

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB507

Hearing Date: Wednesday February 20, 2013
Committee On: Health and Human Services
Introducer: Campbell
One Liner: Adopt the Step Up to Quality Child Care Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Campbell, Cook, Crawford, Gloor, Howard, Krist, Watermeier
Nay:
Absent:
Present Not Voting:

Proponents: Senator Kathy Campbell Dr. Helen Raikes Natalie Peetz Lisa St.Clair John Cavanaugh Fawn Taylor Thelma Sims Aubrey Mancuso	Representing: District #25 Self First Five Nebraska; Early Childhood Business Roundtable/Jim Krueger UNMC Building Bright Futures Early Childhood Services Salem Children's Center Voices for Children in Nebraska
--	---

Opponents:	Representing:
-------------------	----------------------

Neutral: Teresa Rohren Melody Hobson	Representing: Nebraska Department of Education Nebraska Department of Education
---	--

Summary of purpose and/or changes:

The purpose of the Step Up to Quality Child Care Act is to (a) provide accountability for public dollars invested in child care and early childhood education programs, (b) provide a path to higher quality, including incentives and supports, to child care and early childhood education program providers, (c) to provide parents a tool by which to evaluate the quality of child care and early childhood education programs, and (d) improve child development and school readiness outcomes for children.

The Legislature finds that high-quality childcare and early childhood education helps prepare children for success in school. Moreover, the Legislature finds that parents need better information when choosing childcare and early childhood education programs and that childcare and early childhood education providers need adequate support, training, and incentives to improve the quality of child care and early childhood education programs they offer.

The Legislature further finds that the State of Nebraska needs a common understanding of what elements make up high-quality childcare and early childhood education programs; the infrastructure to determine the level of quality childcare and early childhood education programs that receive public dollars. Additionally, that a quality rating and improvement system (a) is an important strategy to align childcare and early childhood education programs and an

important tool to improve accountability for state and federal dollars expended to support working families, (b) will provide a clear and measurable path to quality improvement for child care directors and teachers by incorporating program supports such as training, education, coaching, and financial incentives, and (c) will rely on evidence-based standards, assessment processes, and data to inform and support continuous improvement in our state's child care and early childhood education system.

Pursuant to the Step Up to Quality Child Care Act, a childcare program is licensed under the Child Care Licensing Act, which serves children from birth to kindergarten entrance age.

The State Department of Education and the Department of Health and Human Services shall work collaboratively to develop the quality rating and improvement system criteria, which will include at least: licensing requirements as specified in the Child Care Licensing Act; professional growth, safety, and facility management; child outcomes, program curriculum and learning environment and interactions; professional development and training; family engagement and partnership; program administration; and other standards required by the Department of Education for early childhood education programs, federal performance standards for Head Start and Early Head Start programs, and standards required by approved accreditation bodies. Finally, the two departments shall assign ratings to applicable childcare and early childhood education programs based on quality rating and improvement program criteria.

The two departments shall also work together to create a system of incentives and support as part of the quality rating and improvement system. LB 507 outlines mandatory incentives but does not limit them to: tiered child care subsidy reimbursements as provided based upon quality ratings that reflect the cost of higher quality programs and promote affordability of high-quality child care and early childhood education programs for all families; incentive bonuses given to providers upon completion of specific requirements to improve quality based upon the levels established in the quality rating and improvement system; and other incentives as necessary to carry out the intent of the Step Up to Quality Child Care Act.

Beginning July 1, 2014, all applicable childcare and early childhood education programs that received over five hundred thousand dollars in child care assistance for FY2011-12 must participate in the quality rating and improvement system.

Beginning July 1, 2015, all applicable child care and early childhood education programs that received over two hundred fifty thousand dollars in child care assistance for FY2011-12 must participate in the quality rating and improvement system.

Beginning July 1, 2016, all applicable childcare and early childhood education programs that received over two hundred fifty thousand dollars in childcare assistance in the preceding fiscal year must participate in the quality rating and improvement system.

Participation in the quality rating and improvement system is voluntary for all other applicable childcare and early childhood education programs.

All participants in the quality rating and improvement system shall be rated on quality scale of steps one through five, based on criteria developed collaboratively between the departments. The criteria shall provide that: any program licensed under the Child Care Licensing Act which serves children from birth to kindergarten-entrance age upon entrance to the quality rating and improvement system shall be rated at step one; upon application to the quality rating and improvement system, any pre-kindergarten services and pre-kindergarten programs established shall be recognized for meeting criteria established by the State Department of Education to the quality rating and improvement system and shall be rated at step three, after registering with the Nebraska Early Childhood Professional Record System.

Upon application to the quality rating and improvement system, all federal Head Start programs and Early Head Start programs shall be recognized for meeting performance standards required by the federal government and shall be rated at step three, after registering with the Nebraska Early Childhood Professional Record System.

Moreover, upon application to the quality rating and improvement system, all childcare programs accredited by nationally-recognized accrediting bodies established in quality rating and improvement system criteria shall be recognized as meeting high quality program standards and shall be rated at step three, after registering with the Nebraska Early Childhood Professional Record System.

To be awarded a rating at step two or higher, the childcare license cannot be a provisional license or be a corrective action status, disciplinary limitation, probation, suspension, or revocation.

Applicable childcare and early childhood education programs shall meet all the criteria of a step two rating prior to applying for a step three, step four, or step five rating. To meet the criteria for step three, step four, or step five ratings, any applicable childcare and early childhood education program shall be independently evaluated based upon quality

rating and improvement system criteria.

Participants in the quality rating and improvement system shall apply to have their rating level reviewed and increased but can only apply for a rating review once annually. Additionally, applicable childcare and early childhood education programs with a rating at step two through four shall be reevaluated every two years. Applicable childcare and early childhood education programs that have achieved step five ratings shall be reevaluated every five years. The departments may develop other conditions that would require an applicable childcare or early childhood education program to be reevaluated.

If an applicable child care and early childhood education program is at a rating higher than step one and the license is placed on corrective action status, disciplinary limitation, probation, or suspension, the program will go back to a step one rating. If a program's license is revoked, the program cannot receive a rating or participate in the quality rating and improvement system, based upon the terms specified by the Department of Health and Human Services.

Participation in or being rated under the quality rating and improvement system will not disqualify any applicable child care or early childhood education program from state and federal assistance. Moreover, the Department of Health and Human Services may deny the issuance of or take disciplinary action against a license issued under the Child Care Licensing Act for failure to comply with the requirements of the Step Up to Quality Child Care Act.

The State Department of Education shall create the Nebraska Early Childhood Professional Record System. The Nebraska Early Childhood Professional Record System shall track and verify degrees and credentials of childcare and early childhood education professionals in the State of Nebraska and shall provide information to the quality rating and improvement system regarding professional development of child care professionals and early childhood education, as necessary to meet quality ratings step two through five.

Collaboratively the departments shall make the quality ratings of applicable child care and early childhood education programs under the quality rating and improvement system to: expand parent awareness regarding the quality rating and improvement system and its potential to improve childcare and early childhood education quality; provide the information to help parents make childcare and early childhood education decisions that meet family needs and support the school readiness of children.

The ratings of applicable childcare and early childhood education programs participating in the quality rating and improvement system shall be available on a publicly assessable web site beginning in 2017.

Finally LB 507 eliminates the requirement that the department shall not set a rate at less than a fiftieth percentile for FY 2011 and adds the statement that applicable child care and early childhood education programs, that are participating in the quality rating and improvement systems under the Step Up to Quality Child Care Act, may be reimbursed at higher rates based upon the program's quality scale rating under the system.

Explanation of amendments:

The Committee Amendment strikes the original sections and inserts new sections as follows, but does not make substantive changes to the green copy of the bill. The Committee Amendment eliminates duplicate language and legislative findings; uses terms consistently; clarifies agency and provider responsibilities, amends 71-1919, and rearranges sections in the bill.

Section 1. Names the act.

Section 2. States the act's purposes: to provide accountability for public funds invested in child care and early childhood education programs; to provide a path to higher quality for child care and early childhood education programs; to provide parents a tool to evaluate program quality; and to improve child development and school readiness.

Section 3. Defines two terms used in the act.

Subsection (1) provides that "applicable child care and early childhood education program" includes (a) Licensed programs serving children from birth to kindergarten-entrance age; (b) prekindergarten services and prekindergarten programs per 79-1104 (programs established by school districts); and (c) federal Head Start and Early Head Start programs.

These are the only child care and early childhood education programs subject to the act.

Subsection (2) provides that "fiscal year" means the fiscal year of the State of Nebraska.

Section 4. Requires the State Department of Education and the Nebraska Department of Health and Human Services to collaborate to (1) develop, implement, and provide oversight for a quality rating and improvement system for participating applicable programs; (2) establish quality rating criteria for the system; (3) use the quality rating criteria to

assign ratings to participating applicable programs; and (4) provide incentives and support, including professional development, training, and post-secondary education opportunities.

Section 5. Provides for the quality rating scale and states what criteria will be used to assign steps on the scale.

Subsection (1) provides that applicable programs which apply to participate in the quality rating and improvement system shall be rated on a five step scale based on quality rating criteria.

Subsection (2) provides that criteria shall be used to assign a rating as appropriate for the specific step, and sets out criteria in (a) through (i).

Section 6. Provides that the quality rating and improvement system is voluntary for programs subject to the act, with three exceptions:

Subsection (1) beginning July 1, 2014 and not later than Dec. 31, 2014, applicable programs that received more than \$500,000 in public funds in FY2011-12 must apply to participate and shall be assigned a rating as provided in sections 5 and 7 of the act.

Subsection (2) beginning July 1, 2015 and not later than Dec. 31, 2015, applicable programs that received more than \$250,000 in public funds in FY2011-12 must apply to participate and shall be assigned a rating as provided in sections 5 and 7 of the act.

Subsection (3) beginning July 1, 2016, applicable programs that received more than \$250,000 in the preceding fiscal year must apply to participate no later than Dec. 31 of the applicable fiscal year or within six months of receipt of more than \$250,000, whichever is later, and shall be assigned a rating as provided in sections 5 and 7 of the act.

Section 7. Provides for use of criteria when a program applies under Section 6 of the act, sets minimum ratings for specific types of programs, and provides for ratings of programs in cases where licenses are provisional, under disciplinary measures, or revoked.

Subsection (1) provides that criteria shall be established to assign quality ratings when any applicable program applies to participate in the system.

Subsection (2) provides that licensure is sufficient for a program to be rated at step one.

Subsection (3) provides that meeting criteria of the State Department of Education is sufficient for a program to be rated at step three.

Subsection (4) provides that meeting performance standards of the federal Head Start and Early Head Start programs is sufficient for a program to be rated at step three.

Subsection (5) provides that accreditation by a nationally recognized accrediting body is sufficient for a program to be rated at step three.

Subsection (6) provides for step ratings when/if a participating program's license is provisional, on corrective action status, disciplinary limitation, probation, or suspension. If a program's license is revoked, it cannot participate in the system or receive a rating.

Section 8. Provides for program review and reevaluation.

Subsection (1) provides that a participating program may ask for review no more than once each fiscal year.

Subsection (2) provides that a participating program must meet all the quality rating criteria for step two before applying for a higher step rating, and that to meet a step three, four, or five rating a participating program must be independently evaluated based on the quality rating criteria.

Subsection (3) provides frequency of the state's reevaluation of programs and, in the case of an accredited program, requires the state to make reasonable efforts to conduct reevaluation in the same year that an accrediting body is reevaluating such program.

Section 9. Provides that participation in or being rated under the system shall not disqualify any applicable program from state and federal assistance.

Section 10. Allows the Department of Health and Human Services to deny or take disciplinary action against a license of a participating applicable program for failure to comply with the act.

Section 11. Sets out incentives and support that shall be available to participants.

Subsection (1) tiered child care subsidy reimbursements

Subsection (2) incentive bonuses

Subsection (3) professional development, training, and scholarships

Subsection (4) support that expands family engagement

Subsection (5) other incentives as necessary to carry out the act.

Section 12. Provides for the Nebraska Early Childhood Professional Record System.

Subsection (1) requires the State Department of Education to create and operate the

Nebraska Early Childhood Professional Record System. The purposes of the record system are stated in (a), (b), and (c).

Subsection (2) provides that when a participating program applies to be rated above step one, the program is to furnish the record system with information on its employees' educational degrees, professional credentials, and relevant training.

Section 13. Requires the Department of Health and Human Services in collaboration with the State Department of Education to make the quality scale ratings available on a publicly accessible web site by July 1, 2017 to provide parents information and to promote accountability for public funds.

Section 14. Allows the State Department of Education and the Department of Health and Human Services to adopt and promulgate rules and regulations to carry out the act.

Section 15. Amends 43-536 by striking obsolete language requiring the rate for provider reimbursement in fiscal years 2011 and 2012 to be not less than the 50th percentile of the market rate or the rate for the immediately preceding fiscal year, and inserts new language to allow higher reimbursement rates for participants in the quality rating and improvement system.

Section 16. Amends 60-1206 to allow the schedule of child care program provider rates to use tiered rates based on quality scale ratings.

Section 17 - Amends 71-1919 to allow the Department of Health and Human Services to deny the issuance of or take disciplinary action against a license for failure to comply with the Step Up to Quality Child Care Act.

Section 18 - Repealer.

Kathy Campbell, Chairperson