

AMENDMENTS TO LB304

(Amendments to Standing Committee amendments, AM2065)

Introduced by Kauth, 31.

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 Cumulative Supplement,
4 2024, is 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, 2026 ~~2023~~, and provide child care assistance to
17 families with incomes up to (i) one hundred eighty-five percent of the
18 federal poverty level prior to October 1, 2026, or (ii) one hundred sixty
19 ~~thirty~~ percent of the federal poverty level on and after October 1, 2026,
20 through October 1, 2029.

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

1 ten percent of a household's gross earned income shall be disregarded
2 after twelve continuous months on the program and at each subsequent
3 redetermination. In determining ongoing eligibility, if a family's income
4 exceeds one hundred eighty-five percent of the federal poverty level
5 prior to October 1, 2026, or one hundred ~~sixty thirty~~ percent of the
6 federal poverty level on and after October 1, 2026, through October 1,
7 2029, the family shall receive transitional child care assistance through
8 the remainder of the family's eligibility period or until the family's
9 income exceeds eighty-five percent of the state median income for a
10 family of the same size as reported by the United States Bureau of the
11 Census, whichever occurs first. When the family's eligibility period
12 ends, the family shall continue to be eligible for transitional child
13 care assistance if the family's income is below two hundred percent of
14 the federal poverty level through October 1, 2029 ~~prior to October 1,~~
15 ~~2026, or one hundred eighty-five percent of the federal poverty level on~~
16 ~~and after October 1, 2026~~. The family shall receive transitional child
17 care assistance through the remainder of the transitional eligibility
18 period or until the family's income exceeds eighty-five percent of the
19 state median income for a family of the same size as reported by the
20 United States Bureau of the Census, whichever occurs first. The amount of
21 such child care assistance shall be based on a cost-shared plan between
22 the recipient family and the state and shall be based on a sliding-scale
23 methodology. A recipient family may be required to contribute a
24 percentage of such family's gross income for child care that is no more
25 than the cost-sharing rates in the transitional child care assistance
26 program as of January 1, 2015, for those no longer eligible for cash
27 assistance as provided in section 68-1724.

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

1 accommodation cannot be made, the department shall allow the applicant or
2 adult household member to receive child care assistance for the
3 applicant's or adult household member's child including when the
4 applicant or adult household member is the primary caregiver for such
5 child.

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

10 (iv) Subdivisions (2)(b)(ii) and (2)(b)(iii) of this section shall
11 become operative on July 1, 2025. The department shall promulgate rules
12 and regulations consistent with these subdivisions.

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

30 ~~(d) The Department of Health and Human Services shall collaborate~~
31 ~~with a private nonprofit organization with expertise in early childhood~~

~~1 care and education for an independent evaluation of the income
2 eligibility changes made in subdivisions (2)(a) and (b) of this section
3 by Laws 2021, LB485, if private funding is made available for such
4 purpose. The evaluation shall be completed by July 1, 2024, and shall be
5 submitted electronically to the department and to the Health and Human
6 Services Committee of the Legislature.~~

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

21 **Sec. 2.** Section 68-1724, Revised Statutes Cumulative Supplement,
22 2024, is amended to read:

23 68-1724 (1) Cash assistance shall be provided for a period or
24 periods of time not to exceed a total of sixty months for recipient
25 families with children subject to the following:

26 (a) If the state fails to meet the specific terms of the self-
27 sufficiency contract developed under section 68-1719, the sixty-month
28 time limit established in this section shall be extended;

29 (b) The sixty-month time period for cash assistance shall begin
30 within the first month of eligibility;

31 (c) When no longer eligible to receive cash assistance, assistance

1 shall be available to reimburse work-related child care expenses even if
2 the recipient family has not achieved economic self-sufficiency. The
3 amount of such assistance shall be based on a cost-shared plan between
4 the recipient family and the state which shall provide assistance up to
5 two hundred percent of the federal poverty level prior to October 1,
6 2026, or one hundred eighty-five percent of the federal poverty level on
7 and after October 1, 2026, through October 1, 2029. A recipient family
8 may be required to contribute up to twenty percent of such family's gross
9 income for child care. It is the intent of the Legislature that
10 transitional health care coverage be made available on a sliding-scale
11 basis to individuals and families with incomes up to one hundred eighty-
12 five percent of the federal poverty level if other health care coverage
13 is not available; and

14 (d) The self-sufficiency contract shall be revised and cash
15 assistance extended when there is no job available for adult members of
16 the recipient family. It is the intent of the Legislature that available
17 job shall mean a job which results in an income of at least equal to the
18 amount of cash assistance that would have been available if receiving
19 assistance minus unearned income available to the recipient family.

20 The department shall develop policy guidelines to allow for cash
21 assistance to persons who have received the maximum cash assistance
22 provided by this section and who face extreme hardship without additional
23 assistance. For purposes of this section, extreme hardship means a
24 recipient family does not have adequate cash resources to meet the costs
25 of the basic needs of food, clothing, and housing without continuing
26 assistance or the child or children are at risk of losing care by and
27 residence with their parent or parents.

28 (e) It is the intent of the Legislature that, beginning October 1,
29 2026, the Nebraska Health Care Cash Fund shall be used to pay the costs
30 to the state resulting from the income eligibility changes made in this
31 section by this legislative bill.

1 (2) Cash assistance conditions under the Welfare Reform Act shall be
2 as follows:

3 (a) Adults in recipient families shall mean individuals at least
4 nineteen years of age living with and related to a child eighteen years
5 of age or younger and shall include parents, siblings, uncles, aunts,
6 cousins, or grandparents, whether the relationship is biological,
7 adoptive, or step;

8 (b) The payment standard shall be based upon family size;

9 (c) The adults in the recipient family shall ensure that the minor
10 children regularly attend school. Education is a valuable personal
11 resource. The cash assistance provided to the recipient family may be
12 reduced when the parent or parents have failed to take reasonable action
13 to encourage the minor children of the recipient family ages sixteen and
14 under to regularly attend school. No reduction of assistance shall be
15 such as may result in extreme hardship. It is the intent of the
16 Legislature that a process be developed to insure communication between
17 the case manager, the parent or parents, and the school to address issues
18 relating to school attendance;

19 (d) Two-parent families which would otherwise be eligible under
20 section 43-504 or a federally approved waiver shall receive cash
21 assistance under this section;

22 (e) For minor parents, the assistance payment shall be based on the
23 minor parent's income. If the minor parent lives with at least one
24 parent, the family's income shall be considered in determining
25 eligibility and cash assistance payment levels for the minor parent. If
26 the minor parent lives independently, support shall be pursued from the
27 parents of the minor parent. If the absent parent of the minor's child is
28 a minor, support from his or her parents shall be pursued. Support from
29 parents as allowed under this subdivision shall not be pursued when the
30 family income is less than three hundred percent of the federal poverty
31 guidelines; and

1 (f) For adults who are not biological or adoptive parents or
2 stepparents of the child or children in the family, if assistance is
3 requested for the entire family, including the adults, a self-sufficiency
4 contract shall be entered into as provided in section 68-1719. If
5 assistance is requested for only the child or children in such a family,
6 such children shall be eligible after consideration of the family's
7 income and if (i) the family cooperates in pursuing child support and
8 (ii) the minor children of the family regularly attend school.

9 **Sec. 3.** Original sections 68-1206 and 68-1724, Revised Statutes
10 Cumulative Supplement, 2024, are repealed.