

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT
LB1416

Hearing Date: Tuesday February 06, 2024
Committee On: Banking, Commerce and Insurance
Introducer: Bostar
One Liner: Adopt the Child Care Capacity Building and Workforce Act

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

Vote Results:

Aye: 8 Senators Aguilar, Ballard, Bostar, Dungan, Jacobson, Kauth, Slama, von Gillern
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Eliot Bostar
Kenny Zoeller
Ward Hoppe
Nicole Vint
Nicole Fox
Bryan Slone

Elizabeth Everett
Amy Meyer
Echo Koehler
Amara Madsen
Dexter Schrod
Heidi Pieper
Jennifer Creager
Marion Miner

Opponents:

Neutral:

* ADA Accommodation Written Testimony

Representing:

Opening Presenter
Governor Pillen's Policy Research Office
Hoppe Development
Department of Health and Human Services
Platte Institute
Nebraska Chamber of Commerce, Lincoln Chamber of Commerce
First Five Nebraska
The Orchard Child Development Center
Nebraska Nurses Association
CEDARS Youth Services
Nebraska Independent Community Bankers
Nebraska Cattlemen
Greater Omaha Chamber
Nebraska Catholic Conference

Representing:

Representing:

Summary of purpose and/or changes:

LB 1416 is a bill that was introduced by Senator Bostar, at the request of the Governor. It would



adopt the Child Care Capacity Building and Workforce Act (Act), a set of statutes that would create both the Family Child Care Home Grant Program and Family Child Care Home Grant Program and would provide for how these two programs would be utilized and administered.

The Act and the two programs are intended to address a severe lack of licensed child care programs within the state, which in turn is having a negative impact on the Nebraska workforce and economy.

Section-by-Section Summary:

Section 1 lists the sections that would make up the Act if LB 1416 were made law.

Section 2 provides reasons for why LB 1416 is necessary. These reasons are that there is a lack of licensed child care programs, incentives are necessary to increase the child care workforce, an increased child care workforce will boost Nebraska's economy by making it possible for parents to remain in the workforce, and it will provide an investment in the future of the state by educating the tomorrow's generation today.

Section 3 provides definitions for seven (7) terms that are used throughout the Act.

Section 4 creates the Child Care Capacity Building and Workforce Grant Program. It also states that recipients of the grant will receive technical assistance and the Nebraska Department of Economic Development (DED) must reserve up to 5% of its funding to be appropriated to the Child Care Capacity Building and Workforce Grant Program. The Program will also be responsible for vetting grant applicants, creating forms to apply for the grant, providing technical assistance, and working with the Department of Health and Human Services to determine whether the request sufficiently meets the child care needs of the recipient. DED will award grants as well as prioritize applicants who are requesting a grant to increase child care capacity for children under three (3) years of age by creating a child care program, supporting the child care workforce or creating a child care program in a county that does not have one.

Section 5 states that in order to be eligible for the grant an applicant must complete an application and provide a needs assessment, a plan for use of the grant, and any other information required by DED.

Section 6 provides for how grant funds may be expended by grant recipients.

Section 7 states that each grant recipient must provide a one-to-one match of the funding before receiving it. It also states DED will be responsible for specifying how this is to be done and authorizes DED to disburse the funds to recipients who do so.

Section 8 authorizes DED to request that a recipient repay the funds, if the recipient used the funds in a way other than specified in Section 6 or falsified any information during the application process. It also stipulates recipients who are asked to repay the grant may appeal the decision. It also states that any repayments made will be remitted to the State Treasurer for credit to the Child Care Capacity Building and Workforce Cash Fund.

Sections 9 & 11 states that on July 1, 2025 (and each July 1 thereafter), DED must submit a report to the legislature (on both programs) which includes the specifics of each grant recipient,



the total amount of money awarded and number of children served, the ages and county locations of children served, administrative costs of DED, and any other information DED deems relevant.

Section 10 creates the Family Child Care Home Grant Program. This program will provide grants for family child care home programs. This section stipulates who is eligible to apply for a grant under this program, which includes nonprofit and for profit organizations, community foundations, schools and regional facilitator hubs. It also stipulates that the grant may only be used to: 1) provide support to existing licensed family child care programs serving up to twelve (12) children of mixed ages, 2) create a new program of the same, or 3) support a regional facilitator hub that will provide support to family child care home programs.

Section 12 creates the Child Care Capacity Building and Workforce Cash Fund and authorizes it to consume money from any source. It also stipulates that any money in the fund available for investment will be invested pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Section 13 states that DED may establish rules and regulations necessary to implement the Act.

Explanation of amendments:

AM 2659 amends LB 1416 as follows:

Section 4 subsection (2) is replaced with the following: "The department shall contract with a statewide organization that supports children and families to administer the program, which may include providing technical assistance to any grant recipient. Up to five percent of the money appropriated to the department each fiscal year for purposes of the Child Care capacity Building and workforce Act may be reserved for such contract with a statewide organization."

Section 12 is amended to add language to fund the Act. Specifically, the new subsection added states that the State Treasurer shall transfer \$5,000,000 from the General Fund to the Child Care Capacity Building and Workforce Cash Fund as soon as administratively possible after the effective date of this act, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Julie Slama, Chairperson

