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Nebraska creates child care grant programs to expand access, support workforce

Lincoln, NE—New legislation passed by the Nebraska Unicameral lays the groundwork for two new grant programs to help address the state’s child care challenges. LB164 includes provisions amended from LB1416 that establish the Child Care Capacity and Workforce Grant Program and the Family Child Care Home Grant Program. LB1416 was originally introduced by State Senator Eliot Bostar (District 29) at the request of Governor Pillen, who identified child care as one of his administration’s priorities earlier this year. Although fiscal constraints this session made it necessary to remove the funding provisions when LB1416 was amended into LB164, the bill creates the necessary framework to distribute the grant awards when funding becomes available.

In part, the bill is a response to the growing child care crisis in all parts of the state as services offered by center-based and family child care home programs become increasingly scarce. Access to quality child care is instrumental to Nebraska’s economic stability and growth, yet the state has lost 12% of licensed programs since 2019.

The permanent child care grant programs established by LB164 will be administered under the supervision of the Nebraska Department of Economic Development (NDED).

The Child Care Capacity Building and Workforce Grants will be awarded to cities, towns, nonprofits, community foundations or other eligible applicants. These grants may be used to start or expand licensed child care programs, support the operations of existing child care providers, promote license-exempt programs serving children through the child care subsidy, boost the early childhood workforce, assist parents with children in care or other qualifying uses. Applicants must provide a one-to-one match for their award before receiving the grant.

The Family Child Care Home Grant Program will support Family Child Care Home (FCCH) providers, who represent the majority of licensed child care programs in Nebraska. In particular, these grant awards will promote micro-centers, a new care model that has been successfully implemented in other states.

Micro-centers are small, one- or two-classroom licensed programs located in residential or commercial settings. In this model, off-site hubs provide administrative, business and teaching supports to a regional network of child care microcenters that may include FCCH providers and other small programs. Consolidating the time-consuming work of enrollment, billing, licensing and other functions at the regional hub can result in significant efficiencies for multiple providers, allowing them to focus on the children in their care. The micro-center model is ideal for rural areas, where it may be difficult to remodel existing or build new facilities for child care purposes. Micro-centers can serve children ages birth to five, helping close the statewide child care gap, especially for much-needed infant care.

The child care provisions included in LB164 are among several pieces of legislation introduced by Senator Bostar during the 2023-24 biennium to strengthen Nebraska's early childhood infrastructure. "Child care programs create employment opportunities for working parents, improve workplace productivity and increase state revenue. Positioning NDED as the administrator of these new grant programs will go a long way to ensure accountability for our investments in helping rural and urban communities find the flexible, well-staffed child care solutions that fit their needs."

First Five Deputy Director Elizabeth Everett worked closely with Senator Bostar to advance the bill. "We are grateful for the leadership and collaboration of Governor Pillen, Senator Bostar and all those who supported this bill. By empowering local communities to develop solutions that address their unique child care challenges through public-private investment, this bill has the potential to expand access to high-quality child care and bolster our early childhood workforce. This is a significant step forward in ensuring Nebraska communities have the resources they need to grow."

About First Five Nebraska

First Five Nebraska (FFN) is a non-partisan public policy organization established in 2011 to strengthen the state's early childhood system as a key driver of social, educational and economic opportunity for all Nebraskans. FFN works with officials in local, state and federal government, business and economic leaders, early childhood professionals and other stakeholders to identify, research and promote well-informed, fiscally responsible policies and solutions addressing the care, education and healthy development of young children at home or in out-of-home settings. For more information, visit www.FirstFiveNebraska.org.

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