

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 856**

Introduced by Fredrickson, 20.

Read first time January 03, 2024

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to the child care subsidy program; to amend
- 2 section 68-1206, Revised Statutes Supplement, 2023; to change
- 3 eligibility requirements; and to repeal the original section.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-1206, Revised Statutes Supplement, 2023, is  
2 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., as such sections  
14 existed on January 1, 2023, and provide child care assistance to families  
15 with incomes up to (i) one hundred eighty-five percent of the federal  
16 poverty level prior to October 1, 2026, or (ii) one hundred thirty  
17 percent of the federal poverty level on and after October 1, 2026.

18 (b)(i) ~~(b)~~ As part of the provision of social services authorized by  
19 this section and section 68-1202, the department shall participate in the  
20 federal Child Care Subsidy program. A child care provider seeking to  
21 participate in the federal Child Care Subsidy program shall comply with  
22 the criminal history record information check requirements of the Child  
23 Care Licensing Act. In determining ongoing eligibility for this program,  
24 ten percent of a household's gross earned income shall be disregarded  
25 after twelve continuous months on the program and at each subsequent  
26 redetermination. In determining ongoing eligibility, if a family's income  
27 exceeds one hundred eighty-five percent of the federal poverty level  
28 prior to October 1, 2026, or one hundred thirty percent of the federal  
29 poverty level on and after October 1, 2026, the family shall receive  
30 transitional child care assistance through the remainder of the family's  
31 eligibility period or until the family's income exceeds eighty-five

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

20 (ii)(A) A household shall have all earned and unearned income  
21 excluded from its eligibility determination if the applicant or adult  
22 household member is, (I) self-employed at a licensed child care program  
23 as described in section 71-1911, (II) employed at a licensed child care  
24 program as described in section 71-1911, (III) employed at a federal Head  
25 Start program, as described in 42 U.S.C. 9831 et seq., or (IV) employed  
26 at an Early Head Start program, as described in 42 U.S.C. 9840a;

27 (B) Verified for a minimum of twenty hours employment per week; and

28 (C) Listed in the Nebraska Early Childhood Professional Record  
29 System as described in section 71-1962.

30 (iii) Nothing in subdivision (2)(b)(ii) of this section shall  
31 preclude a household from meeting additional eligibility requirements of

1 the federal Child Care Subsidy program.

2 (c) For the period beginning July 1, 2021, through September 30,  
3 2026, funds provided to the State of Nebraska pursuant to the Child Care  
4 and Development Block Grant Act of 1990, 42 U.S.C. 9857 et seq., as such  
5 act and sections existed on January 1, 2023, shall be used to pay the  
6 costs to the state resulting from the income eligibility changes made in  
7 subdivisions (2)(a) and (b) of this section by Laws 2021, LB485. If the  
8 available amount of such funds is insufficient to pay such costs, then  
9 funds provided to the state for the Temporary Assistance for Needy  
10 Families program established in 42 U.S.C. 601 et seq. may also be used.  
11 No General Funds shall be used to pay the costs to the state, other than  
12 administration costs, resulting from the income eligibility changes made  
13 in subdivisions (2)(a) and (b) of this section by Laws 2021, LB485, for  
14 the period beginning July 1, 2021, through September 30, 2026.

15 (d) The Department of Health and Human Services shall collaborate  
16 with a private nonprofit organization with expertise in early childhood  
17 care and education for an independent evaluation of the income  
18 eligibility changes made in subdivisions (2)(a) and (b) of this section  
19 by Laws 2021, LB485, if private funding is made available for such  
20 purpose. The evaluation shall be completed by July 1, 2024, and shall be  
21 submitted electronically to the department and to the Health and Human  
22 Services Committee of the Legislature.

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

1 including disabilities or technological dependence, or for other  
2 individual categories of children. The schedule may also provide tiered  
3 rates based upon a quality scale rating of step three or higher under the  
4 Step Up to Quality Child Care Act. The schedule shall be effective on  
5 October 1 of every year and shall be revised annually by the department.

6       Sec. 2. Original section 68-1206, Revised Statutes Supplement,  
7 2023, is repealed.