The Child Care & Development Block Grant (CCDBG) is the primary federal grant program that allows states to provide child care assistance to low-income working families with children under age 13. The majority of these funds serve children 6 years or younger, with the remainder supporting care for older children during out-of-school time.

Subsidies help remove barriers to affordable, high-quality child care, whether in center- or home-based settings. They give working parents the ability to access quality care and choose the type of care that works best for them. The majority of funds go directly to providing early learning experiences, but states can also use the funding to:

- Recruit and retain a well-qualified, fairly compensated, and effective workforce
- Support continuous quality improvement
- Meet the child care needs of families working nontraditional hours

How CCDBG Funds Flow

Using an established federal formula, states, territories, and tribal entities receive grant awards from the Department of Health and Human Services, Administration for Children and Families (ACF).

Parents
Families can use vouchers to help cover the cost of care if a provider/program agrees to accept them.

Providers
Grants and contracts represent agreements between the subsidy program and child care providers to designate slots for subsidy-eligible children.

In New Hampshire, 35% of children ages 0-6 are eligible for a CCDBG subsidy under federal rules on average each month. However, of these children 87% are not served due to insufficient federal funding.

Income Eligibility

Given CCDBG is a federal block grant, state Lead Agencies have the flexibility to design their own subsidy programs in compliance with established eligibility and quality requirements and may choose to set their own additional requirements.

The Lead Agency in New Hampshire is the New Hampshire Department of Health and Human Services.

Families that meet income eligibility and work/job training/education requirements can apply to the Lead Agency for a subsidy. Many families are required to pay a copay, but states may waive those requirements. Families who receive a subsidy may choose any participating child care provider, including center-based care (including faith-based programs), home-based care, and in-home care.

In New Hampshire, eligibility is capped at 53% of State Median Income (SMI). This means that a family of 3 is eligible for a subsidy if they make: $3,810 or less per month ($45,720 per year).
Throughout the pandemic, there was strong bipartisan support for federal relief funding to keep the child care sector afloat. CCDBG was the primary mechanism for providing this relief to child care providers and ensuring access to child care for thousands of working families through CARES, CRRSA, and ARPA.

As of December 31, 2022: 590 child care programs in New Hampshire received American Rescue Plan Stabilization support, impacting up to 43,100 children. Providers in 100% of New Hampshire counties have received funds, including:

- American Rescue Plan Act Spending Spotlight
  - Funds have been used to support and stabilize the workforce through increases in compensation for any staff working in center-based or home-based programs; health, dental, and vision insurance; scholarships; paid sick or family leave; and retirement contributions.

Federal pandemic relief funding, which buttressed an already struggling child care market, expires in September 2024. As this temporary funding expires, Congress must come together to strengthen and invest in our federal early learning and care programs so families can access the reliable, high-quality, affordable child care they depend on.

In New Hampshire, providers are reimbursed at a far lower rate than recommended. Low payment rates make it difficult for providers to stay financially afloat and provide high-quality learning experiences. They also force low- and middle-income working families to pay higher child care fees to compensate.

### Provider Reimbursement Rates in New Hampshire

<table>
<thead>
<tr>
<th>In percentiles of market rate</th>
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<tbody>
<tr>
<td>Center-Based</td>
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<tr>
<td>Home-Based</td>
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### American Rescue Plan Act Spending Spotlight

- **535 child care centers**
  - **Most common use of funds:** Personnel costs and keeping programs staffed.

- **55 family child care homes**
  - **Most common use of funds:** Personnel costs and keeping programs staffed.

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