child and Family Services			<input checked="" type="checkbox"/>	<input type="checkbox"/>
Keith Kvenning	Child and Family Services			<input checked="" type="checkbox"/>	<input type="checkbox"/>
CHRISTINA WILKINSON	Monksbury	603-205-4081		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rep Jan Schmitt	NASAUA		Ward 1 Marlow	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Deborah Galippault	207 Shaker Ferry Moultonborough NH	290-7123	YMCA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tereza Martinez	De Fisherville Rd Concord NH	225-4651	YMCA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<del>Marti Itz</del>	<del>4 Montserrat St</del>	<del>344-8262</del>	<del>self</del>	<input type="checkbox"/>	<input type="checkbox"/>

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Bill # 370 Date \_\_\_\_\_  
 Committee \_\_\_\_\_

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Mary Lou Beaver	471 Hales St, Concord	856-7517	New Child Mothers in NH	✓	
Lynne Stanley	8 Shaw Pinacole	496.0994	NH After school	✓	
Gina Brooks	41 Rutland St	715-1220	Concord V	✓	
Rep Timothy Horrya		9 Strfboro 6		✓	
John Bennett	49 Pelcoe Dr.	715-2476	concord Y	✓	
Mark Mal	108 Santilla St	978-235-0358	Peppack	✓	
Sean O'Leary	19 Maple Ave Hudson NH	603 318 1269	Hudson	✓	
Richard LeDon	74 Cottage St	AP 3 Littleton NH	991 2452	✓	
ANNIKA HARTFIELD	M Manchester				
Rep. Tim Josephson		Grafton - 11		✓	
Katharine Enquist	56 Crestview Dr.	Jaffrey NH		✓	
ANA DITUIO	194 Brown Hill Rd	E. Hampstead NH	NH children (603) 370-7821	✓	
Rep. Shevanston		Grafton 12		✓	
Karen Wimpsey	90 Peppack St	Concord N.H	Concord Y	✓	
Dr. A Ruth	29 Cricket Hill Drive,	Manchester, NH		✓	
Rep Kevin Maes		Grafton 6		✓	
James Maccabe	191 Juniper Ridge,	Henniker	203-9477 my child	✓	
Representative Debra Altschuler		Stratham 19		✓	
Rep Mary Jane Mulligan	154 1/2 Lyme Rd	HANOVER #		✓	
Rep Pamela Gordon	District 29	Passmore, ward 5		✓	
Rep Mary Freitas	Dist 14			✓	
Rebecca Wittkowska	New Futures			✓	
Representative Patricia Cornell				✓	
Rep Mary Ruth				✓	



# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # 370 Date \_\_\_\_\_  
 Committee \_\_\_\_\_

**\*\* Please Print All Information \*\***

Name	Address	Phone	Representing	(check one)	
				Pro	Con
Marissa St. Laurent	74 Warren St Concord	988-3524	NH Children's Trust	✓	
Tristephil Brook	281 Pleasant St Concord	545-7293	YMCA	✓	
Stephanie Feist	114 Gorgeons Falls Road Concord NH		YMCA	✓	
Sennifer Doubleday-Bennett	299 Stone Rd Bilmanton NH		YMCA	✓	
Katelyn Demis	81 NH Ave 2 <sup>Wettsmouth</sup> NH	207 337 0652	Great Pan Kids (Grass)	✓	
Marc McMurphy	542 Highland Pl Henniker, NH	603 746 5706	Wet's Bank	✓	
Leanna Lorden	207 Hens Smith Rd 03208 Salisbury NH	603 344 3004	White Birch	✓	
MELISSA HINEBAUCH	15 ROCKLAND RD CONCORD	224-4866	CITIZENS	✓	
Jennifer Bertrand	50 S. Main St. Mont Vernon, NH		parent/family	✓	
Chris Alibrandi	Concord, NH		NH Childrens Behavioral Health Collaborative	✓	
Rep Mary Sturt Gile	Merr. 87			✓	
Rep. Steve Shurtleff			House Democratic Leader	✓	
Sen Fuller Clark			SDZI	✓	
Rep. Bob Backus			HILLS. 19	✓	
Heather Donnell	11 Forest Park Drive Roch. NH		parent/family	✓	
John Withill	P.O. Box 49 Acworth, NH 03601		" "	✓	
Kimberly McKenny	7 Hills End Way Manchester	03104	" "	✓	
Emily Keenan	435 South Main St. Manchester, NH		Castroaks	✓	
Rep Katha Mungipudi	Nashua		Hills # 35	✓	
Suman Kasha	Dunbarton			✓	
REP CAMPION.			Grafton 12	✓	
Rep. Jelle Martin			Hills # 23	★	

# SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # \_\_\_\_\_ Date \_\_\_\_\_

Committee \_\_\_\_\_

\*\* Please Print All Information \*\*

Name	Address	Phone	Representing	(check one)	
				Pro	Con
J PIZINIZY	Cicwath		Self	<input checked="" type="checkbox"/>	
MARK VALLONE	292 BLAKE RD SPRING	679-8018	ERRING ELEM SCHOOL	<input checked="" type="checkbox"/>	
Katie Brissett	101 Rumford St. Concord	498 8437	Self	<input checked="" type="checkbox"/>	
Shannon McCullough	142 Wayne St. Manchester	269 760-2899			

1/31  
MVA



# Testimony

FFY 16	SFY 18 Efficiency Budget	SFY 18 Efficiency plus Child Care funded with TANF	SFY 19 Efficiency plus Child Care funded with TANF
<b>Grant Awards</b>			
5,751,323 Disc	5,751,323 Disc	5,751,323 Disc	5,751,323 Disc
4,581,870 Mand	4,581,870 Mand	4,581,870 Mand	4,581,870 Mand
5,729,164 Match-F	5,729,164 Match-F	5,729,164 Match-F	5,729,164 Match-F
5,729,164 Match-G	5,729,164 Match-G	5,729,164 Match-G	5,729,164 Match-G
4,200,000 TANF Disc	4,200,000 TANF Disc	4,200,000 TANF Disc	4,200,000 TANF Disc
<u>25,991,521</u>	<u>3,443,840</u> Add'l TANF - Gateway to Work	<u>3,443,840</u> Add'l TANF - Gateway to Work	<u>3,443,840</u> Add'l TANF - Gateway to Work
	29,435,361	4,110,804 Add'l TANF - Child Care Reauth	4,567,804 Add'l TANF - Child Care Reauth
1,819,406 7% Quality		<u>33,546,165</u>	<u>34,003,165</u>
	2,060,475 7% Quality	2,348,232 7% Quality	2,380,222 7% Quality
1,997,133 FFY 16 Quality Expenses	<u>1,997,133</u> FFY 16 Quality Expenses	<u>1,997,133</u> FFY 16 Quality Expenses	<u>1,997,133</u> FFY 16 Quality Expenses
	(63,342)	(351,099)	(383,089)
<b>TANF Transfer</b>	<b>TANF Transfer</b>	<b>TANF Transfer</b>	<b>TANF Transfer</b>
11,413,683 Amt can transfer	11,413,683 Amt can transfer	11,413,683 Amt can transfer	11,413,683 Amt can transfer
(936,937) SSBG	(936,937) SSBG	(936,937) SSBG	(936,937) SSBG
(4,200,000) CCDF	(4,200,000) CCDF	(4,200,000) CCDF	(4,200,000) CCDF
<u>6,276,746</u>	<u>(3,443,840)</u> Add'l TANF Gateway to Work	<u>(3,443,840)</u> Add'l TANF Gateway to Work	<u>(3,443,840)</u> Add'l TANF Gateway to Work
	2,832,906	<u>(4,110,804)</u> Add'l TANF - Child Care Reauth	<u>(4,567,804)</u> Add'l TANF - Child Care Reauth
		<u>(1,277,898)</u>	<u>(1,734,898)</u>

Hypertherm, Inc.  
Etna Road, P.O. Box 5010  
Hanover, NH 03755 USA  
603-643-3441 Tel  
603-643-5352 Fax  
www.hypertherm.com

# Hypertherm

TO: Representative Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building Rooms 210-211  
Concord, NH 03301

FROM: Barbara J. Couch, President, Hypertherm HOPE Foundation, Hypertherm, Inc.

RE: **Testimony in Support of HB 370 – Making an appropriation for the purpose of meeting new federal regulations relative to child care**

Thank you for the opportunity to testify on behalf of Hypertherm, an Upper Valley privately held company with 1,500 employees, 1,000 residing locally in the rural greater Upper Valley region. I served as VP of Human Resources for 22 years and currently serve as President of Hypertherm's corporate foundation and chair its Board of Director's Corporate Social Responsibility Committee. However, I am also motivated to speak to you today as a grandparent of four young children. It is this role that further ignites my passion for early childhood education and the vital need to ensure access to high-quality early education for all New Hampshire children.

I am going to respectfully assume we all know there is compelling evidence to support the profound influence of early childhood education on the health and well-being of individuals and society, so I will not speak to that and rather will make this personal.

I have seen firsthand what access to high-quality early learning can make in the lives of young children and their parents. I feel the pain of our employees when they return to work after leaving their small children in less than optimal settings. For most working families, the cost of high-quality care is prohibitive, forcing them to seek out lower quality options. These are difficult decisions parents must make every day to ensure they can fully participate in the workforce, support their families, and contribute to New Hampshire's social and economic well-being.

We have done a lot at Hypertherm to support our young families. We educate on the importance of early education. We offer flexible work schedules for parents and four days of paid time off to volunteer in their children's schools and child care centers. We provide education for parents on the importance of reading to their children and make sure that every child can go home with a book in his or her backpack. Until recently, we were a major donor of a local child care service that helped new parents find quality and affordable child care. I say until recently because it closed at the end of 2016 due to lack of public funding. The Hypertherm HOPE Foundation is currently developing a funding strategy for supporting early education, much like we have STEM education for the past five years. This may include the launch of our own child care center.

I share these examples with you because this issue is hugely important to us as an employer. We say up front in our mission statement that we provide for the well-being of our employees; however, we know our employee's well-being is dependent on the well-being of their families—their children—children who are our future workforce and our future leaders. **We believe all children have the right to high-quality and affordable early education essential to reaching their fullest potential. Hypertherm will continue to do all we can to improve access to quality care, but we need the public's support, too. I urge you to support House Bill 370.**

Respectfully submitted,

Barbara J. Couch

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers, NH Department of Health and Human Services

**Dr. Robert J. Lister**  
69 Diamond Drive  
Portsmouth, New Hampshire 03801-3569  
(603) 431-6577  
[rjlportsmouth@yahoo.com](mailto:rjlportsmouth@yahoo.com)

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January 31, 2017

House Finance Committee

Dear Chairman Kurk and Members of the Committee,

Good afternoon. My name is Bob Lister, and I am a former teacher and Superintendent of Schools and the former Mayor of the City of Portsmouth. My testimony here is purposefully brief as I know you have many to hear from and many issues to address. Please know that I would be glad to speak to and be a resource for any of you on the committee to help address early learning here in New Hampshire should you wish to hear more. My contact information is included in my written testimony.

Early childhood education, such as child care and preschool, is a personal and professional priority for me and it is a national priority as well. I have seen firsthand how providing quality child care can be a major solution to ensuring educational success for children as they progress through school. I hope this good investment in children – HB370 – will be a top priority for your committee. The benefits for communities in New Hampshire are very clear.

Ensuring this appropriation is made for child care supports today's hardworking families and helps build the workforce of tomorrow.

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers, NH Department of Health & Human Services  
Kristin Booth, Child Care Administrator, NH Department of Health & Human Services



TO: Representative Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building Rooms 210-211  
Concord, NH 03301

FROM: Stephen P. Barba

DATE: January 31, 2017

RE: **Testimony in Support of HB370**

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I support HB370 because investments in young children are one of the smartest investments we can make. Many studies compare early childhood development investments to other kinds of state investments, with the conclusion that they yield a return that far exceeds the return on most public projects that are considered economic development.

Nobel Laureate in Economics, Dr. James Heckman has proven a conservative 7-10% return on investment. He also points out that key workforce skills such as problem solving, perseverance and the ability to work well in teams are best developed early. Heckman concludes that public schooling comes too late, while other remedies are prohibitively costly as well (such as job training programs and second-chance GED programs) in comparison to the cost of early childhood programs, such as child care. It is more efficient, both economically and biologically, to get it right the first time than to try and fix it later.

We know how difficult it is to save teen-age kids who are failing at school, getting into trouble with drugs and delinquency. It makes sense and it has been proven that focusing on the positive development of children from birth to age five will set our children on a positive life-track and will bring substantial civic and economic benefits to our communities for years to come.

I urge you to support HB370.

I understand that in mid-February, the RAND Corporation will be releasing a return on investment study relative to early childhood education here in New Hampshire. There will a legislative lunch on Thursday, February 16 to go over the report, and I hope you all are able to attend.

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers, NH Department of Health and Human Services  
Kristin Booth, Child Care Administrator, NH Department of Health and Human Services



TO: Representative Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building Rooms 210-211  
Concord, NH 03301

FROM: Dr. George Cushing, retired Superintendent, SAU#50

RE: **Testimony in Support of HB 370**

I am offering testimony today in support of HB 370. I do this because all of my adult life and job experiences inform me that to speak in support of this bill is the right thing to do.

I recently retired as Superintendent of Schools in SAU#50 representing the towns of Rye, Greenland, New Castle, and Newington, NH. I have worked in public education as a school teacher or administrator for 43 years and from that perspective I have had many opportunities to witness the impact of high quality early childhood education. A strong early learning background has a positive impact on each student who enters school for the first time.

I will briefly touch on three experiences that helped shape my beliefs concerning this bill.

Early in my career, I worked as an elementary public school teacher in a relatively impoverished school district. In that capacity, I visited homes of students who were having truancy issues and more often than not, those issues were the result of a conscious decision made by a parent to keep an older student home to care for a preschool sibling so that the parent could work. I saw firsthand the difficult decisions that single parents often have to make when they don't have the means to access childcare.

Later in my career, as Principal of Rye Junior High, I gave testimony in the Claremont case about the comprehensive educational support that the Rye community provided to its schools. This was contrasted by the Chair of the Allenstown NH School Board who point by point showed the large disparity between our similarly sized districts of what the town could provide for its students. Access to quality early child care and education should be a right of all children regardless of their zip code.

As a superintendent of schools, I had the honor of serving on Governor Benson's and Governor Lynch's Dropout Recovery Council for 10 years. In that capacity, I visited dropout recovery programs around the state. I listened to dropouts describe how hard school was for them from the very beginning because they were not prepared. More than one might expect, the common denominator was that those students hadn't had the early learning opportunities and experiences enjoyed by some of their classmates. Many found learning to read difficult.

It is very difficult for teachers to overcome the effects of missed opportunities and poor learning experiences that have already negatively impacted a child's early brain development by the time they enter school. We must invest in our young children and families so that we do not continue down a path of educational failure, delinquency and other long term consequences of not providing high quality early child care and learning opportunities.

As a father of three daughters, one of whom is a kindergarten teacher; and as the grandfather of seven children, six of whom range from seven months to six years old, I live in a fish bowl of our youngest learners. I see how quickly they learn, how important life experiences are for them, how they benefit from exposure to literature, the arts, technology, and science; and how they piece together these experiences to become early readers and thoughtful learners. All of our young children need to be exposed to adults who speak in educated ways, who teach empathy and the value of working together. Money is always the issue, but money invested in quality childcare and early learning has the highest rate of return for our children's success and our society's future. I urge you to do right by our youngest citizens and pass HB 370.

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers, NH Department of Health and Human Services  
Kristin Booth, Child Care Administrator, NH Department of Health and Human Services

Mr. Chairman and members of the Committee:

My name is Fred Kocher. I own my own business in NH – Kocher & Company, Inc. We have provided marketing and public affairs counsel to businesses and organizations in NH for the past 37 years. I am also a Trustee of the NH High Technology Council, and its former President.

I'm speaking in favor of HB 370.

Based on my personal experience with my 3-year-old grandson Connor, as well as my collaboration with the early childhood learning advisory council, Spark New Hampshire, I have adopted Spark New Hampshire's saying that "Children are the Bedrock of New Hampshire."

I expect that every person in this room would agree with the concept that the future prosperity of New Hampshire depends more and more on our ability to educate, guide and retain the next generation who will live, work and eventually lead our State. We know from decades of experience that success in high school and college and career is directly related to a successful early childhood experience. As a State, we will get a return when the next generation eventually gives back through a lifetime of productivity and responsible citizenship.

Here's my point: providing quality child care in their early years – especially to children from low-income families – is a must and an obligation if we're serious about confronting our workforce shortages going forward.

As someone who has interviewed economists, demographers, business CEOs and college presidents in NH for 23 years, I'm acutely aware of the slowdown of immigration to New Hampshire of the talent our companies need to grow, and I have concluded that we have only a few options to grow that talent. We can and are marketing New Hampshire to prospective college graduates to stay and work and play in the State. We can and are marketing continuing education to our adult workforce to increase their education credentials and their value to their employers. We can and are focusing on mentoring high school students to better prepare them for college. And we can and must also focus on early childhood and childcare if we are to prepare our youngest children for the challenging world they are entering.

House Bill 370 is part of that preparation by providing child care assistance for working families, especially low income working families. And that requires funding. If the necessary funding is not appropriated, I'm advised that as many as half of the 5,000 children whose working families currently receive child care assistance in New Hampshire would likely end up on a wait list. And a wait list for child care will take their parents out of the workforce rather than add to it.

I urge this Committee to make a sufficient appropriation to child care so that a wait list for that assistance is not created. We're at a point in this State where we either commit to those programs that spur workforce growth from the earliest years, or we don't. House Bill 370 is an opportunity.

TO: Representative Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building Rooms 210-211  
Concord, NH 03301

FROM: Scott Hilliard, Merrimack County Sheriff

DATE: January 31, 2017

RE: **Testimony in Support of HB 370 (adapted from my op-ed in support of full-day Kindergarten)**

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Our state continues to struggle with a tragic opioid epidemic, which has caused an increase of crime in our communities. There are many ways we can tackle this problem, but one I believe can help in the long run is high-quality early childhood education.

We must do all we can in the Granite State to provide a high-quality child care for all our kids, especially those most vulnerable. In New Hampshire and across the country, these early learning programs have shown lasting gains in academic achievement, increased graduation rates and reduced crime rates.

Children living in poverty who don't participate in high-quality early childhood education programs are much more likely to drop out of school and not attend college. Additionally, they are 70 percent more likely to be arrested for a violent crime and 40 percent more likely to become a teen parent.

Simply put, kids who don't have access to high-quality child care early in life often start behind and don't catch up to their peers. Not only does that affect their chances of success later in life, but our society in general experiences the repercussions.

There is no question that lack of funding is one of the biggest hurdles for children here in the Granite State. But the cost of investing in early childhood education now is less than paying for costly interventions later. This is a smart and necessary investment.

There are too many benefits to ignore, and that is why I support HB 370. The bill can help ensure better access to quality child care for children from low-income families. I am pleased that there is bipartisan support for HB 370.

I urge the members of the legislature to pass this bill and make sure all kids in our state have the opportunity to attend high-quality child care – a critical investment in the future safety of our children as well as our state, and we'll all reap the benefits for generations to come.

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers, NH Department of Health and Human Services  
Kristin Booth, Child Care Administrator, NH Department of Health and Human Services



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TO: Representative Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building Rooms 210-211  
Concord, NH 03301

FROM: Judy Reidt-Parker, State Consultation Senior Manager, National Policy Team,  
The Ounce of Prevention Fund

RE: **HB 370 Making an appropriation for the purpose of meeting new federal regulations relative to child care**

The Ounce of Prevention Fund is a multi-program organization, including policy development and analysis focused on bringing research and knowledge about program implementation to inform early childhood systems at the local, state and national levels. The National Policy Team of the Ounce of Prevention Fund focuses on the intersection of policy and practice, providing customized consultation and resources as well as peer learning opportunities to a select group of states, including New Hampshire.

I am pleased to submit this written testimony in support of HB 370, legislation designed to ensure New Hampshire meets the requirements of the federal Child Care Development Block Grant (CCDBG). CCDBG is the primary vehicle for states to provide child care scholarships for low income working families as well as industry supports such as health and safety training and increasing access to quality child care for all working families in New Hampshire.

The reauthorization of CCDBG has resulted in added requirements intended to improve access to child care financial assistance to families on their path to financial stability, including extending children's eligibility for child care regardless of temporary changes in parent's earnings and work, training, or school schedules. This change ensures parents maintain employment or finish education programs without disruption. The law also requires that States and Territories not unduly disrupt parents' employment to maintain their eligibility, and adopt processes that consider irregular fluctuations in earnings.

To draw down all federal funds, states must adhere to the block grant rules and regulations as well as ensure sufficient state investment to meet the block grant match and Maintenance of Effort (MOE) requirements. States must spend 70% of CCDF directly on subsidies, no more than 5% on administration and increase the mandated quality set-aside from 4% to 9% over a 5-year period. While the required spending percentages can be a combination of state and federal resources, States are currently increasing their commitment to this program to ensure they are meeting the requirements of the block grant.

New Hampshire is a wonderful place to live, work and raise a family. Consistent, reliable child care is an essential component of any State's economic infrastructure. Enacting HB 370 will ensure the quality of life for working families with young children continues to be one of the highest in the country.

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers

January 31, 2017

Mr. Robert J. Harbeson  
36 Thornhill Road  
Stratham, NH 03885

To:

New Hampshire House of Representatives  
Finance Committee  
107 North Main Street  
Concord, NH 03301

I am a resident of Stratham, New Hampshire, a small business owner in Portsmouth, the volunteer non-profit Chairperson of the Board of Directors for Great Bay Kids Company, a leading early childhood education provider in the state, and a parent of a six-year-old, and a three-year-old who have and are attending early childhood education centers.

As such, I have the unique perspective of someone who has experienced the benefits of early childhood education as a parent, a business owner, and a member of an agency that provides a high quality of service in this field.

Our family discussed at length the decision to pursue an education center or to keep our children at home for these early years. In the research that we pursued, we determined that the many educational benefits available through structured learning at an early age, the health and food programs, the ability to pursue our chosen career paths, and our own ability to provide structured early childhood education, our family determined that the right path for our household was to have our children attend Great Bay Kids Company in Portsmouth.

In addition to being a discussion about our family, our life path, and education benefits, this decision was also an economic one. Quality early childhood education centers in the seacoast average about \$250 per week or \$1000 per month for easy math for each child in care. So, for our household with two children in care it was \$24,000 out of our household budget every year. At that time, our house was right around the average income for two working parents in this state.

Given the costs associated, we examined the math of choosing this path. If a parent chooses to stay home, one must consider that the burden of property tax has not been reduced at all. Likewise, if the parent had healthcare covered or partially covered by an employer then there is likely an additional substantial expense for the family to consider as well as the quality of coverage that is feasible. For our household at that time, what we found is that it was a 'break-even' for us. If my spouse chose to stay home, it represented a similar cost in terms of lost income and benefits versus if we sent our kids to the childhood education center that we believed in. As such, we determined that to be the best path for our family. We have been very pleased with this decision, because we have seen our children flourish with their education and development relative to their peers in large part due to this environment.

This is an example of the challenges of this decision from the perspective of an average professional working couple in jobs that will pay an above average salary over time. One can understand based on

the costs that this decision is likely much more challenging for single parents, or parents at lower income levels. That is the primary importance of the bill before you, HB370. It provides opportunities to families of lower income levels to remain in the workforce, and build the capital to improve their lives, while enabling their children to receive early education that will pay dividends to their families and the state as they move into public school.

From my perspective as the Chairperson of Great Bay Kids Company, I have gained a deeper understanding of the curriculum and requirements involved in early childhood education, and the impact it can have on students. I also better understand the economics of this field. In general, agencies are caught in the position of trying to limit costs to parents as part of a non-profit mission to provide this education to our communities, and trying to pay their staff as much as feasible in a low paying field that still has a number of education and certification requirements.

Like most non-profits, Great Bay Kids Company, directs all of its funds to the mission of the agency, directing weekly fees efficiently towards the quality of the curriculum, staff, food programs, healthy activities, and facilities. Part of this mission is to enable lower income families to participate in the benefits of early childhood education should that be the right path for their family and to enable them to maintain an income. Without the assistance of funding from the State, it is simply not economically feasible for non-profit agencies to adequately support families who may not be able to meet the expense of the weekly fees, and budgets are maintained very tightly to reduce cost to families and maintain the level of quality that is desired.

As an Owner at Market Square Architects in Portsmouth, I have already experienced some of the challenges that I have heard from other business owners relative to the demographic shift facing our state and the availability of qualified young staff for hiring. We often receive resumes from older individuals with more experience than is desired for entry level positions that we have open. However, we must actively seek out younger qualified staff and recruit them to our office for those jobs.

In my opinion, this is due in large part to a lack of infrastructure to support young families in our state. When I speak to demographers about this challenge, they note that the item most cited by young people in surveys is a perceived 'lack of opportunity' in New Hampshire. This term may mean a lot of things. It may mean that as a first-time homebuyer, having all taxes in property may be burdensome. It may mean that there is not enough housing available in walkable urban environments, or enough quality in higher education across multiple fields. Perhaps they see challenges in business infrastructure.

Employers that relocate to an area often note that quality of education infrastructure is high on the list of items they consider. However, while every town has a public school system, not every town has available quality early childhood education. For employers seeking entry level positions to be filled by younger individuals, this item is essential.

At Great Bay Kids, when the Exeter building was completed a little more than a year ago, it took only a couple weeks to fill it, and the better part of a month to have an infant wait-list of 30. There is an infant care wait list of 50 at Pease. This illustrates the substantial need for quality early childhood centers in the seacoast, and the seacoast has many centers. The need is just as great if not more-so in other parts of the state.

At a time when there is a shortage of available employees in New Hampshire, every family who receives funding for their child to attend an early childhood education facility represents a family that is able to provide an additional employee to the workforce.

Over the last few years, I have read myriad studies on the benefits of early childhood education centers to communities, and specifically on an economic basis. Every such study that I have seen estimates that the return on investment to a community that funds early childhood education is between \$7 to \$17 for every \$1 spent.

The benefits are several. Children are better prepared for school, and time and money is saved in their education. 90% of the structural development of the brain is complete by 5 years old, and so those children who have experienced structured learning at an early age are often more prepared to learn in public school. Learning disabilities and other special needs are able to be identified and mitigated much earlier at a significantly lower cost to communities. Jobs are created at centers, and often and with assistance at an improved salary level which is fed into local economies. Additional employees are able to enter the work-force who then take salary and spend in local economies. Employers are able to hire younger staff members who are committed to a locality because of their families and are able to provide commercial tax base to municipalities.

Additionally, 80% of new jobs are still created by new companies and start-ups. Most of these start-ups come from younger rather than older individuals. Young families and their pursuit of new opportunities for our communities are largely enabled by the availability of affordable and quality early childhood education.

This appropriation supports young families, as well as staff and parents of lower incomes. It serves to provide an infrastructure in our state for quality early childhood education to enable that opportunity for families who seek it, and attract them to our state. HB370, supports an infrastructure that provides substantial long term economic benefit to our communities.

For all of these reasons, I ask you to support HB370.

Best Regards,

Robert J. Harbeson



Monday, January 30, 2017

The Honorable Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building, Room 201  
33 North State Street  
Concord, NH 03301

Dear Chairman Kurk and honorable members of the House Finance Committee,

My name is Nancy R. Coville and I am from Tamworth, N.H. I am writing to ask you to support House Bill 370 relative to making an appropriation for the purpose of meeting new federal regulations relative to child care. This bill is important to me because I represent both In-Home Licensed Child Care in Carroll County and Child Care Centers. I am Administrative Director of B Bearcamp Valley School and Children's Center which I started 53 years ago and a sponsor of ten providers in the Child and Adult Food Program (CACFP). These providers cannot be here today because they cannot leave their homes and centers.

This bill helps to keep us in compliance with Federal Regulation's.

I also know the stress to both families and providers that absenteeism causes. In closing, please recommend HB 628 Ought to Pass.

Sincerely yours,

Nancy R Coville, Administrative Director  
Bearcamp Valley School & Children's Center  
Tamworth, N.H.  
603-323-8300

TO: Representative Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building Rooms 210-211  
Concord, NH 03301



FROM: Tom Raffio, President and CEO, Northeast Delta Dental

DATE: January 31, 2017

RE: **Testimony in Support of HB370**

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As a board member of Early Learning NH and the President and CEO of Northeast Delta Dental, I am pleased to provide written testimony of my support for HB370.

Over the years, I have come to learn about the science of early childhood development and have a new understanding of exactly why the early years are so important. In June of 2011, the State Board of Education endorsed the importance of the early years with a formal endorsement that begins: "The future prosperity of New Hampshire depends on our ability to steward the next generation who will live, work, and lead in our state. We know that success in high school, college, and career is directly related to a successful early childhood. When we as a state ensure that all children have the opportunity to reach their full potential, the next generation will pay that back through a lifetime of productivity and responsible citizenship."

I firmly believe that. We know that the sooner children start on the right path, the greater the returns to them and to society. It is more efficient, both biologically and economically, to get things right the first time than to try to fix them later. You know, there's a national organization called "Fight Crime: Invest in Kids," and there's a strong science base to explain why we could just as easily replace those first words with "Grow the GDP: ...Invest in Kids", "Bolster Education: ...Invest in Kids" "Improve Dental!: ...Invest in Kids."

Investing in children before they enter public schools can be one of the best and smartest investments we in the Granite State can make. For that reason, I firmly support making the appropriation to child care as outlined in HB370.

As I often say, it's pay me now or pay me more later.

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers, NH Department of Health and Human Services  
Kristin Booth, Child Care Administrator, NH Department of Health and Human Services

Thomas Raffio, FLMI  
President & CEO  
Northeast Delta Dental  
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Psychologically Healthy  
Workplace Awards

TO: Representative Neal Kurk, Chair  
House Finance Committee  
Legislative Office Building Rooms 210-211  
Concord, NH 03301



FROM: Scott Spradling, Chair, Early Learning NH

DATE: January 31, 2017

RE: **Testimony in Support of HB 370, making an appropriation for the purpose of meeting new federal regulations relative to child care**

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Here in the Granite State, we've long relied on our ingenuity and independent thinking to get us through tough times. We need to harness that energy to find creative solutions to the challenges that confront us now. One of our biggest challenges is that our children face a future that is very different from our own, and they are relying on us to prepare them for that future. The good news is, we know what to do.

Now, you know I'm not a scientist, but as Chair of the Board of Early Learning NH, I've come to understand the science of early childhood development. Science tells us that the early years of life serve as the foundation for all future learning and health. And we know that you can't build anything sturdy on a shaky foundation. That's why, when we provide children with supportive environments today – like quality child care – we are also building a healthy, educated workforce and citizenry for tomorrow.

For these reasons, I and the board of Early Learning NH urge you to pass HB370, which ensures children – especially our most vulnerable – have access to quality child care. Our board consists of a retired state trooper, a former Superintendent, business leaders, and a president emeritus of a community college – to name a few – who get how access to early childhood education like child care benefits all of us.

In New Hampshire, we take seriously our role as stewards of the next generation – working to ensure they have what they need to live, work and lead in our state. Let's help this generation and the next by enacting HB370.

cc: House Finance Committee Members  
Governor Sununu  
Commissioner Meyers, NH Department of Health & Human Services  
Kristin Booth, Child Care Administrator, NH Department of Health & Human Services



## HB370: A bill that supports our current workforce and builds the Granite State's workforce of tomorrow

In New Hampshire, we take seriously our role as stewards of the next generation – working to ensure they have what they need to lead our state in the future. Because our children face a future that's very different from what we've known, we need to provide them today with the strong foundations they need for future growth and well-being. Fortunately, huge advances in developmental science in recent years have provided us with a blueprint for how to do just that. HB370 is a bill that will help implement what we know children need to be healthy and thriving.

### Background

Through the Child Care Development Block Grant (CCDBG), the Child Care and Development Fund (CCDF) is the primary Federal funding source devoted to providing low-income families that are working or participating in education and training with help paying for child care and improving the quality of care for all children.

On September 30, 2016, new final rules for the CCDBG reauthorization were enacted to align policies for income-eligible families receiving state child care assistance with those not receiving subsidy, giving them equal access to stable, high-quality child care. The goals of these new requirements are to:

- Protect the health and safety of children in child care;
- Help parents make informed consumer choices and access information to support child development;
- Support equal access to stable, high quality child care for low-income children; and
- Enhance the quality of child care and better support the workforce.<sup>1</sup>

### Bill Summary

- Appropriates \$7,000,000 in SFY2018 and \$8,000,000 in SFY2019 to the NH Department of Health and Human Services in order to comply with new federal regulations

**The Impact:** Without providing resources to meet the new federal regulations, income-eligible working families currently receiving state child care assistance would lose their scholarship, and a large and long waiting list for assistance could result. Working parents would then either leave their job, need higher levels of state assistance – or at the very least would find substandard and unreliable care for their children, affecting their child's health and well-being and readiness to enter school prepared to succeed.

**Importance of HB370:** Child care assistance helps parents afford reliable child care, which can help them gain and maintain stable employment. For example, one study found that single mothers of young children who received child care assistance were **39 percent more likely to still be employed after two years** than those who did not receive any help paying for child care. Research also consistently demonstrates the importance of high-quality child care to children's development: studies have shown that children who have attended high-quality care perform better on tests of cognitive skills, language ability, vocabulary, mathematical ability, memory and attention, and social skills.<sup>2</sup>

**For many working families, it's this small bit of state assistance that helps them get ahead.**

<sup>1</sup> Overview of 2016 Child Care and Development Fund Final Rule. Digital image. Administration for Children and Families. Web.

<sup>2</sup> Implementing the Child Care and Development Block Grant Reauthorization: A Guide for States (n.d.): n. pag. CLASP. Web. <<http://www.clasp.org/resources-and-publications/publication-1/ccdbg-guide-for-states-final.pdf>>.

**From:** Barbara Couch <Barbara.Couch@Hypertherm.com>

**Date:** February 4, 2017 at 5:59:47 PM EST

**To:** "rep03281@aol.com" <rep03281@aol.com>

**Cc:** "Sharon.Nordgren@leg.state.nh.us" <Sharon.Nordgren@leg.state.nh.us>, Jackie Cowell <jcowell@earlylearningnh.org>

**Subject:** HB 370

Dear Chairman Kurk:

Thank you for presiding over the recent HB 370 Hearing. Before you arrived, I had the opportunity to offer testimony. I was one of two persons representing the private business sector; the other was Amanda Grappone Osmer, who testified in your presence. You asked Amanda a very good question about why businesses don't participate more in the cost of childcare. Since you missed my testimony, I would like to respectfully address that question here because it is the right one. The company I represent, Hypertherm, a manufacturing company located in the Upper Valley with 1,500 employees, believes we should participate in the costs of child care. We strongly believe in the importance of investing upstream in our future workforce and that starts in the earliest years. We have supported child care centers in our area enabling them to offer more scholarships to families in need. Currently, we are contemplating a strategy for providing direct financial support to our families, so we may help level the playing field and be assured all Hypertherm children have access to high-quality, affordable care. We are also seriously contemplating launching our own care center. So your question was the right one. We all own this -- families, businesses, and New Hampshire. We, at Hypertherm, will continue to do more. I hope the state will too by supporting HB 370.

Respectfully yours,  
Barbara J. Couch

*Barbara J. Couch*  
*Hypertherm, Inc.*

*President, Hypertherm HOPE Foundation*  
*21 Great Hollow Road, Hanover NH 03755*  
*603 643 3441 ext. 1212 (office)*  
*603 443 1557 (cell)*

As

Introduced

HB 370-FN-A - AS INTRODUCED

2017 SESSION

17-0631

05/01

HOUSE BILL

***370-FN-A***

AN ACT

making an appropriation for the purpose of meeting new federal regulations relative to child care.

SPONSORS:

Rep. Rosenwald, Hills. 30; Rep. Fothergill, Coos 1; Rep. LeBrun, Hills. 32; Rep. Nordgren, Graf. 12; Rep. M. MacKay, Hills. 30; Sen. Fuller Clark, Dist 21; Sen. Feltes, Dist 15; Sen. Bradley, Dist 3

COMMITTEE:

Finance

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ANALYSIS

This bill makes an appropriation to the department of health and human services in each year of the biennium ending June 30, 2019, for the purpose of complying with federal regulations implementing the reauthorization of the Child Care and Development Fund.

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Explanation:

Matter added to current law appears in ***bold italics***.

Matter removed from current law appears [~~in brackets and struck through.~~]

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 Seventeen*

AN ACT making an appropriation for the purpose of meeting new federal regulations relative to child care.

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

1           1 Appropriation; Department of Health and Human Services; Child Care and Development  
2 Fund. The sum of \$7,000,000 in the fiscal year ending June 30, 2018, and the sum of \$8,000,000 in  
3 the fiscal year ending June 30, 2019, are hereby appropriated to the department of health and  
4 human services for the purpose of complying with federal regulations implementing the Child Care  
5 and Development Block Grant Act of 2014, which reauthorized the Child Care and Development  
6 Fund. This appropriation is in addition to any other funds appropriated to the department of health  
7 and human services. The governor is authorized to draw a warrant for said sums out of any funds  
8 not otherwise appropriated.

9           2 Effective Date. This act shall take effect July 1, 2017.



**HB 370-FN-A- FISCAL NOTE  
AS INTRODUCED**

AN ACT making an appropriation for the purpose of meeting new federal regulations relative to child care.

FISCAL IMPACT:  State  County  Local  None

STATE:	Estimated Increase / (Decrease)			
	FY 2018	FY 2019	FY 2020	FY 2021
<b>Appropriation</b>	\$7,000,000	\$8,000,000	\$0	\$0
<b>Revenue</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	Indeterminable Increase	Indeterminable Increase	\$0	\$0
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

**METHODOLOGY:**

This bill appropriates \$7,000,000 and \$8,000,000 in FY 2018 and FY 2019, respectively, to the Department of Health and Human Services for the purpose of complying with federal regulations implementing the Child Care and Development Block Grant Act of 2014. The Department states it has not yet determined how the appropriation will be used to comply with federal regulations.

**AGENCIES CONTACTED:**

Department of Health and Human Services