



Investing in Possibilities:

The 2017 Nebraska Children's Budget



Table of Contents

- 3. About Us
- 4. A Message From Our President
- 7. Children are More Than a Line Item
- 8. State General Fund Expenditures
- 9. Early Childhood Population
- 10. Children's Health and Prenatal Care
 - 12. Home Visitation
- 14. Sixpence Early Learning Fund
 - 16. Child Care Subsidy
 - 18. School District Pre-K
 - 20. Step Up to Quality
 - 22. Special Education
- 24. Access College Early (ACE) Scholarship Program
- 27. Nebraska Policy Choices for Children & Working Families
- 30. Sources

Acknowledgements

© 2017 Holland Children's Institute

Portions of this report may be produced without prior permission, provided the source is cited as:

©Holland Children's Institute,
2017 Nebraska Children's Budget.

Author:

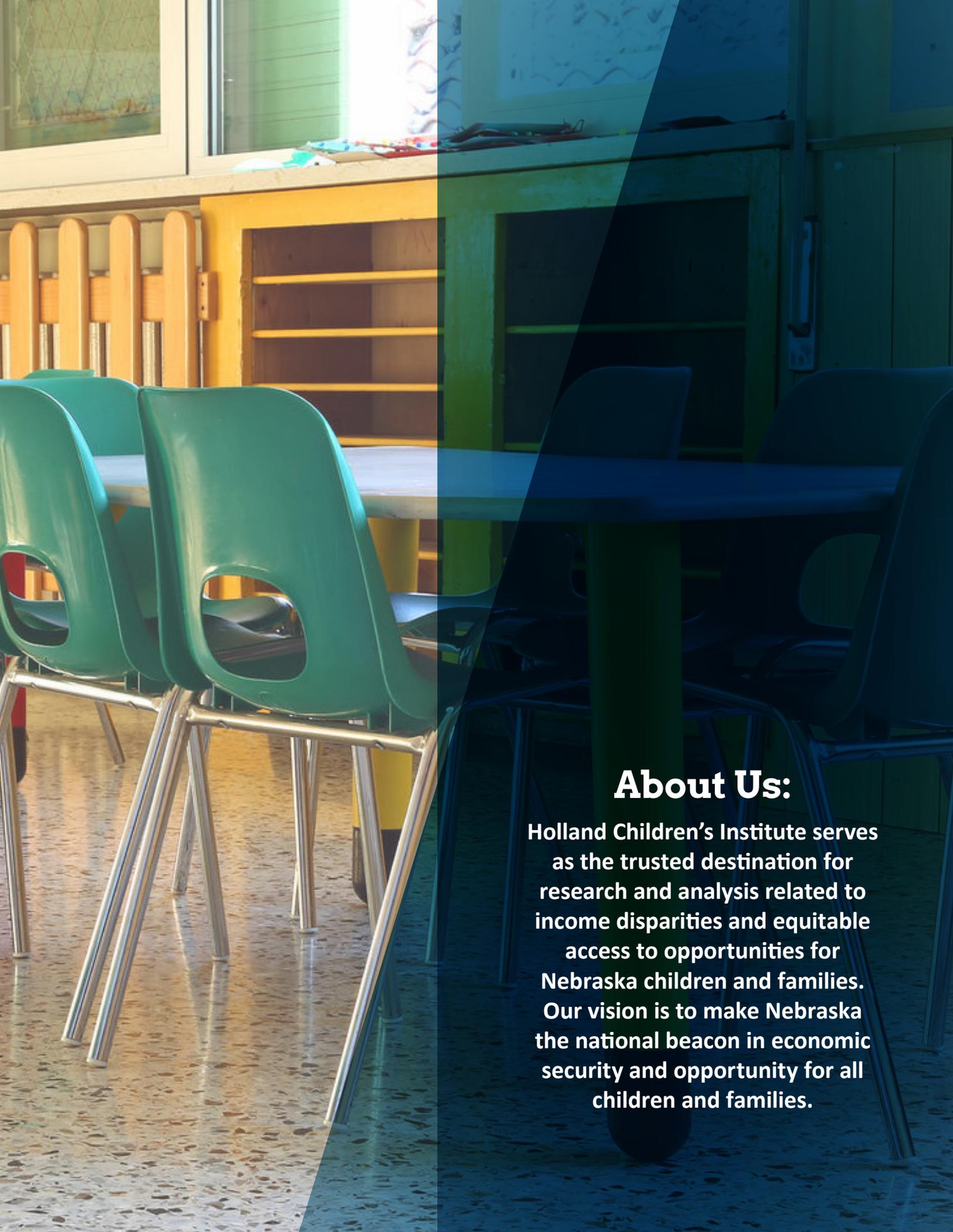
Sarah Ann Kotchian, JD
Vice President of Public Policy

Editorial Contributors:

Heath Mello, Chief Operating Officer
Rachel Meier, Director of Communications
Jessica Lathrop, Director of Operations

Design:

Victoria Jones, Graphic Designer



About Us:

Holland Children's Institute serves as the trusted destination for research and analysis related to income disparities and equitable access to opportunities for Nebraska children and families. Our vision is to make Nebraska the national beacon in economic security and opportunity for all children and families.

A Message from our President Andy Holland

“My father was a champion and exemplar of investing in the possibilities of every child, specifically young children facing the most difficult odds. He was outspoken and unrivaled in his ability to put up a fierce fight, a generous investment, and his clasped hands with a signature cheer on behalf of early childhood education.

As we strive at the Holland Children’s Institute to carry on my father’s legacy and honor his vision for Nebraska to become the national beacon in economic security and opportunity for all children and families, we offer our third annual Nebraska Children’s Budget report.

The Nebraska Children’s Budget report provides background information and expenditure data of state investments in programs directly impacting the health and education of children made through the Nebraska Legislature’s appropriations process.

As it is the job of the Nebraska Legislature to set the state’s budget, we see it as our job to reveal through this moral document, the value our policymakers place in our children’s health and education.

It is difficult to identify an investment more critical to Nebraska’s future than dollars directed toward our children during their earliest years. Programs like home visitation, public-private partnerships like Sixpence, and unique program quality improvement efforts between the Nebraska Department of Education and the Department of Health and Human Services like “Step Up to Quality”, are vitally important to Nebraska’s future.

Imagine what Nebraska would look like if every school district across the state had resources to invest in full-day pre-K for 3- and 4-year-olds instead of only serving 12,652 children statewide.

What if Kindergarten teachers welcomed students and families on the first day already knowing them from their previous relationship in the school’s pre-K classroom, or greeted them without a doubt that their past learning experiences in our existing state programs and services prepared them well for Kindergarten?

What if our uninsured number of children eligible for CHIP and Medicaid but unenrolled was nonexistent instead of 14,586?

And what if every Nebraska high school graduate moved forward with a solid career plan and pathway forward?

What if we took action to increase economic opportunity, rebuild the middle class, and end childhood poverty?

This is the type of state my father envisioned and I am thrilled to share in the continued work of the Holland Children’s Institute to help see it through for a better and brighter future for all children and working families in Nebraska.



It is difficult to identify an investment more critical to Nebraska's future than dollars directed toward our children during their earliest years.

- Andy Holland, President



Children are More Than a Line Item

by *Heath Mello, Chief Operating Officer*

Investing in our state's children is investing in our future. This is why it is critical to look at the state budget through the lens of a child.

Building the state budget is a complex and deliberative process. The Nebraska Constitution requires the state to balance the budget every year. During odd numbered years, the Nebraska Legislature meets for 90 days in what is called the "long session" and in even numbered years, it meets for 60 days in what is called the "short session." During the 90-day session, members of the Nebraska Legislature adopt the state's biennial revenue budget (two-year). During the 60-day session, the Nebraska Legislature makes adjustments to the budget. In both instances, the process looks like the tasks outlined in the Budget Process flowchart below.

When the state has to make difficult decisions in tough fiscal climates, policymakers review spending by the line item to ensure key priorities are being met. With hundreds of programs and competing interests to consider, children shouldn't get lost in the shuffle. Our annual Nebraska Children's Budget report gives context to the tax dollars the state invests in our youngest children and their families.

As the nation's only nonpartisan Unicameral (one house legislature), the majority of the responsibility to build the state budget rests on a small number of elected officials under a time crunch. The nine-member Appropriations Committee of the Nebraska Legislature works with the Legislative Fiscal Office to analyze multiple streams of funds and set priorities to be considered by the 40 other members of the Unicameral and ultimately, the Governor.

Inside this report, we focus on General Funds and cut through the layers of statutory language to give Nebraskans and policymakers digestible program descriptions, expenditures and impact. This report purposefully does not include constitutionally mandated K-12 spending, and instead focuses on areas of the state budget where legislators have greater flexibility to determine appropriations for General Fund dollars.

At Holland Children's Institute, we know that children are more than a line-item and we publish the Nebraska Children's Budget report to help make that case.

Budget Process

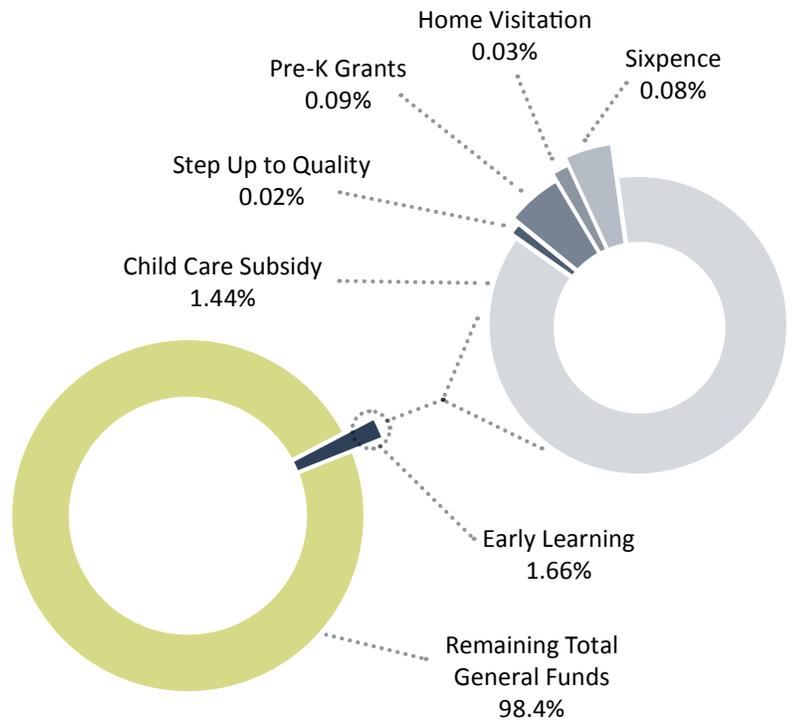
- State agencies make budget requests to the Governor and the Legislature in the fall.
- The Governor then reviews those requests working with the Department of Administrative Services Budget Division.
- The Governor then gives his/her budget recommendations to the members of the Legislature at the beginning of the Legislative session in January or February.
- The Legislature's Appropriations Committee works with the Legislative Fiscal Office to review and vote on issues and requests in committee "executive sessions."
- The Appropriations Committee sends out a report of their preliminary decisions.
- The Appropriations Committee holds public hearings on legislative bills and agency budgets.
- The Appropriations Committee reviews issues and requests for a second time and advances budget bills to the full Legislature for consideration.
- The Legislature amends and/or adopts the budget bills and sends them to the Governor.
- The Governor signs the budget bills or delivers line-item vetoes back to the Legislature.
- The Legislature can then either accept the Governor's line-item vetoes or reject them by moving to override the vetoes.

State General Fund Expenditures

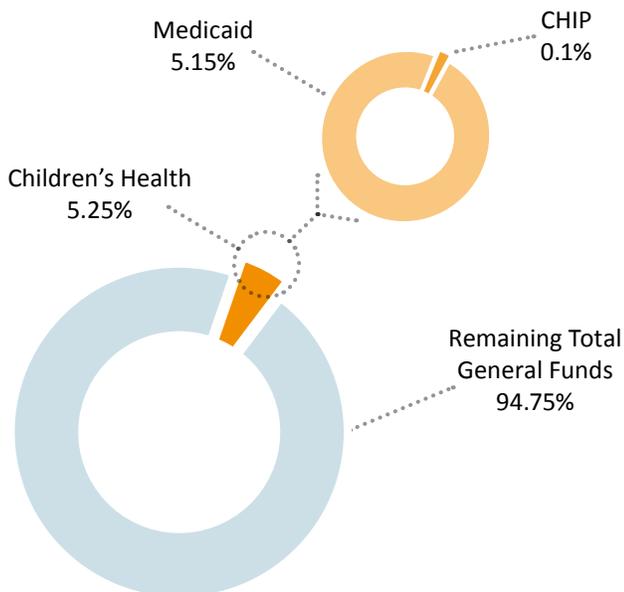
Total State General Funds Spent on Children's Health, Early Learning, and Education Spending Outside TEEOSA (FY 2016)

CHIP	\$4,498,863
Medicaid	\$219,470,732
Home Visitation	\$1,200,846
Child Care Subsidies	\$61,505,842
Sixpence	\$3,486,929.30
Early Childhood Grant Program Aid	\$3,667,254
Step Up to Quality	\$1,000,916.41
Special Education Aid	\$216,010,910.20
ACE Scholarship Program	\$614,020
Total State General Funds Spent on Children's Health, Early Learning, and Education Spending Outside TEEOSA	\$511,456,312.91
Total General Funds	\$4,265,177,587

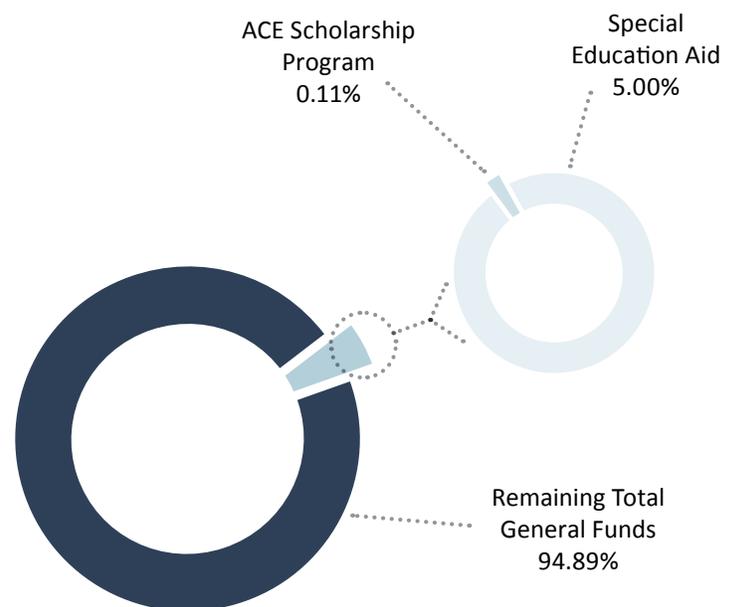
In FY 2016, **only 1.66 percent** of state general funds were spent on early learning.



In FY 2016, **only 5.25 percent** of state general funds were spent on children's health.



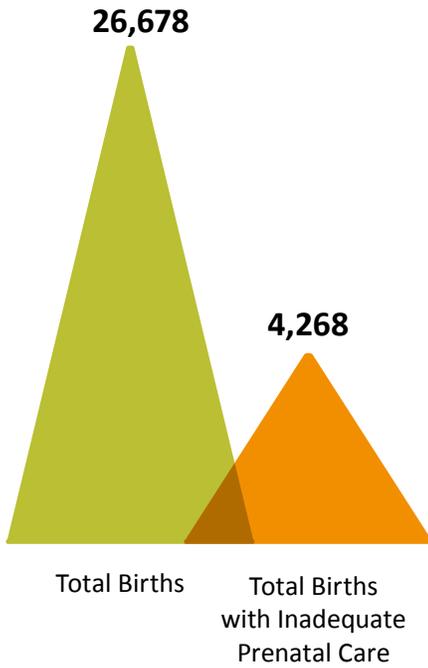
In FY 2016, **only 5.11 percent** of state general funds were spent on other education spending outside TEEOSA*.



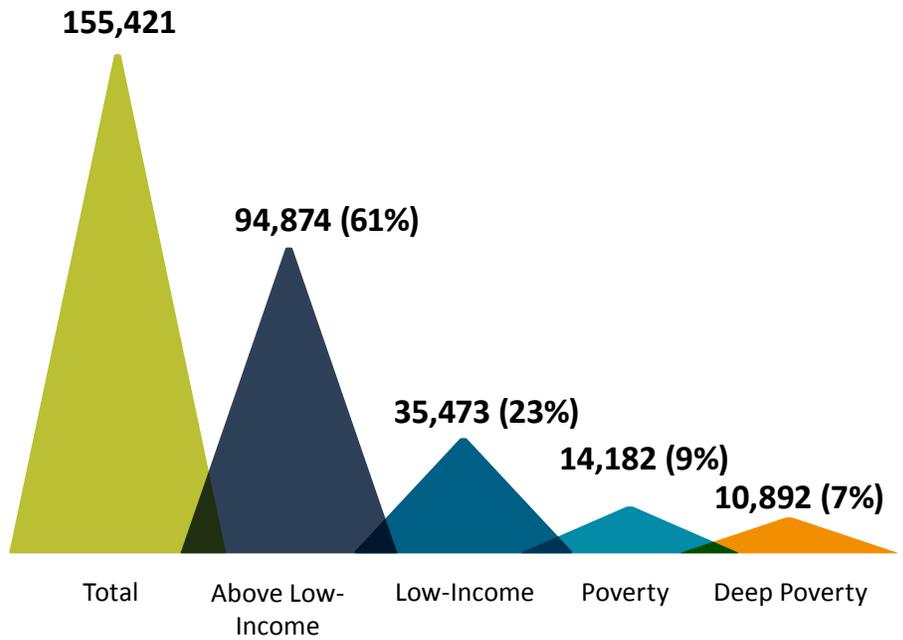
*Nebraska Tax Equity and Educational Opportunities Support Act

Early Childhood Population at a Glance

Births in 2015

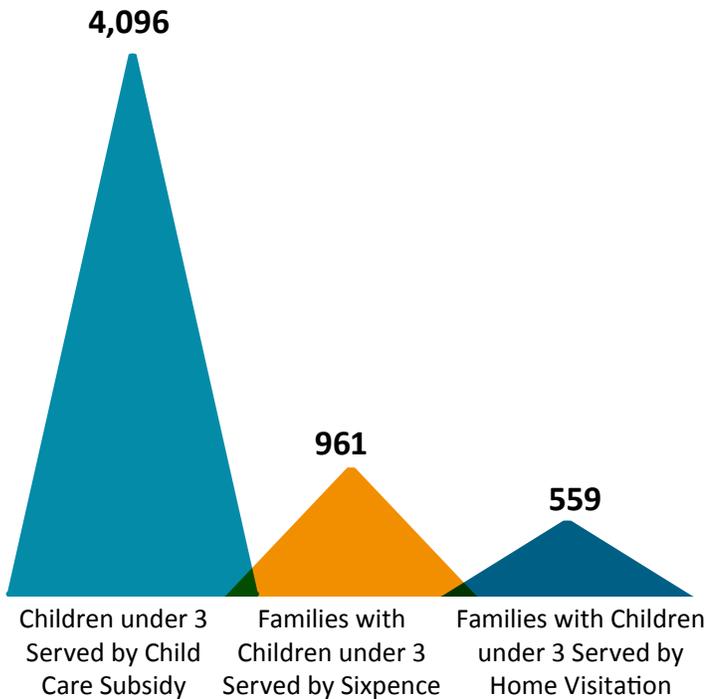


Nebraska Children under 6 in 2016

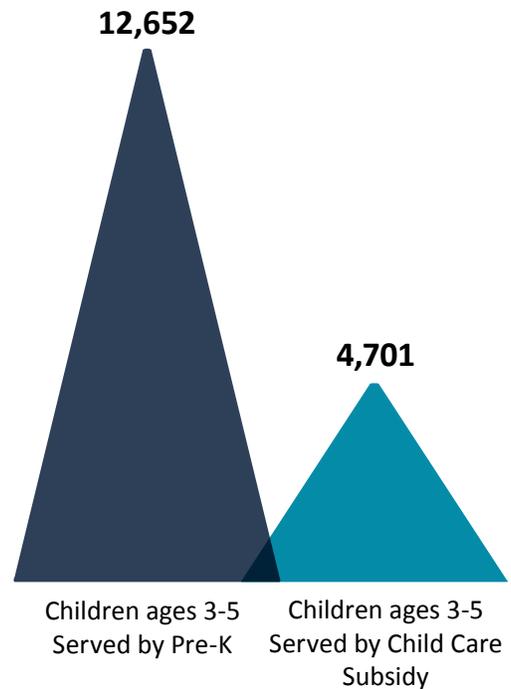


Children Under 6 by Program

Infants and Toddlers (ages 0-3) in 2016



Young Children (ages 3-5) in 2016



Children's Health and Prenatal Care

The healthy development of children, beginning with a mother's preconception health and access to prenatal care, is inextricably linked with school readiness, academic success, overall well-being, and lifelong success. Children who arrive at school with their physical health and social and emotional needs met will be much more likely to thrive and grow into productive adults.

Nebraska has made important public policy changes in recent years to ensure health coverage for our children, including the expansion of access to the Children's Health Insurance Program (CHIP) and restoring universal prenatal coverage. Unfortunately, too many Nebraska children do not receive the care they need — even before birth. In 2015, prenatal care did not begin during the first trimester for 27 percent of births. Of all children born in Nebraska in 2015, 16% received inadequate prenatal care.

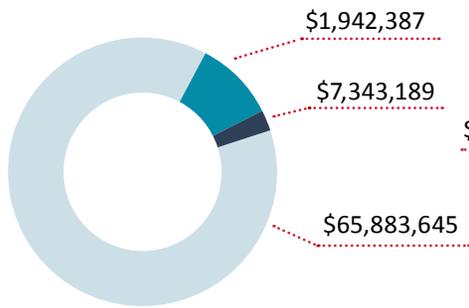
With the passage of LB 599 in 2012, Nebraska restored universal prenatal care coverage for every pregnancy. Every child born in the state can - and should - have access to quality prenatal care. Preconception health and early prenatal care are critical because many important developments take place during the first trimester. Inadequate prenatal care can result in costly pregnancy complications, poor birth outcomes, and lifelong consequences.

In 2016, 156,262 children were served through CHIP. During the same time, 23,707 children were uninsured. Of this uninsured population, about 62.6 percent were eligible for Medicaid or CHIP coverage but were not enrolled. Children are the least expensive population to cover and make up the largest Medicaid subpopulation. In 2016, children accounted for 67.1 percent of Nebraska's Medicaid expenditures. The average cost per child in 2016 was \$3,401, compared to \$22,458 per each aged adult and \$24,725 per each blind and disabled individual.

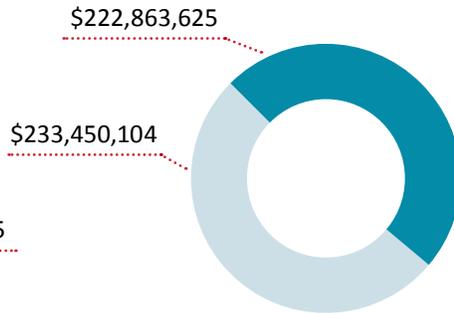


Program and Financial Data

CHIP Funds (FY 2016)



Medicaid for Children Funds (FY 2016)

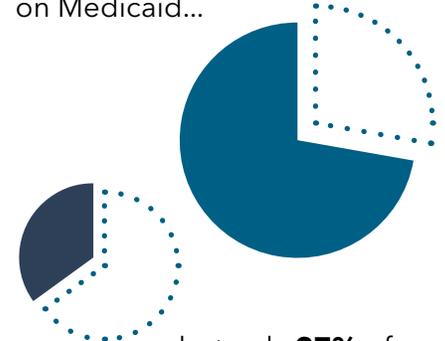


Total Expenditures: \$74,252,256

Total Expenditures: \$457,230,693

■ General Funds
 ■ Cash Funds
 ■ Federal Funds

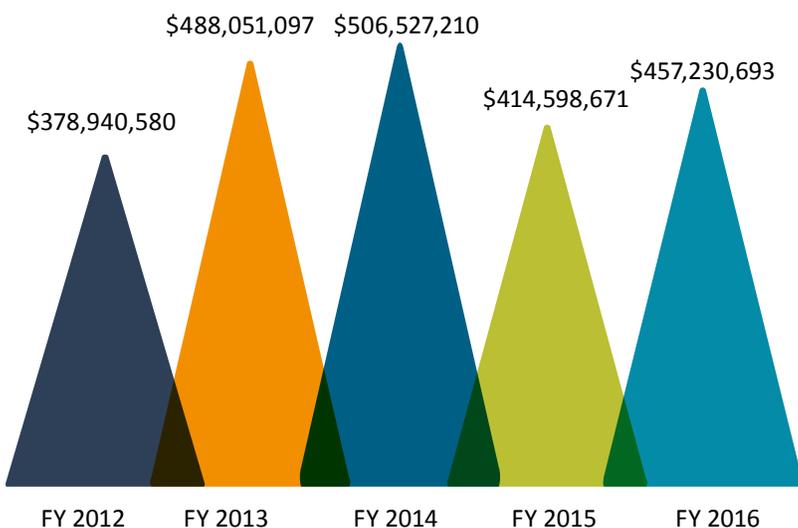
Children make up over **67.1%** of Nebraskans on Medicaid...



...but only **27%** of Medicaid expenditures.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Children Served through CHIP/Medicaid	151,140	152,297	154,071	153,413	154,276	156,262
Uninsured Children in Nebraska	26,892	27,806	25,379	24,795	24,078	23,707
Uninsured Children Eligible but Not Enrolled in CHIP/Medicaid	18,621	19,140	16,914	15,335	15,506	14,856
Nebraska Births	25,722	25,939	26,094	26,794	26,678	—
Prenatal Care Utilization in First Trimester	19,291	19,454	19,544	18,728	19,528	—
Lack of Prenatal Care in First Trimester	6,431	6,485	6,550	7,474	7,150	—

Children's Medicaid Expenditures (FY 2012-2016)



Total State and Federal Expenditures (FY 2012-2016)

FY 2012	\$378,940,580
FY 2013	\$488,051,097
FY 2014	\$506,527,210
FY 2015	\$414,598,671
FY 2016	\$457,230,693



Holland Program Goal

Insure All Eligible but Uninsured Children for CHIP and Medicaid, and Increase Prenatal Care Utilization in First Trimester

Home Visitation

Children begin learning at birth. Home visitation programs can ensure parents are equipped with the skills and resources to support their child's learning and healthy development right from the start. High quality home visitation programs are proven to increase children's school readiness, improve child health and development, reduce child abuse and neglect, and enhance parents' abilities to support their children's overall development. From October 2015 through September 2016, the Nebraska-Maternal, Infant & Early Childhood Home Visiting Program (N-MIECHV) served 559 families through 10,773 completed home visits.

Nebraska's early intervention home visitation program was established in 2005 through the passage of LB 264, which provided general funds to support two pilot projects. In 2007, LB 321 appropriated funds to support the expansion of voluntary home visiting services beyond the pilot projects. The funding for this program has gradually increased over time and in 2014, appropriation language specified that home visiting services had to utilize an evidence-based framework. By fall of 2017, every N-MIECHV site will be fully accredited through the evidence-based Healthy Families America model.

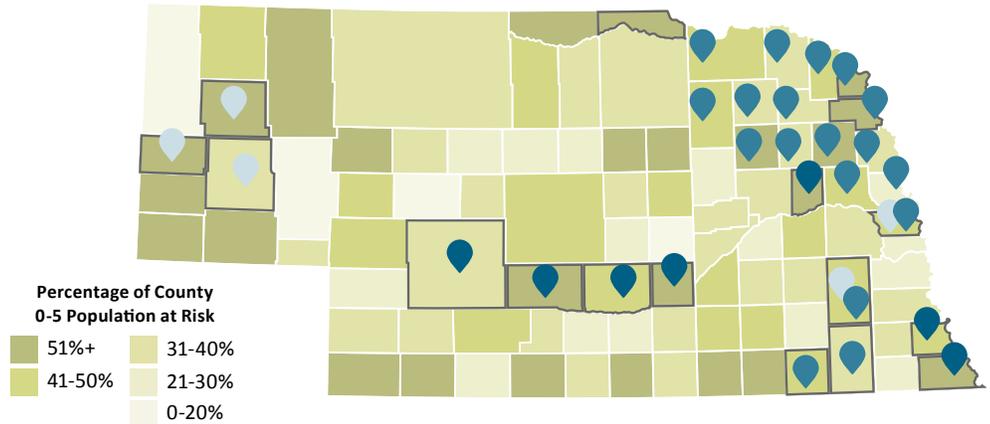
When implemented to fidelity, evidence-based home visitation programs show reliable and measurable impact in important areas of family development to increase successful breastfeeding, well-child visits, immunization schedules, knowledge of child development, and the physical, mental, and emotional health of the family. They also decrease child abuse and neglect, domestic violence, parental use of drugs, alcohol or tobacco, and emergency room visits for both the mother and the child.

But for the lack of available funding, communities across the state in Cheyenne, Banner, Kimball, Colfax and Hall Counties, are poised and ready to implement this successful statewide program to benefit children and families in their local communities.

Program and Financial Data

Nebraska Home Visiting (N- MIECHV) Overview (2016)

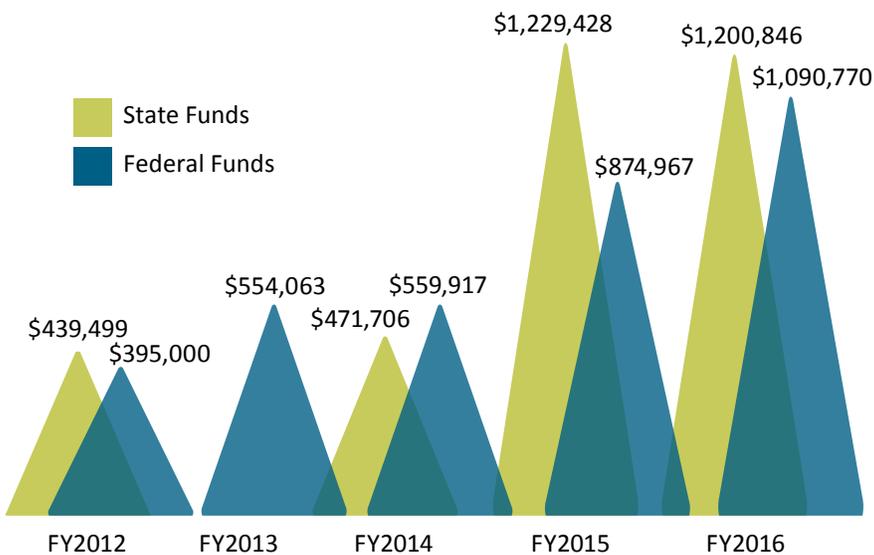
-  State General Funds
-  Federal MIECHV Formula Grant
-  N-MIECHV Investments
-  Priority Counties Identified through the MIECHV Needs Assessment Process



State Sites	Number of Families Served 10/1/2015 to 9/30/2016	Number of Home Visits Completed 10/1/2015 to 9/30/2016
Lincoln-Lancaster County Health Department	69	1,724
Public Health Solutions	55	1,124
Visiting Nurse Association	64	2,042
Northeast Nebraska Community Action Partnership	38	451
Total (State Funded)	226	5,341
Total (State and Federal Combined)	559	10,773

Federal Sites	Number of Families Served 10/1/2015 to 9/30/2016	Number of Home Visits Completed 10/1/2015 to 9/30/2016
Douglas County Health Department	123	1,739
Lincoln-Lancaster Health Department	83	1,622
Panhandle Public Health District	127	2,071
TOTAL (Federal Funded)	333	5,432

Home Visitation Expenditures FY 2012-2016



Home Visitation Expenditures (FY 2012-2016)

	State General Fund	Federal Funds	Total
FY 2012	\$439,499	\$395,000	\$834,499
FY 2013	N/A	\$554,063	N/A
FY 2014	\$471,706	\$559,917	\$1,031,623
FY 2015	\$1,229,428	\$874,967	\$2,104,395
FY 2016	\$1,200,846	\$1,090,770	\$2,291,616



Holland Program Goal

Double the Number of Families Served through Home Visitation Services by June 30, 2021



Sixpence Early Learning Fund

In 2006, LB 1256 established the Nebraska Early Childhood Education Endowment Grant Program to serve children birth to age three. This program is commonly referred to as Sixpence. Sixpence is a public-private partnership funded with \$40 million from the state and an additional \$20 million from the private sector, with the earnings generated used primarily for grants to school districts to provide services for infants and toddlers most at risk of school failure.

In 2014, additional funding was allocated through LB 190 and LB 495 to expand Sixpence. In 2015, LB 547 statutorily allocated 3% of the federal Child Care and Development Fund block grant to Sixpence. LB 489 was also passed in 2015, as amended into LB 547, to allow child care providers that meet statutory requirements for Sixpence to enter into partnerships with school districts and receive Sixpence funding, so long as the child care providers participate in Nebraska's Step Up to Quality program and obtain a Step 3 rating within three years.

Sixpence operates with two focused programmatic approaches: meeting the unique developmental needs of very young children and supporting parents as their child's first and most important teacher. In the 2015-16 program year, Sixpence supported 31 school district grantees across the state with the majority (68%) in rural communities. The program served 1,107 children from 961 families. The majority of Sixpence programs adopted family engagement home-based services, while four served children in center-based programs, and two implemented both family engagement and center-based models. Most of the children (70%) participated in family engagement home-based services, while fewer children (30%) participated in the center-based programs, most of which provided full-day, year-round services with strategies to engage parents in their child's education and conducted home visits with the family.

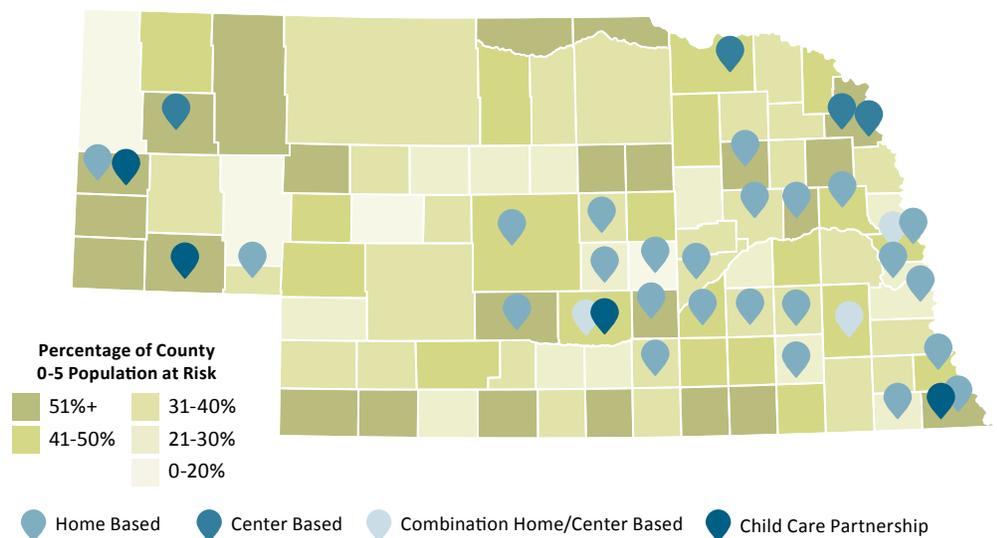


Program and Financial Data

Numbers Served by Sixpence

FY 2011-12	334 Children; 317 Families
FY 2012-13	342 Children; 311 Families
FY 2013-14	590 Children; 531 Families
FY 2014-15	871 Children; 804 Families
FY 2015-16	1,107 Children; 961 Families

Sixpence Grantee Sites (2016)

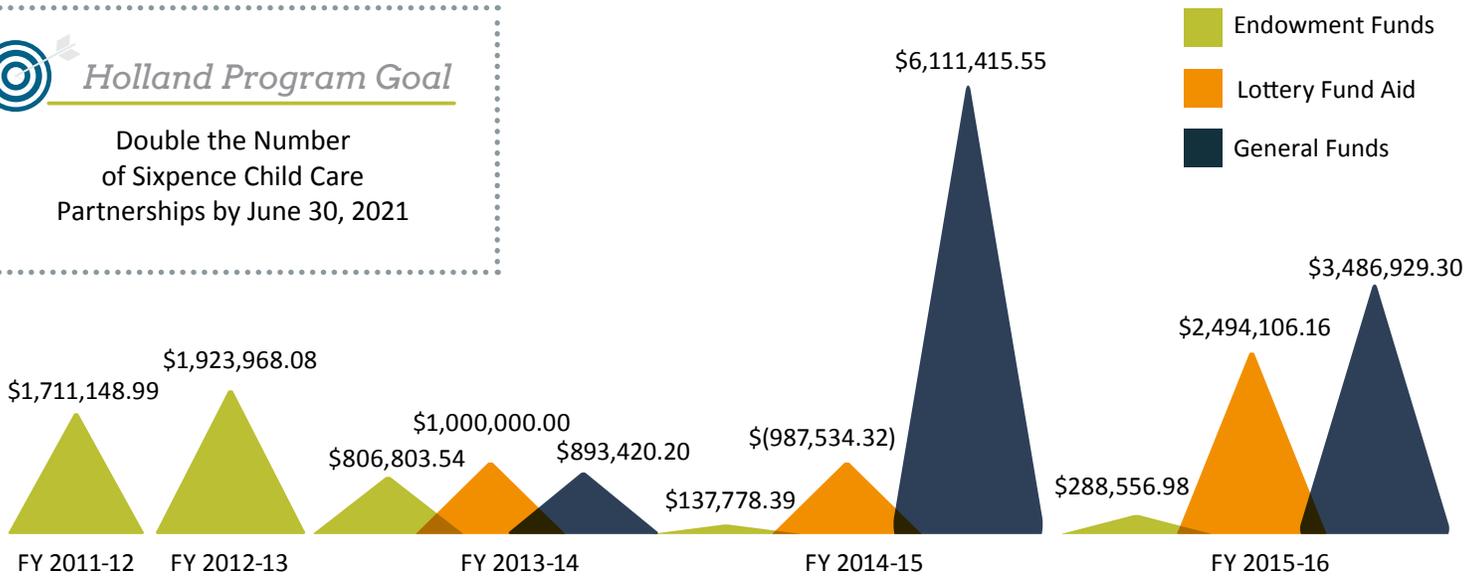


Early Childhood Endowment Expenditures (Ages Birth to 3)



Holland Program Goal

Double the Number of Sixpence Child Care Partnerships by June 30, 2021



Early Childhood Endowment (Ages Birth to 3)

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
General Fund	—	—	\$893,420.20	\$6,111,415.55	\$3,486,929.30
Lottery Fund Aid	—	—	\$1,000,000.00	\$(987,534.32)	\$2,494,106.16
EC Endow Cash Fund Aid	\$1,711,148.99	\$1,923,968.08	\$806,803.54	\$137,778.39	\$288,556.98
Total Expenditures	\$1,711,148.99	\$1,923,968.08	\$2,700,223.74	\$7,236,728.26	\$6,269,592.44

Child Care Subsidy

The child care subsidy program (Title XX), administered by Nebraska Department of Health and Human Services, plays the largest statewide role in serving children in early childhood care and education programs. In 2016, 8,797 children under the age of five were served through the program.

The program provides financial assistance to child care programs on behalf of low-income families to access child care so they can work or attend a job training or educational program. This is a critical economic support for eligible low-income families who cannot afford the full cost of child care, which on average in Nebraska is \$9,157 annually for an infant and \$8,035 for a 4-year-old in center-based care. This program plays a vital role for at-risk children to thrive when programs are high-quality.

In 2013, LB 359 was passed to increase initial program eligibility from 120% to 130% (\$26,546 for a family of three) of the Federal Poverty Level (FPL), and allow families to remain eligible for the program as their income increases up to 140% FPL. In 2015, LB 81 was passed to continue to address the cliff effect that disqualifies families abruptly when their income increases only slightly, to allow families to receive two years of transitional assistance up to 185% FPL (\$37,777 for a family of three).

In 2014, the Child Care and Development Fund underwent federal reauthorization making way for new health and safety requirements to support higher quality care, 12-month continuous eligibility for families regardless of income fluctuations, and recommendations to increase reimbursements to increase the quality of care. The new law also requires states to increase spending on quality initiatives from 4% to 9% of the total federal block grant. In 2015, LB 547 allocated this new increase in spending to Sixpence and Step Up to Quality.



Program and Financial Data

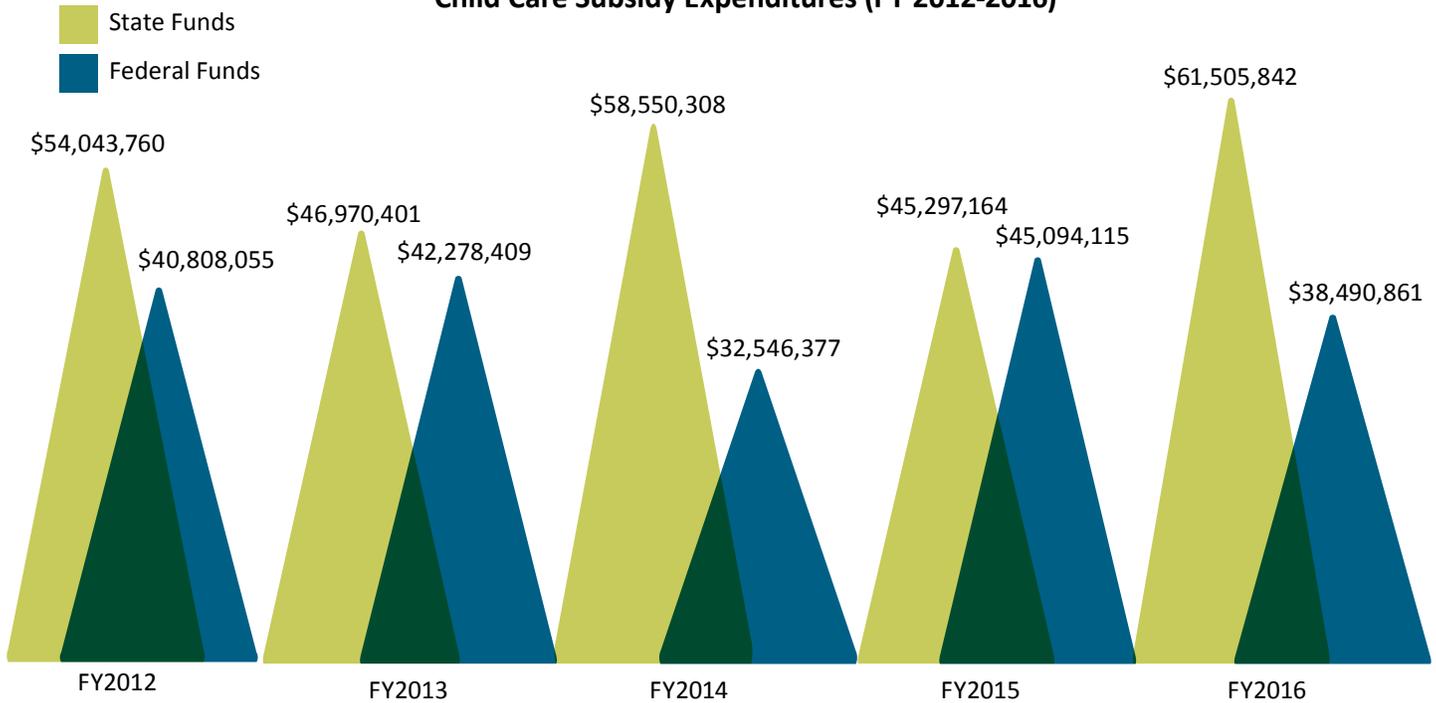
Numbers Served by Child Care Subsidy

FY 2011	35,428 Children
FY 2012	35,539 Children
FY 2013	33,877 Children
FY 2014	30,935 Children
FY 2015	30,450 Children
FY 2016	19,920 Children

2016 Child Care Expenditure and Unduplicated Recipients by Age Group

Age Group (Services Category)	Amount Paid	Unduplicated Recipients	Average Per Child
1 - Infant/Toddler	\$28,535,916	4,096 Children	\$6,967
2 - Pre-School	\$25,698,239	4,701 Children	\$5,467
4 - School-Age (5-13)	\$35,739,836	11,123 Children	\$3,213
Total	\$89,973,991	19,920 Children	\$4,517

Child Care Subsidy Expenditures (FY 2012-2016)



Child Care Subsidy Expenditures (FY 2012-2016)

	State Funds	Federal Funds	Total Funds
FY 2012	\$54,043,760	\$40,808,055	\$94,851,816
FY 2013	\$46,970,401	\$42,278,409	\$89,248,810
FY 2014	\$58,550,308	\$32,546,377	\$91,096,685
FY 2015*	\$45,297,164	\$45,094,115	\$90,391,279
FY 2016	\$61,505,842	\$38,490,861	\$99,996,703



Holland Program Goal

Increase Child Care Subsidy Eligibility to 200% FPL and Provider Reimbursement to 75th Percentile of the Market Rate Survey

*Nebraska was on a limited draw-down because of a reporting error that caused a delay in accessing federal funding resulting in payments that came in uneven increments.

School District Pre-K

Public school pre-K requires standards that can have a positive impact on reducing the inequality in access to high-quality early childhood education programs, changing the trajectory of children's lives. The Nebraska Early Childhood Education (ECE) Grant Program, for ages 3-5, awards state funds through competitive grants to public schools or Educational Service Units (ESUs) to assist in the operation of comprehensive early childhood education programs that provide high quality early childhood education experiences. In most cases the projects expand or combine existing pre-K programs. Grantees are obligated to match 100% of the funding using local and/or federal sources. The program monitors child, program, and family outcomes annually.

Each project receives funding for up to half of the total operating budget of the project per year on a continuing basis, subject to availability of the funds. In 2005, legislation was passed that allows 4-year-olds, but not 3-year-olds, to be incorporated into the school district state aid formula (TEEOSA). School districts that receive grant project funding must be approved for three consecutive years before students are included in the state aid formula.

Once pre-K students are included in the state aid formula, they are counted as 0.6% of a full-time student. In the 2014-15 school year, only 28% of school district pre-K programs in Nebraska were full day programs. In the newest edition of The State of Preschool: 2016 State of Preschool Yearbook by NIEER, Nebraska is ranked 42nd in the nation regarding state spending invested in pre-K.

For more information about voluntary full-day pre-K in Nebraska, access our in-depth issue brief at www.hollandchildrensinstitute.com.



Program and Financial Data

Numbers Served (in public school preschool classrooms by school districts/ESU and Head Start)

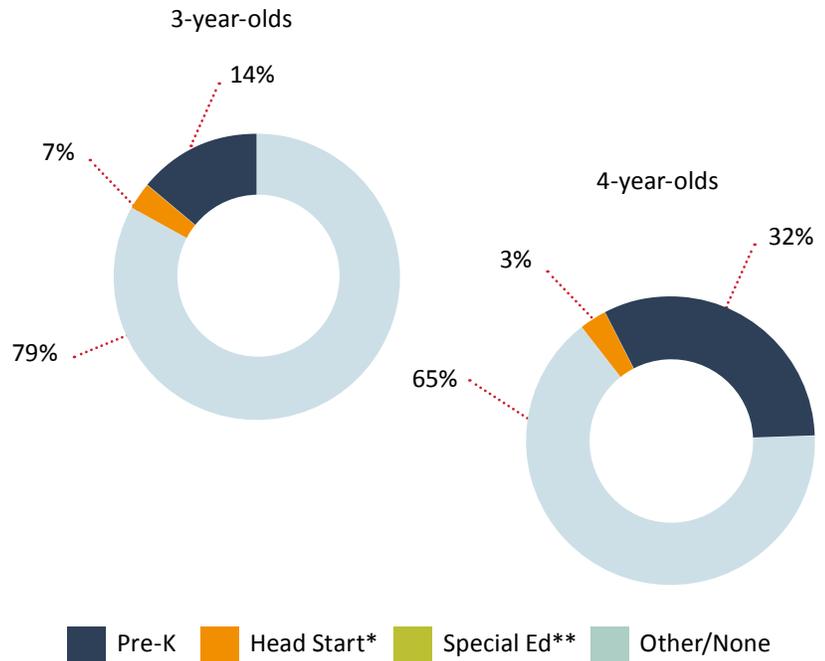
FY 2012	10,204 Children
FY 2013	10,442 Children
FY 2014	11,852 Children
FY 2015	14,457 Children
FY 2016	12,652 Children



Holland Program Goal

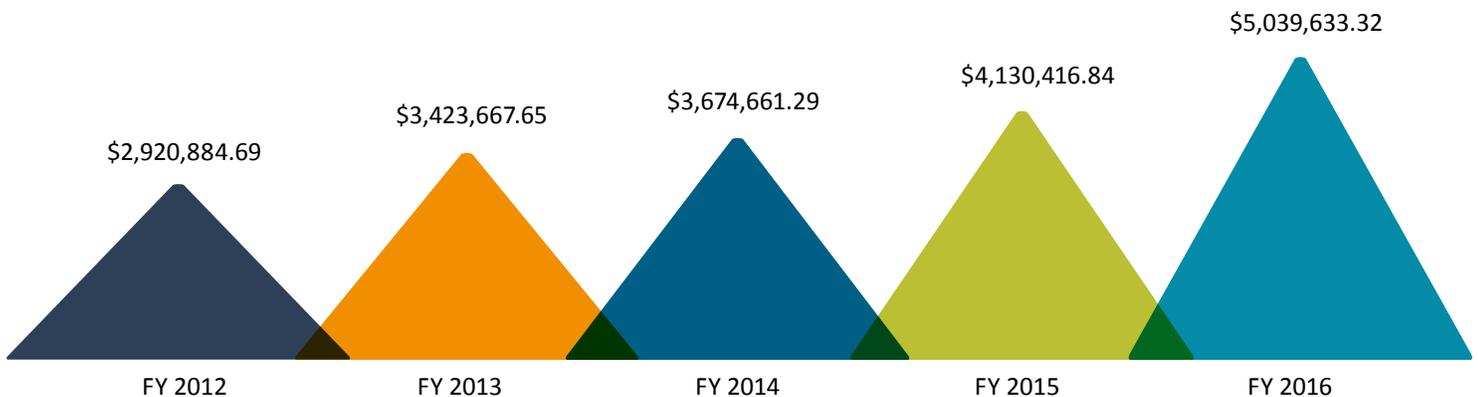
Increase full day pre-K
programs from 28% to 50%
by June 30, 2021

State Pre-K and Head Start Enrollment as Percentage of Total Population (2016)



*Some Head Start children may also be counted in state pre-K.
** Estimates children in special education not also enrolled in state pre-K or Head Start.

Early Childhood Education Program Expenditures (FY 2012-2016)



Early Childhood Education Program (FY 2012-2016)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
General Funds	\$1,262,732.98	—	\$1,406,679.00	\$2,455,690.94	\$3,667,254.00
Cash	\$1,658,151.71	\$3,423,667.65	\$2,267,982.29	\$1,674,725.90	\$1,372,379.32
Total State Funds	\$2,920,884.69	\$3,423,667.65	\$3,674,661.29	\$4,130,416.84	\$5,039,633.32

Step Up to Quality

Step Up to Quality is Nebraska's early childhood Quality Rating and Improvement System. In 2013, after years of extensive study and research, the Nebraska Legislature passed LB 507, the Step Up to Quality Child Care Act. Step Up to Quality provides a roadmap, incentives, and multiple resources to support quality early childhood care and education and increase positive outcomes for children. The stated purposes of the Step Up to Quality Child Care Act are:

- (1) provide accountability for public funds invested in child care and early childhood education programs
- (2) provide a path to higher quality for child care and early childhood education programs,
- (3) provide parents a tool by which to evaluate the quality of child care and early childhood education programs, and
- (4) improve child development and school readiness outcomes.

Programs required to participate in Step Up to Quality in 2014 had received more than \$500,000 annually in public child care subsidy funding. In 2015 and beyond, all licensed child care programs that receive more than \$250,000 in child care subsidy funding are required to participate. Through a unique partnership between the Nebraska Department of Education and the Nebraska Department of Health and Human Services, implementation is underway. The first ratings for programs went public in 2017.

Also in 2017, two new tax credits directly linked to Step Up to Quality became available to childcare providers and the early childhood workforce. In 2016, the Nebraska Legislature passed LB 889, which created the School Readiness Tax Credit Act to support investment and access to quality early childhood care and education. Eligibility for each credit is based on various factors related to program quality and professional attainment. Additional information about eligibility and how to apply can be found at education.ne.gov/StepUpToQuality and revenue.nebraska.gov/info/school_readiness.html



Program and Financial Data

School Readiness Tax Credits

Provider Credit: This credit is equal to the average monthly number of children who participate in the child care subsidy program and attend the provider's program, multiplied by a dollar amount based on the quality rating.

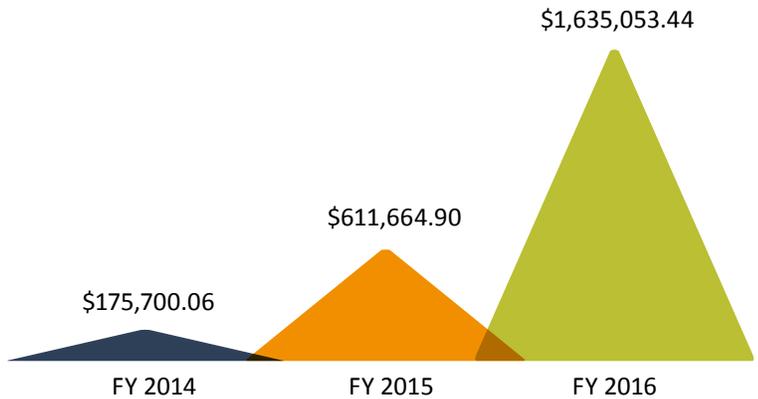
- A) \$250 for a Step Three program
- B) \$500 for a Step Four program
- C) \$750 for a Step Five program

Credit for Staff Member of an Eligible Program:

- A) \$500 for a Level One classification
- B) \$750 for a Level Two classification
- C) \$1,250 for a Level Three classification
- D) \$1,500 for a Level Four classification

Classification information can be found here:
www.education.ne.gov/stepuptoquality/providers-educators/resources/tax-credits/

Step Up to Quality Expenditures (FY2014-2016)

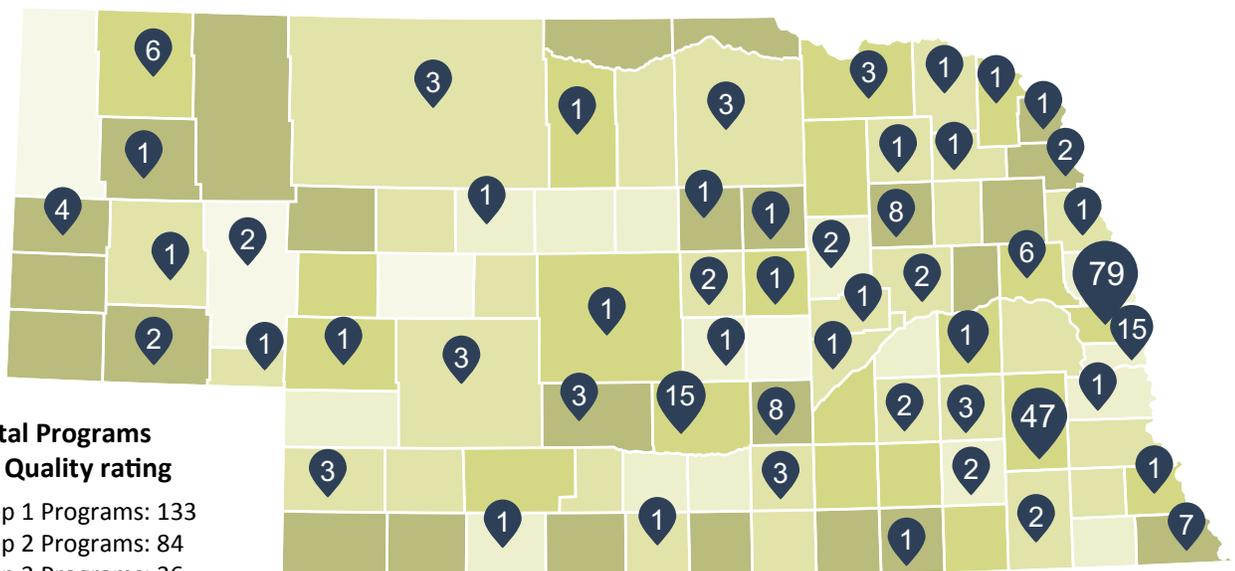


Step Up to Quality Expenditures			
	FY 2014	FY 2015	FY 2016
State Funds	\$175,700.06	\$611,664.90	\$959,464.92
Federal Funds	—	—	\$675,588.52
Total	\$175,700.06	\$611,664.90	\$1,635,053.44

Nebraska Step Up to Quality Program Participation by County (as of August 2016)



Holland Program Goal
 Double the Number of Participating Programs in Step Up to Quality by June 30, 2021



Percentage of County 0-5 Population at Risk

- 51%+
- 41-50%
- 31-40%
- 21-30%
- 0-20%

Total Programs by Quality rating

- Step 1 Programs: 133
- Step 2 Programs: 84
- Step 3 Programs: 36
- Step 4 Programs: 5
- Step 5 Programs: 4

Total Programs: 262*

*Programs must reach a step rating to be considered participating in Step Up to Quality.

Special Education

In Nebraska, school districts and approved cooperatives shall ensure that all children with verified disabilities, from birth through the school year in which the student reaches age twenty-one, including children who have been suspended or expelled from school, have available to them a free and appropriate public education (FAPE) which includes special education and related services to meet their unique needs. School districts' and approved cooperatives' responsibility to ensure the availability of FAPE includes ensuring the availability of FAPE for resident children in detention facilities, correctional facilities, jails and prisons.

Nebraska has a history of appropriating General Funds to special education. In 2014, LB 974 was passed to provide for a 10% cap on increases in Special Education reimbursement starting in FY 14-15. The previous cap was 5% Aid to Local Government. This growth limitation was originally enacted at 3% in 1997 increased to 5% in 2000 and then increased to 10% in 2014. Although statute allows for a growth up to 10% the 2.5% is equal to the basic allowable growth rate under the K-12 school spending limitation and TEEOSA calculations.

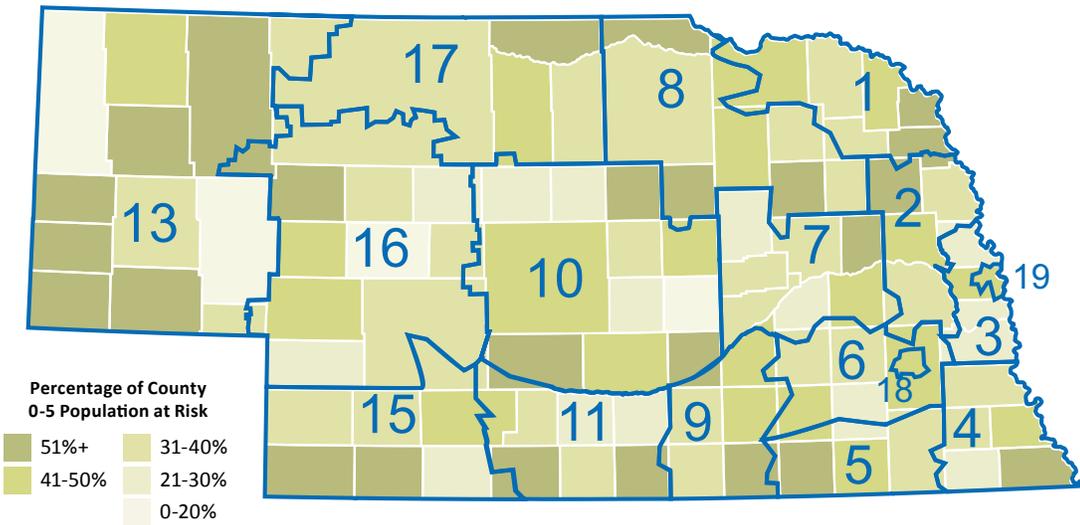
There was a 2.5% per year increase in funding for special education reimbursement amounting to \$5,344,199 in FY15-16.

Nebraska Special Education is organized into 19 Nebraska Educational Service Units, with designated staff to assist areas.



Program and Financial Data

Nebraska Educational Service Units



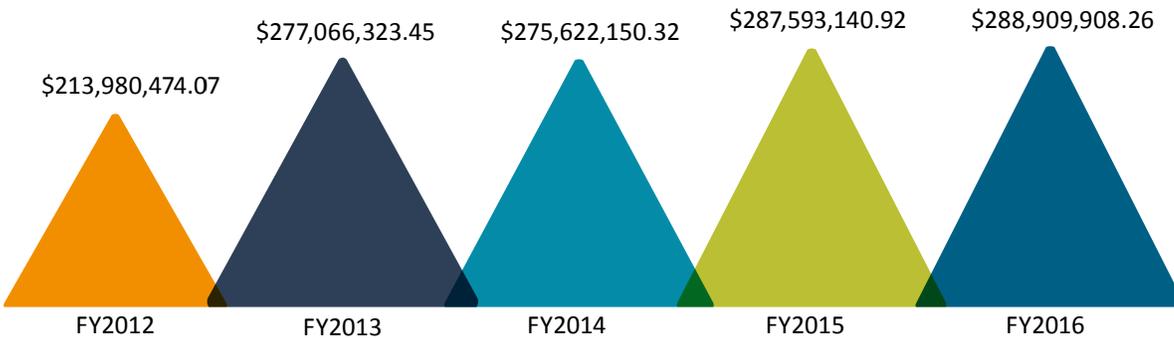
Educational Service Units

1	Wakefield	10	Kearney
2	Fremont	11	Holdrege
3	Omaha	13	Scottsbluff
4	Auburn	15	Trenton
5	Beatrice	16	Ogallala
6	Milford	17	Ainsworth
7	Columbus	18	Lincoln
8	Neligh	19	Omaha
9	Hastings		

Special Education Resources

- American Speech-Language-Hearing Association
- Answers4Families
- Assistive Technology Partnership
- AT 4 All (Assistive Technology)
- Cerebral Palsy Group
- ChildFind
- Council of Chief State School Officers
- Data Accountability Center, IDEA Data
- Disability.Gov
- Disability Policy Center - CSADP
- Division of Developmental Disabilities - DHHS
- Early Childhood Training Center
- Family Connect - For parents of children with a visual impairment
- First Five Nebraska
- LD Online - Learning Disabilities and ADHD
- Nebraska Youth Leadership Council
- Partnering 4 Students - serving students in out of home placement
- Project PARA
- PTI Nebraska (Parent Training & Information)
- Section 504 - Frequently Asked Questions
- Special Education Exchange
- TransACT
- U.S. Department of Education

Special Education Expenditures (FY 2012-2016)



Holland Program Goal
Increase Funding Annually for Special Education

Special Education Expenditures (FY 2013-2017)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
General Funds	\$183,657,518.40	\$191,361,521.26	\$201,799,659.76	\$212,062,832.23	\$216,010,910.20
Cash	\$30,322,955.67	\$85,704,802.19	\$73,822,490.56	\$75,530,308.69	\$72,898,998.06
Total State Funds	\$213,980,474.07	\$277,066,323.45	\$275,622,150.32	\$287,593,140.92	\$288,909,908.26

Access College Early (ACE) Scholarship Program

In 2007, the Nebraska Legislature authorized the Access College Early (ACE) Scholarship Program, which pays tuition and mandatory fees for qualified, low-income high school students to enroll in courses from Nebraska colleges or universities, either through dual-enrollment or early enrollment agreements with these institutions. High school students may apply for funding under this program by completing the ACE Student Application, which is reviewed and considered for award by Nebraska's Coordinating Commission for Postsecondary Education.

To qualify for the scholarship, the student or student's family must be approved to participate in one of the federal need-based government programs listed below, have experienced an extreme hardship that affects family income, or be participating in a designated Career Education program as established by the Nebraska Department of Education.

- Free or Reduced Price Lunch Program
- Supplemental Security Income
- Temporary Assistance to Needy Families (TANF)
- Supplemental Nutrition Assistance Program (SNAP)
- Special Supplemental Assistance Program (WIC)

The student must provide documentation verifying approval to participate in the program or of the hardship. Scholarship amounts are forwarded directly to the relevant postsecondary education institution as payment for the eligible student's tuition and mandatory fees.

Students that do not have legal status in the United States, including those that have been granted DACA status, are not eligible to apply for the ACE Scholarship based on state law.

Program and Financial Data

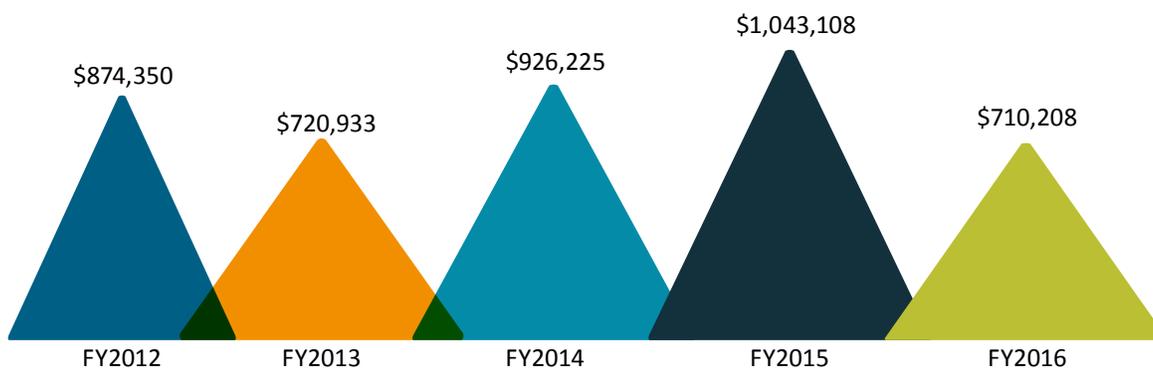
ACE Scholarship Program Information

Statistics	2013-2014 Actual	2014-2015 Actual	2015-2016 Estimated
Students receiving scholarships	1,866	1,919	1,897
Number of scholarships awarded	3,969	4,082	3,577
Average amount per scholarship	\$232	\$234	\$228
Average amount per student	\$494	\$497	\$430
Postsecondary institutions	20	18	17
High schools of student origin	217	211	204

The following colleges and universities participate in the ACE Scholarship Program with Nebraska high schools. Some institutions have made information on their early admission programs available online.

- Central Community College
- Chadron State College
- College of Saint Mary
- Concordia University
- Creighton University
- Grace University
- Hastings College
- Kaplan University - Omaha
- Little Priest Tribal College
- Metropolitan Community College
- Mid-Plains Community College
- Midland University
- Nebraska College of Technical Agriculture - Curtis
- Nebraska Wesleyan University
- Northeast Community College
- Peru State College
- Southeast Community College
- University of Nebraska at Kearney
- University of Nebraska-Lincoln
- University of Nebraska at Omaha/ University of Nebraska Medical Center
- Western Nebraska Community College
- Wayne State College
- York College

ACE Scholarship Expenditures (FY 2012-2016)



Holland Program Goal
Increase Funding Annually for ACE Scholarships

Access College Early (ACE) Scholarship Expenditures (FY 2012-2016)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
General Funds	\$536,474	\$420,933	\$641,225	\$771,218	\$614,020
Cash	\$337,876	\$300,000	\$285,000	\$271,890	\$96,188
Total State Funds	\$874,350	\$720,933	\$926,225	\$1,043,108	\$710,208



Nebraska Policy Choices for Children and Working Families

The future success of our children depends on the ability of their parents and caregivers to meet their needs. When families earn more their children's health and academic outcomes improve. To have the greatest impact on the lives of children, we need policies and investments that ensure the health and success of families by improving overall health, education, and family economic supports. It is critical that we continue to increase and sustain public and private investments in programs that work.

Each year the National Center on Children in Poverty releases a broad list of state policies that promote health, education, and strong families that can support the early development of our youngest citizens. In the following pages you will find information from this national resource along with additional information to serve as a roadmap of where we are as a state when it comes to policy choices that impact children and working families and the possibilities to ensure that every child in Nebraska has the opportunity to realize their full potential. State policy choices with check marks indicate where Nebraska has taken action.

HEALTH

This section highlights Nebraska's policy choices for supporting young children's well-being and access to and continuity of health care.

- Income eligibility limit for public health insurance (Medicaid/CHIP) at or above 200% of the federal poverty level (FPL).
 - Children <1 year
Set eligibility at 218% (CHIP)
 - Children ages 1-5 years
Set eligibility at 218% (CHIP)
 - Children ages 6-18
Set eligibility at 218% (CHIP)
 - Pregnant women
Set eligibility at 202% (Unborn Child Option)
- Provide lawfully residing immigrant children with Medicaid/CHIP coverage without 5-year waiting period
- Provide lawfully residing pregnant immigrant women with Medicaid/CHIP coverage without 5-year waiting period
- Provide temporary coverage to pregnant women under Medicaid until eligibility can be formally determined.
- Provide temporary coverage to children under Medicaid or CHIP until eligibility can be formally determined.
- Include at-risk children in the definition of eligibility for IDEA Part C.
- Does not require redetermination of eligibility for Medicaid/CHIP more than once a year
- Has adopted Medicaid expansion as part of the Affordable Care Act

- Blue checkmarks = Existing Law
- Red checkmarks = Rejected in 2017
- Orange checkmarks = Introduced in 2017
- Green checkmarks = Passed in 2017

EPSDT screening periodicity schedule meets recommendations of American Academy of Pediatrics

- 7 Screenings for children <1 year
State requires 6 screens. 100% of eligible screens were completed in 2015.
- 4 Screenings for children 1-2 years
State requires 5 screens. 94% of eligible screens were completed in 2015.
- 3 Screenings for children 3-5 years
State requires 3 screens. 77% of eligible screens were completed in 2015.
- 4 Screenings for children 6-9 years
State requires 4 screens. 32% of eligible screens were completed in 2015.

- Require newborn screening for the 31 metabolic deficiencies/disorders and core conditions
29 universally required by law or rule.

EARLY CARE AND EDUCATION

This section highlights Nebraska's policy choices that affect children's development and parents' ability to work.

- Set the income eligibility limit for child care subsidies at or above 200% FPL.
- Child care subsidy reimbursement rate meets the recommended 75th percentile of the market rate
- Redetermine the eligibility for child care subsidies no more than once per year
- State supplements Early Head Start
- Fund a pre-kindergarten program and/or supplement Head Start.
- Requires districts to offer full day kindergarten
Requires districts to offer half day kindergarten.
- Require one adult for every four 18-month-olds, and a maximum class size of eight in child care centers.
Child care regulations require one adult for every 12 children, and there is no maximum class size.
- Allocate state or federal funds for a network of infant/toddler specialists that provide assistance to child care providers.
- Have early learning standards or developmental guidelines for infants and toddlers.
Have an infant/toddler credential.
- Require through regulation that infants and toddlers in child care centers be assigned a consistent primary caregiver.
- Require one adult for every 10 4-year-olds, and a maximum class size of 20 in child care centers.
Child care regulations require one adult for every 12 children, and there is no maximum class size.
- Have implemented a statewide Quality Rating Improvement System (QRIS)
- Requires one teacher for every 18 students in Kindergarten classrooms
Not specified in statute.
- State has comprehensive, free-standing standards for social emotional learning at the K-12 level
- Have a tax credit for quality rated programs based on the number of children served through the child care subsidy program
- Have a tax credit for early childhood professionals based on professional qualifications
- Change provisions relating to a child care market rate survey to limit the existing child care market rate to no less than the 50th percentile or the rate for the immediately preceding fiscal year starting on July 1, 2017 through June 30, 2019.
LB 335, AM 703, 2017

PARENTING AND ECONOMIC SUPPORTS

This section highlights Nebraska's policy choices related to important economic supports for low-income families with young children.

State Choices to Promote Effective Parenting

- Provide option to extend Medicaid coverage for family planning to otherwise ineligible low-income women
- Exempt single parents on TANF from work requirements until the youngest child reaches age one
- Reduces the TANF work requirement to 20 hours or less for single parents with children under age six
- Authorize schools and the Department of Education to adopt policies relating to pregnant and parenting students, authorize training regarding such policies, and authorize breastfeeding accommodations for student-parents.
LB 427, 2017

State Choices to Promote Family Economic Security

- Established a state minimum wage that meets or exceeds \$9.10/hr and is indexed to inflation \$7.25
- Exempts single-parent families of three below the poverty level from personal income tax.
- Offer a refundable state Earned Income Tax Credit
10% of Federal Earned Income Tax Credit
- Offer a refundable state dependent care tax credit
A credit of 25%-100% of the "allowed" federal CADC credit based on federal adjusted gross income. Refundable for tax filers with federal adjusted gross income of \$29,000 or less.
- Keep copayments for child care subsidies below 10% of family income for families of three at 150% FPL
- Offers exemptions and/or extensions of the TANF benefit time limit for women who are pregnant or caring for a child under age six
- Has paid family leave for a minimum of six weeks with full or partial replacement of wages
- Provide grant funding to employers and nonprofit corporations to help teach young Nebraskans both life, employment and career skills needed to fulfill high demand occupations and careers.
LB 248, 2017.
- Provide Personal & Corporate Income Tax Reductions through Revenue Trigger, and Adoption of the Agricultural Valuation Fairness Act
LB 461, 2017.

Sources

State General Fund Spending

- Nebraska Department of Health and Human Services
- Nebraska Department of Education
- Legislative Fiscal Office
- State of Nebraska FY-2015-16 and FY2016-17 Biennial Budget, As Revised in the 2016 Legislative Session, May 2016.

Early Childhood Population at a Glance

- ***Births in 2015***
- Vital Statistics, Nebraska Department of Health and Human Services.

Nebraska Children under 6 in 2016

- Source: U.S. Census Bureau, 2016 American Community Survey 1-year estimates, Table B17024
- Source: U.S. Census Bureau, 2016 American Community Survey 1-year estimates, Table B17024
- Source: U.S. Census Bureau, 2016 American Community Survey 1-year estimates, Table B17024
- Source: U.S. Census Bureau, 2016 American Community Survey 1-year estimates, Table B17024

Children Under 6 by Program

- See Program Pages.

Children's Health and Prenatal Care

- Nebraska Department of Health and Human Services, Nebraska Medicaid Reform Annual Reports, 2011, 2012, 2013, 2014, 2015, 2016

Uninsured Children in Nebraska

- Source: U.S. Census Bureau, 2016 American Community Survey 1-year estimates, Table B27016

Uninsured Low-Income Children

- Source: U.S. Census Bureau, 2016 American Community Survey 1-year estimates, Table B27016

Home Visitation Programs

- Nebraska Department of Health and Human Services

Sixpence Early Learning Fund

- Sixpence Annual Evaluation Reports, University of Nebraska Medical Center, Interdisciplinary Center for Program Evaluation, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16

Child Care Subsidy

- Nebraska Department of Health and Human Services
- Child Care Aware of America, Nebraska Cost of Child Care, 2016. http://usa.childcareaware.org/wp-content/uploads/2016/12/State-Fact-Sheets_Nebraska.pdf

School District Pre-K

- Nebraska Department of Education.
- The State of Preschool, State Preschool Yearbooks, National Institute for Early Education Research, 2012, 2013, 2014, 2015, 2016

Step Up to Quality

- Nebraska Department of Education

Special Education

Nebraska Department of Education https://www.education.ne.gov/sped/regulations/Policies_and_Procedures_Supporting_Document_2015-2016.pdf

Access College Early (ACE) Scholarship Program

Nebraska's Coordinating Commission for Postsecondary Education, <https://ccpe.nebraska.gov/ACE>

Colleges Participating in ACE, <https://ccpe.nebraska.gov/postsecondary-institutions-participating-access-college-early-scholarship-program>

Nebraska Policy Choices for Children and Working Families

- National Center for Children in Poverty, "Nebraska Early Childhood Profile," Retrieved from http://www.nccp.org/profiles/NE_profile_16.html, Web. September 16, 2016.

At-Risk Data Population Rates by County Underlying Home Visitation, Sixpence, Step Up to Quality, and Special Education Maps

- First Five Nebraska, via U.S. Census Bureau, American Community Survey, 2015 American Community Survey 5-Year Estimates, Table B17024; generated by First Five Nebraska using American Factfinder; <http://factfinder.census.gov>; (8 December 2016).



"Photo originally featured on metroMAGAZINE's September 2008 Cover"

