

UNDERSTANDING LB840 ECONOMIC DEVELOPMENT FUNDING FOR CHILD CARE

A growing number of Nebraska cities and villages are recognizing local child care as an important economic asset for their communities.

LB840 grants and loans can offer a practical way for communities to pursue their goal of becoming places of opportunity and prosperity for children, working parents, child care providers and other businesses.



What is LB840?

LB840 refers to a community's tax-funded economic development program. Although multiple pieces of economic development legislation are sometimes associated with LB840, it specifically applies to programs made possible through the Local Option Municipal Economic Development Act of 1991.

This legislation allows Nebraska villages and cities to specify what kinds of activities or businesses qualify for direct or indirect financial assistance through local economic development funds.

Does every Nebraska community have LB840 programs and funds?

While many Nebraska cities and villages have economic development programs, not all of them have an LB840 plan. LB840 programs are reserved for communities that have gone through a voter approval process and adopted a local economic development plan with a corresponding funding source.

How can I tell if my community has an LB840 plan?

You can find a current list of LB840 communities below. The Nebraska Department of Economic Development also posts and updates this list on their website at opportunity.nebraska.gov/program/lb-840.

Ainsworth	Doniphan	O'Neill
Albion	Fairbury	Ord
Alliance	Falls City	Oshkosh
Arapahoe	Fremont	Plainview
Arnold	Fullerton	Plattsmouth
Atkinson	Geneva	Ravenna
Bassett	Gering	Sargent
Bayard	Gothenburg	Scribner
Beatrice	Grand Island	Schuyler
Beaver City	Hartington	Scottsbluff
Beemer	Holdrege	Seward
Bellevue	Imperial	Sidney
Blair	Kimball	South Sioux City
Burwell	La Vista	St. Paul
Cambridge	Lexington	Stromsburg
Central City	Louisville	Stuart
Chadron	Loup City	Superior
Chappell	McCook	Sutton
Clearwater	Milford	Tecumseh
Columbus	Mitchell	Tekamah
Cozad	Nebraska City	Valentine
Crete	Neligh	Wakefield
Crofton	Norfolk	Wayne
Curtis	North Platte	West Point

Tapping into your community's LB840 economic development program

Local LB840 plans can vary from community to community.

Be sure to find out how your local plan defines qualifying businesses and ask your community's LB840 administrator if you need more information on any application requirements.



1 Contact your local LB840 administrator

If your community has an LB840 plan, you also most likely have a local entity that acts as the administrator of your economic development program and its funds. This administrator may be your local municipal government, an economic development corporation or your local chamber of commerce.

If you're unsure which entity acts as your community's economic development administrator, the city clerk can assist with LB840 questions.

Your community's LB840 administrator will be able to provide you with information on what kinds of businesses qualify for assistance, how to apply, the types and purposes of available funding and how applications get reviewed and approved.

2 Know what types of assistance your LB840 plan offers

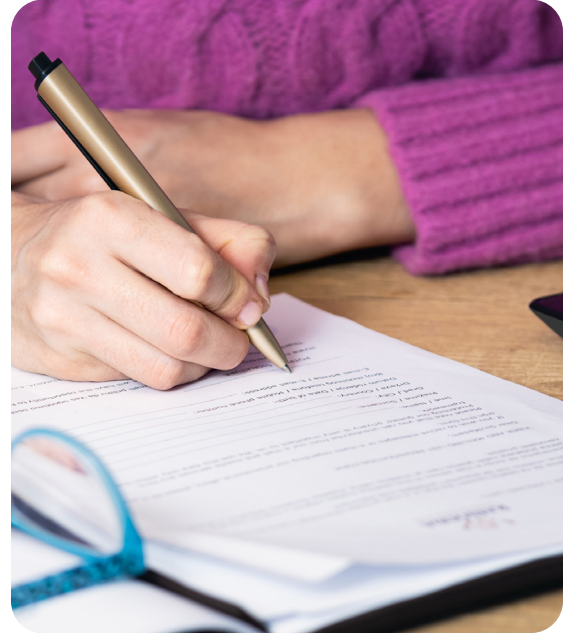
LB840 plans can vary from community to community. If your child care qualifies as an eligible business for LB840 funding, the following types of support may be open to you:

- Loans or grants for fixed assets (land, buildings, equipment) and/or working capital
- Loan guarantees
- Grants for public works improvements to enable businesses to deliver their services
- Grants or loans for job training
- Real estate purchases by a qualifying business or by the city for economic development related to new or future qualifying business
- Grants or loans to businesses to provide relocation incentives for new residents
- Grants, loans or funds for first- and second-class cities, or villages, to grow local early childhood infrastructure

3 Know what kinds of information need to accompany your application

LB840 application requirements vary from community to community, but in most cases you will be requested to provide the following:

- A business plan with a projected cash flow statement
- Two years of historical balance sheets and current operating cost statements less than 60 days old. If you are just starting your business, you will be asked to provide projected year-end statements for the first two years of operation
- The two most recent federal tax returns you filed as an individual and for your business
- A personal financial statement for any individual who owns more than 20% of your business
- A list of your business' current financial obligations



4 Understand how applications for LB840 funding reviewed and approved

Typically, communities that have an LB840 plan will also have an application review committee made up of local residents with different kinds of business experience. These committees review applications for funding based on several criteria including:

- Your community's LB840 guidelines and requirements
- Strength of the applicant's business plan and likelihood of success
- The overall economic benefit to the community

Applying for an LB840 grant or loan requires careful planning and good recordkeeping.

Be sure to have all of the necessary financial data about your child care business organized and ready before beginning the application process.

Tips for strengthening your LB840 application



Begin prepared

Carefully review your financial information, revenue statements and business projections, and have them ready and organized before begin your application. Having a clear picture of where you've been and where you're going will simplify the process for both you and the review committee.



Be familiar with who sits on the review committee

Your funding application will be judged on its own merit. Even so, you can frame your proposal more effectively if you know who the members of the review committee are and what kinds of businesses, industries or economic interests they represent.



Know your local economic needs

Take some time to research the larger economic needs and concerns of your community and think about how your proposal will help address some of them.

Does your community have many employees who work non-traditional hours, and will LB840 funds help you offer parents greater schedule flexibility in child care? Is your child care program strategically located so working parents can get to and from their jobs more efficiently? What kind of economic activity will your program create by obtaining goods and services from other local businesses?



Keep in mind...

As the owner or operator of a child care program, you are a critical economic asset to your community. You offer a distinct and essential service to working parents and their employers. Without you, fewer people in your community would be able to participate in the workforce and grow your local economy. The service you provide also helps children develop the fundamental skills and abilities they will carry with them as they continue their education and eventually enter the workforce as productive adults.

The more you think and talk about your program in these terms, the more effective you will be in making your case for LB840 assistance.

