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State lawmakers pass legislation to improve the regulatory environment for Nebraska's child care programs

LINCOLN –With passage of LB874, Nebraska state senators created efficiencies and increased transparency in regulations governing the state's child care industry. Introduced by State Senator Eliot Bostar (District 29) and prioritized by Speaker Arch (District 14), the legislation received strong support from the Nebraska Chamber of Commerce & Industry, Platte Institute, Center for Rural Affairs, Nebraska Farm Bureau and other agricultural organizations and child care providers. LB874 passed Final Reading in the Legislature on a bipartisan vote of 46-0-3 and was approved by Governor Pillen on April 15.

As in other states, child care is among Nebraska's most heavily regulated industries. To meet licensing requirements, child care providers must comply with a broad array of federal, state and local regulations for staffing, building safety and fire code inspections, health and sanitation, local zoning and other considerations. Because many of these issues fall under the purview of different agencies or jurisdictions, child care providers often struggle to comply with regulations that may be at times inflexible, inconsistent or unclear.

LB874 was designed to address some of the most persistent regulatory challenges facing providers. This includes the state- and federally required background check process for clearing new employees to work in child care programs. Because these clearances can sometimes take weeks to process, child care owners and managers must often operate at reduced capacity while they wait to onboard new staff. In an industry with a remarkably high rate of turnover, this can create serious financial problems for child care providers as well as the working parents who depend on them. LB874 includes provisions that will eliminate unnecessary steps in this notoriously cumbersome process by enabling background check documentation to follow child care staff when they change employers.

LB874 acknowledges the licensing challenges faced by smaller child care centers whose attendance may fluctuate at different times of the year, especially in agricultural communities. Under LB874, providers can now alter staffing during low-attendance seasons, while maintaining structural requirements. This creates much-needed flexibility so providers can optimize staffing in response to cyclical changes in attendance while still maintaining required staff-to-child ratios.

Among other provisions, LB874 also makes it easier for nonprofits that operate child care programs to apply for permissive exemptions on property taxes. According to statute, permissive exemptions apply specifically to properties used for charitable and educational purposes. Although many Nebraska counties already interpret

these requirements as covering nonprofit child care programs, LB874 standardizes that definition and eliminates unnecessary administrative steps in the application process.

Senator Bostar has introduced multiple pieces of significant early childhood legislation over the 2023-24 biennium to help mitigate the heavy costs of child care on families and strengthen the early childhood workforce. He believes LB874 is an important step toward helping providers succeed in the state's regulatory environment. "Child care regulations serve an important purpose," he said. "They create the measurable framework we need to make sure our children receive the best possible care in safe, healthy and well-managed programs. It's in our best interest to make sure that framework is as clear, coordinated and efficient as possible so providers can spend more time focused on helping Nebraska's hard-working parents care for and educate their youngest kids."

First Five Nebraska (FFN) Policy Advisor Mitch Clark worked closely with Senator Bostar and other partners on shaping the bill before and during the legislative session. He says that bills like LB874 are necessary to address Nebraska's ongoing child care crisis. "We've lost about ten percent of our licensed child care providers since 2019," he said. "That's not a loss that Nebraska's families, employers and communities can afford. If we are going to create a more supportive regulatory system for child care, we have to involve providers in the complex and challenging work of fine-tuning administrative and legislative policy. LB874 succeeded because it was built on the hard-won insight and input of child care professionals who know first-hand what these rules and regulations look like in practice."

About First Five Nebraska

First Five Nebraska (FFN) is a non-partisan public policy organization established in 2011 to strengthen the state's early childhood systems as a key driver of social, educational and economic opportunity for all Nebraskans. FFN works with officials in local, state and federal government, business and economic leaders, early childhood professionals and other stakeholders to identify, research and promote well-informed, fiscally responsible policies and solutions addressing the care, education and healthy development of young children, wherever they are being cared for. For more information, visit www.FirstFiveNebraska.org.

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