

AMENDMENTS TO LB856  
(Amendments to AM2544)

Introduced by Fredrickson, 20.

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           Section 1. Section 68-1206, Revised Statutes Supplement, 2023, is  
4 amended to read:

5           68-1206 (1) The Department of Health and Human Services shall  
6 administer the program of social services in this state. The department  
7 may contract with other social agencies for the purchase of social  
8 services at rates not to exceed those prevailing in the state or the cost  
9 at which the department could provide those services. The statutory  
10 maximum payments for the separate program of aid to dependent children  
11 shall apply only to public assistance grants and shall not apply to  
12 payments for social services.

13           (2)(a) As part of the provision of social services authorized by  
14 section 68-1202, the department shall participate in the federal child  
15 care assistance program under 42 U.S.C. 9857 et seq., as such sections  
16 existed on January 1, 2023, and provide child care assistance to families  
17 with incomes up to (i) one hundred eighty-five percent of the federal  
18 poverty level prior to October 1, 2026, or (ii) one hundred thirty  
19 percent of the federal poverty level on and after October 1, 2026.

20           **(b)(i)** ~~(b)~~ As part of the provision of social services authorized by  
21 this section and section 68-1202, the department shall participate in the  
22 federal Child Care Subsidy program. A child care provider seeking to  
23 participate in the federal Child Care Subsidy program shall comply with  
24 the criminal history record information check requirements of the Child  
25 Care Licensing Act. In determining ongoing eligibility for this program,  
26 ten percent of a household's gross earned income shall be disregarded

1 after twelve continuous months on the program and at each subsequent  
2 redetermination. In determining ongoing eligibility, if a family's income  
3 exceeds one hundred eighty-five percent of the federal poverty level  
4 prior to October 1, 2026, or one hundred thirty percent of the federal  
5 poverty level on and after October 1, 2026, the family shall receive  
6 transitional child care assistance through the remainder of the family's  
7 eligibility period or until the family's income exceeds eighty-five  
8 percent of the state median income for a family of the same size as  
9 reported by the United States Bureau of the Census, whichever occurs  
10 first. When the family's eligibility period ends, the family shall  
11 continue to be eligible for transitional child care assistance if the  
12 family's income is below two hundred percent of the federal poverty level  
13 prior to October 1, 2026, or one hundred eighty-five percent of the  
14 federal poverty level on and after October 1, 2026. The family shall  
15 receive transitional child care assistance through the remainder of the  
16 transitional eligibility period or until the family's income exceeds  
17 eighty-five percent of the state median income for a family of the same  
18 size as reported by the United States Bureau of the Census, whichever  
19 occurs first. The amount of such child care assistance shall be based on  
20 a cost-shared plan between the recipient family and the state and shall  
21 be based on a sliding-scale methodology. A recipient family may be  
22 required to contribute a percentage of such family's gross income for  
23 child care that is no more than the cost-sharing rates in the  
24 transitional child care assistance program as of January 1, 2015, for  
25 those no longer eligible for cash assistance as provided in section  
26 68-1724.

27 (ii) A licensed child care program that employs a member of an  
28 eligible household shall make reasonable accommodations so that the  
29 eligible applicant or adult household member is not a primary caregiver  
30 to such applicant's or adult household member's child. If reasonable  
31 accommodation cannot be made, the department shall allow the applicant or

1 adult household member to receive child care assistance for the  
2 applicant's or adult household member's child including when the  
3 applicant or adult household member is the primary caregiver for such  
4 child.

5 (iii) A licensed child care provider eligible for the child care  
6 subsidy may enroll the household member's child in a child care program  
7 other than the household member's child care program to receive child  
8 care assistance.

9 (c) For the period beginning July 1, 2021, through September 30,  
10 2026, funds provided to the State of Nebraska pursuant to the Child Care  
11 and Development Block Grant Act of 1990, 42 U.S.C. 9857 et seq., as such  
12 act and sections existed on January 1, 2023, shall be used to pay the  
13 costs to the state resulting from the income eligibility changes made in  
14 subdivisions (2)(a) and (b) of this section by Laws 2021, LB485. If the  
15 available amount of such funds is insufficient to pay such costs, then  
16 funds provided to the state for the Temporary Assistance for Needy  
17 Families program established in 42 U.S.C. 601 et seq. may also be used.  
18 No General Funds shall be used to pay the costs to the state, other than  
19 administration costs, resulting from the income eligibility changes made  
20 in subdivisions (2)(a) and (b) of this section by Laws 2021, LB485, for  
21 the period beginning July 1, 2021, through September 30, 2026.

22 (d) The Department of Health and Human Services shall collaborate  
23 with a private nonprofit organization with expertise in early childhood  
24 care and education for an independent evaluation of the income  
25 eligibility changes made in subdivisions (2)(a) and (b) of this section  
26 by Laws 2021, LB485, if private funding is made available for such  
27 purpose. The evaluation shall be completed by July 1, 2024, and shall be  
28 submitted electronically to the department and to the Health and Human  
29 Services Committee of the Legislature.

30 (3) In determining the rate or rates to be paid by the department  
31 for child care as defined in section 43-2605, the department shall adopt

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

13 Sec. 2. Original section 68-1206, Revised Statutes Supplement,  
14 2023, is repealed.