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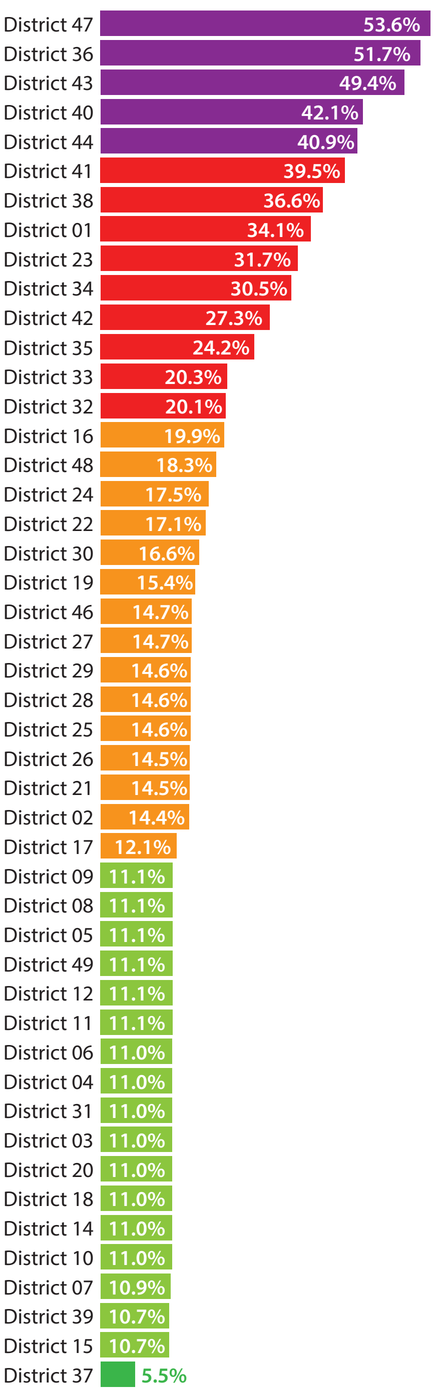
NEBRASKA

POLICY BRIEF

Investing ARPA funds to strengthen Nebraska's early childhood professional workforce

Estimated Child Care Gap in Nebraska Legislative Districts[1]

Program slots vs. Children 0-5 with all available parents in workforce

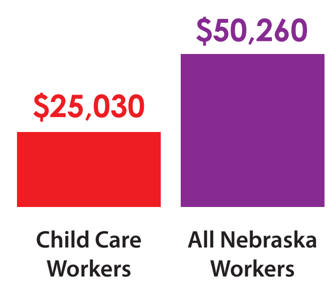


Background

Nebraska's child care system plays a crucial and unique role in facilitating workforce participation across all sectors of business and industry. That role has become even more apparent as our state struggles to mobilize enough workers to meet employer demand and stay on track for economic recovery and growth.

Despite its importance, however, child care is notorious for offering low wages and poor financial security, limited professional supports and a demanding regulatory environment. Even in relatively "normal" economic conditions, these liabilities represent a persistent and significant hazard to the supply of quality child care for our statewide workforce. Given the social and economic disruptions caused by COVID-19, child care has become an even less viable option for professional educators and small business owners.

Mean Annual Wage in Nebraska[2]



The gap between child care supply and potential need

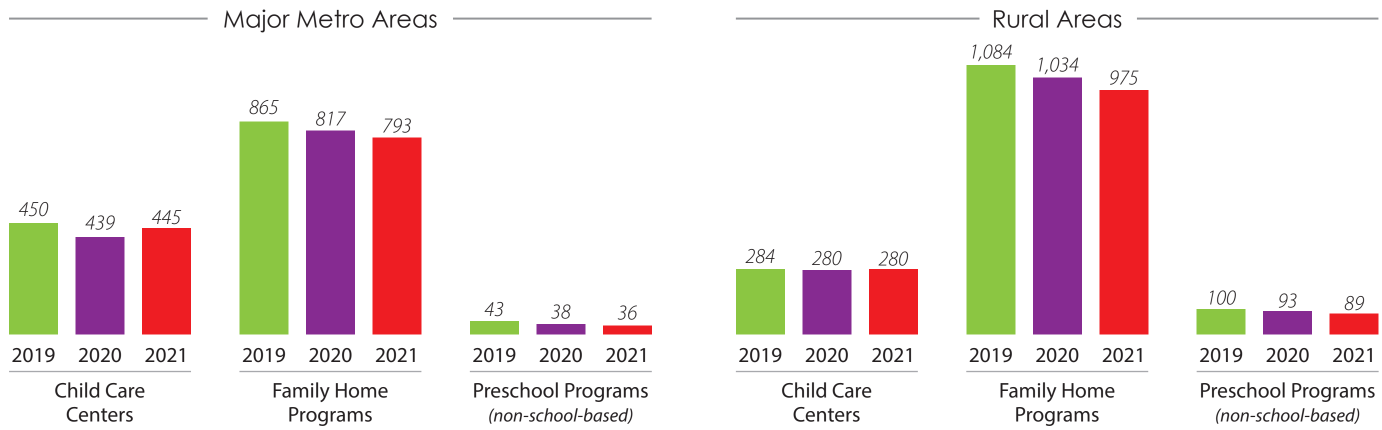
Nebraska consistently ranks among the top five states for percentage of children age 0-5 with all available parents in the workforce. However, there is no region of the state that has sufficient child care options to fully cover local needs. This leaves working parents little or no flexibility to adjust to changes in child care availability as providers retire from the workforce, close their programs or opt out of the industry.

While the size of gaps between child care supply and potential need vary widely throughout the state, the average is 12.3% in urban and 30.4% in rural areas.[1]

2-Year decreases in child care availability

Since 2019, Nebraska's total number of providers exclusively serving children age 0-5 decreased by 7.4%.[3] These losses were evident among all provider types in both metropolitan and rural areas of the state. However, the most significant attrition occurred among family home providers, which represent the majority of Nebraska's licensed child care programs. This is a particularly serious liability for working parents and employers in rural communities, where family home providers are often the only local child care option.

Attrition in NE Licensed Child Care Programs Serving Children Age 0-5[3]



Investing ARPA funds in Nebraska's early childhood professional workforce

Nebraska's allocation of American Rescue Plan Act funds offers an opportunity to invest strategically in recruiting, retaining and supporting our early childhood professional workforce. While these funds cannot permanently correct vulnerabilities in our child care system, they can create a foothold for sustainable improvements over time. Based on input from child care professionals and related stakeholders, we recommend these investments of ARPA funds:

WAGE$ salary supplements ($3,580,000)

Increase the availability of graduated salary supplements to all Nebraska child care professionals through the Child Care WAGE$ program administered by the Nebraska Association for the Education of Young Children (NE AEYC). These supplements correspond to workers' educational attainment and longevity in child care programs.

T.E.A.C.H. scholarships ($3,500,00)

Enhance NE AEYC's T.E.A.C.H. scholarship for professionals who are pursuing associate's or bachelor's degrees in Early Childhood Education. Enhanced scholarships would offer degree attainment bonuses, increased stipends to students during practicums and other supports.

Required / professional advancement trainings ($165,000)

Expand the existing scholarship fund at the Nebraska Department of Education to make Child Development Associate (CDA) certificates, advancement in Step Up to Quality and other professional development opportunities more affordable to a greater number of child care providers throughout the state.

Financial retention / recruitment incentives ($50,000,000)

Offer a monthly, $350 financial incentive for one year to retain existing child care professionals, re-engage workers or recruit new talent to the industry. Currently employed child care workers would qualify to receive the monthly retention incentive immediately. Newly recruited or re-engaged workers would qualify to begin receiving the monthly incentive 60 days after active employment with a program, including retroactive payments for the initial two months. In either case, workers who remain employed in a program for the full year could earn an additional $4,200 while the incentives are in effect.

References

1. Bipartisan Policy Center. (2020). "Child Care Gaps Assessment." Available from https://childcaregap.org/
2. U.S. Bureau of Labor Statistics. (2021). "May 2020 State Occupational Employment and Wage Estimates: Nebraska" Retrieved from https://www.bls.gov/oes/current/oes_ne.htm#00-0000
3. Nebraska Department of Health and Human Services. (2021). Child Care Licensing Data Requested and Analyzed by First Five Nebraska.

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