



March 2, 2023

Senator Ben Hansen, Chair
Members of the Health and Human Services Committee
Nebraska Legislature

RE: LB35

Chairperson Hansen and Members of the Health and Human Services Committee,

My name is Dr. Katie Bass and I am the Data and Policy Research Advisor representing First Five Nebraska. First Five Nebraska is a statewide public policy organization focused on supporting policies that promote quality early care and learning experiences for young children in Nebraska. I am here today to testify in support of LB35.

LB485, the legislation that originally expanded subsidy eligibility for families from 130% to 185% of the federal poverty line, was passed into law in 2021. First Five Nebraska supported this legislation to allow more families to access the child care subsidy.

As part of LB485, the Legislature smartly included an impact study to be conducted by a private nonprofit organization at no cost to the state and in collaboration with the Nebraska Department of Health and Human Services (NDHHS). The impact study is to be completed and submitted to the department and the Legislature by December 15, 2023.

NDHHS created a Request for Application (RFA) for the LB485 impact study, and First Five Nebraska applied and entered into an agreement to complete the study at no cost to the department. The goal is to analyze the impact of expanded subsidy eligibility to families, communities, businesses and the state so the Legislature can assess effectiveness and determine if the eligibility expansion should become permanent using all the available data. The agreement was signed and work began nearly six weeks after the RFA's anticipated start date. Attached to my testimony is a timeline of key events and when they were originally scheduled to begin.

The LB485 RFA and the First Five Nebraska application required an evaluation assessment period, anticipated to be the first five months of the project. During this time, the research team would engage with various stakeholders and work with the department to determine the data necessary to complete a robust impact study. The department indicated it would take six months to create the report of the data, which was slightly outside of the time frame written into our application, which was already delayed because of the subaward execution, but remained reasonable.

Unfortunately, after two sample reports were shared with the research team, we were alerted to a change in the NFOCUS (the NDHHS IT/data system) process that would not allow for sample reports. Our collaborators at NDHHS did their best to provide us with the verbiage they were using with the IT team to create the reports, but anyone who has worked with complex data can tell you that until the data is

available for review, there will always be intricacies that cannot be fully accounted for. This tied the research team's hands while waiting for data that did not arrive until the end of October 2022, at this point, nearly four months behind the original schedule.

The research team immediately began to pore over the available data and recognized several inconsistencies that were so striking, the data was not usable. We communicated regularly with NDHHS during this time, identifying the different inconsistencies, asking for clarity and asking for updates. Ultimately, we were told the data would be corrected, but we would not receive it until February 2023. I am happy to report that we received the new data reports this past week.

First Five Nebraska believes that sound policy is backed by solid research, and we applaud the Legislature's commitment to research-based policy by including an impact study as part of the expansion of subsidy eligibility in LB485. However, the delays to date make it very difficult, if not impossible, to complete the study by the end of this year. In addition to extending the subsidy eligibility sunset, LB35 extends the date of the legislative report to July 1, 2024 (page 4, line 8).

First Five Nebraska is committed to our partnership with NDHHS to complete this study and to inform the Legislature of the impact of subsidy eligibility changes, and we do not want families to lose their eligibility while we work through the technical challenges. We respectfully ask that you extend the sunset for the eligibility expansion and extend the date of the impact study report so we can fulfill our obligation and the Legislature can have the value of the impact study in determining the future of subsidy eligibility.

Thank you for your time and consideration today. I am happy to answer any questions you may have.

Sincerely,



Katherine Bass, Ph.D.
Data and Policy Research Advisor
First Five Nebraska