



**New Hampshire’s Child Care Strengthening Plan
Use of ARPA (American Rescue Plan Act) Discretionary Funds**

Status Report: March 13, 2023¹

New Hampshire’s plan to utilize \$29,736,767 in ARPA Discretionary Funds (ARPA-D) addresses four areas of critical need within the federal Administration for Children and Families (ACF). These areas that were identified by a broad array of stakeholders over a six-month period (see: [NH-DHHS ARPA-Discretionary-Funds_Summary-Report_October-2021.pdf \(nh-connections.org\)](https://www.nh-connections.org/NH-DHHS_ARPA-Discretionary-Funds_Summary-Report_October-2021.pdf)):

1. Increase equitable access to affordable, quality child care for families;
2. Strengthen the child care workforce now and for the future by investing in evidence-based and promising practices and strategies designed for these purposes;
3. Strengthen program quality via continuous quality improvement (CQI); and
4. Strengthen the overall child care system (state and local infrastructure building; program strengthening).

Process to Identify Practices, Approaches and Strategies to Address Priorities

To address each priority area, DHHS explored evidence-based and promising practices, approaches and strategies by reviewing national and state research and reports, participating in ACF Office of Child Care and Office of Head Start webinars and technical assistance opportunities, considering NH stakeholders’ recommendations, and identifying opportunities to leverage existing resources and efforts. Lastly, DHHS generated preliminary cost estimates for each priority area to create an initial budget, which refined over time. Of New Hampshire’s \$29,736,767 ARPA Discretionary Funds allocation, 95% (\$28,249,929) will support projects and initiatives and 5% (\$1,486,838) is allocated for allowable administrative costs.

Encumbrances/Targeted Costs and Expenditures to Date

ARPA-D funds must be encumbered by September 30, 2023 and expended by September 30, 2024. As of February 1, 2023, DHHS has expended or encumbered \$6,272,551, as Table 1 shows, of which \$1,823,230 was distributed directly to providers*.

Table 1. ARPA D funds expended or encumbered as of February 1, 2023	
• “Absent Due to COVID” policy (through April 2, 2023)*	\$1,337,151
• Program supports (quality incentive funds, materials, other allowable costs)*	\$486,079
• Data/information systems development and operations	\$4,148,684
• Services and Early Childhood System Governance	\$270,901
• Administrative	\$29,736
TOTAL:	\$6,272,551



ARPA D Funds for Distributed via Procurements, Grants or Direct Payments

Table 2 presents the amount of ARPA-D Funds by distribution category (procurements, grants, direct payments) to be expended to address the identified areas of critical need, followed by a brief summary of projects and funding targets (subject to change). As shown in the table, DHHS will distribute \$21,463,246 as follows: \$16,423,000 via a competitive bid or contract amendment process, \$2,750,000 via grants, and \$2,290,246 in funds or supplies via direct payments. Lastly, \$2,000,970 is allocated to emerging needs and administrative expenses over the remainder of the grant period.

Table 2. Allocation of ARPA D funds	
<u>Procurements (\$16,423,000)</u>	
• GSQ Quality Capacity Building Project	\$4,423,000
• Child Care Workforce Recruitment & Retention	2,450,000
• Child Care Business Improvement Project	3,600,000
• Family Child Care Project	850,000
• Child Care Business & Employers Partnership	1,500,000
• Marketing & Outreach	500,000
• Regional Leads	400,000
• Data/Information System	2,500,000
• Out-of-School Time Technical Assistance	200,000
<u>Grants (\$2,750,000)</u>	
• Provider/Program Facility Improvement Grants	2,750,000
<u>DHHS Direct Payments (\$2,290,246)</u>	
• Materials, Quality Incentives, Absent Due to COVID, Program Support	2,290,246
<u>Other:</u>	
• Allocated for Emerging Needs & Costs & Administrative Costs	2,000,970
TOTAL:	\$23,464,216

Brief Description of Projects

Below is a high-level summary of projects in Table 2, identified under “Procurements” and “Grants”. Also included is the projected time frame for posting procurements and opening the grant periods.

- ***GSQ Capacity Building Project*** includes a broad array of projects, pilots and funding support to facilitate quality enhancement and continuous quality improvement for early childhood and out-of-school time programs associated with DHHS’s Granite Steps for Quality, Quality Recognition and Improvement System (QRIS). Projects and funding targets range from professional development and career pathways (e.g., training, technical assistance, coaching; credentials, high quality program materials and assessments/tools) and pilot projects (e.g., mixed-delivery PreK program; tuition assistance; mental



health consultation) to the continued development of the GSQ system (e.g., evaluation plan and validity study) and fiscal mapping.

Anticipated Posting Date: Week of March 13, 2023

- ***Child Care Workforce Recruiting and Retention Project*** focuses on the recruitment and retention of the child care workforce in New Hampshire by providing a study and pilot program for effective strategies that attract, retain and increase the quality of the early childhood and out-of-school time workforce; provide a variety of self-help/wellness/mental health supports for staff; build workforce capacity through career pathways, and fund an effective multi-channel marketing program with link to employers.

Anticipated Posting Date: Week of March 13, 2023

- ***Child Care Business Improvement Project*** will support child care providers in center-based programs to assess their business' "health" by reviewing the facility condition/use, operating expenses and finances, rent/mortgage arrangements, human resources, marketing, legal and tax, strategic planning and operational areas. Based on results, providers will be matched with professional development opportunities, business experts, mentors, prospective lenders, funders, and resources to meet their identified business and facility goals.

Anticipated Posting Date: Week of March 13, 2023

- ***Family Child Care Project*** is designed to address the state's family child care shortage via the development and management of a family child care (FCC) start-up and expansion initiative. The goal is to increase access to family child care programs across the state, with an emphasis on infant/toddler care by recruiting and supporting new providers and existing providers interested in expanding their services. Supports will include training and mentoring, use of a business health and readiness tool, and start-up/expansion funding grants. NOTE: DHHS is currently implementing a PDG-funded infant/toddler family child care start-up and expansion project, which will inform this ARPA-D project.

Anticipated Posting Date: May 2023

- ***Business and Child Care Partnership Program*** will conduct a statewide employer/employee survey to assess the child care-related needs of NH employees/employers and then develop and pilot an employer and child care partnership program to identify best practices to address the identified needs and facilitate employee access to equitable, affordable child care during regular and non-traditional working hours. The program will also coordinate an employer/child care task force, to be embedded within an existing organization, and work with the Department to develop outreach materials to support employers and employees in applying for NH Child Care Scholarship Program funds.

Anticipated Posting Date: May 2023



- **Marketing and Outreach** activities will be included within ARPA-D projects, as applicable.

Proposed contract amendment: Targeting Governor and Council July 2023 meeting

- **Regional Leads Grant Program** will provide operational support to New Hampshire’s Regional Leads statewide system of partnerships established over the past three years with support from the Preschool Development Grant. The Regional Leads system coordinates resources and services within identified regions through cross-sector partnerships among early childhood care and education, schools and family support.

Proposed contract amendment: Targeting Governor and Council July 2023 meeting

- **Data/Information System** will support the continued development and operation of the NH Connections Information System, which houses multiple modules essential to the DHHS’s Bureau of Child Development and Head Start Collaboration and the Child Care Licensing Unit in meeting federal reporting and accountability requirements. NHCIS includes child care search for families, online access to applications (grants, background checks) and the professional registry, and will include other important functions (e.g., online applications for credentials and Granite Steps for Quality, Pyramid Model module).
- **Out-of-School Time Technical Assistance** increases support available to out-of-school time program providers to apply for Granite Steps for Quality.ⁱⁱ
- **Provider/Program Facilities Improvement Grants** are part of the Child Care Business Improvement Project. Funds will support facility improvements and operational enhancements as recommended by the Business Health Assessment process. To be disbursed in association with the Child Care Business Improvement Project.

ⁱ This report is updated quarterly, March, June, September and December, and posted to the NH DHHS website under “Department Reports and Presentations” at [About DHHS | New Hampshire Department of Health and Human Services \(nh.gov\)](#) and to the DHHS NH Connections website under “Communities” at <https://www.nh-connections.org/>.

ⁱⁱ This progress report was updated on 4-14-23 as it contained an incorrect link to a Request for Proposals for the “Out-of-School Time Technical Assistance”. The link was removed.