February 27, 2013

Senator Kathy Campbell, Chair

Health and Human Services Committee
Room 1402, State Capitol
Lincoln, NE 68509

RE: Support of LB 625

Chairwoman Campbell and members of the Health and Human Services Committee,

On behalf of Nebraska Appleseed, I am here to testify in support of LB 625.

We would like to first thank Senator Conrad for bringing LB 625 forward, and for her commitment to improving access to child care assistance for working families.

Affordable childcare is vital to allow families to work and to keep children safe. In Nebraska, the Child Care Subsidy Program provides assistance to low-income families that are working their way towards independence, by helping cover the costs of childcare. Indeed, the program helps parents have a safe place for their children while they find work, maintain employment, or gain the education and skills needed to get a job. Without this assistance to cover the cost of childcare, many Nebraskans would be unable to work.

Unfortunately, childcare subsidy eligibility levels are inconsistent with the experience of low-income families, who spend more of their income on child care than higher income families. To be sure, Nebraska ranks dismally in terms of income eligibility nationally. In our state, a family of three can earn only about $2000 per month and remain eligible for the subsidy. Yet, families earning only slightly more than this limit face significant financial barriers in affording the cost of childcare, and that affects their employability, and potentially the safety of their children.

LB 625 would remedy this imbalance by reestablishing eligibility for the program at a rate that is more realistic with the current costs of childcare. This would allow low-income working families earning between 120% and 185% of the Federal Poverty Level (FPL) to access child care assistance, while also requiring that they pay for a portion of its cost. The bill would go far to ensuring that more Nebraska children will be in safe environments while their parents are working, and furthermore, may enable more families to find work or take a pay raise. This is not only good policy for the welfare of Nebraska’s families, but
also for the health of Nebraska's economy and its continued fight against unemployment and underemployment.

For these reasons, we urge the committee to advance LB 625.

Sincerely,

NEBRASKA APPLESEED
James Goddard, J.D.
Director
Economic Justice & Health Care Access

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1 There is a range of income eligibility for the program. Some families are eligible at about 47% FPL with no cost sharing (ADC eligibility). Others families are eligible at 120% FPL, and must pay a portion of the cost of childcare to the provider.


iii The income eligibility in Nebraska was changed by Governor Johanns through a line item veto in 2002 and has stayed static since that time.

iv At this income level the families will pay for a share of the cost of child care and the state will reimburse providers for the remainder.