

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1177

Introduced by DeBoer, 10.

Read first time January 21, 2026

Committee: Appropriations

1 A BILL FOR AN ACT relating to child care; to create the Child Care Cash
2 Fund to be administered by the Department of Health and Human
3 Services as prescribed; and to state legislative intent.
4 Be it enacted by the people of the State of Nebraska,

1 **Section 1. The Legislature finds that:**

2 (1) The Child Care Cash Fund is a permanent tool to reinforce the
3 state's workforce, strengthen economic growth, and support families
4 through sustained investment in the state's child care system. Child care
5 is foundational economic infrastructure and that long-term, reliable
6 funding is essential to the state's ability to attract, retain, and
7 support a stable workforce;

8 (2) Access to the child care subsidy is a key driver of workforce
9 participation, family stability, and positive outcomes for children
10 across Nebraska; and

11 (3) The Child Care Cash Fund shall be primarily dedicated to (a)
12 preserving access to the child care subsidy for eligible working
13 families, (b) supporting continuity and stability in child care for young
14 children, and (c) ensuring the long-term viability of child care
15 providers in both urban and rural communities.

16 **Sec. 2.** (1) The Child Care Cash Fund is created and shall be
17 administered by the Department of Health and Human Services and shall
18 consist of transfers authorized by the Legislature from the General Fund,
19 private gifts, grants, or donations for the purposes of the fund, and
20 other funds as directed by the Legislature. Any money in the Child Care
21 Cash Fund available for investment shall be invested by the state
22 investment officer pursuant to the Nebraska Capital Expansion Act and the
23 Nebraska State Funds Investment Act.

24 (2) The Child Care Cash Fund shall be used for the child care
25 subsidy program including: (a) Ensuring continuity of care for families;
26 (b) making timely payments to child care providers; (c) supporting
27 reimbursement rates sufficient to promote provider stability and access
28 to care; (d) administrative costs necessary to operate the child care
29 subsidy program; (e) quality improvement and workforce supports for child
30 care providers; and (f) other child care uses as authorized by the
31 Legislature.

1 (3) The fund shall not be used to supplant the state's required
2 match for the child care subsidy.

3 (4) It is the intent of the Legislature to appropriate XXX from the
4 Child Care Cash Fund annually for the purposes described in this section.

5 (5) The department shall electronically submit an annual report to
6 the Legislature that includes: (a) Amounts credited to, and expended
7 from, the Child Care Cash Fund; (b) the monthly number of families and
8 children served by the child care subsidy by income eligibility level and
9 eligibility reason; (c) the number of child care subsidy applications
10 received, accepted, and denied per month; (d) for denied applications,
11 the reason for denial; and (e) the number of pending child care subsidy
12 applications per month.