

## LEGISLATIVE BILL 547

Approved by the Governor May 27, 2015

Introduced by Campbell, 25.

A BILL FOR AN ACT relating to child care and early childhood education; to amend sections 43-2621 and 79-1104.02, Reissue Revised Statutes of Nebraska; to provide for reservation and allocation of federal funds for child care activities; to provide for and change provisions relating to grants to early childhood education programs; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 43-2621, Reissue Revised Statutes of Nebraska, is amended to read:

43-2621 (1) Funds provided to the State of Nebraska pursuant to the Child Care and Development Block Grant Act of 1990, 42 U.S.C. 9857 et seq., as such act and sections existed on January 1, 2015, shall be used to implement the Quality Child Care Act, except as provided in subsections (3) and (4) of this section.

(2) The Legislature finds that the reservations and allocations contained in subsections (3) and (4) of this section are made pursuant to the 2014 reauthorization of such federal act. The Legislature also finds that such reservations and allocations are designed to improve the quality of child care services and increase parental options for, and access to, high-quality child care and are in alignment with its comprehensive system of child care and early education programs.

(3)(a)(i) Beginning October 1, 2015, the Department of Health and Human Services shall increase its reservation of federal funds received from the child care and development block grant under such federal act from four percent to seven percent for activities relating to the quality of child care services.

(ii) Beginning October 1, 2017, the department shall increase its reservation of federal funds received from such block grant from seven percent to eight percent for activities relating to the quality of child care services.

(iii) Beginning October 1, 2019, the department shall increase its reservation of federal funds received from such block grant from eight percent to nine percent for activities relating to the quality of child care services.

(b) In addition to the percentages reserved in subdivision (3)(a) of this section for activities relating to the quality of child care services, beginning October 1, 2016, the department shall reserve three percent of the federal funds received from such block grant for activities relating to the quality of care for infants and toddlers.

(4)(a)(i) Beginning October 1, 2015, the increase from four percent to seven percent in reservation of federal funds for activities relating to the quality of child care services described in subdivision (3)(a)(i) of this section shall be allocated for quality rating and improvement system incentives and support under the Step Up to Quality Child Care Act.

(ii) Beginning October 1, 2017, the increase from seven percent to eight percent in the reservation of federal funds for activities relating to the quality of child care services described in subdivision (3)(a)(ii) of this section, plus the percentage allocated as described in subdivision (4)(a)(i) of this section, which together total four percent, shall be allocated for quality rating and improvement system incentives and support under the Step Up to Quality Child Care Act.

(iii) Beginning October 1, 2019, the increase from eight percent to nine percent in the reservation of federal funds for activities relating to the quality of child care services described in subdivision (3)(a)(iii) of this section, plus the percentage allocated as described in subdivision (4)(a)(ii) of this section, which together total five percent, shall be allocated for quality rating and improvement system incentives and support under the Step Up to Quality Child Care Act.

(iv) After the federal fiscal year beginning on October 1, 2019, five percent of federal funds provided to the State of Nebraska pursuant to the Child Care and Development Block Grant Act of 1990, 42 U.S.C. 9857 et seq., as such act and sections existed on January 1, 2015, which have been reserved for activities relating to the quality of child care services as described in subdivision (3)(a)(iii) of this section, shall be allocated for quality rating and improvement system incentives and support under the Step Up to Quality Child Care Act.

(b) Beginning October 1, 2016, the three-percent reservation of federal funds for activities relating to the quality of care for infants and toddlers described in subdivision (3)(b) of this section shall be allocated for providing grants to programs described in section 79-1104.02 that enter into agreements with child care providers.

(c) Funds distributed pursuant to this subsection shall comply with federal regulations contained in 45 C.F.R. 98.11, as such regulations existed on January 1, 2015.

(d) Nothing in this section shall prohibit the Department of Health and

Human Services from allocating additional percentages of the child care and development block grant or other dollar amounts for activities relating to the quality of child care services or the quality of care for infants and toddlers.

Sec. 2. Section 79-1104.02, Reissue Revised Statutes of Nebraska, is amended to read:

79-1104.02 (1) The Early Childhood Education Endowment Cash Fund, consisting of the interest, earnings, and proceeds from the Early Childhood Education Endowment Fund and the earnings from the private endowment created by the endowment provider, funds transferred from the Education Innovation Fund pursuant to section 9-812, and any additional private donations made directly thereto, shall be used exclusively to provide funds for the Early Childhood Education Grant Program for at-risk children from birth to age three as set forth in this section.

(2) Grants provided by this section shall be to school districts and cooperatives of school districts for early childhood education programs for at-risk children from birth to age three, as determined by the board of trustees pursuant to criteria set forth by the board of trustees. School districts and cooperatives of school districts may establish agreements with other public and private entities to provide services or operate programs.

(3) Each program selected for a grant pursuant to this section may be provided a grant for up to one-half of the total budget of such program per year. Programs selected for grant awards may receive continuation grants subject to the availability of funding and the submission of a continuation plan which meets the requirements of the board of trustees.

(4) Programs shall be funded across the state and in urban and rural areas to the fullest extent possible.

(5) Each program selected for a grant pursuant to this section shall meet the requirements described in subsection (2) of section 79-1103, except that the periodic evaluations of the program are to be specified by the board of trustees and the programs need not include continuity with programs in kindergarten and elementary grades and need not include instructional hours that are similar to or less than the instructional hours for kindergarten. The programs may continue to serve at-risk children who turn three years of age during the program year until the end of the program year, as specified by the board of trustees.

(6) The board of trustees may issue grants to early childhood education programs entering into agreements pursuant to subsection (2) of this section with child care providers if the child care provider enrolls in the quality rating and improvement system described in the Step Up to Quality Child Care Act prior to the beginning of the initial grant period. Child care providers shall participate in training approved by the Early Childhood Training Center which is needed for participation or advancement in the quality rating and improvement system.

(7) The board of trustees shall require child care providers in programs receiving grants under this section to obtain a step three rating or higher on the quality scale described in section 71-1956 within three years of the starting date of the initial grant period to continue funding the program. The board of trustees shall require the child care provider to maintain a step three rating or higher on such quality scale after three years from the starting date of the initial grant period to continue funding the program.

(8) If a child care provider fails to achieve or maintain a step three rating or higher on the quality scale described in such section after three years from the starting date of the initial grant period, the child care provider shall obtain and maintain the step three rating on such quality scale before any new or continuing grants may be issued for programs in which such child care provider participates.

(9) Any school district entering into agreements pursuant to subsection (2) of this section with child care providers must employ or contract with, either directly or indirectly, a program coordinator holding a certificate as defined in section 79-807.

(10) ~~6~~ Up to ten percent of the total amount deposited in the Early Childhood Education Endowment Cash Fund each fiscal year may be reserved by the board of trustees for evaluation and technical assistance for the Early Childhood Education Grant Program with respect to programs for at-risk children from birth to age three.

Sec. 3. Original sections 43-2621 and 79-1104.02, Reissue Revised Statutes of Nebraska, are repealed.