[LB55 LB56 LB71 LB229 LB281 LB327]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, February 27, 2007, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB55, LB56, LB71, LB229, LB281, and LB327, and on the budgets for Agency 20, Agency 25, and Agency 26. Senators present: Lavon Heidemann, Chairperson; Lowen Kruse, Vice Chairperson; L. Pat Engel; Tony Fulton; John Harms; Danielle Nantkes; John Nelson; John Synowiecki; and John Wightman. Senators absent: None.

SENATOR HEIDEMANN: Welcome. Welcome to the Appropriations Committee. I think we'll get started here. Just starting, letting you know who we have on our committee: way to the right is Senator Danielle Nantkes from Lincoln, District 46; to her left it John Wightman, Senator John Wightman, from Lexington, District 36. Did I say 46 before?

SENATOR WIGHTMAN: Thirty...no, I think you said thirty-six, and that's correct.

SENATOR HEIDEMANN: Thirty-six, you're...okay, we're right. To his left is Senator John Synowiecki, Omaha, District 7; to his left is Senator Lowen Kruse from Omaha, District 13, who is also the Vice Chair of this committee; down on the end is Kendra Papenhausen who is the committee clerk; my name is Senator Lavon Heidemann from Elk Creek, District 1; to the left over there is Senator Pat Engel from South Sioux City, District 17; to his left is Tony Fulton. Actually, Tony is not here; will be joining us later. He's from Lincoln, District 29. To his left will be John Nelson from Omaha, who...and he is here from District 6; and to his left is Senator John Harms from Scottsbluff, District 48. Our page for today name is Andy. I would like to remind you at this time, if you have cell phones, to please shut them off. Testifier sheets are on the table near back doors; fill out completely and put in box on table when you testify. We ask that you please do not fill out this form if you aren't publicly testifying. At the beginning of the testimony, please state and spell your name for the record and the transcribers following that later. Nontestifier sheets near the back door if you do not want to testify but would like to record your support or opposition; only fill out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of your testimony, and we also ask, to keep things moving, that you would please keep your testimony concise and on topic; under five minutes would be appreciated but we will accept almost anything. (Laughter) Careful with that. Starting today we will open up the public hearing on LB55, Senator Howard. Welcome to the committee. [LB55]

SENATOR HOWARD: (Exhibits 1, 2, 3) Thank you. Thank you. It's the first time I've come in here this year, so. Good afternoon, Chairman Heidemann and members of the Appropriations Committee. For the record, I am Senator Gwen Howard and I represent District 9. I'm excited to be here today introducing LB55. The intent of this bill is to designate funding for early intervention programs provided under 68-1201. Specifically,

my intent is to expand funding for the home visitation pilot program that was started in 2005 as a result of LB264 and LB425, to make replication of those programs possible across the state. The total funding I'm requesting over the next three years is $2.25 million. Funding for the first year would be $1 million, $750,000 for the second year, and $500,000 for the third year. As the funding decreases, the programs funded through this allocation would be required to secure cash or in-kind match for the dollars they receive. A 25 percent match is required in the second year of funding, and a 50 percent match is required in the third year of funding. The purpose of this match requirement is to encourage organizations to develop programs that can become self-sustaining or supported through other funding, including local resources. Early intervention programing focuses on prevention of child abuse and neglect by offering screening, education, and home visitation to at-risk families. Home visitation intervention was the first recommendation of the Governor's Children's Task Force. The task force, brought together in the wake of 30 child deaths, reviewed studies that suggested that approximately 40 percent of maltreatment episodes might be prevented through programs of early childhood home visits. Over the past two years, the home visitation program has been piloted in one urban and one rural setting, with minimum funding. Both pilot programs have been successful and have made a positive impact upon the children and the families they serve. The Visiting Nurses Association of Omaha was a recipient of the award for the urban pilot project and is here to share with you some of the findings of this program. These programs educate parents about prenatal care, abstaining from drug/alcohol use, nutrition, car seat safety, crib safety, immunization, stages of infant development, and other essential topics. This information can have a significant impact on parenting skills, and I will add this also has a significant impact on prevention. Prevention not only improves quality of life for Nebraska's children, but it reduces the social and fiscal burden that we all assume for consequences of child neglect and abuse. We know that early intervention makes a difference. In LB55, I will expand upon the number of children whose lives can be improved by this critical programming, and I urge your favorable consideration of this bill. Also, I have an amendment that I don't know if it's been distributed. I handed it to the page for... [LB55]

SENATOR HEIDEMANN: Not that I know of, no. [LB55]

SENATOR HOWARD: Oh, here comes the page. This bill is a result of a...or this amendment, I'm sorry, is the result of a conversation that I had with NACO and we are in agreement to offer this amendment. [LB55]

SENATOR HEIDEMANN: Well, thank you for coming to the Appropriations Committee, and thank you for bringing us LB55. Are there any questions? Senator Wightman. [LB55]

SENATOR WIGHTMAN: Senator Howard, you gave us some figures, and I didn't get them written down, on the costs. [LB55]

SENATOR HOWARD: Oh, sure, I'll review those for you. This is...the funding for the first year would be $1 million, the second year would be $750,000, the third year would be $500,000. And I'll just, for your information, I'll just review this. As the funding decreases, the state funding, the amount that the state is contributing toward this program, the program funded through this allocation would be required to secure cash or in-kind match for the dollars they receive. A 25 percent match is required in the second year of funding, and a 50 percent match is required in the third year of funding. [LB55]

SENATOR WIGHTMAN: Okay. And as far...I see the fiscal note attached that shows no fiscal impact. Are we looking at this as a General Fund...or a cash fund expenditure? [LB55]

SENATOR HOWARD: I can't...as a cash fund? The program that this money will come out of really would be the...up to the decision of the committee here. Because when we're looking at a three-year funding, I would really appreciate the committee's advice on which fund to take that from. [LB55]

SENATOR WIGHTMAN: Do you see this as cutting back in area...any areas that Health and Human Services Department is presently responsible for? [LB55]

SENATOR HOWARD: This is a new program, a prevention program. It isn't under...it didn't...until the recommendation of the Governor's task force, there wasn't a prevention program, per se, under the auspices of Health and Human Services. This was a result of LB264 that was passed two years ago. [LB55]

SENATOR WIGHTMAN: So if there's any impact on personnel required at Health and Human Services, this will be a long-term reduction perhaps, just by the early intervention, keeping people out perhaps or individuals out of the stream later. [LB55]

SENATOR HOWARD: The only impact I can think of that would be in terms of personnel would be administrative for this particular program. [LB55]

SENATOR WIGHTMAN: Thank you. [LB55]

SENATOR HEIDEMANN: Senator Nantkes. [LB55]

SENATOR NANTKES: Senator Howard, good afternoon. [LB55]

SENATOR HOWARD: Thank you. [LB55]

SENATOR NANTKES: Thank you so much for joining us here this afternoon. I just

wanted to ask a fairly broad question, and if you want to maybe ponder it and address it in your close or on another piece of legislation, that's fine, because I didn't get a chance to visit with you about it this morning. But looking around in the hearing room today I see so many passionate advocates, like yourself, for children and child welfare issues, and as members of the Appropriations Committee we've all had individual and group briefings with many of them, and I want to pose to you the same question that I've asked them. I think without question individual members of this committee and the body as a whole care very deeply about child welfare issues and want to make a difference, but we're getting a lot of competing proposals. We want to ensure that we're investing dollars in a comprehensive cost-effective way, and if you could talk about how this proposal plays into those ideals or over all greater broader solutions for addressing child welfare issues in Nebraska, I'd appreciate your thoughts on that. [LB55]

SENATOR HOWARD: You know, I think that's the core issue, and I appreciate you bringing up that question. The many years that I worked in Health and Human Services and saw many, many children come into the system and many of them remain in the system, and unfortunately some grow up in the system, I ask myself continually what could we do to address this; what could be different here in the state of Nebraska? And it became more and more apparent that early prevention work makes a difference. And I appreciate that the Governor's task force in 2003 was objective enough to look at that and not to just go down the same old path of how can we shore up child protection services, but rather how can we address the problems before they happen, which is the best way to look at of helping children. The visiting nurses have done a wonderful job of educating parents, of being available as a resource for parents, especially young parents, to prevent child abuse and I think there's no better place we can put our money into than prevention and not having children come into our system. [LB55]

SENATOR NANTKES: And just to follow up on that response, do you think then as...in general it's better for the state to invest dollars in levering partnerships between nonprofit organizations or private organizations to try and help us administer our Health and Human Services programs in the child welfare arena, or better to directly invest those into Health and Human Services? [LB55]

SENATOR HOWARD: That's a very broad question and I have... [LB55]

SENATOR NANTKES: It is. [LB55]

SENATOR HOWARD: ...you know, I think it comes down to the bottom consideration of cost and who's going to do the job most effectively and who's going to do the most...the job that's most preventative. In this case, I place my faith on the visiting nurses and they have not proven me wrong. [LB55]

SENATOR NANTKES: Thank you. [LB55]

SENATOR HEIDEMANN: Any other questions? [LB55]

SENATOR NELSON: Senator, is this a program for the visiting nurses alone, or are they working in conjunction with somebody else on this early intervention? [LB55]

SENATOR HOWARD: It's through the Department of Health and Human Services. The allocation was given to the Department of Human Services for this program when LB264 was passed. But the contract arrangement is with the Visiting Nurses Association. [LB55]

SENATOR NELSON: Okay. [LB55]

SENATOR HEIDEMANN: Seeing no further questions, thank you for your testimony. [LB55]

SENATOR HOWARD: Thank you. [LB55]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity for this bill? Welcome to the Appropriations Committee. [LB55]

CAROLYN ROOKER: (Exhibit 4) Thank you very much. Good afternoon, Mr. Chairman and members of the Appropriations Committee. My name is Carolyn Rooker, that's C-a-r-o-l-y-n, Rooker, R-o-o-k-e-r, and I am representing the Visiting Nurse Association of Omaha, Nebraska. This past week many of you have heard from the Visiting Nurse Association, or the VNA, and Child Saving Institute, CSI, about an opportunity for the state of Nebraska to change the face of our children's future through the support of LB55, and I have to tell you that meeting with each of you last week was quite enjoyable and much less intimidating than seeing you around this room today. But that being said, an executive summary...I would like to hand out an executive summary for you. I think this person. An executive summary will be handed out to each of you today with information to include the following: the history of LB264 and the HHS pilot child abuse prevention program; the need for this type of intervention; the CSI-VNA collaborative revised approach; the cost-effectiveness; and our funding strategy. It is not our intent today to reiterate what has already been presented to each of you this past week; however, we would like to take the opportunity to summarize a few key points for the record: the history, first year results, and some lessons learned. Speaking in regards to the history, in 2005 Governor Heineman signed into law LB264, a bill introduced by Senator Gwen Howard. LB264 allowed $200,000 each year for two years--that was broken out $150,000 urban and $50,000 rural--for a pilot public health nurse home visitation program as a means of, first and foremost, preventing child abuse and neglect that if not prevented can secondly lead to out-of-home placement. The Visiting Nurse Association of Omaha was awarded the urban project for calendar years 2006 and

2007. As we have ended our first year of this pilot some of the highlights of our first year results include: 60 women plus their infants have received public health nurse home visitation; no children in this program have been victims of child abuse or neglect; only two children were placed in foster care, basically due to mental illness issues of the parents. Some of the highlights of the lessons learned: Unfortunately the level and need of many of these families has required more than public health nurse intervention can provide. Common circumstances of parents include severe poverty, mental health issues, chemical dependencies, and domestic violence. The challenges to the pilot have been meeting the complex needs of the families for services beyond the scope of public health nursing: for example, mental health therapy; social work for basic material needs and assistance with access to services; and in-home mentoring and family support. As the results of this first year and the lessons that we have learned, a revised model was developed in collaboration between VNA and CSI to provide a holistic approach to care for these extremely vulnerable families, and in reality represents an expansion of the existing HHS child abuse prevention home visitation pilot project. This proposed expansion would include a full array of in-home services for the most vulnerable women, infants, and children. In essence, we actually see LB55 as a natural progression of LB264 and the opportunity to achieve a total of five years--that would be the two-year pilot project and the three-year proposed allocation funding--of historical data for this state to review the return on their investment and judge the results of this intervention. Home visitation is a long-standing, well known prevention strategy to improve the health and well-being of pregnant and parenting women with infants and young children, especially those that we find most at risk, and is a known factor in prevention of child abuse and neglect. A quite from Dr. Bruce Perry, the chief of psychiatry, Texas Children's Hospital, when you feel empathy or love for someone that's because a part of your brain has been well developed and you feel an attachment. That tug at your heart when you see kids who need help, that's not instinctive. Not everyone has that. Those who do had the benefit of loving experiences when they were very young. We know, through discussions with each of you this past week, that in general we feel you are in support of this project and are actually keenly aware of the need. However, we are very cognizant of the costs attached with this initiative. We, furthermore, understand that it is an extremely difficult fiscal year for the Appropriations Committee. However, we must remind you that research has shown that early investments in home visiting can reduce costs due to foster care placements, hospitalizations and emergency room visits, and unintended pregnancies. In the executive summary, we have provided several examples of the direct and indirect costs of child abuse and neglect. To quote one example, research has shown that 26 percent of children who are abused or neglected become delinquents, compared to 17 percent of children as a whole, for a difference of 9 percent. Costs per year per child for incarceration is an astounding $62,966, and these numbers were presented in 2001 so, if anything, they are understated. I would like to say, in summary, support of LB55 will build on federal and local foundation funding to serve high-risk families at the intensive level required to reduce child abuse and neglect that so often results in costly

out-of-home placements. Specifically for the urban area of Omaha, the request will allow the VNA and CSI to serve approximately 525 moms and infants, and we are talking the most vulnerable women and infants and community, will a full array of these in-home supportive services. This program will reduce child abuse, crime, juvenile delinquency, alcoholism, drug abuse, and save federal and state dollars. The VNA and CSI have come to realize a continued partnership is needed between federal, state, county, and private donors to truly effect meaningful change in these vulnerable populations. Multiple funding sources provide states with new opportunities to reexamine existing service strategies, improve the quality, and integrate efforts into more comprehensive systems of care and support for children and families. In closing, we leave you with a quote from a former governor of New York, George Pataki. This is an important quote: Even in one of our most difficult fiscal situations, I decided to fund home visiting in my executive budget. I believe that this is an investment in the future of New York's children, families, and communities. The VNA respectfully urges the Appropriations Committee of the Nebraska State Legislature to make an investment in the future of Nebraska's children, families, and communities. Thank you today for the opportunity to meet with each of you this past week, and for the opportunity to testify today. We appreciate each of you and your commitment and passion in serving as Nebraska State Senators, and we look forward to many, many more meaningful partnerships in the years to come. [LB55]

SENATOR HEIDEMANN: Senator Engel with a question. [LB55]

SENATOR ENGEL: Would like to thank you very much for coming in, and I certainly sympathize with the situation because little children are the most helpless of all. But the thing is, how do you...how do you identify these households where your services are needed? [LB55]

CAROLYN ROOKER: You know, our referral sources come from many different areas. A lot of the referral sources come directly from the hospital social workers when a child is born and they see concerns, parenting concerns, maybe attachment concerns; maybe there's some domestic issues that they're witnessing between the mother and the father, or just maybe some cognitive impairments in the mother that they're witnessing. So often we get referrals directly from the hospital social workers. We also get referrals from child protective services, or HHS. Some people self-refer. Sometimes they recognize and see their need for help. Hospital...no, I'm sorry, doctor's offices sometimes refer when they see a family that might be considered as high risk--maybe the age of the mom. Many of these moms that we're talking about are under the age of 25 or 24. Probably the majority are in their teens. We're talking about very young, vulnerable mothers with very limited skills in, really life skills, but definitely parenting skills. And the other issue that underlines all of these issues are issues of poverty. [LB55]

SENATOR ENGEL: Are there any other duplicative services available, or...as far as what you do and what other agencies do? [LB55]

CAROLYN ROOKER: You know, I think this pilot project has taught us a lot of lessons about the issue of duplication. Oftentimes when our public health nurses are in the home with the mom, and maybe recognizes there's depression or untreated mental illness issues, they will obviously refer for counseling or for services, but often there are very many things that limit the mom from getting to therapy. It may be childcare. It may be transportation. It may be that often there's a three- or four-month waiting period. Now let's say they get in right away for counseling. There really is no team approach to dealing with this. There's all these separate entities working with these families, but no holistic approach. What we are proposing in this model is that families would be assigned to a team and we would holistically address their physical, their medical, which often young moms are known for having low birth weight babies, several medical issues associated with the age of the mother, and we try to...or what we're proposing to do is really make this a holistic approach that would avoid duplication, but it goes even a step beyond that. It just makes sense to have more of a holistic approach rather than having all these separate people dealing with these moms and not really communicating with each other. [LB55]

SENATOR ENGEL: Of course, that's the problem within the health system, is the coordination, I know. [LB55]

CAROLYN ROOKER: And our vision is that you would have a social worker and a public health nurse and it would be a team approach. And in addition to that, we would utilize family support workers which can actually go in and do some of the hands-on, okay, this is how you organize your budgeting or your finances, this is how you make your grocery list and go shopping, or this is how you play with your child, this is how you can help your child develop at the different ages of development. And a perfect example is infant cues. Many times mothers who have not been parented well as children do not understand that when their child is crying they're trying to tell them something--they're either hungry, they're tired, they need their diaper changed. And helping moms learn something simple as infant cues can prevent and does prevent child abuse and neglect, because it keeps them from being overwhelmed and that sort of thing. [LB55]

SENATOR ENGEL: Then you talk about coordination. Who will be responsible for coordinating everybody? Your group, is that it, or... [LB55]

CAROLYN ROOKER: Currently, the Visiting Nurse Association holds the urban pilot. In this proposed model it would be a team approach between VNA and CSI, and we would have a dual disciplinary approach, meaning a public health nurse assessment and a social work assessment, and we would be directly responsible for coordinating the care of these families that have been referred and we've accepted into the program. [LB55]

SENATOR ENGEL: Thank you very much. [LB55]

SENATOR HEIDEMANN: Senator Fulton from Lincoln has joined us. Senator Nelson, you have a question? [LB55]

SENATOR NELSON: Yes, I really think the concept of combining the VNA and CSI is a real good one. If you want...we're asked to appropriate $1 million for the next year. Do you...and is...then there's a decreased amount the second and third year. Now are the matches that you propose to get the second and third year, are those going to be contingent on your success in the first year? Do you have those matches lined up already, assuming it will be successful? [LB55]

CAROLYN ROOKER: Very good question. One of the things that we've learned rather quickly is that when you ask somebody for one-year funding, you really don't have any ability to historically show meaningful change. In this particular project, and with our passion for this new approach, we have asked those matching dollars...and quite interestingly enough we've already got way over the requirement of the match. For the urban project, we were proposing $1.9 million just for that project, and we have already raised $1.3 million. We do anticipate that those funders will give for at least three years, and if we could leverage the state dollars, what the local funders are saying, we want to help do this but we can't do it all. We know the state cannot pay for all of this, we know the federal government cannot pay for all of this, and we can't solely rely on local foundation support. But together, and I think it's more of a...it would be very impactful for our local donors that we have, most of them have been secured, to see the state come to the table at some level in a partnership approach to making a difference for Nebraska's children. [LB55]

SENATOR NELSON: Thank you. [LB55]

SENATOR HEIDEMANN: Senator Fulton. [LB55]

SENATOR FULTON: Sorry I was late. I watched some of it, though. Thank you for your testimony. You said that there was supposed to be some matching done at the local level, correct, and you indicated that it was way more than what was...than what you needed. I guess my first question would be how much more, and then I'll have a follow-up question. [LB55]

CAROLYN ROOKER: Okay. Basically what I was trying to refer to there is that we are coming to the table with that particular budget, and this is separate from the amount Senator Howard is speaking about. This is for what we're proposing to do with this home visitation program. We are asking for 27 percent of the budget. We've already leveraged 73 percent for this project. And I was kind of getting at the point that we're

already coming to the table with far more than the original match required in this legislation. [LB55]

SENATOR FULTON: Okay. My follow-up then is, you know, if I understand that there is...that there was more than what was necessary in order to match from the local...from the local jurisdictions, to the degree that there is more than perhaps the Appropriations Committee could allocate...appropriate less. I mean is that within the realm of possibility... [LB55]

CAROLYN ROOKER: Actually, I think... [LB55]

SENATOR FULTON: ...to be effective still? [LB55]

CAROLYN ROOKER: ...I don't know exactly how to answer that other than I think I probably somehow misrepresented the more statement (laughter) and I apologize for that. We need all of it. (Laugh) What I'm...and I can restate this, and if anyone wants to help me out here I would greatly appreciate it. What I'm trying to say is we are bringing a lot of resources to the table and we do need that million dollars. I don't know how that would be split up, urban or rural. We did a hypothetical budget based on, if out of that million we got $500,000 for the urban project, we would need that $500,000 to serve 525 families at the intensity level needed for holistic approach to bring about meaningful change. Does that answer your question? I think.. [LB55]

SENATOR FULTON: It does. [LB55]

CAROLYN ROOKER: Okay. [LB55]

SENATOR FULTON: That's enough. [LB55]

CAROLYN ROOKER: We don't need less; we need more. No. (Laughter) Just kidding. Sorry. [LB55]

SENATOR HEIDEMANN: Are there any questions? Senator Wightman. [LB55]

SENATOR WIGHTMAN: Again, I want to thank you for coming in and I really like the approach that you have, both the early intervention and that it's done at the community-based level. Right now VNA serves Omaha and Lincoln. Is that correct? Does CSI serve any outstate cities? [LB55]

CAROLYN ROOKER: Actually, currently VNA and CSI serve about a 100-mile radius or less--Omaha, primarily, Douglas and Sarpy County. [LB55]

SENATOR WIGHTMAN: Do you see with the additional million or whatever amount we

may be able to appropriate expanding into rural Nebraska, say the western half of the state, or not? [LB55]

CAROLYN ROOKER: I think the intent of this home visitation model is to learn some lessons, develop the pilot, develop the model so that it could technically be replicated across the state. Depending on how that money is allocated, rural or urban, and depending upon the communities and the resources they have, it might look at little bit different in rural Nebraska than it looks in urban Nebraska, but I do believe that it could be replicated across the state, and I do believe that it could be and that it would be the intent to do so. But I also think that it has the potential to be replicated across the nation. There are many home visitation models and research that's been done on public health nurse home visitation, as well as the social work model, but there is no national model that I'm aware of that blends the two for a holistic approach. And right now, as all of you are painfully aware, we have terrible statistics in terms of how our children are faring in our state. I said to probably each one of you last week, in five to ten years from now I would love for that to be a distant memory and we're able to say, through this holistic approach, that we started at a pilot project, small, was able to be expanded across the state of Nebraska and our child statistics and the welfare of those children have changed. [LB55]

SENATOR WIGHTMAN: Are your people that make the home visitations, are they volunteers or are they salaried people? [LB55]

CAROLYN ROOKER: They are salaried: public health nurse and it would be therapist as well as family support, actually BSW or bachelor's social work level family support workers. The other unique thing about this model is that it spreads the workload around different disciplines, which becomes more cost-effective. [LB55]

SENATOR WIGHTMAN: Do you see a lot of the funds you would receive through the appropriations, as well as the matching funds, going into training? Or will a lot of it just be for salaries of people doing the visitation? [LB55]

CAROLYN ROOKER: Actually, the folks that we have doing this, this type of work, have already been trained. There is no need for training. And really, the salary piece is you're paying for the skill of that person or their education. And so that's how I would answer that question, that really these funds would provide a skill that could be provided in a home that could teach these parents to... [LB55]

SENATOR WIGHTMAN: I'm assuming, though, as you expand you would be adding personnel so it would be additional training, wouldn't there, to new personnel, particularly to perhaps be at the outstate sites or... [LB55]

CAROLYN ROOKER: I think that the model and the disciplines, they're already trained

in this type of work. Really it's more how it all fits together. It's the implementation and...of the system. So whereas before a public health nurse is trained to go in the home, do an assessment, help the family, it would be a training that says, okay, we have a full team here that can work with this family; this is how we do it. So training minimally, but it would be a model that could be actually packaged and implemented in rural Nebraska as well as in the nation, I believe. [LB55]

SENATOR WIGHTMAN: Thank you. [LB55]

CAROLYN ROOKER: Am I answering your question? [LB55]

SENATOR WIGHTMAN: I think so. [LB55]

CAROLYN ROOKER: Okay. [LB55]

SENATOR WIGHTMAN: Thank you. [LB55]

SENATOR HEIDEMANN: Senator Synowiecki. [LB55]

SENATOR SYNOWIECKI: While I appreciated your reference to the Governor of New York during your testimony, I'm a bit more interested in the Governor of Nebraska... [LB55]

CAROLYN ROOKER: Yes, I'm sure you are. [LB55]

SENATOR SYNOWIECKI: ...(laughter) and if and whether or not was--and I don't know the answer to this question--was this enhanced funding included in his budget recommendation? [LB55]

CAROLYN ROOKER: You know, that was a question that I had earlier this week and it has not been answered for me yet. So I do not...I do not know. [LB55]

SENATOR SYNOWIECKI: The bill seeks to enhance the geographic delivery of the service beyond Omaha-Lincoln. Visiting Nurse Association, is it a statewide organization with statewide jurisdiction? [LB55]

CAROLYN ROOKER: Actually it is not, and I think where this concept gets confusing is that we were awarded the urban project and there was a rural project awarded, and I do not remember the name. I think it's Panhandle Community Services was awarded the rural project. How this happened in the past was HHS put out a request for bid and said these are...this is what needs to be done; people applied and the rural one was awarded to the Panhandle and the urban one to Omaha to the Visiting Nurse Association. So I don't know how that would happen in the future. I don't know if it would

be another request for bid. It depends on if you handle it through HHS or if it's a separate type of an allocation. [LB55]

SENATOR SYNOWIECKI: Is there a rural component to this particular program now? [LB55]

CAROLYN ROOKER: Yes, there is. [LB55]

SENATOR SYNOWIECKI: And it's handled through a request for proposal... [LB55]

CAROLYN ROOKER: Yes. [LB55]

SENATOR SYNOWIECKI: ...type of arrangement? [LB55]

CAROLYN ROOKER: Yes, and that was the pilot project I referenced in the beginning of testimony. LB264 allowed $200,000 each year for two years. VNA applied, was awarded the bid for $150,000, and the rural component got $50,000. [LB55]

SENATOR SYNOWIECKI: Now the private matching from...the private dollars came through on both rural and urban components? [LB55]

CAROLYN ROOKER: I can't speak to the rural project. I would assume there would have been some matching dollars there, but I honestly shouldn't assume. [LB55]

SENATOR SYNOWIECKI: I mean there was a certain threshold of matching dollars and I'd be interested to know, if not from you maybe a subsequent testifier, whether that private matching dollars came through at that threshold in both perspectives of the program. [LB55]

CAROLYN ROOKER: Right. I could certainly investigate that and make sure we get that question answered. [LB55]

SENATOR SYNOWIECKI: I have one more question. You indicated that you're not aware of how this...and it's not, from my reading of this bill, it's not indicated how this additional appropriation would be divided among the urban and the rural. Are we just assuming that the department will handle that discretion and split it up, or is that something that we should statutorily identify? [LB55]

CAROLYN ROOKER: I think that that's probably out of my scope of decision making ability. I don't really know the intent of that. I will reiterate that many of you have shared this past week that there are some concerns with...is it okay to say management of HHS issues? Therefore, I would assume that that would be a legislative decision among all of you. I don't know how to answer that. [LB55]

SENATOR SYNOWIECKI: What...and maybe I should know this, but what if... [LB55]

CAROLYN ROOKER: I could tell you how much we want. (Laughter) [LB55]

SENATOR SYNOWIECKI: ...what if this bill...what if this bill doesn't go? Will the funding still be there for next year and the year after for the pilot projects? [LB55]

CAROLYN ROOKER: You know, that's a very good question too. We don't understand if it's an all or nothing situation. We do know that if we don't have the pilot dollars and if we don't have any additional dollars, we will not be able to serve as many families at the intensity level they need. We would have to pare down our approach and it would be on a much smaller scale. And I can't say for sure if we would lose some of those local donors because part of what has drawn them is the possibility of partnership. I couldn't give you a definitive answer on that. [LB55]

SENATOR SYNOWIECKI: Okay. Thank you. [LB55]

CAROLYN ROOKER: So I'm unclear of the pilot money. [LB55]

SENATOR SYNOWIECKI: Thank you. [LB55]

SENATOR HEIDEMANN: Is there any other? Senator Harms. [LB55]

SENATOR HARMS: Thank you very much for coming. [LB55]

CAROLYN ROOKER: Might as well all have asked me questions. (Laughter) Is there anybody left? [LB55]

SENATOR HARMS: Sure. Well, we can add some if you'd like. You talked about the Panhandle Community Services. Do you have any idea what kind of success ratio we had out there in that rural environment? [LB55]

CAROLYN ROOKER: You know, I certainly could investigate that and get back with you on that. I do know that I think when we met you had asked who got that rural project, and I got as far as their name but I didn't get as far as their results. So I apologize. [LB55]

SENATOR HARMS: Okay. So are they a part of this total program as far as the future funding? [LB55]

CAROLYN ROOKER: I think that the intent of the appropriations is to be statewide, so I'm assuming however that's split up it would include rural and urban. [LB55]

SENATOR HARMS: I guess the thing that I'm a little confused about and a little...I just was curious about why Scottsbluff or the Panhandle is not involved in this, or not here to testify, or how that all has worked or...I mean, it really looks like to me it might be just kind of disjointed. If you've got a program here and you've got...and they're both pilot projects, I mean, how did they all work out and why are we not sharing that kind of data? I'm just curious about that. [LB55]

CAROLYN ROOKER: You know, and I think that's a very, very, very excellent point. I'm embarrassed to say that we ourselves have said that a couple of times and haven't gone far enough to find that out. [LB55]

SENATOR HARMS: Was this coordinated through Health and Human Services? [LB55]

CAROLYN ROOKER: Yes. [LB55]

SENATOR HARMS: Okay. Thank you. [LB55]

CAROLYN ROOKER: You're welcome. [LB55]

SENATOR HEIDEMANN: Senator Wightman. [LB55]

SENATOR WIGHTMAN: One question to follow up on... [LB55]

CAROLYN ROOKER: Oh, my goodness! (Laughter) [LB55]

SENATOR WIGHTMAN: ...Senator Synowiecki's question. At any rate, would it hamper your efforts if, say, we amended the appropriations bill to say that 25 percent or 30 percent or some figure went to other than the three metropolitan counties of Lancaster, Sarpy, and Douglas? I'm wondering if that might not be in order so that...and I think what you've done has been laudable, but I think perhaps that maybe some of the other areas may need that as well. [LB55]

CAROLYN ROOKER: Right. [LB55]

SENATOR WIGHTMAN: And I'm just thinking out loud. Do you see that as hampering your activities or broadening them, or what would your take on that be? [LB55]

CAROLYN ROOKER: I think I would ask the Fiscal Analyst. No, I'm kidding. Actually, I think if you did something of a pro rata amount or something that looks at where are the children in Nebraska, how many are in what counties. I mean one way you could look at it is appropriating the money by county or, instead of just a simple rural or urban, looking at where the most of those cases are, where is the highest incidence per capita

of child abuse and neglect. And by the sheer nature of more people, more babies being born, there may be more of a need, or in numberwise a greater need, but an equal need in rural with perhaps smaller actual numbers. So I don't know how to answer that other than... [LB55]

SENATOR WIGHTMAN: Well, speaking only for myself, I don't think that I'd want to micromanage it by setting it out by county, but I do think that it might make sense to at least allocate some portion of that for areas other than what I would consider the three metropolitan counties that do represent 50 percent of our population in the state of Nebraska. [LB55]

CAROLYN ROOKER: I think I can say very truthfully that Senator Howard's intent all along has been for this to be a statewide initiative, and often you have to start somewhere and we were really a natural fit for this pilot project. But I do know her intent is for this to be statewide. [LB55]

SENATOR WIGHTMAN: Thank you. You've been very responsive to our questions, by the way,... [LB55]

CAROLYN ROOKER: Thank you. [LB55]

SENATOR WIGHTMAN: ...even if we have had a lot of them. [LB55]

CAROLYN ROOKER: Thank you. [LB55]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for your testimony. [LB55]

CAROLYN ROOKER: Thank you. [LB55]

SENATOR HEIDEMANN: At this time, looking at the length of the time we spent on this bill, I was curious. Could we get a show of hands who is going to be testifying for this bill? We have two more? Anybody against? Neutral position? At this time, come on up and we'll continue on. Try to keep it as short as possible and try not to be too repetitive. And if you have written testimony, we ask if you would just hand that in and then summarize, if you could. [LB55]

TODD LANDRY: (Exhibit 5) Thank you and good afternoon. I'll try to make this brief in light of the previous testimony. For the record, my name is Todd Landry. I'm president and CEO of Child Saving Institute, based in Omaha, and it's a pleasure for me to be here today. Carolyn has already provided, I think, an excellent summary of LB55 and what it could mean for the children of our state, and it's my pleasure to publicly voice the support of Child Saving Institute to this bill. For nearly 115 years Child Saving Institute,

or as you've heard us referred to, CSI, we've been singularly focused on serving children and youth in the community. We are very pleased with the number of kids that we have been able to serve, but one of the things that we would certainly like to see a greater emphasis on is the prevention of those kids being abused and neglected to begin with. And LB55 makes it possible for all of us to hopefully serve a fewer number of children who have actually been abused or neglected and, instead, serve those children in a proactively preventive fashion. You've already heard about the interdisciplinary approach of combining the home visitation medical and social work models to achieve the greatest impact at the lowest cost, and you've heard about some of the cost savings. I'd like to just very briefly touch on the outcomes that these models can get. For about 12 years, CSI has operated a home visitation program around the social work model. In the past year alone 100 percent of the families that we worked with were able to continue to safely parent those children without them entering the child welfare system in our state. VNA has achieved similar results under the pilot program of LB264, without 95 percent of those cases of those kids being able to be safely parented at home. Now the cost to implement LB55 is certainly significant, however, I do want to mention that I know of no other appropriations requests that has the potential to leverage the kind of dollars, the state dollars with the private dollars, that this bill indicates. Now again, I'm going to try to answer the question that came up before about the funding mechanisms and the matching requirements. The matching requirement, as Senator Howard indicated, is 25 percent in the second year, 50 percent in the third year. Making some simplifying assumptions for the Omaha metropolitan area is where Carolyn was able to provide you the numbers of state or private dollars of $1.3 to $1.4 million that have already been committed on the assumption that this is going to move forward. As she indicated, we don't know how many of those would back away from those commitments if in fact the appropriations request did not go forward with LB55. However, we're hoping that most of them would at least stay at the table. But certainly they're very interested in a public-private partnership to try to prevent children coming into the system and being abused and neglected. Assuming for a moment that this committee either statutorily appropriates or HHS makes the decision of an appropriation amount in the range of $500,000 for the urban area, that would then be leveraged with the $1.4 million. That represents, as Carolyn pointed out, 73 percent of the total cost that we estimate is required in order to serve about 500 kids and their families in the Omaha metropolitan area each year. So 73 percent match of 24 percent dollars is pretty significant, but the key thing to remember is 100 percent of the money goes towards preventing child abuse and keeping those at-risk kids in their families and out of our already overburdened child welfare system. I do want to very quickly try to address a couple other questions that you had a moment ago. In the pilot project under LB264 there was no match requirement, and so the dollars that were appropriated under LB264 did not require the match. Obviously, VNA was able to leverage those dollars with other private dollars, but that was not part of the match as it is shown in LB55. So that's a difference been LB264 and LB55. LB55 now requires the match, where as the pilot in LB264 did not. Regarding the Governor's budget, it is our

understanding that in fact it was not included in the Governor's budget. The Governor had opted to wait until he saw the results of the pilot project, and those pilot project results just completed year one and so those were...those results were not available to him prior to him submitting his budget to the Legislature. So it's our understanding it is not included in his current appropriations request. We obviously hope that he may reconsider that as we go forward in the future. And then the last thing I want to just very briefly mention is there was a question about statutorily appropriating and indicating the dollars, where those dollars should go. My recommendation would be that that would be put into the statute and amended to the bill, however you choose to do that procedurally, in order to be very clear about where the dollars are to be spent. Based on the number of children that come into the system and based on the incidences of abuse and neglect through our state, in my opinion an appropriate split would be approximately 50 percent to Omaha, 25 percent to the Lincoln area, and 25 percent to the remaining parts of the state, and that is based solely on the number of children that actually come into care and the number of and the incidence percentages of child abuse and neglect within our state. That, to me, seems to be an appropriate way of splitting out the dollars to try to get the greatest impact with the greatest number of children and families possible. There's other information in my written testimony, but if you do have any follow-up questions, be happy to address those. [LB55]

SENATOR HEIDEMANN: Senator Wightman. [LB55]

SENATOR WIGHTMAN: You mentioned a 50/25/25 split. Then I'm wondering if the 50 percent for Omaha includes metropolitan Omaha,... [LB55]

TODD LANDRY: Yes. [LB55]

SENATOR WIGHTMAN: ...including Sarpy County. [LB55]

TODD LANDRY: That's exactly what I would recommend. I don't think we would need to do it on a county split and we could certainly work with any of you or your staffs to come up with the exact language. But I would say 50 percent to the Omaha metropolitan area, 25 percent to the Lincoln and associated area, and 25 percent to greater Nebraska. [LB55]

SENATOR WIGHTMAN: Thank you. [LB55]

SENATOR HEIDEMANN: Any other questions for Todd? Senator Harms. [LB55]

SENATOR HARMS: In your 50/25/25, and breaking that down by percentage, how do you know when we do that, if we did not have the Scottsbluff program participating in this pilot and we don't know how many they've served, how could we make this judgment? [LB55]

TODD LANDRY: Well, again, I was making that assumption and recommendation, I should say, based on the total number of kids that come into the system every single year within the state of Nebraska, and generally speaking about 75 percent of the kids that come into care in the state of Nebraska are coming from the Omaha metropolitan or Lincoln areas, and about 25 percent from greater Nebraska. So I was using that as a basis for that recommendation as far as moving forward. We can certainly, as you've heard before, do some more research and work with any of your staff members or the committee staff in order to come up with different rationales of how to split that out. It would seem to me, though, that as the real purpose of this is prevention focus we want to use those dollars where most of the children are being victims of abuse and neglect, and try to prevent those things from ever happening. [LB55]

SENATOR HEIDEMANN: Any other questions? Out of curiosity, where does CSI get their funding from? [LB55]

TODD LANDRY: CSI has a total annual budget of about $8 million. About 60 to 65 percent of that comes from federal or state contracts. We offer a broad range of programs and some of those are state contracted funded programs through HHS, juvenile justice, or other programs. We get about 4 percent of our total budget from the United Way of the Midlands, and the rest of it we go out and beg for. [LB55]

SENATOR HEIDEMANN: Okay. Which is why you're here today, probably. (Laughter) [LB55]

CAROLYN ROOKER: There you go. [LB55]

TODD LANDRY: And hopefully we've shown that we've got a lot of wonderful people in the community that are ready to put a lot of money on the table to make...to try to prevent kids from coming into the system to begin with. We do believe it's a great example of a public-private partnership. [LB55]

SENATOR HEIDEMANN: Thank you very much. Any other testimony for? [LB55]

LISA BLUNT: (Exhibit 6) Good afternoon. My name is Lisa Blunt and I'm representing Child Saving Institute. Carolyn and Todd have done a good job of describing our proposed interdisciplinary model, and so I just wanted to take a very brief minute to introduce you to Rachel, who is a young mom who has been served by CSI's home visitation program. Rachel was referred to CSI by her school counselor in her eighth month of pregnancy. The counselor reported that she was frequently absent from school. Her hygiene and physical health were declining and she really just didn't seem to comprehend the responsibilities of caring for her child. She turned 16 two weeks prior to delivering her baby daughter Tracy. At the time of referral, Rachel lived with her mom

and her stepdad, both of whom abuse alcohol and have a relationship marked by domestic violence. Although she was diagnosed with gestational diabetes, she had little support or direction in the management of this medical condition at home. And with Tracy's homecoming, that situation really improved very little. Rachel, this very young mom who was woefully unprepared for this parenting role, was almost exclusively responsible for this baby's care. There was a family support specialist assigned to her case and this professional was very concerned. Rachel didn't seem to fully understand her baby's nutritional needs and she presented as increasingly irritable and easily moved to tears by her inability to console her baby's cries. She propped bottles with stuffed animals and she would turn up the volume on the television to drown out her baby's cries when she wasn't able to soothe her. In the meantime, the baby was not gaining weight and she was frequently sick. The family support specialist spent a great deal of valuable time transporting her back and forth to the doctor's office to try to make sure that the baby's medical needs were met. A therapist became involved to address Rachel's symptoms of depression. The family support specialist continued meeting with her every week to teach basic child development and caregiving skills, and Rachel did begin to hold and rock her baby a bit more often. When Tracy was two months old she disclosed...Rachel disclosed that the baby was conceived as a result of a sexual assault and the team worked to help identify the perpetrator and he was eventually charged and convicted. They also identified her dad, who was in the military, had just recently returned to the Omaha area, as a source of support for her, and Tracy and Rachel eventually moved in with him and her stepmom, and the stepmom became an active parenting coach, which was really a godsend for this young family. Tracy thrived in her new environment and Rachel assumed a more active parenting role, frequently cuddling and talking to the baby, and services formally ended when she was eight months old. She was developmentally on target at that time and presented as a happy, healthy baby. Rachel is currently on track to graduate high school next year and she hopes to attend community college. This is a success story, however, it was apparent throughout service that the support of a medical professional was a critical missing element in our services. A public health nurse could have provided invaluable support in monitoring both Rachel's and Tracy's health needs and reinforcing the teaching of CSI social work staff from a medical perspective. I ask that you please support LB55 so that other young moms, like Rachel, and their babies can benefit from a full array of in-home services, services that promote healthy beginnings and bright tomorrows. Thank you. [LB55]

SENATOR HEIDEMANN: Thank you for sharing Rachel's story with us. Could you just for the record please spell your name? [LB55]

LISA BLUNT: Spelling? Yes. It is Lisa Blunt, and that's B-l-u-n-t. [LB55]

SENATOR HEIDEMANN: Okay. Would you take a question? [LB55]

LISA BLUNT: Sure. [LB55]

SENATOR ENGEL: One quick question. [LB55]

LISA BLUNT: Yeah. [LB55]

SENATOR ENGEL: You offer your services to these people. If they don't want to accept it, what do you do? [LB55]

LISA BLUNT: Well, you know, our services are voluntary. I would say that we have a really great success rate in engaging them in services. You know, I have...I have yet to meet a parent that doesn't really want to be a good parent. The problem is they don't know how. And so when you...when you approach them in a nonjudgmental way and really start talking to them about what we can do to help them be the best parent they can be, I would say that we're pretty successful in engaging them in services. [LB55]

SENATOR ENGEL: Okay. [LB55]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you so much for coming in. [LB55]

LISA BLUNT: Thank you. [LB55]

SENATOR HEIDEMANN: Is there further testimony in the proponent capacity? Is there any testimony in the opponent capacity? Is there any testimony in the neutral capacity? Seeing none, Senator Howard, would you like to close? [LB55]

SENATOR HOWARD: I would. Thank you. We all know that there are serious problems in the service delivery throughout Health and Human Services. We cannot continue to do business as usual, and to soothe ourselves into thinking that foster care is the answer for needy children. Early intervention prevents child abuse and neglect, improves parenting skills, and strengthens families. You have heard testimony today regarding the success of early intervention pilot programs in urban and rural settings in Nebraska over the past two years. I urge you to build on the lessons that have been learned and the demonstrated success of this model, and provide funding for the expansion of early intervention programs. The funding process I'm proposing gives communities what they need to get their early intervention programs into place and motivates them to assume an increasing amount of financial responsibility for these programs over time. And I want to say at this point that I think we've really worked together to come to you with a package that incorporates a true partnership between the private donor and the state dollars. And I'm pleased that we could leverage this and offer the state more money or more value for their money, by far. With a cost of $3,600 per child, we are clearly saving money with this investment. LB55 has a short-term fiscal impact for the state and offers long-term benefits for the children and families, and I ask

your favorable consideration of this bill. One point I'd like to make to Senator Harms, who asked a very good question regarding the Panhandle and the program out there. Keep in mind that the breakup of this program was done by Health and Human Services. They allocated a quarter of the funding to the Panhandle district. Now I'm very familiar with the VNA program in Omaha and the success they've had. I have asked for a report from Health and Human Services regarding the progress in the Panhandle and what's been addressed out there, and even though reports are required quarterly from both these programs, I have not received a report from Health and Human Services, so... [LB55]

SENATOR HEIDEMANN: Senator Harms. [LB55]

SENATOR HARMS: Senator, thank you very much for doing what you're doing here. I'm very supportive of this, this approach. I think early intervention is critical to it. When you look at the entire state of Nebraska, just looking at your budget, I'm not sure all...you know, I'm not sure about the data. About where the greatest percentage are I'm sure, because Omaha is a large city. But I know when you go west there's a lot more than what you realize, and a lot is not getting turned in because it's not getting identified. People don't know where to go with that. So I know there's a lot of people, I mean a lot of children that are caught in this, that we need to serve. So I look at your budget and just think, as the entire state, it's not anywhere...it's not even...I mean it's not going to...it's really not going to do the job that we really want it to do. I mean if we're really after a total intervention program for our children, there's just no way. And I know this is a pilot project, but somewhere along the line we're going to have to decide whether we want to pay at the front end or if we need to pay after these kids grow up and the amount is just so much more expensive. [LB55]

SENATOR HOWARD: Well, of course, you know I'm going to agree with you. (Laugh) I clearly...two things I'd like to suggest. I would like to be able to provide better data regarding what's happened in the Panhandle. I'd like to have that myself, so that's the first consideration that I certainly have. And the second is that I've allocated for funding for this program since its inception and last year I was told that I needed to come back and bring you more information and prove that the program was effective, and I accepted that and I think we've proven up on that. And clearly you understand how this operates, and I appreciate your awareness of the need that's out there. Not everybody understands that child abuse is preventable and that it's very widespread. It's not simply an urban problem, although we'd like to think it's all on the east side of the state. But I think we have to start offering this program to families and we have to stop thinking of foster care as the answer. [LB55]

SENATOR HEIDEMANN: Senator Synowiecki. [LB55]

SENATOR SYNOWIECKI: Senator Howard, following up on that, I think it's essentially a

prerequisite for us. If we're going to look at enhanced funding we're going to need that outcome data from... [LB55]

SENATOR HARMS: Correct. I agree with you. [LB55]

SENATOR SYNOWIECKI: I mean there's no way this committee is going to award additional money if we don't have no performance indicators. I mean what kind of response do you get? Do you know who was awarded the contract? [LB55]

SENATOR HOWARD: The Panhandle. You mean in addition to the visiting nurses? [LB55]

SENATOR SYNOWIECKI: Yeah. [LB55]

SENATOR HOWARD: The Panhandle. [LB55]

SENATOR SYNOWIECKI: In addition to the testifiers. And what do they...what response do you get when you ask for their outcome data? [LB55]

SENATOR HOWARD: This was...keep in mind this was done by the department. They made the allocation. And I understand it's the Panhandle district that was awarded a quarter of the funding, the initial funding. And today we just haven't gotten a response back. We're not given the data. I know it's there because it was required through the programs. [LB55]

SENATOR SYNOWIECKI: But okay, let's leave the department out of it. Someone got awarded the contract. [LB55]

SENATOR HOWARD: That's true. [LB55]

SENATOR SYNOWIECKI: A private-based provider. We've gotten no...I mean they know your bill is on today, I would suspect. [LB55]

SENATOR HOWARD: The funding went through Health and Human Services. [LB55]

SENATOR SYNOWIECKI: But ultimately there was a private provider awarded a contract. [LB55]

SENATOR HOWARD: That's my understanding, the Panhandle district, as well as the visiting nurses. [LB55]

SENATOR SYNOWIECKI: Okay. And has there been...they have not reported any data or any performance yet? [LB55]

SENATOR HOWARD: Their obligation was to provide a report quarterly to the Department of Health and Human Services, not directly to me but to the department. [LB55]

SENATOR SYNOWIECKI: Okay. And are they...have you...it was because of you that this program came on line. [LB55]

SENATOR HOWARD: That's right. [LB55]

SENATOR SYNOWIECKI: And have you made any overtures to that private provider on the western part of the state to join with you to get the enhanced... [LB55]

SENATOR HOWARD: My request has been through Health and Human Services because the contract was awarded to Health and Human Services. [LB55]

SENATOR SYNOWIECKI: Okay. Okay. [LB55]

SENATOR HEIDEMANN: Have the people from out west been notified that there was a hearing, just following up a little bit? [LB55]

SENATOR HOWARD: I have not had any contact with those individuals. [LB55]

SENATOR HEIDEMANN: I agree with John, it would have been prudent for us to hear from them also. [LB55]

SENATOR SYNOWIECKI: And not necessarily physically come to the hearing; at least provide us data in a written format, because, you know, and I...as a professional courtesy to you, this committee, and I don't want to speak for the entire committee, but we will not enhance funding to a program that we have no performance indicators of or outcome data of, of 50 percent of the program or half the program. [LB55]

SENATOR HOWARD: You want me to respond? [LB55]

SENATOR SYNOWIECKI: Sure. [LB55]

SENATOR HEIDEMANN: Yeah. [LB55]

SENATOR HOWARD: Well, I would like to clear up one little point. When I worked on this program and when I initially requested the program be put into a pilot form it was in the urban area, where I was more familiar with and where I could be more aware of what was happening with the program and the progress made. The department made the decision to award a quarter of the funding to the rural area. That was their decision,

and I've tried to work through the department with that. [LB55]

SENATOR HEIDEMANN: Senator Pat Engel. [LB55]

SENATOR ENGEL: Well, from your response, it sounds to me like they're required to report to HHS quarterly,... [LB55]

SENATOR HOWARD: That's right. [LB55]

SENATOR ENGEL: ...and you have requested the report from HHS... [LB55]

SENATOR HOWARD: Right. [LB55]

SENATOR ENGEL: ...and you have not received it. [LB55]

SENATOR HOWARD: Right. [LB55]

SENATOR ENGEL: So it sounds like to me, John, that the hold up is in HHS. And I think we should demand something from them. [LB55]

SENATOR HEIDEMANN: Senator Harms. [LB55]

SENATOR HARMS: I know the people that you're referring to. That's the Panhandle Community Services. And I'm here to tell you that's a pretty good organization. A lot of federal dollars flow in there. They've received a number of awards. So I'm guessing that that's not hung up there and I will find out tomorrow, I can tell you that, where that hang-up is. But I'm assuming that's not where it's at. [LB55]

SENATOR HOWARD: I appreciate knowing that. [LB55]

SENATOR HARMS: Yeah. [LB55]

SENATOR HEIDEMANN: Any further questions? Senator Nantkes. [LB55]

SENATOR NANTKES: I'm sorry. Just to follow up on this line of questioning, I guess I'm just not clear in my head about some of the time lines involved in this public policy proposal, but I think an earlier testifier indicated that this proposal was not included in the Governor's budget because they had just finished year one of the pilot project and so that's why we didn't have...the Governor didn't have the full data in front of him to make an informed decision about whether or not to include this in his budget proposal. Is that right? Did I understand that correctly? [LB55]

SENATOR HOWARD: Well, I'm trying to think back to when the time frame was that this

began, that this actually went into practice. The bill was passed in 2005, but the funding, as I recall, went into effect in the fall of 2005, when they were able to get the program up and running. So that first year wouldn't have been completed until the fall of 2006. [LB55]

SENATOR NANTKES: And the second year appropriation is really in the current year. [LB55]

SENATOR HOWARD: Is in current, exactly. [LB55]

SENATOR NANTKES: So the pilot project hasn't even been completed, has it? [LB55]

SENATOR HOWARD: Well, it's nearing completion. I mean if you look at that, the pilot project, the funding is going to be gone this year. [LB55]

SENATOR NANTKES: Okay. And then just one other question. I know that we've had many discussions in our preliminary budget talks and recommendations about how many times on the floor of the Legislature members will get up and make an impassioned plea for one-time funding, and then inevitably a year or two later there's...they come in and ask for increased or additional or continued funding and about how overall that impacts our budget process. Have you had any thoughts about that or... [LB55]

SENATOR HOWARD: I'm not quite sure what you're asking me. [LB55]

SENATOR NANTKES: Well, I think that there is generally a reluctance amongst the committee to, you know,... [LB55]

SENATOR HOWARD: Oh. [LB55]

SENATOR NANTKES: ...fund things into perpetuity to a certain extent, and you know, helping us to make informed decisions about where to invest those dollars in that regard. [LB55]

SENATOR HOWARD: Now I do understand now, and that's a very... [LB55]

SENATOR NANTKES: Okay. I'm sorry, I may have been very confusing in my approach. [LB55]

SENATOR HOWARD: Oh, no, no, no, I wanted to be sure I was on track with you. That's the very reason that I looked at the funding, the allocation, the initial allocation, and then stepping down so that the state wouldn't be committed to the same amount year after year after year; that the program would become more self-sufficient and

self-sustaining. And when you look at it in those terms, it's a great cost saving for the state in terms of child protection. [LB55]

SENATOR NANTKES: Okay. Thank you. [LB55]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you very much. [LB55]

SENATOR HOWARD: Thank you. [LB55]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you very much. [LB55]

SENATOR HOWARD: Thank you. [LB55]

SENATOR HEIDEMANN: We will close the public hearing on LB55, and open up the public hearing on LB56, Senator Howard again. [LB55 LB56]

SENATOR HOWARD: I don't want to give you the presentation for the Banking Committee. (Laugh) [LB56]

SENATOR HEIDEMANN: Welcome back. [LB56]

SENATOR HOWARD: Thank you. Good afternoon, Senator Heidemann and members of the Appropriations Committee. For the record, I am Senator Gwen Howard and I represent District 9. I'm happy to be here today to introduce LB56. This is a bill that would increase funding for the Nebraska birth defects prevention program by $250,000 to specifically address the prevention of alcohol-related birth defects. The Nebraska birth defects prevention program was initially established in 1972. Since that time, there has been a line-item in the Health and Human Services Regulation and Licensure budget to fund the Nebraska birth defects prevention program with an appropriation of $35,000. The program's appropriation has not increased since it was established. Since 1972, however, the incidence of birth defects has increased in Nebraska and with the advances in medical technology the cost of treating children born with birth defects has also grown significantly. I have worked with the staff at UNMC's Munroe-Meyer Institute, the agency designated by Health and Human Services to implement the Nebraska birth defects prevention program, for many years. I have learned from them that many birth defects are preventable, and alcohol-related birth defects are some of the most severe and the most preventable. The increase in funding I am requesting would allow the program to specifically expand its focus to prevention of fetal alcohol spectrum disorder, also known as FAS, and other alcohol-related birth defects. Alcohol used during pregnancy is one of the most common and preventable causes of birth defects. Some populations in our state--Native Americans and African Americans--have

disproportionate rates of alcohol-related birth defects, but the truth is this growing social concern affects children from all backgrounds. We have worked closely with experts from Munroe-Meyer Institute to identify strategies that could successfully impact the cost and the destructive effects of mother's prebirth alcohol use. They identified increased public education and awareness, including training for providers as a priority. In addition to public education, their research suggests that folic acid promotion could significantly reduce alcohol-related and other birth defects, and I believe Dr. Schaefer from Munroe-Meyer is here and he can go further into the preventative measures. According to the research conducted by Munroe-Meyer, approximately 1 in every 200 children born in Nebraska has an alcohol-related birth defect, and that's about 125 children annually. The cost of caring for these children is about $600,000 throughout the course of each child's life. They estimate that an effective folic acid promotion program could reduce the number of children born with alcohol-related birth defects by as much as 33 percent, resulting in a $25 million cost saving per year. As a case manager for Health and Human Services, I worked with many children that were affected by their mother's alcohol use. The challenges these children face are often insurmountable, and their financial burden almost always falls upon the state. As Legislatures, it just seems likes effective fiscal stewardship to put the dollars behind prevention in order to decrease the long-term cost and the burden of care. And there are going to be testifiers that will follow me who can answer technical questions and medical questions that you may have. Thank you. [LB56]

SENATOR HEIDEMANN: Thank you for bringing LB56 before us. Are there any questions? Senator Wightman. [LB56]

SENATOR WIGHTMAN: Can you tell us how the $250,000 that you're asking for appropriation would be spent in...I can see how you get into homes on your prior bill, LB55. It's more difficult to see how you identify potential families that may have alcohol-related birth defects. [LB56]

SENATOR HOWARD: Well, and I appreciate that question. I will give you my impression of it, and then I'll let Dr. Schaefer give you a more detailed information. Munroe-Meyer is part of the University Medical facility in Omaha and they have many outreach programs for mothers, children, pregnant women, to really educate them on prevent...in this case, prevention of alcohol usage. One of the things that Dr. Schaefer has stressed to me is also the educational component of this, and for young pregnant women who don't have a lot of knowledge about vitamins and nutrition, unfortunately, the use of one folic vitamin tablet a day at 3 cents cost can lessen damage that's done prenatally, and that's really the focus of this program. [LB56]

SENATOR WIGHTMAN: Some of it might be an advertisement program in which you have public information disseminated through radio or TV? [LB56]

SENATOR HOWARD: I would term that communication, yes, various means of communications. [LB56]

SENATOR WIGHTMAN: Thank you. [LB56]

SENATOR HEIDEMANN: Any other questions for Senator Howard? Leaving you off easy this time. [LB56]

SENATOR HOWARD: Thank you. I appreciate that. [LB56]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity on LB56? Welcome to the committee. [LB56]

BRAD SCHAEFER: (Exhibit 7) Great. Thank you, Senator Heidemann, committee members. My name is Brad Schaefer. I am a physician who works at the University of Nebraska Medical Center. I am speaking today on behalf of myself, not necessarily reflecting the opinions of the University of Nebraska Medical Center. My clinical specialty is I'm primarily a pediatrician with subspecialty training...do you need more? [LB56]

SENATOR HEIDEMANN: I would ask you to spell your name, if you could, please. [LB56]

BRAD SCHAEFER: Oh, absolutely. So many permutations on Schaefer. Mine is S-c-h-a-e-f-e-r. Thanks. [LB56]

SENATOR HEIDEMANN: Thank you. [LB56]

BRAD SCHAEFER: You bet. Where am I at? Oh physician, there we go, and I practice pediatrics and my subspecialty is clinical genetics. As such, I provide direct medical care to children with birth defects and families with genetic disorders. In this capacity, we do traverse the state of Nebraska and have outreach clinics across the state, including as far west as Scottsbluff and as far north as Winnebago, where we provide services for these children. In addition, we have added 27 sites of telemedicine consultation to again take limited number of specialists and provide them across the state. My role as the director of the genetics program at UNMC then is involved in many other programmatic issues involved in preventing birth defects. And again, you have my written information there. I'm not going to waste your time by reading it, but just highlight very quickly two or three major points out of the information I've given you. The first one Senator Howard has already alluded to. Birth defects are common--1 in 20 children born in this state have a birth defect. And in fact, this represents the number one healthcare issue for children, the number one cause of infant mortality. The number one reason that children will not reach their first birthday is a direct result of birth defects. Again, as

was stated, alcohol-related birth defects are completely preventable, which is why we get excited about this. Again, if I could do one thing and one thing alone, which is prevent women from exposing babies to alcohol in the womb, the total state burden of all developmental disabilities would be reduced by a third. So this is a tremendous health issue. The last line on the first page there says again the annual estimated cost of alcohol-related birth defects in the state of Nebraska is about $45 million, and these are not my manufactured statistics. These come from federal projections and data that's very well established in the state. So again, the third page, the cost of birth defects are indeed staggering and, again, not all birth defects are preventable but the ones we're talking about here are again...scientifically, they're very easy to prevent, which is don't use alcohol, cigarettes and other substances during pregnancy, and other simple interventions, which is adequate nutrition and vitamin supplementation, can do amazing things as far as reducing birth defects. Senator Howard said our group has worked with the current legislation, the $35,000 a year, since 1972, and those numbers haven't changed. It's a very small number of state commitment to prevention of the number one health problem for children. And again, is pale compared to most surrounding states. As far as the...well, let me just say the last thing then on the last page then, as Senator Howard also alluded to, many of the same strategies for birth defects and alcohol-related birth defects also fall into the realm of prematurity and low birth weight as well. Again, those numbers look almost too big to be true, but they are. And again, if you looked at the lifetime cost per case of one alcohol-related birth defect is $600,000 to the state, a program that spends $600,000 a year and prevents one woman from drinking during her pregnancy will have been cost-effective. In answer to the question that Senator Wightman asked, as far as what would you do with this $250,000, the strategies that are best effective in preventing these things include three things, Senator. The first one is definitely professional education. Again, many things involved in helping primary care physicians recognize situations, intervene, provide counseling for the families, and also particularly again to do preventative education. All of the action, really, for the massive amounts of savings is in preconceptional work and talking to families before they get pregnant. As a physician for 25 years, I could probably still count on one hand the number of patients that have come in to me and say, I'm thinking about getting pregnant, so we usually get the other. So professional education, providing resources to the healthcare professionals as far as how to recognize high-risk situations, and to screen their families would be the first major strategy. The second one would be, as alluded to, the public education strategies as well, information disseminated to the public at large; and the third thing would be the implementation of a specific screening for high-risk populations. With that said, I would just again say obviously you can see my passion for this. I would appreciate any support for this bill and for the children in the state that would benefit from not having alcohol-related birth defects. [LB56]

SENATOR HEIDEMANN: Thank you for your testimony. Senator Nantkes with a question, if you would allow. [LB56]

BRAD SCHAEFER: Sure. Yes, ma'am. [LB56]

SENATOR NANTKES: Good afternoon, Dr. Schaefer. One of the things that you point out that would help to address this issue is professional education. Could you tell me, have you had any discussions with faculty or staff who design the curriculum at our state's medical and nursing facilities about including this within their existing curriculums rather than starting an additional state program to address some of those needs? [LB56]

BRAD SCHAEFER: You bet. Again, recognize that the curriculum stuff is limited. For instance, at the University of Nebraska Medical Center I have the chance to give this type of information to first year medical students on the order of about four hours of curriculum, and that's all they will get in their four years of medical school, because obviously they have to learn all those different sort of things. The other thing that is so important in the provider education part of this is the realities of a practice, which is that, you know, if you sit down and you have a new OB patient and you say to her, Mrs. Jones, are you drinking when you're pregnant, 99 percent of the time the answer will be no; that there's enough public awareness that you'll get a pretty quick answer. For most practices that may be the only question that's ever asked, and what we're trying to do is then put tools in their hands that allow them to get the information that you're not going to get on a first blush, and those are things that they won't get in medical school or nursing school at this point. [LB56]

SENATOR HEIDEMANN: Any other questions? Senator Fulton. [LB56]

SENATOR FULTON: Thank you, Dr. Schaefer. There's...I tend to pay attention to numbers and so first I want to clarify, is it 1 in 20 or 1 in 200 that have fetal alcohol syndrome? [LB56]

BRAD SCHAEFER: Those were two different numbers, sorry. One in twenty is the total number of children who have birth defects... [LB56]

SENATOR FULTON: Birth defects, okay. [LB56]

BRAD SCHAEFER: ...in general, right, so one in twenty children have some physical malformation. One in two hundred it's due to the alcohol. [LB56]

SENATOR FULTON: Okay. Would you say...would you say that the majority of mothers that come in that...I guess the people that you would be targeting or that we would be targeting with this money, is our target audience teenage mothers? Are we...this sounds like, to me, like a public relations campaign to the tune of $250,000, so we have to have a target audience. Who would that target audience be? [LB56]

BRAD SCHAEFER: The target audience would be all women of childbearing age. The strategies are different for the teenage moms. Those are things we already do. With some of this money we actually do in-school educational programs. Again, back to the question there that many of the...I actually physically go into high schools and talk about fetal alcohol syndrome and those sort of things. So for a teenage group working within their health classes and those sort of things is the better strategy. For women who are more likely to seek prenatal care then most of that work would be done less on a group situation, but again talking at the provider level, implementing processes in the practices themselves to give the women the information before they ever conceive. And then the last group would be those that don't seek medical care. Those would be the basically...the public health campaigns, the news blurbs, those sort of things. [LB56]

SENATOR FULTON: Do you have an idea how much money is presently spent marketing and public relations and such to target these audiences that you've elucidated already? [LB56]

BRAD SCHAEFER: You know, I can't speak for what might be happening in the state. As far as I know, the answer is none right now; that out of that $35,000 that is going to birth defects prevention that comes to UNMC, all of that money is used for maintaining what we call a teratogen information system, which is a resource for physicians where if you have a pregnant patient who is being...has the potential or has exposures existing, like let's say for instance a mother who has depression and is taking an antidepressant. The question from the practitioner might be, what might this antidepressant do to the child? We maintain a service where any practitioner across the state, for free, can call in. We can talk to them about those risks, help them adjust medications, help them reduce risks to the baby. There have been, as far as I know, no public outreach campaigns in Nebraska in the last 15 years since we and the March of Dimes did a...about a year emphasis on fetal alcohol syndrome, and since then I don't think we've done anything other than two grant projects where, back to what we were talking about as far as the practices, we've actually developed some computer software that can be placed in the physician's office that during that terrible hour that your physician makes you wait they can actually enter data into the computer and in a more anonymous way I think we get better reporting and actually have a screening tool there. So we're looking at, you know, any way we can to get the message out. [LB56]

SENATOR FULTON: Okay. My...the reason why I asked this is, in order to, you know, Senator Nantkes said, make an...and make an informed decision as to what it is that we're appropriating for, it's helpful to have an idea that the money will have a certain impact. And if there is no histories, if there's no historical data to justify or to tell us for every dollar spent in advertising toward this particular target audience there will be three times that dollar. If we have X spent here, there will be three X to be saved here. I bring that up because it seems that we'd be going against the grain. Society tends not

to...society tends not to promote this level of responsibility in our teens. The pop culture seems not to say this. So for us to engage in a public relations campaign, to me, ostensibly working contrary to what pop culture is saying, we'd have to have a good idea that that would be money well spent. So any type of history will be very informative, at least for me, on this. [LB56]

SENATOR HEIDEMANN: Senator Nelson. [LB56]

SENATOR NELSON: Thank you, Dr. Schaefer. You mentioned providing physicians who are involved in prenatal care with some tools, maybe, to ascertain if the patient is being truthful, and something about in the waiting room, finding out a little more. What other tools are available? And the second thing, suppose they are successful in finding out that there's a drinking problem, what then? Are they referred to someone else? Where do we go from there? [LB56]

BRAD SCHAEFER: And I didn't ignore your question, Senator Fulton. Maybe I can tie those two together and say that the tools that we would use are fairly well established. There are tools, including this computer software we developed, which incorporated a program called the Ten Ts, which is a way of asking questions, again, point blank, saying, ma'am, are you drinking during your pregnancy. There's tons of data that says that the response on that basically underreports by about a hundredfold; that there are ways to get that information without putting women on the spot. And so one of the things involved in the professional education is actually teaching physicians how to ask those questions and how to get the answers. The second step, of course, is if you don't get...if you don't ask the questions, of course, you never get the answers. If you do get a positive answer, the question is what to do for that. The other part of the physician education is a resource registry that we have which we can put in their hands which says when you get a positive answer in your particular practice, what are the closest and most available resources so that the women can be referred for interventional services and education, including things that we do ourselves. In answer back to what Senator Fulton said, the data that's there...again, I can't give you Nebraska data because we've not specifically done that. What I can tell you is that what most data would suggest is that for any intervention, and they seem to be pretty equal, as long as you're doing something to help women identify the risk and reduce exposures, that you can basically intervene probably at least in one in five cases. If you take that and say if one in five cases can be identified and then reduce the amount of alcohol, then you can extrapolate that off that 1 in 200 birth defects, so potentially 1 in 1,000. And if there's 250 a year, you're really talking then about preventing...I'd have to do my inverse math, but what would that be, 18 to 20 cases a year? And again, at $600,000 a year, I saw your calculator there so... [LB56]

SENATOR FULTON: Yeah, I understood. [LB56]

BRAD SCHAEFER: Thank you. [LB56]

SENATOR FULTON: Thank you. [LB56]

SENATOR HEIDEMANN: Is there any other questions? Senator Wightman. [LB56]

SENATOR WIGHTMAN: I gather from what Senator Howard said that perhaps there are drugs or just vitamins that can supplement the diet that will overcome some of the birth defects, is that correct, or the potential for birth defects? [LB56]

BRAD SCHAEFER: Right. Particularly two items, folic acid and zinc, both seem to have a protective effect by themselves, and then there's good information that suggests that even as a buffer against, for instance, if you can't prevent people from drinking during their pregnancy, if they had adequate zinc stores could that buffer the effects of the alcohol. One of the things that I've tried a couple times with dismal success would be maybe we should be supplementing zinc in the booze, so (laughter) but it hasn't gone very far, as you might imagine, but...I mean, we put vitamin D in the milk. Why don't we put zinc in their hootch? [LB56]

SENATOR WIGHTMAN: Is this something you could approach at all by some public health announcements that are carried on radio? I know that's an expensive type of campaign, but the awareness, is that something that could be approached in that manner? [LB56]

BRAD SCHAEFER: Absolutely. And like I said, there's that group of people that aren't going to seek primary medical care that public health advertisements, those sorts of things, have shown to be effective, again, probably one-tenth as effective as direct person-to-person contact, but those are things that could easily be done. In these efforts, we've got a long-standing good relationship with HHS and with the March of Dimes, both of which are organizations that are very helpful in disseminating big information out to large groups of people. [LB56]

SENATOR WIGHTMAN: I'm just thinking on radio and television, ads that perhaps you could, without singling somebody out when the pediatrician or, excuse me, a doctor that is going to be visiting with the pregnant mother, you could make it more public knowledge and maybe they would seek out that type of supplement or something in their diet. But I... [LB56]

BRAD SCHAEFER: Well, and I'll tell you again, people have done this research in assessing, back to what Senator Fulton said, is that if you look at all forms of intervention, by far the number one most effective intervention is the patient's physician suggesting she stop, and that just outweighs everything. And so a lot of...a lot of the emphasis we put on really is professional education. People still put a lot of stock in

their doctors, and so the...simply encouraging the doctors to ask the right questions and make the right suggestions is still where the most bang for your buck is. [LB56]

SENATOR WIGHTMAN: Thank you. [LB56]

SENATOR HEIDEMANN: Senator Nantkes. [LB56]

SENATOR NANTKES: Yeah, I was just wondering, in your professional opinion, to dovetail off that line of questioning, maybe there would be some potential dangers in a large-scale public education campaign saying, if you're going to drink while you're pregnant, seek out some of these kinds of... [LB56]

BRAD SCHAEFER: We would never do that, no. (Laugh) [LB56]

SENATOR NANTKES: Right. And I mean I would just worry that the general perception amongst people might think, oh, if I am engaged in this risky behavior, there's remedies. And so I'm just wondering. You have to be careful when thinking about those kinds of things, from that perspective. [LB56]

BRAD SCHAEFER: Absolutely. The two lines of education would involve around, number one, cessation of exposures; second one, supplementation of vitamins, and those would really be not married campaigns at all. [LB56]

SENATOR NANTKES: That's great. Thanks. [LB56]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for your testimony. [LB56]

BRAD SCHAEFER: Thank you. [LB56]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity for LB56? [LB56]

AMY GAGNER: (Exhibit 9) Good afternoon. My name is Amy Gagner, G-a-g-n-e-r, and I'm a volunteer with the March of Dimes. I'm here today on behalf of the March of Dimes, Nebraska Chapter, in support of LB56. By appropriating funds to support birth defects prevention activities, we feel this bill will help in contributing towards the overall efforts to prevent birth defects for families in Nebraska. The statistics on birth defects are very disturbing and illustrate a serious health problem facing our nation. Of the 4 million babies born each year in the United States, approximately 150,000, or 3 to 4 percent of all live births, have at least 1 serious birth defect. Severe birth defects often require lifelong medical treatment. Because many conditions cannot be fully corrected, birth defects are a major cause of childhood and adult disability. Birth defects are also

the leading cause of infant mortality. The March of Dimes believes a two-pronged approach to prevention and treatment of birth defects is required: research to identify causes and improve prevention tools, and access to healthcare information so that women and infants can benefit from existing medical knowledge. One of the March of Dimes' mission strategies is funding research, and among the foundation's achievements has been research contributing to the fetal...identification of the fetal alcohol syndrome, FAS, and establishing the association between birth defects and alcohol use. Additionally, the findings from research reported...supported by the foundation have been used to develop professional and public educational messages that aim to change the unhealthy behaviors of pregnant women. The March of Dimes has also supported to refine fetal surgery techniques, a successful intervention for congenital diaphragmatic hernia and spina bifida. In addition, the March of Dimes led a national folic acid education campaign in the 1990s, increasing awareness of women of childbearing age of the role of folic acid in the prevention of birth defects. The March of Dimes is committed to working as a partner with Munroe-Meyer Institute, the Health and Human Services System, and other agencies that do work on this issue. The March of Dimes Nebraska Chapter is committed to offering our programmatic resources once this appropriation is approved to put the dollars to the most effective use, making a difference for Nebraska's babies. March of Dimes volunteers and staff stand ready to work to support public polices, roll out public education campaigns, and provide the resources necessary to prevent birth defects and ensure those who are born with birth defects enjoy the best possible quality of life. Thank you. [LB56]

SENATOR HEIDEMANN: Thank you, Amy, for your testimony. Are there any questions? Seeing none, thank you very much. [LB56]

AMY GAGNER: Thank you. [LB56]

SENATOR HEIDEMANN: Is there any other testimony for LB56? [LB56]

DEBORAH WESTON: Good afternoon, Chairman Heidemann, members of the committee. My name is Deborah L. Weston, D-e-b-o-r-a-h W-e-s-t-o-n. I'm the executive director and registered lobbyist for the ARC of Nebraska and, as you know, may know, the ARC of Nebraska is a support and advocacy agency with and for people with developmental disabilities and their families. Now the ARC of Nebraska is a state-affiliated chapter of the ARC of the United States. The ARC of Nebraska has 17 local chapters, with approximately 2,500 members. We strongly support LB56, which appropriates preventative programming for alcohol-related birth defects. You've heard the numbers. You've heard the incidence rate. We understand this to be one of the most preventable categories of birth defects, also one of the most costly when it occurs. The ARC of Nebraska and our local chapters are often involved in supporting parents and adoptive parents of children with fetal alcohol syndrome, fetal alcohol effects and other alcohol-related birth defects, and that is our job, to support and advocate for people with

developmental disabilities. We strongly support this bill because we can prevent some disabilities, and we believe the costs associated with the public education, public awareness, working together we know to be considerably less than the costs of supporting people, who are born with alcohol-related birth defects, and their families. Now the ARC of Nebraska has worked collaboratively with the University of Nebraska Medical Center and Munroe-Meyer Institute. We've worked in the past with the March of Dimes. We would recommend, based on that collaboration, that we increase the amount of collaboration we do with existing organizations across the state, because to really make this work it will take all of us, and especially involve families and adoptive parents of children with fetal alcohol-syndrome, fetal alcohol effects, because that is very compelling. Those are people who have experienced the disability, a family member who have experienced the difficulties and challenges facing them when raising children with alcohol-related birth defects. So we recommend even greater collaboration, and the ARC of Nebraska stands ready to assist in this effort. So we strongly urge you to support the appropriation that's contained within this bill, LB56. [LB56]

SENATOR HEIDEMANN: Thank you for coming before us today. Are there any questions? Thank you so much. [LB56]

DEBORAH WESTON: Thank you. [LB56]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity for LB56? Is there any testimony in the opponent capacity for LB56? Is there any testimony in the neutral capacity for LB56? Seeing none, would Senator Howard like to close? [LB56]

SENATOR HOWARD: (Exhibit 8) First off, I'd like to thank the testifiers that have taken the time out of their day to come in for me and present this testimony. I think it's very significant that they would do that. Medicaid reform has been a topic of discussion in Nebraska and nationwide. This request represents a way to significantly decrease the financial burden taxpayers bear. And at this point, so that I don't forget, I wanted to mention to you that there is an amendment that's just a technical amendment to correct a time frame, and hopefully you've all received that. I want to clarify that there is currently a line-item in the Health and Human Services' budget for the Nebraska birth defects prevention program. That has been $35,000 since the creation of this program in 1972. That birth defects prevention program is currently administered by the University of Nebraska's Munroe-Meyer institute through a contract with Health and Human Services System. The intent of LB56 is to increase that specific appropriation for the birth defects prevention program, which is administered by Munroe-Meyer. And I'd like to pause for just a moment and share with you the reason that I have brought this bill in and that I feel so committed to it. When I worked for Health and Human Services as a case manager and did adoptions, I saw many children who were adopted by loving

families, who wanted to give them every opportunity possible. Now when these children were young, these families had hope and felt that they could bring them along and they could give them opportunities and they could help them to be productive citizens, but when these children grew older and weren't able to process and weren't able to do cause-and-effect reasoning and had trouble learning in school and couldn't comprehend why you turn the water off in the bathroom, had to be told again, and again, and again, and again, too often these families would come back to Health and Human Services and say, we can't meet their needs, and they would be returned to the custody of the Department of Health and Human Services as adolescents. That's a tragedy that we must...I am certainly committed to working to prevent. And I want to thank you for your time and attention to this, and I ask you to support LB56 so that we can decrease the incidence of preventable birth defects in Nebraska. Thank you. [LB56]

SENATOR HEIDEMANN: I had picked up on the fiscal year of 2006 to 2007, and you do correct that... [LB56]

SENATOR HOWARD: We do. [LB56]

SENATOR HEIDEMANN: ...with your amendment. The question that I would have for you then is what is your intent for as far as the funding? Do you intend...is it $250,000 for the fiscal year of '07-08, or is it $250,000 on down the line? [LB56]

SENATOR HOWARD: On an ongoing basis? That would certainly be my preference, to increase that initial amount of $35,000, that was put in the budget in 1972, to an ongoing basis of $250,000. [LB56]

SENATOR HEIDEMANN: That is your intent. [LB56]

SENATOR HOWARD: Yeah. [LB56]

SENATOR HEIDEMANN: Because you did change the language from "for" to "beginning," and that would give me the thought anyway that was your intent to go onward with the $250,000. [LB56]

SENATOR HOWARD: That's correct. [LB56]

SENATOR HEIDEMANN: Okay. Just wanted to clarify. [LB56]

SENATOR HOWARD: Okay. I appreciate that, good clarification. [LB56]

SENATOR HEIDEMANN: Are there any other questions for Senator Howard? Seeing none, thank you very much. [LB56]

SENATOR HOWARD: Thank you. [LB56]

SENATOR HEIDEMANN: With that, we'll close the public hearing on LB56, and open up the public hearing on LB71, brought to us today by Senator Deb Fischer from Valentine, Nebraska. [LB56 LB71]

SENATOR FISCHER: (Exhibit 10) Thank you, Senator Heidemann, from Elk Creek, Nebraska. Good afternoon, Senator Heidemann and members of the Appropriations Committee. For the record, my name is Deb Fischer, F-i-s-c-h-e-r, and I am the senator representing the 43rd District in the Nebraska Unicameral. I introduced LB71 at the request of interested parties in my district who asked for General Funds for the operations of a child advocacy center in the Valentine area. Child advocacy centers provide coordinated child abuse investigation services by establishing safe, child-friendly environments for interviews and medical examinations of child victims. Centers offer continuing support to victims and their nonoffending family members. Centers also promote specialized training for area professionals, public education programs, and prevention efforts for their communities. The distance between the present state-funded child advocacy centers in Nebraska is great. From Valentine, it is approximately two and a half hours by car to North Platte, four hours to Kearney, and four hours to Norfolk, all one way. Asking a victimized young person to travel these great distances to report a traumatic event is a lot to ask of our vulnerable young people. Great distances and unfamiliar territory only discourage victims from reporting the abuse and seeking help. The Governor's Children's Task Force report in 2003 entitled "A Road Map to Safety for Nebraska's Children," recommended that the state become a more significant funding partner to the state's child advocacy centers. While we've made inroads in some areas of the state, north-central Nebraska has not been a part of that state partnership. Please give your full consideration to this request. And at this time I would like to offer for the record, do you have pages, sorry, I'd like to offer for the record resolutions in support of LB71 from Cherry, Brown, Keya Paha, Rock Counties, as well as a resolution of support from the city of Valentine, and a letter of support from the city administrator of Valentine. Thank you, and I would be happy to try and answer any questions. I know we have a very qualified person that will be following me who may be better qualified to answer your questions. [LB71]

SENATOR HEIDEMANN: This question might be aimed at you. I've been scolded on the floor several times about how I've spelled your name. Could you spell your name for us? [LB71]

SENATOR FISCHER: Fischer, Deb, D-e-b, Fischer, F-i-s-c-h-e-r. Didn't I spell it at the beginning? I apologize if I didn't. [LB71]

SENATOR HEIDEMANN: I didn't hear it, if you had. [LB71]

SENATOR FISCHER: I apologize. [LB71]

SENATOR HEIDEMANN: That was just a little fun. Senator Wightman. [LB71]

SENATOR WIGHTMAN: Senator Fischer, could you tell us how much funding? I guess there's funding from these...for these other centers--Omaha, Lincoln, Norfolk, Grand Island, Kearney, North Platte, and Scottsbluff. Do you know that or... [LB71]

SENATOR FISCHER: We have it and we can get it to you, Senator. [LB71]

SENATOR WIGHTMAN: Okay. Are all those funded through an appropriation? Do you know? [LB71]

SENATOR FISCHER: I believe, yeah, it's a partnership, part appropriations and part local, I believe. [LB71]

SENATOR WIGHTMAN: Now...and I realize that it's...your approach is somewhat of a self-help in that you're requesting it specifically for the Valentine and Cherry County and neighboring county area, but I assume there are a lot of other areas that perhaps could use this as well. Do you know that or do you know whether the... [LB71]

SENATOR FISCHER: I would say that we don't, right now, we don't have a child advocacy center in my district. As you know, I represent a large district, and when I specifically am speaking of Valentine in this case it's because we have a professional who will be coming up who is capable to handle this center, handle the cases there. He currently is a pediatrician, currently is. And as I said in my testimony, we are two and a half hours from North Platte. We're four hours from Kearney where there's a center. We are close to four hours from Norfolk where there's a center. And, personally, I'm not doing this for self-interest. I'm doing it because we are hole that's in the state up there in north-central Nebraska with a need that's not being met. [LB71]

SENATOR WIGHTMAN: I didn't mean self... [LB71]

SENATOR FISCHER: No, I know. (Laugh) [LB71]

SENATOR WIGHTMAN: ...self-interest. I said self-help and so... [LB71]

SENATOR FISCHER: I probably need a lot more self-help than this one. [LB71]

SENATOR WIGHTMAN: Thank you. [LB71]

SENATOR FISCHER: Thank you. [LB71]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, we'll let you go for right now. Will you be back for closing? [LB71]

SENATOR FISCHER: I will waive closing. We have a pretty big bill in Transportation right now that I need to get back to, so thank you. [LB71]

SENATOR HEIDEMANN: Thank you very much for coming before us today. [LB71]

SENATOR FISCHER: Thank you. [LB71]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity? [LB71]

TIM RYSCHON: My name is Tim Ryschon, it's spelled R-y-s-c-h-o-n. I'm a pediatrician, I'm the medical director of the Heart City Child Advocacy Center in Valentine, and I'm a resident of Cherry County, and I don't think Senator Fischer would mind if I tell you that the county commissioners have unilaterally declared Cherry County as "God's Own Cow Country," in deference to the senators that might represent other cow counties. Thank you, Senator, for allowing me to come. Thank you, Chairman and members of the committee, for the honor of your consideration of this bill. At its core, this bill is about providing care for injured children. In 2005 an awareness of the prevalence of nonaccidental childhood injuries in north-central Nebraska led to the formation of the North-Central Nebraska Child Abuse Prevention Project. That is a four-county child abuse prevention council. Although primary prevention of child abuse is the number one priority of that group, the group could not ignore the secondary and tertiary impacts of child abuse in children that were living in those four counties in north-central Nebraska. At that time, in early 2005, as Senator Fischer alluded to, child victims of physical abuse, sexual abuse, and drug endangerment were being transported some four hours to Kearney, Nebraska, where they receive comprehensive care at a child advocacy center there. That was a one-way four-hour trip, so eight hours round trip. That distance far exceeds the distance children from any other part of the state have to travel to receive comprehensive care at a child advocacy center, and also far exceeds the national recommendations by the National Children's Alliance, which is that children should not have to travel further than 100 miles from their home to receive those comprehensive services. Certainly repeated victimization of the injured child is the most pressing impact of that distance. But the founders of the Heart City Child Advocacy Center really believed that that distance also curtailed comprehensive investigation and treatment. If you do not have comprehensive investigation and treatment, you leave the injured child injured. You leave them susceptible to repeated abuse, you leave the siblings vulnerable to abuse, and you leave the community unsafe with a perpetrator on the loose. The solution to that problem--the creation of a child advocacy center, based in the northern tier counties of Nebraska, to serve those children. Now I'm sure that, based on the education you've received about child advocacy centers, you're quite

aware of the complexity of the work done there, and so understanding that firing up a child advocacy center from scratch in one of the most rural parts of the state was viewed by many as a real long shot. But I must tell you that without hesitation the Cherry County commissioners and the city of Valentine joined forces to buy state-of-the-art audio-video recording equipment, the Cherry County Hospital stepped forward and volunteered space, and the Minnechaduza Foundation stepped up to provide logistical and organizational support to see this happen. As a pediatrician with 15 years of experience examining children that are abused, and as a trained forensic interviewer, I was in a position to provide the staffing needed to care for those children in this new facility. The Heart City Child Advocacy Center opened in January of 2005 and was, at its inception, ideally positioned to provide that one-stop, comprehensive evaluation to child victims of physical abuse, sexual abuse, and drug endangerment from northern tier counties. In the first year of operation I've conducted 28 evaluations of abuse, neglect, and drug endangerment and I'd like to point out that in the year prior to that child advocacy center's existence four cases were referred out for investigation. The needs of this child advocacy center are the same as is needed for all child advocacy centers. We need a coordinator. We need dedicated clinical staff to conduct forensic interviews and medical evaluations. And we need trained medical assistance. The funding provided by LB71 would be substantial in moving us towards meeting those needs. In that regard, increased funding of Health and Human Services, which this year includes a line for the Heart City Child Advocacy Center, would accomplish the same thing. A cursory review of that 2004 Child Abuse Task Force report that you heard mentioned twice already today indicates that we have a very long way to go in Nebraska to protect our most vulnerable residents. Ensuring that child victims of physical abuse, sexual abuse, and drug endangerment have access to the standardized care provided by a child advocacy center is a critical and basic step in that right direction. Funding for the Heart City Child Advocacy Center ensures that abuses suffered by children in the most remote parts of the state are considered with a sensitivity and commitment equal to that extended to children victims in the largest cities. As you contemplate this funding, I want to thank you on behalf of the children that are served today and tomorrow at the Heart City Child Advocacy Center. Thank you. [LB71]

SENATOR HEIDEMANN: Thank you for your testimony. Are there any questions? Senator Nelson. [LB71]

SENATOR NELSON: Thank you, Doctor. So this CAC is not intended to supplant what you already have there. You're just...the Heart City Advocacy Center is going to continue. You've got the facilities, the staff and everything, so you're asking us to appropriate $70,000 a year to assist in that endeavor. [LB71]

TIM RYSCHON: That's correct. [LB71]

SENATOR NELSON: Okay. [LB71]

SENATOR HEIDEMANN: Senator Wightman. [LB71]

SENATOR WIGHTMAN: As has been discussed previously, and I think you've been sitting here awhile, we do run into a lot of competing interests for appropriations. Can you tell me, say if we appropriated something less than that, half that amount, just for example, will you be able to implement or supplant your program or expand your program or whatever you would intend to do with that appropriation? [LB71]

TIM RYSCHON: I really appreciate that question because it leads into something I was concerned about in a prior bill discussion and that is how to program money for the rural areas. There are two very significant differences about these kinds of programs in rural areas. Number one, the distances that must be covered are much greater and therefore the cost of service delivery is much greater. I can tell you that of the five counties that have subscribed to use the Heart City Child Advocacy Center in Valentine, many of those counties, many of those county seats are 100 miles away from Valentine. So the costs of transporting the child 100 miles for services is not insignificant. Second, and more directly addressing your question, is what are the prospects for developing partners and other kinds of funding to supplement this appropriation. That is a very different reality in rural Nebraska than it is in the eastern part of the state. The eastern part of the state has many large corporations and philanthropic interests that are ready to provide gifts in support of projects like this. I can tell you in over a year of working to raise additional funding for this project that in rural Nebraska we don't see that degree of wealth being presented out on the table. So it is much more challenging to make up these funding shortfalls if we're going to do so by gifts from the public or corporations. [LB71]

SENATOR WIGHTMAN: What's your current source of funding? Because you indicate you've already done much of this, but... [LB71]

TIM RYSCHON: The budget that we have been operating on is largely based on in-kind and volunteer support. For example, all of my time is volunteer time as a physician and an interviewer. The medical assistants that assist me in the examinations are all volunteer, and we have no coordinator so we have no coordinator as the other child advocacy centers do to go to the county seats to work with the county attorneys to educate the sheriff and the law enforcement folks about what a child advocacy center can bring to a joint team investigation. The Cherry County Hospital provides the space free of charge. The county commissioners have provided the equipment out of general funds, and we've managed to raise $25,000 in cash from private donations. That's our budget. This year, this year in January we were informed that we won a $50,000 nonmember grant from the National Children's Alliance, which will partially move us towards being able to fund a nurse practitioner or physician assistant to be a examiner.

That still leaves us without the coordinator salary, which is the largest component that is typically funded through the HHSS line for support of child advocacy centers. Again, that coordinator not only educates the police departments, the county attorneys who are the prosecutors, the local victim advocates. That coordinator also is largely on point to ensure that aftercare for these children is going to happen. We are not just about successful prosecution of a perpetrator. We are first and foremost about serving the needs of this child in the acute phase of their injury and thereafter, and that takes a commitment and a lot of work beyond just the two or three hours of seeing them, interviewing them, and evaluating their medical needs. [LB71]

SENATOR WIGHTMAN: I'm very interested in knowing who would be the employer of this coordinator or executive director or whatever we may call them? [LB71]

TIM RYSCHON: The Minnechaduza Foundation is acting as the umbrella organization for the Heart City Child Advocacy Center. The Minnechaduza Foundation is a 501(c)(3) public charity based in Valentine and they are conducting all of the financial oversight and overview of the project. [LB71]

SENATOR WIGHTMAN: Thank you. [LB71]

SENATOR HEIDEMANN: Senator Fulton. [LB71]

SENATOR FULTON: Could you speak to the...just to provide some context for the committee. The $70,000, I understand, is to go toward a coordinator. What does $70,000 represent in terms of percentage of budget, whether it's for this advocacy center or if it's for the 501(c)(3) you spoke of? Provide some context what $70,000 represents by way of percentage, please. [LB71]

TIM RYSCHON: Sure. All of the...in fact, the Minnechaduza Foundation spends a fair amount of its time doing creative things, like bake sales, conducting retail booths for the bull bash that was held last month in Valentine to raise additional money to support the child advocacy center. And in fact over the spring of this year the Minnechaduza Foundation is conducting another...a number of other novel fund-raising events, including concerts, road races, all sorts of things, anything we can do to transfer money from participants into the operating fund of the child advocacy center. The budget for the Heart City Child Advocacy Center is $125,000, and so if we could have $70,000 from a state appropriation and $50,000 from the National Children's Alliance, we would be well on our way to being able to have both a full-time dedicated examiner/interviewer, and the money to hire a coordinator. Still, it means that our medical assistants are likely to be volunteer. They act as medical assistants and child advocates to really help the family and the child through this time. That may not be that unusual in the sense that victim assistants throughout the country are largely volunteer and we work very hard to find funding and training for them, and of course train them on

the job as well. So $125,000 is what we're starting with. As I said, we are just one year into this and you can see that going from 4 cases to 28 cases in 12 months would suggest to me that our growth is going to be pretty substantial if we're successful in educating the other county attorneys and police departments about being sensitive to how child abuse presents itself and how to refer it and really the fact that they can attain the comprehensive evaluation that they need right there in the northern tier without having to travel someone four hours away one way. [LB71]

SENATOR HEIDEMANN: Senator Nelson. [LB71]

SENATOR NELSON: I think this is great that you've increased the number of cases and that you're doing that with so much volunteer effort. Have the county boards in each of these five counties made any financial contribution? [LB71]

TIM RYSCHON: Only Cherry County has done so at this point. We do have children coming from across the line in South Dakota. I will tell you that South Dakota Medicaid program has a much more novel approach of supporting child advocacy centers. They will pay us $430 per comprehensive evaluation of an abused child. I can tell you that in Nebraska the best we can hope for is about $35. So South Dakota has figured out another way to do this. We are going to have to do it another way in Nebraska, it seems. [LB71]

SENATOR NELSON: Just as a follow-up, has a request been made to the county boards in the other four counties that are not providing any financial support? [LB71]

TIM RYSCHON: As part of our formal application to be a member of the National Children's Alliance, we asked the county commissioners, the county sheriff, and the county prosecutor to sign off on a agreement that describes how we conduct multidisciplinary investigations. It describes the roles and responsibilities of each of the parties. When we go back around to attain signatures for that document this time around we'll be floating that idea of can you consider as a county a way to carry your share of the caseload, perhaps even prorating it a year behind, but in some fashion helping us out with operations. I'm hopeful that that might be successful. I can tell you that practically I have a hard time getting the policemen and the State Patrol and the sheriffs to bring the blank DVD to record the interview on. So we're still having trouble just with a 39-cent throwaway disc being brought along for the work, and so we have to go out and raise the money to buy the discs. So, yes, we will work on that. Obviously, we're one year into this. I think give us five years and we will show that region and we will show you a return on investment for producing a service to the children of that region, a reduction in secondary and tertiary impacts of abuse for children in that region, and a safer community for both the families and the children in that region. [LB71]

SENATOR HEIDEMANN: Senator Synowiecki. [LB71]

SENATOR SYNOWIECKI: Doc, please excuse me. I've been out of the room, but something you said here that if you perform an evaluation of a youngster from South Dakota, the Medicaid reimbursement rates surpasses $400. [LB71]

TIM RYSCHON: Four hundred dollars, yes. [LB71]

SENATOR SYNOWIECKI: For the same evaluation for Nebraska youth the reimbursement rate is $35? [LB71]

TIM RYSCHON: Yes. [LB71]

SENATOR SYNOWIECKI: Can you shed some light on that why is that? [LB71]

TIM RYSCHON: Some years ago a very successful physician lobbyist by the name of Rich Kaplan really set the state of South Dakota on fire in terms of child advocacy center care and was successful in establishing a special fee schedule at the state health department Medicaid program that provides that degree of reimbursement for this very sophisticated level of evaluation and documentation that's required to stand up to the legal test of the court. That is what explains it. Can we get there in Nebraska? I'd like to see it. I'd have to say that the Valentine program, the Heart City Child Advocacy Center, is a medical model child advocacy center where a medical professional, myself, a PA or a nurse practitioner conducts both the medical evaluation and the forensic interview. That's how it's done in St. Paul, South Dakota. That approach has stood up in the Supreme Court in federal cases. We know it's valid. It's also extremely efficient. If it was not so I'd be looking for additional money to hire a social worker or a psychologist to do the forensic interview. As it is, I'm just trying to find one person trained and qualified in both the medical component and the forensic interview component, which I know is possible because I've been trained to do that and I've seen two PAs in South Dakota trained to do that as well. So our model is the medical model. It's proven nationally. It's extremely efficient. We understand that in rural parts of the state we will have to leverage efficiencies like nobody's business and so it makes sense that that is the direction we go, given our limited resources. In that model, getting a higher rate of reimbursement for that complete package of one-stop care would be wonderful and it would be a fantastic alternative to a line-item of appropriation. I would certainly be happy to work on that down the road if there's any prospect of that being a successful venture. [LB71]

SENATOR SYNOWIECKI: Well, who...who's accountable within the state to pursue that level of reimbursement? [LB71]

TIM RYSCHON: If I knew today I might have actually gotten it accomplished, but I don't know who exactly to talk to about that. [LB71]

SENATOR SYNOWIECKI: Uh-huh. Thank you. [LB71]

SENATOR HEIDEMANN: Senator Nantkes. [LB71]

SENATOR NANTKES: Thank you so much for joining us. I know you've traveled a long distance. But I guess I just have a structural question. I'm a little bit confused. So you've got...I'm sorry, the official name is the Heart Center? [LB71]

TIM RYSCHON: Heart City. Heart City Child Advocacy Center. [LB71]

SENATOR NANTKES: Right, Heart City Child Advocacy Center, which is in existence albeit on a grant and voluntary basis at the time being. [LB71]

TIM RYSCHON: Largely voluntary. [LB71]

SENATOR NANTKES: Okay. Thank you. And you're not officially associated with the rest of the child advocacy center network in Nebraska? [LB71]

TIM RYSCHON: We have become officially associated with them in the last few months. [LB71]

SENATOR NANTKES: Okay. [LB71]

TIM RYSCHON: And I think there's another testifier that will speak to that following me. [LB71]

SENATOR NANTKES: Okay. And maybe my question is better directed to the next testifier, but so since you are affiliated with that child advocacy center network,... [LB71]

TIM RYSCHON: Yes. [LB71]

SENATOR NANTKES: ...in addition to this $70,000, that other General Fund appropriation that goes out as baseline funding to the existing child advocacy centers, you would get a piece of that then in addition, according to the rest of their formula funding? [LB71]

TIM RYSCHON: We wouldn't be seeking both. The... [LB71]

SENATOR NANTKES: So this is separate than that. [LB71]

TIM RYSCHON: The line-item in the proposed Health and Human Services funding that will be addressed later today, as I understand it, includes a line for the Heart City Child

Advocacy Center. If that were funded we wouldn't expect to receive a special appropriation of $70,000 for three years. It's one way or the other we hope to receive some support to continue this operation. [LB71]

SENATOR NANTKES: Thank you for that clarification. [LB71]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for coming in today. [LB71]

TIM RYSCHON: Thank you so much. [LB71]

SENATOR HEIDEMANN: Is there any other testimony in support of LB71? (See also Exhibit 11) Seeing none, is there any testimony in the opponent capacity on LB71? [LB71]

LYNN AYERS: I'm testifying neutral. [LB71]

SENATOR HEIDEMANN: Okay, is there any testimony in the neutral capacity of LB71? Welcome to the committee. [LB71]

LYNN AYERS: Thank you. My name is Lynn Ayers, and I'm the director of the child advocacy center here in Lincoln and I'm testifying today as a representative of the Nebraska Alliance of Child Advocacy Centers, so hopefully I can answer some of your questions. Later on today we will come forward and request an increase in the appropriations funds for the child advocacy centers across the state. There are currently child advocacy centers in Omaha, Lincoln, Norfolk, Kearney, Grand Island, Scottsbluff. The North Platte center just opened the beginning of this month, and the Valentine center is also getting up and running. Our request includes funding for that Valentine center, and I just wanted to clarify that. I think Dr. Ryschon did in his last question as well. [LB71]

SENATOR HEIDEMANN: Could you spell your name for us, please? [LB71]

LYNN AYERS: Sure. It's Ayers, A-y-e-r-s. [LB71]

SENATOR HEIDEMANN: Thank you very much. Are there any questions? Senator Synowiecki. [LB71]

SENATOR SYNOWIECKI: On the Medicaid reimbursement rate, does each of those advocacy centers use the same model relative to the assessment? [LB71]

LYNN AYERS: The medical exam? [LB71]

SENATOR SYNOWIECKI: Yeah, well the assessment or the exam. [LB71]

LYNN AYERS: Those of us that have medical exams on site use a pediatrician or a nurse practitioner and the exam would be the same comprehensive medical exam. [LB71]

SENATOR SYNOWIECKI: Has there been any undertaking to secure a higher Medicaid reimbursement rate for those assessments to help offset some of the state costs associated? [LB71]

LYNN AYERS: Not that I'm aware of, but I'm not the expert in Medicaid reimbursement, so I can't help you a lot there. [LB71]

SENATOR SYNOWIECKI: Thank you. [LB71]

SENATOR HEIDEMANN: Senator Wightman. [LB71]

SENATOR WIGHTMAN: You may get into this when...you're going to address us on a later bill, is that correct? [LB71]

LYNN AYERS: Yes. [LB71]

SENATOR WIGHTMAN: But just so that we have that information while we're considering this amount of $70,000, we are currently funding child advocacy centers at these other locations. Is that correct? [LB71]

LYNN AYERS: Yes. [LB71]

SENATOR WIGHTMAN: And how much? What's the current appropriations? [LB71]

LYNN AYERS: I believe Gene Klein from Omaha is going to testify. I think we're currently at $912,500 for the six, seven centers now. [LB71]

SENATOR WIGHTMAN: $912,000. [LB71]

LYNN AYERS: Uh-huh. [LB71]

SENATOR WIGHTMAN: And do you have any idea, can you tell me now, about what percentage of your total budget that is? [LB71]

LYNN AYERS: It represents about 30 percent of our funding; 70 percent of our funding comes from private sources. [LB71]

SENATOR WIGHTMAN: Thank you. [LB71]

LYNN AYERS: And child advocacy centers across the state last year, the seven centers I talk about, served 3,500 children. [LB71]

SENATOR WIGHTMAN: Thank you. [LB71]

SENATOR HEIDEMANN: Are there any other questions? Senator Fulton. [LB71]

SENATOR FULTON: Just for information purposes, what is...you're going to be testifying later today on a particular bill, or is this... [LB71]

LYNN AYERS: No, it's on the Health and Human Service budget. [LB71]

SENATOR FULTON: Okay. Thank you. [LB71]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for coming today, Lynn. [LB71]

LYNN AYERS: Thank you. [LB71]

SENATOR HEIDEMANN: (Exhibit 11) Is there any other testimony in the neutral position on LB71? Seeing none, and being as Senator Fischer has waived closing, we will close the public hearing on LB71, and we will open up the public hearing on LB229, brought to us today by Senator Wallman. [LB71 LB229]

SENATOR WALLMAN: Good afternoon. [LB229]

SENATOR HEIDEMANN: Welcome to the Appropriations Committee. [LB229]

SENATOR WALLMAN: Good afternoon, Chairman Heidemann and members of the Appropriations Committee. My name is Norm Wallman, District 30, and I represent the 30th District here, and I'm here today to introduce LB229. And LB229 supports community-based services for persons with developmental disabilities, which were developed through a state methodology which, when applied, produces recommended annual provider rate increases, roughly equivalent to salary increases granted to state employees at the BSDC who perform similar tasks to those performed by employees of community-based programs. The original appropriation for the 2005-07 biennium failed to do that. Accordingly, the 2006 Session of the Legislature subsequently appropriated state and federal funds in an amount sufficient to place the community-based programs back on reimbursement rates consistent with the method...I can't say that very good...methods. And Governor Heineman line-item vetoed from that appropriation an amount of $643,436 in General Funds, and the $688,730 in federal Medicaid funds

which the General Fund appropriation would have matched. In his veto message the Governor focused almost exclusively on the practice of granting retroactive salary increases for the previous fiscal year, which was never the intent of the appropriation. Rather, the increased appropriation would have made it possible for community-based providers to have granted raises for the then coming year, which would have brought their employees into line with the methods. LB229 is intended to fill the funding gap created by last year's gubernatorial veto by appropriating $643,436 in General Funds, and $688,730 in federal funds to be used to enhance the reimbursement of providers in order to make it possible for them to grant employee salary increases for the coming year, which will place them within striking distance at least but not equal to of state workers performing the state responsibilities. As is usual for such appropriations, providers would be required by the expressed intent of the Legislature to utilize a minimum of 65 percent of the funds appropriated to compensate front-line staff. And I think if you look at the funding of state institutions versus private, usually the privates do it cheaper and, you know, there's different reasons for that, but I would like to see this bill on the floor and advanced to General File. Any questions? [LB229]

SENATOR HEIDEMANN: Thank you for coming before us today. Senator Engel. [LB229]

SENATOR ENGEL: I ought to give the rest of you a little history on this. We've been about for 12 years working for pay equity for these folks out on the front line, and all these folks, that's what they do. They work on the front line and the turnover rate was just terrific because you couldn't keep them there. They're very dedicated people but they could make more money at McDonald's than you could working with these people, with these persons that really need the help, these developmentally disabled people. And so therefore, we did get it up, we did get it up, and unfortunately, when it was vetoed, we weren't able to put it back in. So this is something that has been worked on for many, many years to get this pay equity up to where it should be. And again, we did put it into the statute that a certain percentage of that would go to the front-line people, and not into administration, because at one time there was a problem there. They were getting their funds and they weren't really put where they should be as far as we were concerned. So that's why we have that safeguard in there. So that's just to give you a little history of where we've been over the last several years. [LB229]

SENATOR WALLMAN: Thank you. [LB229]

SENATOR HEIDEMANN: Thank you for that history lesson. Senator Wightman. [LB229]

SENATOR WIGHTMAN: One of the concerns we have, maybe I should say I have, is that not only are we funding them at about the level that it would be for the state, but I'm assuming they maybe have a little less in the way of compensation benefits, such as health insurance. Can you address that issue, or maybe retirement? [LB229]

SENATOR WALLMAN: Well, I talked to these...some of these employees, like at Mosaic and that. It's definitely less and they don't expect to be up with state salaries, but they'd like to get, you know, compensated better because they do have a pretty good turnover rate and they've got some good people. And so I said I'd try to be their champion. [LB229]

SENATOR WIGHTMAN: I assume there are numerous providers out here, different agencies, is that correct, and each of them have their own compensation package? [LB229]

SENATOR WALLMAN: Yeah, that deal with state, you know... [LB229]

SENATOR WIGHTMAN: That are providers that are funded partially through... [LB229]

SENATOR WALLMAN: Yeah. [LB229]

SENATOR WIGHTMAN: ...the Department of Health and Human Services. Thank you. [LB229]

SENATOR WALLMAN: Yeah. [LB229]

SENATOR HEIDEMANN: Any other questions? Senator Fulton. [LB229]

SENATOR FULTON: Thank you, Senator Wallman. The amount that was vetoed out of the budget, $643,436, there's also an accompanying federal match, is that correct, the...by reappropriating? [LB229]

SENATOR WALLMAN: And being...and you lost that from the state, you lost it from the federal. [LB229]

SENATOR FULTON: Okay. So, to be clear, this would be leveraged money. [LB229]

SENATOR ENGEL: And Senator Engel probably could explain that better. [LB229]

SENATOR FULTON: Yeah, I... [LB229]

SENATOR ENGEL: I think you just did. [LB229]

SENATOR FULTON: Yeah. (Laughter) Okay, that's fine. [LB229]

SENATOR WALLMAN: Thank you. [LB229]

SENATOR HEIDEMANN: Any other question for Senator Wallman? Seeing none, thank you for coming in today and presenting to us LB229. Is there any other testimony in the proponent capacity? [LB229]

ALAN ZAVODNY: (Exhibit 12) Senator Engel told you that when we first started on this 12 years ago, I had hair, so it's been... [LB229]

SENATOR ENGEL: So did I. (Laughter) [LB229]

ALAN ZAVODNY: Funny, I don't really recall it that way, but...Senator Heidemann and members of the Appropriations Committee, for the record, my name is Alan Zavodny, A-l-a-n Z-a-v-o-d-n-y. That's pretty bad I have to read how to spell my name, isn't it? I'm the chief executive officer for NorthStar Services, which provides supports for approximately 400 people with developmental disabilities in 22 counties in northeast Nebraska. I am also representing NASP, the Nebraska Association of Service Providers. I'd like to thank Senator Wallman for his willingness to bring this bill to you. This bill is for our staff, pure and simple. While we always say that 65 percent goes to direct support staff, we have in practice given much more than that to staff on every occasion. We are really talking about the working poor here. We start our staff out at $8.75 an hour, or $18,200 a year. It is also very expensive for insurance for our employees. NorthStar pays $400 for insurance for employees, and they pay $45.23 for single, $493.77 for the employee plus one, or if they choose family, in the addition to the $400 we pay, it's $622.54. The single most direct correlation between the quality of services provided and the quality...is the quality of staff that any provider can hire. In this appropriation we are asking you to consider is the one that was vetoed by the Governor, and Senator Wallman did cover the dollar amounts so I won't rehash that. So I'm hoping...you've taught...trained me well that by being short I'll get more money, so that's what I'm hoping for today. (Laughter) [LB229]

SENATOR HEIDEMANN: Usually that's the way it goes in Appropriations. (Laugh) [LB229]

ALAN ZAVODNY: I'll quit now. [LB229]

SENATOR HEIDEMANN: Senator Synowiecki. [LB229]

SENATOR SYNOWIECKI: Thank you, Mr. Zavodny. Appreciate your testimony. Have you had a look at our preliminary budget recommendation yet? [LB229]

ALAN ZAVODNY: I have seen some of the preliminary numbers, and I'm not sure if those have changed since I've seen them, where the committee was looking at putting overall with HHS the $950,000 back in. And then the one really big question we have is this is the first time in many years where we didn't know what the state employees were

going to end up with for a pay increase. [LB229]

SENATOR SYNOWIECKI: You're heading where I was going to head. Our preliminary budget is 2 percent for developmental disability,... [LB229]

ALAN ZAVODNY: Uh-huh. [LB229]

SENATOR SYNOWIECKI: ...which would...Senator Wallman will be back here next year if that goes through because it will be deficient under the methodology, right? [LB229]

ALAN ZAVODNY: Yes. And can I add one thing to that before you go? [LB229]

SENATOR SYNOWIECKI: Go right ahead. [LB229]

ALAN ZAVODNY: The one thing I want to make sure I make a really good point on is we only get paid 90 percent of this, in our methodology--and that is a crappy word, I don't know whoever came up with it (laughter)--but we get paid 90 percent of the starting salary for a Tech I at BSDC, and they haven't hired a Tech I at BSDC for many years because no one will take the job for that. You know, you can get hit, bit; you know, things happen. So we know we are a lot...there is no function for increasing that. It is at that starting salary and we get 90 percent of it. [LB229]

SENATOR SYNOWIECKI: Now we're at 2 percent on our preliminary budget, which would pull us way out of whack on the methodology. And combine with that on the special master ruling, did these...this classification of state employees, are they involved in that, do you know? Because I don't, I don't know if they are. [LB229]

SENATOR NANTKES: They're not state employees. [LB229]

SENATOR ENGEL: They're not state employees. [LB229]

SENATOR SYNOWIECKI: No, for the methodology. [LB229]

SENATOR ENGEL: Oh, okay. [LB229]

SENATOR SYNOWIECKI: I mean if they get...if under the...if the special master ruled that they get a 5-6 percent increase, then we would have to, under the methodology, have to go back and significantly enhance what we have at 2 percent now. [LB229]

ALAN ZAVODNY: Well, actually you're not bound to do that. The Appropriations Committee and Senator Pederson last year, when we were trying to work through this, told us we don't care what the methodology said, we have our own methodology. We have a document that came out April 14, 1992, which is the methodology that Senator

Wallman referenced, and that methodology, which was done by the state through a Deloitte Touche study, put that in there because they thought BSDC would always be there and they had a reference point. Whatever happens there, then let the providers increase at those same amounts. We have traditionally not always made whatever was decided for state employees. You're not bound to do that statutorily or any other way. It is just...it comes down to keeping a promise, to some extent, by following the rules of the methodology that you paid for years and years ago. [LB229]

SENATOR SYNOWIECKI: Yeah, I understand that. I perfectly understand that. [LB229]

ALAN ZAVODNY: Then I'm sorry for not answering your question well. That's the best I could do. [LB229]

SENATOR SYNOWIECKI: Well, no, the...but in my four years on this committee we've tried to be, and with Senator Engel's leadership, I might add, we've tried to be responsive and not only for the developmental disabilities employees in the private sector that provide a critical service for the most...one of our most vulnerable populations, but as well behavioral health and so forth. We try to be equally responsive to what goes on in the government sector. And so I'm very receptive and sympathetic to Senator Wallman in what he's attempting here, but I'm also, at the same time, you know, a bit disappointed, quite frankly, in this committee and I had to hold my nose and vote on the preliminary basis and so I hope that we can work together and, between now and our finalization, do some constructive...for both behavioral health and developmental disability. [LB229]

ALAN ZAVODNY: I appreciate your comments, Senator Synowiecki. [LB229]

SENATOR HEIDEMANN: Any other questions for Alan? Seeing none, thank you for coming today. [LB229]

ALAN ZAVODNY: Thank you. [LB229]

SENATOR HEIDEMANN: Is there any other testimony in support of LB229? [LB229]

MARY GORDON: (Exhibit 13) Good afternoon, senators. My name is Mary Gordon, M-a-r-y G-o-r-d-o-n, and I am testifying today on behalf of the Nebraska Planning Council on Developmental Disabilities. Although the council is appointed by the Governor and administered by Health and Human Services, it is a federally mandated independent council. Therefore, the position of the council is not necessarily that of the Governor's administration. The council is comprised of individuals and families of persons with developmental disabilities, community providers, and agency representatives that advocate for systems change and quality services. The council is here in support of LB229, to encourage the additional funds for the pay equity and, as

Alan mentioned, the quality of available services depends on a number of factors, including the qualifications of staff that can be recruited to work in the field. Salary plays a part in that, and when salaries for direct care staff are not competitive with other jobs in the community then there is a negative impact on the quality of staff that can be hired. There is another issue related to this and that we've talked, both the Senator and Alan mentioned--the rate methodology. And the council, as they discussed this, asked me to bring before you the issue of including the need to look at the current rate methodology. As mentioned, it was developed in 1991-92 that it is based on, basically, I'm sure most of you are familiar, it's the units of service and it's a certain amount of money is allocated for that unit of service, and that unit of service includes the hourly rate of the direct care staff, benefits, direct supervision, supplies, staff training, transportation, facility costs, and administration. And the methodology itself is based on percentages. That's how it was originally done. And just for example, the benefits percentage that is in that rate methodology is 20 percent. That had been there since it was first began, but in reality, based on today, a beginning state employee, you can estimate that their benefit package is about 30 percent. For many of the providers it can be as high as 40 percent, because being a smaller agency their health insurance costs are higher. So the council really felt there was a real need for this committee not only to look at and increase the rates, but also consider that the entire rate methodology needs to be examined. I won't go on because I know you have lots of people here and lots more to hear about, but I just wanted the rest of the testimony, which you have in front of you, basically supports the preliminary recommendations, the increases to the...in the preliminary appropriations bill regarding the rate increase for providers, the delay of the leave days, and in addition the transition of students, of course. So thank you, senators. I don't know if you have any questions. [LB229]

SENATOR HEIDEMANN: Thank you for your testimony. Are there questions for Mary? [LB229]

SENATOR WIGHTMAN: One. [LB229]

SENATOR HEIDEMANN: Senator Wightman. [LB229]

SENATOR WIGHTMAN: I have one question. I should have asked it of one of the other witnesses but...or testifiers, but is the federal funding tied directly, almost dollar to dollar, because it's almost the same amount, to the state funding? [LB229]

MARY GORDON: Yes, it's about, I believe at this time, it used to be like a 60/40 split, but unfortunately, or fortunately, our economy in Nebraska has improved and, as a result, it's closer to I think like a 55/45. It's going up this year. I'm sure you probably are all more familiar. But it is pretty equal, yes. [LB229]

SENATOR WIGHTMAN: But here it would indicate the federal funding is just slightly

above, probably not 5 percent difference. [LB229]

MARY GORDON: Yes, it...that's correct. [LB229]

SENATOR WIGHTMAN: But anything we give will be matched almost dollar for dollar. [LB229]

MARY GORDON: Yes. And all these...all these things that are included in the rate methodology, those are all matchable for Medicaid. It's a single Medicaid rate and so the state is able to collect, whatever the state puts in, the percentage from the federal, to collect the rest of that. [LB229]

SENATOR WIGHTMAN: Thank you. Thank you for that information. [LB229]

SENATOR HEIDEMANN: Are there any other questions for Mary? Seeing none, thank you for your testimony. [LB229]

MARY GORDON: Thank you. [LB229]

SENATOR HEIDEMANN: Is there any other testimony in support of LB229? And at this time I would ask a show of hands for all other intending to testify in support of this bill. Okay. Thank you very much. [LB229]

ROGER STORTENBECKER: (Exhibit 14) Mr. Chairman, members of the committee, my name is Roger Stortenbecker, R-o-g-e-r S-t-o-r-t-e-n-b-e-c-k-e-r. I'm the chief development officer for Developmental Services of Nebraska. We are, I guess, a medium-size nonprofit organization with services in Omaha, Lincoln, and Kearney. I'm here to encourage you to move LB229 forward. Much of the things I would say to you have already been said, so I'll spare you. The bottom line for me is it comes down to last year we had about an 80 percent turnover rate. The success of our business depends heavily upon relationships between the people we employ and the people we support. If there's not a relationship, it's incredibly difficult to get things done. From the perspective of the people that we support, I think you can imagine what it might be like to have somebody new coming into your home every three to six months or so, someone new to learn what they need to know about you, someone new to help you with some of your personal care items, personal hygiene items, and to get to know you to build that trust. Really, what we're talking about here is we've lost a lot of really good people over the last couple of years who could do a very good job but, quite simply put, they need to pay their bills, too, and so they move on to other jobs where that can happen. Earlier testimony was 65 percent is in that rate to get to the benefit of our front care, front-line direct support staff. a lot of that has been eaten up by insurance costs. That's important to a lot of folks. So we've had to put a lot of money into that. It looks like we're going to get hit pretty hard again this year on health insurance costs, even workers comp

insurance. I can assure you that 65 would be probably the minimum anyone could afford to put in to the benefit of front-line staff. It's going to be probably considerably more than that. DSN, as Region IV, starts wages at $8.75, but with a turnover rate like we've got, we kind of have to hold that down until we make sure somebody is going to stay with us, and then we try and jack it up after three months or so. So with that, I guess I would encourage you to move it forward to find a way to help us improve the quality of life through increasing our retention through better salaries. I'd be happy to answer any questions. [LB229]

SENATOR HEIDEMANN: Are there any questions? Seeing none, thank you for your testimony today. [LB229]

ROGER STORTENBECKER: You bet. [LB229]

ANNIE ANDERSON: (Exhibit 15) Good afternoon, Chairman Heidemann and members of the Appropriations Committee. My name is Annie Anderson, Annie, A-n-n-i-e, Anderson, A-n-d-e-r-s-o-n, and I am here to testify in support of LB229 on behalf of the Arc of Nebraska. The Arc of Nebraska strongly supports LB229 and asks you to please advance this bill. What we hear from people with developmental disabilities and their families is that they directly depend or they depend directly on their direct support work professionals, who are skilled, dedicated and caring professionals. The problem they encounter as families and individuals is that there is an extremely high rate of turnover, as many other people testifying today have alluded to. And we also know that they are leaving their positions because they cannot financially afford to continue working in that field based on the wages they are currently being paid. People with developmental disabilities tell us that this is an incredibly difficult situation for them and that it's happening far too often. After individuals with disabilities lose their support workers, we want you to know that they do not always have someone, not even family members, who can fill in that gap for them. Strong relationships are formed between families and individuals with disabilities and those relationships and the care they receive keep people with developmental disabilities out of institutions, in their community with their families and living as independently as possible. It's very hard when the wages that are paid are the same or lower than working in the fast-food restaurant business, work that does not require skills, expertise and caring, and doesn't secure safe and quality supports for people with developmental disabilities. Professional support personnel, we believe they really do a good job and we believe we also can't ask them to always put their lives and families into financial instability because of people with developmental disabilities. We strongly support the provision of adequate payment to employees of providers of community-based services for people with developmental disabilities, believe compensation is critical to both recruiting and retaining quality and qualified support staff. For these reasons, we respectfully request that you advance LB229. [LB229]

SENATOR HEIDEMANN: Thank you for your testimony. Is there any questions? Seeing none, thank you for sharing with us today. [LB229]

ANNIE ANDERSON: Thank you very much. [LB229]

BOB BRINKER: Mr. Chairperson, members of the Appropriations Committee, my name is Bob Brinker, B-r-i-n-k-e-r, the director of ENCOR. I'm here to testify on behalf of the Nebraska providers network as well as our agency. My testimony equally applies to the department 26 budget for developmental disabilities, too, so I won't be testifying twice, but I would like to shed some additional light on what the staff who provide services to those persons with developmental disabilities receive. Approximately 40 years ago the idea of community-based services as an alternative to institutionalizations for persons with developmental disabilities was started in Nebraska. This concept was recognized nationally and Nebraska was considered the leader of this movement. Through the efforts of parents, professionals, and the Legislature, community services were initiated and promoted across the state, and eventually this led to downsizing the Beatrice State Developmental Center. As an example of service development within our own agency, we serve over 750 people with developmental disabilities. In order to do this, we rely on the efforts of several hundred full- and part-time direct line staff. The provision of community services is labor intensive. Each day our staff are challenged to meet the needs of people who require assistance with self-care needs, medication administration, monitoring of medical conditions, and behavioral intervention. Then, in addition to this, the staff are charged with the responsibility of supporting the same people as they make choices about their lives. This part sounds easy, but frankly in some ways it is more difficult than the basic care needs that I had previous described. In return for these responsibilities, we pay the staff less than an adequate wage. In a job market which is highly competitive for service-type positions, we experience high turnover. I consider it a good year when our annual turnover rate is less than 30 percent. Many years ago when a staff would quit without notice, it was an exceptional event and I'd wonder what went wrong. Today, when it happens with such regularity, I no longer question as to why. The turnover number is not as significant as the impact. High turnover means less continuity for people receiving services, which means less quality. Our mission is to provide quality of services and our way to do that is through the staff. This is the challenge we face, providing comprehensive community-based services through competent staff. Frankly, on a daily basis I'm amazed at all the good things our staff do for those persons with disabilities. They cannot begin...excuse me, they cannot be doing the work solely for money, because I know they will not get rich, but I do know we need to pay them better. We employ caring, compassionate people who have bills to pay, just like the rest of us, and who should be monetarily recognized for their efforts. Most importantly, they have the responsibility, fulfilling the commitment which was made over 40 years ago when the idea of community-based services was formed. When I was preparing the testimony yesterday afternoon, one of the things I receive is an exit interview with all our employees. I received one and the one I received mirrors several that I've reviewed at

different times over the years. Question was asked: Why are you leaving for another job. Answer: Better pay; my new job I will get raises faster. What did you like most about your employment: I enjoyed working with the people. Some other comments he made: I wish ENCOR employees were paid what they're worth; you get quality for quality wages. And that's it in a nutshell. So with that, I'd request...or encourage your approval of LB229 and to keep up with the methodology that was previously described. Thank you very much. [LB229]

SENATOR HEIDEMANN: Are there any questions for Bob? Seeing none, thank you for coming in today. [LB229]

BOB BRINKER: Thank you. [LB229]

SENATOR HEIDEMANN: Is there any other testimony in support of LB229? (See also Exhibit 16) Is there any testimony in the opponent position on LB229? Is there any testimony in the neutral position on LB229? Seeing none, would Senator Wallman like to close? [LB229]

SENATOR WALLMAN: Yes, I would. I appreciate the testimony and I'll keep this short. We had some testimony here about people who are on the front line. I know people from Omaha to Beatrice and they never seem to complain, but their wages are falling too far behind and some of them are ready to quit. So I would hope we would forward this LB229 and pay these people almost what they're worth, never what they're worth. Thank you. [LB229]

SENATOR HEIDEMANN: Thank you, Senator Wallman. With that, we'll close the public hearing on LB229, and open up the public hearing on LB281 brought to us by Senator Stuthman. [LB229 LB281]

SENATOR STUTHMAN: (Exhibit 17) Good afternoon, Chairman Heidemann and members of the Appropriations Committee. For the record, my name is Arnie Stuthman, S-t-u-t-h-m-a-n, and I represent the 22nd Legislative District, and I'm here today to introduce LB281. LB281 would appropriate $1,250,000 for fiscal year 2007 and 2008 for one-time capital improvements for the federally qualified community health centers. This one-time appropriation would be divided between the five community health centers in Nebraska, and each center receiving $250,000. These centers are the Charles Drew Health Center and the OneWorld Community Health Center, both in Omaha; the People's Health Center in Lincoln; the Good Neighbor Community Health Center in Columbus; and the Panhandle Community Service Health Center in Gering. Over the past couple of years the Legislature has appropriated $875,000 to the state's community health centers to help them provide healthcare services to the increasing number of uninsured Nebraskans. Without this additional funding, our health centers would not be able to provide the quality care that they give Nebraska's uninsured. Becky

Rayman from the Good Neighbor Community Health Center, which is located in my district, is here today to tell you how the health centers have utilized these funds in the past and how this appropriation of $1,250,000 can be used by the health centers so that they can continue to provide quality services for the Nebraska uninsured. And I would also like to...like to have an amendment introduced, and what this amendment does is it clarifies that only the five community health centers funded through the Federal Program 330, Public Law 104-299, the Health Centers Consolidation Act of 1996, would qualify for these funds in LB281. So I would like to have this amendment entered into the record. Those are my opening comments and I would try to answer any questions. [LB281]

SENATOR HEIDEMANN: Are there any questions? Senator Wightman. [LB281]

SENATOR WIGHTMAN: Senator Stuthman, the $800,000 we're currently funding at, the $1,250,000 would include the $800,000, is that correct? That's not an additional appropriation. [LB281]

SENATOR STUTHMAN: That's an additional. [LB281]

SENATOR WIGHTMAN: That's additional. [LB281]

SENATOR STUTHMAN: That's an additional appropriation. It's a 200 and... [LB281]

SENATOR WIGHTMAN: So we'd be looking at more than doubling what the current appropriation is. [LB281]

SENATOR STUTHMAN: It would be a $250,000 in additional for upgrading the facilities in these health centers. And I will have Becky Rayman explain, you know, what those funds are utilized for and the definite need for this money. [LB281]

SENATOR WIGHTMAN: What did the Governor include, if you know, in his proposed budget for this? [LB281]

SENATOR STUTHMAN: I don't have that. [LB281]

SENATOR WIGHTMAN: Or is this just included in the... [LB281]

SENATOR NANTKES: Nothing. [LB281]

SENATOR WIGHTMAN: Nothing? [LB281]

SENATOR STUTHMAN: I'm not sure. Probably nothing. [LB281]

SENATOR HEIDEMANN: Yes, I think you're right there. Any other questions? Senator Kruse. [LB281]

SENATOR KRUSE: Aren't you sorry for those mean questions you asked me when I appeared before you earlier this afternoon? (Laughter) [LB281]

SENATOR STUTHMAN: Not really. (Laughter) [LB281]

SENATOR KRUSE: He was very kind. [LB281]

SENATOR HEIDEMANN: Is that is then? [LB281]

SENATOR KRUSE: That's it. (Laughter) It was a question. [LB281]

SENATOR HEIDEMANN: Senator Harms. [LB281]

SENATOR HARMS: Senator, thank you very much for coming. Would you maybe explain to us why the Nebraska Urban Indian Medical Center doesn't qualify for these funds? I know that they've been around and talked to us, and I think you have some information that would be helpful. [LB281]

SENATOR STUTHMAN: Yes, this information, that center there is not under that...they have not been approved under that federal program 330(e) and have not got the approval there. There is another community that is trying to get the approval and that is a federally qualified health center in Norfolk that is trying to get this approval, and it takes a lot of work to get this approval, to be qualified under that program. And Becky Rayman can explain the process of how to get qualified under that program. [LB281]

SENATOR HARMS: Thank you very much. [LB281]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you. [LB281]

SENATOR STUTHMAN: Thank you. [LB281]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity on this bill? [LB281]

REBECCA RAYMAN: (Exhibits 18-23) Good afternoon, senators and committee members. My name is Rebecca J. Rayman, R-e-b-e-c-c-a R-a-y-m-a-n, and I am here to represent the five federally funded community health centers and Senator Stuthman has gone over those. Again, they are Good Neighbor Community in Columbus, Panhandle Community Health Center in Gering, People's in Lincoln, Charles Drew in Omaha, OneWorld in Omaha. Earlier in the day, and I'm going to cut my testimony

down significantly for you all, but earlier in the day you mentioned the need of this committee to have real outcome data to really understand where money goes and what is the outcome of that money, and that is one thing that federally funded community health centers have, and that is outcome data. Over the past year the Nebraska community health centers have increased the number of clients served who were uninsured anywhere from 15 to 34 percent with the money that you have provided. Nebraska health center statistics indicate that in 2005, 60 percent of all the patients served at Nebraska community health centers were uninsured, and I'd like you to compare that to our national average of just 40 percent. And so Nebraska community health centers serve more uninsured than the average community health center in the United States. Preliminary data from 2006 suggests a much higher rate this year, but thousands of Nebraskans continue to lack basic healthcare services based on an inability to pay, and there is a real ongoing need for operational support to care for the uninsured. We do have data on patient outcomes. Each community health center has such data. Each community health center is a little bit unique in the infrastructure requests that we have for this committee. We have requested $250,000 for each health center. I will tell you that in my health center my needs are I have a wonderful piece of x-ray equipment. I think Noah brought it over on the ark. It is so old at this point that I cannot get parts for it. There is a company that comes out of Omaha that repairs the piece of equipment for us when it breaks down and they charge us $450 to $600 an hour. And so at this point, you know, we're just babying and praying that this piece of equipment lasts. This is a piece of equipment that we need for patient care. In addition, the other community health centers have a need for expanded dental laboratories. They have more dental patients than they have chairs to put them in. We have a need for expanded services for children. We only serve 14 percent of the children when we should be serving about 29 percent. So there is a real need. I wanted to tell you that the cost of treating community health center Medicaid patients is a third less than those receiving care elsewhere. We are a third less costly in providing prescription drugs, and we are a third the cost of treating persons with diabetes at a regular health clinic. The one-time allocation of $250,000 per health center for infrastructure development will assure that we have the equipment and the support that we need to maintain growth. And I want to explain the difference between the 330(e) centers, since that came up, and I guess the best way for me to explain that is to kind of draw two circles. And I apologize for my voice. I was kind of born with this voice so (laugh). But anyway, if you draw a big circle on a paper like this, this would be federally qualified health centers. And if you draw a smaller circle within that, that would be the community health centers that have 330(e) funding. Community health centers that have 330(e) funding have gone through kind of a rigorous application process at the federal level. You have to submit about a 200-page application. You also have to supply a lot of data on your outcomes, and you have to track your patient outcomes and provide care that is measurable to the federal government for them to give you federal dollars. And so I'll just give you an example. We started out as a free clinic or a clinic with all volunteer docs, and we were tracking our average hemoglobin A1c level, which was 13 percent.

And I don't know how many of you have any idea of what that is, but hemoglobin A1c is a blood test that tells you what your average blood sugar was in the previous three months. Thirteen is atrocious. You really want it to be...you'd like it to be around 6, 6.5, 7 percent. Ours was 13 percent because the patients that community health centers see don't often get care. Today I can tell you that all of the diabetics we serve at that level is 8 percent, and so that is a documented outcome. For every point we decrease that level, we decrease long-term healthcare cost. And so thank you. I said I would try to be brief. [LB281]

SENATOR HEIDEMANN: We appreciate that, Becky. Is there any question? Senator Wightman. [LB281]

SENATOR WIGHTMAN: I see on this handout from OneWorld Community Health Center that there seems to be quite a number of these in the eastern part of the state, from Columbus on east, and then again in the Panhandle. Is there any...I realize that none of them are qualified under the federal program, but is there a need for these same services in the central part of the state or... [LB281]

REBECCA RAYMAN: There's an extreme need for care for the uninsured. We provide care for individuals from 12 counties. We have a lot of individuals who drive 100 miles in to our center for care; are, you know, who we even pick up within 45 miles and deliver people to our center. So there is a tremendous need for quality healthcare for the uninsured in Nebraska. And you're right, there's just a huge gap in the middle of the state. [LB281]

SENATOR WIGHTMAN: The other thing, the federal funds were discussed and that these were federally qualified. What's the mix between federal and state funding on these? [LB281]

REBECCA RAYMAN: Each of the federally funded health centers receives $650,000 from the federal government to provide dental care, mental healthcare, and primary medical care to the population. In our center we are very thrifty. Our care comes out to about $114 for an encounter, which is extremely thrifty. [LB281]

SENATOR WIGHTMAN: And we're funding each one to the tune of about $140,000 or $145,000 per center, is that right, of does that vary from whether it's Omaha or Lincoln and... [LB281]

REBECCA RAYMAN: It varies, Senator, based on the percentage of uninsured that we see. Again, I would remind you that nationally community health centers serve about 36 percent uninsured. If you take any medical provider and tell them, you know, I'm going to give you a patient base that is 64 percent uninsured, you know, they're going to tell you there's no way that they can make it. And that's why the federal government

provides that money, to help offset the cost of the uninsured. But in Nebraska it is especially tough. We are about double the rate of Iowa. [LB281]

SENATOR WIGHTMAN: You talked about $600,000 for federal funding per center. [LB281]

REBECCA RAYMAN: That's correct. [LB281]

SENATOR WIGHTMAN: Does what we appropriate have any effect upon how much federal funding there will be? Is this any kind of a match or... [LB281]

REBECCA RAYMAN: No, it doesn't, but it does have an effect on how many more uninsured individuals we can serve in Nebraska. For example, at our center our medical productivity rate is, I think, 5,300. The national medical productivity rate is about 4,200. We cannot at this time serve any more individuals than we're serving with the medical staff we have. We would have to add staff to serve more. We're at capacity, and I think the other centers are sharing this same problem. [LB281]

SENATOR WIGHTMAN: Thank you. Thank you very much for coming here and testifying. [LB281]

REBECCA RAYMAN: And I do have a letter of support from the Public Health Association of Nebraska and I'll just leave that with you all in deference to your time. [LB281]

SENATOR HEIDEMANN: Thank you. Was there any more questions? Seeing none, thank you for coming in and testifying today. Is there any other testimony in the proponent capacity on LB281? [LB281]

EYTAN GILL: (Exhibit 24) My name is Eytan Gill. It's E-y-t-a-n G-i-l-l, and I'm here to testimony...to give a testimony about OneWorld Health Center in Nebraska, in Omaha. I'm sorry. I am 55 years old and I'm a heart patient. I have a wife and three children, and I moved to United States about two years ago, mainly because my wife is born in Nebraska. I work, and my wife does not work. When I come to this country I learn about healthcare and insurance, and I have what they call a preexisting condition, and the health insurance for my family and I was going up...going to cost over $1,000 a month. On my limited earning, after the tax has been taken out, I could not afford to purchase health insurance. I could not afford to go to a doctor or to pay the medical I need to stay alive. A friend of mine have told me about OneWorld Community Health Center and in the beginning I did not about the clinic and was worrying about where to go and what to do. I finally went to the clinic and I was welcome there. The clinic, despite it is...I'm sorry for my... [LB281]

SENATOR HEIDEMANN: You're fine. [LB281]

EYTAN GILL: Okay. It is because of the care I received in OneWorld and I am very well now. I'm working and I'm taking care of my family. The health center provides great healthcare. If I did not get healthcare at this clinic, I probably would spend much more time in hospital emergency rooms. In the two years I have been a patient at the health center I have seen wondrous things. The clinic is providing more healthcare to more people, but I know of a lot of people who cannot get a appointment. The clinic need more support to help it grow, to add providers, to be...acquire equipment and technology, and partially support the cost of healthcare and medicine given to people like me. I pay my share at the center based upon my income. I know what to pay...what I pay does not cover the cost, but I am willing to support my fair share. So the center is a distance from...so the center is distant from where I live, I come because of the kindness and the care I receive. Most of OneWorld patient are working, like me. Whether we own our own small businesses, work for large businesses, in restaurants, construction, packing houses, hotels, we work hard. That's why I said yes to come today and tell you how the health centers, like OneWorld, makes a different in my life and the life of people like me. OneWorld Community Health Center provides quality primary healthcare health services to 11,000 individual last year through over 42,000 visits at the cost of $636 a person for the whole year. This is far less than $1,000 a month that I would have...the insurance company wanted. I think everyone in this state and the nation should be able to go to community health centers. For health centers to continue, grow, and care for those most needs and they need your support. Thank you very much. [LB281]

SENATOR HEIDEMANN: Thank you for coming in today. You did a good job testifying and you also help us understand the type of people who is getting service through the community health center. So we appreciate that very much. Is there any questions? Seeing none, thank you very much. [LB281]

EYTAN GILL: Thank you very much. [LB281]

SENATOR WIGHTMAN: Thank you. [LB281]

SENATOR HEIDEMANN: Is there any other testimony in support of LB281? [LB281]

CECILIA CREIGHTON: (Exhibits 25, 26) Good afternoon, Senator Heidemann and Appropriations Committee members. My name is Cecilia Creighton, that's spelled C-e-c-e-l-i-a C-r-e-i-g-h-t-o-n. I also have with me Alma Leon, a patient of our clinic which will speak with you following my presentation. Thank you. [LB281]

SENATOR HEIDEMANN: Is there any...okay, go ahead. [LB281]

CECELIA CREIGHTON: I am also the executive director of People's Health Center. I am representing our clinic here in Lincoln. It is located at 1021 North 27th Street. Also speaking in the absence of Brady Beecham, a medical student at UNMC, and 68 other med students at UNMC. You have with you a letter of support from the 69 med students and, unfortunately, they couldn't be with you today so they have a letter in writing of support of LB281, as well as myself. And they have a semester project and an exam due tomorrow, so that's the reason for their absence. I think it's important to note there where the students are located, in the various locations throughout the state, and important to note also that each one of the students will be doing this summer a rotation involving rural health clinics and also at People's Health Center and other neighboring community health centers, and are also, as aspiring new physicians coming about, committed to delivery of healthcare for all Nebraskans regardless of economic status. I also have a testimony and so, due to the essence of time, I'll just highlight areas from both the letter of support from the med students as well as my testimony. As you can see in their letter of support from the students that they are first year med students at UNMC, writing in support of LB281, which they understand, as well as I do and my colleagues, that this will provide additional funding to the five federally qualified health centers here in Nebraska. As med students, they are sharing with us, as well as myself in echoing again for my colleagues, that we are concerned that the future patients, that they have adequate care. For the 11 percent of the uninsured Nebraskans this often means that they turn to low-cost clinics, and what that means is clinics such as the five community health centers in Nebraska that are able to offer a sliding fee scale based on their ability to pay from income and the number of persons in their home. For the most part at our clinic, at People's in Lincoln and other clinics, they pay a minimum fee as low as $15 for their medical services and $20 for dental services. So the new aspiring physicians understand that we are the safety net providers here in Nebraska. And even though they are first year medical students, they understand mostly that it is academically grueling for them. Almost all the members of their class will be volunteering at some time at one of our clinics, and primarily providing care to the many uninsured and low-income patients that we see. They're sharing with us also that they understand, although they study medicine within a high technology atmosphere of the Med Center, that many of the patients in our communities cannot afford the treatment that they are trained to provide or the medications that they will be prescribing. They're sharing with us that they want to be doctors so that they can help the ill be well again, but unfortunately they're faced, and we are all faced, with a situation where the cost of medical care is rising much faster than inflation and wages, and this will affect their generation, our generation of physicians, more accurately, than it has affected our predecessors, which is why they are in support of LB281, to strength the network also of the community health centers. And just briefly an overview of People's Health Center. Currently, we have 12,000 patients registered at our clinic and in 2006 we served over 8,000 patients with over 22,000 medical and dental visits, and with the funding of LB281 it will allow our clinic to purchase an electronic medical records. This will improve provider capacity for our physicians to see more patients, and it will also give us greater

quality of healthcare measures, and also working with all the other community health centers we will develop a similar platform and have similar data comparisons. So that would be important to us. I just thank you for this time of listening to our testimonies and on behalf of the med students. And I would like now to ask for our patient of the clinic to briefly speak with you. Thank you. [LB281]

SENATOR HEIDEMANN: Thank you for coming in today. [LB281]

ALMA LEON: (Exhibit 27) Good afternoon, ladies and gentlemen. My name is Alma Leon and I am a Latino resident of Lincoln, Nebraska. I was born in the mountains of Hatillo, Puerto Rico, and raised in Brooklyn, New York, and moved to Nebraska in midsummer of 1997. Since moving to Lincoln, I've done my best at becoming self-sufficient and have met with some success. Unfortunately, as I moved closer towards self-sufficiency I became ineligible for Medicaid benefits. This was in late 2006, which was also the same time I fell ill and in need of Medicaid more than any other time in my life. I was previously diagnosed with cirrhosis of the liver, which is now in its advanced stages. I contracted hepatitis C when I was younger from an unclean tattoo needle and have also developed liver disease as a result...I'm so sorry...of my hepatitis C. Additionally, I suffer from thalassemia minor, which is a form of anemia, passed on through my maternal grandmother who is of Mediterranean decent. I am in need of a liver transplant, and this surgery can carry a price tag of at least $500,000 or more. In August of 2006, thank you, I was forced into a week-long hospital stay at St. Elizabeth as a result of my liver disorder. Upon being discharged from the hospital, my bill was $13,500. While I make some strikes in my life, I don't have that kind of money. To make matters worse, I could not afford to pay for the healthcare through my own primary care provider once I was released from the hospital. The attending physician referred me to the People's Health Center and I later learned that the same doctor volunteered at the center. I made an appointment with them and have been a patient since October 2006. The center has been wonderful and I have been fortunate to make...and I have been fortunate enough to make a home there. I not only attend the medical and dental clinics for myself, but I also have been referred to a GI specialist at a low cost. I volunteer at the clinic and my work there is satisfying and comforting to me. I see many clients come to this clinic with expressions of relief, knowing that the administration, doctors, assistants, case managers and staff here are interested in the people's health. I am of the 29 percent Hispanic and 44 percent Caucasian people served at the People's Health Center, and 1 of only the 8,208 patients that were served in the year of 2006. The center helps everybody, no matter who they are or where they may come from. Many of the people served by the center are considered minorities by the government and even more live below the poverty line. For many of its clients the People's Health Center may be the only place they can go when they are sick. I think that for the work it does, the People's Health Center deserves all the help we can offer. I believe an electronic health record system will help our doctors and staff members serve the community even better than they do now, and I think that when you weigh the benefits

there is no way that you could deny the center the funding it needs. I thank you for allowing me to express my thoughts and feelings about the People's Health Center and the work it does. I hope that when you are considering LB281 you keep in mind the needs of the community and all the people who depend on the care for the help that they need when they are sick. Thank you. [LB281]

SENATOR HEIDEMANN: Thank you for coming in today. [LB281]

ALMA LEON: You're welcome. [LB281]

SENATOR HEIDEMANN: You did a great job. [LB281]

ALMA LEON: Thank you. [LB281]

SENATOR HEIDEMANN: We appreciate the testimony. [LB281]

ALMA LEON: Thank you. [LB281]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity on LB281? [LB281]

JOEL GAJARDO: (Exhibit 28) Yes, one more. Good afternoon, senators, Mr. Chairman. My name is Joel Gajardo, J-o-e-l G-a-j-a-r-d-o. I'm the director of development for the Nebraska Urban Indian Medical Center here in Lincoln and I'm speaking in favor of this bill, LB281. I support strongly what has been already said about the role of a medical center that are serving underserved population, particularly uninsured, but I respectfully request, in spite of the amendment that has been introduced to the bill, that the Nebraska Urban Indian Medical Center would be included in the center that can receive, you know, some support from the state. The Urban Medical Center has been in existence for 20 years plus; was incorporated in the state of Nebraska in 1986, and we have been serving not only obviously Native Americans or Indians, but we serve all populations that have been underserved for a long, long time. We provide also interpretation, translation, transportation for the people that need that, and we are one of the centers that is really trying to reach out to those who don't have a medical home. We have been able and willing to enter into cooperation with other medical centers, including here in Lincoln with the People's Health clinic, that is doing a great job. But there is more room than of one clinic in the state of Nebraska, and particularly in Lincoln-Lancaster County. We have been recognized by the federal government, as 34 other urban Indian medical centers in the nation, as federally qualified health center. And it's true the federally qualified medical Indian center are not 330, but I hope that this most technical issue would not impede the state of Nebraska to support one medical center that is also attending services, healthcare services, to thousands and thousands of people and is willing to be prepared to be a member of the community that help in

case of pandemic illness or whatever emergency we have. We want to be ready to keep providing the services that we have been providing for over 20 years. So is with due respect to the presenters of this bill that I will request that you give consideration for including the Nebraska Urban Indian Medical Center as one of the centers that is doing the same type of services that the other five that have been mentioned in the bill during discussion. Thank you very much, and I'm open for any questions, if you have one. [LB281]

SENATOR HEIDEMANN: Thank you for coming in and testifying today. Is there any questions? Seeing none, thank you very much. [LB281]

JOEL GAJARDO: Thank you. [LB281]

SENATOR HEIDEMANN: Is there any other testimony in the proponent capacity on LB281? Seeing none, is there any testimony in the opponent capacity on LB281? Seeing none, is there any testimony in the neutral capacity on LB281? Seeing none, would Senator Stuthman like to close on LB281? [LB281]

SENATOR STUTHMAN: Thank you, Senator Heidemann and members of the committee. First of all, I want to thank those that testified in support of this bill. One thing I also want to thank the committee and thank the state for is that, you know, they are contributing, you know, that $875,000, or $175,000 to each one of those five federally qualified health departments presently. But as you heard from Becky Rayman that they are to capacity right now as serving the people, and we also must remember that, you know, the doctors are serving in a volunteer capacity in those centers, helping with the uninsured people. I think this is an investment that we should be making, you know, for the uninsured people, the care for the uninsured people. If we don't see to it that they get care in these community health centers I think, you know, where are these people going to end up? They're going to end up in our emergency rooms. And I think that is also a cost to the state. So I think if we can avoid people from ending up in the emergency rooms by just a little bit more assistance to these health centers, I think it's a very good investment, so I would ask that you look very favorably upon this as an investment. Because I think it's going to be an expense to the state if they do end up in the emergency rooms. With that, those are my closing comments. [LB281]

SENATOR HEIDEMANN: Are there any questions for Senator Stuthman before he leaves? Senator Synowiecki. [LB281]

SENATOR SYNOWIECKI: Senator Stuthman, I've always appreciated your advocacy on behalf of these community health centers. The one in south Omaha is just outside of my district, serves a lot of people that live in my district and they, as the one testifier indicated, they do great service. And I think you've been successful before in getting some appropriations for the community health centers. If I recall correctly, some of that

has been vetoed in the past. [LB281]

SENATOR STUTHMAN: Yes. [LB281]

SENATOR SYNOWIECKI: Have you had any contact with the Governor relative to his support perhaps of an increased level of funding for the centers? [LB281]

SENATOR STUTHMAN: No, at the present time I haven't. But I plan to, you know, you know, enter into conversation with him, you know, because I think he needs to realize, you know, also that, you know, it's an investment in the healthcare of the uninsured where realistically, if we don't do this, you know, there's going to be an expense to the state coming in the back door in the emergency room. [LB281]

SENATOR SYNOWIECKI: And this is a one-time capital. [LB281]

SENATOR STUTHMAN: This is a one time. This is a one-time appropriation for...in the community health center in Columbus, you know, we want to, you know, upgrade the dental portion of it, another dental chair I think; and as Becky Rayman said, she needed to do something; and one of the other community health centers wanted to improve their data system, the computer system, which would hopefully serve more people with the existing amount given to the community health centers. [LB281]

SENATOR SYNOWIECKI: The one just outside my district, really as Senator Kruse is very well aware, has an outstanding, state-of-the-art dental facility... [LB281]

SENATOR STUTHMAN: Yes. [LB281]

SENATOR SYNOWIECKI: ...that's essentially brand new. [LB281]

SENATOR STUTHMAN: I think those health centers have a very good track record on the amount of people that they serve for the cost that they're...it's costing us. [LB281]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thank you for coming in today. [LB281]

SENATOR STUTHMAN: Thank you. [LB281]

SENATOR HEIDEMANN: And with that we'll close the hearing on LB281, and we will open the hearing on LB327. Welcome to the Appropriations Committee. [LB281 LB327]

CHRIS PETERSON: (Exhibit 29) Thank you, Senator. Senator Flood has asked we introduce the bill. Good afternoon, Senator Heidemann and members of the Appropriations Committee. My name is Chris Peterson, P-e-t-e-r-s-o-n, and I am the

chief administrative officer of the HHS system, and I'd like to thank Senator Flood for introducing this bill on behalf of Governor Heineman. I'm here to testify in support of LB327. LB327 would amend Section 43-536 to state that for the two fiscal years beginning July 1, 2007, reimbursement rates for providers may be below the 60th percentile but not less than the rates for the immediately preceding fiscal year or the 50th percentile, whichever is greater. Right now, by state statute, we're required to do a market rate survey every two years and so of our almost 4,000 childcare providers we have 3 people that call about 1,000 of those and ask them what rate is being paid by the private pay. And then we look at that market rate survey and the state then is required to pay, by statute, between what 60 percent of them and 75 percent of them are paying, not 60 to 75 percent of the rate, but it's 60 to 75 percent of what the other...the childcare providers that pay for the private pay. This bill would say that they...we would pay below the 50 percent but not less than what they're being paid this year. This proposed change does not affect the practice of conducting the market rate survey of childcare providers in the state. It also continues to allow nationally accredited childcare providers to be reimbursed at the higher rate, and they are reimbursed at the 75 percentile. This change will allow Nebraska some flexibility when determining strategies to maintain the state's overall childcare budget for the upcoming biennium. It allows the state to transition back to establishing rates between the 60th and 75th percentile in 2009, and it does allow for a rate increase for childcare providers for the state fiscal year 2007 to 2008, and 2008 to 2009, to occur at the 60th percentile if there is sufficient appropriation. And again, that will depend on what the market rate survey tells us. It also allows for the rate to be set no lower than the 50th percentile or remain at the current rate, whichever is greater if the appropriation made for the childcare budget is not sufficient to meet the current market rates of the 60th percentile. The results of the 2007 childcare market rate survey are not available until early April, so it is not known at this time where rates will fall in meeting the 60th percentile. It is possible that the budget allocation is sufficient to set rates at the 60th percentile; however, if this is not the case, then this bill would result in providing a rate increase less than would otherwise be required by current statute. The estimated savings resulting from this bill are $1,934,000 in fiscal year '07-08, and $1.934 million in fiscal year 2008-2009. If you look at the last sheet that you have, in 2001 there was a rate increase for childcare providers. In 2003 we did the survey, but we did not do the rate increase up to the 60 to 75th percentile. In 2005 we jumped all the way up for two market rate surveys. So in 2005 and this year they are at where they would have been based upon the last market survey. I thought you might be interested in seeing the access or what we call the number of slots available. If you look at the month and the year, the first is the month and the year from 1999 of 2007. The first two columns are the number of the family childcare home I's. Those are the smaller homes, and the license capacity, and you can see that there was a decrease in those, and those are the smaller...the smaller providers that we have. But then the family childcare homes II, as well as the CCC, which is the childcare center, those have increased. And so if you get to the last two columns, the total number of childcare programs, we have 3,761 for an increased capacity, or slots, of 94,792. And I

would be glad to try to answer any questions that you may have. [LB327]

SENATOR KRUSE: Thank you. Are there questions for Ms. Peterson? I don't see anything, Chris. [LB327]

CHRIS PETERSON: Thank you. [LB327]

SENATOR KRUSE: Thank you for coming. Next, is there another proponent? Any opponents on this bill? [LB327]

SARAH LEWIS: (Exhibits 30, 31) Good afternoon, Senator Kruse, members of the committee. My name is Sarah Ann Lewis, L-e-w-i-s. I am the policy coordinator and registered lobbyist for Voices for Children in Nebraska. In the interest of time, I'm handing out written testimony, but we are here in strong opposition to LB327 because of its potential to limit access to childcare for families who rely on subsidies. I would also like to submit today opposition testimony from Susan Hale, H-a-l-e, from the Center for People in Need. Thank you. [LB327]

SENATOR KRUSE: Okay. Thank you for this witness. Did everybody get the copy of her witness? Okay. Senator Nantkes. [LB327]

SENATOR NANTKES: Thank you, Senator Kruse. Good afternoon, Sarah Ann. [LB327]

SARAH LEWIS: Good afternoon, Senator. [LB327]

SENATOR NANTKES: Thanks so much for coming in and joining us. I was wondering if just as a means of background if you could discuss for the committee in recent years how Nebraska's childcare subsidy program has, in essence, been eviscerated and damaged due to budgetary constraints and otherwise, and how this proposal further hinders the ability of working families to find affordable safe childcare for their children. [LB327]

SARAH LEWIS: Well, quite simply, this proposal would limit reimbursements to childcare providers who accept children from families who receive subsidies. Families who receive subsidies are... [LB327]

SENATOR KRUSE: Please get direct to your... [LB327]

SARAH LEWIS: Oh, sorry. I'm quiet. [LB327]

SENATOR KRUSE: ..thing so that we can all hear you. [LB327]

SARAH LEWIS: Families who receive subsidies currently that are non-ADC families,

they are not receiving Aid to Dependent Children, receive subsidies based on income. Right now that income level is based on 120 percent of federal poverty level. For a family...what this means essentially is a family of four that makes more than roughly $25,000 a year is not eligible for any assistance in the childcare arena. This...the setting of this level took place in 2002 with a line-item veto budget cut by then-Governor Johanns. It did not receive any public debate nor legislative debate, and currently there's a movement to try to raise this level so that more families can receive childcare assistance. Childcare assistance is very expensive for many families. In Nebraska the average annual cost of care for a 4-year-old is $4,680, and for both a 4-year-old and a 12-month-old is $10,400. Under the current 120 percent eligibility standard, a family of four earning roughly $25,000 per year and not currently eligible for assistance would spend 42 percent of their income on childcare. We do not support a bill that would limit access to care for families who rely on subsidies because the centers could choose not to accept families who rely on subsidies, and many already do. [LB327]

SENATOR NANTKES: So you would disagree with the department and the administration's contention that this proposal, if adopted, would not hinder access? [LB327]

SARAH LEWIS: I would. [LB327]

SENATOR NANTKES: Thank you. [LB327]

SENATOR KRUSE: You referred to action previously two years ago or three years ago. [LB327]

SARAH LEWIS: In 2002. [LB327]

SENATOR KRUSE: In 2002. Is that policy? Whose policy was that? [LB327]

SARAH LEWIS: It was done during the special session in 2002. [LB327]

SENATOR KRUSE: So it was state policy or agency policy or... [LB327]

SARAH LEWIS: I don't know the answer to that question. Before the limit was 185. [LB327]

SENATOR NANTKES: No, it was right before the special session. It was in the budget year. [LB327]

SENATOR KRUSE: It was by bill. Thank you. [LB327]

SENATOR NANTKES: Kind of. [LB327]

SENATOR KRUSE: Other questions? Senator Engel. [LB327]

SENATOR ENGEL: I have. Thank you for coming. I have a question. Now as far as it's income-related how much...who qualifies. Then it is on a graduated scale as far as how much they get? Is it a percentage if, say, if you're making $22,000? [LB327]

SARAH LEWIS: Yes, it is on a sliding fee scale. [LB327]

SENATOR ENGEL: Sliding fee scale. [LB327]

SARAH LEWIS: It is. [LB327]

SENATOR KRUSE: Senator. [LB327]

SENATOR NANTKES: Sarah Ann, I know that your organization operates on a statewide basis. Could you point out for the committee if you have any specific information, you noted how already working families are having struggles trying to find access to affordable and safe healthcare, how that plays out in an urban versus rural setting? [LB327]

SARAH LEWIS: In a rural setting, access to childcare is already limited. We know many families choose to put their children in unlicensed care, a family friend or neighbor care instead of licensed or higher-quality care, which is at a detriment to the children in some cases. [LB327]

SENATOR NANTKES: Uh-huh. And then did your research also indicate that the last time the state made the public policy decision to change eligibility in the childcare subsidy program, which we're not talking about under this proposal but instead this is directed at provider rates, in fact what happened to many of those working families that relied on that assistance? [LB327]

SARAH LEWIS: Families that lost that assistance were forced to quit their jobs and fall back on full government assistance, which costs the state more in the long run, because, as one mother put it, and I'll never forget her saying this, she couldn't afford to work. [LB327]

SENATOR NANTKES: Thank you. [LB327]

SENATOR KRUSE: You've come before us with a heavy item. We appreciate you coming. Thank you. [LB327]

SARAH LEWIS: Thank you, Senator. [LB327]

SENATOR KRUSE: Anybody else to witness, testify, speak on this subject? Welcome. [LB327]

TOM LANDRY: (Exhibit 33) Good afternoon, Senator. For the record, and there's written testimony coming around for each of you, I'm Todd Landry, the president and CEO, Child Saving Institute in Omaha. And wanted just to provide some additional testimony regarding this bill and in opposition to the proposed LB327. You've also already heard about the technical details of how this would further limit, we believe, access to childcare. In the spirit of disclosure, I want to say that Child Saving Institute does operate a childcare center. We serve about 30 percent of the kids in our childcare center on childcare subsidy. However, we are a nationally accredited childcare center and so we would not actually be subject to any reductions, as you heard from Ms. Peterson. Nonetheless, we recognize that there are only a very few number of accredited childcare centers who heavily subsidize the childcare program in order to serve those kids, and many childcare centers are not nationally accredited and are serving children throughout our state, as you heard from Ms. Lewis. Several years ago Nebraska, as well as many other states in the country, passed various forms of welfare reform, and we refer to it as welfare-to-work, we refer to it as welfare reform, lots of different ways. At that time we made a strong statement as a state that we were not going to continue to provide a handout to those members of our community who are on welfare. We also made a promise that said we will provide a hand up. Childcare subsidy is a good example of that hand up, as opposed to that handout. In my opinion, as we further erode both the eligibility as well as the rate, what we're doing in essence is eviscerating and pulling back on that promise that we made to those individuals in our state. I moved here to Nebraska two and a half years ago from Texas, and one of the things that most impressed me about Nebraskans, Midwesterners in general but particularly Nebraskans, was that we stuck to our word. We made commitments, we made promises and we kept them. And in my opinion, when it comes to helping these families move from welfare to work, we need to make sure we continue to keep the promise that we made to them some years ago with a hand up, not the handout. So thank you very much. [LB327]

SENATOR KRUSE: Thank you. Are there questions for Mr. Landry? [LB327]

TODD LANDRY: Thank you. [LB327]

SENATOR KRUSE: I have a question. This seems like a tremendous difference between your agency and somebody else. How do we account for this? [LB327]

TODD LANDRY: Well, the biggest, as far as the kids that we're serving and why,... [LB327]

SENATOR KRUSE: Yeah. [LB327]

TODD LANDRY: ...as a nationally accredited childcare center, we can do that is we heavily subsidize all of those kids in our childcare system through private donations. We go out to foundations and others and say, help us pay and cover that difference in cost for those kids, because we want to continue to serve a large proportion of those kids in the childcare program. But without that additional private support, private foundations, individuals, etcetera, we would not be able to continue to serve those kids because of the additional high standards that we have to meet as a nationally accredited childcare center. [LB327]

SENATOR KRUSE: I understand. I'm afraid I understand. Okay, thank you. Senator. [LB327]

SENATOR ENGEL: A question as far as the state reimbursement. How does that compare as far as what it would cost to someone who's not on assistance? Is there a differential on the rate there then? [LB327]

TODD LANDRY: Well, there is a significant difference. I mentioned we serve about 30 percent of the kids in our childcare program are receiving childcare subsidy. The other 70 percent are members of the community who just want to have their children in a safe place with that national accreditation. But the difference is very significant. Versus the reimbursement they receive on those 30 percent of these childcare subsidy families, versus the private pay, there's a difference of about 30 percent in the daily rate. [LB327]

SENATOR KRUSE: Thank you, Todd. Appreciate it. [LB327]

TODD LANDRY: Thank you very much. [LB327]

SENATOR KRUSE: (See also Exhibit 32) Are there other testifiers on LB327? Opponents? Neutral? All right, then we're going to close down the shop. Is Ms. Peterson here, or did she waive? Are you...she's waiving closing. That completes the testimony on LB327. We thank those who participated in that. We are now ready for Agency 20 of HHS. [LB327]

Disposition of Bills:

LB55 - Held in committee.
LB56 - Held in committee.
LB71 - Held in committee.
LB229 - Held in committee.
LB281 - Held in committee.
LB327 - Held in committee.

Chairperson

Committee Clerk