

# LB640 Early Childhood Education Incentive

## LB640 Summary

LB640 would provide greater incentive for schools to offer pre-kindergarten programs and early childhood education by increasing the reimbursement in the TEEOSA formula from 60% to 80% and creating an allowance for non-equalized districts. Nebraska school districts are not required to offer early childhood education prior to kindergarten.

Under the current TEEOSA formula, schools are reimbursed 0.6 of the normal student reimbursement, with the rationale that the school day is typically shorter than K-12 students. However, the actual costs reflected to educate preschools is closer to the full student cost. LB640 better reflects this real-world cost by increasing the reimbursement to 0.8 of the full student reimbursement. Transportation costs for the students would also be reimbursed under LB640 at the current K-12 rate. Additionally, LB640 provides an allowance for non-equalized districts to receive a comparable reimbursement for early childhood education students.

## Nebraska is lacks a statewide network of early childhood education

This month, the Council For A Strong America released a report highlighting Nebraska's child care shortage, and found the lack of early childhood education options undermined the success of rural communities in the state. The report highlighted that 36% of rural Nebraska children live in "child care deserts," meaning that there are more than 3 children under the age of 5 for every licensed professional<sup>1</sup>.

## Early childhood education is an investment Nebraska should make

Investments in early childhood education have significant payoffs. Kids who attend early childhood education programs come to kindergarten significantly more prepared<sup>2</sup>. Those who receive quality early childhood education are less likely to repeat a grade, less likely to be identified as having special needs, more prepared academically for later grades, more likely to graduate from high school and higher earners in the workforce<sup>3</sup>. These gains in student performance create a large return on investment for dollars spent on early childhood education, and the National Forum on Early Childhood Policy and Programs has found that high quality early childhood programs can yield a \$4 – \$9 dollar return per \$1 invested<sup>4</sup>. Additionally, Rand Corporation analysis has shown that early childhood education programs save governments funds in the long term by reducing the usage of other programs later in life<sup>5</sup>.

Furthermore, child care programs support work. More than two-thirds (71 percent) of Nebraska children under age 6 have all available parents in the workforce<sup>6</sup>, meaning that childcare is critical to Nebraska's economic success.

*"Quality early childhood care and education are critical for communities like Scottsbluff to thrive. They provide safe learning environments while parents are at work and teach children the skills necessary for success in life." -Kevin Spencer, Chief of Police, Scottsbluff Police Department*

<sup>1</sup> <https://www.strongnation.org/articles/1453-early-childhood-programs-scarcity-undermines-nebraskas-rural-communities>

<sup>2</sup> [https://www.nytimes.com/2013/03/02/opinion/the-business-case-for-early-childhood-education.html?\\_r=0](https://www.nytimes.com/2013/03/02/opinion/the-business-case-for-early-childhood-education.html?_r=0)

<sup>3</sup> <https://pubmed.ncbi.nlm.nih.gov/30147124/>

<sup>4</sup> <https://www.impact.upenn.edu/early-childhood-toolkit/why-invest/what-is-the-return-on-investment/>

<sup>5</sup> [https://www.rand.org/content/dam/rand/pubs/monographs/2005/RAND\\_MG341.pdf](https://www.rand.org/content/dam/rand/pubs/monographs/2005/RAND_MG341.pdf)

<sup>6</sup> <https://www.strongnation.org/articles/1453-early-childhood-programs-scarcity-undermines-nebraskas-rural-communities>