

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

April 6, 2000

LB 925

children of "nonemployees" then you reduce the credit by the percentage of childcare provided to children of "nonemployees". That's on the operating costs side. And, lastly, if you charge your employees so it's not a totally free benefit but it's a subsidized benefit, but you get some income from your employees back for the fee that you charge them, that you agree and arrive at, those are deducted from the creditable costs to get sort of a net figure. Senator Beutler raised the question of nondiscrimination so that line workers aren't shut out while management workers are treated to preferential treatment. What we did was to take out of federal law the antidiscrimination or nondiscriminatory basis and it says that you have to use the same standards...that you have to have the legitimate standards where you are treating these situations so that, although it's possible to discriminate, you can't discriminate against the low end wage worker. If you are going to discriminate, you can only do it against the upper wage management CEOs...CEO's kids, I guess. I parrot this language but I do not make reference to Section 129 of the Federal Internal Revenue Code. This is another area of dispute between Senator Wickersham and myself. I heard that we wanted to make sure there was a nondiscriminatory basis and I've attempted to do that. For existing licensed care providers, understand they can be the recipient of a contract with an employer who is getting a credit, this should help them. It should help by putting in employer money into this marketplace which is behind in its number of slots. Secondly, if an employer wants to contract with a third party child-care provider to allow them to become accredited or expand their facility, if you have a home day-care provider and they've got a back room that they're not using for childcare and if that back room got changed and modified and you could have four more kids back there and do that, why, the employer could contract for that and take it as a credit. That should assist the home care providers who are worried about whether or not they're treated unfairly or whether or not there's anything in this bill for them. Lastly, there's a provision to sunset this after five years. If I'm wrong and this costs an arm and a leg, or if I'm wrong and there is no desire whatever to use this, we'll know this in five years. Five years is the right time line because if this was to go into effect it would be the minimum amount of time a potential applicant could use if they not only applied for and got the