

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB485

Hearing Date: Wednesday February 10, 2021
Committee On: Health and Human Services
Introducer: DeBoer
One Liner: Change provisions relating to child care assistance

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

Vote Results:

| | | |
|----------------------------|---|---|
| Aye: | 6 | Senators Arch, Cavanaugh, M., Day, Hansen, B., Walz, Williams |
| Nay: | | |
| Absent: | | |
| Present Not Voting: | 1 | Senator Murman |

Oral Testimony:

Proponents:

Wendy DeBoer
Adam Feser
J.P. Lauterbach
Leslie Andersen
Ken Smith
Quentin Brown

Representing:

Introducer
First Fire Nebraska
YMCA
Greater Omaha Chamber, Nebraska Chamber
Nebraska Appleseed
Educare Lincoln

Opponents:

Stephanie Beasley

Representing:

Department of Health and Human Services

Neutral:

Representing:

Submitted Written Testimony:

Proponents:

Katie Zulkoski
Spike Eickholt
Bruce Bohrer
Julie Erickson
Tim Hruza

Representing:

Women's Fund of Omaha
ACLU of Nebraska
Lincoln Chamber of Commerce
Voices for Children
Children & Family Coalition of Nebraska

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 485 would increase the income eligibility limit both for the initial qualification for child care assistance and for transitional child care assistance under the Child Care Subsidy program, as well as the income eligibility limit for child care assistance through the cash assistance program.

LB 485 would increase the income eligibility limit for the determination of initial eligibility for child care assistance under the Child Care Subsidy program from 130% to 185% of the federal poverty level. [Sec. 1, page 2, lines 14-17.]

In addition to increasing initial eligibility, LB 485 would increase the income eligibility limit for transitional child care assistance under the Child Care Subsidy program from 185% to 200% of the federal poverty level. [Sec. 1, page 3, lines 4-13.] LB 485 changes only the income eligibility limit at renewal time. The eligibility limit during the certification period remains at 85% of the state median income for a family of the same size.

LB 485 inserts a new subsection [1][b] in section 68-1206 to provide that funds provided to the State of Nebraska through the Child Care and Development Block Grant Act of 1990 [CCDBG] shall be used to implement the expanded eligibility for child care assistance under the Child Care Subsidy program. If such funds are insufficient to implement the increase, LB 485 provides that Temporary Assistance for Needy Families [TANF] funds may also be used. LB 485 further provides that nothing in this section shall prohibit General Funds from being used to implement the increase. [Sec. 1, page 2, lines 18-26.]

Section 2 of LB 485 relates to the provision of child care assistance through the cash assistance program. LB 485 increases eligibility for cash assistance for work-related child care expenses on a cost-share basis from 185% to 200% of the federal poverty level. [Sec. 2, page 4, line 25.] Under LB 485, when a family is no longer eligible for cash assistance, they may still receive work-related child care expenses on a cost-share basis if the family's income does not exceed 200% of the federal poverty level.

Explanation of amendments:

AM 764 sunsets the expanded eligibility period for the Child Care Subsidy program at the end of fiscal year 2023-24, at which time the income limit for initial eligibility would return to 130% of the federal poverty level and the income limit for transitional assistance eligibility would return to 185% of the federal poverty level. The expanded eligibility for child care assistance through the cash assistance program is also sunset at the end of fiscal year 2023-24.

Additionally, AM 764 provides that DHHS shall collaborate with a private nonprofit organization with expertise in early childhood care and education for an independent evaluation of the income eligibility changes made by the bill, if private funding is made available for such purpose. The evaluation shall be completed by December 15, 2023.

Finally, AM 764 does not include the provision of the green copy which allowed General Funds to be used to implement the expanded eligibility if CCDBG and TANF funds fail.

John Arch, Chairperson