



LB838: Strengthening the early childhood workforce

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Nebraska faces a workforce crisis of unprecedented magnitude.

Increasing access to health care benefits for early childhood care and education professionals can help recruit and retain workers for this vital sector.

Key Points

- ▶ Low wages and lack of employment benefits for early childhood care and education professionals increase employee turnover and make it hard for programs to hire and retain skilled educators.
- ▶ About 7% of Nebraska child care educators left the workforce in 2020-21.
- ▶ Affordable and accessible high-quality child care is crucial to keeping parents in the workforce.
- ▶ Partnering with The Educators Health Alliance (EHA) to create an aid program to expand eligibility for health insurance options for early child educators will help support recruitment, reduce turnover and incentivize quality in early childhood settings.

Background

Low wages and minimal, if any, employment benefits lead to high turnover in the early childhood care and education sector. Survey research in 2015-16 found the annual turnover rate in Nebraska child care settings was 26%.¹ The COVID-19 pandemic has further exacerbated the issue as programs struggle to fill open jobs and educators leave the field for other opportunities. Nebraska Department of Labor data show a 7% reduction in individuals working in the field of Child Day Care Services from the first quarter of 2020 through the first quarter of 2021.² These workforce shortages are making it difficult for child care providers to find sufficient staff to meet demand, creating long waiting lists.³ This makes it more difficult for parents to enter the workforce, an issue plaguing nearly every industry in Nebraska.

According to a recent study by the Nebraska Chamber of Commerce and Industry, access to child care is a key opportunity for economic growth. Approximately 300 business leaders statewide weighed in on the top issues impacting business and community growth; over half of respondents (54%) ranked child care and education as a top opportunity or challenge for economic recovery.⁴

Employee turnover is expensive and time consuming for small businesses, and it has negative impacts for young children.⁵ High-quality relationships and predictable classroom routines are critical for healthy development in children. To help Nebraska's young children to reach their full potential, it is imperative to reduce turnover in early childhood settings.

Educators Health Alliance Aid Program

The Educators Health Alliance (EHA) is the largest insurance pool in the state of Nebraska, with more than 80,000 participants from all but four school districts in the state. This pool offers health insurance options for Nebraska's educators. Their board has the capacity to expand eligibility to groups that support and further education in Nebraska.

Educating and caring for young children requires low ratios of educators to children. While this increases the ability of educators to provide high-quality care, it increases the cost for working parents. The result is razor-thin margins for early childhood providers and extremely low wages for educators. The median wage for early childhood professionals in Nebraska is \$25,030 and many lack access to employer-based health care benefits.⁶

LB838 would require the Nebraska Department of Education to create an aid program to increase access to affordable health insurance options for the early childhood workforce. This fund would make early childhood a more attractive and viable career for educators, helping to increase employee attraction, reduce turnover and incentivize retention.

A majority of family- and center-based child care providers do not have access to employment benefits. Only 39% of center-based teachers have health insurance, compared to 91% of school-based pre-kindergarten teachers.⁷ The proposed aid program would help those educators stay in the field, and strengthen the industry's ability to hire and retain new workers.

Research consistently demonstrates that quality care and education in the first five years improves school readiness and long-term outcomes for children. With a robust, supported early childhood workforce, more young children will begin school with the foundation they need to thrive.

Commitment to quality

To ensure eligibility is being expanded in alignment with the mission of the EHA, programs must demonstrate a commitment to high-quality early childhood care and education. Step Up to Quality (SUTQ) is Nebraska's Quality Rating and Improvement System for early childhood providers in Nebraska.

To be eligible for the aid program through the EHA, providers must be rated Step 3 or higher or Step 2 in SUTQ if they serve children utilizing the child care subsidy, a population most likely to face serious obstacles to healthy development. These programs demonstrate a commitment to building school readiness skills in Nebraska's children, and access to health insurance for full-time employees will support the quality of their programs and the children they serve.

Conclusion

With such low wages, providers simply do not earn enough income to cover any additional health insurance costs. And with already thin margins, programs are unable to absorb any additional costs to recruit or retain employees. To provide this important benefit without putting the burden on Nebraska's families, we must ensure additional funds are allocated to make these employment benefit programs affordable for educators and programs.

¹ Roberts, Amy M, Gallagher, Kathleen C., Sarver, Susan L., and Daro, Alexandra M. (2018). [Early Childhood Teacher Turnover in Nebraska](#). Buffett Early Childhood Institute.

² Nebraska Department of Labor. (2021). [Nebraska Workforce Trends](#), January 2021 Issue.

³ Garcia, Justin. "Pandemic exacerbates shortages of childcare in Nebraska." *Scottsbluff Star-Herald*. September 29, 2020.

⁴ Hamre, B. K., & Pianta, R. C. (2001). [Early teacher-child relationships and the trajectory of children's school outcomes through eighth grade](#). *Child Development*, 72, 625-638.

⁵ Nebraska Chamber of Commerce and Industry. "[Workforce shortage dominates business leader priorities](#)." November 10, 2021.

⁶ U.S. Bureau of Labor Statistics. (2021). "May 2020 State Occupational Employment and Wage Estimates: Nebraska." Retrieved January 13, 2022 from https://www.bls.gov/oes/current/oes_ne.htm#00-0000.

⁷ Buffett Early Childhood Institute. "[Elevating Nebraska's Early Childhood Workforce](#)." January 2020.



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