

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 507**

Introduced by Campbell, 25.

Read first time January 23, 2013

Committee: Health and Human Services

A BILL

1 FOR AN ACT relating to children; to amend section 68-1206, Reissue  
2 Revised Statutes of Nebraska, and section 43-536, Revised  
3 Statutes Cumulative Supplement, 2012; to adopt the Step  
4 Up to Quality Child Care Act; to harmonize provisions;  
5 and to repeal the original sections.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 10 of this act shall be known  
2 and may be cited as the Step Up to Quality Child Care Act.

3           Sec. 2. The purpose of the Step Up to Quality Child Care  
4 Act is to (a) provide accountability for public dollars invested in  
5 child care and early childhood education programs, (b) provide a path  
6 to higher quality, including incentives and supports, to child care  
7 and early childhood education program providers, (c) to provide  
8 parents a tool by which to evaluate the quality of child care and  
9 early childhood education programs, and (d) improve child development  
10 and school readiness outcomes for children.

11           Sec. 3. (1) The Legislature finds that high-quality child  
12 care and early childhood education helps prepare children for success  
13 in school.

14           (2) The Legislature further finds that parents need  
15 better information when choosing child care and early childhood  
16 education programs and that child care and early childhood education  
17 providers need adequate support, training, and incentives to improve  
18 the quality of child care and early childhood education programs they  
19 offer.

20           (3) The Legislature further finds that the State of  
21 Nebraska needs (a) a common understanding of what elements make up  
22 high-quality child care and early childhood education programs, and  
23 (b) the infrastructure to determine the level of quality child care  
24 and early childhood education programs that receive public dollars.

25           (4) The Legislature further finds that a quality rating

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

11           Sec. 4. For the purposes of the Step Up to Quality Child  
12 Care Act, applicable child care and early childhood education  
13 programs include:

14                 (1) Child care programs licensed under the Child Care  
15 Licensing Act which serve children from birth to kindergarten-  
16 entrance age;

17                 (2) Prekindergarten services and prekindergarten programs  
18 established pursuant to section 79-1104; and

19                 (3) The federal Head Start programs, 42 U.S.C. 9831 et  
20 seq. and Early Head Start programs, 42 U.S.C. 9840a.

21           Sec. 5. (1) The State Department of Education and the  
22 Department of Health and Human Services, in collaboration with  
23 community and statewide partners, shall develop, implement, and  
24 provide oversight for a quality rating and improvement system for  
25 applicable child care and early childhood education programs.

1           (2) The purposes of the quality rating and improvement  
2 system are to:

3           (a) Inform parents in understandable and measurable terms  
4 about program quality;

5           (b) Promote accountability for all public funding in  
6 child care and early childhood education;

7           (c) Improve child care program staff and director  
8 effectiveness through professional development, training, and  
9 postsecondary education opportunities; and

10          (d) Strengthen standards, assessment processes, and use  
11 of data to inform program quality and support continuous improvement.

12          (3) The State Department of Education and the Department  
13 of Health and Human Services shall work collaboratively to:

14          (a) Develop the quality rating and improvement system  
15 criteria, which will include, but not be limited to:

16          (i) Licensing requirements as specified in the Child Care  
17 Licensing Act;

18          (ii) Professional growth, safety, and facility  
19 management;

20          (iii) Child outcomes;

21          (iv) Program curriculum and learning environment and  
22 interactions;

23          (v) Professional development and training;

24          (vi) Family engagement and partnership;

25          (vii) Program administration; and

1           (viii) Other standards required by the State Department  
2 of Education for early childhood education programs pursuant to  
3 section 79-1104, federal performance standards for Head Start and  
4 Early Head Start programs, and standards required by approved  
5 national accreditation bodies; and

6           (b) Assign ratings to applicable child care and early  
7 childhood education programs based on quality rating and improvement  
8 program criteria.

9           Sec. 6. (1) To improve the quality of child care and  
10 early childhood education programs, the State Department of Education  
11 and Department of Health and Human Services shall work  
12 collaboratively to create a system of incentives and support as part  
13 of the quality rating and improvement system, including, but not  
14 limited to:

15           (a) Tiered child care subsidy reimbursements as provided  
16 in section 68-1206 based upon quality ratings that reflect the cost  
17 of higher quality programs and promote affordability of high-quality  
18 child care and early childhood education programs for all families;

19           (b) Incentive bonuses given to providers upon completion  
20 of specific requirements to improve quality based upon the levels  
21 established in the quality rating and improvement system developed  
22 pursuant to section 5 of this act; and

23           (c) Other incentives as necessary to carry out the intent  
24 of the Step Up to Quality Child Care Act.

25           (2) In collaboration with community-based organizations,

1 postsecondary education, and other stakeholders, the State Department  
2 of Education and the Department of Health and Human Services shall  
3 work collaboratively to provide:

4 (a) Professional development, training, and postsecondary  
5 education opportunities, including incentives and scholarships, for  
6 participating program staff and directors;

7 (b) Support that expands family engagement and  
8 understanding of quality early childhood education in ways that are  
9 inclusive and respectful of diversity of families and children with  
10 special needs; and

11 (c) Other support as necessary to carry out the intent of  
12 the Step Up to Quality Child Care Act.

13 Sec. 7. (1) Mandatory participation in the quality rating  
14 and improvement system shall be implemented as follows:

15 (a) Beginning July 1, 2014, all applicable child care and  
16 early childhood education programs that received over five hundred  
17 thousand dollars in child care assistance pursuant to section 68-1202  
18 for FY2011-12 shall participate in the quality rating and improvement  
19 system;

20 (b) Beginning July 1, 2015, all applicable child care and  
21 early childhood education programs that received over two hundred  
22 fifty thousand dollars in child care assistance pursuant to section  
23 68-1202 for FY2011-12 shall participate in the quality rating and  
24 improvement system; and

25 (c) Beginning July 1, 2016, all applicable child care and

1 early childhood education programs that received over two hundred  
2 fifty thousand dollars in child care assistance pursuant to section  
3 68-1202 in the preceding fiscal year shall participate in the quality  
4 rating and improvement system.

5 (2) Participation in the quality rating and improvement  
6 system shall be voluntary for all other applicable child care and  
7 early childhood education programs.

8 Sec. 8. (1) All participants in the quality rating and  
9 improvement system shall be rated on quality scale of steps one  
10 through five, based on criteria developed collaboratively between the  
11 State Department of Education and the Department of Health and Human  
12 Services. The criteria shall provide that:

13 (a) Any program licensed under the Child Care Licensing  
14 Act which serves children from birth to kindergarten-entrance age  
15 upon entrance to the quality rating and improvement system shall be  
16 rated at step one;

17 (b) Upon application to the quality rating and  
18 improvement system, any prekindergarten services and prekindergarten  
19 programs established pursuant to section 79-1104 shall be recognized  
20 for meeting criteria established by the State Department of Education  
21 to the quality rating and improvement system and shall be rated at  
22 step three, after registering with the Nebraska Early Childhood  
23 Professional Record System established under section 9 of this act;

24 (c) Upon application to the quality rating and  
25 improvement system, all federal Head Start programs and Early Head

1 Start programs shall be recognized for meeting performance standards  
2 required by the federal government and shall be rated at step three,  
3 after registering with the Nebraska Early Childhood Professional  
4 Record System established under section 9 of this act; and

5 (d) Upon application to the quality rating and  
6 improvement system, all child care programs accredited by nationally-  
7 recognized accrediting bodies established in quality rating and  
8 improvement system criteria shall be recognized as meeting high  
9 quality program standards and shall be rated at step three, after  
10 registering with the Nebraska Early Childhood Professional Record  
11 System established under section 9 of this act.

12 (2) To be awarded a rating at step two or higher, the  
13 child care license cannot be a provisional license or be on  
14 corrective action status, disciplinary limitation, probation,  
15 suspension, or revocation.

16 (3) Applicable child care and early childhood education  
17 programs shall meet all the criteria of a step two rating prior to  
18 applying for a step three, step four, or step five rating.

19 (4) To meet criteria for step three, step four, or step  
20 five ratings, an applicable child care and early childhood education  
21 program shall be independently evaluated based upon quality rating  
22 and improvement system criteria.

23 (5) Participants in the quality rating and improvement  
24 system shall apply to have their rating level reviewed and increased  
25 but can only apply for a rating review once annually.



1           (6) Applicable child care and early childhood education  
2 programs with a rating at step two through step four shall be  
3 reevaluated every two years. Applicable child care and early  
4 childhood education programs that have achieved step five ratings  
5 shall be reevaluated every five years.

6           (7) The State Department of Education and the Department  
7 of Health and Human Services may collaboratively develop other  
8 conditions that would require an applicable child care or early  
9 childhood education program to be reevaluated.

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

18           (9) Participation in or being rated under the quality  
19 rating and improvement system will not disqualify any applicable  
20 child care or early childhood education program from state and  
21 federal assistance.

22           (10) The Department of Health and Human Services may deny  
23 the issuance of or take disciplinary action against a license issued  
24 under the Child Care Licensing Act for failure to comply with the  
25 requirements of the Step Up to Quality Child Care Act.

1           Sec. 9. (1) The State Department of Education shall  
2 create the Nebraska Early Childhood Professional Record System.

3           (2) The Nebraska Early Childhood Professional Record  
4 System shall track and verify degrees and credentials of child care  
5 and early childhood education professionals in the State of Nebraska  
6 and shall provide information to the quality rating and improvement  
7 system regarding professional development of child care professionals  
8 and early childhood education, as necessary to meet quality ratings  
9 step two through five.

10           Sec. 10. (1) The Department of Health and Human Services  
11 in collaboration with the State Department of Education shall make  
12 the quality ratings of applicable child care and early childhood  
13 education programs under the quality rating and improvement system  
14 developed pursuant to section 4 of this act available on a publicly  
15 accessible web site to:

16           (a) Expand parent awareness regarding the quality rating  
17 and improvement system and its potential to improve child care and  
18 early childhood education quality; and

19           (b) Provide the information to help parents make child  
20 care and early childhood education decisions that meet family needs  
21 and support the school readiness of children.

22           (2) The ratings of applicable child care and early  
23 childhood education programs participating in the quality rating and  
24 improvement system shall be made available on a publicly accessible  
25 web site beginning in 2017.

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

18           Sec. 12. Section 68-1206, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

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

1 aid to dependent children shall apply only to public assistance  
2 grants and shall not apply to payments for social services.

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

18 Sec. 13. Original section 68-1206, Reissue Revised  
19 Statutes of Nebraska, and section 43-536, Revised Statutes Cumulative  
20 Supplement, 2012, are repealed.