

**TESTIMONY OF DR. SUSAN SARVER
DIRECTOR OF WORKFORCE PLANNING AND DEVELOPMENT,
BUFFETT EARLY CHILDHOOD INSTITUTE AT THE UNIVERSITY OF NEBRASKA**

*REVENUE COMMITTEE HEARING
NEBRASKA LEGISLATURE
March 28, 2017*

Chairman Smith and Honorable Members of the Revenue Committee:

My name is Dr. Susan Sarver and I am the director of workforce planning and development at the Buffett Early Childhood Institute at the University of Nebraska. It is my privilege to appear before you today to speak in opposition to amendment AM707 (LB 233), specifically section 77-3604, which addresses the School Readiness Tax Credits.

Last March (March 3, 2016), our founding executive director, Dr. Samuel Meisels, testified before the Revenue Committee in support of these important tax credits. I would like first to reiterate some of key statements from last spring about why these tax credits are important for children and the adults and businesses who provide quality care and education for them. Second, I will explain why I believe it is essential that we continue with these tax credits and not postpone their implementation.

During the first years of life, children's brains are growing at a rate never again to be achieved in their lifetime. At birth, 700 new neural connections are formed every second; the majority of brain growth occurs in the first five years. This is an extremely critical period of time for human development. More than 150 high-quality scientific studies from all over the world demonstrate that starting early can have major short- and long-term effects on cognition and social-emotional development.

Research tells us that the quality of the teacher or caregiver predicts the quality of children's learning from birth through Grade 3. Well-prepared teachers are not only able to help children acquire vocabulary, learn to do math, and read and write; they also enable children to develop curiosity, communicate and cooperate, and acquire the capacity to regulate their emotions and solve problems. We have strong evidence that children whose teachers know how to help them succeed in Kindergarten are more likely to go to college than children from similar backgrounds who do not have high-quality teachers. **The School Readiness Tax Credits support these skilled teachers and their quality programs.**

The School Readiness Tax Credits are targeted for programs that offer quality services and the teachers within those programs. They are tied to participation in Nebraska's Step Up to Quality program, a rating system for child care programs, allowing clear accountability. I strongly support the efforts of the Step Up to Quality program. It has made significant progress enrolling and assisting programs across the state and these tax credits reinforce participation in this important program.

In a time of fiscal constraint, tax credits that have not yet been put into effect may seem to be a simple, easy solution, but this neglects the long-term impact of what these credits are designed to do—**improve the quality of care for our youngest citizens and support the small businesses and individuals who provide that care.**

The tax credit for individual child care workers ranges from \$500 to \$1,500 depending upon their level of training, education, and experience. The median yearly salary for child care providers is \$19,620, a figure that is \$3,000 below the poverty line for a family of three. This tax credit can help these families pay their bills and begin to move out of poverty. We have data from a recent survey that demonstrates teachers spend on average \$400 per year of their own money on their classrooms. This tax credit would help offset the personal cost that they incur and reward them as they continue to improve their education and training.

The Department of Health and Human Services lists over 3,000 licensed child care providers in the state, and most of these are small businesses; 87 percent are independently owned and operated. These businesses not only provide care and education for our children but also serve as a crucial component in the community—they allow parents to stay and work in the community. When a child care business must close, the entire community can be affected, particularly in the most rural parts of our state. These tax credits for businesses provide a very small cushion for those businesses based on the level of quality care they provide (as verified by the Step Up to Quality program).

Nebraska citizens value early care and education; in fact, 68 percent of Nebraskans say that it should be a higher priority for the state, according to the Buffett Early Childhood Institute/Gallup survey. Nebraska citizens also recognize that the providers in this field are paid too little; 55 percent of parents of young children say that the early care and education workforce is paid too little. Freezing these tax credits will impact small businesses and low-income child care providers the most. While saving some funds immediately, it shortchanges the long-term impact of improving quality, recruitment, and retention within the early childhood workforce.

I urge your thoughtful consideration of this amendment and respectfully request that you not accept amendment AM707.

Thank you for your time and attention.