

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 35

Introduced by DeBoer, 10.

Read first time January 05, 2023

Committee:

- 1 A BILL FOR AN ACT relating to child care; to amend sections 68-1206 and
- 2 68-1724, Revised Statutes Cumulative Supplement, 2022; to adopt
- 3 changes to federal law; to extend the applicability of criteria for
- 4 eligibility for assistance; to harmonize provisions; and to repeal
- 5 the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 68-1206, Revised Statutes Cumulative Supplement,
2 2022, 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., as such sections
14 existed on January 1, 2023 ~~2021~~, and provide child care assistance to
15 families with incomes up to (i) one hundred eighty-five percent of the
16 federal poverty level prior to October 1, 2026 ~~2023~~, or (ii) one hundred
17 thirty percent of the federal poverty level on and after October 1, 2026
18 ~~2023~~.

19 (b) As part of the provision of social services authorized by this
20 section and section 68-1202, the department shall participate in the
21 federal Child Care Subsidy program. A child care provider seeking to
22 participate in the federal Child Care Subsidy program shall comply with
23 the criminal history record information check requirements of the Child
24 Care Licensing Act. In determining ongoing eligibility for this program,
25 ten percent of a household's gross earned income shall be disregarded
26 after twelve continuous months on the program and at each subsequent
27 redetermination. In determining ongoing eligibility, if a family's income
28 exceeds one hundred eighty-five percent of the federal poverty level
29 prior to October 1, 2026 ~~2023~~, or one hundred thirty percent of the
30 federal poverty level on and after October 1, 2026 ~~2023~~, the family shall
31 receive transitional child care assistance through the remainder of the

1 family's eligibility period or until the family's income exceeds eighty-
2 five percent of the state median income for a family of the same size as
3 reported by the United States Bureau of the Census, whichever occurs
4 first. When the family's eligibility period ends, the family shall
5 continue to be eligible for transitional child care assistance if the
6 family's income is below two hundred percent of the federal poverty level
7 prior to October 1, 2026 ~~2023~~, or one hundred eighty-five percent of the
8 federal poverty level on and after October 1, 2026 ~~2023~~. The family shall
9 receive transitional child care assistance through the remainder of the
10 transitional eligibility period or until the family's income exceeds
11 eighty-five percent of the state median income for a family of the same
12 size as reported by the United States Bureau of the Census, whichever
13 occurs first. The amount of such child care assistance shall be based on
14 a cost-shared plan between the recipient family and the state and shall
15 be based on a sliding-scale methodology. A recipient family may be
16 required to contribute a percentage of such family's gross income for
17 child care that is no more than the cost-sharing rates in the
18 transitional child care assistance program as of January 1, 2015, for
19 those no longer eligible for cash assistance as provided in section
20 68-1724.

21 (c) For the period beginning July 1, 2021, through September 30,
22 2026 ~~2023~~, funds provided to the State of Nebraska pursuant to the Child
23 Care and Development Block Grant Act of 1990, 42 U.S.C. 9857 et seq., as
24 such act and sections existed on January 1, 2023 ~~March 24, 2021~~, shall be
25 used to pay the costs to the state resulting from the income eligibility
26 changes made in subdivisions (2)(a) and (b) of this section by Laws 2021,
27 LB485. If the available amount of such funds is insufficient to pay such
28 costs, then funds provided to the state for the Temporary Assistance for
29 Needy Families program established in 42 U.S.C. 601 et seq. may also be
30 used. No General Funds shall be used to pay the costs to the state
31 resulting from the income eligibility changes made in subdivisions (2)(a)

1 and (b) of this section by Laws 2021, LB485, for the period beginning
2 July 1, 2021, through September 30, 2026 ~~2023~~.

3 (d) The Department of Health and Human Services shall collaborate
4 with a private nonprofit organization with expertise in early childhood
5 care and education for an independent evaluation of the income
6 eligibility changes made in subdivisions (2)(a) and (b) of this section
7 by Laws 2021, LB485, if private funding is made available for such
8 purpose. The evaluation shall be completed by July 1, 2024 ~~December 15,~~
9 ~~2023~~, and shall be submitted electronically to the department and to the
10 Health and Human Services Committee of the Legislature.

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

25 Sec. 2. Section 68-1724, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 68-1724 (1) Cash assistance shall be provided for a period or
28 periods of time not to exceed a total of sixty months for recipient
29 families with children subject to the following:

30 (a) If the state fails to meet the specific terms of the self-
31 sufficiency contract developed under section 68-1719, the sixty-month

1 time limit established in this section shall be extended;

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

4 (c) When no longer eligible to receive cash assistance, assistance
5 shall be available to reimburse work-related child care expenses even if
6 the recipient family has not achieved economic self-sufficiency. The
7 amount of such assistance shall be based on a cost-shared plan between
8 the recipient family and the state which shall provide assistance up to
9 two hundred percent of the federal poverty level prior to October 1, 2026
10 ~~2023~~, or one hundred eighty-five percent of the federal poverty level on
11 and after October 1, 2026 ~~2023~~. A recipient family may be required to
12 contribute up to twenty percent of such family's gross income for child
13 care. It is the intent of the Legislature that transitional health care
14 coverage be made available on a sliding-scale basis to individuals and
15 families with incomes up to one hundred eighty-five percent of the
16 federal poverty level if other health care coverage is not available; and

17 (d) The self-sufficiency contract shall be revised and cash
18 assistance extended when there is no job available for adult members of
19 the recipient family. It is the intent of the Legislature that available
20 job shall mean a job which results in an income of at least equal to the
21 amount of cash assistance that would have been available if receiving
22 assistance minus unearned income available to the recipient family.

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

31 (2) Cash assistance conditions under the Welfare Reform Act shall be

1 as follows:

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

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

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

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

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

31 (f) For adults who are not biological or adoptive parents or

1 stepparents of the child or children in the family, if assistance is
2 requested for the entire family, including the adults, a self-sufficiency
3 contract shall be entered into as provided in section 68-1719. If
4 assistance is requested for only the child or children in such a family,
5 such children shall be eligible after consideration of the family's
6 income and if (i) the family cooperates in pursuing child support and
7 (ii) the minor children of the family regularly attend school.

8 Sec. 3. Original sections 68-1206 and 68-1724, Revised Statutes
9 Cumulative Supplement, 2022, are repealed.