



402-597-3100  
voicesforchildren.com  
317 S. 17<sup>th</sup> St., Suite 212  
Omaha, NE 68102

January 22, 2025

To: Chairperson Hardin and Members of the Health and Human Services Committee

From: Anahí Salazar, Policy Coordinator for Voices for Children in Nebraska

**RE: Support for LB 13- Require the Department of Health and Human Services to file a state plan amendment relating to child care**

Children thrive when they have consistency in their daily lives, attending the same childcare provider being an important routine. Shifting from payments based on daily attendance to enrollment helps childcare providers keep their programming. Childcare programs operate on tight budgets, from staff salaries to rent. Voices for Children in Nebraska supports LB 13 because it helps create stability for childcare providers and families. Making this change would help ensure programs accepting subsidy payment have a sufficient and stable income stream.

The federal government passed a new set of child care rules last year<sup>1</sup>, to update the Childcare Subsidy program by paying their providers based on enrollment. The rule went into effect April 2024, but Nebraska requested a two year extension to come into compliance. This is a great step forward, and this new rule ensures child care is accessible for families that qualify as well as ensuring that providers receive compensation even when children are absent. Children often miss days due to sickness or early childhood appointments, for a myriad of reasons. Payments based on attendance not only penalize providers for setting necessary health guidelines, but can have negative effects for families. Providers can drop or decline to serve families that might have inconsistent attendance. This change allows childcare programs to find stability and prevent permanent closures.

Providers who serve children with subsidies also have fixed costs. Payments by enrollment may encourage providers to accept more children with subsidies, knowing that they have a stable source of funding for those spaces; thus creating an increase in access in high demand populations, such as infants.<sup>2</sup>

When childcare programs offer regularly scheduled hours to their workforce, they are able to retain educators. Paying rates based on enrollment can provide the stability that providers need to run a financially sustainable program, decreasing turnover and helping improve quality. Creating financial predictability to strengthen our child care workforce also benefits families, by increasing access to care by experienced and consistent educators and reducing turnover. Enrollment payments also allow for flexible scheduling options beyond just full-time or part-time arrangements, supporting a full range of parent choices.

Childcare providers play an essential role in nurturing young minds and supporting families, supporting families, and sustaining the broader state workforce. Predictable and stable streams of income can increase supply by attracting new providers to enroll children with subsidies. We want to thank Senator Cavanaugh for her work in

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<sup>1</sup> [The State Policy Implications of the New Federal Child Care Rule - Prenatal-to-3 Policy Impact Center](#)

<sup>2</sup> <sup>1</sup> Johnson-Staub, Christine, and Simon Workman. *Opportunities to Advocate for Equitable Child Care Policies through the State CCDF Planning Process What Are State CCDF Plans?* [2021 State CCDF Planning Process brief.pdf \(clasp.org\)](#)



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making childcare more accessible and the Committee for considering this critical step toward improving childcare accessibility and stability in Nebraska.