



February 21, 2025

Senator R. Brad von Gillern, Chairman
Members of the Revenue Committee
Nebraska Legislature

RE: LB583

Chairman von Gillern and Members of the Revenue Committee,

Thank you for the opportunity to testify today. My name is Mitchell Clark and I am a Policy Advisor for First Five Nebraska, a statewide public policy organization committed to the early care, education and healthy development of Nebraska's youngest children. I am here to testify in support of LB583, particularly Sections 1 and 2 relating to child care grants administered by the Department of Health and Human Services. I would like to start by thanking Senator Spivey for addressing access to quality child care in our state by introducing LB583.

Quality child care is an instrumental component of our state's economic stability and growth. Access to these programs is necessary for the 75% of children under age 6 in Nebraska with all available parents in the workforce and helps create employment opportunities for working parents, improves workplace productivity for employers and increases our state's revenue. Unfortunately, our state has seen a drop of 13% in the number of licensed child care programs serving children ages 0-5 since 2019, leaving fewer quality care options available to working parents.

Despite the critical need for child care, there are few supports for owning and operating a child care program. Child care does not typically offer financial stability nor an easy career path for program owners and child care workers. Most child care programs operate on extremely thin margins, while child care workers earned a median hourly wage of \$13.99 in Nebraska, compared with \$22.33 for all other occupations in 2023 and usually lack benefits more common in other professions. As a result, Nebraska has suffered from a chronic shortfall in access to child care in all regions of the state.

LB583 would address these two issues of capacity and workforce recruitment and retention by increasing grants made available from the federal Child Care and Development Fund. Additionally, the bill would expand upon allowable uses of these funds by including staff recruitment and retention for eligible programs. LB583 would also make this grant more accessible by lowering the reapplication window from three to two years. Lastly, LB583 would provide an additional funding source through the documentary stamp tax to expand the grant's impact to more programs.

LB583 would address child care programs' need for capacity expansion and address one of the biggest challenges in the industry with recruitment and retention of child care workers. It would help communities strengthen and build new programs, help recruit and retain child care employees and it would ultimately serve working parents so they can contribute to Nebraska's economic success.

Thank you for the opportunity to testify today. I encourage the Committee to advance LB583 to General File and would welcome any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Mitchell Clark". The signature is written in a cursive style with a horizontal line at the end.

Mitchell Clark
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