[LB966 LB1018 LB1168]

The Committee on Appropriations met at 1:30 p.m. on Wednesday, February 20, 2008, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB966, LB1018, and LB1168. 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: I think we're going to go ahead and get started here. First, we're going to go around the room and introduce the committee. To our right we have Senator Danielle Nantkes from Lincoln, District 46; sitting next to her left is Senator John Wightman from Lexington, District 36; then Senator John Synowiecki from Omaha, District 7; then Senator Lowen Kruse from Omaha, District 13, who also serves as Vice Chair of this committee. []

SENATOR KRUSE: And, Mr. Chairman, this is the righteous side of the table, if you notice. []

SENATOR HEIDEMANN: (Laugh) Then we have Kendra Papenhausen, who serves as committee clerk of this committee. My name is Senator Lavon Heidemann. I'm from Elk Creek, from District 1, and I serve as Chair. Joining us later, evidently, is Pat Engel from South Sioux City, District 17; then Senator Tony Fulton from Lincoln, District 29. Then we have Senator John Nelson, who is actually with us, from Omaha, District 6; then Senator John Harms from Scottsbluff, Nebraska, District 48. Our page for the day, and he's actually here, his name is Sam if you need anything. We ask at this time if you have cell phones if you please shut them off as not to be disruptive later on. Testifier sheets are on the table or near the back doors. We ask that you please fill them out completely and put them in the box on the table when you testify. You do not have to fill out this form if you aren't publicly testifying. Joining us is Senator Pat Engel from South Sioux City. At the beginning of the testimony please state and spell your name for the transcribers that are following. Nontestifier sheets near the back doors if you do not want to testify but would like to record your support or opposition. You only need to fill out this if you will not be publicly testifying. If you have printed materials to distribute, please give them to Sam at the beginning of the testimony. We need at least 12 copies. We ask also, in the matter of time, to please keep your testimony concise, on topic, not repetitive, and under five minutes would be appreciated but not exactly demanded if you're interesting. (Laugh) So with that, some place there is a sheet here that tells me what we're going to be dealing with. Thank you, Kendra. First up is LB966, Senator Synowiecki. []

SENATOR SYNOWIECKI: Thank you, Mr. Chairman, members of the committee. My name is John Synowiecki. I represent District 7 in Omaha, from Omaha, south Omaha,

and this bill is a bill to increase the amount distributed into the Tobacco Prevention and Control Cash Fund. The bill increases current funding from $2.5 million to $7 million annually. The program was originally funded at the $7 million level in the year 2000, but was reduced in 2003 to assist in helping the state deal with some budget deficits. Tobacco use is still the leading preventable cause of death in Nebraska, claiming more than 2,350 lives and costing an estimated $537 million in healthcare bills each year. Tobacco use increases public and private sector cost, burdens budgets, and reduces worker productivity. As a result of smoking-related mortality, more than $499 million in lost productivity is reported each year. Furthermore, there are currently an estimated 22,400 Nebraska high school students that smoke cigarettes. This amounts to 21 percent of the youth population in the entire state. If this rate continues, 36,000 Nebraska kids alive today will ultimately die from smoking-related illnesses. Evidence-based, statewide prevention control programs have been shown to greatly reduce smoking rates, tobacco-related deaths, and diseases caused by smoking. Want to thank you, Senator Heidemann and members of the committee, for your consideration. [LB966]

SENATOR HEIDEMANN: Thank you, Senator Synowiecki. Are there any questions? Surely...Senator Wightman. [LB966]

SENATOR WIGHTMAN: Senator... [LB966]

SENATOR HEIDEMANN: I'm waiting for a comment from Senator Engel here. (Laugh) [LB966]

SENATOR WIGHTMAN: Senator Synowiecki, I know we've been through this a number of times, but could you fill us in on how much we have saved from the tobacco fund and what the use is being made of it at the present time, if you know, and if not I'll look it up myself? [LB966]

SENATOR SYNOWIECKI: Yeah, I, you know, I don't know right off hand. I just know that at one time this program received $7 million out of the cash fund. Now it receives dramatically less. [LB966]

SENATOR WIGHTMAN: Do we have $4.5 that we're currently not expending, the difference between the $7 and the $2.5? [LB966]

SENATOR SYNOWIECKI: You know, I hope there will be people testifying behind me that will have that... [LB966]

SENATOR WIGHTMAN: Okay. Thank you. [LB966]

SENATOR SYNOWIECKI: ...type of information for you, Senator. [LB966]

SENATOR HEIDEMANN: Are there any other questions? Senator Engel. I knew he was going to. (Laugh) [LB966]

SENATOR ENGEL: He's expecting it so I should do it, but I'll ask someone after you, too, John. I think, you know, as far as what we've spent so far, as far as the track record and how well they've done with what they've been working with (inaudible). [LB966]

SENATOR SYNOWIECKI: Okay. [LB966]

SENATOR HEIDEMANN: Any other questions? Thank you. Is anyone else wishing to testify in support of LB966? And out of curiosity, how many people plan on testifying in support of? How many in opposition? Any in the neutral position? All right. Thank you. [LB966]

CINDY JEFFREY: (Exhibit 1) Good afternoon, Chairman Heidemann and members of the Appropriations Committee. I do have copies of my testimony. I'm Cindy Jeffrey, C-i-n-d-y J-e-f-f-r-e-y, and I'm executive director of Health Education Incorporated. We're a statewide nonprofit, dedicated to promoting the public health of Nebraskans. Tobacco use and exposure, as you know, is deadly. Evidence continues to mount showing how deadly it is. The problem is not inevitable, however. We have considerable research and experience that demonstrates key remedies that are effective at reducing the number of those using tobacco products and those exposed to secondhand smoke. You've heard from Senator Synowiecki about LB13...LB1436 and funding for the Tobacco Free Nebraska Program that was originally funded at $7 million from the tobacco settlement funds. Since the passage of LB1436, Nebraska has seen a number of achievements in tobacco control. These achievements include a statewide media campaign that reaches throughout the state; a toll-free tobacco cessation Quitline available to all Nebraska smokers; substantial funding for community-based, best practice activities targeting youth and adults; significant funding for outreach to minority populations; and statewide surveys and other evaluation activities to monitor outcomes in various tobacco-related attitudes and behaviors. As of today, Nebraska-based tobacco prevention and control funding has dropped to $2.5 million annually, or about 11.5 percent of current recommended funding level of $21.5 million that's recommended by the U.S. Centers for Disease Control and Prevention for this state. Funding of Tobacco Free Nebraska to date has resulted in significant outcomes. We have fewer cigarettes that are being sold to kids, fewer adults smoking, and more smoke-free homes. Between 1999 and 2005, the teen smoking rate dropped from 37.3 percent to 21.8 percent. That drop represents 15,500 fewer teen smokers. In a report released last summer, the Institute of Medicine stated that there is, and I quote, clear evidence that tobacco control funding is inversely related to the percentage of youth who smoke and the average number of cigarettes smokes by young smokers. That means that the more that we invest in tobacco control, the greater the real return in lives saved, disabilities

prevented, quality of life improved, and dollars saved. That means we in Nebraska have done well, but we can and should do better. Despite strides made against tobacco use, tobacco continues to make a significant impact on Nebraskans. A full 22,400 Nebraska high school students smoke and 14.5 percent of Nebraska high school boys use smokeless or spit tobacco. At the same time, 96,000 Nebraska kids are exposed to secondhand smoke at home. This isn't what Nebraskans want. Nebraskans strongly support using tobacco revenues for tobacco prevention and cessation programs. Nine in ten Nebraskans say they support using a portion of Nebraska's tobacco settlement funds for tobacco prevention and control, and eight in ten said they support increasing state tobacco taxes to fund education programs to prevent young people from starting to use tobacco. Research shows that smoking rates in states with the most aggressive comprehensive programs declined more than the national average. In Maine, for example, the rates of smoking declined 59 percent among middle school students and 48 percent among high school students between 1997, when the state began its campaign, and 2003. The evidence is clear: Multifaceted state tobacco control programs are effective in reducing tobacco use. You had raised the question of what kind of revenue do we receive in the state from tobacco products. Nebraska receives taxes on cigarettes and other tobacco products, as well as the revenue from the Master Settlement Agreement with the tobacco industry. These two revenue sources generate a combined $104.7 million annually for the state, which is far more than a fully funded program would require. At the moment, only 2.8 percent of this combined revenue is dedicated to helping smokers quit and helping kids from using...keeping kids from using tobacco. And my understanding is that the state of Nebraska is expecting a bonus payment through the Master Settlement Agreement that we expect to be in the neighborhood of $5 million that is, at this point, unallocated. Nebraskans deserve a dedicated long-term effort, one that includes a variety of strategies, one that is based on best practice recommendations, and funding for tobacco control at an adequate level. We know the problem. We know strategies that are effective in addressing the problem. I urge you, on behalf of Health Education Incorporated, to strengthen our commitment to making the twenty-first century the end point for the tobacco problem in Nebraska, by strengthening our commitment to funding tobacco use prevention and control, and supporting LB966. Thank you, Chairman Heidemann, members of the Appropriations Committee, and Senator Synowiecki, for bringing this issue forward for consideration. [LB966]

SENATOR HEIDEMANN: Thanks, Cindy. Are there any questions? Senator Engel. [LB966]

SENATOR ENGEL: I'd like to follow up with what I asked John there. As far as you've shown here where it's been effective as far as the number, but how do you gather those statistics as far as knowing exactly how...well, nothing is exact, but I mean close to being exact as far as the cessation and fewer people smoking? [LB966]

CINDY JEFFREY: One of the components of the program is evaluation and surveillance, so the program has been funding ongoing surveillance to see what the rate of smoking is in this state and the impact of the media program, the usage of the Quitline, and they, the program, puts out annual reports on the effectiveness and the results of the program. So I'm drawing these numbers from the surveillance and evaluation that's going on. [LB966]

SENATOR ENGEL: So those are surveys they're taking and so forth? [LB966]

CINDY JEFFREY: That's correct. [LB966]

SENATOR ENGEL: Okay. Now one other question: Do you think it's more important to spend money for cessation or for remodeling facilities? [LB966]

CINDY JEFFREY: For remodeling of facilities? [LB966]

SENATOR ENGEL: Yeah. [LB966]

CINDY JEFFREY: I'm not sure if I can answer that question, but I do know that funding... [LB966]

SENATOR ENGEL: I'm talking about what we use our tobacco tax money for, a big part, a big part. [LB966]

CINDY JEFFREY: We, certainly, we as a state have a number of important priorities. I think tobacco use, prevention and cessation are a top priority. Tobacco use, prevention...tobacco use... [LB966]

SENATOR ENGEL: You gave me the answer I wanted. Thank you. [LB966]

CINDY JEFFREY: Okay. Thank you. [LB966]

SENATOR HEIDEMANN: Do other states find it being effective to, like, raise taxes to make it more expensive to make them less obtainable? Does that work? [LB966]

CINDY JEFFREY: It absolutely does. We find that significant increases in taxes do have a significant impact on tobacco use. For every 10 percent increase in the price of tobacco products, we see an overall reduction in tobacco use of 4 percent. So as a single strategy, on its own, that is one of the most effective ways to reduce tobacco use. We are looking at a comprehensive program that includes raising tobacco prices, as the state has done in the past and I believe should do again in the future, combined with program elements so that the state of Nebraska can reach the goals that we've set to move forward and reduce tobacco use through the twenty-first century. [LB966]

SENATOR HEIDEMANN: I'd be curious, like because Iowa raised theirs $1 last year, how fast that takes effect. [LB966]

CINDY JEFFREY: We'll see the effects very quickly. Iowa will be able to see that very quickly. When Nebraska raised the tax to 64 cents, we saw a reduction at that time very quickly in the state of Nebraska. Then, of course, we need to continue to move forward on attacking tobacco. [LB966]

SENATOR ENGEL: But you know part of that, when Nebraska raised their tax 64 cents, it showed up statistically that they're buying fewer cigarettes here, but most of our population is on the border so that really wasn't a really good, factual (inaudible). [LB966]

CINDY JEFFREY: One of the biggest impacts of raising the price on tobacco use is helping kids not start to begin with, and even if there were some adults that were driving across the borders, kids are probably not likely to be getting on their bicycles and riding across the borders. So we definitely know that there was an impact in the state. [LB966]

SENATOR HEIDEMANN: Are there any other questions, comments? Seeing none, thanks, Cindy. [LB966]

CINDY JEFFREY: Thank you. [LB966]

SENATOR HEIDEMANN: Welcome. [LB966]

LISA FUCHS: Hi. Good afternoon. My name is Lisa Fuchs, L-i-s-a F-u-c-h-s, and I'm with Alegent Health Systems in Omaha, Nebraska. I come not bearing statistics but I'm a tobacco treatment counselor, so I counsel patients daily, and many of my patients who are indeed Nebraskans must choose daily between medicine, food, and gas for transportation, but none of it...but none of the above are as powerful as nicotine. I've had patients, you know, have an appointment to come and see me and they'll call me and say, I can't afford to put gas into my car to come in, have my appointment for counseling. So people...there are people out there that truly have to choose between those things daily and, you know, we need...we need funding, not only for the counseling but for the patches, the pharmaceutical aids, because we know it's proven that the two together can double quit rates. So, you know, I really feel that this funding would be beneficial for thousands of Nebraskans, especially the children. I have one story where a little boy that was ten is an asthmatic and he would ask his father, please quit smoking, I can't breathe. So one of the things I do when I counsel is I have them blow in a little...it's a carbon monoxide, like a Breathalyzer, and it can detect smoke as well as secondhand smoke. So the father smoked about a pack a day and that would "equivolate" to about 35 parts per million of carbon monoxide. Normal is between 2 and

10, or less than 2 percent. So I asked the permission of the father, I said, can we just measure your son? You know, you smoked in the car on the way here and, you know, secondhand smoke can affect people. So he said that would be fine. Remember, 2 to 10 is that of a nonsmoker. His son measured an 18. We can measure secondhand smoke and it affects a lot of innocent Nebraskans. [LB966]

SENATOR HEIDEMANN: Senator Wightman has a question. [LB966]

LISA FUCHS: Sure. [LB966]

SENATOR WIGHTMAN: Thank you, Lisa, for being here. [LB966]

LISA FUCHS: Uh-huh. [LB966]

SENATOR WIGHTMAN: I guess you talked about people not having money to buy the gas to come in. Is that one of the things you fund, is do you pay expenses of people who come in? [LB966]

LISA FUCHS: No. No, I don't, but I have written a couple grants and with some of the monies I did get public transportation. It's called Moby, it's a van, and through that some of the people that did not have the means to come in would come in for counseling in that fashion. [LB966]

SENATOR WIGHTMAN: Did the grant come out of the tobacco fund or not? [LB966]

LISA FUCHS: No. [LB966]

SENATOR WIGHTMAN: Okay. [LB966]

LISA FUCHS: No. [LB966]

SENATOR HEIDEMANN: Senator Nelson. [LB966]

SENATOR NELSON: How do the people come in to you for counseling? Are they referred? Is it voluntary? [LB966]

LISA FUCHS: I do one-on-one counseling. It's Medicare based and the physician will refer them, or they can come in as long as a physician is aware and orders it. [LB966]

SENATOR NELSON: I'm sorry? [LB966]

LISA FUCHS: A physician essentially orders the patient. If the patient is interested, a physician order stimulates the consult to me and then I see the patient. [LB966]

SENATOR NELSON: You ever have anyone just walk in off the street for counseling? Can you take those? [LB966]

LISA FUCHS: No, I don't. I don't have them just walk in off the street. Medicare currently does fund eight sessions a year to see me, but private insurances are lacking. [LB966]

SENATOR NELSON: So the doctor decides if they think...he or she thinks there's a chance that these people might be able to quit smoking. [LB966]

LISA FUCHS: Well, that, and we're finding that an elective orthopedic surgeries and actually many other surgeries that we find that the healing process is expedited if they are nonsmokers. The bones fuse faster so the outcomes are better. So a lot of elective surgeries, the physician will want them to be tobacco free for six to eight weeks. Of course, if they're emergent, they'll do them right away, but...so we see a lot of different benefits in quitting. [LB966]

SENATOR HEIDEMANN: Any other questions? Thanks for joining us today. [LB966]

LISA FUCHS: Thank you. [LB966]

ANDREA HOLKA: (Exhibit 2) Got copies for you. I only have 11, though. I think you needed 12. Sorry. (Laugh) Hi. My name is Andrea Holka and I'm executive director of Attack on Asthma Nebraska and I just want to thank you, Chairman Heidemann and committee members, for listening to us. I would urge this committee to support LB966 and increase the funding for the Tobacco Prevention and Control Cash Fund. Asthma is the most common chronic childhood illness today, and it's also the leading cause of school absenteeism. Directly related to those absences are, of course, lost work days for adults caring for the children in the home with asthma. Now there are a good number of these children from homes where smoking, of course, is an issue and the connection between smoking as an environmental trigger and the attacks the children are having has not been fully understood by the family in a lot of cases. Now the cost of this chronic disease is felt in many ways. There is the financial cost. There's the cost of the children's grades suffering from absenteeism. And then there's the cost affecting them psychologically, again from the absenteeism and their grades. There is the cost of ER visits and hospitalization, and the cost of lost work days for those caregivers that are in the billions of dollars annually, to name a few of the costs. Now the relationship between smoking and asthma was never more clearly illustrated than in a February 2008 published article of the American Journal of Industrial Medicine. In this article they tell a story about a 19-year-old asthmatic woman who showed up for work at a bar and within 15 to 20 minutes she suffered a fatal asthma attack. This is a documented case of an asthmatic dying from exposure to environmental tobacco smoke, or secondhand smoke. Unfortunately, this is probably not a unique situation. However, tracking these types of

asthma-related deaths and their links to secondhand smoke has not been possible until quite recently. And as I read the article, I understand there is a group, I don't remember where, I want to say Kentucky, that have received a grant, several grants, in order for them to start tracking these types of deaths. Nebraska ranks tenth in the nation when it comes to asthma mortality rates. It has been estimated that if we as a nation protected our children from secondhand smoke it would prevent over a million asthma attacks and lung and ear infections in children. Research has also shown that the more states spend on comprehensive tobacco control programs, the greater reduction in smoking. So it would stand to reason that increasing the funding to the Tobacco Prevention and Control Cash Fund will have a direct impact on the families and children in our state who suffer daily from asthma. In 1998, the most recent figures that the Nebraska Department of Health and Human Services reports, is that over 112,000 Nebraskans have asthma. Thank you, Chairman and committee members for your time and thank you for your consideration of LB966. [LB966]

SENATOR HEIDEMANN: Thank you, Andrea. Are there any questions? Seeing none, thank you for testifying today. [LB966]

MIKE MARVIN: Good afternoon, Chairman Heidemann, members of the committee. My name is Mike Marvin, M-a-r-v-i-n. Most of you know me as the executive director of NAPE/AFSCME. I've testified in front of you many times. Today I'm testifying as a private citizen. I've been a smoker since I was age 16. I've recently been trying to quit again for the third time. I went out last week and purchased Chantix. My insurance company won't pay for it. I'm lucky. I make a good living. I was able to afford to pay for it. It was $270 for a two-months' supply. A lot of people couldn't do that. They need the support. I would urge you to find a way to get the money out there to people so that they can quit. That's all I have to say today. [LB966]

SENATOR HEIDEMANN: Are there any questions or comments? [LB966]

SENATOR KRUSE: Would you name that product you're... [LB966]

MIKE MARVIN: Chantix. It's a drug... [LB966]

SENATOR KRUSE: Okay. [LB966]

MIKE MARVIN: ...that's out there now that they say is very effective. I've known quite a few people that have used it and they've had good luck with it. So I went out and purchased it and Saturday is my target day for quit. I've been taking it for about a week now. So, you know, I say it is very expensive. [LB966]

SENATOR KRUSE: And you take it for two months? [LB966]

MIKE MARVIN: They say it should go for 12 weeks. They gave me a two-months' supply to begin with, so... [LB966]

SENATOR KRUSE: Okay. Thank you. [LB966]

SENATOR HEIDEMANN: Hope things go good for you. [LB966]

MIKE MARVIN: Thank you. Thank you very much. [LB966]

SENATOR HEIDEMANN: Thank you for testifying today. [LB966]

DAVID HUMM: (Exhibit 3) Good afternoon, Senator Heidemann and Appropriations Committee members. My name is David Humm, H-u-m-m. I'm representing the Lincoln/Lancaster County Health Department here in Lincoln and I am testifying in support for LB966. I will share with you some progress the health department and community partners with Tobacco Free Lancaster County have made regarding tobacco prevention and why, without additional funding, successful programs like ours will suffer across the state. Lancaster County has received funding from Nebraska Department of Health and Human Services since 2001 through the Nebraska Communities of Excellence in Tobacco Control Program. The grant program is one component of the statewide initiative and has allowed us to work with a number of community partners to reduce secondhand smoke exposure, decrease tobacco use, prevent youth from starting to use tobacco, and to reduce tobacco disparities. Tobacco disparities can be defined as certain populations bearing more of the burden of tobacco, such as Native Americans, 18- to 24-year-olds, and those less educated. As you know, Lincoln has a city smoking ordinance that protects the public from secondhand smoke in workplaces and indoor public places. Health department staff responds to all complaints regarding possible violations of the ordinance. The working relationship between the health department and the Lincoln Police Department has kept complaints and violations to a minimum. Over the past three years we have only received an average of 40 complaints per year, while the Lincoln Police Department has only issued an average of 18 violations per year. Our efforts with community education and working closely with businesses have contributed to the success of the ordinance. Our staff continues to be responsible for collecting and monitoring all data related to tobacco use in Lincoln and Lancaster County. Public Health Educators and other community partners continue to engage businesses and the public in discussions about hazards of secondhand smoke, to promote tobacco cessation, and facilitate other prevention efforts. These efforts have produced measurable successes. In 2006, Lancaster County's adult smoking rate was 16.8 percent, down from 23.7 percent just four years ago. This equates to approximately 12,270 fewer adult smokers. Rarely does a tobacco user quit on the first try, but it is encouraging that approximately 21,640 Lancaster County smokers tried to quit within the last year. In fact, 62.4 percent of smokers in Lancaster County report having rules against smoking in their own homes. We have also seen great progress

with one of the disparate populations I mentioned earlier. The smoking rate for those that have only some high school education or less has dropped from 42.1 percent in 2000 to 25.8 percent in 2006. Tobacco compliance checks are done to assess whether retailers sell tobacco to minors. In 1995, the tobacco retailers had a failure rate of 53 percent. In 2007, the failure rate was at 16.5 percent. More work needs to be done, however, as research shows that when compliance checks are done routinely and failure rate is kept below 10 percent, youth are less likely to start using tobacco. This program has been an effective way to hold retailers accountable and take seriously their role in preventing underage sales. Tobacco retailer ID training is also offered as part of this program. The training is held quarterly for all business owners, managers and employees who sell tobacco products. In addition to these successes, there are other indicators that our programs have contributed to a culture change around smoking in Lincoln, and that more resources are needed to meet the demand for assistance. For instance, four major healthcare facilities in Lincoln implemented tobacco-free campuses at the beginning of the year. They join a growing number of large businesses and other healthcare facilities, better protecting the health of staff, patients and visitors. Lincoln's work site wellness counsel, WorkWell, has seen the offering of assistance for tobacco cessation to their member employees increase to an all-time high. The Cornhusker Marriot received some attention locally when Marriot Hotels went smoke free worldwide in 2006, but there are now 13 lodging facilities in Lincoln that are completely smoke free, representing more than 1,000 permanent nonsmoking rooms. Local and statewide tobacco disparity work groups have been developed to implement strategies to help tobacco disparate populations that the tobacco companies continue to market their deadly products to. And local coalitions across the state, like Tobacco Free Lancaster County, have been building community support and developing resources for specific needs in their communities. These local community coalitions are being looked upon for tobacco services. So I ask this committee to make it a priority to adequately fund tobacco prevention programs like ours with state tobacco revenue. As you may know, only $2.5 million of the $104 million in tobacco revenue is currently committed to prevention and cessation services across the state. Without additional funding, we will be unable to maintain this progress we have made in Lancaster County and what similar programs have done across the state. The program results I have shared with you today can easily revert back, as seen in other states who have failed to invest in tobacco prevention. Please understand that this is a critical investment that will improve Nebraskans' health for generations to come. Thank you for your time. [LB966]

SENATOR HEIDEMANN: Senator Wightman. [LB966]

SENATOR WIGHTMAN: Thank you for being here, Dave. I just wanted to check and see if you were the same Dave Humm that used to play football at the University of Nebraska. [LB966]

DAVID HUMM: Well, the easy answer is no. (Laughter) I usually date some people

about that. I think he's a little older than I am, but... [LB966]

SENATOR HEIDEMANN: Any other questions? Seeing none, thank you for coming today. [LB966]

DAVID HUMM: Thank you. [LB966]

LORI McARTHUR: (Exhibit 4) Thank you. Good afternoon, Mr. Chairman, committee members. My name is Lori McArthur, M-c-A-r-t-h-u-r, and I'm the coordinator for the Buffalo County Tobacco Free Coalition in Kearney. The Buffalo County Tobacco Free Coalition has been fighting against the dangerous effects of tobacco use since 1995. Through the years, we have gained great partnerships with schools, businesses and organizations in our communities to share in preventing teen tobacco use and exposure to secondhand smoke. Prior to 2001, the Buffalo County Tobacco Free Coalition used a variety of small funding sources for local tobacco prevention programming. With the allocation of the Master Tobacco Settlement dollars, through LB1436 as mentioned earlier, we were able to concentrate on a comprehensive approach throughout the county. However, in 2003, that program took a major hit and this greatly reduced the efforts of Tobacco Free Nebraska and local tobacco prevention coalitions across the state. I would like to share with you just a few of the many things that Buffalo County has accomplished over the years. In the winter of 2001 and 2002, Buffalo County Tobacco Free Coalition sponsored No Tobacco Weeks in eight of the county's middle and high schools, emphasizing the dangers of using tobacco. The amount of time we were able to spend in each school was dramatically reduced in 2003 due to those funding cuts. In most of those county schools, however, dedicated school counselors and teachers have done what they can to pick up where we left off. Educational campaigns have been conducted over the years that focus on smoke-free homes, vehicles and workplaces. Over 500 smoke-free home pledges were signed. According to the 2003 Buffalo County Behavior Risk Factor Survey, 76 percent of adults reported that no smoking is allowed anywhere inside their house. Results from the 2007 survey will soon be available to us. Since January of 2006, we have seen an additional seven restaurants and bars in Kearney become 100 percent smoke free, and as of January our health system in Kearney became a tobacco-free campus. We collaborate with the Buffalo County Community Partners in empowering county youth to advocate for healthy lifestyle choices by their peers and adults around them. Those efforts include involvement in the countywide Youth Advisory Board and the annual Buffalo County Youth Day at the Capitol, which many of you may have seen them in the middle of January when they came down this year. Young community advocates are being built and these students should be commended for the tremendous amount of dedication they put forth to dramatically changing the lives of their peers. How great would it be if we could spread their enthusiasm across the state. What is most important, through a variety of factors, is that the number of youth and adults who smoke in Buffalo County has significantly decreased. According to the 2007 Buffalo County Youth Risk Behavior

Survey, 18 percent of Buffalo County youth in the 9th through 12th grades are current smokers, down from 35 percent in 2000. Seventeen percent of Buffalo County adults currently smoke, down from twenty percent in 2000. And again, we're waiting for the 2007 results. None of these accomplishments could have been possible without the ongoing support and sustainability that Tobacco Free Nebraska provides to our community. This work may never well end, our county and region continues to voice spit tobacco as a problem among our youth. But over time, and hopefully with increased funding for tobacco control, we will see even greater success in Buffalo County and that success spread throughout the communities across Nebraska. Thank you for your time and consideration. [LB966]

SENATOR HEIDEMANN: Thanks, Lori. Are there any questions or comments? Seeing none, thank you. [LB966]

LORI McARTHUR: Thank you. [LB966]

SENATOR HEIDEMANN: Welcome. [LB966]

KATHY BURSON: (Exhibits 5 and 6) Good afternoon. Good afternoon, Mr. Chairman and members of the committee. My name is Kathy Burson, B-u-r-s-o-n, and I am co-executive director of PRIDE-Omaha Incorporated, which is a parent/community organization dedicated to preventing alcohol, tobacco and other drug use by our youth. I am here today in support of increasing funding for Tobacco Free Nebraska at $7 million. Many of the points that was in my testimony has been already brought up, so I'm going to just briefly go over the points that I feel still need to be made, and one of them is that the 1998 state tobacco settlement and the billions of dollars in revenue it provides each year presented the states with an unprecedented opportunity to attack the enormous public health problem posed by tobacco in the United States and here in Nebraska. While Nebraska has done a good job of allocating tobacco settlement dollars to various health issues, one area that remains woefully underfunded is tobacco prevention and cessation. One of the intentions of the tobacco settlement was to address smoking rates, particularly among our youth. I have handed you copies today of the language from the tobacco settlement that indicates that the tobacco settlement was intended to be used for tobacco-related public health measures, such as the comprehensive tobacco control program and cessation that we've been discussing today. The tobacco settlement provides the dollars for proven effective programming. We would be remiss not to take advantage of this excellent opportunity to effectively address tobacco prevention programming and, most importantly, the idea that it will save lives. Senator Synowiecki has already gone over as far as the toll that tobacco takes on Nebraska, so I certainly will not repeat that. Also it has been brought up that CDC has made recommendations for each state as far as tobacco prevention programming and which they have earmarked $21.5 million per year for a comprehensive tobacco prevention and cessation program. In regards to that, currently Nebraska only allocates $2.5

million, which would be about one-third of what CDC actually recommends. There are two key points to an effective tobacco prevention program and one is that it must be comprehensive and, second, it must be funded adequately and that funding must be sustained. Our present program does an excellent job of meeting all of the requirements for a comprehensive program, but they are far short of the resources recommended by CDC. The other couple points I just wanted to bring up was that this program, again, I want you to keep in mind that it does save lives and money, as pointed out previously. The comprehensive approach and the funding are both key in terms of establishing an effective tobacco prevention program. While Health and Human Services does an outstanding job of following the CDC guidelines, the program lacks the resources necessary to effectively implement all of the components. Take the one component of media and "countermarketing," which Nebraska spends less than $1 million per year. It is incredibly difficult, if not impossible, to effectively run a public education campaign on a budget less than $1 million when we know that the tobacco industry is spending $75.8 million on tobacco advertisement and product promotion. While LB966 does not meet the CDC minimum requirements, it would bring Nebraska much closer than we are now. So for that reason, I strongly encourage you to consider passing LB966. [LB966]

SENATOR HEIDEMANN: Thank you for coming in and testifying, Kathy. Are there any questions? Seeing none...Senator Nelson. [LB966]

SENATOR NELSON: I hate to display my ignorance, but I don't find any term in here that tells me what CDC is. [LB966]

KATHY BURSON: Centers for Disease Control and Prevention. [LB966]

SENATOR NELSON: Okay. And they allocate the funds? [LB966]

KATHY BURSON: They recommend the funding level for each state. [LB966]

SENATOR NELSON: When you say you're woefully underfunded, who is woefully underfunding you? [LB966]

KATHY BURSON: The state is. [LB966]

SENATOR NELSON: State of Nebraska? [LB966]

KATHY BURSON: Right. [LB966]

SENATOR NELSON: And what agency then, where or who makes that determination? [LB966]

KATHY BURSON: Actually, this legislative body makes that determination. [LB966]

SENATOR NELSON: Specifically for your area, tobacco...? [LB966]

KATHY BURSON: For the Tobacco Free Nebraska Program, yes. [LB966]

SENATOR NELSON: Okay. [LB966]

KATHY BURSON: Uh-huh. [LB966]

SENATOR HEIDEMANN: Senator Harms. [LB966]

SENATOR HARMS: How...I guess I don't understand for sure. How is that tobacco money actually being used now? What's the percentage? How is that moved around and allotted? I remember seeing that some time ago but I don't remember. Do we know? [LB966]

SENATOR HEIDEMANN: We could probably do that. It's pretty complex and complicated. And actually, even we allotted more money this year out of that, if I remember right, last year. [LB966]

SENATOR SYNOWIECKI: Last year. [LB966]

SENATOR HEIDEMANN: Yeah, last year. But some more for biomedical research, University of Nebraska, and there was autism was part of that. [LB966]

KATHY BURSON: I will have to say that the health-related areas that are funded are very worthwhile and we certainly don't want to take any from them because, for instance, all of the public health departments, the new public health departments that have gone up across the state, they're invaluable as far as promoting health, health promotion and prevention. But what I want you to remember is that we are talking about the surplus dollars or the increased bonus dollars that are coming into the state from the Master Settlement which, as been mentioned before, is about $5 million. [LB966]

SENATOR HEIDEMANN: That is something that we wasn't aware of and I don't know where that information is coming from. [LB966]

KATHY BURSON: Well, we certainly could provide the confirmation of that and what the source is. [LB966]

SENATOR HEIDEMANN: Okay. Senator Wightman. [LB966]

SENATOR WIGHTMAN: Kathy, can you tell me, this $5 million, I know it was discussed earlier, maybe by John...or Senator Synowiecki, I'm not sure, but is that an annual

amount that we're getting? [LB966]

KATHY BURSON: Will get, starting 2008. [LB966]

SENATOR WIGHTMAN: Or we will get it one time? [LB966]

KATHY BURSON: We believe that it is an annual amount that will be coming in. [LB966]

SENATOR WIGHTMAN: That it will be increased by that amount... [LB966]

KATHY BURSON: Correct. [LB966]

SENATOR WIGHTMAN: ...on an annual basis. [LB966]

KATHY BURSON: Uh-huh. Correct. [LB966]

SENATOR WIGHTMAN: Thank you. [LB966]

KATHY BURSON: Uh-huh. [LB966]

SENATOR HEIDEMANN: Any other questions? Seeing none, thanks, Kathy. [LB966]

KATHY BURSON: You're so welcome. [LB966]

BRIAN KRANNAWITTER: (Exhibits 7 and 8) Mr. Chairman, my name is Brian Krannawitter. I'm the advocacy director with the American Heart Association. I've already submitted some written testimony, but I did have a few copies left and I thought it would be helpful for the committee. I think a question was brought up previously about how much money is coming into the state. The Nebraska Investment Council does projections for, like, eight, nine, ten years out, and what you have here is the projected amounts that are coming to the state. So I just thought that information might be helpful for the committee, and we'll also try to find the answer with respect to the bonus payment, how long that is, whether that's a ten-year period or longer than that. But in any case, these are the projections from the Nebraska Investment Council and I did think the committee might find that information helpful. And that's all I have. And we do support LB966. [LB966]

SENATOR HEIDEMANN: Thanks. Are there any questions or comments? Seeing none, thank you. Is anyone else wishing to testify in support of LB966? (See also Exhibits 9, 10, 11, 12, and 22.) Is anyone wishing to testify in opposition of LB966? Is anyone wishing to testify in the neutral position on LB966? Seeing none, would Senator Synowiecki like to close? Senator Synowiecki waives closing. We will close the public hearing on LB966, and open up the public hearing on LB1018. Senator Synowiecki,

welcome. [LB966]

SENATOR SYNOWIECKI: Good afternoon again, Mr. Chairman, members of the committee. My name is John Synowiecki. I represent District 7 in Omaha. Today I'm introducing LB1018. It's a bill to create the Children's Behavioral Health Transformation and Prioritization Appropriations Act. As this committee is very well aware, last year we passed LB542, which created the Children's Behavioral Health Task Force. As part of that program of task force involvement, the department submitted an implementation plan for dramatic changes to our children's behavioral health system, the name of the report, "Creating Change, Providing Hope for Nebraska's Children, Adolescents and Their Families." This report which was compiled by the department found that the consequences of mental and emotional disorders can be severe and often include family disruption, dropping out of school, assaultive behavior, withdrawal, anxiety, addiction, self-harm, risky behaviors, illegal activities, and in some situations death. Few other conditions are as close in magnitude to the effects of behavioral health problems on youth. Despite the grave consequences, most children and adolescents with behavioral and emotional disorders remain untreated. Of the 12 million children and adolescents in this country suffering from some type of mental illness, fewer than 20 percent receive any treatment, while in comparison 74 percent of children and adolescents with a physical handicap receive treatment. In Nebraska, some reports estimate that approximately 90,000 children and adolescents have a mental health or substance abuse disorder. Approximately 47,000 of those children and adolescents experience significant impairment from such disorders, and approximately 21,000 children and adolescents experience extreme impairment. In 2001 there was the Governor's Symposium on Early Child Mental Health...a Symposium on Early Child Mental Health found that of the 294 youth at the Youth Rehabilitation and Treatment Centers on 11-30-2000, 92 percent had a mental health or substance abuse diagnosis. Youth with emotional disorders, such as depression, are at high risk for suicide. Suicide is the third leading cause of death for children through the age of 19 years of age in Nebraska. Youth with emotional disorders have the lowest employment rate after leaving school, compared to other disability groups. Youth with emotional disorders, as a group, have the highest risk of dropping out of high school when compared to other disability groups. Only 42 percent of students with emotional disorders finish high school. Students with serious emotional disorders have significantly lower grades than other groups. And youth with emotional disorders are at high risk of being placed outside of their homes. Approximately 11,000 children and adolescents are served in out-of-home care each year in Nebraska, and that is a 2000 report from the Governor's Symposium on Early Childhood Mental Health. Members, behavioral health services for children in Nebraska are at a critical state. In a report from the Nebraska Public Policy Research Center, Nebraska ranks 42nd in state mental health authority controlled mental health expenditures for children. The average state expenditure is $92.30 per child. Nebraska's state expenditure is $12.36. The report also found that Nebraska ranks 38th in spending on children and adolescents at community-based programs. The

average spent in United States is $89.40 per child in community-based programs and Nebraska spends $8.10 per child. I'd be willing to answer any questions relative to the bill. I didn't get into the specifics of the bill. It's kind of self-explanatory in what it tries to achieve as far as the logistics of the bill itself. If anyone has any questions, I'd be happy to try to answer it. [LB1018]

SENATOR HEIDEMANN: As far as the money and the amount of money, what's your intent and thought there? [LB1018]

SENATOR SYNOWIECKI: Well, I was going to defer to the legislative process and to the processes of the Appropriations Committee. If there was a distinct interest in this bill, I would defer to my colleagues on the committee and to come up with a number that makes sense. Hopefully, there will be some testimony behind me that can kind of point a finger in the right direction relative to the amount as well. [LB1018]

SENATOR HEIDEMANN: Okay. Thank you. Any other questions? Senator Nelson. [LB1018]

SENATOR NELSON: John, Section 2 talks here about...it doesn't say how much appropriated, but no funds under this act may be used for the operation of centralized state-operated juvenile services or for salaries or per diems for state employees. And so would this all be directed to private outfits then? [LB1018]

SENATOR SYNOWIECKI: Well, what we're moving in, Senator Nelson, that's a great question, it kind of mimics I think what we're doing in the adult system and that we're trying to get away from state-run, institutionalized care for adults and, likewise, I think we are...if you read the Behavioral Health Task Force minutes and that sort of thing, I think likewise what we want to do is move away from state institutionalized care. And this is...that language there is my intent to try to articulate that; that, you know, putting kids in a state-run institution may not be in their best long-term interests. [LB1018]

SENATOR HEIDEMANN: Senator Wightman. [LB1018]

SENATOR WIGHTMAN: John, to follow up on John Nelson's question, is the idea to move all of this out of Hastings? Is that the purpose of present time? [LB1018]

SENATOR SYNOWIECKI: I think the department, who will be testifying against my bill after me, will acknowledge that they are wanting to move away from being at the Hastings Regional Center; that it's probably not the most conducive atmosphere and environment for kids to receive care. What I would like to see is a collaboration between the state and perhaps a privately run facility, and it may very well be in Hastings, but I think that's the way we do it for the most part on the adult side. I think that might be in the best interest of kids, if we have a private, mission-based, perhaps a nonprofit

organization run the service in a contractual relationship with the state, might be in the best interests of, number one, the kids that we serve, number one primarily, and secondly, in terms of cost. [LB1018]

SENATOR WIGHTMAN: To follow up on that question and follow up on John Nelson's question, when you say no funds will be appropriated, are we talking about new appropriations or are we talking about everything that's appropriated to this program; no part of it will be used for a state centralized... [LB1018]

SENATOR SYNOWIECKI: Your first, it will be funds appropriated under this act. [LB1018]

SENATOR WIGHTMAN: Which is in addition to funds already appropriated. [LB1018]

SENATOR SYNOWIECKI: Right. Right. [LB1018]

SENATOR WIGHTMAN: Thank you. [LB1018]

SENATOR HEIDEMANN: Senator Harms. [LB1018]

SENATOR HARMS: John, on page 3, line 8, you got it? Okay, when you talk about array of services throughout the community, what are you talking about? What does array of services mean? I guess I'm not...I don't understand what that means. [LB1018]

SENATOR SYNOWIECKI: It means everything, the whole continuum, all the way from prevention activities to residential-based care. Again, the department identified...I lifted that language from the department's report that was part of the LB542 initiative. The name of it was "Creating Change and Providing Hope for Nebraska's Children." I essentially, John, what I did is I lifted that balance of array of services. I would...you know, what I would do, I'd defer to the department. I would invite you to ask the exact same question to the department. I simply lifted that language from them. My understanding of it in reading the report is that it's simply that we have a continuum of services in all of our communities throughout the state of Nebraska, all the way from prevention to residential-based kind of services. [LB1018]

SENATOR HARMS: Okay. Thank you. [LB1018]

SENATOR SYNOWIECKI: Thank you. [LB1018]

SENATOR HEIDEMANN: Any other questions? Are you planning on closing? [LB1018]

SENATOR SYNOWIECKI: I don't know. I'll just wait and see how it goes, I guess, Mr. Chairman. [LB1018]

SENATOR HEIDEMANN: Okay, as questions come up. I was just curious, but... [LB1018]

SENATOR SYNOWIECKI: Yeah. [LB1018]

SENATOR HEIDEMANN: Okay. Thank you. [LB1018]

SENATOR SYNOWIECKI: Thank you. [LB1018]

SENATOR HEIDEMANN: Out of curiosity, how many people plan on testifying in support of LB1018? How many people in opposition? How many people in the neutral position? Sounds good. (Laughter) We'll take testimony now in support of LB1018. [LB1018]

BRAD MEURRENS: (Exhibit 13) Good afternoon, Senator Heidemann, members of the committee. For the record, my name is Brad, B-r-a-d, Meurrens, M-e-u-r-r-e-n-s, and I'm the public policy specialist and registered lobbyist for Nebraska Advocacy Services, the Center for Disability Rights, Law, and Advocacy, and I'm here today to support LB1018. As the designated protection and advocacy organization for Nebraskans with disabilities, we have supported the development of community-based behavioral health services as an alternative to services provided almost exclusively in large, state-operated institutions. Adults and children should have every opportunity to receive behavioral health services in the community rather than in regional centers or other state-operated institutions. Community-based services are a cost-effective alternative to the regional center system on which Nebraska has relied primarily for the delivery of behavioral health services. Nebraskans needing behavioral health services should receive those services at a location closest to their own communities. People needing behavioral health services should be allowed to draw upon their communities, families and friends in order to maximize their recovery. This is especially true for youth. In order to fulfill the promise of behavioral health reform for both adults and youth, the Legislature needs to demonstrate the political will for and the financial support of behavioral health reform. For community-based behavioral health reform to succeed communities need to develop the capacity to serve youth with behavioral health needs. For example, youth will not benefit from reform if communities do not have buildings to provide services or providers willing to serve the youth in their community. Communities need to be prepared for the transition from institutional to community-based care. Consequently, we support the appropriation of public dollars for the development of public-private partnerships to address the ability of communities to provide behavioral health services to Nebraska's youth, as outlined in this bill. Behavioral health reform in Nebraska will require nontraditional approaches to the array and delivery of services to Nebraska's youth, as well as a strong partnership between public and private resources. We would recommend LB1018 to be advanced out of this committee and passed by the

Legislature. I would be happy to entertain any questions the committee may have at this point. [LB1018]

SENATOR HEIDEMANN: One of the things that you said is moreover, we believe that Nebraskans needing behavioral health service should receive these services at locations closest to their own communities. Do you think we're going to get providers providing in Scottsbluff and Alliance and Chadron? [LB1018]

BRAD MEURRENS: Well, I think that's the intent and the vision of LB1083 and the behavioral health reform. But again, those providers aren't going to be in those communities if there's not an infrastructure and things needed to develop the capacity to serve those people in those communities. [LB1018]

SENATOR HEIDEMANN: Senator Nantkes. [LB1018]

SENATOR NANTKES: Thanks, Brad. [LB1018]

BRAD MEURRENS: You're welcome. [LB1018]

SENATOR NANTKES: Thanks for being here. I know that you, personally, and your organization have a kind of longstanding commitment to these issues and I was wondering if you could expand a little bit, in addition to the broad public policy reasons, like the quality of life for affected youth and the overall cost efficiencies that could be achieved, if you could discuss kind of a sense of the timing about this legislation and if there is, in fact, any sense of urgency in terms of moving forward with where we're at today and where we need to go. [LB1018]

BRAD MEURRENS: Yeah. You know, LB1083 was passed several year...a few years ago and we are still struggling to develop the capacity of services, providers, structures in communities to provide those services. We still have a long...we've made some progress, but we still have a long ways to go and it's our opinion that, you know, without the financial and political support of the Legislature, the vision and outcomes envisioned in LB1083 would not happen. So I would say that we should act relatively urgently on the issue because we have a long ways to go and we're already kind of behind, at least in the vision of LB1083. Does that answer? [LB1018]

SENATOR NANTKES: No. That is helpful and I'll tell you, you know, I'm just thinking generally as well that, you know, with term limits coming into play for half...almost half of our membership this year, you know, these are really big issues that I think we're going to lose a lot of institutional expertise on and that's something that concerns me and I think is further impetus for kind of moving forward while we still have the benefit of that expertise. [LB1018]

BRAD MEURRENS: I would agree. [LB1018]

SENATOR NANTKES: Thanks. [LB1018]

SENATOR HEIDEMANN: Senator Harms. [LB1018]

SENATOR HARMS: Until I met John Synowiecki, I never gave much thought to community services, I mean community-based services, but he's made me a real believer in this. And then talking to parents, it's pretty clear where I live that the last thing they want to have is their children placed in an institution and have to drive clear back to Hastings. It's expensive. They don't live there and they can't give the child or the teenager love and compassion as a family. So I'm really thinking that it's time to make these changes and get this thing put together, and I thank you for at least getting me focused on that. So as we look at these centers, what are we thinking...what are you thinking in regard to cost to establish these centers? [LB1018]

BRAD MEURRENS: Boy, that's a good question. I don't know if I can give you a definite number or even a ballpark figure of what those dollar figures would be, although I would say they might be hefty, at least on first blush. But you should take into consideration the...and, you know, analyze the difference between providing for institutional care versus community-based care, and I think that you'll find that if they're...the cost savings, whether it's a lot or a little, there still would be some cost-effectiveness issues around providing services in the community rather than in completely state-operated and state-funded institutions. [LB1018]

SENATOR HEIDEMANN: Senator Nelson. [LB1018]

SENATOR NELSON: Along the same lines with Senator Harms's question, you've got a statement here, youths will not benefit from reform if communities do not have buildings to provide services or providers, and communities need to be prepared for transition from institution to community based. I see a lot of dollar signs there. Who's going to pay for the buildings? Are the communities or is the state of Nebraska? [LB1018]

BRAD MEURRENS: Well, I think the intent of the bill is to establish, you know, burden sharing between public resources and private resources. I would, you know, defer to Senator Synowiecki, but I would say that it's going to take...it's going to take an effort on both the public institutions, like government, Legislature, and the private resources in order to really fully achieve the outcomes. And I understand where you're coming from in looking at it purely funding from state dollars. I think that we need to again approach this from a nontraditional aspect and try to marshal all the resources that we can and share the burden of building the capacity to serve. [LB1018]

SENATOR NELSON: I was just going to...we have facilities in place now that maybe

can be renovated. They might be at Hastings. But we're comparing the cost of driving from Scottsbluff to Hastings to millions of dollars here to make it, you know, closer and more convenient. I'm just wondering out loud if matching the two...whether it's money well spent. [LB1018]

BRAD MEURRENS: Oh, well, I would say, you know, providing community-based services is money well spent. You know, our position is that people should be closer to their communities to draw upon those resources and to have the love and compassion of their families, especially for youth, because that, you know, plays a key role in the recovery of youth in getting them kind of back on track. Does that kind of get at your question? [LB1018]

SENATOR NELSON: Well, you might have them in Scottsbluff, and I don't want to pick on Scottsbluff, but another area is...let's talk about Hemingford or something like that,... [LB1018]

BRAD MEURRENS: Okay. [LB1018]

SENATOR NELSON: ...driving 100 or 200 miles. [LB1018]

BRAD MEURRENS: Uh-huh. [LB1018]

SENATOR NELSON: Do you still call that using community bases and resources there? [LB1018]

BRAD MEURRENS: Well, in the communities...in the community...I mean, that would be a community-based...you know, community-based mental or behavioral health service provision. I guess I don't really understand. [LB1018]

SENATOR NELSON: Well, if driving is the thing, if that's one, and that's not the only thing, I understand, but you can't have...I think it's going to be difficult to have a lot of community-based services scattered all over the state. I'm just not certain the people are available for that. [LB1018]

BRAD MEURRENS: Well, I mean, that's certainly, you know, is a key issue, but I think this bill is one of the tools that directly addresses that. Like I said, you know, the communities need to be prepared and have the providers lined up and ready to go in to provide those services in the community. Right now, you're right, Senator Nelson, there is some question about the availability of providers to go in, you know, right now, tomorrow, and serve the children that need these services, but we...our hope is that with an appropriation by this body and the Legislature through this bill that that capacity for those providers to go in, into the communities, and provide those services would be realized. [LB1018]

SENATOR NELSON: Okay. Fine. Thank you. [LB1018]

SENATOR HEIDEMANN: Senator Wightman. [LB1018]

SENATOR WIGHTMAN: I thank you for your testimony. Right now I know we have a facility at Hastings that houses, is my understanding, about 40 people at the current time. Is that correct? [LB1018]

BRAD MEURRENS: I don't know what the current census is on the Hastings facility, but I don't think it's...my recollection is the census is not very large. There's a very few children that are receiving services in that area. [LB1018]

SENATOR WIGHTMAN: Now how many other children across the state, do you have any idea, are we treating in some method other than in a confinement situation such as we have in Hastings? [LB1018]

BRAD MEURRENS: Boy, you know, Senator, I don't know the answer to that question off the top of my head. I mean, I'd be happy to try and find that information for you, but at this point I don't know. [LB1018]

SENATOR WIGHTMAN: But as far as you know, they are the only ones that are housed and we have facilities for at a permanent...semipermanent location. [LB1018]

BRAD MEURRENS: In just in Hastings or...? [LB1018]

SENATOR WIGHTMAN: Well, do we have...what other facilities are we talking about at the current time? [LB1018]

BRAD MEURRENS: Boy, you know, Senator, I don't really know. [LB1018]

SENATOR WIGHTMAN: And we have a lot of them that are not nearly as intense as the one in Hastings and are being treated out in the community now. Is that correct? [LB1018]

BRAD MEURRENS: Yes, there are some children being served in the community, but not nearly to the extent that it needs to be. [LB1018]

SENATOR WIGHTMAN: So you're really talking about a fairly substantial, I gather, expansion of services in addition to doing whatever needs to be done or you submit should be done at the Hastings facility. Is that correct? [LB1018]

BRAD MEURRENS: Well, I don't know...I don't think we can really categorize the

Hastings program as a community-based behavioral health service. I mean it is still being...you know, those services, they are still being provided on the grounds of the regional center. [LB1018]

SENATOR WIGHTMAN: I wasn't considering it community based. [LB1018]

BRAD MEURRENS: Oh, okay. [LB1018]

SENATOR WIGHTMAN: I was considering it being at a central location. [LB1018]

BRAD MEURRENS: Sure. [LB1018]

SENATOR WIGHTMAN: And the others, that are being treated in a less-intensive manner, being community based, but... [LB1018]

BRAD MEURRENS: Yeah, community, like Senator Synowiecki said, you know, the array of services can be from not very intensive to very intensive. So I guess it would span the whole, you know, span the whole spectrum of those services. And you could have that whole spectrum from the least intensive to the most intensive at a site other than the Hastings Regional Center or other state-operated, centralized facilities. [LB1018]

SENATOR WIGHTMAN: When we're talking about community based, and maybe you don't know the answer to this, but are we talking about building some facilities--and I think Senator Nelson was getting to that question--at these scattered site locations that would be community based and would we be looking at the construction of facilities? [LB1018]

BRAD MEURRENS: Well, I think that's a question that needs to be answered by the communities themselves. You know, some communities may have vacant buildings that can be renovated and used; some communities may not. There may be need for construction, there may be need for renovation. It could run the whole gamut because, I mean, every community is different. [LB1018]

SENATOR WIGHTMAN: As far as personnel to handle this, do you see that as being an expansion of the number of personnel? Obviously if we're talking community based, we're going to be talking about employees of the community-based provider as opposed to state employees, but... [LB1018]

BRAD MEURRENS: Well, I think, you know, like I said, the provider issue, the number and quantity of providers available to provide services is definitely one of the vital issues that you need to address both in the bill and in general in terms of having the capacity and the infrastructure to provide those services in the community. Would we need to

expand the number of providers? Perhaps. I guess it would just...it would depend on, you know, how many are in that community. You know, are there ways in which we can transfer individuals who were providing services at those institutions? Can we move them into the community and, you know, move people around and kind of restructure the delivery of services? [LB1018]

SENATOR WIGHTMAN: Thank you. [LB1018]

SENATOR HEIDEMANN: We're trying to get a handle on...you're telling us what we need to do, but I'm trying to figure out in my own mind how much this is going to cost. [LB1018]

BRAD MEURRENS: I mean that's a good question. I don't have a figure for you. You know, it could be a wide-ranging issue. Again, it will depend on a lot of different variables: How are the communities right now set up to receive providers? Do they have buildings? Is there construction? You know, what...how many providers would we need? Do we need more? Do we need less? More here, more there in the western part of the state, eastern part of the state? Those...that's a figure that is above my pay grade, Senator. [LB1018]

SENATOR HEIDEMANN: Well,... [LB1018]

BRAD MEURRENS: But, I mean, I understand your question. [LB1018]

SENATOR HEIDEMANN: ...I think the Appropriations Committee is looking for direction, is what we're doing, and I know there's...what you're trying to accomplish here, but we need directions for exactly how much money we would even appropriate, and I don't know if we're at that point yet. [LB1018]

BRAD MEURRENS: Yeah, I don't know if we are either, Senator. I mean... [LB1018]

SENATOR HEIDEMANN: Senator Harms, then Senator Engel. [LB1018]

SENATOR HARMS: John, do you have with this program, have you guys put together a long-range plan of how this would all come together? [LB1018]

SENATOR SYNOWIECKI: The department has. [LB1018]

SENATOR HARMS: Okay. [LB1018]

SENATOR SYNOWIECKI: They've come up with an implementation plan. Their position is they need no additional infusion of money, but I think all the stats and so forth that I gave is pretty...profoundly impacts me to think otherwise, that we do need an infusion of

new money, that we shouldn't try to do this on the cheap, if you will, with existing funds. [LB1018]

SENATOR HARMS: So there is a plan then where they might be located and that sort of stuff? [LB1018]

SENATOR SYNOWIECKI: Uh-huh. [LB1018]

SENATOR HARMS: Well, then that answers our question. We just have to find out what that plan is and see what the costs might very well be. Is that correct? [LB1018]

SENATOR HEIDEMANN: Senator Engel. [LB1018]

SENATOR ENGEL: Well, that's what I was going to mention. We need something to start with, because if you're going to let us second guess, we don't second guess probably really too much. On this side we second guess down here. So I think we need some...(laughter) because we have to, but I think we need some kind of a basis to work with here. We can't just say here's $10 million or $1 million or $50. [LB1018]

BRAD MEURRENS: Oh, I mean, I agree. I mean it would be...it would not be wise to just throw an arbitrary number and not have any sort of idea of, you know, whether that number or that funding would be adequate to fulfill the promise of the bill, I agree with you, but I don't have a number right off the top of my head for you. I wish I did. [LB1018]

SENATOR HEIDEMANN: And then even if you had a number, one of my questions are is justify it. [LB1018]

BRAD MEURRENS: Right. [LB1018]

SENATOR HEIDEMANN: And that's what we would have to get to. Senator Kruse. [LB1018]

SENATOR KRUSE: With all due respect to my colleagues here, we're asking a person whose job is not to develop that plan, (laugh) the questions that other persons in this room have to do. So they'll be up. [LB1018]

SENATOR ENGEL: Okay. We'll wait. [LB1018]

SENATOR HEIDEMANN: Maybe with that... [LB1018]

SENATOR KRUSE: It's not his job to answer those questions for, like, facilities and so on. [LB1018]

SENATOR HEIDEMANN: Are there any other questions or comments? Seeing none, thanks, Brad. [LB1018]

BRAD MEURRENS: Thank you. [LB1018]

AMY RICHARDSON: (Exhibit 14) Good afternoon, Senator Heidemann and members of the Appropriations Committee. My name is Amy Richardson, R-i-c-h-a-r-d-s-o-n, and I serve as the director of business development at Richard Young Hospital in Kearney, Nebraska. I'm here representing the Nebraska Association of Behavioral Health Organizations, NABHO, and I'm also...which is...the letter is on NABHO stationery, but I'm also representing CAFCON, which is Children and Family Coalition of Nebraska. NABHO is comprised of over 35 organizations statewide that actively promote sound, responsive, efficient and effective behavioral health services for the people of Nebraska. NABHO and CAFCON strongly support the concepts contained in LB1018. Adopting a Children's Behavioral Health Transformation and Prioritization Appropriations Act acknowledges the pressing need to address funding for children's behavioral health systems in our state. Investing in the future of our most vulnerable citizens is most advantageous to the overall behavioral health system. Challenges we see facing the current children's behavioral health system are great numbers of children waiting in inpatient settings and lengthier stays in our hospital. The behavioral health system for children is being pushed and pulled in multiple directions due to not developing the strategies or plans such as the ones that have been identified in the children's behavioral health plan written by the task force. Children are having multiple placement changes. Some of the youth in our hospital have moved 20 to 25 times. We are fortunate to not have a severe financial crisis. The dollars are there but need to be used in a different manner. According to this legislation, the money could not be used by the state to build more state facilities. The children need to be in the least-restrictive, closest-to-home setting. This does not mean that children's state facilities should grow or be bartered for because of economic development or any reason other than it is closest to home for the majority of the children, which is in their best interests. There is hope for the children. I see it each and every day. We believe that having the youth served at the community level and supporting the private providers and building a service array that promotes a vision of the Children's Behavioral Health Task Force will mean that Jane from Overton, Nebraska, can stay and be treated and have her parents involved in her care, John who is from Omaha will not have to go to Hastings for his drug and alcohol treatment but can be treated right in Omaha. We have living examples of the life-changing moments that occur when youth are in settings where their caregivers have ready access and involvement in their youth's treatment. I would be most happy to share some of those with you at another time. Please support LB1018 and give Nebraska's children hope in supporting the appropriation priority and transformation act. [LB1018]

SENATOR HEIDEMANN: Thanks, Amy. Senator Wightman. [LB1018]

SENATOR WIGHTMAN: Amy, thank you for being here. [LB1018]

AMY RICHARDSON: Uh-huh. Sure. [LB1018]

SENATOR WIGHTMAN: I'll try to stick to Senator Kruse's admonition here and not get into too many details. [LB1018]

AMY RICHARDSON: I would thank you for that. [LB1018]

SENATOR WIGHTMAN: But I assume perhaps that you do have some knowledge of what is being done on community based. [LB1018]

AMY RICHARDSON: Uh-huh. Uh-huh. [LB1018]

SENATOR WIGHTMAN: Because you are treating, at Richard Young in Kearney, some of these same... [LB1018]

AMY RICHARDSON: Uh-huh. Absolutely. [LB1018]

SENATOR WIGHTMAN: ...behavioral youth,... [LB1018]

AMY RICHARDSON: Uh-huh. [LB1018]

SENATOR WIGHTMAN: ...behavioral problem youth. [LB1018]

AMY RICHARDSON: Uh-huh. [LB1018]

SENATOR WIGHTMAN: I guess, first of all, I would ask, do you think that there will be a growth in the number if it's moved out entirely to community-based providers as far as youth that you will be treating or...? [LB1018]

AMY RICHARDSON: I would think that...I guess I'll answer it that I see this very similar to the adult behavioral health system transformation. I really do not see, as far as when there was talk about the...I don't know if I'm answering this, but as far as the growth, it's not in the buildings. It's in the services. You don't have to have a new building. You don't have to have centers. We were able at Richard Young specifically, with the adults, we have not added on. We haven't added on anything and we've been able to absorb and serve the people from central Nebraska that would have gone to the regional center in the past, are being treated right now in our hospital. And our stays are shorter. The reoccurring, you know, EPCs is down. You know, our outcomes are very significant that it is working. So I guess what I...if I'm answering this right, is I think that the services that the communities can develop and the providers that could be developed and used in a

different manner than what they currently are, if they had the financial support to do that. And I would also want to encourage the use of telemedicine. I mean, a lot of families and kids can be using telemedicine and you don't need to have a center. You can do videoconferencing. You can do things at the prevention level before it comes to that extreme. [LB1018]

SENATOR WIGHTMAN: Are you familiar with the behavioral problems that would exist among those youth in Hastings, at least somewhat? [LB1018]

AMY RICHARDSON: You mean the juvenile offenders... [LB1018]

SENATOR WIGHTMAN: Right. [LB1018]

AMY RICHARDSON: ...that are in drug and alcohol? [LB1018]

SENATOR WIGHTMAN: Right, that are being treated there. [LB1018]

AMY RICHARDSON: Uh-huh. Uh-huh, I mean somewhat. [LB1018]

SENATOR WIGHTMAN: And would they generally have more severe problems than the ones you may be treating at Richard Young? [LB1018]

AMY RICHARDSON: I would say no. I would say no. I mean I...we see some very significant...adults and children with very significant needs in our hospital and at that point we would not serve them in our hospital if...we only have a female residential treatment center, we do not have a male one, but, for example, some of the young women that we have, they aren't offenders and they haven't gone that route, like going to Geneva, but they have very significant needs and drug and alcohol issues, and they may stay at our center, you know, for four months. Or they...some of the girls that are in our inpatient setting when they have a psychiatric crisis then will, if they're from the Omaha area for one reason or another that they've ended up in the central part of the state and been in our hospital, then they are moved back closer to their homes and into residential treatment centers in Omaha or drug and alcohol centers there. [LB1018]

SENATOR WIGHTMAN: So would it be your...one more. I don't want to dominate (inaudible). Can I ask one more question? [LB1018]

SENATOR HEIDEMANN: Sure. [LB1018]

AMY RICHARDSON: I hope I'm answering your questions. [LB1018]

SENATOR WIGHTMAN: As far as... [LB1018]

SENATOR KRUSE: That's it for today. (Laughter) [LB1018]

SENATOR WIGHTMAN: Well, I didn't want to cut any of you out here either, but your thought is that you could handle almost any youth that might come to you by way of the Hastings facility. Is that correct? [LB1018]

AMY RICHARDSON: Uh-huh. Uh-huh. Uh-huh. [LB1018]

SENATOR WIGHTMAN: Do you have some that are confined on a somewhat continuous basis in your facility? [LB1018]

AMY RICHARDSON: In...on our inpatient setting, of course, they're all kind of confined because it's a locked door, and in the residential treatment center for our females, and most of them are wards of the state, they aren't confined because it is an unlocked door, but they somewhat are. I mean they're wards of the state. They have to stay there. They have to finish their treatment plans. They have to work with their families. They have goals to do that. But I would have to say, I mean, we've had youth that have, you know, pulled guns on people. We've had them that have assaulted other people. We've had some that have hurt their siblings. I mean, we've had some juvenile offenders and, yes, we've been able to handle it, and that's not even really our forte. There's other providers that do that and may be able to do that course better, especially around alcohol and drugs. But Omaha, you know, that system there, there are many, many very good, you know, providers, and that's where the most of the youth are from. [LB1018]

SENATOR WIGHTMAN: Thank you. [LB1018]

SENATOR HEIDEMANN: You had someone pull a gun? [LB1018]

AMY RICHARDSON: Not in the hospital. [LB1018]

SENATOR HEIDEMANN: Well, that's why I was... [LB1018]

AMY RICHARDSON: But, no, before they got there. [LB1018]

SENATOR HEIDEMANN: Okay. [LB1018]

AMY RICHARDSON: That may be the reason they were hospitalized though. [LB1018]

SENATOR HEIDEMANN: Okay. Senator Nantkes. [LB1018]

SENATOR NANTKES: Hi, Amy. [LB1018]

AMY RICHARDSON: Hi. [LB1018]

SENATOR NANTKES: Thanks for being here. [LB1018]

AMY RICHARDSON: Uh-huh. [LB1018]

SENATOR NANTKES: This actually dovetails really nicely, I think, with Senator Wightman's line of questioning. Just simply put, your position, the position of the two organizations that you're here representing today, is that there currently exists within the provider community services that are equipped to deal with the variety of different levels of severity that youth are facing in terms of behavioral health and their needs. Is that right? [LB1018]

AMY RICHARDSON: That is what we're saying. [LB1018]

SENATOR NANTKES: And so that this legislation really helps facilitate a move towards those community-based services which already exist and away from state institutions. [LB1018]

AMY RICHARDSON: Exactly. Exactly. [LB1018]

SENATOR NANTKES: Thanks. [LB1018]

SENATOR HEIDEMANN: Senator Nelson. [LB1018]

SENATOR NELSON: You say you're facing challenges here, greater numbers of children waiting in inpatient settings and lengthier stays in the hospital, children having multiple placement changes. Could you tell me what's causing that? [LB1018]

AMY RICHARDSON: If I...I would love to tell you if I knew what that is. I'm not sure...certain what it is. Right now we have kids that are waiting not because there may not be a placement resource, but they may be waiting for Medicaid, Magellan to make a decision, a caseworker to make a decision, the court to make a decision where these kids can go. In the meantime, they're just like in limbo land waiting for somebody to make a decision where the next place is to go. And I think that's clearly what's happening at BryanLGH and Alegent, too, and Immanuel. [LB1018]

SENATOR NELSON: Thank you. [LB1018]

SENATOR HEIDEMANN: Any other questions or comments? Seeing none, thanks, Amy. [LB1018]

AMY RICHARDSON: Thank you. [LB1018]

SENATOR HEIDEMANN: Anyone else wishing to testify in support of LB1018? Anyone wishing to testify in opposition to LB1018? [LB1018]

TODD LANDRY: (Exhibit 15) Good afternoon, Senator Heidemann, members of the committee. My name is Todd Landry, L-a-n-d-r-y. I'm the director of the Division of Children and Family Services with DHHS and I am here today to provide testimony in opposition to LB1018. My written testimony is coming around which you'll have for you. In the interest of your time, I'll try to not hit on all of those points but try to hit on just a few highlights. The department's primary concern with this bill is that the bill calls for an expansion of capacity of residential treatment services. This is in direct opposition to DHHS's goal of increasing the number of youth served in their own home and reducing the number of youth served in out-of-home settings. We do not believe that there's a need for additional residential treatment capacity. In January 2008, there were 472 youth served in residential beds in the state of Nebraska. There are currently 200 residential treatment beds vacant, unused in the state of Nebraska. We recognize and commit that existing capacity may need to be adjusted so that more of the existing beds are converted to either serve youth with more severe treatment needs or in different locations in the state. But again, we do not feel that we need additional residential treatment capacity at this time. As you consider LB1018, I would like to also share a few thoughts with you about activities currently underway or planned related to children served by DHHS. In order to truly change from out-of-home to in-home services, reduce children coming into state care, and effectively and efficiently change the service delivery system from high-end, high-cost services to less intrusive, early intervention services, it's necessary to change the whole system and not just an isolated piece of the system. Our current direction in DHHS is to proceed in a more encompassing way with services and the service delivery system. While LB1018 appears to focus on expansion of capacity of residential treatment services, we envision a future that addresses all levels of out-of-home as well as in-home care for children. As you may be aware, the department's response to the work of the Behavioral Health Task Force, formed as a result of the passage of LB542 during the last session, outlines the department's intent to develop a true continuum of services that we refer to as our service array. The service array as shown in your packet is Figure 1. The pyramid includes a high level of care for children needing more intensive services, like psychiatric residential treatment facilities or inpatient hospital stays; however, it also includes lower level, lower intensity services as well. The pyramid symbolizes our desire to serve children at the right level of care for the right amount of time in the right setting with more and more children being served in lower, less-intrusive and less-restrictive services. At the present time, the division has just under 7,000 children in our care and custody. Of these nearly 7,000, about 4,800, or 70 percent, are served in some type of out-of-home care setting. We're committed to serving more children in in-home settings over the next few years and we will be moving from 70 percent of children served out of home to 70 percent of the kids being served in-home with wraparound services. This is shown in a diagram on Figure 2. As you know, we've also been working diligently to reduce the total number of

children in out...as state wards, and to expedite movement to permanency for kids. We've reduced our numbers of state wards from an all-time high of 7,800 kids in April 2006 to under 7,000 in January 2008, a reduction of over 800 kids successfully reunified with a parent or with a finalized guardianship or adoption. By January 2009 we intend to have 6,000 or fewer state wards and eventually be down to 5,000 or fewer state wards by January 2011. We have also moved forward with beginning to change our service delivery system. In early February 2008, we released an RFP for an administrative services organization for managed care for treatment services for children, and we plan to soon release an additional RFP for in-home services and to possibly follow up in the future with an RFP for all out-of-home services. In conclusion, we oppose LB1018 because we do not believe there's a need for additional residential treatment beds in Nebraska. This legislation would be contrary to our stated goal and initiative of increasing the number of kids served in their own home with wraparound services. We believe we have the right plan and we believe it's the right thing to do for Nebraska kids and families. Thank you, and I'd be happy to attempt to answer any questions that you may have. [LB1018]

SENATOR HEIDEMANN: Senator Harms. [LB1018]

SENATOR HARMS: Do you have a long-range plan that sets your goals in accomplishing what you have established here? I mean, where are you going to be and what's your time line, how are you going to reach it? [LB1018]

TODD LANDRY: Well, we've been very specific about certain time lines, such as the total number of state wards that we have in the system. We have not developed the specificity on certain other aspects except to say that within the next few years we hope to be serving 70 percent of their kids that are state wards in home versus out of home. As you may know, we released this report on January 4, having received the LB542 task force's formal report on December 14, and so we're now in the process of adding even more concrete details to that. Part of what we will be doing, as I said, we've already released the RFP for an ASO organization. We will be releasing an RFP in early March to increase capacity for in-home services, and those are the first steps along the way towards achieving the service array that we've diagramed out. [LB1018]

SENATOR HARMS: So when you come back next year and we, whoever sits around this table, has a discussion with you in regard to your budget, will you be able to show us where you are or where you've come from and the benchmarks you have for the future and how you're going to evaluate those benchmarks, so that we have some idea that you are truly being successful? You know, it's easy to...I don't mean this in a negative sense. Don't take it that way. It's easy to, you know, drop the number of children you have. But the question that I always have is, you know, what criteria do you have, how do you establish the goal of whether or not they're successful or not and what criteria are you using? I mean those are all, really, to me, are very important

questions and issues that just always come up when we have this discussion. [LB1018]

TODD LANDRY: Right, and...sorry. The most important goals that we have relate to the federal outcomes that are contained in the Children and Family Services Review, known as the CFSR. It is very important to note that in that CFSR there are components to the outcomes that will measure those exact things. Not only are they measuring our success rate and timeliness to permanency, either through reunification or adoption, but the other things that are contained in that measure also look at recidivism--how often are those kids coming back into the system, the amount of reentry into the system. And I think it's important to note and is something that I want to truly commend and recognize the staff of HHS, as well as all of our partners in doing, is during the time that we have reduced the total number of kids from over 7,800 to fewer than 7,000, our reentry rate has dropped as well. So, to a large degree right now, our strategies are working and those federal outcomes that we're required to report are demonstrating that we're able to reduce the total number of kids. At the same time, we're able to reduce that reentry rate which is one of the ways that we're measuring our success. [LB1018]

SENATOR HARMS: So will you share that information with us then? [LB1018]

TODD LANDRY: Absolutely. [LB1018]

SENATOR HARMS: Would be helpful. [LB1018]

TODD LANDRY: Absolutely. We'll be happy to. [LB1018]

SENATOR HARMS: Thank you. [LB1018]

SENATOR HEIDEMANN: Senator Wightman. [LB1018]

SENATOR WIGHTMAN: Yes. I know a year ago when we discussed the behavioral health issue we talked a lot about the Hastings facility and it seemed that there was a rather high number of employees compared to the number of youth that were being served there. Can you give us any figures on where we are on that now? [LB1018]

TODD LANDRY: Sure, be happy to. What I can tell you is that a year ago there were three services that were being provided on the Hastings Regional Center campus. One of those services was for acute care for youth. At one time there in the past year there were as many as, I believe, 12 or so kids in that acute care unit at Hastings Regional Center. That number declined over the course of the last several months and in January, after we had received the recommendations that confirm this approach from the task force, we closed that acute unit at Hastings Regional Center. So there are no longer any youth served in the acute youth or the acute portion of the Hastings Regional Center, so no youth are being served there. The other two components that were still

there on the Hastings Regional Center campus are still there, the largest being chemical dependency or substance abuse treatment for youth specifically paroled from the YRTC-Kearney facility. These are law violator, juvenile delinquent youth who have been ordered to YRTC by a judge in our state. They have been ordered there for a very specific reason, because of their law violation. For those youth who need CD treatment, chemical dependency treatment, and who are committed to YRTC-Kearney, we have the facility at, and the program at, Hastings Regional Center campus right now to serve those youth. There's a capacity of 40 beds for that facility. As of last week, we actually had 40 youth who were there at that facility at the Hastings Regional Center campus. The other and third and final piece that's on the Hastings Regional Center campus is a program for developmentally disabled individuals. Believe the name is Bridge Builders. I may have the wrong name there. [LB1018]

SENATOR HEIDEMANN: Bridges. [LB1018]

TODD LANDRY: Bridges, thank you. [LB1018]

SENATOR HEIDEMANN: Bridges. [LB1018]

TODD LANDRY: The Bridges program, I believe that serves a relatively small number, and since that's not my division, I'm speaking off the top of my head here, but I believe it's about 16 individuals that are served there in that program. Those are the only two remaining pieces of programming that are left at Hastings. The CD, the chemical dependency treatment, and the developmentally disabled treatment. It is important to note, and I would like to state, that I think there is the question about whether or not the youth who are currently served at Hastings Regional Center for chemical dependency should, in fact, be served in the communities. The issue that I have, and it's a fundamental issue that I've shared with the task force, is I have a fundamental concern that when a judge, whether separate juvenile judge or a district judge, has ordered the law violating youth must therefore no longer be served in the community and must go to YRTC-Kearney, it is, I believe, not appropriate for us to turn around and send that kid right back out into an unsecure facility in the communities. To me, that is not the intent of why the judges have sent them to YRTC-Kearney. We're only talking in this case about those law violators that the judges have sent to YRTC-Kearney. Those are the kids that I believe need to continue to be served in a CD treatment facility and in our plan, as many of you, I think, know, we have proposed that a new facility be built with private dollars with a community somewhere in the state, possibly Hastings, possibly somewhere else, that would then have the correct environment and the correct atmosphere in order to promote the most conducive use of treatment for those chemically dependent youth who are committed to YRTC-Kearney. That is our position. We're proposing a 50-bed facility, which, you know, demonstrates a very small increase but, nonetheless, one that our past experience, we believe, would support. And we believe that that's the appropriate way to serve those kids. We do not believe that it's

appropriate for us to send them back out to a nonsecure facility. And right now, all of the substance abuse facilities serving youth in the state are all on a nonsecure basis, and there's a good reason for that. For most of those facilities, they're accredited, and as I understand it, I have particular knowledge on the Council on Accreditation Standards, that they do not allow for those programs to remain accredited and still serve those youth in a locked facility, and I believe that that is what the, you know, what the judges intended when they sent them to YRTC-Kearney. [LB1018]

SENATOR WIGHTMAN: How many employees currently serve the Hastings facility? And if you can, break them down between the two. [LB1018]

TODD LANDRY: Yeah, I'm going to look over my shoulder. Scot, do you have that number off hand? [LB1018]

SCOT ADAMS: A hundred and fifty is authorized; a hundred and twenty are filled today. [LB1018]

TODD LANDRY: Thank you. A hundred and fifty authorized; a hundred and twenty currently filled. Thank you, Scot. [LB1018]

SENATOR WIGHTMAN: Can you give us any kind of a breakdown between the two? [LB1018]

TODD LANDRY: I don't have that off hand. [LB1018]

SCOT ADAMS: Those are all on the CD side. [LB1018]

TODD LANDRY: Thank you. [LB1018]

SCOT ADAMS: Bridges (inaudible). [LB1018]

SENATOR WIGHTMAN: They're all on the chemical dependency side. [LB1018]

TODD LANDRY: All on the chemical...Bridges would be separate. I'm sorry, how many? [LB1018]

SCOT ADAMS: Bridges has 29. [LB1018]

TODD LANDRY: Thank you, Scot. 29. [LB1018]

SENATOR WIGHTMAN: So there's 120 on the developmentally disabled and 100...or 120 on the chemical dependency and an additional 29... [LB1018]

TODD LANDRY: Correct. [LB1018]

SENATOR WIGHTMAN: Thank you. [LB1018]

TODD LANDRY: That's correct. [LB1018]

SENATOR WIGHTMAN: Thank you. [LB1018]

SENATOR HEIDEMANN: Senator Nelson. [LB1018]

SENATOR NELSON: Would this new facility, the 50-bed, would that be a locked facility? [LB1018]

TODD LANDRY: That would be our proposal, yes, it would be a locked facility. One thing that we have stated, that if we go forward with that facility, again, we do propose it would be built with private dollars, entered into, into a cooperative arrangement with the state. We have left on the table the question of how to provide those services within that facility. It's my contention and belief that the state has a fundamental role there to provide the security aspect of that facility. We may or may not have to provide the services within that facility. That may be a piece that we may be able to contract out to a community-based provider who's willing to come into that facility, provide the treatment there, but that is an area that we have not made any decisions on but it's something that we have clearly left on the table. [LB1018]

SENATOR NELSON: What will that facility provide that you aren't able to provide in Hastings right now? [LB1018]

TODD LANDRY: Well, the current environment in Hastings is outdated. It is not an appropriate, in many cases, milieu or environment in order to provide the most conducive atmosphere for treatment. The other thing that is true of the Hastings Regional Center campus right now, it is very large and it's very expensive to maintain. So we believe we can achieve some significant savings by moving into a new, modern facility that also has the benefit of offering the environment that we believe will be most conducive to treatment. [LB1018]

SENATOR NELSON: So you're not just using one building there at Hastings; you're in several? [LB1018]

TODD LANDRY: We're using one building, but we're still having to...we're only using one floor of one building in the case of CD treatment, and there are multiple buildings there that we're maintaining, large grounds that we're maintaining. It's all on a central heating unit, for example, so you're essentially heating most of the entire campus. All of that makes for an inefficient use of resources that we believe we can significantly

improve upon. [LB1018]

SENATOR NELSON: So you're stuck with the cost of maintenance of that entire facility and all its buildings. [LB1018]

TODD LANDRY: To a certain degree, yes, sir. Yes, to a large degree we are. [LB1018]

SENATOR HEIDEMANN: What will happen to the Bridges program if you...? [LB1018]

TODD LANDRY: It is something that we're looking at right now within the developmental disabilities division. There's a potential that that facility could be moved to a different site, possibly on one of our other campuses that has vacant capacity. But we're looking at available options right now and if we go forward with that, we'll continue to try to figure out the best location. Again, it's a relatively small number of individuals that are being served there. [LB1018]

SENATOR HEIDEMANN: Senator Kruse. [LB1018]

SENATOR KRUSE: Todd, thank you for coming in, and I have nothing but sympathy for you in dealing with Kearney offenders and in relation to that particular campus, which is a monster. Trying to clarify a little bit here in terms of your role, I'd ask you to confirm that if we...if you saw a need for residential care in Scottsbluff, you would not be building that facility. Would that be correct? [LB1018]

TODD LANDRY: I would hope that we would not, that's exactly correct. [LB1018]

SENATOR KRUSE: Yes. [LB1018]

TODD LANDRY: You know, I believe we have ample capacity when you look at us as a total state. Is there a potential need that we need to reallocate some of that capacity based on either level of need or geographically? That's certainly something that we'll continue to look at and attempt to address. [LB1018]

SENATOR KRUSE: And that was, I think, a matter of confusion before because you'll not be doing that and building funds are not part of this... [LB1018]

TODD LANDRY: That's not what...that's certainly not what we're proposing. [LB1018]

SENATOR KRUSE: ...this bill or this budget. [LB1018]

TODD LANDRY: Right. That's certainly not what we're proposing. [LB1018]

SENATOR KRUSE: But that comes to providers and you're a friendly soul, and you

know I have high respect for you so there's nothing negative in this, but there is a continuing frustration that HHS doesn't seem to represent the providers; kind of see them as their adversaries rather than as partners. And whether that's accurate or not, that's just the perception. Last week we had a whole roomful of people who were providers and didn't feel like anybody was there to carry their message to us and so we're dealing with it. Really, we're not in a position to deal with that. So my basic question is, why doesn't HHS advocate for providers for what is needed and let us do the cutting, you know, or prioritizing or something like that? It's just an ongoing frustration that you should be coming to us and say, this is really what we need to keep the providers going in there, and in this particular case I recognize you're not asking for more providers, but, you know, you need to come to us with that and we need to say, hey, the bucks aren't there, we can give you this much. Now I'm asking a pretty broad-range question, and you can respond more to me in private if you want to (laugh), but I have a great amount of anxiety just about the way we interact with each other. It seems to me that you and Scot and others at the department should be coming to us and saying, we really need this to do the job right. Now respond to that in any way that you want to. [LB1018]

TODD LANDRY: Well, thank you, Senator Kruse, and I appreciate the perspective that you're coming from. I appreciate the position that many of you and other senators are put in when dealing with sometimes what appears to be conflicting testimony or requests. What I will say is that I believe that we do have a tremendous opportunity to partner with the private sector, particularly community-based providers, more so than we have in the past. I am committed to doing the best that I can in facilitating that dialogue and facilitating that communication between HHS and those providers. Having said that, I will also share with you that I think we're always...or, not always, but in some situations are going to have situations where we have a fundamentally different view and perspective of what is going on, and what is needed and where it's needed and all of those pieces. And so there may always be some of that built-in tension between the perspective of HHS and the perspective of some, if not all, of the providers. I hope to minimize that. One of the things that we have done just in the past several months is we...I have formed a group on a voluntary basis, representatives of many of the provider organizations and advocate organizations, to meet with me on a quarterly basis so we can talk in an open dialogue about the changes that we are attempting to make and have a good give and take about, you know, the direction that we're going in, what their perspectives are, and where we're heading. That includes representatives from CAFCON, from NABHO, from NeAHSC, from Appleseed, from other advocacy organizations, from the Foster Care Review Board, etcetera. And so that is part of an attempt to have a more open dialogue. And as I've shared with them, we will not always agree, but one thing that I hope we can see and hopefully that we can improve on is that they'll always know what the rationale is for the decisions that we are attempting to make or the positions that we're advocating for. To answer the second half of your question, which I think revolved around the requests that the department makes of the

committee and of the Legislature, whether it be for appropriations or other bills that we put forward, I believe we do also have a statutory...an obligation to present a balanced perspective of how we can achieve our mission in the most tax-efficient, effective way possible to reduce the burden on Nebraska taxpayers wherever possible while still attempting to achieve our mission. That, again, has sometimes a bit of a natural tension built into it and that others may disagree on, but I believe we have that fundamental obligation to be good stewards of Nebraska taxpayer dollars, and sometimes that means that we may not see it the same way that others in the communities or others in our state may see it. [LB1018]

SENATOR KRUSE: I do thank you for that response and I'd make an observation to the committee, what Mr. Landry has just represented is a seismic shift from where we were three years ago. And just to state in front of God and everybody, I was meeting with providers in just a nice open room where we just exchanged, and they continuously came up with ideas, not attacking HHS, but saying, we got this idea, this would save the state money; we got this idea, this would save the state money. And so I went to HHS and said, they got some ideas; would you meet with them? And was told no. I said, well, it's just kind of a sharing thing. No. You've heard his witness and I just want you to, especially those of you who continue to work with this process, to recognize that this is a major shift and I think everybody here understands that Todd and Scot were not part of that process at that time. Thank you. Thank you. [LB1018]

SENATOR HEIDEMANN: Senator Synowiecki. [LB1018]

SENATOR SYNOWIECKI: Thank you. Todd, I usually don't ask questions on my bill. Do you mind? [LB1018]

TODD LANDRY: Not at all, Senator. [LB1018]

SENATOR SYNOWIECKI: And actually, my question doesn't have anything to do with the bill. State-run juvenile services: give me the landscape on Medicaid eligibility and services that are statewide. [LB1018]

TODD LANDRY: Sure. Medicaid eligibility is a very important component and one of the things that, you know, Medicaid and the Centers for Medicaid and Medicare Services have very strict rules about where Medicaid funds can be used or cannot be used. It is my understanding that Medicaid funds can be used for treatment services in a facility as long as it is not on a state-operated, hospital campus and so...or it is not provided in a hospital setting. We have worked very diligently to ensure that our programming at HRC, because it's not on the campus of YRTC-Kearney, funding...the funding for YRTC-Kearney is not Medicaid allowable. However, when we parole those youth out of YRTC and as a condition of their liberty that they commit to and continue to meet the obligations of the chemical dependency treatment program at HRC, that that does in

fact meet the requirements and we are able to use Medicaid matching dollars. The programming that we're talking about doing with the proposed 50-bed CD treatment facility that is contemplated, we are intent on maintaining the Medicaid matching dollars under existing CMS rules in order to continue to have that additional matching flexibility. [LB1018]

SENATOR SYNOWIECKI: Now, speaking of flexibility, as I understand it, that there is proposed rules changes with Medicaid which would take away, if you will, that would get around the Medicaid...as you're very well aware, some states have had to give the federal government back a ton of money because of the way they're treating kids in state-run facilities and they had to return a lot of Medicaid match dollars. In the interests of us not...I mean, are you looking at this, you're looking at the future in your planning in terms of this proposed rule change with Medicaid that even those youngsters that are parole cannot go to a state-run facility? Are you aware of that proposed rule change? [LB1018]

TODD LANDRY: I'm aware that there's a lot of different proposed CMS rules right now. You know, one has to do with bundled rates of services. That's impacting many other states; not impacting us as much here. There are some issues as it relates to room and board as a bundled rate towards treatment, such as in foster care, therapeutic foster treatment, so there's different rules that are going on right now. That is one of the rules that is being contemplated but has not yet been acted upon by CMS. We will continue to work very closely to make sure that we stay on top of those and continue to work within the confines of CMS rules, to maximize the ability of us to match dollars wherever possible so that we can pull in those federal dollars within those rules, that we are entitled to do so. [LB1018]

SENATOR HEIDEMANN: Are there any other questions? Seeing none, thanks, Todd. [LB1018]

TODD LANDRY: Thank you. [LB1018]

MATT ROSSUM: Good afternoon, Senator Heidemann and members of the Appropriations Committee. My name is Matt Rossum. I am the mayor of the city of Hastings. I'm here today to speak against advancing LB1018. I wanted to kind of give this group a little bit of the history of the impact that LB1083 has had on the Hastings Regional Center. Before the passage of LB1083 in 2004, the Hastings Regional Center was licensed for 126 psychiatric beds. In March of 2005, HHS closed the psychiatric unit at the Hastings Regional Center. Over the past four years, HHS has moved programs between the three regional centers. The bottom line is that the HRC now provides adolescent substance services for 40 beds and developmental disability services for 14 beds. The HRC FTE total has dropped from 311 authorized on 7-1-04, to 151 authorized, and there's 120 filled positions as of 2-15-08. Our concerns in this

proposed program financed by LB1018 will undermine our efforts to create a new adolescent treatment facility in Hastings. The city of Hastings is currently developing a proposal to submit to both the Department of Administrative Services and Health and Human Services to construct and to lease to the state of Nebraska a modern, state-of-the-art, treatment facility that will serve the youth of Nebraska. This proposed facility would serve both adolescents and severe psychiatric issues, as well as adolescents that have been adjudicated to the Youth Rehabilitation Treatment Center and must undergo substance abuse treatment prior to the release of their families. Treatment for substance abuse program is currently being provided at the Hastings Regional Center. We understand that it is the intent of the state of Nebraska to eventually move this program to a different facility. We are working to help facilitate this move with a public and private partnership. The youth that are in need of a Level 5 secure facility are currently being treated out of the state of Nebraska at a significant expense, and we've all seen in the media lately the importance of having a secured facility. We would encourage the Appropriations Committee to wait until this facility is up and operating and then determine what the additional funding may be necessary. Thank you for your time and consideration on this, and I would like to take this opportunity and apologize. I was here to testify last week on LB1119, which is the bill that would authorize $100,000 from the state, and a match of $25,000 from the city of Hastings. I had a commitment I had to be back to so I just wanted to take this opportunity to tell you that the city of Hastings is willing to partner with the state of Nebraska to look at utilizing this facility for something. We really believe we've got a dynamic facility out there that the state has spent millions of dollars in, and so I want to just express that to you, that we are in support of that and willing to work with you on that. So thank you very much. [LB1018]

SENATOR HEIDEMANN: Are there any questions of Matt? Seeing none, thank you. [LB1018]

MATT ROSSUM: Thank you. [LB1018]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in opposition of LB1018? Is anyone wishing to testify in the neutral position on LB1018? (See also Exhibits 16, 17, and 18.) Senator Synowiecki, would you like to close? Senator Synowiecki waives closing. We'll close the public hearing on LB1018, and open up the public hearing on LB1168. [LB1018]

EASE []

SENATOR HEIDEMANN: We had already opened up the public hearing on LB1168 when we realized we... []

SENATOR HUDKINS: Didn't have a senator? (Laugh) []

SENATOR HEIDEMANN: (Laugh) So we will reopen up the hearing on LB1168. Senator Hudkins. []

SENATOR HUDKINS: Thank you, Senator Heidemann and members of the Appropriations Committee. It's not often that I get to come into your committee hearings. I am Senator Carol Hudkins, H-u-d-k-i-n-s, and I represent the 21st Legislative District. I'm here today to ask you for your support and advancement of this bill, LB1168. Over the past year, I have been working with Senator Johnson and his staff, as well as the Department of Health and Human Services, Department of Corrections, and other interested members of the mental health community. As you're all aware, we have a pipeline of sex offenders that are heading toward the outlet, back to their own communities. However, the necessary services to ensure that they can be safely released are not in place. Currently, Lancaster County is the only county with a level of services that can handle many of these individuals. However, Lancaster County does not have the resources to meet the need of the entire state and, quite honestly, should not be expected to. LB1168 designates unexpended funds. I'm not asking for new money. These are funds that were not used prior. They're designating unexpended funds from the changes in the treatment of sex offenders that began with the passage of LB1199 in 2006, and appropriated to the department in LB321 last year. These funds will be used to conduct an assessment of community-based treatment for sex offenders. Under the current system, a disproportionate number of sex offenders who are being released or who will become eligible for release in the future don't have access to the necessary treatment in their home communities or within the regions where their homes are located. The result is that the city of Lincoln, because of the services that are available in this community, they see sex offenders from other communities move to Lincoln in order to obtain the services. This results in an excess demand for the amount of supply. LB1168 will provide funding for training of individuals within the regional system to provide treatment and also to determine what level of services are needed to meet the needs of the citizens from these regions. There are experts in the field that are here behind me to discuss LB1168 and to give you their viewpoint and answer all of your technical questions. I regret, however, that the Department of Health and Human Services is opposed to this legislation because it will reduce the funds appropriated to them from last year in LB321. However, with this legislation there is the chance that individuals in Norfolk who meet the standard for release can be released. Without this bill or something like it these people won't be eligible for release because there's no service available at the community level. As time goes on, that means that Norfolk will begin to demand more and more financial resources because we were too shortsighted to fund less expensive community services. I thank you for your time and I will let the people behind me hopefully answer all of your questions. [LB1168]

SENATOR HEIDEMANN: I just have just one, if you would entertain it. [LB1168]

SENATOR HUDKINS: Sure. [LB1168]

SENATOR HEIDEMANN: Wouldn't it be better to actually ask for General Funds? Because the fiscal note actually says HHS indicates the reallocation of funds for these purposes will create a budget deficit--and if there's a budget deficit, they will come back and ask us for that anyway, in the same--in the sex offender treatment program. Wouldn't it be better, if this is truly worthy of funds, to actually just ask for General Funds and that we might see a savings then down the road? [LB1168]

SENATOR HUDKINS: Okay, Senator Heidemann, the way I have had it explained to me is that these were funds that were not used. Now if you want to appropriate more funds to this purpose, terrific, fine, but I'm just trying to find a way to shift some money around. Health and Human Services, mental health, sex offenders, they're all kind of in the same umbrella and so that's what I'm trying to do. If you think that there's a better way, I'm really open. [LB1168]

SENATOR HEIDEMANN: Who told you the funds were sitting there unexpended? [LB1168]

SENATOR HUDKINS: I'd rather not say at this point, in case they were incorrect. [LB1168]

SENATOR HEIDEMANN: Okay. I think Senator Nelson had one, if you would entertain another question. [LB1168]

SENATOR NELSON: Yeah, would you entertain another question? Two hundred and fifty thousand in '07-08 and another $250,000 in '08-09 to identify existing community-based sex offender treatment capacity and conduct an assessment of the current availability. Then it says that will go through the six behavioral health systems or regions. [LB1168]

SENATOR HUDKINS: Uh-huh. [LB1168]

SENATOR NELSON: So are each one of those six going to conduct their own assessment? [LB1168]

SENATOR HUDKINS: Yes. [LB1168]

SENATOR NELSON: So we've got a couple in Omaha and one in Lincoln and... [LB1168]

SENATOR HUDKINS: Yeah, the regions are all different and, obviously, you would have a better chance in Lincoln or Omaha to have more services available than you

would, say, in Valentine. But since there are six regions around the state, they need to see what they already have available in their own area. [LB1168]

SENATOR NELSON: So someone within their own region, their own employment, will make that assessment or are they going to have to hire somebody to? [LB1168]

SENATOR HUDKINS: It will be the mental health regional centers that would do this. [LB1168]

SENATOR NELSON: Okay. Thank you. [LB1168]

SENATOR HEIDEMANN: Any other questions? Seeing none, thanks. [LB1168]

SENATOR HUDKINS: Okay. Thank you. [LB1168]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in support of LB1168? One, two, three. Okay. Is there anyone going to testify in opposition on LB1168? We have one. Anybody in the neutral capacity? All right. Thank you. Welcome to Appropriations. [LB1168]

ROXANNE KOENIG: (Exhibits 19 and 20) Thank you. I'm happy to be here. I want to thank Senator Hudkins for proposing this bill, and the Appropriations Committee for their time and efforts today. I am RoxAnne Koenig. I am a program coordinator for the RTA Program with Lutheran Family Services in Omaha. I've been in that capacity since November of 2000. In this capacity, I've had the privilege of supervising this treatment program for people with sexual misconduct problems, like incest or Internet child pornography. I've worked with families impacted by sexual abuse as a large part of my job with Lutheran Family Services since 1994. Additionally, I'm a lifelong Nebraskan who cares deeply about community safety and responsibility. That seemed to be a part of my everyday life growing up out in Lexington and, as a mother now, I believe these continue to be a requisite for everyday life all these years later, lots more years later, actually. As of August of 2006, there were about 2,300 active, registered sex offenders in the state of Nebraska, per the State Patrol's web site numbers. With the new sex offender registration acts that may or may not be implemented in the state of Nebraska, that's bound to increase, especially if we go along the guidelines with the federal Adam Walsh Act, which right now sex offenders in Nebraska register for usually ten years. If it goes through with the federal guidelines, that number is going to go to 25 years or from 25 years to life. We're going to be looking at a lot more responsibility for these folks in our community. LB1168 seems to help to establish steps that we, frankly, are years behind in accomplishing in this state. It helps Nebraska to develop resources in all the regions of the state to have specifically trained treatment providers to offer treatment to clients who are residents of the state with sexual misconduct problems. I could probably talk for a really long time about how great of an idea that is. I don't think you need all my

time for that. I'm going to borrow some from others to save all of us some time. Probably one of the key reasons for the support of LB1168 is it's just good business. It's a good way to manage our money. The CSOM, which is the Center for Sex Offender Management, which is a project of the Office of Justice Programs with the U.S. Department of Justice, has done a lot of the legwork for us with what is good sex offender treatment strategy, management strategy, and they've got it all laid out in a terrific web site. It's real easy to follow. I borrowed some of that and just implemented it into my comments here. They talk about a containment approach and then a comprehensive approach. Basically, if we want people to be successful in the community and keep them from further sexually assaulting anybody or committing other sexual misconduct crimes, there is a three-prong approach that works best to manage these folks. You need somebody with sex offender specific treatment background to be able to do the therapy; you need somebody to be able to do supervision; and actually a counterpart like using a polygraph or something that is more objective to measure, okay, you know, if I'm easily fooled, which probably all these years, after working with people that have a lot of criminal tendencies that's not such an easy thing to do at this point for me, but we don't want to just rely on, gee, I'm a good judge of character or I've got good timing with that. We want to know that these people are operating safely in the community. They're doing what they need to do to have happy, healthy, successful lives. That's our goal. We don't want any more victimization, any further victimization, which is incredibly expensive for us to do. So jumping down a little bit, this comprehensive approach really involves five basic principles. You want to have specialized knowledge and training; you want to have a victim-centered approach; you need collaboration between the therapist, the treatment provider, the supervision team, the client and their family. When we do sex offense specific treatment, the client doesn't actually develop their primary goals. It's not a traditional kind of therapy. In normal therapy, when we do therapy, the goals are the goals of the client and what they want. When we do sex offense specific therapy, the goals are community safety first. My clients usually, when they first start out in therapy, all they want is to not get caught and have people leave them alone. That's not going to work for us to be safe in the community. So I superimpose goals for them at the beginning so that they can buy into this is a better way to live, as a legal, honest citizen, where you're not hurting people. Other components of a comprehensive approach involve public education, monitoring and evaluation. With LB1168, you can help to develop the specialized knowledge and training about the victim-centered approach with identified therapy providers in each of the regions. It's my understanding that this is basically a pilot bill, which is very time limited, so that you can develop these people to be resources in the communities where folks live. We make it possible for those to do the job of treatment and actually be prepared to partner effectively in making community safety a priority. This is practical and a common-sense application of funds to put the resources where we need them. There was a comedian back in the day who used to joke about people starving in different countries of the world, that they should just move where the food is. I don't think this is something we can really afford to be funny about. We really need to try to

get supervision and treatment where the people live. We also know that when folks are trying to be effective and successful in the community, having the support of family and other people that are well known to them is critical in their ongoing success. If we have everybody having to come, say, to Omaha or Lincoln for treatment and they have none of the natural support systems to help them be effective--they aren't going to their church, they're not being part of their active community life--they're more likely to offend again. Moving down, let's remember this cost-benefit analysis if we fail to do what we need to do, we fail to generate effective treatment and supervision. In so failing, we increase the likelihood of those with sexual misconduct problems failing. This failure, in and of itself, might be not so significant to one of us, unless the person or the child they hurt is actually somebody we love. What price do we place on recidivism? The Washington State Institute of Public Policy provided...I made a copy for you guys, it's huge, it's really, really more than I can analyze. I'm not a numbers person. I'm a therapist on purpose. My brother is a banker. He does the numbers thing. These good people in Washington back in 2001 actually went and figured out what it costs per person when they reoffend, and they broke it down if they reoffend only against one victim or multiple victims, and it's tens, if not hundreds, of thousands of dollars per person that reoffends that it costs that state. Now Washington is probably a more expensive place to live than Nebraska, at least I like to think so, but I think those numbers from back in 2001 may be relevant to how we look at if we're going to put funding in place for treatment and prevention of further crimes and victimization. It's a reference point which I am happy to leave with you. What may or may not shock you is the conclusion of the folks in Washington that having effective treatment and supervision results in a great savings of dollars. That's the good business sense to which I referred at the beginning of my remarks. Being with a not-for-profit agency, I apologize to those of you who need bifocals, went with this because it's printed pretty small. I did two pages per sheet because we're saving on paper where I work. But there is this, and if you have questions, I'd be happy to entertain those if I can. [LB1168]

SENATOR FULTON: God bless you. [LB1168]

ROXANNE KOENIG: Thank you. [LB1168]

SENATOR HEIDEMANN: Are there any questions of RoxAnne? If not, thank you for testifying today. [LB1168]

ROXANNE KOENIG: All right. And if you'd like this, I'll leave it. [LB1168]

SENATOR HEIDEMANN: We'll get it to the committee clerk. Thank you. [LB1168]

ROXANNE KOENIG: Thank you. [LB1168]

SENATOR HEIDEMANN: Welcome. [LB1168]

MARY PAINE: Welcome. Thank you, Chairman Heidemann and members of the committee. I'm Dr. Mary Paine. I'm a psychologist who has been working with sex offenders since 1989 and I've literally crossed every setting in the state of Nebraska that we can...I don't mean individually. I have worked in Corrections with sex offenders, I have worked at the community mental health center in the Lancaster County sex offender treatment program that was being referred to earlier, private practice, and I've done a great many mental health board hearings for postincarceration commitments of sex offenders. So I'm very familiar with the assessment and treatment and the flow through the different programs and the services available and not available within our state. I welcome the opportunity to speak for you today and I will be very careful to try and not to duplicate the things that Ms. Koenig already said. Yes. [LB1168]

SENATOR HEIDEMANN: Could you state and spell your name for us, just for the record. [LB1168]

MARY PAINE: I'm sorry. It's Mary, conventional spelling, P-a-i-n-e. [LB1168]

SENATOR HEIDEMANN: Okay. Thank you. [LB1168]

MARY PAINE: Thank you. And I will leave that there, as well. As I've indicated, I've gone in...I've worked in these various settings and I can tell you that there is truly a paucity of appropriately trained therapists, psychologists and mental health therapists statewide. The reason that I know that is because many times I'm ending up having to dawn multiple hats, including sometimes engaging in what would be considered dual relationships, simply by a matter of necessity. There's not anybody else to conduct the risk assessments, there aren't other programs that are community...funded by the community and affordable to individuals. Literally, I get people from all over the state asking how they get into our program, which I understand is not going to be indefinitely funded by the county. I have also previously worked at the Lincoln Regional Center in the inpatient sex offender treatment program there. I have tremendous respect for the regional center. I know the staff currently working within Department of Corrections in treating sex offenders. The programs are fabulous. They're not enough in and of themselves. Eventually, all roads end up in the community. Even for those individuals who successfully completed those rather challenging programs in Corrections and at the regional center, when they end up in the community the question is, do they have the knowledge and the ability and the willingness to generalize and apply the skills that they've learned there? That's pretty critical. It's one thing to pass an assignment when you're at the regional center; it's another thing to be able to recognize the high-risk situations and intervene once you're back into the community. As Ms. Koenig indicated, outpatient treatment has been shown to be a very effective means of managing sex offenders within the community. By providing the treatment in the communities where they actually live, we also get the luxury of actually being able to see not only how are

they implementing these skills but what are the contexts in which they're living. It's not just the risk of the individual themselves that we're monitoring. What is the environment that they're living in? There's a vast difference between a gentleman who comes out of Department of Corrections having completed the treatment or out of Lincoln Regional Center and is living alone in an apartment, maybe dating an adult woman who has no children, and one who's dating somebody with three children in the ranges of ages of his victims. Those are important things for us to know. Working with the family members are pretty critical things for us to know, knowing what mothers and support people have some idea of what the risk factors are and are willing to call their loved one on versus further enabling them and creating further risk within the home. One of the difficulties that we have with treating these individuals, there used to be a belief that we wanted them to pay for their treatment, and that sounds fine in theory, and to the extent that they can pay for their treatment, we agree with that, that they should be paying for their treatment. But the reality is with the sex offender registries and Adam Walsh Act, if it is enacted in our state, is likely to make this much more of a problem. They're having an extremely difficult time getting jobs. And even those who do get jobs are typically being employed at very poorly paying jobs, they don't have insurance, they don't have the finances to be paying for their treatment. Those are very real problems. So increasingly they're being mandated, whether it's through probation, parole or through civil commitments, to complete sex offender treatment but there are not the resources for them to do that either, in terms of the finances or the insurance, nor are there the appropriate programs. And when I say appropriate programs, they have got to be staffed by clinicians who have been appropriately trained in assessing and treating sex offenders. That's absolutely critical. Not just anybody can provide this because you have to know what risk factors you're watching for. So, in other words, there's not enough providers who are appropriately trained to assess them and to treat them and to work with this challenging population once they hit the communities. Critical, because where the communities are is where they actually have the chances to reoffend. It's not when they're in Department of Corrections. We talk about risk there and it's appropriate, but it's a much more abstract concept, likewise with the regional center. When the risk really becomes meaningful is when they're back in the communities and they have the possibility to revictimize people. So we want them to be appropriately managed at that point in time by clinicians who have the training and the skills. If there's not the money to pay for it, insurance, if they know that you're providing sex offender treatment, a lot of insurance companies won't pay for that because it's a legal problem. So if you've got a service, if I'm a clinician out in the middle of the state and maybe I'm thinking I would like to provide services to sex offenders but there's no money in it, I'm very unlikely to go off and get $2,000 worth of training, plus my travel costs in this, to provide a population that I'm not going to be able to manage my practice on, which is part of the reason it's crucial that the state provide some funding for the appropriate training of these individuals. [LB1168]

SENATOR HEIDEMANN: Are there any questions? Senator Fulton. [LB1168]

SENATOR FULTON: Just...it's a question that has to do with your testimony and on the bill too. But just generally, what is the recidivism rate? I mean I have heard that there are treatments that can be implemented for sex offenders, yet I have, in my short tenure here, received contacts from parents who have children who are assaulted by sex offenders who just keep doing it and what kind of...there so we're appropriating money toward a sex offender treatment. What good is it doing? [LB1168]

MARY PAINE: I don't have those figures in front of me and on the top of my head. What I can tell you is that there have been mega studies, mega analytic studies, that look at many, many different sex offender treatment recidivism studies and try to distill that down and make some sense out of it. For one thing, to refer to what are the recidivism rates, recidivism rates vary by types of offenders. Somebody who is a preference pedophile has a different rate of recidivism from somebody who, say, has sexually assaulted a child only in their own family but has a primary sexual attraction to adults. It's different with rapists. It's different with exhibitionists. What the research does pretty clearly show is that completion of sex offender specific treatment does significantly reduce the rates of reoffense. I don't know what the current rate...relapse rate is at the Lincoln Regional Center. I can tell you when I was last there approximately seven years ago the general recidivism rate in the public for untreated sex offenders, all distilled into one large group, was approximately 14 to 15 percent, and the regional center was finding rates of about 5, 5.5 percent back at that time period. That's not outside of the realm of the studies. And you might...I don't know, do you have...yeah. [LB1168]

ROXANNE KOENIG: (Inaudible) pretty closely. [LB1168]

MARY PAINE: Without a doubt, it decreases. And then plus you have to also think about the effect of having the eyes of a clinician and a polygrapher and the probation officer on you as well, which I would expect would further help in decreasing the rates. [LB1168]

SENATOR HEIDEMANN: Are there any other questions? Thanks for testifying today. [LB1168]

MARY PAINE: Thank you. [LB1168]

BOB MOYER: My name is Bob Moyer, B-o-b M-o-y-e-r. I'm executive director of the Family Violence Council in Lancaster County. Family Violence Council is an organization that is responsible...it's a planning entity that works to stop various forms of abuse in Lancaster County. We work on plans, implementing plans, monitoring plans, and partner with an array of agencies relating to those activities. Thank you, Senator Heidemann and others senators, for allowing me the opportunity to testify today. I will be brief and just try to highlight a few things that have come to my attention through

planning. In the process of our community planning, about two years ago we identified the need to improve sex offender management and treatment as one of our highest community needs, and formed a coalition of sex offender and management people to work on that topic. We've been meeting monthly for over a year now. In the fall of last year we received a two-year federal grant that will allow us to basically double the number of sex offenders we can treat in the county, but that's short term, and has helped us come...and has helped me, because I'm not a therapist and this is not my area of expertise, develop a little better understanding about some things. One of the things I understand from working with abusive people is that they do better when they're watched. They do a lot better when they're watched. And so if you release people in a community who are sex offenders, the other thing I've learned is treatment can be helpful and some people can, in fact, do well, but I wouldn't count on it. And so you're going to have a bunch of people in the community who aren't being watched who are likely to be recidivating. That's not a good formula, especially in the area of sex offense. Second thing I want to say is...and so one of the things we did as a group was we did a very informal--I'm not sure the person who did it would even want it published--but we did do an informal survey of psychologists around the state to kind of do a check on our sense was that people weren't providing sex offender treatment, primarily because there's no money. These people don't have any money. They're dangerous. You run the risk of having a headline in the paper that says client X that I'm working with has killed somebody or has perpetrated on a child. I mean it's just not...sex offender is maybe the most reviled...it's not a contest, but they may be the most reviled people in the community. I mean nobody wants to deal with them. And I'm not here to plead their case. I'm just saying the practical reality is what do we do about that? And so we thought a lot of those treatment providers weren't providing treatment because of the money, but actually what mostly they told us was they weren't doing it, the ones that had an interest--a lot of them don't have any interest--but the ones who did have an interest said they don't have any training and they haven't had an opportunity to really understand the population well enough to know if they would want to work with them. So I think that was part of the motivation behind Dean Settle working with Senator Hudkins to introduce this measure the way it has been introduced. It is our belief system that if we could provide some training and support that we might be able to recruit some people around the state to step forward and be treatment providers. In our process, we tried to do an assessment of current status of treatment. Dr. Paine is an excellent treatment provider, but the truth is if I want to put my shingle out and have Bob Sex Offender Treatment Program, there's no reason I can't and nobody to say that I'm not just as good at doing it as Mary is, and I...that worries us a lot, it's not just can we get more people providing treatment, but can we identify people who really are competent to do treatment. Because, if not, that just makes things more dangerous. If we can, we think we can reduce some of the problems, we think we can save the state some money in the long run, although that's some...I can't prove that, but it does make sense to me that if you have better treatment in the community and monitor people better that you're going to have less dramatic and bad cases that are going to cost the state a lot of

money to take care of, including potentially lifetime parole and all that kind of jazz. Dean couldn't be here today and I feel very badly about that and he asked me to come in his place. There was a question asked earlier. I feel very...I don't know what Scot's testimony will be, but I feel very bad if we are in a place of the money for the state to provide with these offenders versus the proposal before you that Senator Hudkins introduced. Because the truth is we probably need money in both places. But Dean did identify that in LB1199, passed two years ago, there was money provided for sex offender treatment in the state and that currently we're not at capacity in terms of providing that treatment, and that there, therefore, might be the opportunity to use some of these monies--and it isn't a lot of these monies--for this short-term pilot project to see if we can recruit more sex offender treatment providers across the state. That's what I had to say. [LB1168]

SENATOR HEIDEMANN: Any questions or comments? [LB1168]

BOB MOYER: Oh, can I say one more thing? [LB1168]

SENATOR HEIDEMANN: Sure. [LB1168]

BOB MOYER: I'm sorry. Through other planning processes I do, I think it's worthwhile to note that you're going to see a lot more sex offenders. Everything I know about the stuff I do, for instance, beginning in May, we're going to do the most comprehensive study that's ever been done in Lancaster County involving law enforcement and prosecution. We're hiring a large national firm to come in and do an audit on how we do sex offender...sex offense investigations, and I anticipate, and we've just passed a...created a community protocol and are doing a boatload of training on sex offender investigations in our county. There's no way that's not going to produce more investigations. You've created Child Advocacy Centers across the state. The awareness of this issue is multiplying dramatically. Everything we know about sex offenses is that only a fraction of them are reported. And so realistically, we're going to get better at identifying sex offenders and then we're going to have to figure out what to do with them. [LB1168]

SENATOR HEIDEMANN: Are there any questions or comments? Seeing none...you...let's, if you're done, you can come back up and reidentify yourself and that will be fine. Thank you. [LB1168]

BOB MOYER: Okay. [LB1168]

MARY PAINE: I'll be very brief, but I just wanted to make one additional point that I think is important. It's been said that sex offenders don't seek treatment and will not participate in it unless basically they are forced to do that. That's not true. In the seven or eight years that we've had the program at the community mental health center we

have had people who have been successfully treated, stopped treatment, were let off of their outpatient commitments, and presented back to us because they knew that the help was there. They've told us that they were struggling or recognizing some aspect of their cycle. We've also had people who have presented prior to adjudication, indicating that they were--when I say prior to...they were not involved with the legal system--who said, I have sexual attractions to kids or I'm having rape fantasies. So it definitely means something to have an identified, recognized program in the community where people know that they can get help that's affordable. [LB1168]

SENATOR KRUSE: Thank you. [LB1168]

MARY PAINE: And I'm Mary Paine. I did not say that again, P-a-i-n-e. Thank you. [LB1168]

SENATOR HEIDEMANN: Thank you. Is there anyone else wishing to testify in support of LB1168? Is anyone wishing to testify in opposition on LB1168? Welcome. [LB1168]

SCOT ADAMS: (Exhibit 21) Thank you. Thank you. Good afternoon, Senator Heidemann and members of the Appropriations Committee. Thank you for allowing me time to be here. My name is Dr. Scot L. Adams, S-c-o-t A-d-a-m-s, director of Division of Behavioral Health for the Department of Health and Human Services. I'm here to testify in opposition to LB1168. LB1168, introduced by Senator Hudkins, takes money from the Norfolk Regional Center budget to use to develop community-based services for sex offenders. The source of revenue for this program is identified to come from the Norfolk Regional Center operating budget and it amounts to about a quarter of a million dollars in the first year, and $350,000 in the second year from the operating budget of Norfolk Regional Center. A hundred thousand dollars is to be spent on training initiatives around the state. The Norfolk Regional Center budget is not built with a cushion and really cannot afford such a reduction in funding. The current census utilizes the $13.5 million currently appropriated to work with this growing population, and to operate within a reduced budget we would have to lay off staff at the Norfolk Regional Center and, therefore, numbers of persons admitted to NRC would be curtailed because we must provide a sufficient ratio of staff to clients. If money was taken out of the NRC budget, we'd have to limit admissions of sex offenders. The department would soon run out of capacity and space to put them in. And as you may know, this is a population that is growing and not decreasing. Another element that was unclear to us is that if this bill relates strictly to adults or includes adolescent sex offender treatment and training as well. I'd be happy to respond to any questions you may have. [LB1168]

SENATOR HEIDEMANN: Are there any questions of Scot? Seeing none...oh, just about. Senator Nelson. [LB1168]

SENATOR NELSON: (Laugh) Are you in a hurry, Mr. Chairman. I thought I heard

Senator Hudkins say that if there isn't treatment available in the community the sex offenders cannot be released from the correction center or from NRC? Is... [LB1168]

SCOT ADAMS: Well, in the case if the correctional center, if a sex offender has resisted treatment then they are automatically committed to the care of the Department of Health and Human Services for treatment of sexual offense, as a danger to others under the Nebraska commitment law. At that point, they are with us until they are at a point of improvement and able to be released safely into the community. So at some point in the treatment process, I don't disagree with much of the testimony of my colleagues and adversaries actually earlier today. Sex offender specific treatment is a necessary component and education and understanding of those dynamics is important. But as many of us in this room may know, at some point we're sort of all human beings, in need of a support group. And while it is necessary to have specific information, other kinds of support can help bolster a person in the community in other ways. So there are a variety of other mental health and other kinds of services in communities that can help a person at an appropriate point in their recovery process. [LB1168]

SENATOR HEIDEMANN: Are there any other questions? [LB1168]

SENATOR NELSON: Yeah, just one. And what I've heard mostly today is that the bulk of this money is going to go for treatment out in the community, and the way I read this, it's to identify existing community-based sex offender treatment capacity and conduct an assessment of the current availability and effectiveness. That's a different thing from treatment. And from some of the prior testimony, it seems like a lot of that assessment has already been done. So this is kind of confusing to me here. What's your interpretation of the statute it's going to... [LB1168]

SCOT ADAMS: We felt that the proposed legislation was intended to help develop studies and develop capacity and infrastructure in terms of trained personnel and others that then, at some point, would be in place across the state. Payment for those services would probably be...is an unanswered question, in my mind, as I read the bill. [LB1168]

SENATOR NELSON: Okay. Thank you. [LB1168]

SENATOR HEIDEMANN: Are there any other questions of Scot? Seeing none, thanks, Scot. [LB1168]

SENATOR KRUSE: Thank you. [LB1168]

SCOT ADAMS: Thank you very much. [LB1168]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in opposition of LB1168? Is there anyone wishing to testify in the neutral position on LB1168? I have a

feeling Senator Hudkins wanted to waive closing? [LB1168]

JIM RUBY: She wanted me just to pass along two quick statements. [LB1168]

SENATOR HEIDEMANN: Could you come up and identify yourself? [LB1168]

JIM RUBY: If I could. If you were going to tell me no, I wasn't going to. I am Jim Ruby. I'm the legislative aide for Senator Carol Hudkins and she asked...she had to go back to her Natural Resources Committee, so she asked me just to answer to put two things to the committee that she was aware that would come up. One was in her testimony she stated savings. It is her understanding, as a prior testifier indicated, that there is a certain amount of money that was appropriated to the Norfolk Regional Center for a certain level of capacity and that that capacity has never been met, and so with every bed that is not used, there is a savings. And so it is that savings that they are looking at to use in order for this process. Secondly, with regards to the entire system as you look at it, when you have a person committed, they cannot be released unless they are allowed by the mental health board to be released either for a less...least restrictive alternative for treatment or that they've been, quote, healed. And so if you don't have anything past the regional center for release, any other alternatives that are less restrictive, then they will stay at the regional center and they will take up a bed, that is not available then for someone who needs that bed, when they could have a resource at the local level. And that was the other portions that she wanted to clarify to make sure that people understood. First, you have to identify what the needs are at each regional level so you can then determine what the amount of funding may be necessary or the inputs for services there to allow for those people to come back into their communities. [LB1168]

SENATOR HEIDEMANN: Are there any questions? [LB1168]

SENATOR NANTKES: Someone is checking up on you, Jim. [LB1168]

JIM RUBY: Whoa, she snuck back. [LB1168]

SENATOR HEIDEMANN: Would you like to close, Senator? No? Okay. With that, we will close the public hearing on LB1168 and we're done for the day. [LB1168]

Disposition of Bills:

LB966 - Held in committee.
LB1018 - Held in committee.
LB1168 - Held in committee.

Chairperson

Committee Clerk