



LB1416 | Child Care Capacity Building and Workforce Act

Policy Brief | 2024

■ Background and context

Nebraska's decreasing supply of child care is a major challenge to the social and economic vitality of our state and its residents, especially in regions designated as child care deserts or where there is an insufficiency of care options for children birth to age 3. Multiple factors contribute to the ongoing decrease of child care, especially attrition in the early childhood professional workforce and the escalating costs of operating viable programs.

- ▶ Nine Nebraska counties are designated child care deserts: Arthur, Banner, Blaine, Hayes, Keya Paha, Logan, McPherson, Sioux, Thomas.¹
- ▶ Nebraska's licensed child care programs serving children birth to age 5 decreased by about 12% between 2019 and 2023.¹
- ▶ The majority of licensed child care options in Nebraska are Family Home Child Care (FHCC) programs, which saw the greatest decrease: -19.4% in metropolitan areas and -13.2% in non-metro areas.¹
- ▶ Nebraska has lost 11% of its child care workforce since 2018.² From 2022 to 2023, 30% of Nebraska's child care workforce turned over.³
- ▶ Many early childhood professionals are choosing jobs outside of child care that offer higher compensation. The median hourly wage for child care employees is \$13.34 compared to the statewide median of \$21.20.²

□ About LB1416

The Child Care Capacity Building and Workforce Act creates two grant programs to increase the supply and capacity of licensed child care, attract and retain a qualified child care workforce and support working parents. These grant programs will be funded through the Child Care Capacity Building and Workforce Cash Fund.

■ Child Care Capacity Building and Workforce Grant Program

- ▶ The Department of Economic Development will contract with a statewide organization to administer the grant program. The Department will award grants across the state, but prioritize applications that do the following:
 - Increase child care capacity for children birth to age 3 (this is the most needed and expensive form of care)
 - Support the child care workforce
 - Create a child care program in a child care desert
- ▶ An eligible recipient for the grant can be the following:
 - A city, village or county
 - A nonprofit organization
 - A community foundation
 - Any other entity determined appropriate by the Department

- ▶ An eligible recipient must complete an application and provide a one-to-one match for the grant. The match can include the following:
 - Money
 - In-kind donation, including a donation of facilities, equipment, etc.
 - Any combination of money or in-kind donation approved by the Department
- ▶ The grant may be used to provide financial or other support to the following:
 - Operation of a licensed child care program
 - Operation of a license-exempt provider serving children enrolled in child care subsidy
 - Child care workforce
 - Parents or guardians with children in child care programs
 - Head Start or Early Head Start program
 - To start or expand an existing licensed child care program or license-exempt program serving children enrolled in child care subsidy
 - Build or remodel an existing building for child care
 - An entity that provides administrative or technical support to child care programs
 - Anything else as determined appropriate by the Department
- ▶ Any approved grant recipient must provide a one-to-one match before the grant is disbursed.
- ▶ The Department may request the recipient to repay the grant if they use it for something else as approved by the Department or falsifies information.
- ▶ The department will submit an annual report to the Legislature on the grant program.

■ Family Child Care Home Grant Program (Micro-Centers)

□ About Micro-Centers

A micro-center is a small, one- or two-classroom child care program located in a residential or commercial setting, with an off-site entity (a regional facilitator hub) providing pedagogical and business management.

This concept is ideal for employers and rural areas where it is possible to secure donated or low-cost space and overhead support.

Each micro-center could serve up to 12 children of mixed ages in a residential or nonresidential setting. Each location would be staffed by one to two full-time teachers, supplemented by part-time staff (if available).

- ▶ The Department will administer the program. An eligible recipient for the grant can include the following:
 - Licensed child care provider
 - Nonprofit organization
 - For-profit organization
 - Community foundation
 - School
 - Regional facilitator hub
 - Any other entity determined appropriate by the department
- ▶ The grant may be used to support new and existing licensed family child care home providers in residential and nonresidential buildings and to support regional facilitator hubs.
- ▶ The department will submit an annual report to the Legislature on the program.

References

- ¹ Nebraska Department of Health and Human Services. 2021. Child Care Licensing data requested and analyzed by First Five Nebraska; NDHHS License Child Care Roster June 8, 2022; NDHHS License Child Care Roster August 30, 2023
- ² Bureau of Labor Statistics. 2022. Occupational Employment and Wage Statistics, Nebraska, May 2018-May 2022. Accessed 9/12/2023.
- ² Nebraska Department of Labor. 2023. Childcare Industry Employment Data requested by First Five Nebraska and received 9/13/2023.

