[LB52 LB53 LB54 LB82 LB90]

The Committee on Health and Human Services met at 1:30 p.m. on Wednesday, January 17, 2007 in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB52, LB53, LB54, LB82, and LB90. Senators present: Joel Johnson, Chairperson; Tim Gay, Vice Chairperson; Philip Erdman; Tom Hansen; Gwen Howard; Dave Pankonin; and Arnie Stuthman. Senators absent: None.

SENATOR JOHNSON: Well, good afternoon. This is my first time in this chair, and I'm Senator Joel Johnson from Kearney. Say, there are cookies that we were talking about. At any rate, welcome to the Health and Human Services Committee for the Nebraska Legislature. Let me introduce the people around the table that we have here, and if you will notice that senators will be coming and leaving, and that's because they're going to take part in other hearings and introducing bills, and the like. First of all, starting on my right is Senator Pankonin from Louisville. Phil Erdman will be in the chair beside him. Then Senator Tim Gay from Papillion, and Senator Gay is the Vice Chair. Then, perhaps most important, sitting to my right is Jeff Santema, our counsel, who does his best to keep us on line where we're supposed to be going. Gwen Howard will be testifying in short order, and she is from Omaha. Then we have Senator Tom Hansen from North Platte, Senator Arnie Stuthman from Platte Center, and then Erin Mack, who is the committee clerk and keeps track of our records for us. Now, a couple of rules that we need to be reminded of, almost on a daily basis, and that is that these recordings are...these proceedings are recorded and they're transcribed. If you've got a cell phone, please turn it off now or you'll be in big trouble. (Laugh) The committee will hear first proponent testimony, then opponent, and then followed by neutral. It looks like we'll have a moderate number of testifiers here today, so it shouldn't be a problem, but one of the things that we do want to emphasize as the year goes on is that we want to make sure that those that testify early don't use up all the time, and also all of the ability of the senators to listen to what they have to say. So I think we're doing a disservice if we let people at the start talk a long period of time, and then the person from Scottsbluff gets a short period of time, and not very much attention, as well. So we're going to not keep accurate time limits, but that's going to be kind of the game plan for the year. Okay now, a couple of other rules: Testifier sheet available at the back and at the table. For those testifying publicly, fill it out completely and place in the box for the transcriber's record so she can match those up. We also want you to clearly state and spell your full name for the record, and we kind of know the rule about please sit in the front row if you want to be the next testifier, so that we can go about this in an orderly manner. If you've got any printed materials you want to distribute, why, the pages will be glad to help you to that, and we ask that both today and in the future, that 12 copies of these be prepared. If you didn't bring 12, talk to the pages and they'll get some extras made for you. All right, and one last thing--and again, we'll have this on different days, but we'll have a sign-in sheet provided for those of you that just want to record your attendance at these hearings, so it's part of the record, as well. With that having been said, let's proceed.

Our first bill today is Senator Gwen Howard, and it's LB53.

SENATOR HOWARD: (Exhibit 1) LB53, correct. Thank you, Chairman Johnson and members of the Health and Human Services Committee. For the record, I am Senator Gwen Howard, and I represent District 9. I thank you for this opportunity to introduce LB53. The purpose of this bill is to prevent children in foster home and childcare settings from being exposed to the harmful effects of secondhand smoke. Currently, the state of Nebraska Health and Human Services System prohibits smoking in licensed facilities that provide services to state wards or service childcare centers. Smoking is not prohibited, however, when these services are made available in the home of a provider. But the potentially harmful effects of secondhand smoke are the same, regardless of the setting. In LB53, it would prohibit smoking in licensed foster care and childcare homes that have children under 13 years of age, or children 13 years of age or older, who have asthma or other chronic respiratory concerns. According to the U. S. Environmental Protection Agency, secondhand or environmental tobacco smoke is a mixture of the smoke given off by the burning of a cigarette, a pipe, a cigar, and the smoke exhaled by smokers. Secondhand smoke contains more than 40,000 substances, several of which are known to cause cancer in humans or animals. Children are particularly vulnerable to the effects of secondhand smoke, because they're still developing physically, have higher breathing rates than adults, and have little control over their indoor environments. Children exposed to high doses of secondhand smoke, such as those whose parents or primary care givers smoke, run the greatest risk of experiencing damaging health effects. Exposure to secondhand smoke can cause asthma in children who have not previously exhibited symptoms, it can increase the risk for Sudden Infant Death Syndrome, it can increase the risk for middle ear infections, and infants and children younger than six who are regularly exposed to secondhand smoke are at increased risk of lower respiratory tract infections such as pneumonia and bronchitis. For children with asthma, exposure to secondhand smoke can trigger asthma attacks and make asthma symptoms more severe. The American Lung Association secondhand smoke fact sheet cites that secondhand smoke is especially harmful to young children. Secondhand smoke is responsible for between 150,000 to 300,000 lower respiratory tract infections in infants and children under 18 months of age, resulting in 7,500 and 15,000 hospitalizations each year, and this is estimated to cause between 1,900 and 2,700 Sudden Infant Death Syndrome--SIDS is the commonly known terminology--deaths in the United States annually. In November, 2006, an article in the USA Today summarized the laws addressing the issue of secondhand smoke for children. The article reported that Vermont, Washington, and other states and countries already prohibit foster parents from smoking around children in their homes and in cars. In addition, Arkansas and Louisiana passed laws in 2006 forbidding anyone from smoking in cars carrying young children. Courts are even ordering smoke-free environments in custody and visitation disputes. At least six states and some countries prohibit foster parents from smoking when foster children are present. This is according to Kathleen Dachille, Director of the Legal Resource Center

for Tobacco Regulation, Litigation and Advocacy--that's a long name--at the University of Maryland School of Law. There are times when it's appropriate to regulate what people can do in their home. In this instance, according to Kathleen, the state is responsible for the child. They're within their right to ensure that child's health and safety. LB53 will protect our children, and I would ask the committee's favorable consideration of this bill. Thank you. Got a letter here I want to pass out--where did the page go? Thank you, Jeff. This is from the Nebraska Medical Association, supporting this bill...thank you, Jeff. [LB53]

SENATOR JOHNSON: (Exhibit 2) I might say that we also have a letter in support of this bill by the president of the GASP organization, Mark Welsch. We'll put that in the record, as well. Any questions of the Senator? Senator Stuthman. [LB53]

SENATOR STUTHMAN: Thank you, Senator Johnson. Senator Howard, do you feel that parents that smoke do smoke in front of the majority of their infants, their children at home? [LB53]

SENATOR HOWARD: You're talking, overall, in the population--smokers? [LB53]

SENATOR STUTHMAN: Yes, in the population? Yeah. [LB53]

SENATOR HOWARD: Well,... [LB53]

SENATOR STUTHMAN: Smokers...when you have both parents that smoke, do you feel that they do smoke around their children? [LB53]

SENATOR HOWARD: I would say there's a possibility that people that do smoke...I think we've made it...we've come a long way in knowing the effects of harmful secondhand smoking. I mean, there have been, certainly, commercials, a lot of information available to inform people of this. I would like to think that they have more restraint than that, but the reality is they probably do. [LB53]

SENATOR STUTHMAN: This is a situation that I've observed quite a bit. A lot of the, you know,...single parent, they're smoking in the car with the infant right aside of them, and that...to me, it's really disturbing, that I think this is more the norm than we really want it to be. [LB53]

SENATOR HOWARD: When you say "single parent," do you mean just an adult driving would? [LB53]

SENATOR STUTHMAN: Yes. [LB53]

SENATOR HOWARD: Oh, okay. And I share your concern. I think that's very valid. And

like I say, it isn't...I remember my father smoking, and at that time, it wasn't...the information wasn't available. People really didn't know the harmful effects, and he smoked unfiltered cigarettes when I was a child. That was pretty typical. But we are better informed now. We know the consequence of this action, and we certainly do have a responsibility to address it, and I appreciate you telling of your experience and your observation. [LB53]

SENATOR STUTHMAN: Thank you. [LB53]

SENATOR JOHNSON: Senator Pankonin. [LB53]

SENATOR PANKONIN: Couple of questions. Obviously, that reference to parents smoking, I can remember rolling down that window just a little bit and not getting in trouble, because that was the norm in the fifties and sixties, and he didn't live real long either, but... [LB53]

SENATOR HOWARD: And I would say I think people that came out of the Second World War, I... [LB53]

SENATOR PANKONIN: That was...they gave them...yeah. [LB53]

SENATOR HOWARD: I think parents had... [LB53]

SENATOR PANKONIN: That was my dad's case. [LB53]

SENATOR HOWARD: Yeah, if you had a dad that served in the Second World War, I think cigarettes were considered to be what you did if you had time available. [LB53]

SENATOR PANKONIN: Right. Well, they gave them to them, (inaudible). My question on the age of 13, Senator Howard, why do you...just curious about that age versus other or...if anything, I wouldn't mind seeing it older, but just curious if there's any...was there any reasoning on that? [LB53]

SENATOR HOWARD: Well, and I'm not...that age isn't something that I would say, this is a guaranteed touchstone. It's really an age to say, let's consider this age. I would agree with you. It should be abandoned entirely if we're to take seriously our responsibility to give a child removed from their biological home every opportunity to be in a safe and healthy environment. I would say it should be every state ward. Curiously enough, we did receive a call from a child who is a teenage state ward, objecting to this. I suspect, possibly a smoker. (Laugh) [LB53]

SENATOR JOHNSON: All right. Thank you. [LB53]

SENATOR HOWARD: Thank you. [LB53]

SENATOR JOHNSON: How many people do we have that intend to be proponents of this bill? Could I see hands? One, two, three. Opposed? Neutral? Okay, let's have our first proponent, then, please. [LB53]

MARK WELSCH: Good afternoon. My name is Mark Welsch, M-a-r-k, W-e-l-s-c-h. I'm the president of GASP of Nebraska, the Group to Alleviate Smoking Pollution, and I want to thank my Senator Howard for introducing this bill. I think this is a very good bill. Those of you who have been around for a little longer than a year, Senator Price had a similar bill two years ago and last year, to try to make our foster homes a little less smoky. This bill is much better than the bill that Senator Price had a couple of years ago. The only way I think that you could make it bill better would be to make foster homes, all of foster homes smoke free, all of the time. Another way would be to make foster home vehicles smoke free. Senator Stuthman mentioned, you know, seeing people driving around in their vehicles with a child in the back seat. I've seen studies that show that vehicles...when one person is smoking in that vehicle, even with the window rolled all the way down next to that driver, that is the smokiest place people are going to be. That is the smokiest place children are going to be. That's the smokiest place foster children are going to be. And just so that everybody here understands, foster children are the state's children. They're wards of the state; they're your children. You senators are their parents, essentially. The Governor is their parent, and I think that the state...you know, all of you, if you have children or grandchildren, you would never take your child to a smoky daycare, at least I hope you wouldn't. You wouldn't allow people to blow smoke in your child and your grandchild's face, and that's what the state is currently allowing to happen to thousands of foster children. Actually, we don't know how many foster children are in smoky homes, because Health and Human Services does not know which foster homes allow smoking inside their homes or vehicles and which ones don't, because there's no regulation in state statute right now on smoking in foster homes. So this is just a step so that the Health and Human Services will be able to ask foster parents, do you smoke in your home? Do you smoke in your vehicle? It's not to tell them you can't smoke, but then with this legislation, the state, the Health and Human Services will be able to say, okay, we know these foster parents allow smoking and these don't. We have an asthmatic child we need to place. We're going to put them into the nonsmoking home. It's that simple. So I hope that you will advance this bill quickly to the floor of the Legislature and consider expanding it just very slightly, by including vehicles in places that have to be smoke free for these children. I think that's all I came to say today, so thank you. [LB53]

SENATOR JOHNSON: Any questions? Looks like we let you off free. Thank you. [LB53]

MARK WELSCH: Okay. Thank you very much. [LB53]

TERRY WERNER: (Exhibit 3) Good afternoon, Chairperson Johnson and members of the Health and Human Services Committee. My name is Terry Werner, T-e-r-r-y, W-e-r-n-e-r. I am the executive director for the Nebraska Chapter of the National Association of Social Workers, and my testimony on this bill is going to be short and sweet. I think the--and I'll hand this out and I apologize, I did not bring 12 copies. But the effects of secondhand smoke on anyone, both adults and children, is well documented, and the National Association of Social Workers supports this bill and simply would encourage you to give it consideration and hopefully move it onto the floor of the Legislature. Thank you. [LB53]

SENATOR JOHNSON: You bet. Any questions of Terry? Okay, thank you. Okay. [LB53]

CARLY RUNESTAD: Good afternoon, Senator Johnson and members of the committee. My name is Carly Runestad. It's C-a-r-l-y, and the last name is R-u-n-e-s-t-a-d, and I'm here today on behalf of the Nebraska Hospital Association. I will also be very brief; I don't want to be redundant. But I wanted to let you know that on behalf of our 85-member hospitals and the 35,000 people that we employ throughout those hospitals, that we do support LB53. Many of the statistics that I have in my testimony, which I'll provide copies for you, are the same statistics that Senator Howard brought forth earlier, and I want to thank Senator Howard for bringing this forward. And I would just like to urge you, on behalf of the hospitals, to protect our children throughout Nebraska, and to support and advance LB53. [LB53]

SENATOR JOHNSON: Okay, any questions? Senator Stuthman. [LB53]

SENATOR STUTHMAN: Thank you, Senator Johnson. Carly, representing the hospital association, do you feel that the hospital, the doctors, and those see the effects of smoking in the children that are admitted to the hospital and are really, really supportive of the nonsmoking, antismoking, or the ban on smoking? [LB53]

CARLY RUNESTAD: Sure. I think you'll find that throughout all of the hospitals, and I can't necessarily speak for the physicians, but for the hospitals you'd certainly see that the case. And the statistic that Senator Howard quoted earlier, which I think was that there's from respiratory infections, they result in estimated 7,500 to 15,000 additional hospitalizations on an annual basis. I think that's pretty telling in itself right there. [LB53]

SENATOR STUTHMAN: Another thing that I have observed with the hospitals...and I served on the hospital board in Columbus... [LB53]

CARLY RUNESTAD: Um-hum. Wonderful. [LB53]

SENATOR STUTHMAN: ...and on the coldest day of the year, the workers in the hospital are standing out there smoking. [LB53]

CARLY RUNESTAD: I know, I know. [LB53]

SENATOR STUTHMAN: It must be good. I haven't...(inaudible). (Laughter). [LB53]

UNKNOWN VOICE: Frostbite. [LB53]

SENATOR STUTHMAN: I mean, I just think that they're setting an example that I think they should be on the other side of the building or something. [LB53]

CARLY RUNESTAD: And actually, that's probably for a bill that will come up later, but there's actually quite a few hospitals that are starting to now go smoke free completely off the campus, which is great for us to see. [LB53]

SENATOR STUTHMAN: Okay, thank you. [LB53]

CARLY RUNESTAD: Um-hum. [LB53]

SENATOR JOHNSON: Any other questions? Senator Gay. [LB53]

SENATOR GAY: I have one. Senator Stuthman brought up an interesting thing I was going to mention, too. [LB53]

CARLY RUNESTAD: Uh-huh. [LB53]

SENATOR GAY: Just recently in my district the hospital went smoke free, and I was surprised it took this long to do that. Now...but I guess the question to you: Do you know--and maybe you don't know this offhand. But you said you represent 85 hospitals. [LB53]

CARLY RUNESTAD: Um-hum. [LB53]

SENATOR GAY: Do a majority of them have the smoke free campus, or where are they going with this? [LB53]

CARLY RUNESTAD: I think you're going to start to see more of that. It's been happening slowly. Certainly, no smoking in the building, and many times, there's not smoking within, you know, certain area around the building. But I think as far as actually smoke free campus, that's just kind of started in about the last two or three years, to really start to come forward. There's been a number of hospitals that have started to declare that, and I think as one has had success, the others have started to build off of that. [LB53]

SENATOR GAY: Yeah, like I say, I was surprised to see that just as of January 1, whatever, that they started this. [LB53]

CARLY RUNESTAD: Sure. [LB53]

SENATOR GAY: I figured they would have been doing that a while back. [LB53]

CARLY RUNESTAD: Sure. It's in the making. [LB53]

SENATOR GAY: It's a tough issue. Yeah, thank you. [LB53]

CARLY RUNESTAD: Thank you. [LB53]

SENATOR JOHNSON: (Exhibit 4) Okay, any other questions? Thank you. All right. Any other proponents? Do we have any opponents? Any neutral? Seeing none, Senator, would you like to close? [LB53]

SENATOR HOWARD: I would, thank you. This is an issue of doing what we know is right. There is no refuting the damaging effects that exposure to secondhand smoke has on children. Those harmful consequences are no less for children in home provider settings than they are in a center setting. As the licensing agency for these facilities, the state has the obligation to ensure that to the extent possible, they are looking out for the health and safety of these children, who don't have a voice of their own in these matters. On behalf of the many children in foster and childcare settings whose health is affected each day by exposure to secondhand smoke, I strongly urge your support of LB53. And I'd have to say I do appreciate so much that you share my concern in this, and your comments, Senator Stuthman, and Senator Pankonin. I think those are very worthwhile. [LB53]

SENATOR PANKONIN: I just wonder if we shouldn't go for higher age, take the age off, or the vehicle. [LB53]

SENATOR HOWARD: And the vehicle. And I would say I would certainly entertain amendments to that effect. I think that's very worth considering. [LB53]

SENATOR JOHNSON: Okay, thank you. Well, let's proceed. No reason to move. [LB53]

SENATOR HOWARD: Well, there is, because I need to get to (inaudible) (Laughter). [LB53]

SENATOR JOHNSON: Oh, all right. (Laughter) [LB53]

SENATOR HOWARD: This will be LB52. [LB53]

SENATOR JOHNSON: Yes. Let's close the hearing on Senator Howard's first bill, LB53, and proceed to open the hearing on LB52. Senator Howard. [LB53 LB52]

SENATOR HOWARD: Thank you, Chairman Johnson and members of the Health and Human Services Committee. For the record, I am Senator Gwen Howard, and I represent District 9. I thank you for this opportunity to introduce LB52. The purpose of this bill is to ensure the health and safety of children who are wards of the state of Nebraska. Psychotropic medications act primarily on the central nervous system. They are designed to be used in the treatment of mental or neurological disorders. In 2005, my office conducted an interim study regarding the prescription and monitoring of psychotropic drugs to children who are wards of the state of Nebraska. The study found that an estimated 30 percent of the wards in 2004 and 40 percent of the wards in 2005 were prescribed psychotropic drugs. According to recent information provided by the Nebraska Health and Human Services System, in 2006, a total of 3,161 or 30 percent of Medicaid eligible state wards consumed a startling 45,345 prescriptions. While the total percentage of wards taking psychotropic drugs decreased from 2005 to 2006, the average number of prescriptions per child increased from just over 13 prescriptions per recipient in 2005 to an average of 14.3 prescriptions per child in 2006. The cost to the state of Nebraska for these prescriptions in 2006 was $5,668,729. That's a considerable amount of money. While I'm aware that there are certain instances when a child has an illness or a condition that requires pharmaceutical treatment, I'm concerned that the number of state wards being treated with these powerful drugs in Nebraska is too high. Nebraska Health and Human Services Regulations require the approval from the agency medical director or authorized designee to authorize the prescription of these drugs. However, anecdotal reports from foster care providers and agency caseworkers indicate the regulation may be inconsistent with the current standard of practice. The extensive use of powerful psychotropic medications among Nebraska state wards is alarming for several reasons. High caseworker caseloads and high caseworker turnover challenges the state's ability to monitor behavioral effects and changes that result from psychotropic medication usage. Providers who care for children with behavioral, medical, emotional or cognitive disabilities that require these medications qualify for a higher level of care reimbursement. I believe that can make these providers less objective when they are determining whether these medications are a necessary component of treatment. Psychotropic drug therapy is generally easier to administer than counseling or cognitive behavioral therapy, creating yet another bias that can lead to misuse of these drugs. When children are placed in the temporary custody of the public agency, pursuant to a court dependency proceeding, the question of who has the right to consent to the prescription of psychotropic drugs on the child's behalf is unclear, and parents, biological parents, are not consistently involved in these decisions. And finally, children who are prescribed medications in lieu of nonpharmaceutical therapies do not learn how to control their own emotions or behaviors without the aid of these medications. We have an obligation to ensure that we act responsibly on behalf of these

children. I believe that by strengthening the process for approving and monitoring the use of these prescriptions, we can be certain that we are matching children with the most appropriate and least invasive level of intervention for their behavioral or mental health concerns, as opposed to just the most convenient approach. LB52 respectfully requests that the Health and Human Services Committee of the Legislature establish a task force to evaluate the state's policy for prescription of psychotropic drugs to state wards, and their process for monitoring the use of these drugs by state wards. I'm asking the task force carefully consider what limits should be placed upon the psychotropic drugs prescribed to state wards, and they make recommendations regarding policy. Thank you for your consideration in this matter. And I would add that this is a bill that Senator Johnson may remember from last year. We passed this out of committee unanimously, and it reached the floor early. However, we simply ran out of the time to address it. [LB52]

SENATOR JOHNSON: Questions of the senator? Senator Stuthman. [LB52]

SENATOR STUTHMAN: Thank you, Senator Johnson. Senator Howard, first of all I want to thank you for introducing this bill. [LB52]

SENATOR HOWARD: Well, thank you, sir. [LB52]

SENATOR STUTHMAN: I think it's very, very important. I do have a little concern with, you know, creating a task force and getting results, you know, getting a report from the task force and then moving on, you know, to accomplish the goal. I truly agree with you that, in my opinion, too many drugs are to control behavior,... [LB52]

SENATOR HOWARD: Um-hum. [LB52]

SENATOR STUTHMAN: ...and I hate to see that in our younger children,... [LB52]

SENATOR HOWARD: I agree. [LB52]

SENATOR STUTHMAN: ...because once that is established, that will go on for the lifetime, so I just... [LB52]

SENATOR HOWARD: I certainly agree, and I appreciate your concern. Are you concerned about the task force in terms of the time that would be involved to move that forward? [LB52]

SENATOR STUTHMAN: No, I'm just concerned that the success of a task force and the outcome, and then what reality after the report becomes. That's what I'm concerned with. [LB52]

SENATOR HOWARD: Oh, that's a very valid concern, because we've certainly seen that even the best of recommendations sometimes don't...are not put into effect. So I appreciate that. In regards to the task force itself, but to possibly reassure you on that, there's no monetary amount that will be paid to these members, simply the mileage that they incur to participate. But you make a good point that I appreciate. I think it's our...certainly, our best way to get the information we need to process this. It's a complicated issue, and I think this could supply the information we need. Of course, you know, the proof is in the pudding, in acting on the recommendations. [LB52]

SENATOR STUTHMAN: Thank you. [LB52]

SENATOR HOWARD: Yes, sir. [LB52]

SENATOR JOHNSON: Senator Erdman has joined us. Senator Hansen, a question. [LB52]

SENATOR HANSEN: Thank you, Senator Johnson. Senator Howard, I appreciated the statistics that you said about the children. The amount of money is one thing, but you also said that the numbers of prescriptions have gone from 13 to 14 per child? [LB52]

SENATOR HOWARD: I believe it's 14.3. Someone is not taking their full prescription, apparently. (Laughter) [LB52]

SENATOR HANSEN: So are you saying that there's children out there that are taking that many separate prescriptions? [LB52]

SENATOR HOWARD: Well, this is what...this is the information that we're seeing with some of these children. And I can tell you from first hand, from my experience in working with Health and Human Services and these children, and especially when I'd move them from one foster home to another, I have seen children carry bread sacks of prescription medications. [LB52]

SENATOR HANSEN: Who... [LB52]

SENATOR HOWARD: Now this is not all at the same time, of course, but over a course of time, they could be taking this. Sometimes it is...they are taking a number at once, though. [LB52]

SENATOR HANSEN: Who controls that, the prescription...the medication level and the medications themselves? It looks like, you know, you get too many prescriptions working at the same time,... [LB52]

SENATOR HOWARD: Um-hum, um-hum. [LB52]

SENATOR HANSEN: ...it can't be good. So... [LB52]

SENATOR HOWARD: Well, and that's...you make such a good point, because when child will move from a foster home to another foster home, they could be taking a prescription. That foster parent can change the medical doctor or the psychiatrist for a number of reasons, and that child can be put on another prescription, and I think it becomes a very confusing matter for that child. [LB52]

SENATOR HANSEN: Okay, I think that confusion needs to be addressed. [LB52]

SENATOR HOWARD: Absolutely. [LB52]

SENATOR HANSEN: It's...quite seriously. If the task force would help, I'd certainly agree. [LB52]

SENATOR HOWARD: I will add...I will tell you another...I've gotten a number of calls about this, that children...this is Douglas County. We have a youth center. If a child violates the law, say, shoplifting, for example, they can be put in the youth center and detained. And they're taken off those medications, cold turkey, at that point, in the youth center. So... [LB52]

SENATOR JOHNSON: (Exhibit 1) Okay. There is a letter of support for your proposal from Patrick Connell, president of the Nebraska Association of Behavioral Health Organizations. [LB52]

SENATOR HOWARD: I appreciate that. Thank you. [LB52]

SENATOR JOHNSON: You bet. Thank you. How many proponents do we have? One. Well, we got four or five anyhow. And let's proceed. Well, how many negatives do we have? Any opponents? Okay, let's proceed. Go ahead, sir. [LB52]

GREGG WRIGHT: (Exhibit 2) Good afternoon, Senator Johnson and members of the committee. My name is Gregg Wright, that's Gregg with three Gs, one at the beginning, G-r-e-g-g, and W-r-i-g-h-t. I'm a pediatrician with specialty training in school health and child development. My...I'm currently a research associate professor at the University of Nebraska-Lincoln Center on Children, Families and the Law, and in that capacity, one of my responsibilities is training the new protection and safety workers from Health and Human Services in areas that relate to monitoring prescription medication in children who are state wards. I'm here testifying as an individual, because of my personal interest in the subject matter of this bill. I'm not speaking for the university, the center, or HHS. I speak in favor of the bill because of the many concerns I have about how psychotropic medications are being used in state wards and in children, in general. In

this area, during new worker training, each trainee is instructed to find and review a file of a child who is a state ward who's receiving complicated medication prescriptions. They don't have any trouble finding a file to review. They then submit a summary of the file, which I review, and then we spend approximately two hours out of our classroom time talking about medications and how workers can be most effective in their role managing the child's care and interacting with the prescribing physicians. Two points are obvious from my experience in doing that, and from reviewing those files that they submit. The first is a constant reminder of how difficult and complicated are the lives of the children for whom we as a state are responsible, as state wards. These children have endured the most difficult circumstances involving assault, affront, neglect by the most intimate people in their lives, upon whom they depend, and as a result, their mental health difficulties are immense. And the extent of their behavioral difficulties are more than challenging. So no one should think that managing these children is easy, or that we should not take full advantage of the medical, psychological, and developmental science. But secondly, it's very obvious that psychoactive medications are very frequently used and often in multiple combinations that would make sense only in the rarest of circumstances, if at all. Children are often placed on two or three different medications within each of two or three different classes of drugs, and with very little evidence of the interaction between the physician and the worker, or very little information in the files--interaction and information that would be absolutely necessary even in the rare cases in which it might be necessary, and which would help protect children receiving the medications. In my training I stress two points, among many others, to the workers about medication. First, is that psychotropic medications are all symptomatic medication. Despite all the talk about neurotransmitter imbalance, physicians do not use medications to balance neurotransmitters. No one knows yet what the specific neurotransmitter problems are in the brain, nor how to change a particular level of neurotransmitter in a particular place. We use these drugs because they've been found to work on difficult symptoms, difficult behaviors in other children. There's nothing wrong with a physician prescribing symptomatic treatment. We all do that for ourselves every time we treat a runny nose or a fever. But no one should think that they are curing anything or working some invisible magic. If the behaviors are continuing in the face of treatment, and they often do, it's crucial that the worker get this information to the physician in a way that can't be ignored. The second point I stress, again among others, is that everyone does better in the medical system if they're willing to actively advocate for themselves, or if they have someone who will do that for them. I believe every good physician knows that they practice better medicine and safer medicine when they have a patient or a patient's parent who's willing to ask questions and be actively involved in the treatment. Children who are state wards have to rely on the state to perform that function, and I firmly believe that the state has to work doubly hard just to be a barely adequate parent to these children. I try to empower the workers to ask questions and demand answers that make sense from the physicians treating their children, and to get a second opinion if they can't get that. I ask them to do the same thing for the kids that are there on their caseload that they would do for their own

children if a physician were prescribing multiple, complicated, and sometimes dangerous medications for their own children. Any of you who have had to advocate for your own child in the medical system know that this is a time-consuming business, and our workers are worried about way too many children to do this effectively. I believe we need to review what's happening with psychotropic drugs for children in the custody of the state, and for that matter, for all children. And I'd urge you to pass this bill as a start. As an aside, I don't think the language of the bill quite tracks the statement of intent. The bill uses language that says review the policy and procedures for prescribing and administering drugs. The statement of intent includes the important addition "and monitoring" drugs. We do license physicians, and we should definitely look into the prescribing of the drugs under those licenses, and whether we need better education or monitoring or regulation. But the state also must monitor the drugs of the children in our care, and that process has to be reviewed, as well. Thank you. I'd be happy to answer any questions. [LB52]

SENATOR JOHNSON: I have a question of you. Is...you know, with all of the children under the state care being shuffled about so much, is...in your experience, is there anything where, you know, one month or whatever, the child is seeing this physician, he prescribes two medicines, and two months later he's somewhere else, and goes in and so on, so that we keep getting this additive effect? And I guess the second part of my question is, would an electronic medical record help any? [LB52]

GREGG WRIGHT: Well, you know that happens to kids who are living at home with their parents, and these parents are going in to the physician, they get more than one physician involved, and I think some kind of a medical record sharing would absolutely be of benefit to kids and families and parents, so that a more assured sharing of medical records between physicians who are involved. No physician can take adequate of a patient without knowing what else other physicians are doing, and sometimes that gets forgotten. [LB52]

SENATOR JOHNSON: Any other questions? I see none. Thank you very much. (Exhibit 3) I have another letter of support that we'll enter into the record. It's from Joni Cover, executive vice president of the Nebraska Pharmacists Association. Next proponent, please? [LB52]

CYNTHIA ELLIS: (Exhibit 4) Good afternoon, Mr. Chairman and members of the committee. My name is Cynthia Ellis, C-y-n-t-h-i-a, E-l-l-i-s. I'm an associate professor of pediatrics and psychiatry at the University of Nebraska Medical Center. I have training in both pediatrics and child psychiatry, and I'm board certified in both developmental behavioral pediatrics and neurodevelopmental disabilities. In my clinical work, I manage and take care of a large number of children with a wide range of emotional, behavioral, and developmental problems, and my primary expertise is in prescribing psychotropic medications. In this capacity, I've had the opportunity to work

with a large number of children who are wards of the state in foster care. I'm here today speaking on my own behalf, as a physician with a personal interest in this, rather than as a representative of UNMC. I appreciate the opportunity to present my thoughts in support of LB52. As you will hear, I'm very supportive of the appropriate use of psychotropic medications, as they are often an effective mental health therapy, but I also share the concerns of Dr. Howard that current policies and procedures may not support the best practices in psychotropic medication usage for this population of children. And there's a couple of points that I wanted to make for my testimony. And I agree with Dr. Wright that children in custody are...have a number of risk factors, and they are predisposed to have a large number of more significant behavioral and developmental problems. So it's not unexpected that they have a high rate of complex mental health problems. And there's a number of challenges to providing high quality mental health services to these children. Their medical and their mental health therapy is often very fragmented, as he just mentioned. Separation from their parents, transitions in different caretakers and placement, it often limits the availability, the accuracy, and the continuity of the historical information that moves from the child in each case to the physician. There's also sometimes not a consistent caretaker who has the sufficient training and knowledge to provide informed consent, to coordinate the treatment planning and the clinical care, and to provide ongoing oversight in the child's treatment. It's also of a concern that the resources for evaluation and treatment in pediatric mental health are generally limited and in some parts of the state, particularly rural areas, even more extremely limited. There's less than 25 child psychiatrists in the state and only four developmental behavioral pediatricians. Most of them are in the Lincoln/Omaha area. I think that the use of medication is an important component in the provision of mental health services for children. I think that when you think about kids in foster care, they're very complex children, and so medication alone would not be a comprehensive treatment plan. These children also need psychosocial, psychological, behavioral, and educational interventions to form this comprehensive treatment plan. But in many cases, the medication component can be very important, and it's valuable because it improves the child's functioning, and it can also help to improve the success of some of the other therapies. I agree that there should be--and there is concern, and there should be concern that the overall use of psychotropic medication to treat childhood mental health disorders is increasing. In my own experience I've seen a large number of children who are overmedicated, yet on the other hand, I do see children who are undermedicated, and then I see a large number of children who are on appropriate medications but with the acute stress of their foster placement or their experiences, they may need adjustments in those medications. I think that the prescription of psychotropic medication is a medical decision that should be made between a competent physician and the child's parents or caretakers. And I think it's crucial, though, to have this be successful, that caretakers actively and consistently participate on the treatment team. In order to make appropriate decisions you need a comprehensive diagnostic evaluation which is based on the information that the physician has. You then make a recommendation for treatment comparing the risks of the treatments, such as

medication, with the potential benefit to the child. As with any medication, psychotropic medications have side effects, and they can have some pretty significant and serious side effects. So this is...it's a real important decision. But they can also provide significant benefit in some cases. And we also need to consider the risk of not comprehensively treating a mental health problem. As a physician prescribing medication, there's a number of clinical practice guidelines that are available for psychotropic medication use, such as guidelines provided by the American Academy of Pediatrics and the American Academy of Child and Adolescent Psychiatry. And these clinical practice guidelines are based on available scientific and clinical consensus, and what they do is provide generally accepted approaches to treating disorders or to using specific treatment modalities such as medication. And we know that implementation of these guidelines increases the benefit and the safety of the medication, and it also helps to reduce the use of ineffective and inappropriate medications and medication combinations. I agree with the formation of this task force to further evaluate this issue of prescription of psychotropic medication for our children in foster care, because I think these children deserve to have appropriate, coordinated, and comprehensive mental health services as part of their foster care services plan. On the policy end of it, I'm interested in looking at some of the systemic issues. I think that, as Dr. Wright mentioned, caretaker consistency and knowledge to appropriately participate as a team member on the treatment team is vital. There's a problem with the availability of expert mental health services and clinicians, and then there's issues related to the funding and the support for the other alternative treatments that might be available in lieu of medication. If we can't afford or cannot access those other treatments, then we may not be left with any other good treatment options. I think there's issues that need clarification regarding consent and also the involvement of the biological parents in these decisions. And all of these factors impact the outcome of the children on psychotropic medication. So in summary, as mental health professionals and guardians for these children, it's our responsibility to ensure both that they get effective treatment for their mental health disorders, but that we ensure their safety as wards of the state. As a pediatrician, my concern is that attempts to provide sufficient checks and balances to ensure safety regarding psychotropic medication use could unintentionally lead to reduced access or to a delay in the provision of this treatment. So I think, therefore, that a task force would be helpful because it would give us the opportunity to provide recommendations that support both safe and effective use of this psychotropic medication treatment in children, in the context of providing comprehensive mental health services. That concludes that, if there's any questions? [LB52]

SENATOR JOHNSON: Questions? Senator...Tom. [LB52]

SENATOR HANSEN: (Laugh) Thank you. Dr. Ellis, do you diagnose the symptoms of the children before you prescribe the medication? [LB52]

CYNTHIA ELLIS: Certainly. [LB52]

SENATOR HANSEN: How do you determine the...how do you diagnose that symptom while the child is on another drug? [LB52]

CYNTHIA ELLIS: Well, you know, that can be a tricky question, and typically, what you do is you have to take all...get as much information as you can regarding their current presentation of how they are now, but also get historical presentation of what problems they had that indicated to put them on the drugs in the first place. And then you need to look at, was that drug effective, did it make them worse, did it change their symptoms? But you can only do that if you have comprehensive information. It's really frustrating if we get a foster child who comes in with a foster parent who has known him two months, and he comes in with five medications. And he may be a big problem for them and have significant mental health issues, and we don't know, was he better than he used to be, are these drugs making him worse? Because we don't have that historical context. So it can be a very tricky situation, but in the meantime, you can't neglect them. You certainly can't stop some medications cold turkey. You can't not do anything because you don't know what to do, so you just have to make your best judgment and keep trying to get more information. [LB52]

SENATOR HANSEN: Thank you. [LB52]

SENATOR JOHNSON: Would it be relatively common practice that you would not have an adequate medical record in front of you or the other physicians, when they see these children? [LB52]

CYNTHIA ELLIS: In my experience that would be the truth, that we frequently do not have broad historical information that we need. Not that we can't get it, but sometimes that takes some time. [LB52]

SENATOR JOHNSON: Yeah. Other questions? Seeing none, thank you very much. [LB52]

CYNTHIA ELLIS: Thank you. [LB52]

SENATOR JOHNSON: Other proponents? [LB52]

JUSTIN BRADY: Chairman Johnson and members of the committee, my name is Justin Brady, J-u-s-t-i-n, B-r-a-d-y. I appear before you today as the registered lobbyist of Girls and Boys Town, and we'd just like to go on record in support of this study and ask that the committee and Senator Howard work with us and look to put a representative of Girls and Boys Town on the task force to address this issue. With that, I'd try to answer any questions. [LB52]

SENATOR JOHNSON: Are there any? [LB52]

SENATOR ERDMAN: Joel? [LB52]

SENATOR JOHNSON: Yes, Senator Erdman. [LB52]

SENATOR ERDMAN: Justin, I have some questions, and I missed Senator Howard's opening a little bit, so I apologize for that, and I'll reserve some of these for her. But as you read the bill, how would you get appointed? [LB52]

JUSTIN BRADY: There are, I guess, multiple that you could...I mean, ideally we'd like to see it modified to say, you know, if you're looking at providers, I mean, Boys Town being a provider with respect to state wards, would be a way. I mean, ideally we'd like it to say, and a representative of Girls and Boys Town. I understand that's not a realistic mechanism. Typically, when you have a task force, you kind of like to leave them broad, so that, I mean... [LB52]

SENATOR ERDMAN: Right. Just checking, thanks. [LB52]

SENATOR JOHNSON: Any other questions? Justin, thank you. [LB52]

JUSTIN BRADY: Thank you. [LB52]

SENATOR JOHNSON: Other proponents? [LB52]

SARAH ANN LEWIS: (Exhibit 5) Good afternoon, Senator Johnson and members of the Committee. My name is Sarah Ann Lewis, L-e-w-i-s, and I am here today on behalf of Voices for Children in Nebraska, in support of LB52. We supported the advancement of LB766 in 2006 to create a task force, to create this task force, and we continue to commend Senator Howard's efforts in support of such an effort, by the advancement of LB52 today. In February, 2004, the FDA began its own intensive review on the use of SSRIs, serotonin reuptake inhibitors or psychotropic drugs for children and adolescents for the treatment of depression, partially to determine whether SSRIs raised the risk of suicide in children. The result was the requirement for all drug manufacturers to include a box warning and expanded warning statements that alert healthcare providers to an increased risk of "suicidality" in children and adolescents being treated with these drugs. The warning advises close monitoring of patients as a way of managing the risk of "suicidality." This black box warning has been widely publicized in the media and comes after review of 24 clinical trials involving over 4,400 patients. The use of psychotropic medications by children is clearly an issue confronting parents and medical professionals across the United States, and we heard today from Senator Howard the numbers that appear extraordinarily high in our state and that have increased since last year's proposal of this bill. From public reports we've received at Voices, we know that

some children reside in placements for several days or weeks without being provided these serious and assumedly necessary prescriptions. In my own experience working in a crisis shelter with children, I have watched children come into the shelter without their meds--they follow them later. I've also witnessed children identifying themselves with the medications, telling staff that they should receive more or less, based on how they're feeling, which tends to lead me to the fact that something needs to be done to protect these children from being stigmatized by their own prescriptions. Anecdotally we know we have a problem with the handling of these drugs, but without a thorough investigative review of the current parameters for prescribing and administering psychotropic drugs to state wards in Nebraska, we will be without critical information necessary to ensure the safety and well-being of children in the state's care. Be it tempting to make assumptions that the high numbers indicate poor prescribing practices and children being overmedicated, it is not the intention of our support of the creation of such a task force to point fingers. We feel caution needs to be exercised in singling out practitioners. Our energy and focus should instead be pointed on providing children in the state's custody the best mental healthcare possible. We should keep in mind, as Dr. Ellis said, that these children who have been prescribed such medications are complex, high risk, frequently in crisis, and without detailed medical information about their diagnosis and treatments, in the company of stressed caregivers and caseworkers, and it takes a great deal of effort, time, and attention from all adults in the lives of these children to successfully address their needs and monitor their well-being while on these drugs. Unfortunately, we hear of a lack of psychiatrists who are willing to accept Medicaid and work with children in the foster care system, because they feel reimbursement rates are too low. This means psychiatrists who do see these patients are often overwhelmed and can lack the time to provide appropriate follow-up and medication monitoring. We should address the seriousness of the use of such powerful medication in children, especially those in the care of the state, by studying and creating sound policy in the system that is providing them. To determine whether these types of drugs are efficacious, they must be taken consistently so that the behavior can be measured to ensure children are receiving adequate levels of prescriptions. Voices for Children in Nebraska believes LB52 is the appropriate measure to ensure the policy for the monitoring and administration of psychotropic prescriptions is in the best interests of Nebraska's children. And I thank you for your careful consideration of this bill. [LB52]

SENATOR JOHNSON: Thank you. Questions? Senator Erdman. [LB52]

SENATOR ERDMAN: Sarah, the testimony--and I share Senator Howard's concern about the issue of psychotropic medication. The question that I would have for you is if the language in LB52 is too narrow. And your testimony states that the psychiatrists are unwilling to accept Medicaid and work with children in the foster care system, and your conclusion wasn't because they're foster care children; it's because of the Medicaid system. So then, doesn't that same argument apply to other children who may be on Kids Connection that are Medicaid recipients, as well, and shouldn't our study

encompass more than just state wards, but essentially the broader scope of the issue of psychotropic drugs? Or is that too big of a bite to bite off, and this may give us a sense of where the rest might fall into? [LB52]

SARAH ANN LEWIS: I would be willing to support broadening the language to make that big of a bite. I think that behavioral healthcare is certainly an issue in this state in addressing the needs of children that are on Medicaid or in the system, is something that this Legislature and the community should be looking to address, yes. [LB52]

SENATOR ERDMAN: Thank you. [LB52]

SENATOR JOHNSON: Other questions? Seeing none, Sarah, thank you. [LB52]

SARAH ANN LEWIS: Thank you. [LB52]

SENATOR JOHNSON: Any other proponents? [LB52]

CARLY RUNESTAD: (Exhibit 6) Senator Johnson and members of the committee, my name is Carly Runestad, R-u-n-e-s-t-a-d, and I'm here on behalf of the Nebraska Hospital Association and I'll be very brief again today. I just would like to go on record as being in support of LB52. The NHA believes it's essential for the state to examine state policies and procedures regarding the prescription and the administration of psychotropic drugs for individuals of all ages, but especially for children. Our hospitals urge you to support and advance LB52 and would like to thank you for your consideration of this matter, and also would like to offer the Nebraska Hospital Association's assistance in the task force, should this go forward. [LB52]

SENATOR JOHNSON: Any questions of Carly? Thank you. [LB52]

CARLY RUNESTAD: Um-hum. [LB52]

SENATOR JOHNSON: Any other proponents? [LB52]

SARAH HELVEY: (Exhibit 7) Good afternoon, Senator Johnson and members of the committee. My name is Sarah Helvey, S-a-r-a-h, last name H-e-l-v-e-y, and I am a staff attorney at the Nebraska Appleseed Center for Law in the Public Interest. And I'm here today to testify in support of LB52. Nebraska Appleseed is a nonprofit, nonpartisan law firm that advocates on behalf of low-income Nebraskans. In 2003 Nebraska Appleseed established its Child Welfare System Accountability Project, which seeks to protect the legal rights of children in foster care and to work for lasting and meaningful reform of the system. In 2002, the U.S. Department of Health and Human Services conducted state-by-state Child and Family Services Reviews or CSFRs, which assess state performance with respect to child welfare outcomes in the areas of safety, permanency,

and the well-being of children. The Nebraska CSFR concluded that in 34 percent of the cases reviewed, children did not have their mental health needs met. The review designated the mental health of the child as an area needing improvement in Nebraska. At Nebraska Appleseed, we're concerned about whether children in the foster care system are receiving appropriate mental health services to meet their needs. Foster children, particularly those who are in the system as the result of abuse and neglect, have very complex emotional and/or behavioral needs. As a state we should strive to ensure that psychotropic medications as a treatment for foster children are not being used in excess or in lieu of therapy or other services. The Legislature's 2005 interim study on this issue raised serious concerns about the number of foster children on behavior modifying medications and the state funds spent on prescriptions for state wards. By investigating the use of psychotropic medications in Nebraska, a task force could give important information and direction to the department to help ensure that state funds are being spent in the right places, so that children are receiving the right services to meet their mental health needs. We would urge the committee to advance LB52. [LB52]

SENATOR JOHNSON: Thank you. Any questions? Senator Erdman. [LB52]

SENATOR ERDMAN: Sarah, as a long-standing member of this committee that doesn't always read all the reports that I should, can you refresh my memory on what the parameters of the interim study that we had did on this issue before? Was it similar in nature to this, or was it the precursor to this? [LB52]

SARAH HELVEY: And I'm...perhaps Senator Howard could give a little bit more background on that. [LB52]

SENATOR ERDMAN: Okay. Then I'll ask her. Okay, thank you. [LB52]

SARAH HELVEY: I'm not able to; I apologize. [LB52]

SENATOR JOHNSON: Okay, any other questions? I don't see any. Thank you very much. Any other proponents? Any opponents? Anyone wishing to testify in a neutral capacity? We have one. [LB52]

MARY STEINER: (Exhibit 8) Good afternoon, Senator Johnson and members of the Health and Human Services Committee. My name is Mary Steiner, S-t-e-i-n-e-r, and I'm the Nebraska Medicaid director with the Health and Human Services System, and I'm here today to testify in a neutral capacity on LB52. I would like to give you some information about our current activities in the area of behavioral health drugs. The Nebraska Medicaid Reform Plan, dated December 1, 2005, indicated that the fastest growing expenditure category in the Medicaid program is prescribed drugs, and drugs used to treat mental health disorders are among the highest cost and fastest growing

classes of drugs within the pharmacy program. One recommendation of the Medicaid Reform Plan, which we have implemented, is to adopt a program similar to the Missouri Mental Health Medicaid Pharmacy Partnership Model, to improve the use of drugs used to treat mental health conditions and to control Medicaid spending. This approach does not rely on prior authorization or state requirements, but uses monitoring and education of prescribers regarding best practices. The program identifies inefficient and ineffective prescribing patterns based on evidence-based best practices standards for mental health drug therapy. One of the strengths of this program is its flexibility. First, trained professionals including the treating physician, have the benefit of current research and the benefit of the particular needs of the patient to guide a treatment decision. Second, as research demonstrates new best practices, the program keeps pace. This model looks at mental health drug use across all age groups, prescribers and drug classes. Mental health drug use by states wards is an important part of this strategy. Two of these projects are in progress in the partnership with the Nebraska Medical Association, the Nebraska Pharmacists Association, Magellan Behavioral Health, and managed care psychiatric consultants. The first project addresses all Medicaid clients who are concurrently receiving three or more atypical anti-psychotics. This is based on the lack of evidence of additional therapeutic benefit from the use of a third or fourth atypical, but there is evidenced risk of serious side effects. Educational letters to prescribers were sent in August of 2006, with the second letter scheduled to be sent this week. The second project began, based on the Texas foster child drug best practices, as published on the Texas web site. Those best practices were reviewed by child psychiatrists and a Nebraska Medical Association mental health committee. The outcome of those two reviews was the recommendation to review all Medicaid clients receiving five or more psychotropic medications concurrently, with special emphasis on state wards and other children, but including adults. Initial data runs have been completed for this part of this project and are under review now by the department's consultant child psychiatrists and consultant adult psychiatrist, as well as department staff. Letters are expected to be mailed within two weeks to prescribers with patients meeting the exception profile. Appropriate prescribing of mental health prescriptions affects all children. While 3,000 state wards received behavioral health drugs in 2006, over 13,600 other children also received these drugs through the Medicaid program. These prescriptions cost over $5.6 million for state wards and $15.5 million for other children. Therefore, we recommend as an alternative to a task force targeting state wards, that this issue be addressed for all children through the Medicaid Reform process. The Health and Human Services System believes that the Medicaid Reform Council is an appropriate public body to continue to provide direction, support, and oversight to the department on Medicaid issues. This council has an excellent, diverse membership and provides a forum for public input, including information specific to wards. The council could be asked to look at issues of prescribing and the state ward population, in lieu of the establishment of a separate committee. I'd be happy to answer questions. [LB52]

SENATOR JOHNSON: Any questions? Seeing none, thank you very much. Any other

neutral testifiers? Senator Howard, do you wish to close? [LB52]

SENATOR HOWARD: (Exhibit 9) Certainly. Thank you. Nebraska is not the only state that is addressing concerns relating to the prescription of psychotropic medications to state wards. Since 1999, at least 22 states have passed bills or resolutions related to the prescription of psychotropic medications to children. We owe it to the children whose care is entrusted to the state of Nebraska to be cautious when it comes to prescribing and administering psychotropic drugs to treat them. I believe that it is a time that we seriously examine this situation and set clear boundaries, to ensure that we are not creating a lifetime damage for children, in order to find temporary solutions to their behavioral or psychological challenges. I would ask for your considerable...favorable consideration for this bill. Thank you. [LB52]

SENATOR JOHNSON: Question by Senator Erdman. [LB52]

SENATOR ERDMAN: Thank you, Senator Howard. I just had some technical questions, I guess, on structure, and this may not be the setting. And so if you'd rather discuss these later, we can do that. Just let me know. Just some of the questions that I have, and I'll rattle them off, and then you can choose to respond. The question of how the...how the members would be appointed, who would appoint them. Would it be, as I read this, that the Health Committee creates the task force? Would we have the Chair appoint those individuals, or would we as a committee get together and vote by a majority? And I think some of the other questions that I had may have been addressed by other testimony, as far as what the other studies have shown, and so I think that's probably a healthy part of this. But those are just technical, not designed to... [LB52]

SENATOR HOWARD: Well, and I do appreciate that, because those are necessary questions. And the makeup that we had considered and that we got a fiscal note for was of 12 individuals. Now what I would envision with this task force...would be created in a similar manner to say, the distance learning task force, which was created by the committee that sponsored it, and I would certainly feel that this committee would have every ability to do that, to select the members and the number. [LB52]

SENATOR ERDMAN: So in that scenario with the distance education task force, did...was the language written in such a way that, just as this is, where it just left it open to the committee? [LB52]

SENATOR HOWARD: I believe that was the case,... [LB52]

SENATOR ERDMAN: With no specific... [LB52]

SENATOR HOWARD: ...where the committee had the opportunity to put the task force together, to form the task force. [LB52]

SENATOR ERDMAN: Okay. [LB52]

SENATOR HOWARD: Thank you. [LB52]

SENATOR JOHNSON: Yes, go ahead, sir. [LB52]

SENATOR GAY: Senator Howard, on (inaudible) testimony, there was...there's 3,000 state wards, it says, but 13,600 other children receiving the drugs. The reference is made, maybe we could look at those, at well. Would you have any problem, or why is this...should it be expanded or just keep it to the state wards? [LB52]

SENATOR HOWARD: (Exhibit 9) You know, I would...after looking at this for the past two years, and certainly seeing the problem when I worked as an adoption specialist for the department, I would say we have the responsibility to keep our scope on these children that are coming in as state wards. I think if we get too expansive, we're really going to lose the original intent of this bill and why I brought it in. I think that's certainly a concern, and we could have the opportunity in the future to use that information and carry it further, if that's what the chairman in this committee would decide to do. But I believe that we have, certainly, a high percentage of children, given the population, children who are state wards who are on this type of medication, and I think that's our obligation at this point to look at what's affecting those children. [LB52]

SENATOR GAY: Thank you. [LB52]

SENATOR JOHNSON: Thank you, Senator Gay, Senator Howard. No other questions? Let's close the hearing on LB52, and should we... [LB52]

SENATOR HOWARD: Take another go at it? (Laugh) [LB52]

SENATOR JOHNSON: Yes, let's proceed to LB54, and we've really been moving along pretty good, and the testimony has been quite good. I would caution a few of you that have been using closer to ten minutes rather than the three minutes that we were talking about, so. Senator Howard, go ahead, please. [LB52 LB54]

SENATOR HOWARD: I would agree with you, I think this...thank you. I would agree with you. I think this has certainly...we've had people that were very committed to these issues and gave excellent testimony. Good afternoon, Senator Johnson and members of the Health and Human Services Committee. For the record, I am Senator Gwen Howard, and I represent District 9. I am pleased to have this opportunity to introduce LB54. The purpose of this bill is to strengthen the quality of work force providing case management to children who receive services from the Nebraska Health and Human Services System. In LB54, I would ask that all new social workers and protective safety

workers, protection and safety workers hired by the Nebraska Health and Human Services System be eligible for licensure as social workers. Now the workers I'm referring to are more commonly known as CPS workers. While the position description for social workers includes this requirement, the protection and safety workers who perform this very specialized work are not required to meet this qualification. Research tells us that increased provider experience and education increases the likelihood that children will achieve successful outcomes. Conversely, employers whose workers have less training and less education often experience higher levels of employee turnover and poorer service delivery outcomes. The social work profession has been significantly watered down over time with individuals who perform human services work commonly referring to themselves as social workers, even though they lack the credentials to do so. We certainly wouldn't call everyone who provides medical intervention a doctor or a nurse. The same considerations apply to the specialized field of social work. While the concept of cross training individuals from related fields is an appropriate practice in some instances, there are some professions that simply require specialized education and experience in order to ensure quality service. The children and their families in our system have complicated needs and are already facing tremendous life challenges by the time the Nebraska Health and Human Services System intervenes. Without the proper education, serving them can be overwhelming for even the most well-intended person. Concerns have been expressed about the availability of talented applicants within the state who meet these qualifications to fill vacancies. It is important to note that LB54 requirements do not apply to existing personnel. It would only impact those hired after the time that the statute would take effect. According to information obtained from Health and Human Services personnel, the turnover rate among individuals in these fields is only around 5 percent annually. According to the University of Nebraska at Omaha School of Social Work, an average 83 students annually graduate...since 2002 have graduated with a bachelor's degree in social work or a master's degree in social work from accredited postsecondary institutions in Nebraska, indicating that there should be adequate numbers of qualified individuals to meet the demand. As a child advocate and a previous Health and Human Services System case worker for 34 years, I feel obligated to do my part to ensure that children who are placed in the care of the state have well-qualified, prepared providers to support them. Thank you. [LB54]

SENATOR JOHNSON: Thank you. Any questions? All right. [LB54]

SENATOR HOWARD: Thank you. [LB54]

SENATOR JOHNSON: Let's proceed. How many proponents do we have? One, two, three. Okay. Now let's proceed. How many opponents, while we're looking? One over there. All right. Okay, thank you. [LB54]

TERRY WERNER: (Exhibit 1) Good afternoon again. My name is Terry Werner, it's T-e-r-r-y, W-e-r-n-e-r, and I'm the registered lobbyist and executive director for the

Nebraska Chapter, National Association of Social Workers. Our organization supports LB54, and I have attached to my testimony letters from each of our schools of social work--Dana College, the University of Nebraska at Kearney, the University of Nebraska at Omaha, Chadron State College, and Union College in Lincoln. Additionally, Professor Jeff Mohr from Nebraska Wesleyan University will be mailing a letter of support to the committee. Professor Mohr would have been here today, except that his brother's home was destroyed by a fire on Monday. I've also attached a letter of support from Dr. Herb Grandbois, professor of social work at Creighton University. All of the schools of social work are represented in the packet. I would like to read today Dr. Sandra Cook-Fong's--from the University of Nebraska at Kearney--letter, and a portion of Deborah Stewart's, LCSW and program director at Chadron State College. Dr. Cook-Fong writes: I am writing to urge support of LB54, which would require the Nebraska Department of Health and Human Services to hire individuals who are certified as social workers in the state of Nebraska. Individuals who qualify for certification as social workers are graduates of social work schools that are nationally accredited by the Council on Social Work Education. This education stresses a fundamental core of knowledge, skills, and values that are crucial for proper and effective intervention with Nebraska's most vulnerable children and families. Social work education is specifically tailored to teach about people and their social environment, the policies that impact them, the assessment skills that lead to successful treatment strategies, and treatment approaches that serve the best interests of children and families. Most importantly, this professional preparation promotes the workers' ability to preparedness for child protection positions and reduces the turnover rate that adds to the disruption that these broken families have already experienced. Supporting this proposal means putting Nebraska's children and families first, ensuring the quality of services they receive, and insisting that they have the right to be served by workers who are academically and professionally prepared to address their needs. Currently, people with math, geography, history, and other unrelated education are hired to assess families and make critical decisions that affect their well-being. In some areas, people are hired purely on their ability to communicate in Spanish, with no regard to academic training. Many states hire only social workers for child protective services, and it's time for Nebraska to follow. If this bill faces obstacles, I'd like to recommend that at the very least the Nebraska Department of Health and Human Services changes its hiring criteria to stress that a social work degree is required or that the hiring preference will be given to holders of such degrees. This advocacy isn't about opening doors for social workers, as demand for social workers exceeds availability, and our graduates have no trouble finding work. This is about what is right for children and families and making sure that their needs are addressed by those who can help them effectively. Sincerely, Dr. Sandra Cook-Fong. I'd like to also read a portion of Deborah Stewart, who's the program director at Chadron State College. She says that social workers who have a bachelor's or master's degree in social work have training specific to the challenges of working with children and families in crisis. They are also trained in program evaluation, advocacy, court testimony, policy analysis, and community resource development.

These are areas of training unique to the discipline of social work. While other degrees prepare students for a variety of human service functions, social work graduates from a program accredited by the Council on Social Work Education--which all of our programs are--have unique training specific to the demands of working in child protection and family reunification. In the packet we have included some information from the United States General Accounting Office, a study that they did for the House of Representatives. According to the United States General Accounting Office, they made two points: "A stable and highly skilled child welfare workforce is necessary to effectively provide child welfare services that meet federal goals." Secondly, "Many child welfare caseworkers have degrees in social work; however, this credential is not always required and many practicing in child welfare have undergraduate degrees in seemingly unrelated fields." Written as a response to Representative Pete Stark and Representative James Greenwood, who inquired on behalf of the House of Representatives about the terribly costly trend in child welfare services when social service workers leave their positions after only a short period of employment, this study describes the reasons for the poor retention of social service workers. One, evidence from a national child welfare workforce study indicates that fewer than 15 percent of child welfare agencies require caseworkers to hold either bachelor's degrees or master's degrees in social work. This is the case despite several studies finding that Bachelor of Social Work (BSW) and Master of Social Work degrees correlate with higher job performance and lower turnover rates among caseworkers. In summary, the report submitted to Mr. Stark and Mr. Greenwood by the GAO clearly argues that the following needs must be sufficiently met to attract and keep a child welfare workforce that meets federal goals and for states to continue to receive child welfare appropriations: Number one, the workforce should have professional training. Ideally, the workforce should consist of professionally trained social workers who hold BSWs or MSW degrees. Number two, recruitment should include, if possible, state and federal incentives that would include such things as tuition waivers or incentives for already-employed caseworkers who are willing to return to college to obtain a BSW degree. And number three, recruitment should include degreed individuals who already have BSWs or MSWs. There's a profound need for bachelor level social workers in Nebraska to work with families and children, and an obvious need for professionally trained staff involvement in child abuse and neglect cases. Social work graduates have a unique training to address the needs of this population. [LB54]

SENATOR JOHNSON: I would caution you that you've gone over ten minutes. [LB54]

TERRY WERNER: I apologize. [LB54]

SENATOR JOHNSON: I would ask that you and other testifiers wouldn't come up and read other people's material time after time. If you could summarize what is in the material, you're far more effective than just to read the material. [LB54]

TERRY WERNER: Thank you. I apologize. I just wanted to emphasize some of the points in the package. But... [LB54]

SENATOR JOHNSON: I understand your zealousness, but... [LB54]

TERRY WERNER: But I am through and would be happy to take any questions. [LB54]

SENATOR JOHNSON: Yeah, thank you. Any questions? [LB54]

TERRY WERNER: Thank you very much. [LB54]

SENATOR JOHNSON: You bet. [LB54]

MELISA BORCHARDT: (Exhibit 2) Good afternoon. I'll try not to get scolded. (Laugh) My name is Melisa, M-e-l-i-s-a, please call me L-i-s-a, Borchardt, B-o-r-c-h-a-r-d-t. I'm here testifying; I'm in support of this bill, and I'm a licensed clinical social worker, licensed mental health practitioner for the state of Nebraska, and I feel that I'm here in a unique position. I'm a person who has gone through the new workers' training, who has been a child protective service worker for the state of Nebraska, and also someone who has been a trainer for the new worker training, and I'm seeing a lot of different things. Now I'm with Nebraska Wesleyan and I'm a professor, assistant professor of social work. I'm seeing a lot of different things, and the retention rate is one of them. I printed off, just off the web site before I came today...there's a position open. Actually, in Lincoln there are many multiple positions open with a closing date, right here in Lincoln, for this protective...PSW position, and my concern is the only requirement, which Terry Werner just addressed, is a bachelor's degree only. So for these people doing this type of work, all we're requiring is that they have a four-year bachelor's degree to work with children who were abused and neglected. Okay, it does go on to say, prefer bachelor's degree in social work, psychology, etcetera, so that's one of my major concerns, is that we're only requiring a four-year degree for this type of job, not specific to social work. The other thing that I would like to address is, as my tenure in working with people who were going through the new worker training and becoming these child protective service workers, a lot of them, this was like their second career. People who had degrees in geology and other forums, they were wanting to help in some way. Well, to help in some way, they could do it...there's a lot of other volunteer agencies that are available. So it's very, very important that we keep this to people who have social work degrees. The last thing that I would like to say is, on the Nebraska legislative web site, as you know, the quote says a senator is called to do many things, and your third bulleted point that says you are called to do...to right injustices involving the public. We have had a lot of child deaths in our state due to homicide, criminal child abuse, and neglect. In 2002-2003, there were 28 deaths in our state of children who were in our care and custody of the state of Nebraska, and there were seven deaths due to caretaker neglect. So 35 child deaths in our state, and I think that that's tied to caseworkers not having social work

degrees. So getting back to what it says, that you as a senator is called to do, to right the injustices involving the public, this is one way that you can start laying that groundwork. And when people ask you how did you make a difference in this session, you can say, I was a change agent, I was a voice for the children in the state of Nebraska, and I began to right the injustices happening to the children, youth, and families in our state. Thank you, and I'll take any questions. [LB54]

SENATOR JOHNSON: Thank you. Any questions? Senator Gay. [LB54]

SENATOR GAY: I have one. Lisa, would...you're going to educate me a little bit. When you're hiring,...the person hiring, you said there's a posting right now to hire somebody with a bachelor...we need a bachelor's degree. One thing--and I know you can't speak for everyone, but when we're hiring or trying to get somebody hired, I think the labor pool is tough. Would this...isn't it somewhat the responsibility of the manager to hire good people? Are we not finding enough good people, because Terry, I think, brought up the fact that it's pretty easy to get a job? They're in high demand, and I believe it. I think it's a very tough field... [LB54]

MELISA BORCHARDT: Um-hum, um-hum. [LB54]

SENATOR GAY: ...in anything you do. But how would this make that...would it be a hindrance? I can see the benefit, okay, but wouldn't it be a hindrance in a way, in the labor pool that's so tight now, that you'd be kind of tying your own hands a little bit, as an employer trying to find good people? [LB54]

MELISA BORCHARDT: Sure, and I haven't been in the position of employing, so I don't want to... [LB54]

SENATOR GAY: Okay,... [LB54]

MELISA BORCHARDT: ...speak to that. [LB54]

SENATOR GAY: ...okay, so don't speak out of turn on it. [LB54]

MELISA BORCHARDT: But yeah, out of context I would say, social workers understand this type of work. They've seen scars, they've seen bruises, they've watched the videos. Guest speakers come in. I've had children come into my classrooms that have the bruised eye from a domestic violence situation. So I think the retention rate with social workers, certified social workers, is going to remain high and you're not going to see multiple positions open in Lincoln, and that's there's no closing date because they have so many to hire. So I think there...the bodies are there, and I think social workers understand what this job entails and that they're going to see some very frightening, terrifying things that children are living. So I think it will be...I don't know if that answered

your question. [LB54]

SENATOR GAY: It does. I have a follow-up question, as well. When you're going and getting a degree in this, and you get...it's like any career. The more advancement and training you get,... [LB54]

MELISA BORCHARDT: Sure. [LB54]

SENATOR GAY: ...does pay scale go up accordingly in that industry, as well,... [LB54]

MELISA BORCHARDT: Um-hum. [LB54]

SENATOR GAY: ...or is it capped out at a certain level? Because I don't think the pay is great. [LB54]

MELISA BORCHARDT: It doesn't cap...right. [LB54]

SENATOR GAY: People don't get into that work for the pay; I understand that. [LB54]

MELISA BORCHARDT: True. [LB54]

SENATOR GAY: But at a certain level, when you increase your education and abilities, does the incentive of pay go up, as well,... [LB54]

MELISA BORCHARDT: Within... [LB54]

SENATOR GAY: ...or does that not apply to the industry? [LB54]

MELISA BORCHARDT: Boy, I don't...within the state I don't... [LB54]

SENATOR GAY: I mean, if you go get a master's degree, you're going to make more than a bachelor's, correct, or am I...? [LB54]

MELISA BORCHARDT: Within the state I would say no. [LB54]

SENATOR GAY: Okay, that's... [LB54]

MELISA BORCHARDT: I think that's where people go on, with the master's degree. There's other things they can do to increase their pay, if that's what you're getting at. But within the state, I do not believe that that has happened. [LB54]

SENATOR GAY: So that doesn't hold true, then. [LB54]

MELISA BORCHARDT: Now, to be hired in as a supervisor, they might start at a higher rate with that master's degree. That might be. And again, I'm speaking out of turn, because... [LB54]

SENATOR GAY: Yeah, so their career progression would dictate that, but it doesn't guarantee it. Okay, thanks. [LB54]

MELISA BORCHARDT: Thanks for your questions. [LB54]

SENATOR JOHNSON: Other questions? [LB54]

SENATOR PANKONIN: Senator Johnson? [LB54]

SENATOR JOHNSON: Yes, sir. [LB54]

SENATOR PANKONIN: Thank you. [LB54]

SENATOR JOHNSON: Go ahead, Senator Pankonin. [LB54]

SENATOR PANKONIN: Just a follow up. I think what Senator Gay was getting at, Lisa, is that even though he thinks...I think--I think a lot of us think that the intent is good, are we going to, by specifying it has to happen, when maybe we're having a hard time getting people hired anyway,... [LB54]

MELISA BORCHARDT: Um-hum. [LB54]

SENATOR PANKONIN: ...that it even ties our hands... [LB54]

MELISA BORCHARDT: Um-hum. [LB54]

SENATOR PANKONIN: ...that we can't get anybody. You know, I don't want to say can't get anybody, but it just makes it...and we're maybe... [LB54]

MELISA BORCHARDT: Right. [LB54]

SENATOR PANKONIN: ...going to hear from HHS and they're going to tell us about it. But I think that's what you were trying to say. [LB54]

SENATOR GAY: Yeah. Thanks, Senator Pankonin. [LB54]

SENATOR PANKONIN: Even though the intent was that we think this is a way to move, but we don't want to tie our hands so we can't, even though the person doesn't have these qualifications. I think what he's...I know what he's saying. [LB54]

MELISA BORCHARDT: Sure. [LB54]

SENATOR GAY: (Inaudible) [LB54]

SENATOR PANKONIN: He thinks it's great, but maybe we can't do it at this... [LB54]

MELISA BORCHARDT: Right. [LB54]

SENATOR PANKONIN: ...is the pool big enough of potential employees, that we can staff at all, is the question. [LB54]

MELISA BORCHARDT: Right. Thank you. [LB54]

SENATOR GAY: Yeah, we could be handcuffing ourselves. [LB54]

MELISA BORCHARDT: And I think on the front-end hiring, I don't know that I could speak to that. I'm speaking to the retention rate. People in the new worker training are dropping out of training because they...once they...they don't have the social work background. So they get into the training, and then they see, Gregg's thing, Dr. Wright's...bruises and scratches and broken bones. So I think more of why you're seeing always an open, rotating job is because a lot of people get in there, but once they get in, they're in over their heads. [LB54]

SENATOR PANKONIN: They don't really know, okay. [LB54]

MELISA BORCHARDT: But social workers understand that, going in. [LB54]

SENATOR PANKONIN: And I've also...yeah. I know locally about the retention problem, too, because it's...okay. [LB54]

MELISA BORCHARDT: Great. Thank you. [LB54]

SENATOR JOHNSON: Anything else? [LB54]

MELISA BORCHARDT: Thanks for your time. [LB54]

SENATOR JOHNSON: No, thank you. Any other proponents? [LB54]

SARAH HELVEY: (Exhibit 3) Good afternoon again, Senator Johnson and members of the committee. My name, again, is Sarah Helvey, S-a-r-a-h, last name H-e-l-v-e-y. And on behalf of Nebraska Appleseed Center for Law in the Public Interest, we would like to thank Senator Howard for her leadership in ensuring that children and families in the

Nebraska Health and Human Services System receive quality assistance, and we're here today to testify in support of LB54. Child welfare is a field which requires well-trained individuals who are capable of interacting with a diverse array of children and families, understanding the issues these children and families face, and making decisions in the best interests of the children and families. While we do not believe that persons with social work degrees alone possess these skills, we do agree that, along with experience, and education in a human services field is an important part of this training. Research shows that those with a degree specifically in social work have lower turnover rates in these jobs, as they are often the best prepared to work with children and families. Less hiring and less training of new employees will eventually save taxpayer dollars. The citizens of Nebraska, and certainly the children and families in the child welfare system, would benefit tremendously if all child welfare employees in the Department of Health and Human Services were adequately trained. To that end, we would like current child protection and safety workers to be required to complete continuing education classes and/or participate in continued training, rather than being exempted completely from the standards this bill would place on new hires. Nebraska Appleseed's Child Welfare System Accountability Project is committed to ensuring adequate child welfare protection services in the state of Nebraska and creating not just a better system, but a model system in which children and families are well served by a system with principles. Therefore, we support this effort to ensure that Nebraska's child protection and safety workers are highly skilled and well-trained individuals who can best serve our most vulnerable populations. Thank you. [LB54]

SENATOR JOHNSON: Thank you. Any questions? I think you're home free. Thank you. (Laughter) [LB54]

SARAH HELVEY: Thanks. [LB54]

SENATOR JOHNSON: Any other proponents? Do we have anyone testifying in opposition? Any others besides this gentleman? Why don't you go ahead, sir? Thank you. [LB54]

TODD RECKLING: (Exhibit 4) Good afternoon, Senator Johnson and members of the Health and Human Services Committee. My name is Todd Reckling, R-e-c-k-l-i-n-g, and I'm the administrator for the Office of Protection and Safety for the Department of Health and Human Services. I'm here today to testify in opposition to LB54, regarding the hiring exclusively of certified social workers by Health and Human Services for specified positions. Specifically, LB54 proposes that following the effective date of the act, Health and Human Services could only hire child protection workers, social workers, and trainees who have certification as a social worker. I want you to know that I am fully supportive of any effort to secure more social workers to work closely with the children, families, and individuals served within Health and Human Services. Although LB54 is well-intentioned, it has the potential for an unintended negative impact on the work of

protection and safety. To explain, I want to share several pieces of information from 2006. First of all, there are only 1,039 certified social workers in the entire state of Nebraska. Of these, 725 are certified masters social workers, also called CMSWs. Certification of a master's level social worker requires 3,000 hours of supervision during a five-year period of time following the master's degree, a written exam for certification, and a $25 fee. Candidates who receive certification are certified for a two-year period of time, during which they must complete 32 hours or continuing education credits in the field of social work. The $25 fee is paid again at recertification. Similar requirements also exist for certification of bachelor's level social workers, with a further requirement that their work is supervised by a master's level social worker. There are currently 519 staff employed within Protection and Safety at Health and Human Services. Of these 449 are employed as protection and safety workers or trainees. That breakdown of the 449, I have 387 protection and safety workers and 62 currently as trainees. Of those 449 protection and safety workers and trainees, 6 are certified masters social workers, and 39 are certified social workers. A publication by the U.S. Department of Health and Human Services, Administration for Children and Families entitled Child Protective Services: A Guide for Caseworkers--2003 states--and I quote: "There is research that strongly suggests that higher education is essential for developing caseworker competencies. Both the National Association of Public Child Welfare Administrators and the Child Welfare League of America suggest that CPS staff should have a bachelor's or master's degree in social work"--either the BSW or MSW--"or a degree in a closely related field." When reality meets LB54, we will face competing for about 500 protection and safety jobs from a pool of a little over 1,000 certified social workers in the state. This would be a challenge we may not be reasonably able to accomplish and certainly could have unintended consequences. If we are not able to hire certified social workers, we will not be able to fill vacancies. Even if we are able to hire certified social workers, all these positions...some of them could still be vacant. If we're not able to fill vacancies, the caseload sizes for existing staff will begin to rise at a time when we are already challenged in managing for reasonable caseloads. And if caseloads increase, services to children and their families will suffer. We believe that LB54 could carry some related costs. We believe that we would incur some additional recruitment costs to effectively complete within the state for the limited number of social workers and additional recruitment costs to look to other states for certified social workers. Finally, we would ask your consideration of a technical issue regarding the wording of the bill. The position titles within LB54 are listed in lowercase. For example, protection and safety worker, social workers, and trainees. There are specific job classes of Protection and Safety Worker and Protection and Safety Trainee within HHS, but the bill is unclear in terms of whether it impacts other workers or trainees within Protection and Safety, such as supervisors and administrators. It's also unclear to us as to whether the terms "trainees" and "social workers" within the bill refer to positions within HHS but outside of Protection and Safety. If the bill encompasses a larger group of employees, the cost of implementation would be even more challenging and the costs would be greater. Again, I certainly understand the interest and intent behind increasing the number of certified

social workers serving our kids and families. However, the unintended consequences of passing LB54 cannot be ignored. I would urge you to oppose LB54, and I'll be happy to answer any questions you may have. [LB54]

SENATOR JOHNSON: Thank you. Any questions? [LB54]

UNKNOWN VOICE: There, we've got one. [LB54]

SENATOR JOHNSON: Senator Gay. [LB54]

SENATOR GAY: I guess the question again would be, if in your experience...more knowledge...when you can find a certified worker, pay scale probably, I would assume, goes up. Is that correct, or am I incorrect with that statement? I mean, if you continue to get the training and job skills, does your pay go up proportionately, or is there a cap here, where, you know...and then also, what else in your opinion, maybe, could be done to continue training and make sure...what is being done to continue training, and...that we could have qualified employees? [LB54]

TODD RECKLING: To answer the first part of your question, there is no differential in pay through our union contracts. We have standardized pay for the level of a worker and then a supervisor, and then an administrator for those various positions. So it does not increase based on educational obtainment or certification as a social worker, at the present time. Secondly, if I understand your question correctly, as far as training, I think that there are a couple of things. Training in and of itself, I think, is one issue that is in addition to the hiring. Certainly, we want competent staff hired in the first place, so...and then very well rounded training. You heard testimony earlier today about some various studies, that talked about worker performance as well as worker turnover with the difference in degrees, whether that's more a generalist degree versus a social worker degree, and although some studies were quoted, there are also other studies that talk about that worker performance, if you have a bachelor's degree, there's not necessarily...social work degreed workers don't necessarily outperform other nonsocial work bachelor of science or something else degree. Also, there are other studies that also talk about turnover, and again, there's a lot of mixed results on whether or not the actual certification impacts turnover. So I think training is important. As a matter of fact, we know that training is a key element, based on worker performance and serving the kids and families. So in...two years ago, in September of '04, we actually changed our Protection and Safety training, whole curriculum. We have a contract currently with University of Nebraska-Lincoln, called the Center for Children and Families and the Law, previously referred to by Dr. Gregg Wright. And in that we changed the model so there was more hands-on experience. We initially had workers that came in--brand-new hires--that came into our training sessions, basically spent, depending on whether they were going to specialize or not, 16 to 18 weeks in training, and then went out and basically got a caseload. And we felt that there needed to be more of a tiered practicum

approach to that training. So our training was rolled into a three-phase training, where the workers actually received some educational classroom training, and then had the chance to go out in the field on a very limited, higher supervision case and actually practice what they're learning in the classroom. [LB54]

SENATOR GAY: Okay, thank you. [LB54]

SENATOR JOHNSON: Okay. Yes? [LB54]

SENATOR HANSEN: Thank you, Senator. Mr. Reckling, do the administrators in this group of HHS employees, do they tend to hold master's degrees? [LB54]

TODD RECKLING: I think, as you heard from my testimony, Senator, we have few employees within that group that actually have a master's certification. [LB54]

SENATOR HANSEN: But do the administrators tend to hold master's degrees? [LB54]

TODD RECKLING: I don't know that I could adequately answer that for you right now. I'd say some, but if...are you talking just certification in masters for social work, or just a generalist master's degree? [LB54]

SENATOR HANSEN: Masters in anything. [LB54]

TODD RECKLING: I'd have to get you those numbers. I would assume that...it's not a qualification to be an administrator. [LB54]

SENATOR HANSEN: Is it an advantage? [LB54]

TODD RECKLING: I'm going to go off the record, I guess, as an HHS employee and talk...for example, myself, I just finished...I grew up in the system, so to speak, in terms of a worker. I was a worker for seven...about six to seven years, then supervised, then was an administrator, and then in 2004, got my current position. I felt that education was very important, and so I just in May finished my degree, a master's in public administration. So I certainly think higher education is always a greater advantage to lots of different positions, whether it's in Health and Human Services or not. [LB54]

SENATOR HANSEN: Thank you. [LB54]

SENATOR JOHNSON: Any other questions? [LB54]

SENATOR GAY: Just one more. [LB54]

SENATOR JOHNSON: Senator Gay. [LB54]

SENATOR GAY: Then in the progression of your career, then did your pay grade go up? [LB54]

TODD RECKLING: Because of my position, not because of my educational attainment. [LB54]

SENATOR GAY: Okay. But pay grades are capped at a certain level? [LB54]

TODD RECKLING: Yeah. [LB54]

SENATOR GAY: I can get more information on that? [LB54]

TODD RECKLING: Yes. [LB54]

SENATOR GAY: Okay, thank you. [LB54]

SENATOR JOHNSON: Any other questions of...yes, Senator Pankonin. [LB54]

SENATOR PANKONIN: Senator Johnson, I'd like to ask one more question. These numbers are really helpful and were a little surprising, as far as the fairly limited number of certified social workers. Todd, in your opinion, then, if this bill passed it would be much more difficult for you, under this criteria, to staff and to handle the problems we have right now? But is this something that down the road we should be looking at working towards? [LB54]

TODD RECKLING: You know, again, the intention behind the bill is certainly something we agree with. To have certified social workers that really understand familial dynamics and system issues is certainly a benefit to our agency, so that's why, as you heard earlier, part of our advertisement is really designed around those that have like a psychology degree, human services background, or social work. So we prefer to try to attract those, but there's lots of competition. You also heard testimony that the pool is short, and demand certainly exceeds supply. So I do significantly think that it would bind our hands. I think there may be some other approaches, where we could try to attract or work with those that have the certification, let alone that absolutely restricting our hands in hiring. [LB54]

SENATOR PANKONIN: Thank you. [LB54]

SENATOR JOHNSON: Any further questions? Seeing none, Todd, thank you very much. [LB54]

TODD RECKLING: Thank you. [LB54]

SENATOR JOHNSON: Any other opponents? Any neutral? Seeing none, do you wish to close, Senator Howard? [LB54]

SENATOR HOWARD: I do, I do. [LB54]

SENATOR JOHNSON: Come on in, Senator Synowiecki, and have a seat and we'll get to you in a minute. [LB54]

SENATOR HOWARD: Before I actually do my closing, I'd like to address some of the concerns that were brought up, because they're very valid. Mr. Reckling mentioned that there was a change in the training in 2004. I'd like to point out that prior to that change in 2004, a bachelor's degree was not even required by the department to come in and be a protective service worker, which would entail things such as recommending the removal of a child from a home, or recommending that a child be placed back in a home that could be questionable in terms of safety. It's an important thing to keep in mind. Mr. Reckling mentioned certified social workers. Again, I really feel the need for a clarification. This bill calls for the employment of case managers who would be eligible for certification. The figures he presented reflected those that are certified, the availability of those that are certified. Often times when workers come out of a graduate program or an undergraduate program, they are not yet licensed social workers in the state. This bill calls for people, employees, child protective service workers, who would be eligible to go through that licensing process. This means the background, the bachelor's degree in social work, in social work management, in social sciences, that would relate to social work purely. And I'll make a little comparison here. We have senators who represent western Nebraska, not to be called Greater Nebraska, but the western Nebraska area. And I believe that those folks out there wouldn't really be willing to settle for a compromise in healthcare. Say there was someone that could treat them, a surgeon that was good, or a person that was just as good as a surgeon. I think they would be pretty uncomfortable with that comparison. With the department we can look at having someone who is a social worker and has the skills, the training, the background, the knowledge to do this very difficult, very exacting job, or "is just as good" will be good enough for our state wards. And I could tell you, additionally, that we look at foster care, we look at placements of children in foster homes, and we say, that's good enough, that's good enough. We'll do an overfill with a home, a home that's licensed for six foster children--we have a child, we need to have a bed. They have an extra bed. That's good enough. We'll put that child in that home. These things only lead to problems down the road, and as anyone who has worked with me could tell you, prevention is a very important thing to me. If we can see that we can prevent a problem, we are far better off than if we go back in and try to make it right, after the fact. I've been more than willing to work with the department. I have invited their input on this bill. I have invited their technical assistance. I received information back in writing that they had no technical assistance to offer me. So you can imagine, I'm surprised and

interested to have them come in at this point and offer that technical assistance. I'd like to point out also that, based on the figures that we have been given, that I have been given, of a 5 percent turnover rate with Health and Human Services child protective service workers, that would only be 22 people a year. Surely the department is able to offer positions to case managers, to child protective service workers, to 22 people a year who would be qualified to fill those positions. I find that we really are talking about two different things when it comes to what's available, what's a turnover, what's a case management, the problems in this arena. And we need to be very clear. The case manager positions that I am recommending are those individuals who would be eligible for certification. Senator Gay, you asked a question regarding pay. Is there a pay differential? The answer to that is flat-out no. I have a master's degree in social work. I also have an ACSW in social work, which is national accreditation. I received no additional salary for that while I worked for the department. Salary was based on the years of service and the rank that you were at--PSW--your job classification purely. Naw, there's no additional payment for training or for accreditation, which is a sad commentary on how we regard children in the system and what they're entitled to. Having said that, I'm going to return to my closing, and I would tell you, sincerely, I appreciate your excellent questions in this matter. Governor Heineman has announced his commitment to improving Nebraska's system of service delivery to children and families. I believe that LB54 is an important way to improve the job we are doing. By strengthening the qualifications for the professionals doing this challenging work, we help ensure that children and families have a better chance to achieve positive and timely outcomes. I ask your favorable consideration of LB54. Thank you. [LB54]

SENATOR JOHNSON: Thank you, thank you. Senator Synowiecki, I've got to stand up for 30 seconds before you get to it. (Laughter) I've been sitting here, and I don't think I can move. [LB54]

SENATOR SYNOWIECKI: You've had some long hearings today, huh, Senator? [LB54]

SENATOR HOWARD: Good hearings. [LB54]

SENATOR JOHNSON: Yeah. We've had good people talking. (Microphone malfunction)...hearing on LB82. Senator Synowiecki. [LB54 LB82]

SENATOR SYNOWIECKI: Thank you, Senator Johnson, members of the Health and Human Services Committee. I am John Synowiecki; I represent District 7 in the Legislature. Today I bring LB82 for your consideration, a bill to change family size provisions under the Welfare Reform Act. LB82 removes the, what is so-called "family cap" provision from Nebraska's Aid to Dependent Children program. Family cap policies exclude children conceived while their mothers receive public assistance from the calculations of the family's monthly cash grant. This deviates from basic public policy surrounding the public benefit system in which a family's cash grant is typically based

upon family size, independent of when a child is conceived. Since 1977, the so-called family cap in Nebraska has been applied to all children born into ADC units 10 months or more after the family's application for ADC benefits. Under the current calculations, each additional child would increase the family's monthly cash grant by a mere $71. The family cap further reduces the standard of living of families that are already living on an income which is less than 30 percent of the federal poverty level. If a family of four were at 30 percent of the federal poverty level, their annual income would be about $5,805 a year. Under the current policy, a family who has a child after the ten-month period will not see an increase in their payment, even though there is another mouth to feed and body to clothe. Currently, there are about 20 other states that have a family cap in effect. The intent of these laws during the time of family reform was to reduce the incidence of out-of-wedlock births and limit the state's welfare caseload. In recent years there has been a trend among states to repeal these provisions for a variety of reasons. The primary reason states have reconsidered the use of family cap policies is that after having been in effect for almost ten years, research shows that these policies have not produced the intended results, according to a 2001 report from the General Accounting Office. Moreover, according to a study by Rutgers University in 1998, it was estimated that the family cap policy in New Jersey had resulted in 1,400 abortions over a four-year time that perhaps would not have otherwise occurred. There is anecdotal evidence that the same thing is happening in Nebraska, as these provisions may encourage poor women to terminate their pregnancies. Considering that it is questionable whether family cap policies are delivering their intended results, I see no good public policy reason in continuing this economically punitive policy, with children being subjected to profound poverty. The intent of this bill is to improve the standard of living for children and families who are already considered very little income and to ensure that they have the resources to provide for the basic needs of their children while transitioning from welfare to work. Additionally, this bill seeks to ensure, then, the state of Nebraska, our public policy does not provide an economic incentive to terminate a pregnancy. I want to thank you, Senator Johnson, members of the Health and Human Services Committee, for your consideration of this legislative bill. [LB82]

SENATOR JOHNSON: Thank you. Any questions? Senator Synowiecki, I see none. [LB82]

SENATOR SYNOWIECKI: Thank you. [LB82]

SENATOR JOHNSON: Thank you. Let's proceed to proponent testimony, and how many people do we anticipate testifying? One, two--two or three. All right, fine. [LB82]

JENNIFER HERNANDEZ: (Exhibit 1) Good afternoon, Chairman, members of the committee. I want to first just take a moment to thank you for--particularly the new senators that are here--to thank you for your commitment to this committee. It's maybe not the flashiest, most exciting committee that we have in our Unicameral, but a very,

very important committee. And I really appreciate your commitment and your leadership. My name is Jen Hernandez, H-e-r-n-a-n-d-e-z, and I am the community educator and registered lobbyist for the Nebraska Appleseed Center for Law in the Public Interest. You heard a little of our testimony on some child welfare bills, but I'm here today to thank Senator Synowiecki for his leadership and to testify in support of LB82. This repeals a provision in Nebraska's welfare reform law known as the "family cap," which locks in the amount of ADC cash assistance a family can receive, based on the number of children in the household at the time of application. For example, if there is one child in the household at the date of application, a mother and child will thereafter be considered a household of two, capping their maximum monthly assistance amount at $293 per month. If the mother has a second child while receiving assistance, her ADC grant will not increase to cover the additional child. This policy originated out of a myth that ADC recipients were having additional children just to receive a larger grant. However, ADC grants only increase $71 per month for each additional child, which is simply not enough to meet even the most basic needs of an additional household member, and provides no economic incentive to have additional children. Several other states that enacted family cap policies, including Illinois and Maryland, have since repealed them. The trend in eliminating the family cap is based on data indicating that this policy has not caused a significant reduction in birth rates among ADC recipients and concern over increased rates of abortion associated with this policy. Furthermore, the one thing the family cap does do consistently is force more children to live in deeper poverty. Appropriate incentives already exist within Nebraska's ADC program to encourage families to focus on self sufficiency rather than on family expansion. Nebraska has a two-year time limit on the receipt of cash assistance and a mandatory work requirement. The two-year time limit creates a huge incentive for families to begin making progress on a plan for self sufficiency. The mandatory work requirement of 30 hours a week ensures that parents are immediately engaged in activities that will help them achieve self sufficiency. Together these policies provide adequate incentives to keep families moving forward without leaving already poor families with fewer resources to meet their basic needs. It is sometimes argued that the family cap maintains reality for families on welfare, because regular working families do not receive a raise when they decide to have additional children, but these families, these regular families, do receive a benefit when they have additional children, and it comes in the form of tax assistance--income tax exemptions, child tax credits, and child care tax credits. These forms of public assistance, just like the increase in ADC for an additional household member, seek to assist working families in meeting the expenses of an additional child. LB82 repeals the punitive family cap policy and ensures that Nebraskans receive the critical assistance families need as they transition to self sufficiency. And I ask you to support LB82 and advance it out of committee. I'd be very happy to take any questions that you have. [LB82]

SENATOR JOHNSON: Thank you, Jen. Any questions? Yes, Senator Howard. [LB82]

SENATOR HOWARD: Thank you, Senator Johnson. As a point of clarification, if an additional child is born to a woman who is receiving these benefits, this individual still has the same obligation to employment after a certain period of time is not waived;... [LB82]

JENNIFER HERNANDEZ: Yes, correct. [LB82]

SENATOR HOWARD: ...you have an additional child and you've got a six-month, say, grace period. At one time that was the rule years ago, but it's no longer in consideration, and I imagine it was about the same time that this cap was placed on there. [LB82]

JENNIFER HERNANDEZ: I don't know about the timing of those two, and maybe which one came first, but absolutely, even if you have an additional child, while your grant does not go up, you're still held to the same work requirement, as if you were receiving a grant for that child. [LB82]

SENATOR HOWARD: Thank you. Thank you for that clarification. I think that's important for people to hear. [LB82]

SENATOR JOHNSON: Anyone else? Jen, I think it's getting late in the day. Thank you very much. [LB82]

JENNIFER HERNANDEZ: Thank you. Yes, thank you. [LB82]

JIM CUNNINGHAM: (Exhibits 2 and 3) Senator Johnson and members of the committee, good afternoon. My name is Jim Cunningham, and that's spelled C-u-n-n-i-n-g-h-a-m. It used to me I didn't have to spell it in front of this committee,... [LB82]

SENATOR JOHNSON: (Laugh) [LB82]

JIM CUNNINGHAM: ...because there was a senator by that name. But I'm here as a representative, executive director and registered lobbyist for the Nebraska Catholic Conference, representing the mutual interests and concerns of the three Nebraska dioceses, primarily with regard to matters relating to public policy. I have handed in written testimony. I just want to hit a couple or a few highlights of that, rather than to read my testimony. I too want to commend Senator Synowiecki for keeping this issue in front of the Legislature, because I think it's a very important one. And my history on this individually is that I go back to the days when the welfare reform package was debated and enacted, and so I am somewhat familiar with the origin of this, as part of Nebraska's welfare reform package. This bill proposes to rid Nebraska of an ugly, unjust policy, the child exclusion family cap assistance freeze. Excluding and discriminating against a child solely because of the circumstances of his or her conception violates that child's

dignity as a human being and the common good of society. The idea of using subsistence cash assistance, ADC, as a behavior modification program, is punitive and unjust. The idea aims at the behavior of the parents but strikes defenseless children, punishing the child for someone his or her parents did, and for innocently interfering with the state's plan for promoting self sufficiency. This flawed attempt to use subsistence cash assistance, ADC, as a behavior modification program, inappropriately weighs the lives of children in the scales of their parents' poverty, rather than by their individual dignity. Barring these children from receiving a modestly increased subsistence grant for their care, maintenance, support, and protection drives already impoverished families even deeper into poverty, impacting upon all the children in the family. Parents in poor families do not have children to get public assistance benefits any more than middle-class families have children to get another tax deduction. As Jen Hernandez mentioned, this is a myth that has been debunked by evidence. Denying any grant assistance when an additional child is born into a family receiving subsistence cash assistance may encourage poor women to abandon their babies, or in a worst case scenario, as Senator Synowiecki has described, to turn to abortion as a cruel choice over facing the burden of stretching already meager cash assistance to include another child to feed and clothe and shelter and protect. You know, it occurs to me that there's somewhat of an irony at play here today. Concurrently with this committee considering Senator Synowiecki's LB82, the Judiciary Committee is considering bills to establish a mechanism for allowing women to abandon their babies to a safe haven. It seems to me that under the circumstances of this type of policy, one could argue that that type of mechanism, which itself may have difficulties, is justified and necessary. In closing, I'd like to urge the committee to advance LB82 to the full Legislature for a debate on the merits of LB82 and the current public policy. Also,...and if that is not the committee's inclination to do, I would hope that you would keep this issue alive to enable there to be a study of the type of impact that has occurred. There have been references to the GAO study, Government Accounting Office study, in 2001. As far as I know, that's the latest comprehensive study on the matter of the policy of the child exclusion family cap, and it may be possible to find more to update that type of study. One of the things that that study does say is that due to the limitations of existing research, we cannot conclude that family cap policies reduce the incidence of out-of-wedlock births, affect the number of abortions, or change the size of the TANF caseload. Those are things that we may not know, but what we do know, we do know that these families are poor, that they qualify for public assistance because they meet the standards of little or no assets and limited income, and also we know that spreading a basic, meager grant across a larger size family is just going to make that family even more impoverished. And the last time I'd like to do is, I'd like to submit to the record--and just for that purpose--the testimony that I presented in 1994, when the welfare reform package was considered on this very point. Gosh, I read it over this noon, and it occurred to me, that's pretty good testimony! (Laughter) And then I realized, well, it wasn't good enough to keep the family cap out of the welfare reform package in the first place. But I would like to submit that for the record and your consideration.

Thank you very much. [LB82]

SENATOR JOHNSON: You bet. Thank you. Are there any numbers that you know of, of how much this would cost? What did you say, the number difference was $71 a month? Is this a gigantic figure that this amounts to, or does anybody have any numbers? [LB82]

SENATOR PANKONIN: Senator Johnson, it's in our fiscal note. [LB82]

JIM CUNNINGHAM: Right. [LB82]

SENATOR JOHNSON: Okay. I didn't look there, so okay. [LB82]

JIM CUNNINGHAM: My understanding, Senator Johnson, just having looked at it briefly before the hearing, is that there are approximately 700 cases, on average, per month that are in the family cap program. [LB82]

SENATOR JOHNSON: Okay. So would be impacted by that. All right. [LB82]

SENATOR PANKONIN: $536,000. [LB82]

SENATOR JOHNSON: Okay. [LB82]

SENATOR PANKONIN: Annually. [LB82]

SENATOR JOHNSON: Okay, all right. [LB82]

JIM CUNNINGHAM: I'd like to also direct your attention to the fact...I believe the fiscal note makes mention of there is a TANF...I guess it's described as a "rainy day" fund, that might possibly be a source of being able to change this policy from what it is now. [LB82]

SENATOR JOHNSON: All right. Any other questions? [LB82]

SENATOR HANSEN: Senator Johnson? [LB82]

SENATOR JOHNSON: Yes sir, Senator Hansen. [LB82]

SENATOR HANSEN: Mr. Cunningham, what would be a viable alternative to a family cap? How do we keep children out of poverty, being born into poverty? Is there a viable alternative, other than a family cap? [LB82]

JIM CUNNINGHAM: Well, I certainly am not advocating that the state abandon all of its

welfare reform efforts, its efforts to promote self sufficiency, its efforts to establish a program in which work is motivated over welfare. You know, there are parts of that program to require that the welfare-qualified recipients sign an agreement with the state to take certain steps to enhance their ability to go to work and to not have to rely on welfare. Senator Howard is absolutely right that this doesn't waive the requirements to continue on the track of self sufficiency. It might suspend it for a reasonably brief period of time while the new child is welcomed into the family; but those provisions, you know, are in place and I think that one would assume that they're working and that they should continue to work and be enhanced. You're hearing a bill next that would give an incentive to greater amounts of income, to give a boost to those who might otherwise be persistent in the welfare system. I think the other thing to look at is that my understanding is that the data shows that the length of time that people spend on welfare may not be consistent with the understanding that people have, that it's just a persistent welfare situation. But rather, you know, people do move off of welfare and succeed in carrying out their self sufficiency agreement. So I think that it requires the commitment of all of us, not just policy makers, but those of us in the private sector, as well, to try to assist those in need as much as we can. [LB82]

SENATOR JOHNSON: Any other questions? [LB82]

SENATOR HANSEN: I think that financial advice to young parents would be very helpful. [LB82]

JIM CUNNINGHAM: I...in fact, it's interesting, Senator. I've sat in on State Board of Education meetings where there's discussion about the importance of financial advice as part of education, and the real value in that. [LB82]

SENATOR JOHNSON: Any other questions? Mr. Cunningham, thank you very much. [LB82]

JIM CUNNINGHAM: Great. Thank you very much. [LB82]

SENATOR JOHNSON: How many proponents do we have? One, two. All right, fine. [LB82]

SUSAN HALE: Senator Johnson, committee members, my name is Susan Hale, H-a-l-e. I'm the advocacy educator and registered lobbyist with the Center for People in Need. I have no prepared statement, but would echo the points so well made by those who testified before me, so I'm very brief, in that the Center for People in Need would encourage you to advance this bill for further discussion. We think it's a very valuable and long overdue policy that should be instituted. [LB82]

SENATOR JOHNSON: Thank you. Any...don't run off just yet. (Laughter) Any

questions? I see none. Thank you very much. [LB82]

SUSAN HALE: No? Okay, thank you. [LB82]

SENATOR JOHNSON: Terry? [LB82]

TERRY WERNER: I will try to make up some of the time from before. (Laughter) My name is Terry Werner. I'm the registered lobbyist and executive director for the National Association of Social Workers, Nebraska Chapter. We have nearly 600 members in the state. We are present in every legislative district, and my legislative committee has asked that we go on record in support of LB82, and would ask for your favorable consideration in advancing it to the floor. [LB82]

SENATOR JOHNSON: Thank you. Any questions of Terry? Thank you very much. Other proponents? Seeing none, do we have any opponents? I see none. Any neutral testimony? Senator Synowiecki, do you wish to close? [LB82]

SENATOR SYNOWIECKI: I'll be very brief, and just to be responsive to both Senator Johnson's and Senator Hansen's questions, the...I want to get on the record that in terms of cost, Senator Johnson, it's a total of $536,000 of which, however, is $322,000 of federal funding. So the majority of the funding for this would be federal funds that would come to the state, if we adopt the provisions under... [LB82]

SENATOR JOHNSON: Two hundred thousand, plus? [LB82]

SENATOR SYNOWIECKI: Two fourteen, $214,000 state funds; $322,000. Spending a lot of time on Appropriations Committee, what we're doing is we're bypassing some federal funds here with this provision. Senator Hansen, what do we do to prevent children being born into poverty? I can tell you what we shouldn't do--we shouldn't punish the child for being born into a family situation that they're unfortunately in profound poverty. We don't...we should not have a public policy where we exacerbate that situation for that child. I'll tell you what we shouldn't do--we shouldn't continue with this policy. [LB82]

SENATOR JOHNSON: Any questions of Senator Synowiecki? John, thanks. [LB82]

SENATOR SYNOWIECKI: Thanks. [LB82]

SENATOR JOHNSON: And that concludes the testimony on LB82. Senator Howard, are you up to bat? Let's start on LB90, by Senator Howard. [LB82 LB90]

SENATOR HOWARD: I have to thank you for your patience, and I promise that when you all come up here, I'm be just as patient. (Laugh) Thank you, Senator Johnson and

members of the Health and Human Services Committee. I'm Senator Gwen Howard, and I appreciate this opportunity to present to you this afternoon. The purpose of LB90 is to increase Nebraska's earned income disregard for individuals participating in the Nebraska Temporary Assistance for Needy Families Act, and that's...you'll hear the term TANF, and that's the abbreviation for this--and it's frequently used--this program, and to substantially increase the participant's chance for successful transition to self sufficiency. The goal of TANF is to provide short-term help to families attempting to transition from public welfare support to economic independence, which means from receiving a check from the state of Nebraska to holding a job. The state of Nebraska Health and Human Services System currently disregards only 20 percent of gross earned income in determining TANF cash benefits for participants. This makes Nebraska one of only 11 states in the nation with income disregards equal to or less than 25 percent. So the question is, what does this mean to families? In Nebraska, applicants become eligible for TANF benefits once their income is around 47 percent of federal poverty guidelines. I'll give you an example. It's sometimes so much easier to picture an example. For a family of three, a parent with two children, for example, 100 percent of the federal poverty guideline is $16,600 annually. Forty-seven percent of that number would be $7,800 annually, or $650 a month. Once eligible, and that would be--if you envision that $650 amount--once eligible, this mother would be able to receive, would be eligible to receive, a cash benefit of just over $300 per month. When the mother begins working, the first 20 percent of the gross income she earns is disregarded toward consideration of her eligibility. After the 20 percent is disregarded, her total income exceeds the eligibility limit. Then she begins to lose benefits. Individuals who continue to meet TANF eligibility levels with the 20 percent disregard are still living--and this is important--still living significantly below the federal poverty guidelines, which if you refer back to what I said early on here, would be $16,600 a year for this parent with two children. Over the last decade, some families have been successful in transitioning into employment and leaving the TANF assistance program, while others have left TANF for lower-earning jobs and have been unsuccessful in increasing their earning income over time. When families receiving cash assistance begin working and increasing their earnings, they face steep reductions in cash assistance. This loss of assistance can discourage families during the difficult transition period from public assistance to work, and create an unproductive cycle of unsuccessful transition attempts. Temporary transitions hurt families, they create instability for children, and they defeat the individual's belief that they can move forward in life. I believe we can promote people moving from welfare to work--and here is the key--and in retaining employment. The information I've received shows that the percentage of earned income that is disregarded is one of the variables that most affects the likelihood of successful transition from welfare to work for TANF cash benefit recipients. According to the Center for the Study of Social Policies, states can promote greater opportunities for families by temporarily disregarding earnings for cash assistance recipients moving into jobs. High earning disregards provides incentives to increase work, by allowing families to keep more of the money earned. And I'll just paint a very simple picture, and I

would imagine many of you have heard this same thing--I'm better off staying on welfare. Keep that in mind when you follow this. The goal in increasing the TANF earned income disregard is to move families into long-term economic self sufficiency. The simple fact is that this increase to a 50 percent disregard could still equate an annual earned household income level that is below the federal poverty guideline but is definitely a move in the right direction. Increased earned income disregards serve as a work incentive for TANF recipients. They encourage TANF recipients to become employed and stay employed. Disregards decrease the family's benefits more slowly as their earnings rise, allowing families to gradually replace benefits with earnings, and increase their financial well-being. The benefit of increasing the TANF disregards don't stop with the program participants. Prior to October, 2006, as a component of the Federal Deficit Reduction Act, federal TANF guidelines required that 35 percent of the eligible TANF recipients are participating in employment activities. Starting in October, 2006, however, the federal guidelines changed to require that 50 percent of the eligible TANF recipients are employed in employment activities. In concert with the higher employment participant requirements, the new guidelines also eliminate...they include the elimination of bonus dollars for states who comply, and the strengthening of sanctions for states that do not comply. And I believe Senator Johnson will recall the meeting that we had earlier in the year, in 2006, with the federal officials that came and gave us that information. By increasing the disregard, we provide the key incentive for work participation. This change will increase the number of working persons who continue to be eligible for TANF, which assists the state in complying with the new federal guidelines, saving hundreds of thousands of dollars in penalties to the state of Nebraska. Based upon the information I have received, increasing Nebraska's TANF earned income disregard is a sensible approach to managing the change in federal TANF regulations, and this is really a win for Nebraska families. Increasing the TANF earned income disregard will increase the likelihood that families will succeed, and permanently transition from TANF cash benefit assistance to economic self sufficiency through employment, and increase the likelihood that Nebraska Health and Human Services System will successfully meet the revised TANF guidelines for Welfare to Work transitions, which require an increase of work participation, as I said earlier, from 35 percent to 50 percent of eligible program participants. And keep in mind, the deeper you go down into the pool of individuals who have been on TANF, which used to be known as ADC, the more difficult the problems are going to be, that those people are going to experience, and it's the more challenging--let's put it that way--the more challenging it is for them to move from welfare to work. Thank you for this opportunity to offer a solution that benefits the state of Nebraska and the families that we serve. [LB90]

SENATOR JOHNSON: Thank you. Any questions? Well, I'll start out with one. You know, disregarding...and what you're saying about getting people back to work may well be valid. What we're going to be asked, however, is how much does it cost? And the number is pretty good-sized; not huge, but it's a good size. [LB90]

SENATOR HOWARD: Absolutely, absolutely. [LB90]

SENATOR JOHNSON: And with the Governor saying that, basically don't expect to raise anything in this regard, how are we going to convince him to take on a $9+ million additional expenditure? [LB90]

SENATOR HOWARD: I would respond with two answers to that. First off, when we look at policy and when we look at laws, things that we will enact that will affect people that are living in the state of Nebraska, we have the obligation to look not at the immediate situation alone. We also need to look down the road and see what the impact is going to be. And I know from having worked with you for two years that you too are concerned about prevention and spending the dollars wisely if we can do it up front, to prevent the problems down the road that obviously will be more costly. I would suggest to you that spending the dollars at this point to get people off welfare, onto employment, and even more importantly, keeping them employed so that they don't look back at the welfare program and think, you know, I'm better off. I get medical coverage. My kids get medical coverage. I don't have to leave the home. I don't have to take my kids to day care. There's a mind-set that employment doesn't benefit people who really are facing the prospect of minimum wage jobs. I think we need to have a shift from that. We need to work to get people gainfully employed and people stay gainfully employed. [LB90]

SENATOR JOHNSON: Other questions? Thank you. [LB90]

SENATOR HOWARD: Thank you. [LB90]

SENATOR JOHNSON: All right. How many proponents do we have? One, two, three, four, five. Okay. I'll take a reading of opponents while you're sitting down there, Jen. Any opponent testimony? There's one back there. Okay. And I can see there might be a neutral or whatever, but Jennifer, why don't you go ahead? Thank you. [LB90]

JENNIFER HERNANDEZ: (Exhibit 1) Thank you, Senator. Jen Hernandez, H-e-r-n-a-n-d-e-z, from Nebraska Appleseed. I want to thank Senator Howard for her leadership, and I'm here to testify in support of LB90. I want to make three points here. The first is that expanding the earnings disregard will help more families reach self sufficiency. Senator Howard gave you a dollar figure of $650 a month for a family of three. The federal poverty line for a family of four is currently $20,000 a year, or $1,667 a month. But the amount of money it takes to provide for the basic needs of a typical family of four in Lincoln or anywhere in Nebraska, is far beyond the federal poverty line. And you have in front of you a self sufficiency standard for Lancaster County, which outlines the very basic needs of families living in Lincoln. You're looking at Lancaster County data, but we have the same data for every county in Nebraska. For two adults, one preschooler, and one school-aged child living in Lincoln, the family needs to earn

$40,000 just to meet the most basic of needs. And I point this out to show the chasm between what it really takes to get by, and what is considered poverty. There are thousands of families across Nebraska that do not earn enough to meet their basic needs, but they're not considered to be living in poverty. So let's be clear that the poverty line is not enough to get by. Having said that, I want to point out that expanding the earnings disregard in ADC will help more families transition to self sufficiency. If we expand the disregard to 50 percent, as suggested in this bill, families will be able to earn just below the federal poverty level and still be eligible for ADC. Being on ADC gives families access to skill-building and job training that they are otherwise not eligible for. So expanding the disregard gives families the opportunity to build their skills and transition into the job market. An expanded earnings disregard policy recognizes that self sufficiency is a journey, and it helps families remain stable on that journey. My second point is that expanding this earnings disregard will give greater rewards for work. This would bring our policy in line with 39 other states that have had success giving greater rewards for work. These states include Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, the District of Columbia, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina... [LB90]

SENATOR JOHNSON: Etcetera. [LB90]

JENNIFER HERNANDEZ: All of those. So we're behind in the times here. These states have had success giving greater rewards for work. It provides the...expanding the earnings disregard provides low-income working families a more powerful work incentive. And the third thing that I want to point out is that this disregard will help Nebraska meet its work participation rate. States generally face greater difficulty in meeting the work participation rate set forth in the Deficit Reduction Act that Senator Howard mentioned. If a state fails to meet participation requirements, the penalty rate is 5 percent of the state's adjusted state family assistance grant for the first year of failure. The penalty then grows up to 2 percent more for each subsequent year the state fails to meet the participation rate, up to a 21 percent penalty of the entire state family assistance grant. Further, if the state is penalized, it is required to expend state funds in the amount by which it has been penalized, to replace the reduction in its TANF block grant, and failing to do so will result in an additional penalty. A higher disregard allows Nebraska ADC families that get low wage jobs to remain eligible for assistance, remaining countable in our state's work participation rate. Expanding the disregard is one of the most effective ways to meet the work participation rate, because every single family who receives assistance through this expanded disregard will be working, and therefore countable. A higher earnings disregard is not only the right thing to do for families, it also makes economic sense for us as a state, as we implement the federal changes in TANF reauthorization. I'd be happy to take any questions. [LB90]

SENATOR JOHNSON: Any questions? Jen, I see none. Thank you. [LB90]

JENNIFER HERNANDEZ: Thank you. [LB90]

TERRY WERNER: (Exhibit 2) Senator Johnson and committee, my name is Terry Werner, it's W-e-r-n-e-r. I'm the executive director and registered lobbyist for Nebraska Chapter of the National Association of Social Workers. It seems to me that this committee, social workers, and all who care about children and families have the same goal. That goal would be to help families achieve self sufficiency and to rise out of poverty. Obviously, this can only happen when parents are working and earning wages above poverty. We all want to see families succeed, and TANF is only a temporary tool to assist in that success. Transitioning from the welfare rolls to work force is a process that is slow and can be very difficult for families. By preventing steep declines in resources, working parents are provided an incentive to continue working and moving toward self sufficiency. We can provide this incentive by increasing the TANF income disregard, as proposed in LB90. Taking off a little bit from what Jen said about self sufficiency standard, can you imagine providing for your spouse and two children on less than $800 a month? That's the level at which TANF ceases. In Lincoln you'd need four times that amount, $3,331, to provide the very basic needs for your family. In Kearney, you would need three times that amount, $2,465, to provide the very basic subsistence level needs for your family. And these figures are based upon 2002 research. If Nebraska raises the earned income disregard, we will provide families that short-term assistance that will get them on the road to self sufficiency. Please support LB90. Thank you very much. [LB90]

SENATOR JOHNSON: Okay. Any questions of Terry? Terry, I see none. Thank you. [LB90]

TERRY WERNER: Thank you. [LB90]

SENATOR JOHNSON: Any other proponents? [LB90]

SARAH ANN LEWIS: (Exhibit 3) Good late afternoon, Senator Johnson and members. My name is Sarah Ann Lewis, L-e-w-i-s, and I am the policy coordinator and registered lobbyist for Voices for Children in Nebraska. We support LB90 in assisting families in the transition from welfare to work and commend Senator Howard for her dedication to not only helping hard-working Nebraskans achieve self sufficiency, but in also helping the state of Nebraska comply with the new stringent federal TANF guidelines. When families struggle financially, children become the innocent victims of the instability. It cannot go without saying today that raising the earned income disregard will help the children and families struggling to make ends meet. Children face life-threatening risk factors from the effects of poverty. Some of the risk factors associated with poverty are lack of adequate nutrition, trauma, abuse and/or neglect, low quality child care, parental

substance abuse, and unsafe neighborhoods and schools. The reality is exposure to these and other hazardous conditions results in heightened risks to children's physical, emotional, and mental well-being. In response to your question about what we would say to the Governor, I would say as we devote more of our time and financial resources to the sound investment of high-quality early childhood education, we must accept that poverty can be perhaps the most powerful factor to negatively alter our efforts. I would like to provide you with five examples of nearby states that provide earned income disregard higher than ours, which is set at 20 percent. Iowa sets theirs at 60 percent, Kansas at 53, Oklahoma at 65, Colorado at 67, and Missouri at 74. Strong evidence shows income supports improved child outcomes and higher parental education increases school readiness. We strongly urge you to advance LB90 and sincerely thank you for your attention to this issue. [LB90]

SENATOR JOHNSON: Any questions? [LB90]

SARAH ANN LEWIS: Thank you. [LB90]

SENATOR JOHNSON: Thank you very much. Jim, are you the last of the Mohicans here? [LB90]

JIM CUNNINGHAM: Probably. Senator Johnson, members of the committee, my name is Jim Cunningham, C-u-n-n-i-n-g-h-a-m. I represent the Nebraska Catholic Conference, and I'll be very brief. We wish to be on record in support of LB90 because, as you have heard from the previous testifiers, it is an effective, meaningful improvement in Nebraska's implementation of the TANF program. Thank you. [LB90]

SENATOR JOHNSON: Any questions of Mr. Cunningham? Thank you very much. [LB90]

JIM CUNNINGHAM: Thank you, Senator. [LB90]

SENATOR JOHNSON: All right, any more proponents? [LB90]

UNKNOWN VOICE: Very brief. [LB90]

SENATOR JOHNSON: We're doing fine. [LB90]

SUSAN HALE: If you go last, everybody else says everything that... [LB90]

SENATOR JOHNSON: No, we're doing fine. [LB90]

SUSAN HALE: (Exhibit 4) Senator Johnson, committee members, I'm Susan Hale, H-a-l-e. I'm a registered lobbyist for the Center for People in Need, and I have attached

some information about the Center for People in Need to my witness statement. And the Center does thank Senator Howard and this committee for considering this proposal. We do urge you to advance it for further discussion, and I will not reiterate the points that were previously made. Simply will state, however, if we are to meet the stated goal of moving people from assistance to work, we need to enact policies and practices that will permanently set families on a solid course. Last year the Legislature enacted a state earned income tax credit, and this committee will consider child care subsidies in the near future. Increasing the income disregard is among the strategies that serve to support, encourage, and enable families to become self sufficient. That's all I have for you. [LB90]

SENATOR JOHNSON: Any questions? Thank you. [LB90]

SUSAN HALE: Okay, thank you. [LB90]

SENATOR JOHNSON: Any other proponents? Chris, I think you're coming up as a opponent. [LB90]

CHRIS PETERSON: Yes. [LB90]

SENATOR JOHNSON: And do we have any neutral testifiers? Chris, why don't you go ahead? I might say that we have a letter from the Nebraska Medical Association that we should file for supporting LB53. (Exhibit 1, LB53) [LB90]

CHRIS PETERSON: (Exhibit 5) Good afternoon, Senator Johnson and members of the Health and Human Services Committee. I am Chris Peterson, P-e-t-e-r-s-o-n, chief administrative officer for the Health and Human Services System. I am here today to testify in opposition to LB90, which would amend parts of Revised Statutes Chapter 68, Paupers and Public Assistance, to change the earned income disregard in the Aid to Dependent Children, or the ADC program from 20 to 50 percent. Congress reauthorized the Temporary Assistance for Needy Families program, also referred to as TANF, in February, 2006. In Nebraska, this includes the Aid to Dependent Children program and the Employment First Welfare to Work program. This welfare reauthorization requires states to strike a balancing between two challenging and sometimes contradictory tasks. States are under considerable pressure to satisfy higher work participation rates in a very short time frame to avoid fiscal penalties, while also moving more families into long-term self sufficiency. As states consider different policy options, it is vital to focus on rules that best meet their residents' needs. All states, as people have said, disregard a portion of an individual's wages when determining ongoing eligibility for ADC payments. The intent of the disregarded income is to provide an incentive to work by allowing individuals to earn money through employment and still receive an ADC payment. LB90 would change the earned income disregard from Nebraska's current 20 percent disregard to a 50 percent disregard of earnings. On surface, this bill seems like

it would be a win/win situation for ADC recipients with earnings. Data analysis has been completed by Health and Human Services staff, and when eligibility for other assistance programs is considered, the benefit on the ADC payment side may actually have a negative impact on the family's food stamp eligibility, and therefore creates a negative impact on total benefits provided to the working families. Before I go on, at the end of your testimony, you have a sheet that looks like that, if I could ask you to look at that for just a moment. This is a cheat sheet that we use that shows our program standards for a variety of programs, and they're very, very complex. If you look at the first column, starting on the left hand side, it says "ADC/SON." That refers to the standard of need. That is basically a standard of need set by statute, which is reformed every two years, and we base all of our formularies from that. As you look across there, there's a huge variety of different programs, so while the testimony earlier said all the surrounding states do a higher income disregard, they do. But none of those states that were mentioned by the last testifier include transitional food stamps, which we do, which is a benefit then that counts towards a person's income. So this is updated by the federal government. They give us the latest federal poverty guideline, which is on the one, two, three, four, five in--100 percent of the federal poverty guideline, and that's what we work from with all of our programs. So now go back to my testimony. Data shows that approximately 92 percent of all ADC households receive food stamp benefits. Let me provide you with an example of the impact of the 50 percent disregard for a three-person family. This is on the LB90 comparison chart handout, and so I'm going to ask you now to turn to the second sheet, that had yellow on it. And again, I apologize that it's so complex, but these are very complex programs. That's why the minute you ask me a question, I'm going to pull up Mike Harris, who is right behind me, who is the expert on this. But I have enough working knowledge, I think, to walk you through this, to see how we made our decision. Now I want you to go down to the second level, the second chart, which is a three-person ADC family. Go over to the right side as far as you can, and it will show you the 20 percent disregard and the 50 percent disregard. Now we're going to have to work off what is that ADC standard of need for a three-person family, which is in essence $643. That's what we assume a person needs to live on, after...that's just what they need to live on, and that we calculated, then. So if the income is $1,200, and then you're going to take 20 percent of $1,200, that puts you down to $2,200...$2,400. And when you subtract all this out, if you get down to your total benefits, they don't get an ADC payment because they're over the standard of need. They still get the transitional food stamp benefits. And if you add those two together, you come up with a total benefit--both cash funded and food stamps--of $1,608. Now if we go to the income disregard, we're disregarding more, the standard of need allows a cash payment of $43, but you're going to pick up the $153 of food stamps, and you lose the larger amount of the transitional food stamp benefit. So in actuality, you're getting less food stamps, some cash payment, but you're actually having a net loss of $212. It seems hard to understand why a larger disregard would allow that, but it's because we have the transitional food stamp program that others don't. The proposed 50 percent disregard in LB90 would provide additional ADC

benefits to those working part time; however, this would have the unintended consequence of increasing the incentive to work part time rather than full time, which goes against the goal of moving families into long-term self sufficiency. The effect is an increase in General Fund expenditures, reduction of federal food stamp dollars available to Nebraska ADC families, and a decrease in total amount of monthly benefits to those who begin working full time, or near full time. In addition, LB90 would have a large fiscal impact. There are two categories of recipients we would have to look at--those who are not currently eligible but would be, due to this bill, and those who are currently eligible. It is estimated that 4,582 families with earnings who now receive only Medicaid would become eligible to receive an ADC payment, if the earned income disregard would increase to 50 percent. The average ADC payment for these additional families would be $142.23 per case, or $7.82 million annually. In addition, there would be increased costs in the Employment First program and the Child Care Subsidy program for these new recipients, due to work requirements. The estimated annual cost for these would be $5.56 million. The total estimated cost of the 50 percent earning income disregard for these additional ADC families would be $13.35 million. If the disregard is increased from 20 to 50 percent for potential recipients, Nebraska will be one of the top ten most generous states for those individuals. For current recipients, based on the ADC caseload in December, 2006, utilizing a 50 percent disregard, it is estimated that the ADC payment to 763 recipients who are now employed would increase by an average of $148.70 per month, under the proposed disregard. Annually, this increase would be $1.36 million. In addition, an average of 680 recipient families lose eligibility each month, due to increased earnings. It is estimated that half of these recipients, or 340, would remain eligible under the proposed 50 percent earned income disregard. The average ADC payment for the 340 cases would be $127 per month, with families transitioning on and off the program. The additional cost is $1.46 million for the first year. There would also be increased Medicaid and child care costs for the families. The estimated first year Medicaid costs would be $1.07 million and the estimated first year child care costs would be $306,275. All considered, the total estimated cost for adoption of the 50 percent disregard would be $17.56 million in the first year, and $18.25 million in year two. With the exception of Medicaid, the entire cost would be General Funds, as the federal funds that support these programs are federal block grant, and it is assumed that no additional block grant funds will be available before year 2010. Nebraska gets a lump sum based upon the numbers, I believe, from 1994. That's when it became...that's what we use to then get a block grant, and it's just a total amount of money. Regardless how many people we serve, it's the same amount year after year. LB90's proposed 50 percent disregard would, in fact, help Nebraska meet the federally mandated work participation performance level, as has been stated. However, the cost of the increased earned income disregard would be considerably more than the maximum potential federal penalty of $2.9 million we would be penalized, and I've got a sliding fee. If we didn't do anything to try to meet the increased worker participation rate, the most they would be able to sanction us would be a percentage of our $58 million block grant. And then, if we would be trying, that would be a smaller percent, but

maximum, the ceiling that they would sanction us, would be $2.9 million. So even if this did help us get our numbers up, it would still cost more to get our numbers up than it would to just take the sanction and walk away from it. LB351 has been introduced at our request to help boost the work participation rate, by proposing a five-month transitional grant that can be implemented with a near neutral cost impact. Thank you. I'd be happy to answer any questions. [LB90]

SENATOR JOHNSON: (Laugh) Need to take a breath? Any questions of...yes, Senator Stuthman. [LB90]

SENATOR STUTHMAN: Thank you, Senator Johnson. Director Peterson,... [LB90]

CHRIS PETERSON: Yes. [LB90]

SENATOR STUTHMAN: ...probably one of the most concerns that my constituents have, as far as work incentive, is there is no incentive, because the minute that they make a little bit more money, it's taken up in housing and rent and things like that. By going to this 50 percent, is that...that is trying to help this situation, isn't it? [LB90]

CHRIS PETERSON: I think if it were a flat 50 percent disregard, yes, it would. But because we also include transitional food stamps for that exact same reason, then it doesn't. One of the things that Nebraska came up with are transitional benefits. So that as the person goes off, the amount of money that they...if their earnings increase so that they lose the program, we transition them off over a period of time. So I think you're exactly right in people being concerned about, if I make more money I'm dropped off everything. That's why with the ADC, we allow the transitional food stamps, there's transitional medical, and I think some of those are federally required. So yes, that's the exact concern that people have. We try to work through it with the transitional food stamps. Other states work through it with a higher disregard. [LB90]

SENATOR STUTHMAN: This transitional food stamp benefit, is that at the expense of the federal government, or the expense of the state? [LB90]

CHRIS PETERSON: At this time I would like to turn to Mike Harris, who is our food stamp...economic assistance administrator to answer that question for you, Senator Stuthman, if I could. Mike? [LB90]

SENATOR JOHNSON: Would you officially introduce yourself, for the record? [LB90]

MIKE HARRIS: Yes. My name is Mike Harris, H-a-r-r-i-s. I the deputy administrator for the Nebraska Department of Health and Human Services. And in answer to your question, the food stamp program is 100 percent federally funded on the benefits. [LB90]

SENATOR STUTHMAN: So actually, then, we would be utilizing more federal food stamp benefits for these people, which is, in my opinion, helping with the economy, because they're bringing food stamp dollars to the community and to the state, which are dollars that are spent here. They're federal dollars, and if we're not utilizing that transitional food stamp benefit, those dollars aren't going to be coming to the state, in my opinion. Or am I not seeing this right? [LB90]

MIKE HARRIS: That is true. Nebraska is one of 16 states to have the transitional benefit policy in its food stamp program. [LB90]

SENATOR STUTHMAN: Okay, thank you. [LB90]

SENATOR JOHNSON: Any other questions? Seeing none, thank you. [LB90]

MIKE HARRIS: Thank you. [LB90]

SENATOR JOHNSON: Any other opponents? Neutral testimony? I see none. I declare that LB90 is closed. Oh, I'm sorry. (Laughter) Somehow I forgot you. (Laugh) [LB90]

SENATOR HOWARD: I can appreciate that. It is getting late; we're all sort of running down here, aren't we? [LB90]

SENATOR JOHNSON: Yes. Yes, I am. Senator Howard. [LB90]

SENATOR HOWARD: Just a...thank you, sir. Thank you. I'd like to thank Senator Stuthman for bringing up that question regarding food stamps. I think there's a couple of things to consider here. While I always appreciate the department's input in assistance with information, our...we are one of 11 states that have...we have one of the lowest rates of disregard, which is why people will say to you, why would I want to go to work when I can receive better benefits and medical coverage while I'm on the program, which is counter to what we want to accomplish? The food stamp program is beneficial, however, I'd point out that in smaller communities such as your community, people could be hesitant to use that because there's a definite stigma to that. It's not cash. You're not going to the grocery and utilizing cash. You are identified as a food stamp user, and the person in the line behind you knows you're using food stamps to purchase the groceries for your family. So keep that in mind. We have a chance to look at promoting employment, to moving people from welfare to employment, and to sustaining employment. or we have the consideration of accepting a sanction and that we can't accomplish the goal that's been set forth by the federal government. I remember our discussion last spring, and for me a sanction is not an option. We have a goal; we need to attain that goal. We need to look at what's reasonably possible to do it. This bill comes with a substantial fiscal note. Keep in mind most programs such as

TANF have a 60 percent federal match to a 40 percent state match. This fiscal note indicates an investment in Nebraska families, and I would argue that making this investment will increase the family's chances of staying out of the welfare system, therefore decreasing the cost per family over the stretch of time. This investment will also increase Nebraska's chances of meeting these new federal guidelines and saving us those costly sanctions, as I indicated. The TANF cash benefits are meant to offer temporary assistance to families in need. The research shows that the best way to secure long-term transition from TANF dependence to self sufficiency is by providing work incentives like the earned income disregard. While Nebraska currently has an earned income disregard, it is one of the lowest in the nation at 20 percent. Raising the TANF earned income disregard will increase the likelihood that Nebraska will achieve the employment benchmarks required in the revised federal TANF regulations. But more importantly, it will decrease families' benefits more slowly, as their earnings rise, and allow families to gradually replace benefits with earnings, giving them a real chance for life success. Since it seems to be an afternoon for reflections, I'm going to briefly state this. I remember when I started working in social services, and I would go into homes and people would have a life being on welfare. They lived in public housing, they received ADC payments, and they ate commodity foods. And that happened not only with the parents, but with the next generation coming up. And I was with Health and Human Services long enough to see three generations of that occur. Not having employment, not having an identity through work robs people of the sense that they can go out and be a part of our society and contribute back, cultivates a feeling of dependence and a feeling of receiving a check once a month that's not even going to meet your needs. I would suggest to you: This is an offer of a solution to address that need and to promote employment in the state of Nebraska, as we've all intended to do. And I ask your favorable consideration of LB90. Thank you. [LB90]

SENATOR JOHNSON: Thank you, Senator Howard. Being no further questions, this will conclude the hearing on LB90, and concludes the hearings. [LB90]

Disposition of Bills:

LB52 - Indefinitely postponed.
LB53 - Advanced to General File, as amended.
LB54 - Indefinitely postponed.
LB82 - Advanced to General File.
LB90 - Indefinitely postponed.

Chairperson

Committee Clerk