



# 2023 Legislative Highlights

108<sup>th</sup> Nebraska Legislature | First Session

## Progress for early childhood despite contentious session

The first session of the 108th Nebraska Legislature adjourned *sine die* June 1, two legislative days earlier than the scheduled 90-day session. The volume of legislation hit near-historic highs with more than 800 measures introduced amid controversial topics, sparking month-long procedural delays and divisive debate. Despite these challenges, the Legislature passed a \$10.7 billion biennium budget that kept existing early childhood funding lines intact, implemented tax relief measures and approved significant investments in education funding. In total, Nebraska lawmakers passed 291 bills this session, with the remaining bills to be carried over to next year.

Key themes this session focused on improving maternal health outcomes, alleviating financial pressures on parents and child care providers and strengthening availability and access to child care. We commend lawmakers for voting unanimously in support of LB227, an important bill that expands postpartum Medicaid coverage to at least 6 months, strengthens our ability to learn from severe maternal morbidity data and extends the less-restrictive family income requirements for the child care subsidy to 2026.

We also thank members of the Legislature for supporting LB754 and Governor Pillen for signing it into law. This tax reform bill incorporates a historic child care tax credit package that will benefit families with children in care, child care professionals and programs. It will also encourage private sector contributions to help build local child care infrastructure, especially in communities facing significant economic challenges.

Legislation addressing home visiting, child care expansion grants, early childhood workforce development and child abuse complaint tracking that did not advance this year will be carried over to the 2024 session.

## Interim Studies

First Five Nebraska worked closely with several senators to introduce legislative resolutions for four upcoming interim studies:

- LR151 (Senator Wendy DeBoer, District 10) Examine the results of the Nebraska Child Care Cost Model developed through the Preschool Development Grant.
- LR154 (Senator Jen Day, District 49) Examine Nebraska's maternal care deserts.
- LR191 (Senator Teresa Ibach, District 44) Examine the process for conducting the statutorily required fingerprint-based national criminal history record information check for the child care workforce.
- LR251 (Senator Robert Dover, District 19) Explore the development of registered apprenticeship program sponsors within Nebraska's education system for early childhood care and education.

First Five Nebraska will publish updates about the interim studies on our website, social media channels and monthly newsletter in the months ahead. As always, we look forward to our ongoing work with lawmakers on well-informed policies that promote the healthy development of our youngest children and create opportunity and a stronger quality of life for all Nebraskans.

### LB35 (Amended into LB227) | Change provisions relating to child care assistance

- **Introducer:** Senator Wendy DeBoer (Dist. 10)
- **Summary:** In 2021, the Nebraska Legislature approved LB485, which temporarily increased families' income eligibility for the child care subsidy from 130% to 185% of the Federal Poverty Level (FPL). Under the original legislation, the income eligibility requirements were scheduled to expire in October 2023. LB227 pushes that expiration back to October 2026. First Five Nebraska is currently leading an economic impact study of the income eligibility changes for a report that will be submitted to the Legislature in 2024.
- **Bill Status:** LB35 was amended into LB227, which passed Final Reading on a unanimous vote on June 1. It was signed into law by Governor Pillen on June 6.
- **Resources**
  - ▶ [LB35 FFN Committee Hearing Testimony](#) (Health and Human Services)



Individual states have a wide degree of latitude in setting their own income eligibility thresholds for subsidized child care. Until the passage of LB485 in 2021, the eligibility requirements for the child care subsidy in Nebraska had been among the most restrictive in the nation, ranking (at that time) above only Indiana and Michigan, and significantly below most of our neighboring states.

The passage of LB227 this year extends Nebraska's revised eligibility requirements to October 2026, allowing more families to benefit from this important program while First Five Nebraska continues its economic impact analysis of widened access to the child care subsidy.

### LB58 | Provide a sales and use tax exemption for diapers

- **Introducer:** Senator John Cavanaugh (Dist. 9)
- **Summary:** Most child care programs require families to maintain a full week's supply of diapers for children in care. For families of low income, this can become a financial burden that compromises parents' ability to retain their child care slots. By eliminating sales and usage tax on diapers, LB58 would help to mitigate the rising expense of diapers for families with young children.
- **Bill Status:** LB58 did not advance this session and will carry over to 2024.
- **Resources**
  - ▶ [LB58 FFN Letter of Support](#) (Revenue)

### LB64 | Require the Nebraska Department of Health and Human Services to provide notice in certain cases of child abuse and neglect in child care settings

- **Introducer:** Senator Jen Day (Dist. 49)
- **Summary:** LB64 would require NDHHS to notify parents and guardians of children attending licensed child care programs when instances of abuse or neglect have been substantiated by the state agency or in court. The legislation would require the child care license holder to provide NDHHS with the names and addresses of parents and guardians to be notified. The goal of the bill is to increase accountability and transparency for parents with children in licensed care settings.
- **Bill Status:** LB64 did not advance to General File due to the unusually large number of bills referred to the Health and Human Services Committee this session. LB64 will carry over to the 2024 Session.
- **Resources**
  - ▶ [LB64/65 FFN Policy Brief](#)
  - ▶ [LB64 FFN Committee Hearing Testimony](#) (Health and Human Services)



“Black birthing folks are two times more likely to experience severe maternal morbidity. This is due to the already existing health disparities, such as increased likelihood of chronic illness, access to health care, and inadequate care, which are exacerbated during pregnancy. Data collection is the sole reason I am able to relay those figures, providing an understanding of the gravity of severe maternal morbidity.

Equitable, evidence-based intervention can only begin when there is a holistic understanding of the problem. Unless measured and documented, disparities in severe maternal morbidity outcomes can go unnoticed, even when the intent is to improve these outcomes.”

Nyomi Thompson  
*Policy and Advocacy Manager, I Be Black Girl*  
*FFN Guest Blog on LB75*

### LB65 | Change provisions relating to the complaint tracking system and disciplinary action under the Child Care Licensing Act

- **Introducer:** Senator Jen Day (Dist. 49)
- **Summary:** A 2021 interim study (LR266) revealed that there is no statutory requirement to notify parents in documented cases of a child care licensing violation and resulting disciplinary actions against a licensed provider. LB65 would require NDHHS to provide notice to parents and guardians with children attending a program where an instance of abuse or neglect has been substantiated by the state agency or in court.
- **Bill Status:** LB65 did not advance to General File due to the volume of legislation heard in the Health and Services Committee. LB65 will carry over to the 2024 session.
- **Resources**
  - ▶ [LB64/65 FFN Policy Brief](#)
  - ▶ [LB65 FFN Committee Hearing Testimony](#) (Health and Human Services)

### LB75 (Amended into LB570, LB227) | Provide for review of incidents of severe maternal morbidity

- **Introducer:** Senator Tony Vargas (Dist. 7)
- **Summary:** The Maternal and Child Death Review Team was established to advise the Governor, Legislature and public on policies and practices to

better prevent these tragic outcomes. LB75 authorizes (but does not require) this team to collect and analyze data related to severe maternal morbidity—cases in which unintended outcomes of the process of labor and delivery result in significant negative consequences to a woman’s health. LB75 makes it possible for the Review Team to develop more informed prevention recommendations through access to a wider pool of relevant data.

- **Bill Status:** LB75 was first amended into LB570, which was then subsequently amended into LB227. It passed Final Reading on a unanimous vote on June 1 and was signed into law by Governor Pillen on June 6.
- **Resources**
  - ▶ [LB75 FFN Committee Hearing Testimony](#) (Health and Human Services)
  - ▶ Guest Blog: “[LB75 will yield data to help reduce health crises during childbirth.](#)” Chad Abresch, Executive Director, CityMatCH
  - ▶ Guest Blog: “[LB75 data collection needed to address maternal health disparities in Nebraska.](#)” Nyomi Thompson, Policy and Advocacy Manager, I Be Black Girl

### LB114 (Amended into LB814) | Appropriate funds for evidence-based early intervention home visiting programs

- **Introducer:** Senator Tony Vargas (Dist. 7)
- **Summary:** Evidence-based home visiting programs are widely recognized as cost-effective strategies for helping parents better guide the healthy development of their youngest children. LB114 would increase the existing line item in the state budget for home visiting from \$1.1 million to \$2 million for FY2023-24 and FY2024-25. The increase in state funding would also maximize federal matching funds offered through the MIECHV program.
- **Bill Status:** LB114 was amended into LB814, the mainline budget bill. Although the budget was approved, Governor Pillen issued a line-item veto on the home visiting funding increase, which was not selected for an override attempt by the Legislature. This issue will be revisited in future legislative action.
- **Resources**
  - ▶ [LB114 FFN Policy Brief](#)
  - ▶ [LB114 FFN Committee Hearing Testimony](#) (Appropriations)
  - ▶ Guest Blog: [“LB114 would increase federal funding for home visiting in Nebraska.”](#) Kelly Crane, State Policy Specialist, Prevent Child Abuse America

### LB115 | Adopt the Family Home Visitation Act

- **Introducer:** Senator Jane Raybould (Dist. 28)
- **Summary:** LB115 would create a statutory definition for home visiting in Nebraska and clarify that state funding only be utilized for evidence-based programs that achieve specific outcomes for parent-child relationships, child development and reduced incidence of abuse and neglect. The bill would require the creation of information resources about home visiting services available to Nebraska families and an annual report to the Legislature on the impact of these programs throughout the state.
- **Bill Status:** LB115 did not advance to General File largely due to the volume of legislation presented to the Health and Human Services Committee. The bill will carry over to the 2024 session.
- **Resources**
  - ▶ [LB115 FFN Committee Hearing Testimony](#) (Health and Human Services)



“The costs of running a child care program — payroll, insurance, supplies, food, rent — have risen faster over the past two decades than the incomes of working families. As a result, the margin between what providers must earn just to break even and the fees parents can afford to pay for child care has vanished...

For far too long, we’ve chosen to believe that Nebraska’s child care providers and parents can work out a solution between themselves. As a result, we’ve failed our kids, parents, early childhood professionals and employers. It’s time to change that.”

Senator Eliot Bostar (Dist. 29)  
*“Local View: Bill (LB318) addresses a crisis in child care.” Lincoln Journal Star, 3/28/23*

### LB271 | Change reporting requirements for child abuse and neglect

- **Introducer:** Senator Terrell McKinney (Dist. 11)
- **Summary:** LB271 would update mandatory reporter laws in Nebraska as they relate to incidences or suspected incidences of child abuse. The bill includes child care personnel among mandatory reporters, requires training for mandatory reporters and indicates that any professional who has direct knowledge or grounds to suspect abuse or neglect is obligated to submit a report.
- **Bill Status:** LB271 did not advance from the Judiciary Committee to General File. The bill will carry over to the 2024 session.
- **Resources**
  - ▶ [LB271 FFN Letter of Support](#) (Judiciary)

**LB318 (Amended into LB754) | Adopt the Child Care Tax Credit Act and reauthorize tax credits under the School Readiness Tax Credit Act**

See *LB754*.

**LB319 | Create funds, transfer funds from the Cash Reserve Fund and provide for child care funding**

- **Introducer:** Senator Eliot Bostar (Dist. 29)
- **Summary:** LB319 would provide for a one-time transfer of \$100 million from the Cash Reserve Fund for early childhood initiatives. The bill allocates \$50 million to expand prenatal-to-age-3 services through Sixpence, \$40 million for child care capacity building grants and \$10 million to create the Child Care Wages Fund providing salary supplement awards to qualifying child care professionals.
- **Bill Status:** LB319 did not advance from the Appropriations Committee to General File, due in part to the general intent of the Legislature to limit state spending. The bill will carry over to the 2024 session.
- **Resources**
  - ▶ [LB319 FFN Policy Brief](#)
  - ▶ [LB319 FFN Committee Hearing Testimony \(Appropriations\)](#)
  - ▶ FFN Blog: [“LB319 will help families, strengthen child care in Nebraska.”](#)
  - ▶ FFN Blog: [“WAGE\\$ Nebraska helps retain child care workers, boost quality of care.”](#)



“Conversations with providers about the sustainability of their business model and attracting and retaining talent raises grave concerns for the future, especially as child care is critical to workforce participation. This is a statewide issue which is key to building a workforce and being an attractive option for people considering a move to Nebraska.

Diane Temme Stinton  
 CEO, TMCO  
 FFN Guest Blog on LB318

**LB419 (Amended into LB227) | Require submission of a Medicaid state plan amendment to extend postpartum coverage**

- **Introducer:** Senator Anna Wishart (Dist. 27)
- **Summary:** LB227 includes provisions to expand postpartum Medicaid coverage from 60 days to at least 6 months following delivery—a critical period in the health outcomes of both mothers and children. This change aligns coverage with that of their babies, simplifying the re-enrollment process after one year.
- **Bill Status:** LB419 was amended into LB570, which was subsequently amended into LB227. The bill passed Final Reading on a unanimous vote on June 1 and was signed into law by Governor Pillen on June 6.
- **Resources**
  - ▶ [LB419 FFN Letter of Support](#)

**LB754 (Incorporating LB318) | Adopt the Child Care Tax Credit Act, change provisions relating to the School Readiness Tax Credit Act and income tax rates**

- **Introducer(s):** Senator Eliot Bostar (Dist. 29, LB318), Senator Lou Ann Linehan (Dist. 39, LB754)
  - **Summary:** Among other provisions, LB754 introduces the Child Care Tax Credit Act, which offers a refundable credit to qualifying families with children in care and a nonrefundable credit to taxpaying individuals or entities (such as businesses) who make a qualifying contribution to build early childhood infrastructure, with special emphasis on communities facing significant economic challenges. The bill also reinstates and improves upon the School Readiness Tax Credit Act, which offers a refundable credit to self-employed child care providers and staff, and a nonrefundable credit for programs serving families through the child care subsidy. The tax credits go into effect with the 2024 tax year.
- Proponents of the tax credit package (originally introduced as LB318) included the Nebraska Chamber of Commerce & Industry, the Lincoln, Omaha and Columbus Chambers of Commerce, Nebraska Economic Developers Association, Nebraska Farm Bureau, Nebraska Catholic Conference and Nebraska Independent Community Bankers.
- **Bill Status:** LB318 was amended into LB754, which passed Final Reading with an Emergency Clause on a vote of 39-2-8.

LB754 Continued

■ **Resources**

- ▶ [FFN Policy Brief on the Tax Credit Package](#)
- ▶ [LB318 FFN Committee Hearing Testimony](#) (Revenue)
- ▶ FFN Blog: “[LB318 eases financial burden for parents, child care providers.](#)”
- ▶ Guest Blog: “[LB318 helps preserve Nebraska’s workforce advantage.](#)” Diane Temme Stinton, CEO, TMCO

**LB814 | Mainline Budget Bill**

- **Introducer:** Senator John Arch (Dist. 14, at the request of the Governor)
- **Summary:** LB814 is the mainline appropriations bill incorporating all state budget recommendations for the 2023-25 biennium. This budget preserves existing funding streams for early childhood programming. It also allocates \$166,199 each fiscal year to the State Patrol’s budget request for two additional staff members to conduct criminal background checks. First Five Nebraska testified in support of this component of the budget because it acknowledges the need to improve the efficiency of the background check process required for employment in child care.
- **Bill Status:** LB814 passed Final Reading on May 18 on a vote of 42-3-4.
- **Resources**
  - ▶ [FFN Issue Brief on Fingerprinting/Background Checks for Child Care Professionals](#)
  - ▶ [LB814 FFN Hearing Testimony](#) (Appropriations)



“Breakdowns in the fingerprinting and background check process are more than simply an administrative problem. They are a serious threat to the viability of Nebraska child care businesses and a barrier to recruiting workers needed to staff them.

In turn, this undermines the supply of child care programs needed to support a fully engaged workforce in all sectors of business and industry throughout Nebraska.”

Mitchell Clark  
*Policy Advisor, First Five Nebraska  
FFN Letter of Support on LB814*

