



# Improving Child Care Access, Affordability and Stability in the Child Care and Development Fund (CCDF)

Issue Brief | 2024

## ■ Background

On March 1, 2024, the Office of Child Care (OCC), Administration for Children and Families (ACF), Department of Health and Human Services (HHS) published their final rule which makes changes to the Child Care and Development Fund (CCDF). The final rule is intended to lower child care costs for families, strengthen payment practices for child care providers and make program enrollment easier and faster for families.

The final rule became effective April 30, 2024, and applies to states' FY2025-2027 CCDF State and Territory Plans. The plans must be submitted by July 1, 2024, and become effective October 1, 2024.

CCDF State and Territory Plans must demonstrate how they meet the changes outlined in the final rule. States may also request a temporary transitional waiver for up to two years. Nebraska has requested the transitional waiver. This means the current draft of the 2025-2027 Nebraska CCDF State Plan does not meet all the requirements of the final rule.

This document outlines the changes made by the final rule and how those changes are addressed in the draft of the 2025-2027 Nebraska CCDF State Plan.

## ■ Public Input

Nebraska Department of Health and Human Services (NDHHS) is **accepting public input on the proposed draft of the CCDF State Plan until June 24, 2024**. First Five Nebraska encourages the early care and learning community to familiarize themselves with the elements of the draft CCDF State Plan addressed in this document and be prepared to contribute any relevant observations.

There are two ways to offer feedback to the Department on the draft CCDF State Plan:

- ▶ **Public Hearing:** NDHHS will conduct a public hearing during which attendees may offer spoken comments directly to representatives of the Department.
  - **Date:** Monday, June 24, 2024
  - **Time:** 1 - 3 p.m.
  - **Place:** Nebraska State Office Building | 301 Centennial Mall South, Lincoln, NE | Meadowlark Conference Room (lower level)
- ▶ **Written Comments:** Written comments on the draft CCDF State Plan will also be accepted until **5:00 p.m. CT on June 24, 2024**.
  - **Submit written comments by mail to:** State of NE Child Care | c/o CCDF Draft Plan Comments | P.O. Box 95026 | Lincoln, NE 68509

[Additional Information](https://bit.ly/CCDF-Plan-Input)  
<https://bit.ly/CCDF-Plan-Input>



## Child Care Affordability

	CCDF Final Rule	2025-27 Nebraska CCDF State Plan
<b>Co-Pay Caps</b>	Requires states to establish co-payment policies to ensure families that receive the child care subsidy do not pay more than 7% of their family income for child care. The cap is for household income regardless of the number of children in care.	Nebraska’s proposed state plan includes the 7% co-pay cap.
<b>Co-Pay Waivers</b>	Allows states to waive co-payments for families with income at or below 150% of the federal poverty level, families with a child with a disability, children in foster care/kinship care, families experiencing homelessness, or families with children enrolled in Head Start or Early Head Start.	Nebraska’s proposed state plan waives co-payments for families at or below 100% of the Federal Poverty Level.
<b>Consumer Education</b>	Requires states to post information about their co-payment system on their website.	Nebraska’s proposed state plan includes the consumer education link for the sliding fee scale for parent co-payments, including co-payment amount a family may expect. ( <a href="https://dhhs.ne.gov/Pages/Child-Care-Parents.aspx">https://dhhs.ne.gov/Pages/Child-Care-Parents.aspx</a> )  This website currently contains the income levels by household size for the sliding fee scale but does not currently include the co-payment amounts.

## Expanding Parent Choices and Provider Stability

	CCDF Final Rule	2025-27 Nebraska CCDF State Plan
<b>Grants and Contracts</b>	Requires states to use some grants and contracts for slots for children in underserved geographic areas, as well as infants and toddlers and children with disabilities.	Nebraska’s proposed state plan does not meet the requirement to utilize grants and contracts for child care slots and is requesting a waiver to obtain technical assistance on how to implement this requirement.
<b>Prospective Payments</b>	Requires states to pay child care providers prior to, or when they begin delivering services to families enrolled in the subsidy.	Nebraska’s proposed state plan does not meet the requirement to pay prospectively and is requesting a waiver to obtain technical assistance on how to implement this new requirement.

## Expanding Parent Choices and Provider Stability *(continued)*

	CCDF Final Rule	2025-27 Nebraska CCDF State Plan
<b>Subsidy Payments Based on Enrollment</b>	Requires states to pay based on a child’s authorized enrollment in the program.	Nebraska’s proposed state plan does not meet the requirement to pay providers based on a child’s authorized enrollment in the program. Nebraska is requesting a waiver to obtain technical assistance on how to implement this requirement.
<b>Payments Exceeding Market Rates</b>	Allows states to pay providers more than the rates they charge families who pay privately for child care.	Nebraska’s proposed state plan includes payments exceeding market rates for children with special needs and programs receiving a rating of 3 or higher in “Step Up to Quality.”

## Expanding Access to Subsidy and Reducing Bureaucracy

	CCDF Final Rule	2025-27 Nebraska CCDF State Plan
<b>Presumptive Eligibility</b>	Allows states to presume families may be eligible for the subsidy before the state has fully verified all documentation and eligibility criteria.	Nebraska’s proposed state plan includes presumptive eligibility for Employment First program participants in need of subsidized child care. Employment First is limited to parents who receive TANF (Temporary Assistance to Needy Families) cash assistance.
<b>Eligibility Simplification</b>	Allows states to simplify the process for verifying eligibility by using documentation or enrollment forms from other, similar programs.	Nebraska’s proposed state plan includes verification through documentation or enrollment in other programs.
<b>Additional Children in the Family</b>	Allows states to align household eligibility to the addition of a new child (i.e. baby born or foster child in household).	Nebraska’s proposed state plan aligns eligibility for all children in the household and indicates that work is underway to align eligibility with the addition of a new child.
<b>Online Applications</b>	Requires states to offer the option to apply for the subsidy online. The rule also encourages states to develop self-assessment tools for families.	Nebraska’s proposed state plan states that Nebraska utilizes an online application and has an online self-assessment.

## Miscellaneous and Technical Changes

	CCDF Final Rule	2025-27 Nebraska CCDF State Plan
<b>Criminal Background Check</b>	Clarifies that employment eligibility is based on results of background checks, that only States can make determinations on employment eligibility and that any child pornography offense is a disqualifying offense.	Nebraska’s proposed state plan meets background check requirements.
<b>Major Renovation</b>	Modifies the definition of “major renovation” of child care facilities. The updated definition is to be based on cost of renovation, as opposed to type of renovation (i.e. structural change).	This change does not require comment or statement in Nebraska’s proposed state plan.

