

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 547**

FINAL READING

Introduced by Campbell, 25.

Read first time January 21, 2015

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to child care and early childhood education;
- 2 to amend sections 43-2621 and 79-1104.02, Reissue Revised Statutes
- 3 of Nebraska; to provide for reservation and allocation of federal
- 4 funds for child care activities; to provide for and change
- 5 provisions relating to grants to early childhood education programs;
- 6 and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 43-2621, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 43-2621 (1) Funds provided to the State of Nebraska pursuant to the  
4 Child Care and Development Block Grant Act of 1990, 42 U.S.C. 9857 et  
5 seq., as such act and sections existed on January 1, 2015, shall be used  
6 to implement the Quality Child Care Act, except as provided in  
7 subsections (3) and (4) of this section.

8 (2) The Legislature finds that the reservations and allocations  
9 contained in subsections (3) and (4) of this section are made pursuant to  
10 the 2014 reauthorization of such federal act. The Legislature also finds  
11 that such reservations and allocations are designed to improve the  
12 quality of child care services and increase parental options for, and  
13 access to, high-quality child care and are in alignment with its  
14 comprehensive system of child care and early education programs.

15 (3)(a)(i) Beginning October 1, 2015, the Department of Health and  
16 Human Services shall increase its reservation of federal funds received  
17 from the child care and development block grant under such federal act  
18 from four percent to seven percent for activities relating to the quality  
19 of child care services.

20 (ii) Beginning October 1, 2017, the department shall increase its  
21 reservation of federal funds received from such block grant from seven  
22 percent to eight percent for activities relating to the quality of child  
23 care services.

24 (iii) Beginning October 1, 2019, the department shall increase its  
25 reservation of federal funds received from such block grant from eight  
26 percent to nine percent for activities relating to the quality of child  
27 care services.

28 (b) In addition to the percentages reserved in subdivision (3)(a) of  
29 this section for activities relating to the quality of child care  
30 services, beginning October 1, 2016, the department shall reserve three  
31 percent of the federal funds received from such block grant for

1 activities relating to the quality of care for infants and toddlers.

2 (4)(a)(i) Beginning October 1, 2015, the increase from four percent  
3 to seven percent in reservation of federal funds for activities relating  
4 to the quality of child care services described in subdivision (3)(a)(i)  
5 of this section shall be allocated for quality rating and improvement  
6 system incentives and support under the Step Up to Quality Child Care  
7 Act.

8 (ii) Beginning October 1, 2017, the increase from seven percent to  
9 eight percent in the reservation of federal funds for activities relating  
10 to the quality of child care services described in subdivision (3)(a)(ii)  
11 of this section, plus the percentage allocated as described in  
12 subdivision (4)(a)(i) of this section, which together total four percent,  
13 shall be allocated for quality rating and improvement system incentives  
14 and support under the Step Up to Quality Child Care Act.

15 (iii) Beginning October 1, 2019, the increase from eight percent to  
16 nine percent in the reservation of federal funds for activities relating  
17 to the quality of child care services described in subdivision (3)(a)  
18 (iii) of this section, plus the percentage allocated as described in  
19 subdivision (4)(a)(ii) of this section, which together total five  
20 percent, shall be allocated for quality rating and improvement system  
21 incentives and support under the Step Up to Quality Child Care Act.

22 (iv) After the federal fiscal year beginning on October 1, 2019,  
23 five percent of federal funds provided to the State of Nebraska pursuant  
24 to the Child Care and Development Block Grant Act of 1990, 42 U.S.C. 9857  
25 et seq., as such act and sections existed on January 1, 2015, which have  
26 been reserved for activities relating to the quality of child care  
27 services as described in subdivision (3)(a)(iii) of this section, shall  
28 be allocated for quality rating and improvement system incentives and  
29 support under the Step Up to Quality Child Care Act.

30 (b) Beginning October 1, 2016, the three-percent reservation of  
31 federal funds for activities relating to the quality of care for infants

1 and toddlers described in subdivision (3)(b) of this section shall be  
2 allocated for providing grants to programs described in section  
3 79-1104.02 that enter into agreements with child care providers.

4 (c) Funds distributed pursuant to this subsection shall comply with  
5 federal regulations contained in 45 C.F.R. 98.11, as such regulations  
6 existed on January 1, 2015.

7 (d) Nothing in this section shall prohibit the Department of Health  
8 and Human Services from allocating additional percentages of the child  
9 care and development block grant or other dollar amounts for activities  
10 relating to the quality of child care services or the quality of care for  
11 infants and toddlers.

12 Sec. 2. Section 79-1104.02, Reissue Revised Statutes of Nebraska, is  
13 amended to read:

14 79-1104.02 (1) The Early Childhood Education Endowment Cash Fund,  
15 consisting of the interest, earnings, and proceeds from the Early  
16 Childhood Education Endowment Fund and the earnings from the private  
17 endowment created by the endowment provider, funds transferred from the  
18 Education Innovation Fund pursuant to section 9-812, and any additional  
19 private donations made directly thereto, shall be used exclusively to  
20 provide funds for the Early Childhood Education Grant Program for at-risk  
21 children from birth to age three as set forth in this section.

22 (2) Grants provided by this section shall be to school districts and  
23 cooperatives of school districts for early childhood education programs  
24 for at-risk children from birth to age three, as determined by the board  
25 of trustees pursuant to criteria set forth by the board of trustees.  
26 School districts and cooperatives of school districts may establish  
27 agreements with other public and private entities to provide services or  
28 operate programs.

29 (3) Each program selected for a grant pursuant to this section may  
30 be provided a grant for up to one-half of the total budget of such  
31 program per year. Programs selected for grant awards may receive

1 continuation grants subject to the availability of funding and the  
2 submission of a continuation plan which meets the requirements of the  
3 board of trustees.

4 (4) Programs shall be funded across the state and in urban and rural  
5 areas to the fullest extent possible.

6 (5) Each program selected for a grant pursuant to this section shall  
7 meet the requirements described in subsection (2) of section 79-1103,  
8 except that the periodic evaluations of the program are to be specified  
9 by the board of trustees and the programs need not include continuity  
10 with programs in kindergarten and elementary grades and need not include  
11 instructional hours that are similar to or less than the instructional  
12 hours for kindergarten. The programs may continue to serve at-risk  
13 children who turn three years of age during the program year until the  
14 end of the program year, as specified by the board of trustees.

15 (6) The board of trustees may issue grants to early childhood  
16 education programs entering into agreements pursuant to subsection (2) of  
17 this section with child care providers if the child care provider enrolls  
18 in the quality rating and improvement system described in the Step Up to  
19 Quality Child Care Act prior to the beginning of the initial grant  
20 period. Child care providers shall participate in training approved by  
21 the Early Childhood Training Center which is needed for participation or  
22 advancement in the quality rating and improvement system.

23 (7) The board of trustees shall require child care providers in  
24 programs receiving grants under this section to obtain a step three  
25 rating or higher on the quality scale described in section 71-1956 within  
26 three years of the starting date of the initial grant period to continue  
27 funding the program. The board of trustees shall require the child care  
28 provider to maintain a step three rating or higher on such quality scale  
29 after three years from the starting date of the initial grant period to  
30 continue funding the program.

31 (8) If a child care provider fails to achieve or maintain a step

1 three rating or higher on the quality scale described in such section  
2 after three years from the starting date of the initial grant period, the  
3 child care provider shall obtain and maintain the step three rating on  
4 such quality scale before any new or continuing grants may be issued for  
5 programs in which such child care provider participates.

6 (9) Any school district entering into agreements pursuant to  
7 subsection (2) of this section with child care providers must employ or  
8 contract with, either directly or indirectly, a program coordinator  
9 holding a certificate as defined in section 79-807.

10 (10 6) Up to ten percent of the total amount deposited in the Early  
11 Childhood Education Endowment Cash Fund each fiscal year may be reserved  
12 by the board of trustees for evaluation and technical assistance for the  
13 Early Childhood Education Grant Program with respect to programs for at-  
14 risk children from birth to age three.

15 Sec. 3. Original sections 43-2621 and 79-1104.02, Reissue Revised  
16 Statutes of Nebraska, are repealed.