



March 15, 2023

Senator Robert Clements, Chair  
Members of the Appropriations Committee  
Nebraska Legislature

RE: LB319

Chairperson Clements and Members of the Appropriations Committee,

Thank you for allowing me to testify today. My name is Elizabeth Everett and I am Deputy Director of First Five Nebraska, a statewide public policy organization focused on supporting policies that provide quality early learning environments for our youngest Nebraskans. I am here today to testify in support of LB319 and would like to thank Senator Bostar for introducing this important bill.

Despite the critical need for child care, there are very few supports that make owning and operating a child care program a viable career for educators and entrepreneurs. High employee turnover, low profit margins and burdensome operating costs represent a serious challenge to the sustainability of many child care programs. Low wages means even the most dedicated early childhood educators are leaving the field to make ends meet for their own families. And demand for child care typically exceeds the number of providers and slots available in our communities. As a result, Nebraska has suffered from a chronic shortfall in access to child care in all regions of the state.

Prior to COVID-19, First Five Nebraska commissioned the University of Nebraska Bureau of Business Research to conduct a study of the annual economic losses our state sustains due to gaps in child care availability. The study concluded that Nebraska sustains roughly \$745 million annually in direct economic losses due to inadequate access to child care. And despite federal funding, our most recent data show there is a 40% employee turnover rate, resulting in more child care programs closing or reducing capacity to meet ratio requirements.

LB319 would enable Nebraska communities to improve their child care capacity by building upon existing statewide programs that have been designed to address two of the biggest problems in the child care industry, program supply and workforce. LB319 provides the following:

- A one-time transfer of \$50 million to the Nebraska Early Learning Endowment Fund, also known as Sixpence, to provide grants to communities to help build their birth-to-age 3 capacity. Infant and toddler care is the most difficult for parents to find and the most costly for child care programs to provide. Targeted resources for this population are critical.
- A one-time transfer of \$40 million for capacity-building grants. This funding builds upon existing funding the Legislature appropriated last year through an amendment to LB1014. Our

child care providers and communities throughout the state demonstrated the need for financial support with 82 applications, but with limited funds, only 16 grants could be awarded.

- And a one-time transfer of \$10 million to the Department of Education to partner with a nonprofit organization to provide child care wage supplements. Many childhood educators would remain in the field if the wages were competitive.

LB319 is a step in the right direction and would significantly help Nebraska families and improve our state's child care industry. It would help communities strengthen and build new programs, it would help recruit and retain child care employees and it would provide working parents the support they need so they can continue to contribute to Nebraska's economic success.

Again, thank you for allowing me to testify today. I would be happy to answer any questions you might have.

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