



# LB874: Streamlining regulations for the early childhood industry

## POLICY BRIEF | 2024

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Nebraska's early childhood education and care programs are critical to our state's economic prosperity. Yet, the industry is one of the most highly regulated.

LB874 would standardize state and local regulations to streamline operations of child care programs and implement regulatory reviews to increase transparency in the regulatory environment.

### □ Key Points

- ▶ Early care and education is one of the most highly regulated industries in Nebraska. Providers must comply with regulations from all levels of government: federal, state and local.
- ▶ LB874 streamlines state licensing requirements and standardizes local regulations to allow for a more seamless operation of child care programs.
- ▶ LB874 implements routine review of state and local regulations to provide transparency in the regulatory environment governing child care and legislative oversight.

### ■ Background

Our state's early care and education system plays an essential role in cultivating the next generation of healthy, capable Nebraskans, while addressing needs for a fully engaged and productive workforce. To keep pace with demand, providers must be able to focus on their core functions of caring for and educating children. However, given the multiple layers of regulatory compliance, conflicting requirements or inconsistent guidance, providers are often diverted away from their core functions of caring for and educating children.

The early childhood care and education regulatory environment serves an important function for safety and quality. However, regulations that do not contribute to safety and quality place an undue burden on an industry already struggling under financial and regulatory pressures. This is bad news for the sustainability of Nebraska businesses and stability of our economy.

Child care is already one of the most highly regulated industries in Nebraska. Providers must comply with regulations from all levels of government: federal, state and local. This includes state licensing requirements, federal child care subsidy requirements, fingerprinting and background checks, local zoning, health and sanitation regulations, building safety and fire code enforcement and numerous inspections at each level.

Providers are subject to the following separate inspections:

- ▶ State licensing
- ▶ Federal subsidy
- ▶ Municipal fire and building safety
- ▶ Municipal health and sanitation
- ▶ Municipal building code
- ▶ State fire and building safety (for those not subject to municipalities)

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## ■ Key Components of LB874

LB874 streamlines state licensing requirements under the Child Care Licensing Act. The bill clarifies a number of state licensing requirements to allow for a more seamless operation of child care and requires reports to the Legislature on licensing regulations promulgated by state agencies and municipalities. It also standardizes a number of local regulations regarding the oversight of child care and provides for consistency in the permissive exemption of property taxes for educational purposes.

### **Portability of Background Checks<sup>1</sup>**

Provides for portability of background checks. (Note: it does not change current requirements to obtain a background check, per federal and state requirements.) It eliminates an additional step to reapply to the Nebraska Department of Health and Human Services (NDHHS) for previously authorized applicants to obtain eligibility when changing jobs. This provision provides for documentation they can take directly to their new employer to prove eligibility.

### **Dual Licenses<sup>2</sup>**

Allows providers to obtain a dual license, which would allow them to operate under the Family Child Care Home II license for the purposes of staffing and the Child Care Center license for all other requirements. Providers must still comply with required staff-to-child ratios. This would be especially beneficial for small, rural providers when attendance is lower.

### **Permissive Exemption<sup>3</sup>**

Standardizes the permissive exemption on property taxes for nonprofit organizations operating a child care. Under current statute, permissive exemptions are allowed for charitable and educational uses. Most counties already operate under the interpretation that nonprofit organizations operating a child care qualify. Currently, some counties that ultimately allow the exemption require additional steps. This provision would clarify that interpretation and reduce the administrative burden when obtaining approval.

## **Regulatory Review<sup>4</sup>**

Require reporting by NDHHS, the State Fire Marshal and municipalities to their respective legislative committees exercising jurisdiction of these policy areas. These sections will provide transparency and legislative oversight of the regulatory environment for the early care and education industry.

## ■ Expected Outcomes of LB874

LB874 aims to streamline regulations for Nebraska's early care and education field. By reducing administrative burdens and costs for providers, the policy is expected to free up resources for improved quality of care, increased capacity and a more stable industry. Additionally, regular regulatory review and enhanced legislative oversight will promote transparency and accountability within the system. Ultimately, LB874 strives to benefit Nebraska's children, families and child care providers alike.

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## References

Legislative Bill 874 (2023). Legislature of Nebraska, 108th Legislature, Second Session.

<sup>1</sup> Section 5, pages 10 and 11.

<sup>2</sup> Section 3, page 7.

<sup>3</sup> Section 11, pages 15 and 16.

<sup>4</sup> Sections 8, 9, 10 on page 13.

