



LB351: Revising Step Up to Quality to promote quality, capacity

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Step Up to Quality puts child care providers on a path of quality improvement and business growth.

LB351 removes unnecessary barriers to empower early childhood providers and educators to expand their businesses and increase capacity for Nebraska's youngest children.

These measures are a win-win for Nebraska businesses, working parents and young children.

Key Points

- ▶ Step Up to Quality (SUTQ), Nebraska's early childhood quality rating and improvement system, helps child care providers and educators recognize and improve quality, aids parents searching for child care and provides accountability for stakeholders.
- ▶ Providers and educators participating in Step Up to Quality demonstrate a commitment to providing quality care for Nebraska's children. Programs seeking to increase their capacity may be required to change their license type.
- ▶ LB351 allows licensed child care providers in good standing to keep their Step Up to Quality rating if they change license type. This enables providers to grow their businesses and increase available child care slots.
- ▶ Prior to the pandemic, Nebraska already had a shortage of quality child care capacity. LB351 removes one potential barrier to growth for quality child care programs and businesses.

Background

High-quality early child care and learning environments set the stage for a lifetime of ongoing learning, good health and productivity. Step Up to Quality, a quality rating and improvement system administered by the Nebraska Department of Education, was established in 2014 to support and incentivize providers and educators committed to providing quality care for Nebraska children.

Even before the pandemic forced early childhood programs to close, at least temporarily, 91 percent of Nebraska counties did not have enough child care slots to meet demand. Inadequate access to child care has wide-ranging impacts on Nebraska's economy and quality of life.

If parents don't have access to care, they may be forced to reduce their hours at work or even quit their jobs, resulting in reduced household income. This also means less productivity and profit for Nebraska businesses, and reduced state tax revenue. In fact, gaps in child care cost Nebraskans about \$745 million annually in direct losses, and up to \$1.4 billion when combined with indirect economic losses, according to First Five Nebraska's report *The Bottom Line*, available at FirstFiveNebraska.org.

LB351 seeks to remove one potential barrier to growth for child care programs by allowing Step Up to Quality participants to retain their ratings if they change their license type.

LB351: SUTQ revisions to promote business growth and increased capacity

The Step Up to Quality program supports early childhood providers and educators seeking to understand and increase quality. Enrolled programs receive specialized training, access to resources and financial incentives to help them move along the path of continuous improvement. Programs move up the path, from Step 1 to Step 5, by reaching established milestones.

Early childhood programs that achieve a rating of Step 1 or higher should be supported in their efforts to continually improve. Providers looking to grow their businesses and increase the number of children they serve may need to change license type. LB351 seeks to remove barriers to growth by allowing programs to retain their Step Up to Quality rating if their license type changes.

For example, providers licensed as Family Child Care Home I programs can serve 4-8 children. They can increase capacity to 12 children by becoming licensed as Family Child Care Home II providers. When applying for a new license type, providers are given a provisional license valid for one year. Under the current statute, they are listed at Step 1 for the duration of their provisional license, even if they were rated higher under their previous license.

LB351 seeks to allow child care providers to retain their rating in Step Up to Quality when acquiring a new license type, which removes one potential barrier of growth for quality providers who are seeking opportunities to grow their businesses and provide quality early childhood care and education.

Supporting businesses and families

Nebraska has a shortage of quality early child care and education slots across the state, and the pandemic has only made it worse. Since the onset of COVID-19, nearly half of the state's licensed child care programs have temporarily suspended operations at some point. At least 63 remain permanently closed.

Passage of LB351 will encourage more providers to expand their capacity and grow their businesses. As Nebraska looks toward economic recovery, having enough child care capacity is crucial for parents returning to the workforce. A robust child care infrastructure also impacts businesses seeking to recruit and retain talent.

In 2019, nine Family Child Care Home I providers changed their license types to Family Child Care Home II. In addition, six Family Child Care Home II providers expanded to child care centers. Encouraging this type of growth by removing unnecessary barriers increases the state's early childhood infrastructure and supports the productivity of Nebraska families and businesses.

School readiness, future productivity

From birth to age 3, a child's brain undergoes explosive growth influenced by positive early experiences, interactions and environments. Research shows that children who experience quality child care are more likely to attain higher levels of education and earning potential as adults, exhibit more positive social behaviors and have fewer chronic health problems.

Fewer barriers, increased growth

Passage of LB351 will remove unnecessary barriers and make it easier for providers to expand their businesses and serve more children. In the short-term this will alleviate gaps in child care availability exacerbated by the pandemic, help parents return to work and improve productivity for businesses. In the long-term, it will help ensure more Nebraska children have access to quality early childhood programs to help them thrive in school and life.



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