

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 442**

Introduced by Spivey, 13.

Read first time January 21, 2025

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to child care; to establish a state child care
- 2 subsidy program.
- 3 Be it enacted by the people of the State of Nebraska,

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

9           (2)(a) As part of the provision of social services authorized by  
10 section 68-1202, the department shall provide child care assistance to  
11 families with incomes from one hundred and thirty percent up to four  
12 hundred percent of the federal poverty level, on and after October 1,  
13 2026.

14           (b)(i) A child care provider seeking to participate in the state  
15 child care subsidy program shall comply with the criminal history record  
16 information check requirements of the Child Care Licensing Act. In  
17 determining ongoing eligibility for this program, ten percent of a  
18 household's gross earned income shall be disregarded after twelve  
19 continuous months on the program and at each subsequent redetermination.  
20 In determining ongoing eligibility, the amount of such child care  
21 assistance shall be based on a cost-shared plan between the recipient  
22 family and the state and shall be based on a sliding-scale methodology. A  
23 recipient family may be required to contribute a percentage of such  
24 family's gross income for child care that is no more than the cost-  
25 sharing rates in the transitional child care assistance program as of  
26 January 1, 2025, for those no longer eligible for cash assistance as  
27 provided in section 68-1724.

28           (ii) Beginning October 1, 2025, a licensed child care program that  
29 employs a member of an eligible household shall make reasonable  
30 accommodations so that the eligible applicant or adult household member  
31 is not a primary caregiver to such applicant's or adult household

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

6 (iii) Beginning October 1, 2025, a licensed child care provider  
7 eligible for the child care subsidy may enroll the household member's  
8 child in a child care program other than the household member's child  
9 care program to receive child care assistance.

10 (iv) The department shall adopt and promulgate rules and regulations  
11 consistent with subdivision (b) of this subsection.

12 (c) A payroll tax of fifty-two-hundredths of one percent shall be  
13 used to fund the program with a payment ratio for employer to employee,  
14 respectively, of thirty-nine-hundredths of one percent to thirteen-  
15 hundredths of one percent. General Funds shall not be used to pay the  
16 costs to the state, including administration costs, resulting from the  
17 income eligibility changes made in subdivisions (2)(a) and (b) of this  
18 section, for the period beginning October 1, 2026.

19 (3) In determining the rate or rates to be paid by the department  
20 for child care as defined in section 43-2605, the department shall adopt  
21 a fixed-rate schedule for the state or a fixed-rate schedule for an area  
22 of the state applicable to each child care program category of provider  
23 as defined in section 71-1910 which may claim reimbursement for services  
24 provided by the federal Child Care Subsidy program, except that the  
25 department shall not pay a rate higher than that charged by an individual  
26 provider to that provider's private clients. The schedule may provide  
27 separate rates for care for infants, for children with special needs,  
28 including disabilities or technological dependence, or for other  
29 individual categories of children. The schedule shall be effective on  
30 October 1 of every year and shall be revised annually by the department.

31 (4) The state child care subsidy program shall also provide the

1 highest level of child care assistance to qualified apprentice workers.  
2 For purposes of this subsection, qualified apprentice means an individual  
3 who is (a) represented by an organization described in section 501(c)(5)  
4 of the Internal Revenue Code of 1986, and (b) employed by a redeveloper,  
5 contractor, or subcontractor participating in a registered apprenticeship  
6 program, as defined in 26 U.S.C. 3131(e)(3)(B), if the training facility  
7 of such program is located in Nebraska.