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Thank you Chairman Arch and members of the Health and Human Services Committee. My name is Julie Erickson and I am representing Voices for Children in Nebraska in support of LB 68.

For parents, access to safe, affordable and reliable child care is critical to being able to work. For families with lower incomes, the challenges in access to child care are numerous ranging from cost to availability. Quality providers are essential both to ensuring parents can work and laying the groundwork that ultimately helps young people be successful in school. For too long, we have undervalued the essential work of child care providers and it is long past time to enact policies that support them.

In addition to supporting providers, LB 68 is also an investment in strengthening the foundations of an industry that has been hit hard by the pandemic. The COVID-19 pandemic has been devastating for child care providers who were always operating under thin margins. As of October of last year, 63 licensed child cares in Nebraska had closed permanently and another 224 were still closed temporarily and uncertain about reopening. This means that nearly 10 percent of the state’s licensed child care centers and in-home providers were closed due to the pandemic. As we work toward rebuilding our economy, parents need child care and child care centers need providers.

For most working parents, when you pay for child care you are required to pay for the slot regardless of whether or not your child attends all scheduled days. This ensures that child care providers have predictable revenue and child care centers can provide adequate staffing. For too long, we have paid providers participating in the child care subsidy program differently, not paying at all for absences for many years and more recently paying for a limited number of absences. This practice was suspended in April via an executive order from Governor Ricketts and has been critical for providers in weathering the impact of the pandemic.

The different payment structures are part of creating a stratified market that discourages providers from participating in the child care subsidy program and creates greater financial instability for those who do. We should be working toward eliminating barriers to participation in this program for providers by ensuring that they are paid adequately for their essential service.

LB 68 is an investment that will be pay dividends for children and the economy and we urge the committee to advance this bill. Thank you.