



February 26, 2015

The Honorable Kathy Campbell
Health and Human Services Committee
Nebraska Unicameral Legislature

RE: LB547

Madame Chair, Vice Chair Howard, and Members of the Health and Human Services Committee,

Thank you for the opportunity to testify this afternoon, and for your attention to LB547.

LB 547 provides funds for locally-designed and family-friendly approaches to eliminating the achievement gap in Nebraska's youngest learners by encouraging partnerships between private child care providers and school districts. LB547 accomplishes this by funding grants created by LB489 (introduced this session by Senator Kate Sullivan and referred to the Education Committee).

LB 547 allocates **federal** Child Care and Development Block Grant (CCDBG) funds to the Early Childhood Education Endowment Cash Fund (commonly known as Sixpence) to support local early childhood partnerships that include private child care providers. The CCDBG previously required states to spend a minimum of 4% of their federal CCDBG funds on efforts that improve the quality of licensed child care. However, CCDBG reauthorization in November 2014 took another step toward improving the quality of child care by raising the minimum 4% to 7% in FY15-16 and 16-17, to 8% in FY17-18 and 18-19, and 9% in FY19-20 and subsequent years. Also included in CCDBG reauthorization was a new requirement that states spend a minimum of 3% of their **federal** CCDBG funds to improve the quality of care for infants and toddlers. LB 547 allocates only the *increased* quality requirement (3% in FY15-16, 4% in FY17-18, and 5% in FY19-20) and the new 3% requirement for the improvement of infant/toddler care to the Early Childhood Education Endowment Cash Fund (Sixpence) for early childhood grants involving child care providers. **LB547 does NOT take funds away from any program, entity, or investment that received CCDBG quality funds under the previous 4% requirement.** Those investments remain intact.

The grants funded by LB547 are made allowable through LB489 (Sullivan). Grant funds would go to school districts and their child care partners to provide high quality child care for low income families. This allows child care providers access to Sixpence funds, as well as other resources the school district brings to the partnership. Schools benefit because they can rely on private child care to provide the quality environments that close the achievement gap. This means schools don't have to renovate or add new space in their buildings to operate new or expanded early childhood programs to meet the needs of the growing number of young children at risk. Families benefit by having access to quality child care programs that operate during hours that meet the needs of their schedule – something essentially impossible for schools to do. Children benefit because they are

in the hands of capable child care providers who offer the kinds of environments and experiences that nurture their healthy growth and development. These Sixpence grants authorized by LB489 and funded by LB547 begin to bring together education and child care in a collaborative and mutually beneficial way for the benefit of children at risk and their families.

First Five Nebraska has had numerous conversations with interested parties, including school districts and child care providers, about this concept and their willingness to collaborate together. To date, not one individual, entity, or association has expressed any concerns or reservations about what these Sixpence grants will do. To the contrary, all parties have been enthusiastically supportive. However, some questions have arisen about the *source of the funds* allocated in LB547. Those concerns – and our response to each – are highlighted below.

1. Without LB547, these new quality funds would be spent solely at the discretion of HHS? Shouldn't HHS spend these funds how they see fit?

FFN response: The current IV-E child welfare budget disaster is an example of how HHS is having difficulties with their own budget. We should not leave these limited funds (that must be spent on quality) to the discretion of HHS. In the past, HHS has spent "quality set aside funds" on staffing and programming that does not improve quality or help close the achievement gap for at-risk children. These funds are very limited and need to be spent wisely. We already know Sixpence works. Further, allocating the funds to Sixpence does not entirely remove HHS out of the picture, as the CEO of HHS sits on the 6-member Governor appointed board (along with the Commissioner of Education and representatives of the private investors). That Board decides together how Sixpence funds will be spent, so HHS would have to make those decisions with NDE and the private sector.

2. There are other child care subsidy efforts that need funds, too. Why wouldn't we use some of these funds for:

- a. 12 month continuous eligibility?

FFN response: This is not an allowable use of quality funds under CCDBG Reauthorization

- b. "De-linking" subsidy reimbursement from attendance (pay by enrollment, not attendance)?

FFN response: This is not an allowable use of quality funds under CCDBG Reauthorization unless it was used as an incentive for quality providers in the Step Up to Quality system. This type of policy change across the board (to all providers) is not an allowable use of quality funds under CCDBG Reauthorization.

- c. Inspecting license-exempt providers?

FFN response: While this is an allowable use of quality funds, this will not encourage child care providers to improve the level of care they provide or help close the achievement gap for at-risk children in any way. This is not a wise use of very limited quality funds. We get a much better return on our investment by investing the funds in Sixpence.

- d. Creating a website regarding inspection results for license-exempt providers?

FFN response: While this is an allowable use of quality funds, this will not encourage child care providers to improve the level of care they provide or help close the achievement gap for at-risk children in any way. This is not a wise use of very limited quality funds. We get a much better return on our investment by investing the funds in Sixpence.

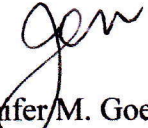
You may be wondering why we should invest these dollars in Sixpence. How do we know that Sixpence is the right approach? The 2013-14 outcomes (as well as outcomes from previous years) achieved by Sixpence programs are a powerful indicator that this approach is the right one. Every year, Sixpence measures the development of the children and families that participate in its programs. The independent evaluation can be found at <http://www.singasongofsixpence.org/results.html>. The following features of the Sixpence model contribute to its strong performance.

1. Sixpence is a public-private partnership. The private sector brings additional resources, expertise, and a high level of accountability to the model.
2. The 6 member Governor-appointed Board of Trustees is also public-private. The Board is made up of the CEO of Health and Human Services (or his/her designee), the Commissioner of Education (or his/her designee), 2 individuals representing the private investors, and 2 early childhood specialists (one from an urban area with a high concentration of poverty, and one from a rural area with a high concentration of poverty). This Board brings not only the public and private sectors together, but also brings HHS and NDE to the same table to address needs collaboratively.
3. Sixpence efforts are locally designed, and each local Sixpence program looks quite different. Services are tailored by the local partners.
4. Sixpence reaches communities and school districts that are both equalized and non-equalized. Sixpence funds will not reduce the amount of state aid schools receive.

Senators, the funding allocated through LB547 is not enough to meet the needs of children at risk across the state. We need more investments in quality early childhood opportunities (and not just in Sixpence) for children and families all across the state. Without more investments, we will not be able to stem the growing tide of increased budgetary pressures on many of our systems (education, behavioral health, corrections, public assistance). However, we understand the difficult budget dynamics this year. You and your colleagues are trying to balance school funding and property taxes; address the Corrections problems; and the list goes on. We understand early childhood is not the only important issue before you, but we also know that early childhood is a big piece of an effective, long-term solution.

We have the opportunity to use a small amount of federal funds in a way that we know will work. First Five Nebraska urges you to advance LB547 and make some dollars available for these child care / school district partnerships.

Thank you,


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