

February 26, 2015

Senator Kathy Campbell, Chair
Health and Human Services Committee
P.O. Box 94604
Lincoln, NE 68509-4604

RE: LB 547

Dear Senator Campbell and members of the Health and Human Services Committee:

I am writing in opposition to LB 547, which allocates a greater percentage of the Child Care Development Fund (CCDF) to activities related to improving the quality of child care services in Nebraska.

In November of 2014, the Child Care and Development Block Grant Act of 2014 reauthorized the CCDF block grant. Included in this reauthorization was a requirement that States increase the amount of federal funds they spend on quality activities from 4% to 9%, through a five year phase in period. In addition to the quality spending requirements, States must spend 3% of the funds on quality activities for infants and toddlers. The increase regarding the use of these federal funds is mirrored in section three of LB 547.

Currently DHHS is designated as the lead agency responsible for administration of the CCDF. LB 547 is silent on the authority of DHHS to monitor the use of these funds by the Endowment and to ensure that the federal funds are used in accordance with federal regulations. 45 CFR 98.11 requires the lead agency for CCDF to ensure any program using CCDF dollars complies with the approved CCDF state plan and all Federal requirements as well as oversee the expenditure of funds by sub grantees and contractors. It is because of this requirement that DHHS is in opposition of LB 547. Without DHHS having an active and clear role in monitoring the federal dollars obligated to the Endowment, there is a substantial risk for regulatory non-compliance associated with this provision.

The goal of the bill is important to improving the quality of child care in Nebraska, however DHHS believes the goals can be accomplished through DHHS directly contracting with child care providers. DHHS currently has a child care grant program that awards various grants to child care providers across the State. LB 547 would have DHHS allocate funds to the Endowment for them to duplicate these efforts using the same funding source.

In addition, DHHS has concerns about the creation of a statutory requirement that would obligate such a significant amount of quality child care dollars to one entity. With such a large portion of federal quality dollars required to go to the Endowment, DHHS will not have the flexibility needed to react to needs across the State.

Thank you for your time and consideration of this information. I am happy to work with Senator Campbell and this Committee to further develop LB 547.

I greatly appreciate the opportunity to share the above concerns and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Green". The signature is fluid and cursive, with the first name "Tony" and last name "Green" clearly distinguishable.

Tony Green, Acting Director
Division of Children and Family Services
Department of Health and Human Services