

Department of Health and Human Services and Nebraska State Patrol: Analysis of Processing Background Checks for Child Care Providers

Performance Audit Committee
Nebraska Legislature

September 2024



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Table of Contents

- I. Audit Summary & Committee Recommendations**
- II. Legislative Audit Office Report**
- III. Agency Response and Fiscal Analyst's Opinion**

I. Audit Summary & Committee Recommendations

Audit Summary and Committee Recommendations

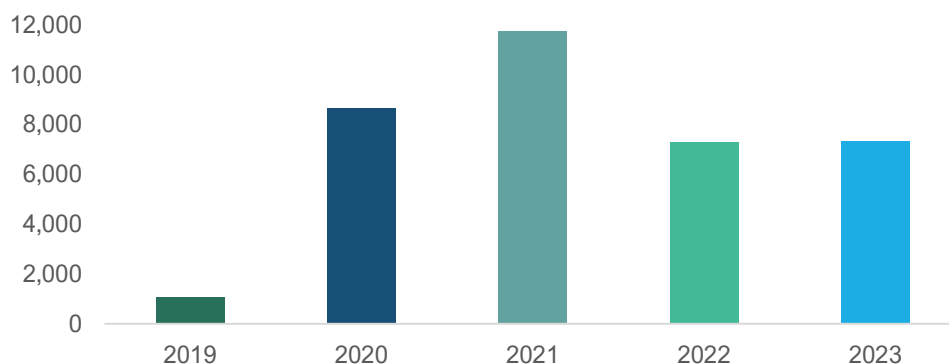
This section contains a brief summary of the use of the program, the audit findings and results, and the Legislative Performance Audit Committee’s recommendations.

The Legislative Performance Audit Committee (Committee) directed the Legislative Audit Office (Office) to conduct an audit of the process for licensure and criminal history/background checks for child care workers at the Department of Health and Human Services (DHHS) and the Nebraska State Patrol (NSP). The Committee was concerned that reported delays in background check processing were impacting staffing at child care facilities and reducing the availability of child care.

Fingerprint criminal history checks were added as a requirement for child care licensing in 2019. The purpose of adding a fingerprint criminal history check to the background check process was to ensure compliance with federal regulations. The process requires coordination between the Department of Health and Human Services Occupational Licensure Division and the Nebraska State Patrol.

The total population of the data used for analysis was 36,025 applicants over five years (2019 to 2023). The most applications—11,744—were processed in 2021.

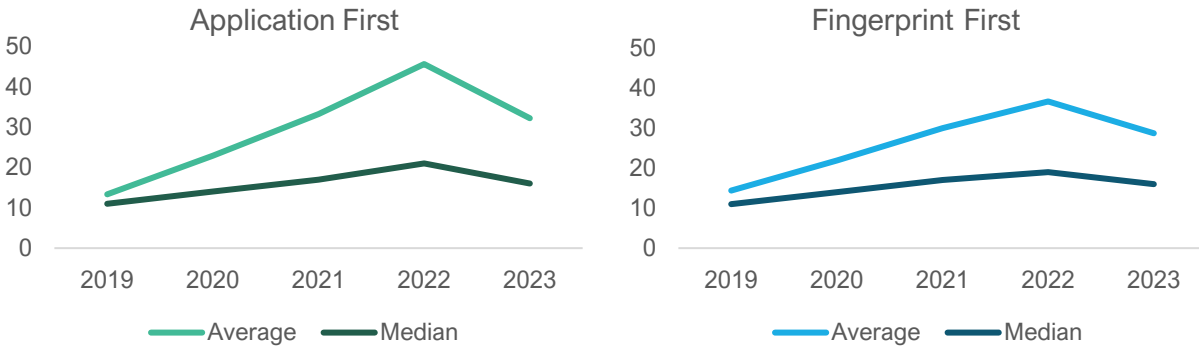
2021 had the largest number of applications processed.



Source: Audit Office analysis of DHHS and NSP data.

The average total application processing time grew steadily from 2019 to 2022, before decreasing in 2023. When applicants submitted their application to DHHS first, the highest average yearly processing time was 46 business days in 2022. When applicants submitted their fingerprints to NSP first, the highest yearly average processing time was 37 business days, also in 2022.

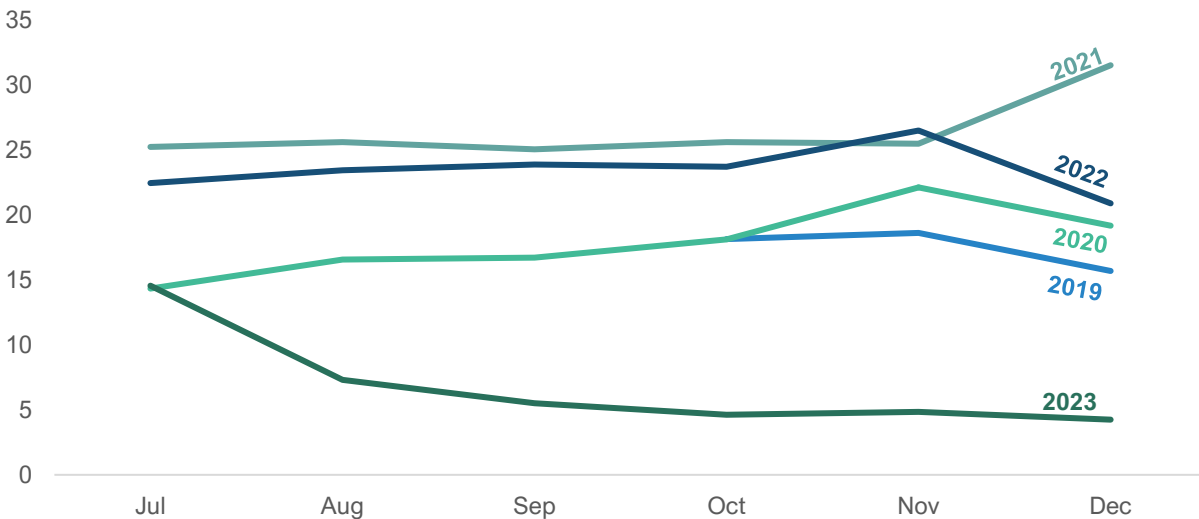
The average number of business days for application processing grew steadily until from 2019 to 2022, then fell in 2023.



Source: Audit Office analysis of DHHS and NSP data.

For the NSP portion of the process, the monthly averages peaked in December 2021 at 34 business days and reached its low in December 2023 at 4 business days. NSP processing times were noticeably impacted by the move from individual authorization of child care applicant fingerprints to blanket authorization of all fingerprints in the later part of 2023.

The implementation of blanket authorization in August 2023 corresponded with a decreased average number of days for processing at NSP.



Source: Audit Office analysis of NSP data.

Audit Findings and Results

The report contains two types of outcomes from our analyses: findings and results. When there is a standard to compare the product of an analysis against, we present a finding. When there is no standard, we instead present results.

Finding: Between 6% and 30% of applications were not processed within 45 calendar days as required by federal regulations, depending on the year.

Recommendation: If the Legislature wants to establish a different timeframe than the federal standard, they could consider legislation setting a state time limit for child care license processing.

Result: Although 36% of Criminal History Record Information was received by the next business day, 10% was not received before the fourth business day after completion at the Nebraska State Patrol. Relying on interagency mail for the transmission of federally protected data adds time to the full process of determining eligibility statuses for child care workers.

Recommendation: The establishment of a secure digital transmission system could eliminate delays caused by the physical transfer of criminal history reports. The agencies should collaborate to find an appropriate digital system and determine if additional funds would be needed for implementation.

Result: Blanket authorization helped improve total processing times for child care background checks.

Recommendation: If the Legislature wants to ensure consistent application of blanket authorization, they could introduce legislation to authorize it at the state level when allowed by the federal government.

Finding: The Department of Health and Human Services Occupational Licensure Division lacks internal controls and computer systems controls to mitigate the risk of human error.

Recommendation: The Department of Health and Human Services should implement and follow internal controls and computer systems controls policies. This includes, but is not limited to, procedures for double-checking data entry and having staff collect and record complete information about applications and application processing, like a unique identifier and date of application receipt.

Result: The Department of Health and Human Services uses antiquated software which necessitates reliance on an inefficient paper-based system.

Recommendation: The Performance Audit Committee directs the Legislative Audit Office to research other states' practices regarding child care licensing and fingerprint-based background checks, including, but not limited to building new software, ready-made software, or outsourcing tasks. The Committee will then determine what legislative and administrative actions would be necessary to decrease child care licensing processing times.

II. Legislative Audit Office Report

Legislative Audit Office Report

**Department of Health and Human Services and
Nebraska State Patrol: Analysis of Processing
Background Checks for Child Care Providers**

September 2024

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REPORT TABLE OF CONTENTS

INTRODUCTION	1
SECTION I: Processing Fingerprint-Based Background Checks for Child Care Providers	3
Background Check Process.....	3
Distance to Nebraska State Patrol Offices	6
SECTION II: Analysis of Child Care Background Check Processing Time	9
Data Sets Used for Analysis	9
Background Check Process.....	10
Processing Times: Four-Month In-Depth Data Set.....	13
Processing Time: Five-Year Matched Data Set	15
Processing Times: Comparison to Standards.....	16
Time Between Application and Entry of Fingerprints	17
NSP-Specific Analyses	19
Criminal History Record Information Transit Time	26
DHHS Final Steps in Process Analysis	27
Issues and Concerns.....	29

INTRODUCTION

On June 7, 2023, the Legislative Performance Audit Committee (Committee) directed the Legislative Audit Office (Office) to conduct an audit of the process for licensure and criminal history/background checks for child care workers at the Department of Health and Human Services (DHHS) and the Nebraska State Patrol (NSP). The Committee was concerned that reported delays in background check processing were impacting staffing at child care facilities and reducing the availability of child care.

In order to understand the background check process at each agency, the Committee directed the Office to address the following in the audit:

1. Explain the process at each agency for processing licensure and criminal history/background checks for child care workers in Nebraska. Include information on location of services, agency staffing patterns, and applicant access to information.
2. Provide detailed information on the number of child care licensing background checks processed between calendar years 2018 and 2023.
 - a. Compare child care license application processing time prior to the fingerprint requirement to when the requirement went into effect.
 - b. For each year after federal requirements were enacted into Nebraska law, how long did the application process take?
 - c. Analyze the number of background checks processed by DHHS. Examine the timing and types of background checks during each year.
 - d. Analyze the number of child care criminal history checks NSP processed each year, compared to other kind of criminal history checks.

Section I briefly describes each agency's basic functions in the process. Section II presents data analyses and more detail regarding each agency's function in the process. Because of the complexity of the data examined, we were not able to provide an in-depth analysis of agency staffing patterns.

We appreciate the cooperation of the Department of Health and Human Services and the Nebraska State Patrol during the audit.

Auditing Standards Compliance Statement

We conducted this performance audit in accordance with generally accepted government auditing standards, with two statutory exceptions regarding continuing education hours and peer review frequency.¹ As required by auditing standards, we assessed the significance of noncompliance on the objectives for this audit and determined there was no impact. The exceptions do not change the standards requiring that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives. The methodologies used are described briefly in each section.

¹ Neb. Rev. Stat. § 50-1205.01.

SECTION I: Processing Fingerprint-Based Background Checks for Child Care Providers

In this section, we provide an overview of the roles of the Department of Health and Human Services and the Nebraska State Patrol in the processing of the fingerprint-based background checks required to work in child care.

While Nebraska has required a background check for licensed child care providers since 1984, this process did not include fingerprinting until October 2019.² The fingerprint requirement was added to ensure compliance with federal regulations, largely harmonizing the background check standards for licensing child care providers with the standards for participating in the federal child care subsidy.³ The new background check process required all new child care applicants to complete a fingerprint-based background check prior to working in a child care facility. Individuals who were already licensed were given until October 2021 to complete the process.

Background Check Process

All individuals employed at a child care facility must complete the licensing process.⁴ The applicant is responsible for ensuring the correct application information is given to the Department of Health and Human Services (DHHS) and that adequate fingerprints are provided to the Nebraska State Patrol (NSP). Once the application and fingerprints are submitted, DHHS and NSP can begin their work. For ease of understanding, the following process description moves from DHHS to NSP then back to DHHS but either agency may begin the process (depending on the order of the submission of the application and the fingerprints) and each can do portions of their work simultaneously. The final eligibility determination by DHHS, however, cannot happen until both agencies complete their individual components of the background check.

DHHS Initial Process

The process begins at DHHS when an individual's application for child care licensure is received. Under their standard operating procedures, all applications, including those submitted via email, are processed in paper form by the DHHS Occupational Licensure Unit (Licensure or Child Care Licensure). This means that email applications are printed for processing.⁵

Upon receipt of the application, DHHS first searches the License Information System (LIS) database for a previous eligibility determination. If no previous determination is found, DHHS hand enters each applicant's information—including legal name, date of

² Nebraska Laws 2019, LB 460.

³ The background check standards and the federal regulations differ regarding the specific effect of different convictions. See 391 NAC 3 and 392 NAC 4.

⁴ For simplicity, in this report employment at a child care facility includes paid employees, volunteers, those who reside at in-home child care centers, and the individual owners of child care facilities.

⁵ According to DHHS staff, the age of the software prevents the digital storage of applications. This effectively makes the system dependent on a paper filing system.

birth, previous names, address, phone number, and email—into LIS. Unless DHHS contacts an applicant about an incomplete application, an applicant does not know if their application was received.

DHHS then does an in-house background check of the applicant. This check includes searching the Nebraska Child Abuse and Neglect Registry as well as the Nebraska Sex Offender Registry (Central Registry). DHHS also checks the Nebraska Data Exchange Network for non-fingerprinted criminal history incidents. Any results from these background checks are printed, stapled to the application, and filed in a secured filing cabinet.

If an applicant submitted fingerprints to NSP prior to submitting a complete application to DHHS, DHHS can match the application to an NSP Criminal History Record Information (CHRI) on file. If the CHRI is not yet on file, DHHS must wait for the results of the fingerprint-based background check to be completed.

NSP Process

The child care background check process begins at NSP with the receipt of fingerprints from an applicant. To establish eligibility, a potential child care provider must submit a copy of their fingerprints to the Nebraska State Patrol Criminal Identification Division (NSP). The most direct way to submit fingerprints is at one of the six NSP locations that provide fingerprinting services. These offices are located in Grand Island, Lincoln, Norfolk, North Platte, Omaha, and Scottsbluff. Four of the six locations—Lincoln, North Platte, Omaha, and Scottsbluff—are open Monday through Friday from 8 am to 4 pm. Grand Island and Norfolk are open for different hours depending on the day of the week.

An applicant can schedule an appointment online or try to walk in for same day service. To limit potential data errors, NSP provides a tablet for the walk-in applicant to digitally enter their personal information into the online portal. A valid ID is used to verify the applicant's identity and the entered data is verbally confirmed by the applicant. Then the applicant provides fingerprints through a LiveScan machine which digitally collects the prints.

Although going to a NSP location is the most direct way to submit fingerprints, it is not the only option. An applicant can also be fingerprinted at a Nebraska police department or sheriff's office. Depending on availability, fingerprints are collected using either LiveScan technology or ink roll and applicants are provided a printed copy to be mailed to NSP.

Fingerprints completed outside an NSP office are manually scanned into the Automated Fingerprint Identification System (AFIS) upon receipt. All fingerprints, whether completed at NSP or a non-NSP office, are assessed for quality and completeness of information by technicians who are trained in biometric identification. NSP then submits fingerprints through AFIS to the FBI Next Generation Identification System, which, according to NSP, usually returns results within 35 minutes.

When the FBI Criminal History Record Information (CHRI) comes back, the report is assessed for Nebraska criminal history. If the federal report contains no Nebraska criminal history, the CHRI goes to the NSP Background Team, who works as the liaison to DHHS. If the CHRI includes Nebraska criminal history, the report goes to the NSP Research Team.

The Research Team is responsible for redacting any information not authorized for disclosure to DHHS from the child care record check because of federal and state privacy laws. Once NSP has completed any necessary redactions and Nebraska criminal history checks, a final CHRI report is compiled by the Background Team and sent to DHHS through interagency mail. This is typically done daily on business days but holidays and weekends create delays in delivery services.

The process changed in August 2023 when DHHS and NSP agreed to blanket authorization for all child care fingerprints. Rather than requiring a matched application and individual authorization for each set of fingerprints, NSP can now submit all child care fingerprints without additional confirmation from DHHS.

DHHS Final Steps in Process

When DHHS receives an applicant's CHRI from NSP, DHHS attempts to match the information with an application on file. Because processing at NSP and DHHS may happen in any order, an applicant's CHRI may be sent to DHHS before the individual has completed an application. When this occurs, DHHS will reach out to the applicant and complete their initial process before proceeding.

Once DHHS has both a completed application and the applicant's CHRI, they can evaluate any criminal history against the standards for child care eligibility. Having a criminal history does not automatically prevent an individual from becoming a child care provider, but the presence of specific criminal offenses does.⁶

Depending on circumstances, there may be additional review by a DHHS supervisor and further research may be necessary, such as contacting individual courts for more information. When Licensure has a question about whether a specific conviction warrants disqualification, DHHS Legal is asked to weigh in. This happens infrequently, according to DHHS. If no additional review or information is needed, assessing for disqualifying criminal offenses begins that day or the next.

After an eligibility determination is made, a notification letter is generated within LIS to provide to the applicant and the facility seeking to employ the applicant. If an applicant is deemed ineligible, their notification letter will include the term they are ineligible for—whether 5 years, 20 years, or permanently—as well as how to appeal the determination. The eligibility notification sent to the employer does not contain criminal history details, regardless of eligibility status. However, if an applicant is ineligible due to an incident on

⁶ Disqualifying offenses can be found at 392 NAC 4, 391 NAC 3.

the Central Registry, the letter directs the facility to check the Registry for further information.

Distance to Nebraska State Patrol Offices

One element outside the processing of child care background checks that could add delays is the geographic distance to a suitable fingerprinting location.⁷ It would be impractical to calculate the distance between each of the applicant’s addresses to the nearest fingerprinting location, so this analysis calculated the distance between each of Nebraska’s licensed child care facilities and the six NSP fingerprinting offices. The distances utilized in this analysis are the direct distance between the two points rather than the driving distance, which may underestimate the actual driving distance.

Almost 40% of child care facilities are geographically closest to the Omaha NSP office (Figure 1.1). Another 22% of all facilities are closest to the Lincoln NSP office. When combined, just over 62% of all child care facilities are closest to the Lincoln and Omaha NSP offices.

Figure 1.1. The majority of facilities are closest to the Omaha and Lincoln NSP Offices.

NSP Office	Number of Facilities Closest to Office
Grand Island	400 (14%)
Lincoln	624 (22%)
Norfolk	350 (13%)
North Platte	181 (7%)
Omaha	1100 (40%)
Scottsbluff	116 (4%)

Source: Audit Office analysis of DHHS Licensed Child Care Roster and NSP locations.

We also looked at how far each child care facility was from their closest NSP office. Figure 1.2 shows the maximum distance a child care facility is from the NSP office nearest to them. An applicant traveling to their closest NSP office in Omaha from a child care facility would travel up to an estimated 54 miles to provide fingerprints. The offices in Norfolk and North Platte are over 110 miles away from the farthest facilities.

Figure 1.2. An applicant could travel over 110 miles to the offices in Norfolk or North Platte.

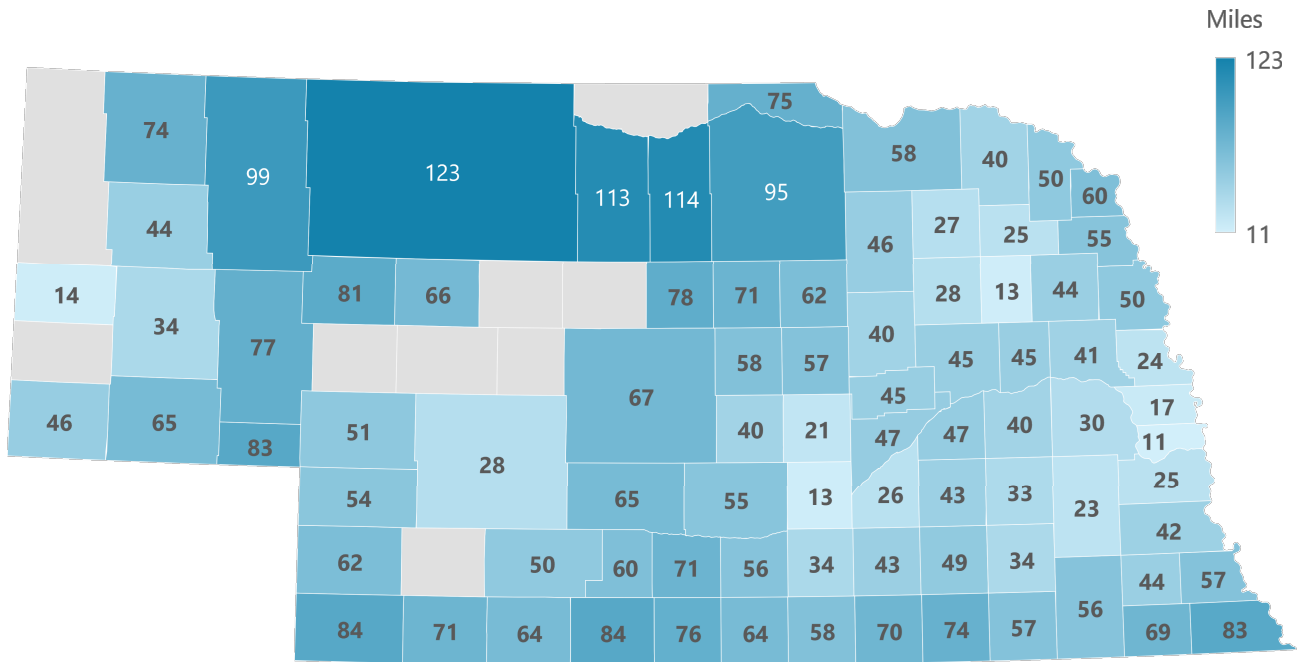
NSP Office	Maximum Distance
Grand Island	80 miles
Lincoln	83 miles
Norfolk	114 miles
North Platte	123 miles
Omaha	54 miles
Scottsbluff	99 miles

Source: Audit Office analysis of DHHS Licensed Child Care Roster and NSP locations.

⁷ In addition to NSP offices, fingerprints can be taken at local police departments and sheriffs’ offices.

In comparing the maximum travel distance by county, rather than the closest office, the possible burden of distance to an NSP office becomes more apparent (Figure 1.3). Facilities in fifteen counties have an estimated travel of less than 30 miles. Providers traveling from some facilities in Brown, Cherry, and Rock Counties, however, would have to travel over 100 miles.

Figure 1.3. Facilities in Brown, Cherry, and Rock Counties are 100 miles or more away from the nearest State Patrol fingerprinting office.



Source: Audit Office analysis of DHHS Licensed Child Care Roster and NSP locations.
 Note: The nine gray counties do not have a licensed child care facility.

SECTION II: Analysis of Child Care Background Check Processing Time

In this section, we provide a more detailed description of the fingerprint-based background check processes at the Department of Health and Human Services and the Nebraska State Patrol and how the processes interact. We also describe the limitations of available data, present the results of our analysis of processing times for background checks, and discuss issues and concerns that arose during the course of the audit.

Data Sets Used for Analysis

The Audit Office (Office) used two different data sets for our analyses in this report, compiled from information available from the Department of Health and Human Services (DHHS) and the Nebraska State Patrol (NSP). Before discussing the results of our analyses, it is important to note that the data had some unique issues and limitations that need to be understood before engaging with the analysis or drawing any conclusions.

Additionally, note that both data sets are organized by eligibility notice date in the report, rather than the day applications were initiated—for example, January 2022 applications refer to applications with January 2022 eligibility letters. Eligibility notice date was used because of the variability in how applications are initiated. As a reminder, all applications did not start the same way but every application ended with the eligibility determination.

Five-Year Matched Data Set

At our request, both agencies provided spreadsheets that included information that could be pulled from DHHS and NSP systems for October 1, 2019 to December 31, 2023. Auditors also had access to the DHHS application database, License Information System (LIS).

The DHHS spreadsheet had just over 53,000 entries to match with the NSP spreadsheet, which contained just under 39,000 entries.⁸ Once auditors matched the NSP and DHHS information and removed all of the problematic lines (discussed below), around 36,000 lines remained. This means that any of the five-year totals discussed refer to this matched data set, not the entire population of individuals seeking child care background checks during this time period.

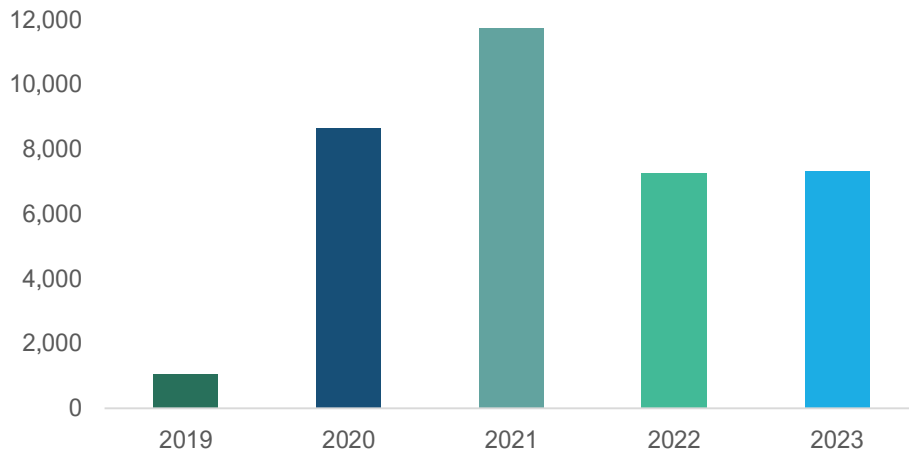
Problems with the data included duplicate entries, issues with matching NSP data, incomplete or illogical dates, unnecessary or never matched Criminal History Record Information, requests for eligibility letters. DHHS's list also did not provide a complete list of subsidy-only providers (which are entered into LIS differently) so we removed identified subsidy-only entries. Auditors also removed any entry where the application or

⁸ Due to the way the data is stored, the DHHS data included duplicate entries for the same applicant and also included eligibility determinations that occurred in 2024.

the CHRI was more than a year old when activity on the application began, which suggested abnormal use, including application reuse.

The total population of the five-year matched data set was **36,025 applicants**. The most applications—11,744—were processed in 2021 (Figure 2.1). While 2019 had the smallest number of applications, that year only included the three months after the requirement went into effect—October, November, and December.

Figure 2.1. 2021 had the largest number of applications processed.



Source: Audit Office analysis of DHHS and NSP data.

Four-Month In-Depth Data Set

In addition to the issues with matching the data and eliminating problem entries, the Office did not have all the necessary information for its analysis in the spreadsheets provided. While some of this needed data was available on LIS, additional missing information had to be extracted directly from DHHS paper files. Due to the high number of applicants, it was not feasible to gather data in this manner for the entire population of license seekers over a five-year period. Instead, we conducted an in-depth review of two-months—August and September—in 2022 and 2023, looking at about **3,000 applicants**.

The periods of August/September 2022 and August/September 2023 were selected because one period was before the August 2023 blanket authorization agreement, and the other was after it. Blanket authorization was chosen because it marked a change in the processing of background checks.

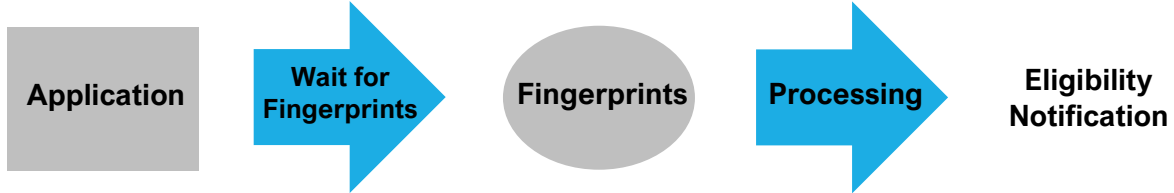
Background Check Process

As noted in Section I, there are two ways that an applicant can begin the child care background check process: file an application with the Department of Health and Human Services (DHHS) or submit fingerprints to the Nebraska State Patrol (NSP). Because of this, the child care licensing process may have one of two starting points but all have the same ending—eligibility determination.

Application First or Fingerprints First

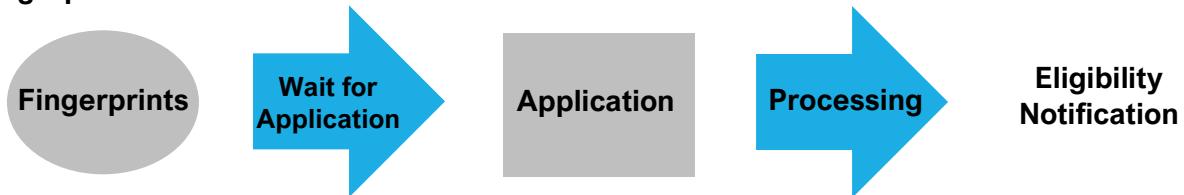
If the applicant submitted their application to DHHS first, the process is measured by the length of time between when the application was physically date stamped as received by DHHS to the date the notice of eligibility was sent from DHHS.

Application First: Starts at DHHS



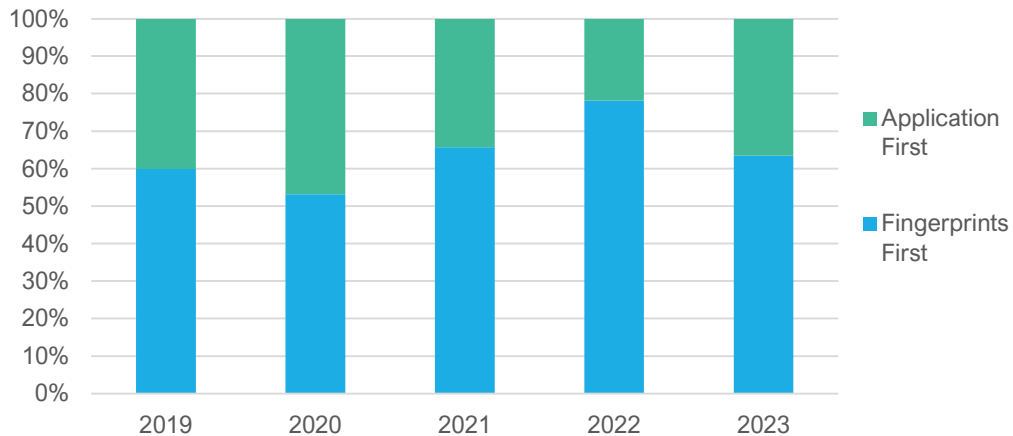
If the applicant submitted their fingerprints to NSP first, the process is measured from the date the fingerprint file was created at NSP to the date the notice of eligibility was sent from DHHS.

Fingerprints First: Starts at NSP



On the whole, more applications began with fingerprints entered at NSP rather than an application logged at DHHS (Figure 2.2).

Figure 2.2. Fingerprints were the first part of the process in most applications.



Source: Audit Office analysis of DHHS and NSP data.

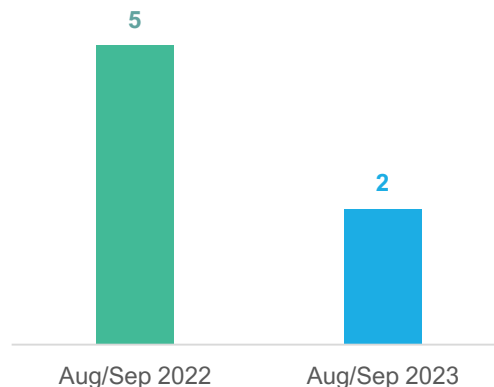
Entry of Applicant Information

The first step in the background check process is entering the applicant's information into agency computer systems. Generally, if an applicant submitted their fingerprints to NSP first, the applicant's information was automatically entered into NSP's system when prints were created, so there is no analysis for the time between fingerprinting and entry into the NSP system needed for fingerprint first applications.

If the application is submitted first, however, the time between DHHS receiving the application and entering it into their system to start the process can be calculated. Although the system would allow it, DHHS did not record the date that an application was submitted to the agency in the License Information System (LIS). Instead, the first date included in LIS is the day DHHS began processing an application. The date the application was physically received is only available by reviewing paper copies of each application, which are marked by DHHS with a date stamp when printed.

As noted previously, the Audit Office did a paper file review of a four-month period in order to obtain data not entered into the LIS database, including the date the application was received. When looking at this in-depth data set and comparing the date stamps with the processing start dates, the average number of days for DHHS to enter an applicant's application information into LIS was within five business days in 2022 (Figure 2.3). In 2023, the average was two days.

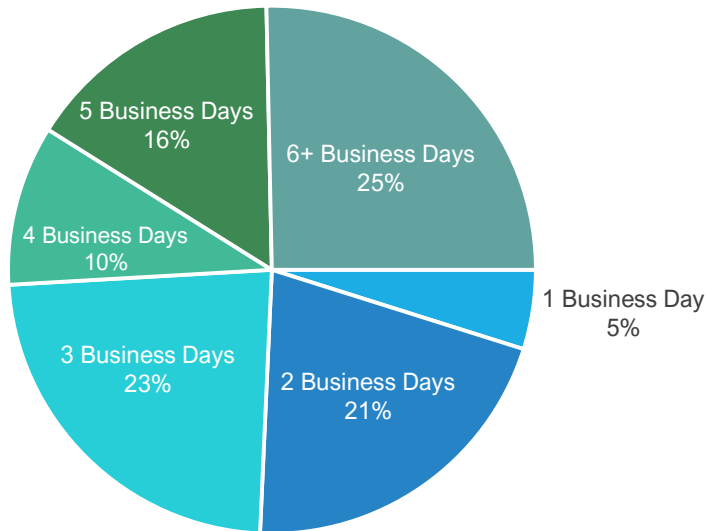
Figure 2.3. The average number of business days for DHHS to enter application information into the computer system fell from 5 days in 2022 to 2 days in 2023.



Source: Audit Office analysis of DHHS data.

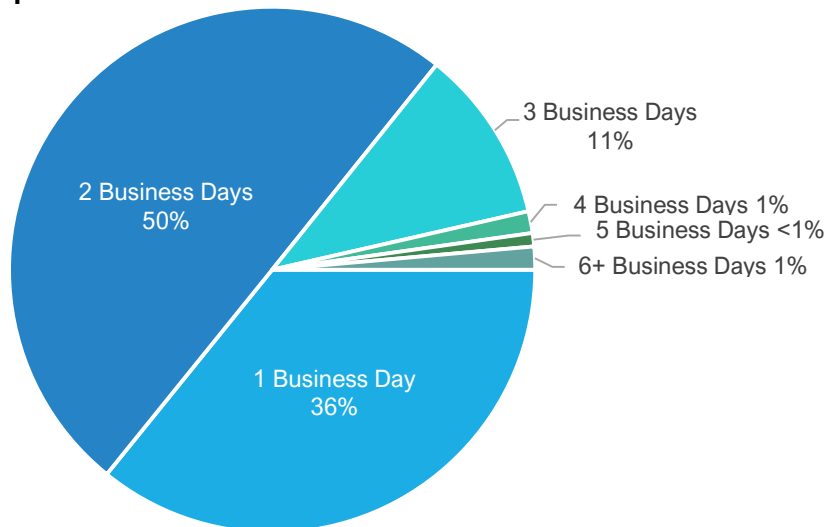
The decrease in average business days is likely due to the number of 2022 applications that took more than a week to be entered into the system: a quarter of all applications fully processed in August and September took six or more business days (Figure 2.4). Although almost half of all applications in that time period were entered within three business days, only 5% were within one day. By contrast, in the 2023 in-depth data set, 97% of applications were entered within three days of receipt, 36% of which were entered in one business day (Figure 2.5). Only 1% took 6 or more business days to be entered.

Figure 2.4. While half of applications in August and September 2022 were entered within three business days, 25% of applications took six or more business days to enter.



Source: Audit Office analysis of DHHS data.

Figure 2.5. During August and September 2023, 97% of applications were entered into the DHHS computer system within three business days of receipt.



Source: Audit Office analysis of DHHS data.

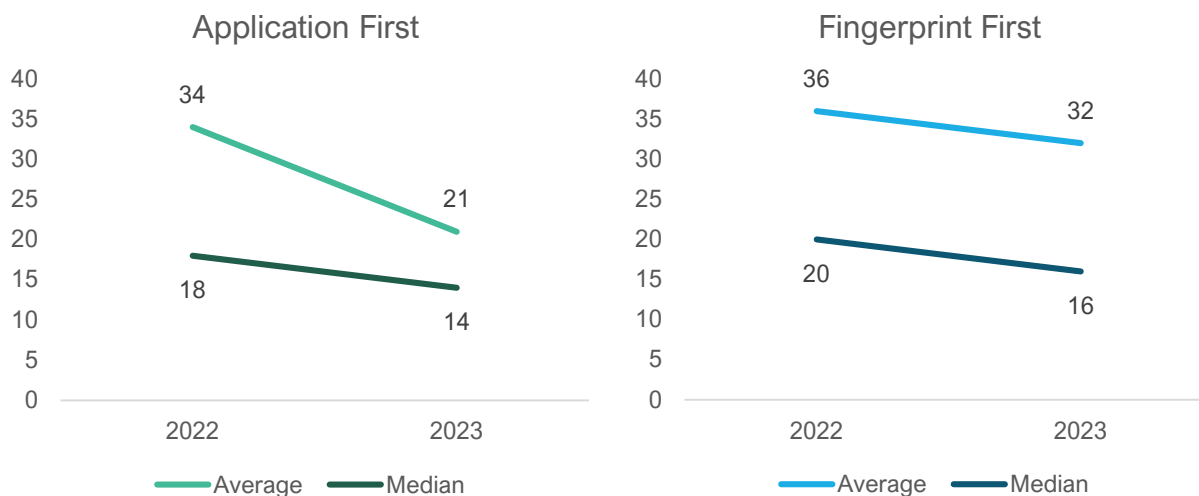
Processing Times: Four-Month In-Depth Data Set

Because DHHS does not include the date an application is received in LIS, the in-depth data set (August and September in both 2022 and 2023) is the most accurate measurement of the entirety of the process for applications that were received by DHHS before fingerprints were taken. For most of the analysis of total processing times, we

present both the average and median total processing times. The median represents the true midway point in the data; half of all applications processed fall below the median processing time and half are above. The benefit of using the median is that in data sets like this one with extreme outliers, the median remains stable, but the average can be driven up significantly by a handful of cases that are far higher than most others in the data set. Here, the median helps to present a more nuanced picture.

In the two months in 2022 examined in depth, the average number of business days to process an application was more than 30 regardless of whether the process was initiated at DHHS or NSP (Figure 2.6). When looking at the median of the data, half of all applications were completely processed within 18 days or fewer if the application came first and within 20 days or fewer if the fingerprints came first. In the 2023 in-depth months, the average processing time was 21 business days when an applicant first submitted their application to DHHS and submitted fingerprints to NSP second or 32 days if the applicant submitted fingerprints first. Half of all applications were processed in 14 or fewer business days for application first and 16 or fewer if fingerprints were entered first.

Figure 2.6. Although the average total processing time was higher in 2022 than 2023 for the in-depth data set, half of the applications were processed in 20 business days or less in both years.



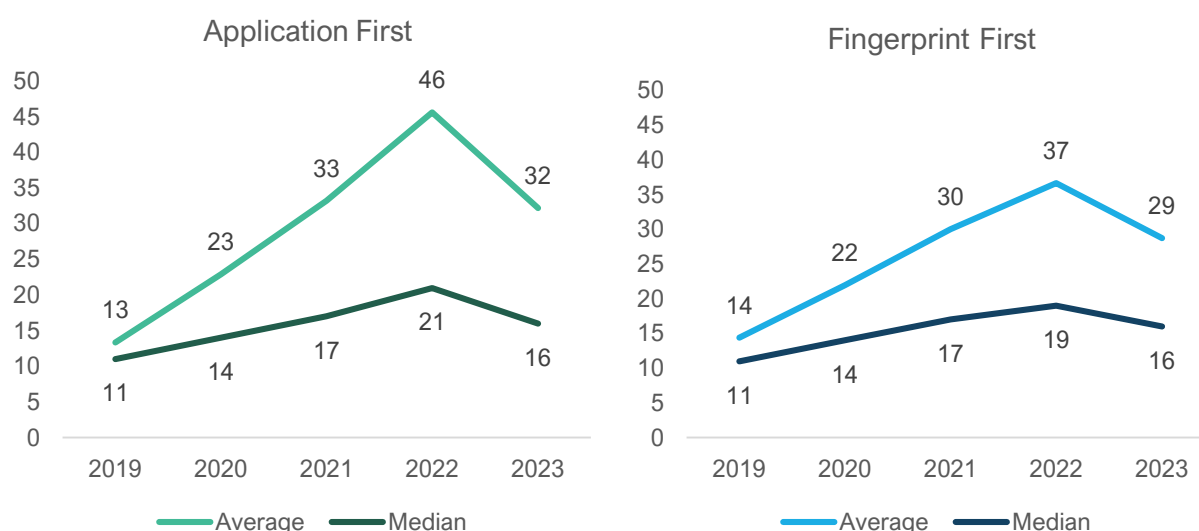
Source: Audit Office analysis of DHHS and NSP data.

For the in-depth data set, there were a substantial number of applications completed more than 30 business days after the process began. In August and September of 2022, 423 applications (27%) took more than 30 business days to process. In the same period of 2023, 269 applications (19%) took more than 30 business days to process. The data does not distinguish reused applications or fingerprints from applications that simply took a long time to process.

Processing Time: Five-Year Matched Data Set

Looking at the five-year matched data set, time for process completion was highest in 2022 (Figure 2.7). For those that submitted an application first, the average was 46 business days, and half were processed in 21 days or fewer; for those that submitted their fingerprints first, the average was 37 business days, while half were processed in 19 days or fewer. It is important to note, as discussed previously, that because the application received stamp date is not available in the LIS database, analysis of the five-year matched data set does not include the time between receipt of the application and entry into LIS, which could be a period of several days.

Figure 2.7. The average number of business days for application processing grew steadily until from 2019 to 2022, then fell in 2023.

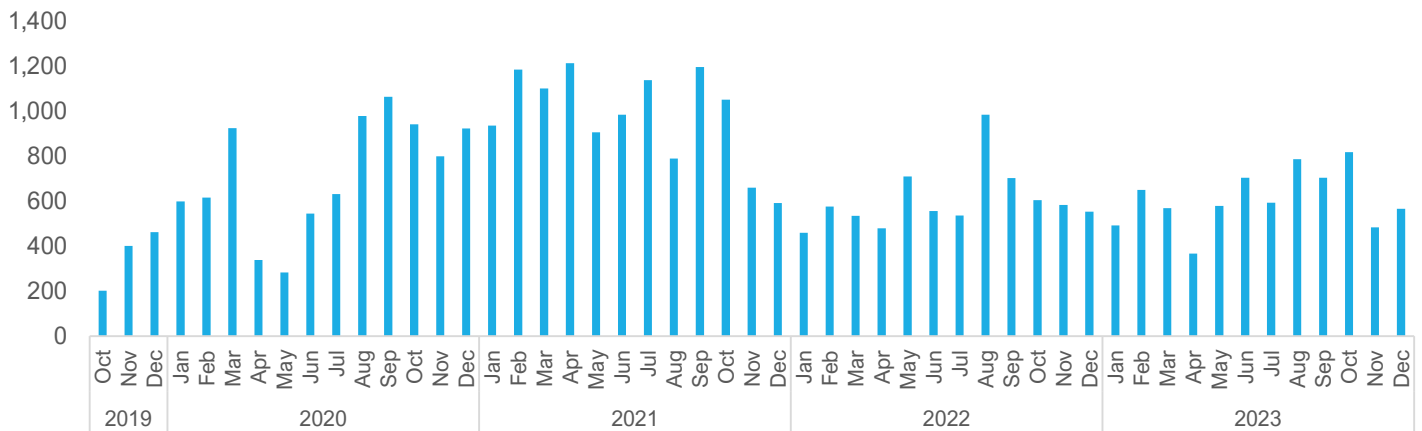


Source: Audit Office analysis of DHHS and NSP data.

A higher volume of applications did not appear to directly correlate with higher average processing times. For example, the year with the most applications processed, 2021, did not have the highest average processing times. Instead, 2022, which had significantly fewer applications, had higher processing times.

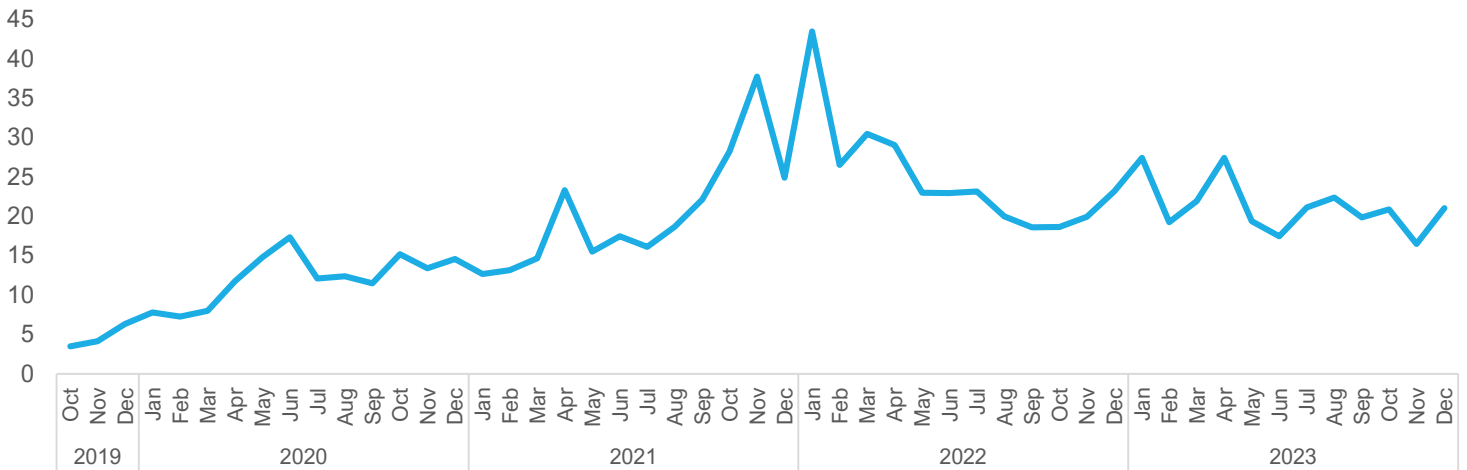
As shown in Figure 2.8, the number of fully processed applications was highest in February, April, and September of 2021, when around 1,200 applications were processed each month. However, Figure 2.9 shows that the average processing time peaked in November 2021 at 38 days and in January 2022 when the average was 43.

Figure 2.8. The total number of applications processed was highest in February, April, and September 2021.



Source: Audit Office analysis of DHHS and NSP data.

Figure 2.9. Average processing times peaked for applications that were completed in the later months of 2021 and the early months of 2022.



Source: Audit Office analysis of DHHS and NSP data.

Processing Times: Comparison to Standards

The Nebraska Child Care Licensing Act does not contain any specific processing time requirements for application or criminal history processing. However, the federal rules that apply to the child care background checks for purposes of federal funding require that background checks, which include the FBI database search and the check of state and federal registries, be completed “as expeditiously as possible,” but no more than 45 days from application receipt.

Because the federal rules do not specify whether the application must be processed in 45 calendar or business days, the default interpretation is calendar days. This analysis is likely an overestimate of how many applications met the federal deadline because for application first submissions, it does not include the time it takes for DHHS to enter the

application information into LIS. All other analyses in this report are done in business days, which does not include weekends and state holidays.

The federal standard was never completely met. The percentage of applications processed within 45 days decreased each year until increasing in 2023 (Figure 2.10). The low point was in 2022, when only 70% of applications met the standard.

Figure 2.10. The number of applications processed within 45 days of entry decreased each year until 2023.

	Federal Standard	
	Met	Not Met
2019	94%	6%
2020	85%	15%
2021	77%	23%
2022	70%	30%
2023	78%	22%

Source: Audit Office analysis of DHHS and NSP data.

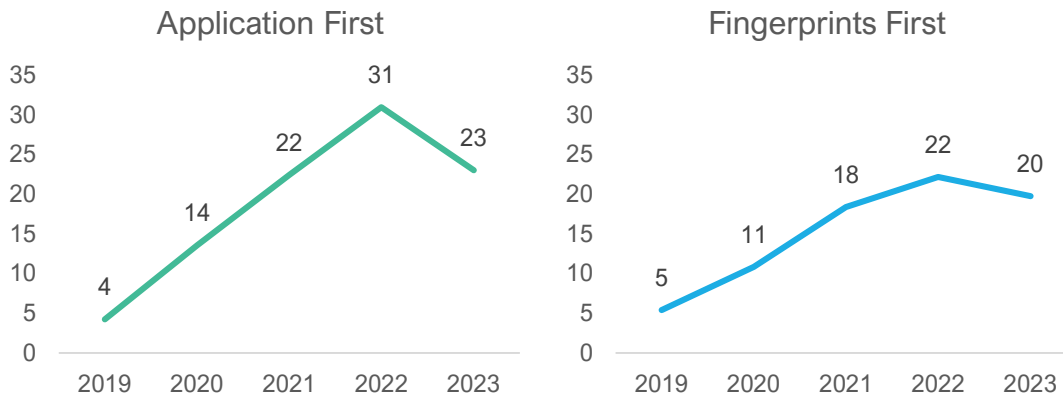
Finding: Between 6% and 30% of applications were not processed within 45 calendar days as required by federal regulations, depending on the year.

Time Between Application and Entry of Fingerprints

The length of the delay between the entry of application data and the entry of fingerprints is dependent on the applicant completing both steps in a timely manner. Because there is no clear enforced policy for how long an application is valid after submission, there might also appear to be a delay if an older application is used for a current eligibility request or if a previously completed CHRI report is on file and used for a current application.

For the five-year matched data set, the average number of days between entry at one agency and entry at the other agency rose steadily each year, peaking in 2022 before declining in 2023 (Figure 2.11).

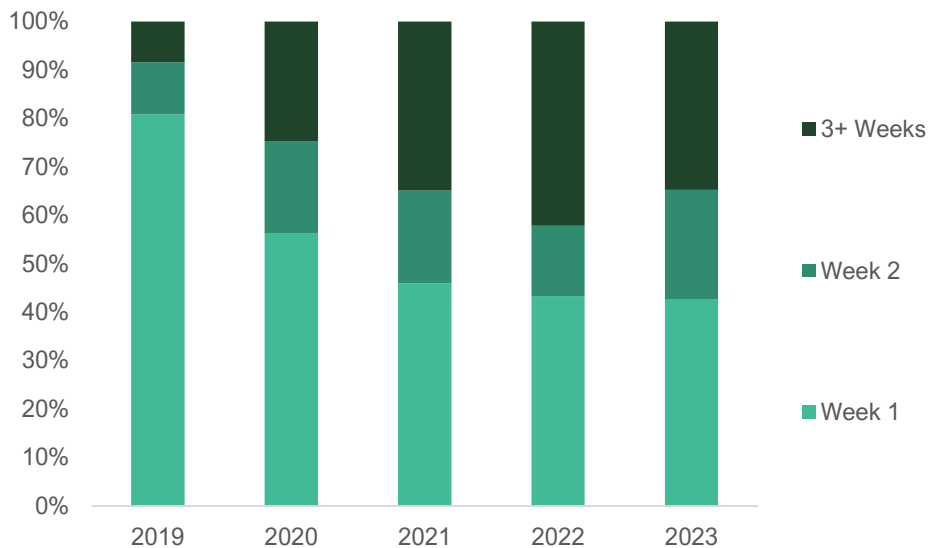
Figure 2.11. The highest average number of days between entry at one agency and entry at the other agency was in 2022.



Source: Audit Office analysis of DHHS and NSP data.

Because the length of the delay could be significant, Figure 2.12 breaks down the time into 1 week, 2 week, and 3+ week groups. The 3+ week group accounts for a wide range of time, from 11 business days to 240 business days. With the exception of 2022, 60% or more of fingerprints were entered within two weeks of the application.

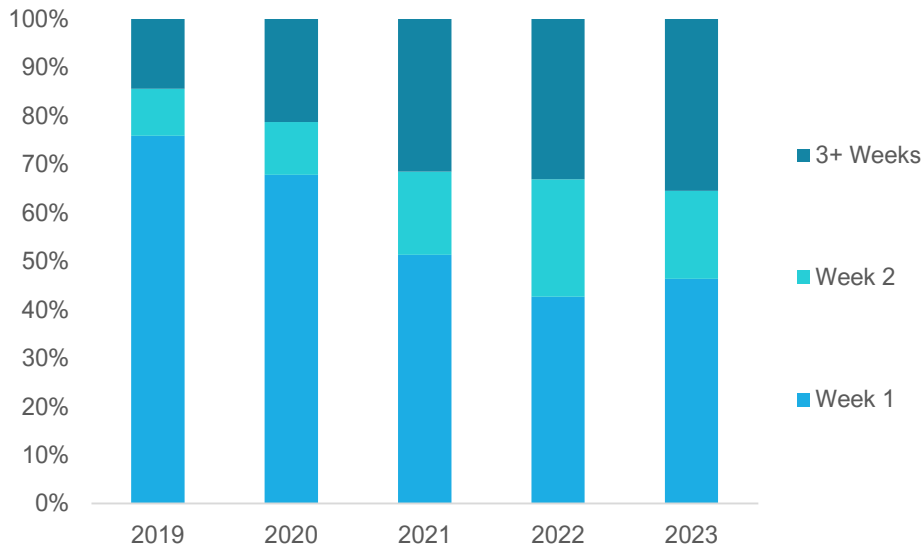
Figure 2.12. For application-first cases in 2022, 42% of applications waited 3 weeks or more for fingerprints to be entered.



Source: Audit Office analysis of DHHS and NSP data.

Conversely, the proportion of fingerprints where applications were entered within 2 business weeks of fingerprinting never fell below 60% (Figure 2.13).

Figure 2.13. For fingerprints-first cases, the number of applications being entered in the first or second week after fingerprinting remained above 60% in each year.

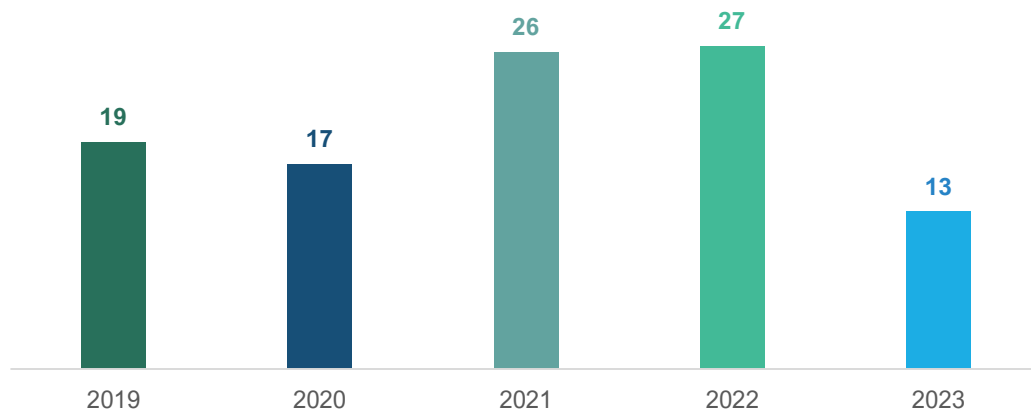


Source: Audit Office analysis of DHHS and NSP data.

NSP-Specific Analyses

As noted previously, the Nebraska State Patrol Criminal Investigation Division (NSP) completed child care background checks for almost 40,000 fingerprints between October 1, 2019 and December 31, 2023. The average number of days for NSP to process fingerprints from creation to completion was highest at 27 days in 2022 and lowest at 13 days in 2023 (Figure 2.14).

Figure 2.14. The average number of business days fingerprints took to be processed at NSP peaked in 2022, with a sharp decrease in 2023.



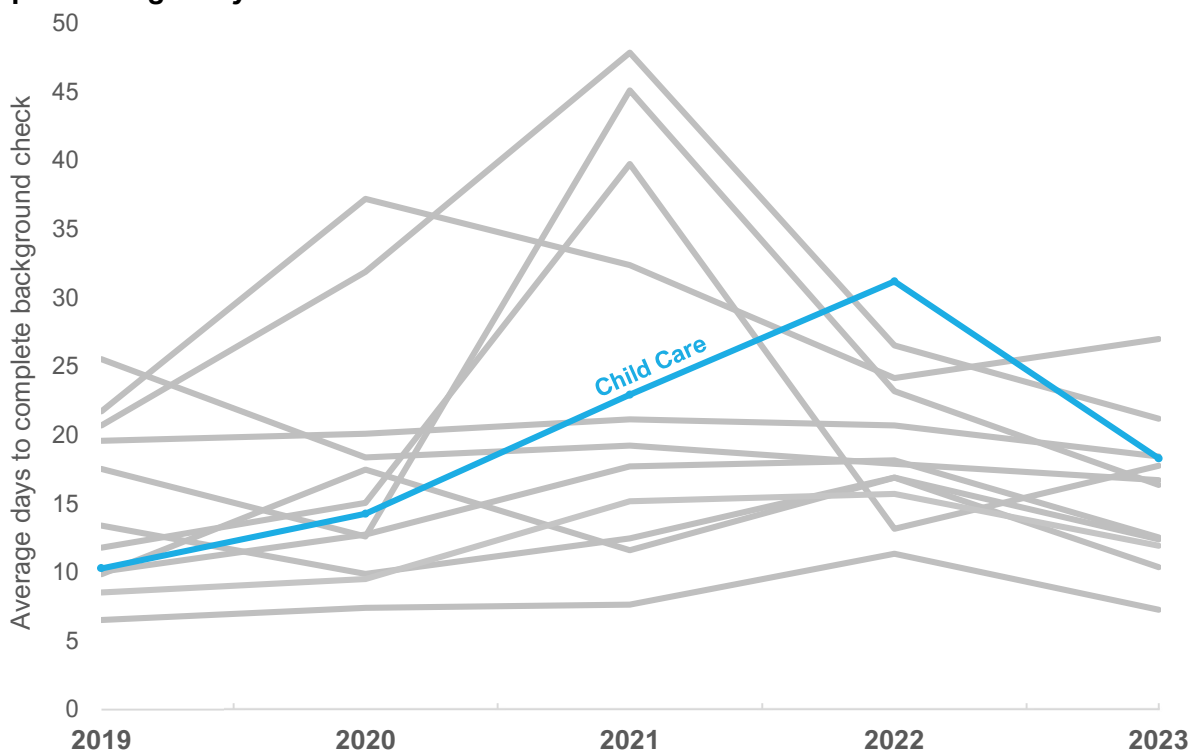
Source: Audit Office analysis of DHHS and NSP data.

Most fingerprints were captured using LiveScan machines; just under 10% were captured using the inkwell process.⁹ No consistent pattern regarding which was processed faster was detectable when comparing the type of fingerprint collected.

Processing Times for Other Fingerprint Background Checks

NSP processes fingerprint-based background checks for 52 non-criminal justice programs. Generally, the fingerprints submitted to NSP are processed in the order in which they are received. When comparing the annual averages across all DHHS categories, there is no pattern to which programs experienced increases or decreases in the average processing time from fingerprint creation to CHRI report completion (Figure 2.15). This suggests that any delays in fingerprint-based background checks were not caused by an NSP process, as this would likely have caused a noticeable pattern across all categories.

Figure 2.15. Child care licensing fingerprints did not experience delays based on a pattern of processing delays at NSP.



Source: Audit Office analysis of NSP data.

⁹ All fingerprints taken at an NSP Criminal Identification Division office are LiveScan prints. However, some LiveScan prints were taken at a non-NSP office, printed, and mailed to an NSP office. All Inkwell prints were taken at a non-NSP office and mailed to an NSP office.

NSP Process

When examining the number of days an applicant’s fingerprints are available for processing at NSP, there are two periods to evaluate. The first is the “wait time” where NSP has the fingerprints but has not submitted them to the FBI. The second is the “processing period” where NSP is processing the FBI results to ensure complete and appropriate information is provided to DHHS Child Care Licensure.¹⁰

Wait Time Fingerprints have been entered into Nebraska’s system, but have not been submitted to the FBI	Processing Period Automated results from FBI have been received and are reviewed by NSP staff before sending to DHHS
---	--

The wait time is made up of two components. The first is the wait for authorization from DHHS Licensure. Until the implementation of blanket authorization in August 2023, authorization was dependent on matching fingerprints to an application at DHHS. In the absence of a unique identifier like a social security number to ensure timely matching between agencies, matching could be delayed due to: a) the lack of an application, b) an incomplete application, c) delays in entering an application into LIS, and/or d) discrepancies in applicant names between application and fingerprints.

The second component of the wait time is the internal checking that NSP does to ensure the submitted fingerprints are not rejected by the FBI. NSP staff must review information before and after submission to the FBI. There is a period of time that cannot be eliminated due to the procedures required to check the quality of fingerprints and applicant information to comply with federal guidelines. In the event that fingerprints are not a high enough quality for FBI standards, the applicant is contacted and given 60 days to provide new fingerprints.

Because NSP does not collect the FBI result date, we used the in-depth data set to assess the wait and processing times.¹¹

Wait Time: The Average Time Between Entry of Fingerprints and FBI Results

As described above, the first of two parts of NSP processing is the wait time. For most of the program data examined, this wait time is a combination of waiting for authorization from DHHS and NSP checking the applicant’s data and fingerprint quality.

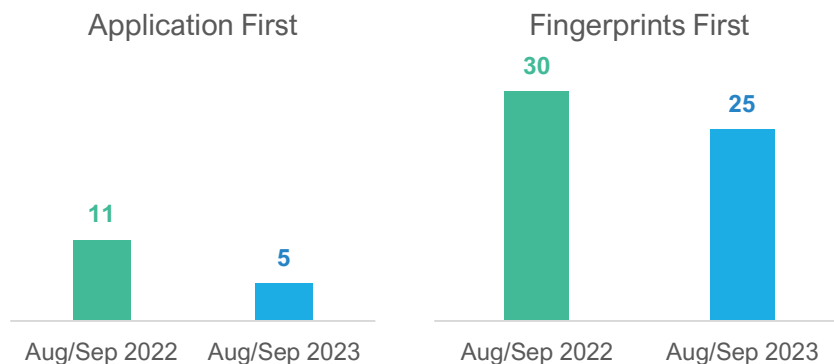
¹⁰ NSP is tasked with ensuring that CHRI shared with non-criminal justice agencies protects the privacy of an individual’s criminal record where appropriate under federal and state law. This is a requirement for use of the FBI record system.

¹¹ DHHS does collect data that might be used to approximate the FBI result return date, but when compared to the date from the paper files, the accuracy of the match was insufficient for use. Less than 20% of the dates entered by DHHS on LIS matched the paper file dates.

For the in-depth data set of the months of August and September, the wait time decreased between 2022 and 2023. On average, for the two months in 2022, fingerprints waited 22 business days between entry and FBI results. Comparatively, fingerprints waited 16 business days between entry and FBI results in the same two months in 2023.

When a provider submitted an application prior to submitting fingerprints, NSP waited fewer business days between fingerprint creation and submission to the FBI. In this scenario, the average wait time at NSP was 11 business days in 2022 and 5 business days in 2023 (Figure 2.16). Where fingerprints were submitted prior to an application, fingerprints waited much longer before submission to the FBI. In this scenario, fingerprints waited 30 business days in 2022. The average for 2023 decreased to 25 business days.

Figure 2.16. The average number of business days fingerprints waited before submission decreased from 2022 to 2023, but differs significantly depending on whether fingerprints or an application was submitted first.



Source: Audit Office analysis of NSP data.

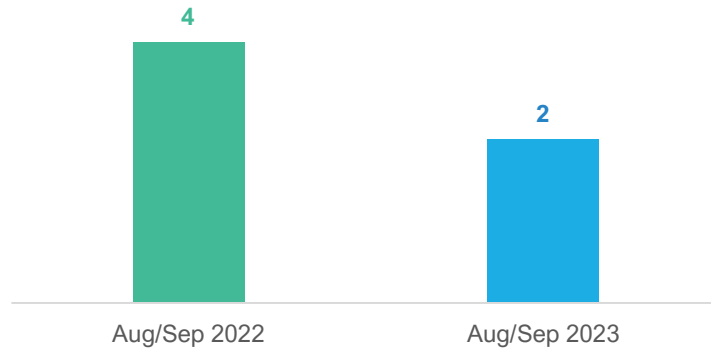
The differences between the averages shown in Figure 2.16 are due, at least in part, to waiting for authorization from DHHS. Where an application was already on file before fingerprints were collected, NSP waited fewer days on average before submitting the fingerprints to the FBI. When NSP had to wait for an application and authorization from DHHS, the fingerprints waited more days on average before submission to the FBI.

Although criminal history was assessed for an effect on the average wait time, no pattern was found.

Processing Period: The Average Time from FBI Submission to Completion of CHRI Report

The second part of the NSP process is the review of the FBI results. When looking at the average number of business days it took for NSP to review and finalize the FBI results into a CHRI report for DHHS, there was a decrease between the average processing time of August and September 2022 and the average processing time of August and September 2023 (Figure 2.17). While there may have been longer delays historically, the data does not include the FBI dates for the five-year data.

Figure 2.17. For the months of August and September, on average, NSP completed CHRI reports in 2023 in half the number of business days of 2022.

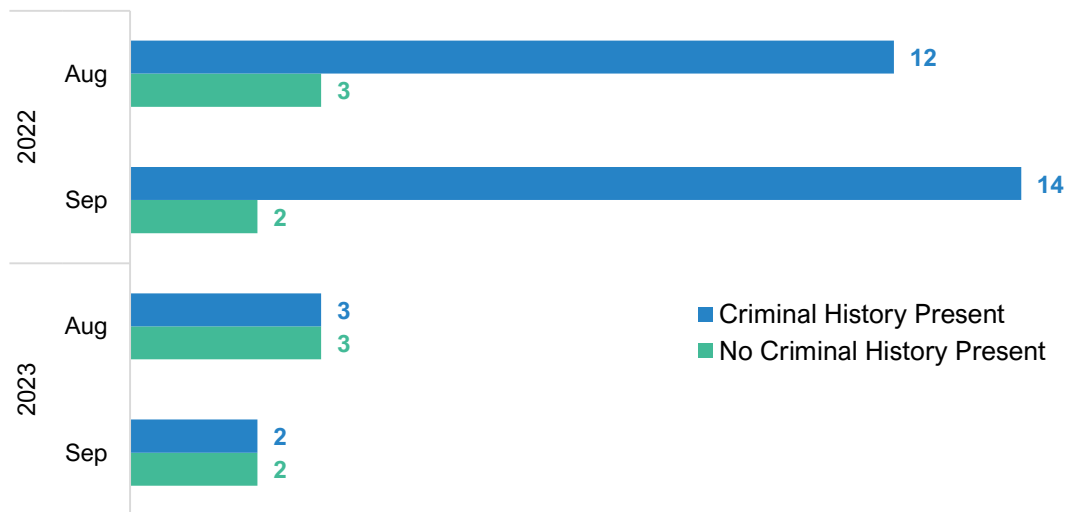


Source: Audit Office analysis of NSP data.

This decrease suggests an improvement at NSP that allowed for faster processing. According to NSP, staffing levels improved from three employees to six.

Because the presence of criminal history is not documented in LIS, auditors were only able to assess the effect of criminal history using the in-depth data from August and September of 2022 and 2023. When examining the effect of the presence of a criminal history on CHRI processing time, the difference visible in 2022 between those with and those without criminal history disappeared in 2023 (Figure 2.18). The presence of a criminal history did not correlate to a longer average processing time in 2023 compared to those without a criminal history.

Figure 2.18. The difference in average processing time based on presence of criminal history in 2022 was eliminated in 2023.

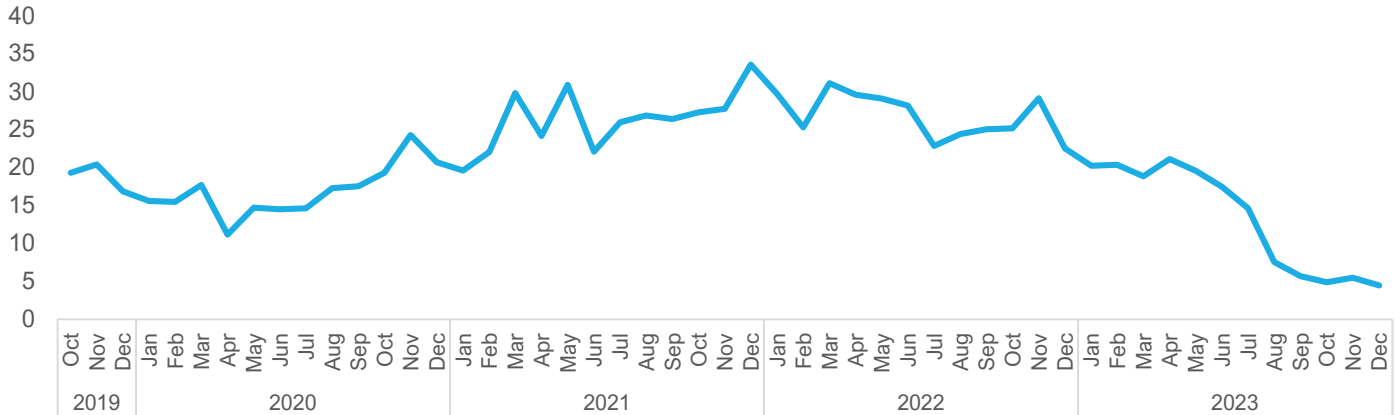


Source: Audit Office analysis of NSP data.

Five-Year Data Set: Blanket Authorization and Total Time at NSP

The monthly average number of business days for total processing time decreased from 2019 into 2020, then increased starting in mid-2020 (Figure 2.19). The monthly averages peaked in December 2021 at 34 business days and reached its low in December 2023 at 4 business days.

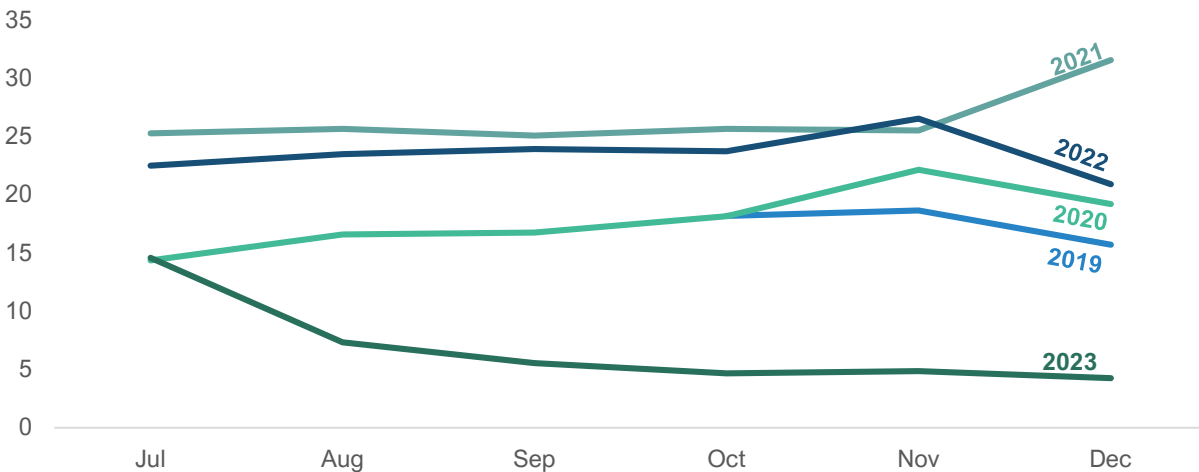
Figure 2.19. The average number of business days from fingerprint creation to process completion varied over the months and years examined, but there is a clear decrease in the second half of 2023.



Source: Audit Office Analysis of DHHS and NSP data.

Moving from individual authorization to blanket authorization in August of 2023, as discussed in Section I, appears to have had an effect on the total NSP processing time of fingerprint-based background checks. When the fingerprints completed in July through December of each year are isolated, processing in 2023 generally took at least 10 fewer business days than previous years (Figure 2.20).

Figure 2.20. The implementation of blanket authorization in August 2023 corresponded with a decreased average number of days for processing at NSP.

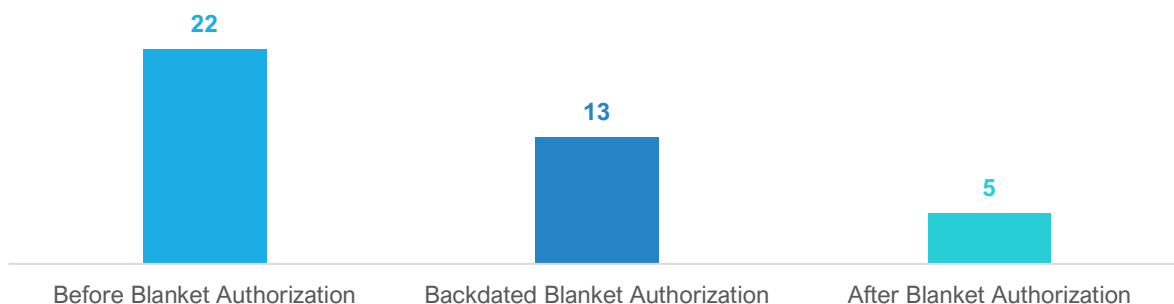


Source: Audit Office Analysis of DHHS and NSP data.

To address any potential backlog of fingerprints that were waiting on DHHS authorization, the time period for blanket authorization was backdated to allow fingerprints to be authorized for submission if created after July 1, 2023, but prior to the blanket authorization implementation on August 11, 2023.

Separating the applications into three time periods provides a more complete understanding of how blanket authorization affected processing time at NSP. By simply averaging each of the categories, the data shows that before blanket authorization the average processing time was 22 days (Figure 2.21). The average for backdated blanket authorization (fingerprints submitted July 1 to August 10, 2023) had an average processing time of 13 days. Blanket authorization (fingerprints submitted starting August 11, 2023) averaged five days.

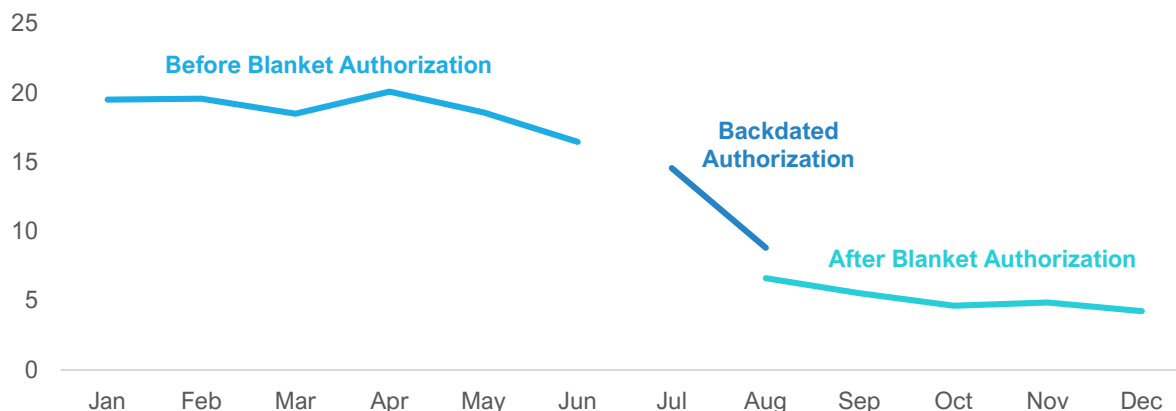
Figure 2.21. The average number of business days fingerprints spent at NSP decreased with the implementation of blanket authorization.



Source: Audit Office analysis of NSP data.

By looking just at 2023 and separating each category into its respective months, the effect of blanket authorization can be seen in more detail (Figure 2.22). The difference between the backdated average of nine days and the blanket average of seven days in August 2023 suggests a strong effect of blanket authorization on the total processing time at NSP.

Figure 2.22. The decrease in monthly average processing time in 2023 adds further support to the impact of blanket authorization.



Source: Audit Office analysis of NSP data.

Criminal History Record Information Transit Time

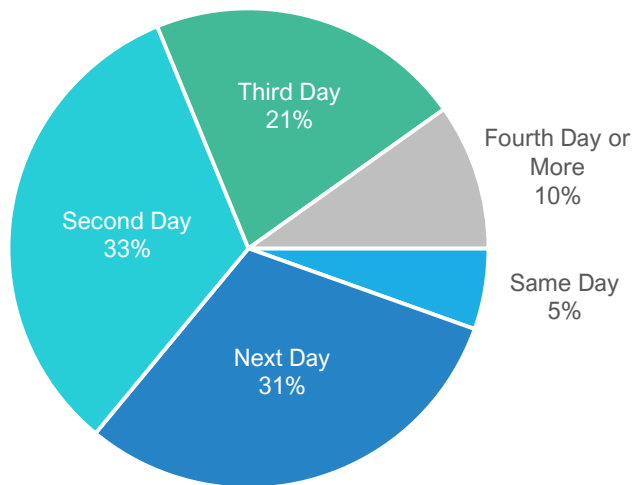
Once NSP has completed any necessary redactions or additional Nebraska criminal history check, a final Criminal History Record Information (CHRI) report is compiled and sent to DHHS through interagency mail. This is typically done daily on business days but holidays and weekends create delays in delivery services. Using the date NSP completed processing a provider's fingerprints and the date DHHS noted that they received the finalized CHRI, the number of days CHRI was in transit between the agencies can be estimated.

It is important to note that, depending on the circumstances of the application and fingerprint submissions, the transit time of CHRI may not be dead time. Although NSP has completed their portion of processing the applicant's background check, DHHS may be in the process of running the name-based background checks on their end.

Looking at the data, the average number of days CHRI spent in transit via interagency mail from NSP to DHHS from October 2019 to December 2023 was three business days. The monthly average fluctuated between two and five business days.

If cases are organized by the number of days it took for the CHRI to get from NSP to DHHS via interagency mail, the largest percentage of CHRI (33%) was received by DHHS the second day after it was sent (Figure 2.23). Although only 5% were received the same day as NSP completed them, another 31% were received the next day.

Figure 2.23. DHHS received 69% of CHRI within two business days of NSP completion, and 90% within three business days.



Source: Audit Office analysis of DHHS and NSP data.

Despite low average transit times, we also found instances where it took a long time for DHHS to receive the CHRI. Both agencies identified interagency mail as a concern for potential delays.

Result: Although 36% of Criminal History Record Information was received by the next business day, 10% was not received before the fourth business day after completion at the Nebraska State Patrol. Relying on interagency mail for the transmission of federally protected data adds time to the full process of determining eligibility statuses for child care workers.

DHHS Final Steps in Process Analysis

As discussed in Section I, the final part of the process at DHHS is the review of criminal history from the combined background checks. This final step can begin when DHHS receives the CHRI from NSP. This date is physically stamped on the paper CHRI upon receipt and entered into LIS upon a determination being made.

Generally, the average number of business days that DHHS took to complete their review of the provider's background remained within 3 business days from 2019 to mid-2023. However, following the implementation of blanket authorization, the average time from CHRI receipt to eligibility determination notice started to increase.

If a provider submitted fingerprints prior to July 1, 2023, the average final processing time at DHHS peaked in November 2023 at 10 business days. If a provider submitted fingerprints on or after August 11, 2023, the average final processing time peaked in December 2023 at 7 business days. The dramatic increase in average processing time for backdated authorization fingerprints—those fingerprints submitted from July 1 to August 10, 2023—is examined in detail below.

Application First

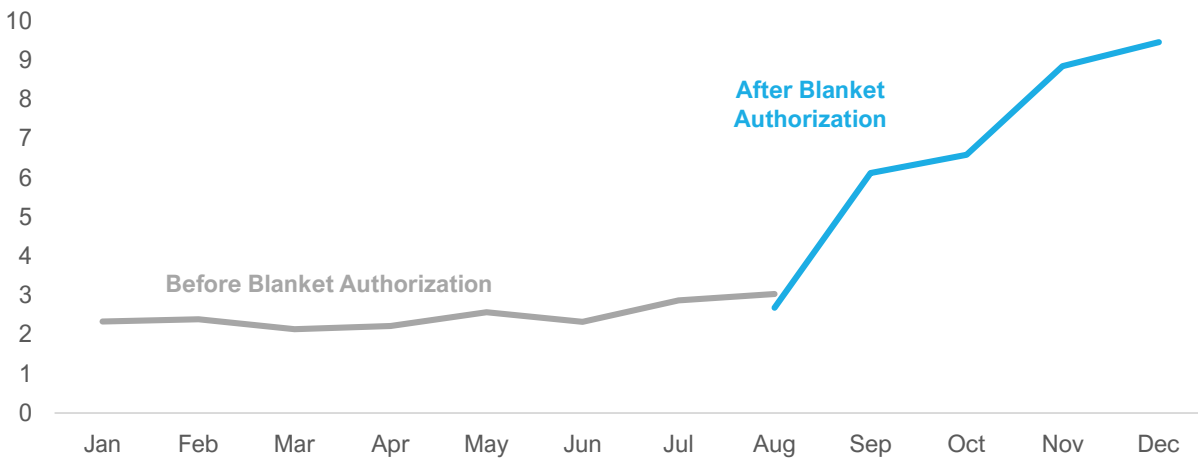
When DHHS received an application before NSP received fingerprints, the average final processing time largely remained stable, regardless of the authorization category of the fingerprints. When an application is received first, DHHS is still able to run name-based background checks while waiting for the CHRI results.

Fingerprints First

Fingerprints First, After Blanket Authorization

For fingerprints submitted after August 11, 2023, when NSP received fingerprints before DHHS received an application, however, the final processing time increased noticeably until the end of the year (Figure 2.24). The average final processing time jumped from three business days in August, to six in September, and seven in October. Although the same number of eligibility determinations were completed in November and December (311 and 310 respectively), November's average was nine business days, while December's was ten.

Figure 2.24. For eligibility determinations with fingerprints submitted *after* blanket authorization, the average final processing time increased through the final months of 2023.



Source: Audit Office analysis of NSP data.

This supports the likelihood that the DHHS name-based background checks of criminal records and the Central Registry are being done after receiving CHRI, because the agency was not given the overlapping time to process at the same time as NSP.

The Transition to Blanket Authorization: Backdated Applications and Orphan CHRI

For providers that submitted fingerprints between July 1 and August 10, 2023, the average final processing time increased significantly. While this category could be written off as a discreet set of circumstances—the clearing of CHRI from a transition period—this subset of backdated cases highlights a preexisting, as well as ongoing, issue of matching applications to fingerprints.

Prior to blanket authorization, NSP could not complete CHRI until fingerprints were matched to an authorized name from a completed DHHS application. After blanket authorization, fingerprints could be processed immediately. The completed CHRI without a matching application are identified at DHHS as orphan CHRI. Some orphan CHRI are ultimately matched and processed quickly. Others are not.

The implementation of blanket authorization increased the risk of orphan CHRI because no DHHS application is needed for NSP to submit fingerprints to the FBI and complete their review of the returned information. From the data analyzed, over 500 cases of orphan CHRI were identified.

On the whole, blanket authorization cut down total processing time. For a small subset of applicants, blanket authorization may have made matching more difficult and therefore delayed the processing of their application. However, when the delay is a result of the applicant not submitting an application, this is outside the control of DHHS and NSP.

Result: Blanket authorization helped improve total processing times for child care background checks.

Issues and Concerns

In addition to the problem of orphan CHRI, a number of system issues were identified over the course of the audit. Some of these issues were also raised by the agencies in discussions about system needs and improvements. The discussion regarding these areas of concern is broken down into DHHS internal control issues and inefficiencies inherent in the system.

DHHS Internal Control

Auditing standards require the Audit Office to examine internal controls to ensure that proper controls are in place and to report as findings any deficiencies significant to the scope of the audit. Internal controls are processes aimed to provide reasonable assurance of reliable information, efficient operations, and compliance with the law. These processes and policies are necessary to mitigate risks within the program. Audit work revealed three key deficiencies in internal controls specifically regarding the entry and storage of application information.¹²

First, DHHS does not have even minimal controls for data entry in place to reduce the risk of normal human error. Because all information is hand entered into the License Information System (LIS) from paper copies of the application, the risk of human error is high. Moreover, the agency does not double check application information after it has been entered. DHHS told auditors that management occasionally does spot checking, but only when an issue is known. The use of older application documentation can increase the likelihood of delays by not accounting for employment or life changes for the applicant. The use of older CHRI increases the risk of missing additional criminal convictions relevant to eligibility status.¹³

Second, LIS lacks basic automated data validation tools that also might prevent or correct for human error. For example, auditors discovered cases where dates were entered incorrectly. Some were quite obvious, like a 2022 date being entered as 2002. Others were less noticeable, like a date fingerprinted or CHRI received date occurring after notice of eligibility was sent. Basic data validation tools could prevent staff from entering a date outside the range possible for application information, but such tools might not be possible in LIS.

Third, because DHHS does not use a unique identifier, records—including CPS and APS registries—are checked using the name as recorded and date of birth. This raises the risk of error if people with the same or similar names share a date of birth or if the date of birth is not fully legible or is recorded incorrectly.¹⁴ NSP does collect social security

¹² Specific errors described are used as examples; this is not a complete list of all errors auditors found.

¹³ DHHS does have an internal work instruction requiring staff to reject applications older than 30 days, however, auditors were unable to ascertain when DHHS began enforcing that policy.

¹⁴ DHHS now uses a form fillable application, but it was not in use for most of the examination period. Many of the paper application packets in the file review included handwritten applications or even pictures of handwritten applications, which increase the risk of transcription errors.

numbers in many cases, and DHHS has the authority to do so as well, so this would be a simple step to increase matching reliability.¹⁵

Not only are internal controls necessary to mitigate inherent risks, they ensure that management has appropriate and correct information to provide effective review of program operations and to provide quality information to outside stakeholders, like the Legislature.¹⁶ Because of the likelihood of human error in data entered into LIS, there is a risk that management is not getting quality information about licensing operations. Additionally, the use of previously-on-file applications and possibly out-of-date CHRI (rather than entering current information) does not present an accurate measurement of processing times.¹⁷

Auditors acknowledge that some of the potential fixes to the lack of internal controls could cause additional delays if DHHS continues to rely on the current system.

Finding: The Department of Health and Human Services Occupational Licensure Unit lacks internal controls and computer systems controls to mitigate the risk of human error.

DHHS Database

DHHS relies on a paper-based system for child care background checks because of their antiquated software system. Initially developed in the 1990s, the License Information System was not designed for the needs of child care licensing. DHHS has taken steps to stabilize the software and make improvements where possible, but LIS does not store or utilize digital forms of applications. This forces the program to rely on paper files. In addition to the internal control issues and the inefficiency of manual data entry, the paper-based system increases the risk of lost or misfiled paperwork.¹⁸

Adding to this risk is the use of interagency mail. Both agencies said that mailing CHRI from NSP to DHHS takes more time than using a secure digital information system. Interagency mail also adds the risk of increasing processing time if a piece of mail is misplaced while in transit, a situation that is outside both agencies' control.

In addition to secure digital transmission of CHRI from NSP to DHHS, DHHS staff suggested that an online portal for child care staff and applicants could provide significant benefits. An online portal could allow applicants and employers to submit application information, make appointments for fingerprinting, check application status, and

¹⁵ Neb. Rev. Stat. § 71-1911.02.

¹⁶ U.S. Government Accountability Office, *Government Auditing Standards*, 2021 Technical Update, 9.29. U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government*, September 2014, p. 9.

¹⁷ DHHS does have an internal work instruction requiring staff to reject applications older than 30 days, however, auditors were unable to ascertain when DHHS began enforcing that policy.

¹⁸ During file review, auditors found multiple application packets with someone else's information stuck in or stapled to the wrong file.

confirm eligibility in the event of job changes. Such a system would also reduce the risk of human error for both entering and matching application information to CHRI. If a system like this could be established for DHHS and NSP to securely share CHRI information and check the status of documentation and matching, it would likely reduce the time needed for application processing.

The way applicants interact with the background check process can also contribute to extended processing times. The data reviewed by auditors confirms that applicants do not always provide fingerprints or an application in a timely manner. When there are delays between the entry of fingerprints and an application, it's likely to cause additional delays in matching and therefore processing of a completed background check. The time between submitting fingerprints and an application seems to be extended, at least in part, by applicant confusion over the requirement to submit both things. Blanket authorization of fingerprints did not solve this problem and for some applicants may make it worse. DHHS has taken steps to remind applicants and employers about the need to complete an application as well as submit fingerprints, but staff acknowledged that timely completion continues to be a problem.

Result: The Department of Health and Human Services uses antiquated software which necessitates reliance on an inefficient paper-based system.

DHHS has purchased 15 semi-mobile LiveScan machines for future use at locations where both fingerprinting and applications could be completed. However, logistical complications have delayed their implementation. DHHS does not yet have the machines and does not know when they will be available for use.

III. Agency Response & Fiscal Analyst's Opinion

Legislative Auditor’s Summary of Agency Response

This summary meets the requirement of Neb. Rev. Stat. § 50-1210 that the Legislative Auditor briefly summarize the agency’s response to the draft performance audit report and describe any significant disagreements the agency has with the report or recommendations.

The Performance Audit Committee’s recommendation for the result regarding the Department of Health and Human Services’ software was changed from the draft recommendation reviewed by the agencies. The draft recommendation language stated, “If the Legislature wants to decrease processing times for child care licensing applications, an appropriation for new software will likely be necessary.”

The two agencies reviewed in this audit, the Department of Health and Human Services (DHHS) and the Nebraska State Patrol (NSP), provided written responses to the report. DHHS agreed with five of the six draft recommendations in the report. For the other draft recommendation, DHHS’s response stated that they did not believe adding a time limit for child care license processing to statute would be beneficial as other recommendations would do more to improve processing times. DHHS also provided corrections to technical errors in the report, as did NSP.

NSP stated in their response that they would support a statutory change to grant their agency authority to collect social security numbers during the fingerprint process—they currently do ask for this information but do not have the authority to require applicants to provide it. NSP also agreed with the draft recommendation to put in place a secure digital transmission system for both agencies to use during the process.



August 8, 2024

Stephanie Meese, Legislative Auditor
Legislative Audit Office
P.O. Box 94604
State Capitol
Lincoln, NE 68509-4604

Dear Ms. Meese:

The Department of Health and Human Services ("the Department") received from your office the confidential draft report regarding the legislative audit of the Child Care Background Check Process. The Department's responses to the audit findings and results are outlined below.

1. Finding: Between 6% and 30% of applications were not processed within 45 calendar days as required by federal regulations, depending on the year.

Draft Recommendation: If the Legislature wants to establish a different timeframe than the federal standard, they could consider legislation setting a state time limit for child care license processing.

Department Response: The Department disagrees with this recommendation as it would not be as helpful in improving the process as other recommendations and will not obtain the desired outcome. Adding a state mandated timeframe will not resolve the barriers that have prevented compliance with the federal law. The Department strives to comply with statutory timeframes. Steps have been taken to come into compliance with the federal law. Newly implemented changes have increased the percentage of applications processed within 45 calendar days. Currently, 94% of applications are processed within 45 days.

2. Result: Although 36% of Criminal History Record Information is received within the next business day, 10% was not received before the fourth business day after completion at Nebraska State Patrol. Relying on interagency mail for the transmission of federally protected data adds time to the full process of determining eligibility statuses for child care workers.

Draft Recommendation: The establishment of a secure digital transmission system could eliminate delays caused by the physical transfer of criminal history reports. The agencies should collaborate to find a digital system appropriate and determine if additional funds would be needed for implementation.

Department Response: The Department agrees with this recommendation and acknowledges that a secure digital transmission system would be more effective and timely. The Department will explore, with the Nebraska State Patrol, what such a system would look like, what it would cost, and how long it would take to implement. A secure electronic transfer system had been previously identified by the Department's Occupational Licensure Unit as a potential solution for saving time and providing greater security. Implementing such a system continues to be a priority for the Department, and further communication will occur with the state's Office of the Chief Information Officer to further prioritize this project in an effort to aid child care workers in being authorized to begin work in a shorter timeframe.

3. Result: Blanket authorization helped improve total processing times for child care background checks.

Draft Recommendation: If the Legislature wants to ensure consistent application of blanket authorization, they could introduce legislation to authorize it at the state level when allowed by the federal government.

Department Response: The Department agrees with this recommendation. Legislation regarding blanket authorization could be beneficial, depending on how the legislation is drafted. For example, to prevent an increase in orphan CHRI, the legislation may need to require the Nebraska State Patrol to have certain information, such as applicant name and contact information, in order to trigger the blanket authorization. The Department will discuss with the Nebraska State Patrol specific language needed, to meet FBI requirements, in proposed blanket authorization legislation.

4. Finding: The Department of Health and Human Services Child Care Licensure Division lacks internal controls and computer systems controls to mitigate the risk of human error.

Draft Recommendation: The Department of Health and Human Services should implement and follow internal controls and computer systems controls policies. This includes, but is not limited to, procedures for double-checking data entry and having staff collect and record complete information about applications and application processing, like a unique identifier and date of application receipt.

Department Response: The Department agrees with this recommendation and is examining current internal controls and working to implement additional internal controls to ensure the processes are effective and as efficient as possible in mitigating the risk of human error.

5. Result: The Department of Health and Human Services relies on antiquated software which necessitates reliance on an inefficient paper-based system.

Draft Recommendation: If the Legislature wants to decrease processing times for child care licensing applications, an appropriation for new software will likely be necessary.

Department Response: The Department agrees with this result. The Department's Occupational Licensure Unit is currently in the process of updating the License Information System (LIS) which is the database where all occupational licensure information is stored. The update will stabilize

the database by migrating the data to current technology. This phase is projected to be completed in early 2025. The Department will pursue software solutions that will benefit the customers we serve through functionality that allows submission of applications and supporting documentation electronically. This avoids delays with mailing paper applications and removes manual data entry errors. Updating of the LIS database and any software solutions will be funded with existing funds.

You also asked that we identify any technical or typographical errors. Following are several items for your consideration:

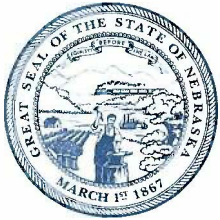
- There are several references throughout the report to the area of the Department that processes applications for child care licenses. The correct name of that area is the Occupational Licensure Unit.
- There are several references throughout the report to the database that stores licensure information. The correct name of that database is the License Information System (LIS).
- There is a reference on page 4, second paragraph from the bottom of the page, to footnote #8; however, there is no footnote #8 at the bottom of the page.
- On page 22, last sentence on the page, it is suggested to add the word “been” so the sentence reads, “While there may have been longer delays historically, the data does not include the FBI dates for the five-year data.”

Thank you for the opportunity to comment on this draft report. Please let us know when the exit conference will be held, and the Department will have appropriate staff in attendance. Please do not hesitate to let my office know if you have any questions or concerns.

Sincerely,



Dr. Steve Corsi
Chief Executive Officer
Department of Health and Human Services



Jim Pillen
Governor

NEBRASKA STATE PATROL
Colonel John A. Bolduc
Superintendent
P.O. Box 94907
Lincoln, NE 68509-4907
Phone (402) 471-4545

August 13, 2024

Legislative Audit Office
Stephanie Meese, Legislative Auditor
P.O. Box 94604, State Capitol
Lincoln, NE 68509-4604

Dear Ms. Meese:

Nebraska State Patrol (NSP) has reviewed the draft report in connection with the audit of the Child Care Background Check Process.

During the exit conference between NSP and the Legislative Performance Audit Committee on August 1, 2024, discussion focused on three areas NSP identified in the draft report.

1. Section 1, NSP Process

Page 5, paragraph 3, footnote 9

- Incorrect statute notated. NSP Research Team is responsible for redacting any information not authorized for disclosure on a final dissemination CHRI report. The Research Team applies redactions based on *NeRS 29-3523*.

2. Section 2, DHHS Internal Control

Page 30, Paragraph 2, footnote 83

- ‘NSP does collect social security number in many cases, and DHHS has the authority to do so as well, so this would be a simple step to increase matching reliability.’
 - NSP does collect social security numbers but does not have the authority to require SSN. Statute *NeRS 71-1911.02* provides authority to DHHS to collect SSN on the application.
 - *NSP supports considerations for statute revision to grant authority to collect SSN during fingerprint process.*

3. Audit Summary and Draft Recommendations, Audit Find and Results, page ii, 5th paragraph Section 2, DHHS Database

Page 31, paragraph 3

- **Page ii-Draft Recommendation:** ‘The establishment of a secure digital transmission system could eliminate delays caused by the physical transfer of criminal history reports. The agencies should collaborate to find a digital system appropriate and determine if additional funds would be needed for implementation’.
- **Page 31-** ‘If a system like this could be established for DHHS and NSP to securely share CHRI information and check the status of documentation and matching, it would likely reduce the time needed for application processing’
 - NSP agrees with and supports these recommendations. Over the previous 18 months agencies have held discussions on this topic. This is a beneficial project for both agencies, and NSP is in full support. NSP fully supports DHHS to determine appropriations and additional funds to update antiquated systems to allow for technology and creation of digital transmission system.





Jim Pillen
Governor

STATE OF NEBRASKA

NEBRASKA STATE PATROL
Colonel John A. Bolduc
Superintendent
P.O. Box 94907
Lincoln, NE 68509-4907
Phone (402) 471-4545

The Nebraska State Patrol appreciates the efforts of the Legislative Performance Audit Committee to improve services directed towards daycare providers in the state. If NSP can be of any further assistance, please contact Captain Lance Rogers in the Criminal Identification Division.

A handwritten signature in blue ink, appearing to read "John A. Bolduc".

Col. John A. Bolduc
Nebraska State Patrol
Superintendent of Law Enforcement and Public Safety
4600 Innovation Dr.
Lincoln, NE 68521

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August 13, 2024

Stephanie Meese, Legislative Auditor
Legislative Audit Office
1225 L St. Ste 502
P.O. Box 94604
Lincoln, NE 68509

Dear Stephanie,

You have asked the Legislative Fiscal Office to review the draft report, "Department of Health and Human Services and Nebraska State Patrol: Analysis of Processing Background Checks for Child Care Providers" as to whether the recommendations can be implemented by the agencies within current appropriations.

The report includes a recommendation that DHHS should implement internal controls such as procedures for double-checking data entry and improvements in tracking processing. There is no fiscal impact to implementing this recommendation with existing staff and systems.

The report also includes a recommendation that DHHS and NSP could establish a secure digital transmission system to expedite application processing. Similar interagency transmission systems exist, such as between DHHS and the Department of Revenue for child support enforcement, therefore such a system may be able to be established within current agency appropriations. If the new system requires enhanced privacy standards, additional appropriation of an indeterminable amount may be necessary to establish a sufficient system.

Finally, the report includes three recommendations to the Legislature:

1. The Legislature could consider legislation setting a time limit for child care license processing,
2. The Legislature could consider legislation authorizing the use of blanket authorization at the state level when allowed by the federal government, and
3. The Legislature could consider appropriating funds for updated software.

Based upon the provisions within any introduced legislation, the first and third recommendations would likely require additional appropriations to cover the increased costs of hiring additional staff to meet deadlines and update software systems. The second recommendation would likely have minimal fiscal impact. Any specific estimate of costs would be associated with legislation introduced.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Keisha Patent". The signature is fluid and cursive, with the first name "Keisha" being more prominent than the last name "Patent".

Keisha Patent
Legislative Fiscal Analyst