



# 2019 Early Childhood Policy Highlights

106<sup>th</sup> NEBRASKA LEGISLATURE ♦ FIRST SESSION

The first session of the 106th Legislature adjourned *sine die* May 31. Senators introduced 739 new bills and seven Constitutional amendments during the 90-day session, and passed a biennium budget as required by law.

Two issues—comprehensive property tax relief and a new business development/tax incentive program to replace the Nebraska Advantage Act—quickly emerged as priorities among a large contingent of senators. They were unable to reach a consensus on a property tax relief plan or a new business development program and adjourned six days early.

Despite these setbacks, 294 bills were passed into law and a balanced budget, which includes \$550 million for the Property Tax Credit Relief Fund, was signed by Governor Ricketts. Any bill that was not passed into law or indefinitely postponed will be carried over to the 2020 legislative session. This summer, senators will work to reach a consensus on contentious issues and will explore new legislative opportunities through interim studies.

Last year, Governor Ricketts introduced across-the-board cuts to state agencies to balance the budget, including cuts to early childhood programs. This year, the Nebraska Department of Education (NDE) requested those funding cuts be fully restored. The Appropriations Committee agreed and included that request in their budget recommendation. The Governor signed the mainline budget bill into law May 27, restoring early childhood budget cuts to programs that flow through NDE. These programs include Sixpence (Early Childhood Endowment), the Early Childhood Grant Program and Step Up to Quality child care scholarships and bonuses.

Every year, First Five Nebraska identifies legislation with the potential to impact quality early learning in our state. The “Legislation to Watch” list for the 2019 legislative session, along with other early childhood bills, are on our website’s Nebraska Legislation page.

Thirteen new senators were sworn in this year: John Arch (Dist. 14), Tom Brandt (Dist. 32), Machaela Cavanaugh (Dist. 6), Wendy DeBoer (Dist. 10), Myron Dorn (Dist. 30), Tim Gragert (Dist. 40), Ben Hansen (Dist. 16), Megan Hunt (Dist. 8), Andrew La Grone (Dist. 49), Steve Lathrop (Dist. 12), Mike Moser (Dist. 22), Dave Murman (Dist. 38) and Julie Slama (Dist. 1).

As always, First Five Nebraska will continue to promote sound, fiscally responsible policies that promote quality early learning experiences for children in Nebraska. Be sure to visit our website throughout the summer for updates on interim studies and early childhood news.

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## LB66: Early Childhood Assessment in Comprehensive Plans

LB66 was introduced by Senator Matt Hansen and would require municipalities to assess their current early childhood needs and gaps as part of their comprehensive plans.

First Five Nebraska testified in support of this bill at its public hearing, stressing the importance of child care and early learning programs for our current and future workforce needs. LB66 was voted out of the Urban Affairs Committee and advanced to General File. Unfortunately, it failed during the first round of debate. Several opponents argued LB66 was an unfunded, unnecessary mandate for cities.

■ [First Five Nebraska's written testimony on LB66](#)

## LB160 Local Economic Development Funds for Early Childhood Infrastructure

LB160 was introduced by Senator Dan Quick and would allow communities to direct some of their Local Option Municipal Economic Development Funds (LB840) to develop or expand quality early childhood programs.

A public hearing for LB160 was held January 29, and First Five Nebraska testified in support of the bill. It was voted out of committee and advanced to General File. During floor debate, some legislators voiced concerns that this bill would exclude some child care providers from receiving the funds. An amendment was introduced on General File that removed the definition of quality in the bill. The amendment was adopted, and the bill passed Final Reading on a 36-7-2 vote. LB160 was approved by Governor Ricketts on March 21.

■ [First Five Nebraska's written testimony on LB160](#)

## LB266: School Readiness Tax Credit Changes

LB266 was introduced by Senator Brett Lindstrom and is a clean-up bill that would fix eligibility issues with the School Readiness Tax Credit. Currently, self-employed child care providers are ineligible for the refundable tax credit and child care programs classified as an S Corp are ineligible for the nonrefundable tax credit.

First Five Nebraska worked with Senator Lindstrom on this legislation and testified in support at the hearing.

LB266 was voted out of the Revenue Committee and placed on General File. Unfortunately, the bill was

not prioritized by a senator or committee, and it was not debated this session. It will carry over to the 2020 legislative session, and First Five Nebraska looks forward to continuing to work with Senator Lindstrom to pass this bill and help offset some of the costs for child care employees and providers.

■ [First Five Nebraska's written testimony on LB266](#)

## LB294: Mainline Budget Bill

LB294, the mainline budget bill, was introduced by Speaker Jim Scheer at the request of the Governor.

The balanced budget provides funding for several important programs. In addition to a \$51 million increase in the Property Tax Credit Relief Fund (to bring the total to \$550 million), the budget also provides funding for Medicaid expansion, increased rates paid to health care, child welfare and other providers, provides for expansion of correctional facilities and delivers funding to the University of Nebraska system.

After much debate regarding government spending, the bill passed on Final Reading with the emergency clause on a vote of 35-12-2. LB294 was approved by the Governor on May 30.

## LB341: Transitional Child Care Assistance

LB341 was introduced by Senator John Arch and would remove the 24-month maximum for transitional child care assistance and change the income level at which parents lose transitional child care within an eligibility year from 185% federal poverty level (FPL) to 85% state median income (SMI). At the end of an eligibility period, the family would remain eligible for transitional child care if their income is below 185% FPL.

First Five Nebraska testified in support of LB341 at its public hearing. It was amended into LB460, which passed Final Reading on a 48-0-0 vote. The bill was approved by the Governor on May 30.

■ [First Five Nebraska's written testimony on LB341](#)

## LB459: Background Checks for Child Care Employees

LB459 was introduced by the Health and Human Services Committee. It would require a person applying to be a licensed child care provider to undergo a national criminal history record information check for themselves and each child care staff member and prospective child care staff member at the applicant's expense. Each child care staff

member would need to undergo a national criminal history record information check not less than once during a five-year period and submit a complete set of fingerprints to the Nebraska State Patrol.

A public hearing for LB459 was held February 8, and First Five Nebraska testified in support. As part of the 2014 reauthorization of the federal Child Care and Development Block Grant, all licensed child care providers must undergo FBI fingerprint background checks. States that fail to comply with this portion of the reauthorization would incur a 5% penalty, which for Nebraska, would be \$2.5 million.

LB459 was amended into LB460 which passed on Final Reading on a vote of 48-0-0. The bill was approved by the Governor on May 30. First Five Nebraska would like to thank Senator Sara Howard and members and staff of the Health and Human Services Committee for their tireless efforts to ensure Nebraska does not lose millions of dollars for being out of compliance with federal regulations.

■ [First Five Nebraska's written testimony on LB459](#)

### **LB564: Changes to the Civic and Community Center Financing Act**

LB564 was introduced by Senator Kate Bolz and would revise the definition of facilities eligible to receive funding under the Civic and Community Center Financing Act.

The Civic and Community Center Financing Act is an economic development tool designed to provide state grants to develop civic, community and recreation centers. The grants are administered by the Nebraska Department of Economic Development and are awarded to projects that encourage and foster quality of life and growth within our communities.

Under the proposed changes in LB564, facilities that offer services for child care, senior centers or business incubators, for example, that encourage maintenance or growth of communities, could be eligible to receive grant funding under the Civic and Community Center Financing Act.

LB564 was placed on Consent Calendar and passed on Final Reading on a 43-0-4 vote. The bill was approved by the Governor on May 29.

■ [First Five Nebraska's blog post on LB564](#)

### **LB590: Using Nebraska Early Childhood Professional Record System (NECPRS) to Report Training**

LB590 was introduced by Senator Tom Briese and would require all Nebraska Department of Health and Human Services (DHHS) child care licensing staff to use the Nebraska Early Childhood Professional Record System (NECPRS) to verify training levels for licensed child care providers. Licensed child care programs would maintain provider profiles and employees would report credentials and training levels in NECPRS.

At the public hearing for LB590, a Health and Human Services Committee amendment was introduced at the request of Senator Briese that removed the requirement that all licensed child care programs and employees maintain profiles on NECPRS. First Five Nebraska worked with Senator Briese on this legislation and testified in support of the bill at the hearing.

LB590 passed on Final Reading on a vote of 48-0-1 and was approved by the Governor on April 17. First Five Nebraska would like to thank Senator Briese and his staff for their hard work in support of streamlining Nebraska's early childhood record system.

■ [First Five Nebraska's written testimony on LB590](#)

### **LB720: ImagiNE Nebraska Act**

LB720 was introduced by Senator Mark Kolterman and is a replacement for the existing Nebraska Advantage Act. LB720 is a new and modernized business development/tax incentive program.

The bill provides more flexibility for employers and would allow them to supplement an employee's child care expenses if that would help attract and retain employees.

First Five Nebraska submitted a letter of support at a March 6 public hearing for LB720. It was voted out of the Revenue Committee and prioritized by Senator Kolterman. Unfortunately, the bill failed to advance past General File. This summer, senators will work together with a goal of finding common ground to advance a new business development/tax incentive program next session.

■ [First Five Nebraska's letter of support for LB720](#)