



March 1, 2022

Senator John Stinner, Chair
Members of the Appropriations Committee
Nebraska Legislature

RE: LB1203

Chairman Stinner and Members of the Appropriations Committee,

My name is Elizabeth Everett, and I am the Deputy Director of First Five Nebraska. First Five Nebraska is a statewide public policy organization focused on supporting policies that provide quality care and learning environments for our youngest Nebraskans. I am here today to testify in support of LB1203 and would like to thank Senator Briese for his leadership on this issue.

Quality child care is instrumental to our state's economic stability and growth. Access to child care programs creates employment opportunities for working parents, improves workplace productivity for employers and increases our state's revenue. Unfortunately, Nebraska does not have enough quality care options to meet the demand of working parents who need these services. In fact, prior to COVID-19, our state lost \$745 million annually because of insufficient options for stable, reliable child care. COVID-19 has made the matter worse by further disrupting the child care marketplace.

LB1203 represents a one-time opportunity to use \$100.5 million of federal ARPA funds to stabilize the state's early childhood infrastructure and build a more sustainable system moving forward. There are many sections to LB1203. The brief I've provided shows the total money used for each section, a description of the programs and the impact. I would like to discuss the two largest sections.

- LB1203 provides incentives to recruit and retain child care professionals. The mean hourly wage for child care workers in Nebraska is \$12, nearly half that of the mean hourly wage for all workers in the state. Due to demanding hours and low wages, the child care industry is losing employees to more financially stable careers. LB1203 provides \$50 million in recruitment and retention bonuses. All child care professionals would receive a monthly allowance of \$350 for one year if they remain in the workforce. All newly recruited or re-engaged child care professionals would receive the same monthly allowance for one year 60 days after they begin active employment. These same employees would receive a retroactive payment for the initial two months of their employment.
- LB1203 also provides funding to increase child care capacity in areas of need. Communities across Nebraska do not have enough child care slots to meet current demand. Page 2 of the

brief outlines the child care gap by legislative district. LB1203 provides \$19 million to build child care capacity. The funding, combined with private investments, would help communities conduct a landscape analysis, develop plans for expansion, help cover costs for expansion or development of a new child care facility and more.

Funding provided through LB1203 will not permanently solve Nebraska's child care crisis. However, this money provides an opportunity to stabilize Nebraska's struggling child care industry so our state's public and private sectors can work collaboratively on sustainable solutions to these ongoing challenges. And, more importantly, it provides an opportunity to help Nebraska's children, working parents and early childhood educators thrive.

Thank you again for allowing me to testify and I would like to take this opportunity to also thank Senator Stinner for his leadership on early childhood issues for the past eight years.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Everett". The signature is written in a cursive, flowing style.

Elizabeth Everett
Deputy Director
First Five Nebraska