

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 609

Introduced by Mello, 5; Avery, 28; Campbell, 25; McGill, 26;
Nordquist, 7; Sullivan, 41.

Read first time January 21, 2009

Committee: Health and Human Services

A BILL

1 FOR AN ACT relating to child care; to amend section 68-1206,
2 Revised Statutes Cumulative Supplement, 2008; to state
3 intent; to define a term; to provide duties for the
4 Department of Health and Human Services relating to
5 contracts with providers; to change eligibility for a
6 subsidy as prescribed; to harmonize provisions; to repeal
7 the original section; and to declare an emergency.

8 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) The Legislature finds and declares that:
2 (a) There continues to be a need for high-quality child care in
3 many communities in Nebraska and for children from families of low
4 income to have access to high quality care; (b) high quality care
5 in a child's first five years of life can close the achievement
6 gap for children at risk of failure in school; (c) Nebraska
7 consistently ranks among the states with the highest number of
8 all available parents of children from birth to five years of age
9 in the workforce; (d) studies have shown that the primary reason
10 parents fall back on full welfare assistance is inadequate child
11 care; (e) it is important that children at risk have access to
12 quality programs that support the parent's role as the child's
13 first teacher; (f) although the federal Child Care and Development
14 Fund permits states to offer families of low income a choice
15 between receiving child care pursuant to a contracted slot or a
16 voucher, the Department of Health and Human Services only allows
17 families to access child care through a voucher system; and (g) the
18 exclusive reliance on vouchers is not the most effective way to
19 encourage the development and stabilization of high-quality child
20 care in the state.

21 (2) It is the intent of the Legislature and the public
22 policy of this state that the department enter into contracts with
23 qualified licensed child care providers in addition to the voucher
24 system.

25 Sec. 2. For purposes of sections 1 to 5 of this act,

1 qualified licensed child care provider means a child care provider
2 licensed under the Child Care Licensing Act who (1) is or will
3 be by the end of the initial contract accredited by the National
4 Association for Family Child Care or the National Association for
5 the Education of Young Children or (2) has met or will meet by
6 the end of the initial contract the quality indicators developed by
7 the Early Childhood Education Endowment Fund and is working toward
8 improved levels of quality according to such indicators.

9 Sec. 3. The Department of Health and Human Services shall
10 enter into contracts with qualified licensed child care providers
11 for purposes of providing a set payment to a qualified licensed
12 child care provider for at least one year for provision of child
13 care for a predetermined number of children eligible for the
14 subsidy provided in section 68-1206.

15 Sec. 4. For purposes of increasing and stabilizing the
16 supply of quality child care in certain high-need areas and
17 providing quality child care to at-risk children, the Department of
18 Health and Human Services shall:

19 (1) For fiscal year 2009-10, spend not less than
20 twenty-five percent of its General Fund appropriation for the
21 child care subsidy program under section 68-1206 on contracts to
22 qualified licensed child care providers;

23 (2) For fiscal year 2010-11, spend not less than fifty
24 percent of its General Fund appropriation for the child care
25 subsidy program under such section on contracts with providers;

1 (3) For fiscal year 2011-12, spend not less than
2 seventy-five percent of its General Fund appropriation for the
3 child care subsidy program under such section on contracts with
4 qualified licensed child care providers; and

5 (4) For fiscal year 2012-13 and each fiscal year
6 thereafter, spend one hundred percent of its General Fund
7 appropriation for the child care subsidy program under such section
8 on contracts with qualified licensed child care providers.

9 Sec. 5. In order to evaluate the effect of child care
10 contracts under sections 1 to 5 of this act on increasing and
11 stabilizing the supply of quality child care in certain high-need
12 areas and providing quality child care to at-risk children,
13 the Department of Health and Human Services shall provide the
14 Legislature and the Early Childhood Education Endowment Fund Board
15 of Trustees with annual progress reports on or before November 30,
16 2010, and each November 30 thereafter through November 30, 2013.

17 Sec. 6. Section 68-1206, Revised Statutes Cumulative
18 Supplement, 2008, is amended to read:

19 68-1206 (1) The Department of Health and Human Services
20 shall administer the program of social services in this state. The
21 department may contract with other social agencies for the purchase
22 of social services at rates not to exceed those prevailing in
23 the state or the cost at which the department could provide those
24 services. The statutory maximum payments for the separate program
25 of aid to dependent children shall apply only to public assistance

1 grants and shall not apply to payments for social services.

2 (2) As part of the provision of social services
3 authorized by section 68-1202, the department shall participate
4 in the federal child care subsidy program and provide child care
5 subsidies to families with an income equal to or less than (a)
6 for fiscal year 2009-10, one hundred thirty-five percent of the
7 federal Office of Management and Budget income poverty guidelines,
8 (b) fiscal year 2010-11, one hundred fifty percent of the federal
9 Office of Management and Budget income poverty guidelines, (c) for
10 fiscal year 2011-12, one hundred seventy percent of the federal
11 Office of Management and Budget income poverty guidelines, and
12 (d) for fiscal year 2012-13 and each fiscal year thereafter, one
13 hundred eighty-five percent of the federal Office of Management
14 and Budget income poverty guidelines. Families shall report all
15 household changes to the department within ten days after the
16 change and shall remain eligible for twelve consecutive months
17 from the date of initial eligibility prior to redetermination of
18 eligibility as long as the family continues to meet requirements
19 related to need for service.

20 ~~(2)~~ (3) In determining the rate or rates to be paid
21 by the department for child care as defined in section 43-2605,
22 the department shall adopt a fixed-rate schedule for the state
23 or a fixed-rate schedule for an area of the state applicable to
24 each child care program category of provider as defined in section
25 71-1910 which may claim reimbursement for services provided by

1 the federal Child Care Subsidy program, except that the department
2 shall not pay a rate higher than that charged by an individual
3 provider to that provider's private clients. The schedule may
4 provide separate rates for care for infants, for children with
5 special needs, including disabilities or technological dependence,
6 or for other individual categories of children. The schedule shall
7 be effective on October 1 of every year and shall be revised
8 annually by the department.

9 Sec. 7. Original section 68-1206, Revised Statutes
10 Cumulative Supplement, 2008, is repealed.

11 Sec. 8. Since an emergency exists, this act takes effect
12 when passed and approved according to law.