

E AND R AMENDMENTS TO LB 507

Introduced by Murante, 49, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 Section 1. Sections 1 to 14 of this act shall be known
4 and may be cited as the Step Up to Quality Child Care Act.

5 Sec. 2. The purposes of the Step Up to Quality Child Care
6 Act are to (1) provide accountability for public funds invested in
7 child care and early childhood education programs, (2) provide a
8 path to higher quality for child care and early childhood education
9 programs, (3) provide parents a tool by which to evaluate the
10 quality of child care and early childhood education programs, and
11 (4) improve child development and school readiness outcomes.

12 Sec. 3. For purposes of the Step Up to Quality Child Care
13 Act:

14 (1) Applicable child care and early childhood education
15 programs include:

16 (a) Child care programs licensed under the Child
17 Care Licensing Act which serve children from birth to
18 kindergarten-entrance age;

19 (b) Prekindergarten services and prekindergarten programs
20 established pursuant to section 79-1104; and

21 (c) The federal Head Start programs, 42 U.S.C. 9831 et
22 seq., and Early Head Start programs, 42 U.S.C. 9840a; and

23 (2) Fiscal year means the fiscal year of the State of

1 Nebraska.

2 Sec. 4. The State Department of Education and the
3 Department of Health and Human Services shall collaborate (1)
4 to develop, implement, and provide oversight for a quality rating
5 and improvement system for participating applicable child care and
6 early childhood education programs; (2) to establish quality rating
7 criteria for the system as provided in sections 5 and 7 of this
8 act; (3) to use the quality rating criteria to assign quality
9 scale ratings to participating applicable child care and early
10 childhood education programs as provided in sections 5 and 7 of
11 this act; and (4) to provide incentives and support, including
12 professional development, training, and postsecondary education
13 opportunities, to participating applicable child care and early
14 childhood education programs as provided in section 11 of this act.

15 Sec. 5. (1) Each applicable child care and early
16 childhood education program which applies under section 6 of
17 this act to participate in the quality rating and improvement
18 system developed pursuant to section 4 of this act shall be rated
19 on a quality scale using rankings labeled steps one through five
20 and based on quality rating criteria.

21 (2) Quality rating criteria shall be used to assign a
22 quality scale rating as appropriate for the specific step. The
23 criteria shall include, but not be limited to:

24 (a) Licensing requirements as specified in the Child Care
25 Licensing Act;

26 (b) Facility safety and management;

27 (c) Child development and school readiness outcomes;

1 (d) Program curriculum, learning environment, and
2 adult-child interactions;

3 (e) Professional development and training;

4 (f) Family engagement;

5 (g) Program administration;

6 (h) Standards used by nationally recognized accrediting
7 bodies approved by the State Department of Education; and

8 (i) Other standards as required by the State Department
9 of Education for prekindergarten services and prekindergarten
10 programs established pursuant to section 79-1104 and federal
11 performance standards for Head Start and Early Head Start programs.

12 Sec. 6. Application to participate in the quality rating
13 and improvement system shall be voluntary for applicable child
14 care and early childhood education programs with the following
15 exceptions:

16 (1) Beginning July 1, 2014, and not later than December
17 31, 2014, each applicable child care or early childhood education
18 program that received over five hundred thousand dollars in child
19 care assistance pursuant to section 68-1202 for FY2011-12 shall
20 apply to participate in the quality rating and improvement system
21 and shall be assigned a quality scale rating as provided in
22 sections 5 and 7 of this act;

23 (2) Beginning July 1, 2015, and not later than December
24 31, 2015, each applicable child care or early childhood education
25 program that received over two hundred fifty thousand dollars in
26 child care assistance pursuant to section 68-1202 for FY2011-12
27 shall apply to participate in the quality rating and improvement

1 system and shall be assigned a quality scale rating as provided in
2 sections 5 and 7 of this act; and

3 (3) Beginning July 1, 2016, each applicable child care or
4 early childhood education program that received over two hundred
5 fifty thousand dollars in child care assistance pursuant to section
6 68-1202 in the preceding fiscal year shall, not later than December
7 31 of the applicable year or six months after actual receipt of
8 such assistance, whichever is later, apply to participate in the
9 quality rating and improvement system and shall be assigned a
10 quality scale rating as provided in sections 5 and 7 of this act.

11 Sec. 7. (1) Quality rating criteria shall be used as
12 provided in this section to assign a quality scale rating to each
13 applicable child care or early childhood education program if the
14 program applies under section 6 of this act to participate in the
15 quality rating and improvement system developed pursuant to section
16 4 of this act.

17 (2) Licensure under the Child Care Licensing Act for a
18 program which serves children from birth to kindergarten-entrance
19 age shall be sufficient criteria to be rated at step one.

20 (3) Meeting criteria established by the State Department
21 of Education for a prekindergarten service or prekindergarten
22 program established pursuant to section 79-1104 and reporting to
23 the Nebraska Early Childhood Professional Record System created
24 under section 12 of this act shall be sufficient criteria to be
25 rated at step three.

26 (4) Meeting performance standards required by the federal
27 government for a federal Head Start program or Early Head Start

1 program and reporting to the Nebraska Early Childhood Professional
2 Record System created under section 12 of this act shall be
3 sufficient criteria to be rated at step three.

4 (5) Accreditation by a nationally recognized accrediting
5 body approved by the State Department of Education and reporting
6 to the Nebraska Early Childhood Professional Record System created
7 under section 12 of this act shall be sufficient criteria to be
8 rated at step three.

9 (6) A participating applicable child care or early
10 childhood education program operating under a provisional license
11 shall have a quality scale rating at step one even if it meets
12 other quality rating criteria. If a participating applicable child
13 care or early childhood education program is at a quality scale
14 rating higher than step one and the program's license is placed
15 on corrective action status, disciplinary limitation, probation,
16 or suspension, such program shall have its quality scale rating
17 changed to step one. If an applicable child care or early childhood
18 education program's license is revoked, the program is not eligible
19 to participate in or receive a quality scale rating under the
20 quality rating and improvement system.

21 Sec. 8. (1) An applicable child care or early childhood
22 education program participating in the quality rating and
23 improvement system developed pursuant to section 4 of this act may
24 apply no more than once each fiscal year to have its quality scale
25 rating reviewed.

26 (2) A participant shall meet all of the quality rating
27 criteria for a step-two rating prior to applying for a step-three,

1 step-four, or step-five rating. To meet quality rating criteria for
2 a step-three, step-four, or step-five rating, a participant shall
3 be independently evaluated based upon the quality rating criteria.

4 (3) A participant with a quality scale rating at step
5 two through step four shall be reevaluated at least once every
6 two fiscal years but no more than once in any fiscal year,
7 including any review pursuant to subsection (1) of this section.
8 A participant with a quality scale rating at step five shall be
9 reevaluated at least once every five years but no more than once
10 in any fiscal year. If a participant has achieved accreditation and
11 is being reevaluated by a nationally recognized accrediting body
12 approved by the State Department of Education, the state shall make
13 reasonable efforts to conduct its reevaluation in the same fiscal
14 year that the accrediting body is reevaluating the program.

15 Sec. 9. Participation in or being rated under the quality
16 rating and improvement system pursuant to the Step Up to Quality
17 Child Care Act shall not disqualify any applicable child care
18 or early childhood education program from state and federal
19 assistance.

20 Sec. 10. The Department of Health and Human Services may
21 deny the issuance of or take disciplinary action against a license
22 issued under the Child Care Licensing Act to a participating
23 applicable child care or early childhood education program for
24 failure to comply with the Step Up to Quality Child Care Act.

25 Sec. 11. Quality rating and improvement system incentives
26 and support under the Step Up to Quality Child Care Act shall
27 include, but not be limited to:

1 (1) Tiered child care subsidy reimbursements as provided
2 in section 68-1206 based upon quality scale ratings that reflect
3 the cost of higher quality programs and promote affordability of
4 high-quality child care and early childhood education programs for
5 all families;

6 (2) Incentive bonuses given to providers of child care
7 and early childhood education programs upon completion of specific
8 requirements to improve quality based upon the quality rating
9 criteria established pursuant to sections 5 and 7 of this act;

10 (3) Professional development, training, and scholarships
11 developed in collaboration with community-based organizations,
12 postsecondary education representatives, and other stakeholders;

13 (4) Support that expands family engagement in and
14 understanding of high-quality early childhood education in ways
15 that are inclusive and respectful of diversity of families and
16 children with special needs; and

17 (5) Other incentives as necessary to carry out the Step
18 Up to Quality Child Care Act.

19 Sec. 12. (1) Not later than March 1, 2014, the State
20 Department of Education shall create and operate the Nebraska Early
21 Childhood Professional Record System. The system shall be designed
22 in order to:

23 (a) Establish a data base of Nebraska's early childhood
24 education workforce;

25 (b) Verify educational degrees and professional
26 credentials held and relevant training completed by employees of
27 participating applicable child care and early childhood education

1 programs; and

2 (c) Provide such information to the Department of Health
3 and Human Services for use in evaluating applications to be rated
4 at a step above step one under section 8 of this act.

5 (2) When an applicable child care or early childhood
6 education program participating in the quality rating and
7 improvement system developed pursuant to section 4 of this act
8 applies under section 8 of this act to be rated at a step above
9 step one, the child care or early childhood education program
10 shall report the educational degrees and professional credentials
11 held and relevant training completed by its child care and early
12 childhood education employees to the Nebraska Early Childhood
13 Professional Record System for the program to be eligible for a
14 quality scale rating above step one.

15 Sec. 13. By July 1, 2017, the Department of Health
16 and Human Services in collaboration with the State Department of
17 Education shall make the quality scale ratings of applicable child
18 care and early childhood education programs under the quality
19 rating and improvement system developed pursuant to section 4 of
20 this act available on a publicly accessible web site to provide
21 parents a tool by which to evaluate the quality of child care and
22 early childhood education programs and to promote accountability
23 for public funding of such programs.

24 Sec. 14. The State Department of Education and the
25 Department of Health and Human Services may adopt and promulgate
26 rules and regulations to carry out the Step Up to Quality Child
27 Care Act.

1 Sec. 15. Section 43-536, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 43-536 In determining the rate of reimbursement for child
4 care, the Department of Health and Human Services shall conduct
5 a market rate survey of the child care providers in the state.
6 The department shall adjust the reimbursement rate for child care
7 every odd-numbered year at a rate not less than the sixtieth
8 percentile and not to exceed the seventy-fifth percentile of the
9 current market rate survey, except that (1) nationally accredited
10 child care providers may be reimbursed at higher rates and (2) ~~for~~
11 ~~the two fiscal years beginning July 1, 2011,~~ such rate may not be
12 ~~less than the fiftieth percentile or the rate for the immediately~~
13 ~~preceding fiscal year.~~ an applicable child care or early childhood
14 education program, as defined in section 3 of this act, that is
15 participating in the quality rating and improvement system under
16 the Step Up to Quality Child Care Act may be reimbursed at higher
17 rates based upon the program's quality scale rating under the
18 quality rating and improvement system.

19 Sec. 16. Section 68-1206, Reissue Revised Statutes of
20 Nebraska, is amended to read:

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

1 assistance grants and shall not apply to payments for social
2 services. As part of the provision of social services authorized
3 by section 68-1202, the department shall participate in the federal
4 child care assistance program under 42 U.S.C. 618, as such section
5 existed on January 1, 2013, and provide child care assistance to
6 families with incomes up to one hundred twenty-five percent of the
7 federal poverty level for FY2013-14 and one hundred thirty percent
8 of the federal poverty level for FY2014-15 and each fiscal year
9 thereafter.

10 (2) In determining the rate or rates to be paid by
11 the department for child care as defined in section 43-2605, the
12 department shall adopt a fixed-rate schedule for the state or a
13 fixed-rate schedule for an area of the state applicable to each
14 child care program category of provider as defined in section
15 71-1910 which may claim reimbursement for services provided by
16 the federal Child Care Subsidy program, except that the department
17 shall not pay a rate higher than that charged by an individual
18 provider to that provider's private clients. The schedule may
19 provide separate rates for care for infants, for children with
20 special needs, including disabilities or technological dependence,
21 or for other individual categories of children. The schedule may
22 also provide tiered rates based upon the quality scale rating of
23 the provider under the Step Up to Quality Child Care Act. The
24 schedule shall be effective on October 1 of every year and shall be
25 revised annually by the department.

26 Sec. 17. Section 71-1919, Reissue Revised Statutes of
27 Nebraska, is amended to read:

1 71-1919 The department may deny the issuance of or take
2 disciplinary action against a license issued under the Child Care
3 Licensing Act on any of the following grounds:

4 (1) Failure to meet or violation of any of the
5 requirements of the Child Care Licensing Act or the rules and
6 regulations adopted and promulgated under the act;

7 (2) Violation of an order of the department under the
8 act;

9 (3) Conviction of, or substantial evidence of committing
10 or permitting, aiding, or abetting another to commit, any unlawful
11 act, including, but not limited to, unlawful acts committed by an
12 applicant or licensee under the act, household members who reside
13 at the place where the program is provided, or employees of the
14 applicant or licensee that involve:

15 (a) Physical abuse of children or vulnerable adults as
16 defined in section 28-371;

17 (b) Endangerment or neglect of children or vulnerable
18 adults;

19 (c) Sexual abuse, sexual assault, or sexual misconduct;

20 (d) Homicide;

21 (e) Use, possession, manufacturing, or distribution of a
22 controlled substance listed in section 28-405;

23 (f) Property crimes, including, but not limited to,
24 fraud, embezzlement, and theft by deception; and

25 (g) Use of a weapon in the commission of an unlawful act;

26 (4) Conduct or practices detrimental to the health or
27 safety of a person served by or employed at the program;

1 (5) Failure to allow an agent or employee of the
2 department access to the program for the purposes of inspection,
3 investigation, or other information collection activities necessary
4 to carry out the duties of the department;

5 (6) Failure to allow state or local inspectors,
6 investigators, or law enforcement officers access to the program
7 for the purposes of investigation necessary to carry out their
8 duties;

9 (7) Failure to meet requirements relating to sanitation,
10 fire safety, and building codes;

11 (8) Failure to comply with or violation of the Medication
12 Aide Act;

13 (9) Failure to file a report of suspected abuse or
14 neglect as required by sections 28-372 and 28-711;

15 (10) Violation of any city, village, or county rules,
16 regulations, or ordinances regulating licensees; ~~or~~

17 (11) Failure to pay fees required under the Child Care
18 Licensing Act; or-

19 (12) Failure to comply with the Step Up to Quality Child
20 Care Act.

21 Sec. 18. Sections 16, 18, 19, and 21 of this act become
22 operative on their effective date. The other sections of this act
23 become operative three calendar months after the adjournment of
24 this legislative session.

25 Sec. 19. Original section 68-1206, Reissue Revised
26 Statutes of Nebraska, is repealed.

27 Sec. 20. Original section 71-1919, Reissue Revised

1 Statutes of Nebraska, and section 43-536, Revised Statutes
2 Cumulative Supplement, 2012, are repealed.

3 Sec. 21. Since an emergency exists, this act takes effect
4 when passed and approved according to law.

5 2. On page 1, strike beginning with "section" in line 1
6 through line 5 and insert "sections 68-1206 and 71-1919, Reissue
7 Revised Statutes of Nebraska, and section 43-536, Revised Statutes
8 Cumulative Supplement, 2012; to adopt the Step Up to Quality Child
9 Care Act; to change provisions relating to reimbursement rates
10 for child care, child care assistance, and grounds for discipline
11 of a license under the Child Care Licensing Act; to harmonize
12 provisions; to provide operative dates; to repeal the original
13 sections; and to declare an emergency."