

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 485

FINAL READING

Introduced by DeBoer, 10; Vargas, 7.

Read first time January 15, 2021

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to child care; to amend sections 68-1206 and
- 2 68-1724, Revised Statutes Cumulative Supplement, 2020; to change
- 3 provisions relating to child care assistance; to provide
- 4 requirements and restrictions relating to the use of funds as
- 5 prescribed; to provide for an independent evaluation; to harmonize
- 6 provisions; to provide an operative date; to repeal the original
- 7 sections; and to declare an emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-1206, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 68-1206 (1) The Department of Health and Human Services shall
4 administer the program of social services in this state. The department
5 may contract with other social agencies for the purchase of social
6 services at rates not to exceed those prevailing in the state or the cost
7 at which the department could provide those services. The statutory
8 maximum payments for the separate program of aid to dependent children
9 shall apply only to public assistance grants and shall not apply to
10 payments for social services.

11 (2)(a) As part of the provision of social services authorized by
12 section 68-1202, the department shall participate in the federal child
13 care assistance program under 42 U.S.C. 9857 et seq. 618, as such
14 ~~sections~~ section existed on January 1, 2021 ~~2013~~, and provide child care
15 assistance to families with incomes up to (i) one hundred eighty-five
16 ~~twenty-five~~ percent of the federal poverty level prior to October 1,
17 2023, or (ii) for FY2013-14 and one hundred thirty percent of the federal
18 poverty level on and after October 1, 2023 for FY2014-15 and each fiscal
19 ~~year thereafter.~~

20 (b) ~~(2)~~ 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
27 after twelve continuous months on the program and at each subsequent
28 redetermination. In determining ongoing eligibility, if a family's income
29 exceeds one hundred eighty-five percent of the federal poverty level
30 prior to October 1, 2023, or one hundred thirty percent of the federal
31 poverty level on and after October 1, 2023, the family shall receive

1 transitional child care assistance through the remainder of the family's
2 eligibility period or until the family's income exceeds eighty-five
3 percent of the state median income for a family of the same size as
4 reported by the United States Bureau of the Census, whichever occurs
5 first. When the family's eligibility period ends, the family shall
6 continue to be eligible for transitional child care assistance if the
7 family's income is below two hundred percent of the federal poverty level
8 prior to October 1, 2023, or one hundred eighty-five percent of the
9 federal poverty level on and after October 1, 2023. The family shall
10 receive transitional child care assistance through the remainder of the
11 transitional eligibility period or until the family's income exceeds
12 eighty-five percent of the state median income for a family of the same
13 size as reported by the United States Bureau of the Census, whichever
14 occurs first. The amount of such child care assistance shall be based on
15 a cost-shared plan between the recipient family and the state and shall
16 be based on a sliding-scale methodology. A recipient family may be
17 required to contribute a percentage of such family's gross income for
18 child care that is no more than the cost-sharing rates in the
19 transitional child care assistance program as of January 1, 2015, for
20 those no longer eligible for cash assistance as provided in section
21 68-1724. ~~Initial program eligibility standards shall not be impacted by~~
22 ~~the provisions of this subsection.~~

23 (c) For the period beginning July 1, 2021, through September 30,
24 2023, funds provided to the State of Nebraska pursuant to the Child Care
25 and Development Block Grant Act of 1990, 42 U.S.C. 9857 et seq., as such
26 act and sections existed on March 24, 2021, shall be used to pay the
27 costs to the state resulting from the income eligibility changes made in
28 subdivisions (2)(a) and (b) of this section by this legislative bill. If
29 the available amount of such funds is insufficient to pay such costs,
30 then funds provided to the state for the Temporary Assistance for Needy
31 Families program established in 42 U.S.C. 601 et seq. may also be used.

1 No General Funds shall be used to pay the costs to the state resulting
2 from the income eligibility changes made in subdivisions (2)(a) and (b)
3 of this section by this legislative bill for the period beginning July 1,
4 2021, through September 30, 2023.

5 (d) The Department of Health and Human Services shall collaborate
6 with a private nonprofit organization with expertise in early childhood
7 care and education for an independent evaluation of the income
8 eligibility changes made in subdivisions (2)(a) and (b) of this section
9 by this legislative bill, if private funding is made available for such
10 purpose. The evaluation shall be completed by December 15, 2023, and
11 shall be submitted electronically to the department and to the Health and
12 Human Services Committee of the Legislature.

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

27 Sec. 2. Section 68-1724, Revised Statutes Cumulative Supplement,
28 2020, is amended to read:

29 68-1724 (1) Cash assistance shall be provided for a period or
30 periods of time not to exceed a total of sixty months for recipient
31 families with children subject to the following:

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

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

6 (c) When no longer eligible to receive cash assistance, assistance
7 shall be available to reimburse work-related child care expenses even if
8 the recipient family has not achieved economic self-sufficiency. The
9 amount of such assistance shall be based on a cost-shared plan between
10 the recipient family and the state which shall provide assistance up to
11 two hundred percent of the federal poverty level prior to October 1,
12 2023, or one hundred eighty-five percent of the federal poverty level on
13 and after October 1, 2023. A recipient family may be required to
14 contribute up to twenty percent of such family's gross income for child
15 care. It is the intent of the Legislature that transitional health care
16 coverage be made available on a sliding-scale basis to individuals and
17 families with incomes up to one hundred eighty-five percent of the
18 federal poverty level if other health care coverage is not available; and
19 (d) The self-sufficiency contract shall be revised and cash
20 assistance extended when there is no job available for adult members of
21 the recipient family. It is the intent of the Legislature that available
22 job shall mean a job which results in an income of at least equal to the
23 amount of cash assistance that would have been available if receiving
24 assistance minus unearned income available to the recipient family.

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

1 residence with their parent or parents.

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

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

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

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

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

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

1 guidelines; and

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

10 Sec. 3. This act becomes operative on July 1, 2021.

11 Sec. 4. Original sections 68-1206 and 68-1724, Revised Statutes
12 Cumulative Supplement, 2020, are repealed.

13 Sec. 5. Since an emergency exists, this act takes effect when
14 passed and approved according to law.