



Child Care in Nebraska

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The Demand

In Nebraska, approximately 88 percent of all parents are in the workforce, which means a majority of our children are in someone else's care during the day.¹ Additionally, Nebraska consistently ranks among the top 5 states of the highest number of mothers with children ages 0-5 in the workforce. Over 17 percent of families with children under the age of five live in poverty.¹

Child Care Is A Major Expense for Families

In these tough economic times, working families depend on child care to get and keep a job. Over 110,000 children under age 6 potentially need child care in Nebraska. The average cost of full time care for an infant in Nebraska is \$7,639 per year and \$5,881 per year for a home based child care environment.² This is comparable to one year of public college tuition, \$6,394.² Double income families are spending approximately 10 percent of their income on child care, while single mothers generally spend about 32 percent of their income annually.

Parents Want Quality Care

The first five years of a child's life are a critical time of growth and development. Parents know that the person who cares for their child many hours a week makes a difference in their child's life and well-being. In a nationwide survey,³ parents listed quality as their number one concern for childcare followed by affordability.

Research shows that children's brains are growing most quickly during the first years of life and their experiences during these critical early years lay the foundation for the rest of their lives. As a result, child care affects the way that children think, learn and behave. Studies repeatedly show that quality child care helps children enter school ready to learn and has an even greater impact on children from families that earn low incomes. Also, poor-quality care – which is often not stimulating, uncaring and even unsafe – deprives children of the strong start they need.

The quality of care has a lasting impact. The National Institute of Child Health and Human Development released a report in 2010 that found that high-quality child care leads to more positive outcomes even during the teenage years. Children with high-quality child care experiences in the first few years of life scored higher in academic and cognitive achievement when they were 15 years old and were less likely to misbehave than those who were enrolled in lower quality child care. Even 10 years after children left child care, experiences in quality settings were still linked to higher academic achievement.

Signs of High Quality Early Child Care Environments

Attentive, Responsive Child and Family Engagement

- Caregivers show affection, make eye contact, and speak directly to children with an encouraging tone.
- Caregivers soothe and support children when they are frustrated or challenged, and help them identify their feelings.
- Caregivers and families exchange information about children's development and learning progress.

Safe, Healthy, and Child-Friendly Environments

- Sufficient, age-appropriate materials and toys are accessible, organized, and inviting.
- Safe play spaces invite exploration and nurture curiosity.
- TV and video are not used to occupy children.

Quality Caregiver Policies

- Caregivers have access to, and regularly participate in professional development or training opportunities.
- Caregivers identify and follow a cohesive, developmentally-appropriate curriculum.
- Caregivers define, communicate and adhere to clearly-stated policies.

Public Dollars and Quality Care

Child Care Subsidy

Publicly funded child care, often referred to as the child care subsidy, provides eligible low-income working families a voucher-like assistance program to subsidize their child care costs while parents are working.

As of June 2012, the child care subsidy served approximately 43,000 children across the state.⁴ At least 66 percent of all children receiving the subsidy are ages 0-5.

There are approximately \$95 million in public dollars spent on subsidized child care in Nebraska each year. Of this, approximately \$40 million are federal funds, and \$52 million are state funds.

Public funds currently spent to serve over 43,000 children at-risk require basic health and safety standards, but there is no minimum standard for child development. Currently we do not require these public dollars to go to quality care found to reduce the achievement gap for children at risk of failing in school.

Children utilizing the child care subsidy are often the same children who arrive at school 1-2 years developmentally behind their peers, and never catch up. Without a child development standard of accountability, Nebraska pays twice – subsidizing both early environments in the child care subsidy and also paying for remediation and special education in the K-12 years when students arrive at kindergarten behind.

Options for Policymakers

State legislators have a great amount of flexibility when it comes to tailoring the child care subsidy program. Issues to consider:

Accountability

Accountability is often added to the child care subsidy to ensure that the most at-risk children are receiving quality care from public dollars. Quality Rating Improvement Systems (QRIS) have been implemented in 19 states as a way to bring accountability to the child care system. An accountability system awards quality ratings to early learning programs that meet a set of defined program standards. These systems also create pathways for child care providers to increase professionalism and improve business practices. During the 2013 legislative session, LB 507 was introduced in Nebraska to adopt the Step Up to Quality Child Care Act, which introduces quality to the child care subsidy by requiring providers receiving large amounts of public dollars to participate in a quality rating system.

Eligibility

Eligibility levels can be determined by states as well. Currently, Nebraska has the lowest income eligibility limits of all 50 states and the District of Columbia at 120 percent of the federal poverty line (\$28,260 for a family of 4). A low income eligibility level can discourage parents to accept a second job or accept a pay raise due to the threat of losing child care.

Reimbursement to Providers

Reimbursement to providers is currently paid hourly or daily depending upon the age of the child. It also only pays providers for the days that children are there, so if a child is sick three days out of one week, the provider can only bill for two days, making it more difficult for providers to take the subsidy. Updating the pay for the subsidy to weekly or monthly would better reflect today's child care world and attract more providers from the private market.

References

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