

**FISCAL NOTE**  
LEGISLATIVE FISCAL ANALYST ESTIMATE

**ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)**

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	187,151	239,744	40,000	0	466,895
FY2027-2028	262,010	240,878	0	0	502,888
FY2028-2029	262,010	240,878	0	0	502,888
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	550,000	0	0	550,000
FY2027-2028	0	550,000	0	0	550,000
FY2028-2029	0	550,000	0	0	550,000

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill modifies provisions under the Child Care Licensing Act. DHHS would require federal approval of modification to the Child Care Development Block Grant plan in order to implement the provisions of the bill including allowing new child care staff to work after qualifying background check results, inclusion of background checked volunteers to count toward staff-to-child ratios, and portability of background check results from other states. The state plan would need updates and federal approval in order for the state to remain compliant with CCDBG requirements.

The changes to the DHHS Licensing system would require \$40,000 which could be federally funded assuming federal approval. Staffing costs to implement the changes amount to \$187,151 in FY27 and \$262,010 in FY28 to hire 4 Administrative Technicians.

The Nebraska State Patrol would require 4 additional staff to process the estimated 10,000 new background checks. The fee is \$55 per applicant which would net \$550,000 in new cash fund revenue.

There is no basis upon which to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	891	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY:	Ann Linneman		DATE:	1-26-2026
COMMENTS: Concur with the Nebraska Department of Health and Human Services' assessment of fiscal impact.				

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 1-26-2026

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	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$187,151		\$262,010	
CASH FUNDS	\$40,000			
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$227,151</b>	<b>\$0</b>	<b>\$262,010</b>	<b>\$0</b>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

LB891 would require modifications to the provisions under the Child Care Licensing Act. The bill would allow prospective child care staff members to begin working under supervision after receiving qualifying background check results. It would also allow Family Child Care Home I providers to reside outside the home where the program is operated and would permit volunteers to be part of the staff-to-child ratios. Regulations shall be promulgated to include volunteers in the definition of staff. Furthermore, the bill would expand the portability of national criminal history record information checks. The provisional updates can be managed with existing staff. The costs associated with these updates would utilize both Federal Child Care Development Funds (CCDF) and State General Funds.

Moreover, the Department of Health and Human Services (DHHS) would amend the Child Care Development Block Grant (CCDBG) state plan accordingly to ensure compliance and approval from Administration for Children and Families (ACF). If the state does not comply with CCDBG Act background check requirements, OEA could face a 5% reduction in funding from the CCDF Act.

Implementation of the bill would require Office of Children's Services Licensing (OCSL) to develop and provide separate eligibility notifications to child care staff/providers which includes one for the completed state check and one for the completed federal check. This will require four additional OCSL Administrative Technicians for approximately 10,000 new child care staff annually and will be paid using state general funds because the available child care and development federal funds are already utilized. In addition, the License Information System (LIS) vendor will require additional fees to set up the two eligibility determinations for each prospective child care employee with 5-year expiration dates. The estimated cost for LIS changes would be \$40,000.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
S01013 – Administrative Technician	3	4	\$115,740	\$162,035
Benefits.....			\$40,509	\$56,712
Operating.....			\$70,902	\$43,263
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$227,151</b>	<b>\$262,010</b>