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February 13, 2013

To: Health and Human Services Committee

From: Aubrey Mancuso, Policy Coordinator

RE: LB 359, To change eligibility redeterminations for child care subsidy

Voices for Children is in strong support of LB 359 to establish an earned income incentive for ongoing eligibility in the child care subsidy program and we want to thank Senator Cook for bringing forward this bill. The child care subsidy program is a critical work support for parents and also helps to ensure the safety and well-being of our state's children.

Nebraskans are hard working and have a strong work ethic. Almost 80% of Nebraska mothers are in the workforce, and 95% of Nebraska kids have at least one parent in the workforce.¹ The child care subsidy program helps make child care affordable for lower income working families who may otherwise be unable to work or afford formal child care.

As many on this committee likely recall, in 2002, then-Governor Mike Johanns line-itemed vetoed \$4.5 million from the child care assistance program, reducing the eligibility requirement from 185% of the federal poverty level to 120%. This decision was made based on budget considerations, and not on the significant evidence that demonstrates the importance of access to affordable and quality child care. In the decade since this cut, the cost of child care has continued to rise and income eligibility for the program has remained at the lowest level in the entire nation.²

Child care now consumes a significant portion of family budgets, with the cost of infant care in Nebraska exceeding the cost of in-state public college tuition and the cost of care for two children equal to average annual mortgage payments.³

What Nebraska's income eligibility has meant for many lower income working families, and especially for working mothers, is that they are forced to choose between increasing their earning potential or maintaining incomes low enough to be able to afford child care. While this bill is not a full solution to the issue, its passage would mean Nebraska finally taking a step forward in allowing families to increase their earnings and work toward greater financial stability while still being able to afford care for their children. LB 359 would ease the transition from utilizing child care subsidies to being able to afford

¹ *Kids Count in Nebraska Report 2011*

² *National Women's Law Center State Child Care Assistance Policies 2011*

³ *Child Care Aware, Parents and the High Cost of Child Care 2012*

child care independently by allowing for a more gradual step down from the program.

We urge the committee to advance LB 359 and take a long needed step forward in improving this critical work support for parents that helps keep our children safe. Thank you.