



LB891 Regulatory Streamline

POLICY BRIEF | JANUARY 2026

LB891 Summary

- Alleviates administrative burdens for child care providers under the Child Care Licensing Act and removes regulatory barriers that divert providers from their core functions of caring for and educating Nebraska's youngest children.
- Aligns Nebraska statute with current federal background check regulations to minimize delays and reduce disruptions so families can receive the care they need, while maintaining eligibility requirements for individuals working in child care to ensure child safety.
- Increases opportunities for eligible volunteers to help fill the gap in providers' staffing needs, particularly those in rural areas.
- Reduces other regulatory barriers and administrative burdens.

Child care providers have identified several administrative burdens and regulatory barriers impacting staffing needs and program viability.

There has been a 13% drop in the total numbers of programs across Nebraska since 2019, resulting in fewer options for families.

LB891 addresses the need for clarity, flexibility and better streamlining to ensure a fair and stable licensing framework, as expressed by providers.

Background

Child care providers play an essential role in the care and education of Nebraska's children, enabling parents to contribute to the workforce. Demand for viable child care options remains high with 3 out of 4 of children under 6 having all available parents in the workforce, ranking Nebraska among the highest in the country. However, administrative and regulatory barriers pose significant challenges for provider viability.

To understand these barriers, First Five Nebraska conducted a series of small-group listening sessions with providers in 2025. We learned of several misalignments between federal regulations and state administrative requirements causing systemic administrative delays in processing background checks and other barriers.

Issues and Concerns

Administrative delays – background checks : A core administrative barrier to staffing is the delay in processing federally required fingerprint-based background checks, leading to lost employees and vacant capacity. Based on anecdotal accounts, processing time for background checks is reaching levels not seen since 2022, when delays severely impacted staffing.

Federal regulations allow provisional hire- meaning that individuals may begin working in child care under supervision with partially cleared fingerprints, which is not currently how the process is conducted in Nebraska. Other flexibility is allowed to prevent redundancy in eligibility determination. However, NDHHS requires duplicative eligibility requests for child care workers when changing jobs within child care.

Regulatory barriers: Some local regulations mandate primary residence to operate a family child care home, restricting administrative “hubs” known as microcenters which operate multiple, one-classroom sites in various locations- often including residences. Microcenters are one way to increase the prevalence of small sites, which often provide more affordable options to families. Rural providers, where lack of workforce is

particularly acute, seek flexibility for volunteers who wish to help fill staffing gaps by counting towards ratio. NDHHS guidance over the years has been mixed on allowing volunteers to be classified informally as “unpaid staff” (i.e. meeting staff qualification and training requirements) to meet ratio requirements.

Other administrative burdens: Public records on licensing violations do not acknowledge self-reports. Providers agree that public records are necessary for accountability, but there is a need for records to delineate “self-report” to mitigate reputational damage.

Proposed Legislation/Recommendations

LB891 addresses these issues and concerns through the following provisions:

Section 2 - Authorizes provisional hire and removes redundancies in eligibility determination, known as portability: Outlines provisional hire as permitted by 45 CFR 98.43(d)(4). An individual who receives a qualifying result for either the federal fingerprint-based background check or in-state fingerprint-based background check may begin work under supervision until all background checks clear. Staffing agencies and sub pool operators are also included.

This section also facilitates background check documentation portability, as permitted by 45 CFR 98.43(d)(3). Individuals who have already received qualifying results to work in child care within the past 5 years and have been employed within 180 days in child care will not be required to resubmit a background check application. Staffing agencies and sub pool operators are also included.

Section 3 - Requires NDHHS to identify on public records licensing violations that were the result of complaint investigations, unannounced inspections, or self-reports.

Section 4 - Requires NDHHS to implement regulations allowing volunteers to be counted in ratio, supervised, with completed background checks: If the individual volunteers for more than 20 hours per week in a non-family home setting (similar to subs), then they must meet staff qualification requirements (minimum of verified child care experience or written plan for training or education). This section also requires NDHHS to allow volunteers, in all settings, who fulfill all staff requirements (qualifications and training) to work in ratio unsupervised.

Per requirements under the Administrative Procedures Act, NDHHS will have 2 years to implement rules and regulations to comply with Section 4, which will terminate on December 31, 2028 after such time so that volunteer-related ratios do not remain in statute permanently.

Section 5 - Prohibits local governments from requiring primary residence to operate a FCCH.