

AMENDMENTS TO LB856  
(Amendments to AM2544)

Introduced by Fredrickson, 20.

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           Section 1. Section 68-1206, Revised Statutes Supplement, 2023, is  
4 amended to read:

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

13           (2)(a) As part of the provision of social services authorized by  
14 section 68-1202, the department shall participate in the federal child  
15 care assistance program under 42 U.S.C. 9857 et seq., as such sections  
16 existed on January 1, 2023, and provide child care assistance to families  
17 with incomes up to (i) one hundred eighty-five percent of the federal  
18 poverty level prior to October 1, 2026, or (ii) one hundred thirty  
19 percent of the federal poverty level on and after October 1, 2026.

20           **(b)(i)** ~~(b)~~ 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

1 after twelve continuous months on the program and at each subsequent  
2 redetermination. In determining ongoing eligibility, if a family's income  
3 exceeds one hundred eighty-five percent of the federal poverty level  
4 prior to October 1, 2026, or one hundred thirty percent of the federal  
5 poverty level on and after October 1, 2026, the family shall receive  
6 transitional child care assistance through the remainder of the family's  
7 eligibility period or until the family's income exceeds eighty-five  
8 percent of the state median income for a family of the same size as  
9 reported by the United States Bureau of the Census, whichever occurs  
10 first. When the family's eligibility period ends, the family shall  
11 continue to be eligible for transitional child care assistance if the  
12 family's income is below two hundred percent of the federal poverty level  
13 prior to October 1, 2026, or one hundred eighty-five percent of the  
14 federal poverty level on and after October 1, 2026. The family shall  
15 receive transitional child care assistance through the remainder of the  
16 transitional eligibility period or until the family's income exceeds  
17 eighty-five percent of the state median income for a family of the same  
18 size as reported by the United States Bureau of the Census, whichever  
19 occurs first. The amount of such child care assistance shall be based on  
20 a cost-shared plan between the recipient family and the state and shall  
21 be based on a sliding-scale methodology. A recipient family may be  
22 required to contribute a percentage of such family's gross income for  
23 child care that is no more than the cost-sharing rates in the  
24 transitional child care assistance program as of January 1, 2015, for  
25 those no longer eligible for cash assistance as provided in section  
26 68-1724.

27 (ii) A household shall have all earned and unearned income excluded  
28 from its eligibility determination if the applicant or adult household  
29 member is:

30 (A)(I) Self-employed at a licensed child care program as described  
31 in section 71-1911, (II) employed at a licensed child care program as

1 described in section 71-1911, (III) employed at a federal Head Start  
2 program, as described in 42 U.S.C. 9831 et seq., or (IV) employed at an  
3 Early Head Start program, as described in 42 U.S.C. 9840a;

4 (B) Verified for a minimum of thirty hours of employment per week;  
5 and

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

8 (iii) Child care programs with an eligible household described in  
9 subdivision (2)(b)(ii)(A)(II) or (2)(b)(ii)(A)(III) of this section shall  
10 make reasonable accommodations so that the eligible applicant or adult  
11 household member is not a primary caregiver to such applicant's or adult  
12 household member's child. If reasonable accommodation cannot be made, the  
13 department shall allow the applicant or adult household member to receive  
14 child care assistance for the applicant's or adult household member's  
15 child including when the applicant or adult household member is the  
16 primary caregiver for such child.

17 (iv) An eligible household described in subdivision (2)(b)(ii)(A)(I)  
18 of this section may enroll the household member's child in a child care  
19 program other than the household member's child care program to receive  
20 child care assistance.

21 (v) Nothing in subdivision (2)(b)(ii) of this section shall preclude  
22 a household from meeting additional eligibility requirements of the  
23 federal Child Care Subsidy program.

24 (vi) The department shall submit a report electronically to the  
25 Legislature on December 1 of each year that includes the monthly number  
26 of enrolled children and households by county and program type for  
27 households eligible pursuant to subdivision (2)(b)(ii) of this section.

28 (vii) No more than ten million dollars shall be spent annually for  
29 enrolled children under subdivisions (2)(b)(ii) through (vi) of this  
30 section.

31 (viii) The department shall provide for eligibility under

1 subdivisions (2)(b)(ii) through (vi) of this section on a first-come,  
2 first-served basis and may limit eligibility once funds have been  
3 obligated for currently enrolled households through the remainder of the  
4 household's eligibility period. If all funds are obligated, the  
5 department shall maintain a wait list and when funds become available,  
6 the department shall distribute such funds in the same manner as  
7 specified in this subdivision.

8 (ix) Subdivisions (2)(b)(ii) through (ix) of this section shall  
9 terminate effective October 1, 2026.

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

23 (d) The Department of Health and Human Services shall collaborate  
24 with a private nonprofit organization with expertise in early childhood  
25 care and education for an independent evaluation of the income  
26 eligibility changes made in subdivisions (2)(a) and (b) of this section  
27 by Laws 2021, LB485, if private funding is made available for such  
28 purpose. The evaluation shall be completed by July 1, 2024, and shall be  
29 submitted electronically to the department and to the Health and Human  
30 Services Committee of the Legislature.

31 (3) In determining the rate or rates to be paid by the department

1 for child care as defined in section 43-2605, the department shall adopt  
2 a fixed-rate schedule for the state or a fixed-rate schedule for an area  
3 of the state applicable to each child care program category of provider  
4 as defined in section 71-1910 which may claim reimbursement for services  
5 provided by the federal Child Care Subsidy program, except that the  
6 department shall not pay a rate higher than that charged by an individual  
7 provider to that provider's private clients. The schedule may provide  
8 separate rates for care for infants, for children with special needs,  
9 including disabilities or technological dependence, or for other  
10 individual categories of children. The schedule may also provide tiered  
11 rates based upon a quality scale rating of step three or higher under the  
12 Step Up to Quality Child Care Act. The schedule shall be effective on  
13 October 1 of every year and shall be revised annually by the department.

14 Sec. 2. Original section 68-1206, Revised Statutes Supplement,  
15 2023, is repealed.