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Appropriations Committee
November 13, 2013

[LR244 LR273]

The Committee on Appropriations met at 9:00 a.m. on Wednesday, November 13, 2013, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR244 and LR273. Senators present: Heath Mello, Chairperson; John Harms, Vice Chairperson; Kate Bolz; Danielle Conrad; Bill Kintner; John Nelson; and John Wightman. Senators absent: Tyson Larson; and Jeremy Nordquist. Also present: Annette Dubas; and Lydia Brasch.

SENATOR MELLO: Good morning and welcome to the Appropriations Committee. My name is Heath Mello. I'm from south Omaha, representing the 5th Legislative District, and currently serve as Chair of the committee. I'd like to start off today by having our participating members do self-introductions, and we will start first with members of the Appropriations Committee here on my far left.

SENATOR KINTNER: Bill Kintner, Legislative District 2, which is Sarpy County, all of Cass County, a little bit of Otoe County. [LR244]

SENATOR NELSON: John Nelson, District 6, Omaha, central Omaha. [LR244]

SENATOR HARMS: John Harms, 48th District, Scotts Bluff County. [LR244]

SENATOR BOLZ: Kate Bolz, District 29, South Lincoln. [LR244]

SENATOR DUBAS: Annette Dubas, District 34, Nance, Merrick, Hamilton, and a portion of Hall County. [LR244]

SENATOR BRASCH: Lydia Brasch, representing District 16, which is all of Washington County, Cuming County, and Burt Counties. And Senator Charlie Janssen is at an ESU meeting this morning, covering both of us, and I told him I would make sure that I

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represented him as well in issues. Thank you. [LR244]

SENATOR MELLO: We'd like to thank our Transportation and Telecommunications Committee Chairwoman, Annette Dubas, and Senator Brasch from the Telecommunications Committee as well for joining us today. Assisting the committees today is Anthony Circo, our committee clerk, and our page is...Peter Breunig?

PETER BREUNIG: Yep.

SENATOR MELLO: We will be hearing testimony on two legislative studies today. The first, LR244, is an interim study on the statewide radio system. The second is Senator Bolz's LR273, which is on responsible budgeting strategies for services to Nebraska's aging population. Just a quick note on how we'll be running the hearing today: We'll be utilizing the five-minute light system. When you begin your testimony the light on the table will turn green; when it turns yellow that is your one-minute notice; and when the light turns red we would kindly ask that you conclude your testimony with any final thoughts. If you have any handouts our page will assist you in getting those copies and handing them out to the committee. One last issue: If you could please check your cell phones and make sure that they are on vibrate, it would be appreciated. And with that, at this time I will turn things over to Senator Harms so I can open on LR244.

SENATOR HARMS: Thank you, Senator Mello. Welcome, Senator Mello. [LR244]

SENATOR MELLO: (Exhibit 1) Good morning. Vice Chairman Harms, members of the Appropriations Committee and Telecommunications and Transportation Committee, my name is Heath Mello, H-e-a-t-h M-e-l-l-o, and I represent the 5th Legislative District in south Omaha. I introduce LR244, along with Senator Harms, Senator Conrad, and Senator Dubas, who had expressed interest on behalf of the Transportation and Telecommunications Committee, in order to continue the committee's discussion about the statewide radio system. The page should have just handed out some background

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information on this system that was compiled by the Legislative Fiscal Office, including historical appropriations numbers. The statewide radio system was completed and on-line in 2011 but there has been a number of ongoing problems with the system since then. In 2012, during a police standoff at an Alliance pharmacy, officers had to resort to hand-delivered written messages because the system was not working properly. Similar issues were faced during wildfires in the Niobrara Valley with firefighters were forced to talk to face to face rather than utilizing the radio communication system. Later that year the Omaha World-Herald story highlighted the 481 problem reports related to the statewide radio system filed by the Nebraska State Patrol alone in a ten-month period. In April of this year the State Patrol and the Office of the CIO worked together to develop a plan to address the issues with the system, which brings us to the purposes of today's hearing. My hope is that the hearing will give us an update on the current status of the system and what changes have been implemented as part of that plan, as well as give us a chance to hear how the system currently works in the field and determine where we may need to go on the path to a reliable, interoperable communication system, which is paramount for public safety of our first responders as well as the general public. My office has invited a wide range of stakeholders to testify today, including the Office of the CIO, the State Fire Marshal, the Lieutenant Governor's Office, the Nebraska State Patrol, the Nebraska Game and Parks Commission, the Volunteer Firefighters Association, and representatives of...from public power and local law enforcement agencies. Thank you for your time, and I'd be happy to answer any questions you may have. [LR244]

SENATOR HARMS: Do we have any questions for the senator? Senator Mello, thank you. [LR244]

SENATOR MELLO: Thank you. We will open it up now for public testimony on LR244. I think the Lieutenant Governor is going to be testifying first. [LR244]

LAVON HEIDEMANN: Chairman Mello, Chairperson Dubas, my name is Lavon

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Heidemann. I'm the Lieutenant Governor and I'm director of homeland security for the state of Nebraska. I appreciate this invitation to testify today on LR244 and provide my perspective from a high level offering the evolution of the statewide radio system. A theme that you will hear today is the statewide radio system is better today than it was one year ago. We all know that challenges existed and the agencies involved here have worked hard and continue to work hard on...address all those issues. Challenges, issues, and technological glitches are not all this unusual for a rollout of technology on this scale. Throughout the statewide radio system...though the statewide radio system is intended for use by state agencies, local governments also play a role. As an example, NEMA has distributed over \$60 million in grants for local agencies for radios and to improve communications infrastructure. What I hope doesn't get lost in all this is the users of the statewide radio system have a far superior radio system than they did six years ago when this process started. And though there will continue to be bumps in the road, the system will continue to evolve and it will be better than the one we had a year ago today. Thank you for your time. This is an evolving process. We're going to hear a lot. We've heard a lot. We've heard newspaper stories. I think the thing that we need to take away today though is...and I've talked to troopers, I've talked to people that use the radios. There are some problems. We're trying to work through those problems. We're trying to encourage training. We're trying to get people to work together. And that's the key here more than anything else. We have spent a good deal of money on this radio system. We believe we have a good radio system that we have put into place. We just have to learn how to, probably better, to use it together and use it together through the locals and the statewide radio system. There has been a lot of Homeland Security funds that have been spent on this, more so at the local level than has actually been on the state level. I had mentioned in my testimony through the Homeland Security--I think this is over the last ten years--the locals have got \$103 million, of which they've actually spent \$60 million on communications to interact with, hopefully, with the statewide radio system. There are challenges there because some of the locals did things that make it a little bit harder to interconnect. I encourage each and every one of you...I've made a couple trips out to our new building out at the Air Force base, and it's one of the things

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that I failed to do as Appropriations Chair is to take the committee out and to see things, see sights, to go out and look at the...to the issues. I encourage you to do that. I've been out there a couple of times. They will run through what they're trying to do to make things work better, and they do a good job. They'll start talking about consolettes, Paracletes, and things like this that is definitely over my level. But they are trying to work with the locals so that everybody will be able to use the same radio system and promote public safety and to do it right. We're not ever, probably, going to get 100 percent perfect system, but we're going to get a whole lot better system than we ever had before. I'm convinced of that. And we just need to get the local people trained, continue to train with them, everybody realizing what equipment they have and how to inter...make it connect with the statewide radio system. With that, I will be happy to take any questions you might have. Al Berndt from NEMA is here. I'm very good at 50,000 foot on this issue. He can get down in the weeds. If it would be all right with you, if you have questions that I can't answer, if we could get Al up here at this time or at a later time, and he'd be willing to get down into the weeds a little bit if that's what you need to do. [LR244]

SENATOR MELLO: Thank you, Lieutenant Governor Heidemann. Are there any questions from the committee? Senator Harms. [LR244]

SENATOR HARMS: Lieutenant Governor, thank you very much. I think, probably, in the seven-and-a-half years I've been here, this is this first time that I can remember someone at this level has come in to testify, and I just want you to know how much I appreciate that. And, you know, we've had the experience of working with you and we know your openness. I just have always admired that, so thank you very much for doing that. The question that I have, and I have a series of questions, but I'll just ask you this one and I'll wait for some of the people who might have more of the technical information. The issues that I have seen from where I live--and I think they're improving, I think you're absolutely correct, they are improving--is that the ability for us to actually communicate with other public entities. They are just...have not been able to make that

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match in. And what I was wondering about is, when we put this system together, did we actually establish the guidelines and the regulations for the local people to be able to follow so they could actually interface, in other words, so that their systems would interface with our system. That seemed to be a gap in that whole aspect. At one time, I think, some of them even purchased, you know, software and equipment that didn't even come close to matching. I'm just curious about where we are with that. Did you know that or...? [LR244]

LAVON HEIDEMANN: It was prior to, definitely, when I took this position. When this...the way I understand it, when this unrolled the locals wanted their share of the Homeland Security money to get the communications equipment, what they thought was best for them. And it's kind of who we are in this state,... [LR244]

SENATOR HARMS: Yeah. [LR244]

LAVON HEIDEMANN: ...that we like the locals to be able to have control and we allow that to happen. There probably has been some instances where everybody wasn't on the same page. We hopefully will be able to get the equipment to get everybody on the same page but from what I can gather, at times, it's not only getting the right equipment but getting it in the right spot, teaching them how to train it, and make sure they have the dang stuff on and so that it all works. There were other states that just, I think South Dakota was one of them, they just said, the state is going to run this thing, it's going to be the state equipment, the state equipment would be at the local level. And I'm not 100 percent for sure how it's totally, you know, rolled out in South Dakota, but there would, I mean, there would have to be more flow than having every local entity. And there's a lot of local entities, let me tell you, fire departments and others, that you have to try to work with and make things work. [LR244]

SENATOR HARMS: I think one of the stumbling blocks happened to be that the local entities just didn't have the money to be able to actually make that connection. So some

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of them went the cheaper route, the route that they thought would be helpful, and it really doesn't interface the way that it does, so it continues to put us at risk. Has that been corrected or how do we handle that kind of a... [LR244]

LAVON HEIDEMANN: We are trying to get equipment from what I can understand. No matter what they have, I believe we're going to get equipment that, as long as they use it, train on it, we will get equipment so that their radio system will interface with what we have. [LR244]

SENATOR HARMS: I will tell you that at least I've taken some time to visit the Highway Patrol in Scotts Bluff and we've...we definitely have improved. But one of the things I walked away understanding is that's pretty highly technical; I mean, that system is a good system if it...but just teaching the people how to use it is a major task for whoever is going to be doing that. [LR244]

LAVON HEIDEMANN: The State Patrol has done a really good job of finding out what equipment they have and training on it. Motorola has come in and done a great job of helping us with that. There has been some changes. There are instances though when things are under high pressure, when people are taking shots at you, it's not easy always remembering. But our people are highly trained and they will get there to hit the right button at the right time and to realize, well, how your communications system works. But when somebody is taking potshots at you, it makes it difficult. [LR244]

SENATOR HARMS: I agree with that. Well, thank you very much for coming and I appreciate your openness. And I have other questions but I'll wait for someone else. [LR244]

LAVON HEIDEMANN: You know, in the end, you made a comment that you appreciated that I was here. In the end, we all need to work together. We're at the executive branch, the legislative branch, and the locals. This is Nebraska in the end. We

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have a good system; we just may need to figure out how to make it work. [LR244]

SENATOR HARMS: I applaud you for those comments and I agree with you 100 percent. And we have to find out how it has to work and maybe this is a start because it's, as I said earlier, this is the first time in the seven-and-a-half years I've been here that someone like you would come, and we appreciate that. Thank you. [LR244]

LAVON HEIDEMANN: Thank you. [LR244]

SENATOR MELLO: Senator Dubas. [LR244]

SENATOR DUBAS: Thank you, Senator Mello. Thank you, Lieutenant Governor, for being here and for the information. I believe you said that \$103 million has been given to the local governments but not all of that has been spent yet. Is that correct? [LR244]

LAVON HEIDEMANN: No, just, I think, it has all been spent. I think it's been, actually, sent to them, from what I can gather here. Al would--Berndt--from NEMA would be able to follow up a little bit more on that. But he told me \$60 million has been spent on communications which the majority of that would be radios and things like that I would have to think. [LR244]

SENATOR DUBAS: So when that money went...is this given to the local governments through a grant process? Do they have to submit a request for...how is that money distributed? [LR244]

LAVON HEIDEMANN: I think it would be best to...if you would care to get him up here right now or at a later date, it'd be best to get into those details. [LR244]

SENATOR DUBAS: All right. I'll wait for him then. [LR244]

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LAVON HEIDEMANN: Okay. [LR244]

SENATOR DUBAS: Thank you. [LR244]

SENATOR MELLO: Any further questions? Seeing none, thank you, Lieutenant Governor, and I echo Senator Harms. We look forward to working with you on this project moving forward. I have a question, and I think it's probably best to leave it, I have a feeling, to, probably, to Al to testify on, regards to the federal Homeland Security dollars. One question, and if you think it's better left to Al Berndt, we can...I can let you defer; I'll let you defer that question to him if you'd like. Senator Harms asked a little bit about the interface between local agencies and the state. You said that we were going to work with local agencies and entities to get them the equipment they need. Moving forward, do you see the need for us statutorily or can it be done through, administratively, through the executive branch, to set some rules and guidelines for local agencies in regards to the equipment that they would need to purchase moving forward to be part of this system? And if you want to defer to Al, it's okay. I don't want to... [LR244]

LAVON HEIDEMANN: It's an interesting question and, you know, that's a policy decision the state is going to make, whether we're going to, as a state, force the locals to do things. And I guess it's something to think about. We, yeah, we tend not to go down that route. I understand where you're headed with that though. [LR244]

SENATOR MELLO: Um-hum. [LR244]

LAVON HEIDEMANN: And maybe we should have been a little bit, I don't want to say, heavyhanded at the beginning of the process and maybe it would have flowed a little bit better. [LR244]

SENATOR MELLO: Um-hum. [LR244]

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LAVON HEIDEMANN: But from what I could gather the locals are pretty insistent; they want to do it on their own. [LR244]

SENATOR MELLO: Okay. All right. [LR244]

LAVON HEIDEMANN: Appreciate the opportunity. [LR244]

SENATOR MELLO: Thank you, Lieutenant Governor. Al, could you, Al Berndt from NEMA, could you testify just because it's kind of in conjunction with the Lieutenant Governor's testimony? [LR244]

AL BERNDT: Good morning. My name is Al Berndt and it's A-I and B-e-r-n-d-t. [LR244]

SENATOR MELLO: Senator Dubas. [LR244]

SENATOR DUBAS: I'll repeat my question for you as well, thank you, Mr. Berndt, for being here. The \$103 million, how is that disbursed to the local? [LR244]

AL BERNDT: The money is disbursed through a grant process. Every year, as the...when the Department of Homeland Security releases the guidelines for the coming year, they set the priorities that...the federal priorities for the utilization of the money. For instance, we...the backbone of it is we have to go through what is called a Threat Hazard Identification Risk Analysis (sic--Assessment) process to develop or to identify the strength and weaknesses within the state that need to be addressed at both the state and local level. By regions, local first responders, entities are brought together with the state in a planning session and then we write what is called investment justifications on how we'd like to utilize the money, what are the priorities at the state and the federal level, and then how are they going to utilize the money at the local level to meet those priorities. That is then submitted to the Department of Homeland Security and, once it is

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approved, we have 45 days then to release the money at the local level for them to start moving forward on their projects and, basically, they have a two-year performance window to complete the spending of the money. We have just completed the 2013 grant process. The investment justifications have been written, submitted, approved. The THIRA has been done and they're in there, have received their money, and they can start moving forward on their projects within the grant process. Now there was a question regarding...I believe you had a second part of that question was regarding the \$103 million that had been committed at the local level. That was \$103 million for equipment. The total committed at the local level since 1999--this process goes back to 1999--is \$139,503,000. But, of that, \$103,000 is money that actually went for physical equipment that was something tangible. It went on the inventory rolls and then, of that \$103 million, \$60,121,025.43 has been committed out to the local level for the purchases of equipment. Probably, for the FY 2013 process, the state has received as the federal grant \$3.4 million, of which \$2.75 million is committed to the local level and...under the Homeland Security Grant Program. And then under the Emergency Management Performance Grant process, the state has received \$3.65 million and approximately 70 percent of that money goes out to the local level and it pays 50 percent of the cost of maintaining an emergency management program within the state. So of the money that we have right now, you know, we're basically talking \$5 million that's being disbursed right now over the course of the next two years. This is 2013 money. But basically, the balance of this money that has...went out has been committed and spent. [LR244]

SENATOR DUBAS: When you say "equipment," what does that include? Is that just communications equipment or is that across the board? [LR244]

AL BERNDT: No, the \$60 million is communications equipment. That could run everything from consoles, consolettes, portable radios, interconnect devices, towers, software programming to program radios, etcetera, etcetera. It could cover a wide variety of things in terms. In fact, I run a...I had a report run and this is 107-page report

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that goes back to 2005. And if you want to peruse through it, you could see what has been spent by each local jurisdiction since that point in time. And I just pulled up one page here and, out of the 2009 Homeland Security Grant Program, the Panhandle Region, they bought nine Motorola portable XTS 250 (sic) portable radios, batteries, P25 conventional software, two-year repair service warranty on it for \$10,120. And so that would be equipment that would be interfaced on their local system to be utilized. [LR244]

SENATOR DUBAS: The Lieutenant Governor said that, you know, the locals have all bought their own equipment according to what they were looking for but that we were going to attempt to make sure that all of that equipment at some point in time interfaced with what we have at the state level. Can we create a...will that be a reliable system if we are patching different communication devices together? [LR244]

AL BERNDT: Well, a system is only as good as the exercise and training and utilization that goes along with it. I think what you have to keep in mind here is this, and I believe Brenda Decker from the OCIO's Office will touch on this in her testimony, but what you have to keep in mind is this: The State Patrol system is a P25 trunked system and they have identified ROC channels in it to be utilized for mutual aid. So the key becomes how do you interconnect that ROC channel in the State Patrol system with a designated mutual aid channel in the local systems? That is being done at this point in time. There are two ways to do it. One way is the installation of a consolette in the local PSAP, and the other way is the utilization of a programmed radio in what is called the Interop-Solutions Paraclete device which allows (inaudible) radio systems to be patched together. So at the...and I believe the OCIO's Office can touch on this, but at this point in time there are a number of PSAPs that have purchased the consolettes for the interconnectivity to the state radio system. This interconnect piece between the state system and local systems, just for the record here, is rather inexpensive. It's less than \$15,000 dependent upon which direction you wanted to go to do that. While that does allow interconnectivity and would have touched upon some of the issues that Colonel

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Sankey is going to address, etcetera, etcetera, etcetera, that issue needs to be actually kept totally separate from the fires of 2012. A large-scale mutual aid event that went on during the fires, etcetera, have the ability to be managed through a COML plan at the local level by the utilization of the radio systems that they have, but again it comes down to exercising, training, and programming radios and knowing how to utilize the capabilities of the system that you have. [LR244]

SENATOR DUBAS: Thank you. [LR244]

SENATOR MELLO: Senator Harms. [LR244]

SENATOR HARMS: Al, thank you very much for coming. And I don't know if you can answer these questions or not but, if not, we'll just wait until somebody else comes up. First I just wanted to say that one of the reasons I've gotten...I have an interest in this particular project is that I don't think we should ever place any of our law enforcement in a position of danger and losing their lives because we have inadequately put the system in that functions for us. And when we first got into this discussion we discovered we have a lot of dead spots in talking with Highway Patrolmen across the state of Nebraska. There are places that they know are dead and we were going to be addressing this issue, I think, this summer, putting in towers. Have we done that and have we covered all the dead spots and is that moving forward? And then what's the cost of that? [LR244]

AL BERNDT: I will defer that question to Colonel Sankey... [LR244]

SENATOR HARMS: Okay. [LR244]

AL BERNDT: ...and to Ms. Decker from the OCIO's Office, but I will make a comment. [LR244]

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SENATOR HARMS: Okay. [LR244]

AL BERNDT: I spent 27 years as a police officer. I was fortunate in the sense that I worked in the city of Lincoln with a rather robust radio system that went to a trunked system many years ago. However, I will say that, when I was on the street, that I knew that there was areas in the city of Lincoln where there were dead spots, so. [LR244]

SENATOR HARMS: Well, when you have a situation like we did in Alliance, Nebraska, which is right in the center of the city, and we couldn't communicate out, I mean, we could have lost a lot of people's lives in that particular process. We were fortunate about that. I'd move on to another question, if I might, and I don't know if you can answer this or not. What about...well, when you first started this discussion, we talked a great deal in regard to the cars and their radios and whether they were able to interface. Has that been resolved? [LR244]

AL BERNDT: I believe Colonel Sankey will address that, sir. [LR244]

SENATOR HARMS: Okay, then I think the questions I have don't deal fiscally, and I'll just wait. Thank you, Al. [LR244]

SENATOR MELLO: Senator Conrad. [LR244]

SENATOR CONRAD: Thank you so much, and I appreciate that you're going to defer some questions to Colonel Sankey. But when we've held previous hearings on this topic it's been made clear to our committee that the State Patrol is not in charge of this system but, rather, is considered a user of the system. So my question to you is: Who is ultimately in charge of this system? [LR244]

AL BERNDT: I would say that the Nebraska Emergency Management Agency is also a user of the system, but I believe that will be addressed. [LR244]

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SENATOR CONRAD: Okay, but who is ultimately in charge of the system? [LR244]

AL BERNDT: I interface with the Division of Communications in the Office of the OCIO regarding communication issues. [LR244]

SENATOR CONRAD: Okay. [LR244]

SENATOR MELLO: Senator Brasch. [LR244]

SENATOR BRASCH: Thank you, Chairman Mello, and thank you, Mr. Berndt. It's good to see you again. We spent quite a bit of time along the Missouri River during the flooding period. And my question is: Did I understand that every county independently selects the radio system? There is no statewide system? Does it go through DAS? Did we buy 93 units? Was it uniform selection and, if not, why was it decided to go county for county or region or can you explain to me better, please? [LR244]

AL BERNDT: Well, first of all, at the local level and even at the state level everyone has had communication systems forever and a day. [LR244]

SENATOR BRASCH: Um-hum. [LR244]

AL BERNDT: And so dependent upon decision are made involving the county or the region and their interface with the PSAP that controls them or they interface through, they've made decisions about what type of radio system they want to buy, whether it's 800, 800 conventional, UHF, EHF, whatever. So there was a lot of legacy systems that were already out there, and prior to the even starting of the building of the state radio system, there were local systems that a lot of improvements had been made to. This, what you have to realize is, I guess, that is...there was a lot of thought that went into the development of the statewide radio system, the SRS, the state radio system between

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the state of Nebraska and Nebraska Public Power Agency of which, you know, I don't...I'm not privy to, etcetera. But I probably, personal opinion being that there was a lot of reluctance at the local level to scrap systems that they already had in place, they already knew how to use, that were operating effectively, etcetera, etcetera, so, I mean, there's not an easy answer on this, but this was the decision that was made to move forward and a lot of money was spent on local systems prior to the implementation of the state radio system. [LR244]

SENATOR BRASCH: And these existing systems were able to have interoperability statewide. They weren't per party and shared data or shared information or... [LR244]

AL BERNDT: Well, if you want to talk interoperability statewide, you're getting into it, a little deeper area than area than I understand. [LR244]

SENATOR BRASCH: Um-hum. [LR244]

AL BERNDT: But for instance, if you have--or want to professionally comment about--but if you have a VHF radio, if you program the VHF mutual aid channels in that radio, then you have interoperability with other VHF radios, etcetera. So there is VTAC channels for mutual aid across the state and, within those VTAC channels, etcetera, etcetera, there are also channels that are programmed in that are called the air-to-ground channels. These are the channels that need to be utilized to contact an aerial...an air tanker through the Forest Service or the air tanker that was put in as a result of the Nebraska Wildfire Control Act. You've got to have air-to-ground 25, recognizing that, as we surveyed the state this summer out into the northern Nebraska Panhandle area, we determined that, A, there were some fire departments that had not programmed in the air-to-ground channels. So we worked with the aerial applicator, the Great Plains Dispatch Center, and we came up with an alternate plan on which VTAC channel would be utilized in those situations for air-to-ground communications. We also determined that there was, I believe, 12 fire departments out in the Panhandle region

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that were on the UHF channels, radios. Obviously, they're not going to have VTAC channels or the air-to-ground channels. So within the budgetary limitations of what we can do within NEMA, we have...are in the process of procuring portable radios and programming them with air-to-ground channels, and we're going to hand receipt those out across the Panhandle to those affected emergency managers and the fire departments to facilitate air-to-ground communications. But the point being is, is that with 93 counties and sheriffs' offices and 400-plus fire departments across the state, it's an ongoing task to keep communication plans in place so that effective communications can occur during a large-scale event. [LR244]

SENATOR BRASCH: Thank you, Mr. Berndt. And also, is there any? It says there is no statewide, I think, here there is no statewide communications system currently. Is that the case? Is that...I think I read that here earlier that the state has no statewide public safety radio communication system. Is there anything in place that we use statewide? I mean, is there any type of a network that is reached statewide? [LR244]

AL BERNDT: Well, the state radio system, the SRS, can communicate statewide. [LR244]

SENATOR BRASCH: Okay. It can. [LR244]

AL BERNDT: It can. [LR244]

SENATOR BRASCH: Okay. All right. [LR244]

AL BERNDT: I can go into the Emergency Operations Center with NEMA and I can pick up radio and I can talk to a NEMA staff member that's somewhere out in the hinterland if I want to. [LR244]

SENATOR BRASCH: Um-hum. [LR244]

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AL BERNDT: The question is: Do I need to, and are there other forms of communications that I could use? NEMA does not use the system the way the State Patrol would use the system. But in terms of an all-encompassing statewide system that takes place from the local level up through the state level across the breadth of state agencies and local agencies, my answer would be, no, there is not. [LR244]

SENATOR BRASCH: And I'm also curious if the hardware, the technology, are there a number of vendors who are able to deliver this? Is it a DAS bidding process, RFP, or is it county, per county? And the reason I ask that is, in many cases, there is a savings in purchasing in big lots that...rather than buying one here and one there. Could it be more effectively purchased statewide through one... [LR244]

AL BERNDT: Well, since the money, the local dollars, go out or are controlled at the local level, this is a decision that has to be made within working groups within the regions on how they want to effectively spend their money, if they want to spend it on purchasing consolettes or if they want to target their money for something else. But in and of itself, with the number of PSAPs that we have and the dollar figure that's involved, this is not a high-dollar ticket item and, at this point in time, don't hold me to this, but I believe there's 32, 30-some-plus--I think Ms. Decker might know the exact figure--consolettes that are already installed and in place in PSAPs that are already in place. So we're not talking about a large number that needs come on. But in the process...there has been a process in place for a time period now that allows this to happen. It's a decision at the local level as to whether they want to make it happen or not. [LR244]

SENATOR BRASCH: I see. Okay, thank you. I have no other questions. [LR244]

SENATOR MELLO: Al, I have one question, and it's kind of the follow-up to the Lieutenant Governor, the question I asked him, which is: If we've spent \$60 million over

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the last nine or ten years with federal Homeland Security dollars...is it correct? [LR244]

AL BERNDT: Fourteen, 14 years. [LR244]

SENATOR MELLO: ...fourteen years. If we...for 14 years, if we've spent \$60 million dollars on, specifically, local equipment, radio equipment, communications equipment, has there been any directive, any strong guidance, any uniformity, I think, is what Senator Brasch was looking for, in regards to the state appropriating? If we appropriate money to NEMA, federal dollars, and then you give those grant dollars out, has there been any very specific direction to local governments of saying we want you to buy this kind of equipment that we know integrates and is interoperable with the statewide system that we are building? And that may just be the question from 2007 on when we started this process. [LR244]

AL BERNDT: Well, I think Brenda Decker will touch on the ability to interconnect in with the state system. She will be touching on that particular aspect of it. But probably, in a more general question of what you're asking specifically, as I discerned out, yes, there has been guidance, technical assistance, support that, very much so, through the Office of the OCIO, the Division of Communications, they have a technical resource that works with them on radio purchases, etcetera, etcetera. Over the years we've reviewed all radio or all communication purchases that have wanted to come in, etcetera, etcetera. We review those for applicability--do they meet the guidelines? Are they on the responder knowledge base?--And even allowable purchase to be made, etcetera, etcetera. And so then, for instance, once the...at a high level, once the equipment is in, etcetera, the Lieutenant Governor touched upon the Paraclete boxes. We travel the state and do training. NEMA does the training on the Paraclete box and the upgrades on that to keep that in place. But here, again, it's a training issue; it's an exercise issue; it's a utilization issue. So there has always been technical assistance, support, etcetera, out there. So also, one of the things that we do in house in NEMA in terms...on large purchases, what's really not known is, is that anytime you want to spend money,

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Homeland Security money, on construction and, specifically, on radio issues, etcetera, you have to go through the EHP process, the environmental historical review process, and we handle all that in house and facilitate that with the local level, collecting the needed information, etcetera, etcetera, to go forward, so. [LR244]

SENATOR MELLO: So it's...so what would be the general thought or, kind of, more just the process that local governments over the last five or over the last seven years, since we've started the statewide system, they've not been buying equipment that does not integrate with our statewide radio system? [LR244]

AL BERNDT: It can be integrated into, yes. They are buying equipment that can be integrated into. It's just how you go about integrating and then at what level. [LR244]

SENATOR MELLO: Is there specific equipment for our statewide system? And if this is better for Ms. Decker, I can...I'll ask her. [LR244]

AL BERNDT: Yes. [LR244]

SENATOR MELLO: Is there better equipment, from the state's perspective, that fully integrates right off the shelf so that you can go buy an exact radio system, Motorola, that's fully integrated right away, from day one, from our system so there's no... [LR244]

AL BERNDT: Brenda will touch on that. [LR244]

SENATOR MELLO: Okay. All right. Any further questions for Director Berndt? Seeing none, thank you, Al. [LR244]

AL BERNDT: Thank you. [LR244]

SENATOR MELLO: At this time could we have just, testimonywise, so we could...can

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kind of give some people some direction of how the rest of the morning will go, next we'll have the Office of the CIO; we'll then have the Nebraska State Patrol. And then, at that moment in time--we've invited a number of other individuals--we'll allow it after those two testifiers for people just to line up and come up to the front and testify afterwards. I know we have the State Fire Marshal, Game and Parks, the Volunteer Firefighters Association, public power, and others. So if everyone else could just be prepared to testify after Colonel Sankey from the State Patrol, I'd appreciate it. [LR244]

BRENDA DECKER: Good morning. [LR244]

SENATOR MELLO: Good morning. [LR244]

BRENDA DECKER: Senator Mello, members of the Appropriations Committee, Senator Dubas, and members of the Transportation and Telecommunications Committee, my name is Brenda Decker. Last name is spelled D-e-c-k-e-r. I'm the Chief Information Officer for the state of Nebraska. I appear before you today to testify on LR244, the interim study to examine the statewide radio system. The Office of the Chief Information Officer functions as the system administrator to ensure the system meets certain criteria such as interoperability, scalability, and functionality. From the perspective of the system administrator, I believe that the state of Nebraska and our partners have made significant progress in the past year addressing the challenges of fully implementing the statewide radio system. My office recognizes, as more is learned about the capabilities of the system and as users in the field continue to provide my office with feedback on strengths and weaknesses, the system will continue to evolve. In July 2013 the Office of the CIO awarded a contract through a competitive bid process to an organization, L.R. Kimball, to provide an independent evaluation of the technical infrastructure of the statewide Public Safety Communications System. The independent evaluation asked six specific questions in an attempt to address the concerns that have been raised over the past year of implementation. I'd like to briefly address each question and summarize the draft report findings. Questions have been proposed that indicated a belief that

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Nebraska's design was unique to how other systems were designed, so the evaluator was asked, is the Nebraska system design and implementation comparable to other Motorola statewide, very high frequency--VHF--trunked systems with similar terrestrial challenges? The evaluators found that Nebraska's system is very comparable to the VHF trunked radio systems constructed in Wyoming, Missouri, and South Dakota. Next the evaluator was asked, is the antenna design appropriate and installed correctly? L.R. Kimball found that the antenna design and the installation appears to be appropriate given the coverage required. The third question asked addressed the issue of channels on the system by asking, is a four-channel sufficient and any recommendations for improvement? L.R. Kimball stated that, as a trunked radio system, the state radio system has minimal capacity. Although this is adequate for most areas of the state and for normal usage, a major emergency requiring heavy usage of numerous users would likely place stress on the system. This is a challenge that my office is currently addressing. The fourth question addressed the issue of understanding where we have coverage issues and any gaps where we may need additional towers. The evaluator was asked, was the coverage assessment of the system accurate and is coverage adequate? The coverage requested in the RFP for the system was 95 percent coverage for the state, statewide, and 95 percent coverage by the Nebraska State Patrol troop area. Motorola initially proposed a 48-tower system. As the system design was solidified, a 51-tower system was installed. Effective service delivery and officer safety requires that gaps be eliminated wherever possible, therefore, L.R. Kimball recommended that my office continue to identify critical coverage gaps and add tower sites where necessary to eliminate deficiencies. Again, this is a challenge we are currently addressing. The fifth question was related to the placement of the 51 towers. L.R. Kimball was specifically asked, was the methodology used for tower placement adequate for coverage requirements? They found that the methodology used was consistent with most statewide deployments and that the final constellation of sites selected allowed the state to achieve its coverage requirements in a cost-effective manner. Finally, the evaluator was directed to address the capability and resources to operate a statewide public safety system. Specifically, we asked, does the state have

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the resources to manage the parts of the system for which the state is responsible? While the evaluator found that the state staff is technically competent to handle the system, it stated that additional staff could be utilized. As a result, we are evaluating our ability to shift additional staff resources to this area. Based on the information acquired in the study and information acquired by working with the system users, the following steps have been taken to implement some improvements to the system. In the area of channels on the system, my office has already begun the process of adding channels in high-traffic areas. Our staff is gathering channel-loading statistics and identifying areas where additional channels are needed and has identified several areas already that need additional channels and look to add those channels before the end of December of this year. Three towers are being added to the system. The York tower will be operational before the end of December, as well as a Cheney Lincoln Electric System tower. Benkelman will be brought on-line the first quarter of 2014. Additionally, a new site in Omaha has been identified to provide more optimal coverage and the plan is to bring that site on-line mid-2014. To assess the location and size of coverage gaps L.R. Kimball recommended that a location of suspected coverage-related trouble reports be plotted to a map for easy identification. My office is working with the State Patrol to validate coverage areas to target for areas for improvement. Finally, work continues with the local public safety groups to provide interoperability on the statewide public safety radio system. My staff has worked with the volunteer firefighters and has created a one-page sheet on how they can interoperate with their existing radios. (Sneeze) Bless you. My office has attended the Nebraska police and sheriffs conference to discuss the options that their agencies have on how to connect to the system and has worked with both local and state agencies to better understand their ability to talk. Much progress has been made since the system has been installed, and agencies are starting to report successful use of the statewide system and successful interoperability during incidents. The Office of the CIO is dedicated to continuous improvement of the statewide radio system. The system was built with the ability to support the future changes that will be necessary to keep up with changes in technology. My office anticipates that the system will continue to evolve and our team will continue to work

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with local and state agencies to improve interoperability and collaboration. I'll be happy to try to answer any of your questions. [LR244]

SENATOR MELLO: Thank you, Director Decker. Are there any questions from the committee? Senator Harms. [LR244]

SENATOR HARMS: Thank you very much, Brenda, for coming. [LR244]

BRENDA DECKER: You bet, you bet. [LR244]

SENATOR HARMS: Appreciate your thoughts. Of the 95 percent coverage that we have, do we...have we identified yet--I know you said you're going to be mapping this out--where some of those dead spots still lie? Did we get Knox County taken care of? That was a big issue, I remember, when...the last time we...you testified and we talked about that. Can you tell me whether that's been fixed yet or not? [LR244]

BRENDA DECKER: Knox County I cannot report is completely fixed. We have done some antenna shaping in that area. We will do additional antenna shaping once York comes on-line. And we anticipate...as you look at a tower and you place an antenna on it, they call it antenna shaping because it's the shape of the area that the antenna can cover. [LR244]

SENATOR HARMS: Um-hum. [LR244]

BRENDA DECKER: So when we can bring another tower on to cover an area that they're now covering with the Knox area, I believe that is actually...I'm sorry. I'm not going to remember where that tower is exactly. But as we bring on York it will be covering an area that then we can change the shape of the antenna and cover Knox County. [LR244]

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SENATOR HARMS: Do you have any idea of what the cost is to fix the rest of these areas that need to be covered? [LR244]

BRENDA DECKER: The ones that we have got in this plan were anticipated in our original appropriation. [LR244]

SENATOR HARMS: Okay. [LR244]

BRENDA DECKER: So I don't have an exact dollar amount, but until...and again, I want to remind the committee, and I shouldn't say "remind the committee" because I didn't say that when I was testifying, but we still have not taken full acceptance of this system from Motorola. They are working with us, side by side, diligently, along with Nebraska Public Power, and we are resolving these issues before we take full acceptance and make final payment on it. So we have not done that yet. [LR244]

SENATOR HARMS: The last time you were here we had a conversation about cars and radios and whether all those interface. You did testify that the antennas, I guess, were fixed. What was the issues there and... [LR244]

BRENDA DECKER: Some of it we believe was...and the Colonel, probably, can talk about this a lot more easily because his people did the actual work on the cars. But some of it was placement on the car where the antenna needed to be as far as where it could reach the radios, and we have moved, I believe, every antenna. We have not moved every antenna on the State Patrol car; we have moved every problematic antenna on the State Patrol car. [LR244]

SENATOR HARMS: Now do all the radios today now interface with the system? [LR244]

BRENDA DECKER: Yes,... [LR244]

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SENATOR HARMS: Okay. [LR244]

BRENDA DECKER: ...the state radios. [LR244]

SENATOR HARMS: Right. [LR244]

BRENDA DECKER: Okay. [LR244]

SENATOR HARMS: Yes. In regard to local agencies,... [LR244]

BRENDA DECKER: Yes. [LR244]

SENATOR HARMS: ...how many local agencies have not been able to afford to connect to our system or are not in our system right now? And I'm sure there is a lot of them and that seems, to me, to be one of those areas that's going to cause us some problems eventually if we can't fix them. I'm curious about how many there are and what you would estimate might be the cost of fixing that. [LR244]

BRENDA DECKER: That's kind of a trick question. [LR244]

SENATOR HARMS: Oh, I know. [LR244]

BRENDA DECKER: And the answer that I can give you is we have approximately 25 counties who have connected with consolettes and that is one of the methodologies to connect to the state system. There are other counties who have connected by installing radios in a Paraclete system, which is another way to connect. Each county's connection options, again, because they make their own decisions about their systems, are different. And so we have been working with anyone who wants to work with us to say, how do I connect to the state system? The costs of the consolettes, a lot of those

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are eligible for Homeland Security dollars, and a lot of the counties have come to NEMA and requested those for the system. So to tell you that I have a number that I could tell you to make sure that everyone would get the right equipment and connect, I don't have that, sir. [LR244]

SENATOR HARMS: The cost to just buy a radio to connect, do you have any idea what that might be for the local agencies? [LR244]

BRENDA DECKER: It, again, depends what type of radio system they have and how they... [LR244]

SENATOR HARMS: Okay. [LR244]

BRENDA DECKER: ...what they're connecting it through. So, yeah, it's hard to come up with a number. [LR244]

SENATOR HARMS: Um-hum. When we decided to put together such a system,... [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: ...did we in our planning process identify those particular kinds of issues and to understand that Nebraska is pretty independent... [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR HARMS: ...as we know, locally. [LR244]

BRENDA DECKER: Right. [LR244]

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SENATOR HARMS: And they don't like to be told. But was any thought given to just saying, you know what, if we're going to make this system work this is what you're going to have to have and we're going to mandate this to you and we're going to put together a grant system to help you fund this? Has any consideration like that at all before we actually got into this? [LR244]

BRENDA DECKER: When we went into the radio system what we did is we invited local entities to participate with us. [LR244]

SENATOR HARMS: Um-hum. [LR244]

BRENDA DECKER: And we did have several local governments that wanted to at least be part of it so that we could make sure that we designed a system of systems. I mean, that was truly the topic that we talked about. How do we make sure that we're putting something together that will interconnect in an economical fashion for everyone? Did we make everyone 100 percent happy? No, but we did take into consideration that this system needed to be able to interface with the existing systems that were out there, yes. [LR244]

SENATOR HARMS: The last time you were here and we testified and we talked a little bit,... [LR244]

BRENDA DECKER: Um-hum, sure. [LR244]

SENATOR HARMS: ...we talked a little bit about the training aspect, but that seemed to be... [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: This is a complicated system. [LR244]

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BRENDA DECKER: It's very complicated. [LR244]

SENATOR MELLO: It's a sophisticated system. [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR HARMS: But it's a good system. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: And I understand that, but it's difficult sometimes when you're under pressure in an area that's...you're being confronted with life and you feel like you're in a dangerous position, it's difficult to remember whether you flip that radio over or you don't flip it over. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: And I know that they've done...you've done some training with that. Do you feel that we have enough adequate training on...with our Highway Patrol officers throughout Nebraska, and then locally, to be able to use that? And where are you with that system? [LR244]

BRENDA DECKER: And I know the colonel is going to talk a little bit about training as well... [LR244]

SENATOR HARMS: Okay. [LR244]

BRENDA DECKER: ...because it's kind of a joint project between Motorola, my office, and his office. But one thing I can tell you is, also, in addition to the training that he'll talk

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about, which we've done a lot of training and we've made some great efforts in that area, one of the other things we have done is we have started having monthly calls on the system for locals, NEMA, all of the state users, anyone who is connected to the system, to test the system on a monthly basis and to actually go out and say, everybody, there is a call coming out, everybody needs to answer so that we know people are getting at least once a month when they're using it and learning how to interconnect. So that's one of the things that we have implemented. [LR244]

SENATOR HARMS: With Motorola, for example, in many states the state just, simply, turned it over to Motorola and said, why don't you just put our whole system together for us, you have the expertise, you have the knowledge, we'll work with you, but you take the leadership role. And I don't think Nebraska did that. I think we decided to do it on our own. Is that correct or...? [LR244]

BRENDA DECKER: It...kind of, sort of, and let me go through the "kind of, sort of" for you. We actually had the system designed and proposed by Motorola, so that was all a design done by Motorola. [LR244]

SENATOR HARMS: Um-hum. [LR244]

BRENDA DECKER: What our piece in this that we did was two pieces. One, we wanted to use as many existing towers to keep the costs as economical as possible. So what we did is we did sit down with Motorola and say, these are the available towers, what of these available towers, rather than building us 48-51 new towers, what towers are available? So we did do some reconfiguration there. The other piece that we did was the frequencies that we used with the radio system. My office does frequency coordination statewide already and so, therefore, we did not pay for Motorola to do...to obtain the frequencies that would be used on this system. We did that piece but we did not do any installation; we did not design the installation of the equipment on the towers. I mean, all of that was truly a Motorola design. [LR244]

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SENATOR HARMS: Did...do you feel like Motorola did an adequate job for you? And why did we have such large gaps and difficulties? Because it seems, to me, when...if you're going to put this kind of system together and if the right kind of planning was done, we would have had a lot of these identified, you know, like the radio system, the tower system, you know, the problem we have with locals...agencies trying to interconnect. So how did that fit together? [LR244]

BRENDA DECKER: What happened is when we got the original bid, and the bid went out literally... [LR244]

SENATOR HARMS: Um-hum. [LR244]

BRENDA DECKER: ...the RFP went out literally asking, how do we obtain 95 percent coverage and how do we make sure...here are our troop areas. We need each troop area to also have 95 percent coverage. The coverage that Motorola proposed was...did leave us some gaps, but we knew we were going to have that. Again, as we made that decision, we had kept money out of the appropriation to say, we're going to need to add towers in areas where they proposed the 5 percent that's not going to be covered, we're going to need to cover those areas. So it was a little bit of a give and take. The areas of gap...and I think when I was here last time I showed you the map of what it used to look like and what it looks like now. [LR244]

SENATOR HARMS: Um-hum. [LR244]

BRENDA DECKER: The gap areas have gotten much smaller, much more defined. They're just in different places, and that's part of our learning curve is to understand where are the places that we did end up with gaps, are those places where it is critical that these officers be covered and, if so, what are our options for making sure that happens. [LR244]

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SENATOR HARMS: One of the criticisms that we had I think we talked about this the last time we had the opportunity to visit in regard to this particular topic comes from local sheriffs... [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: ...and local agencies that want to be able to, like they did in the past, want to be able to talk directly... [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: ...to the Highway Patrol. They don't want to have to patch in somewhere or they want to be able to do that and, for whatever reason, their trust lies there. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: And they want to have quick response. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR HARMS: How is that working today? And has that been resolved? Or are we still patching and... [LR244]

BRENDA DECKER: We are patching but we're patching at the console level so that, once we patch with the consolettes, they do have officer-to-officer direct communication. [LR244]

SENATOR HARMS: Okay. Okay, thank you very much. [LR244]

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BRENDA DECKER: You bet. [LR244]

SENATOR MELLO: Senator Conrad. [LR244]

BRENDA DECKER: Senator. [LR244]

SENATOR CONRAD: Thank you, Ms. Decker, for joining us. [LR244]

BRENDA DECKER: You bet. [LR244]

SENATOR CONRAD: And just to go back to your preliminary comments and help me understand if this... [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR CONRAD: ...is an accurate description of what you started with. So I understand we're about 14 years in on this project and about \$60 million in taxpayer funds, and you noted that, right now, we're at minimum capacity. Is that right? [LR244]

BRENDA DECKER: We are...I think we've got... [LR244]

SENATOR CONRAD: Is that what you said in your opening comments? [LR244]

BRENDA DECKER: We've got two things. What I said is we have minimum capacity on the statewide radio system which we've been in since 2007. What I believe that you heard that you're combining here is we've been in radio...we have been in...trying to get interoperability in the state of Nebraska for longer than 14 years. We have had study after study for several years as to how to get interoperability in the state of Nebraska. What I can tell you is we have minimal "talkgroups" in most of our areas that allow

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people to be able to communicate; but in a high-density area where you have a lot more going on we need to add more talk channels. So I think I'm...by the look on your face I don't think I'm answering your question. [LR244]

SENATOR CONRAD: Do you think that's a good value for the Nebraska taxpayer to expend that amount of time and that amount of resources to be operating today at a minimum capacity? [LR244]

BRENDA DECKER: My opinion is that what we spent on the statewide radio system and the ability to communicate in the areas that we have been able to obtain coverage and be able to have their state agencies communicate across the agencies and the more coverage that we have and the progress that we're making, I do believe we've gotten the value out of what we have spent today. [LR244]

SENATOR CONRAD: And then I want to go back to this kind of framework of authority... [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR CONRAD: ...surrounding these issues that I asked the NEMA director... [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR CONRAD: ...about and he deferred to you. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR CONRAD: So would it be fair to say that your office is in charge of this system? [LR244]

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BRENDA DECKER: My office is in...my office is the office that signed the contract with Nebraska Public Power for the purchase of the statewide system. I am in charge of the infrastructure and how the system is made available to people, yes. [LR244]

SENATOR CONRAD: And how is your office organized? Are you a code agency? Are you a noncode agency? Are you an independent agency? [LR244]

BRENDA DECKER: I am part of the executive branch; I report to the Governor. [LR244]

SENATOR CONRAD: So ultimately the Governor is responsible for this system and no one else is, is that correct? [LR244]

BRENDA DECKER: It...yes. [LR244]

SENATOR CONRAD: Okay. And your testimony today is that any deficiencies in the system are the fault of Motorola's, not the executive branch? [LR244]

BRENDA DECKER: I would tell you that my testimony today is that we are working on the issues that are surrounding the system. I will tell you that I am comfortable with saying that we have a solid infrastructure that people are able to use to communicate statewide and our issues revolve around the issues of being able to make sure that people can interconnect, get the locals, and the state agencies have received the training and I believe that they are using the system efficiently. [LR244]

SENATOR CONRAD: So just a final clarification: Today do we have a solid infrastructure, as you just noted, or do we have a system that operates at minimum capacity, as you noted in your opening comments? [LR244]

BRENDA DECKER: We have a system that has the ability to communicate across the

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state. It provides day-to-day operational assistance and an adequate...or an adequate level, and we are adding additional capacity to deal with high-traffic and emergency areas. [LR244]

SENATOR CONRAD: Thank you. [LR244]

SENATOR MELLO: Senator Brasch. [LR244]

SENATOR BRASCH: Thank you, Mr. Chairman, and thank you as well for your testimony today, appreciate it. I have several questions. [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR BRASCH: I apologize here. [LR244]

BRENDA DECKER: That's fine. [LR244]

SENATOR BRASCH: But, okay, we have 51 towers but we have 93 counties. [LR244]

BRENDA DECKER: Yes, ma'am. [LR244]

SENATOR BRASCH: So is it not necessary to have a tower in every county? [LR244]

BRENDA DECKER: It's not necessary to have a tower in every county. [LR244]

SENATOR BRASCH: It is not, okay. And are towers fully dedicated? Are these towers fully dedicated to our statewide emergency system or are they shared with other functionality? [LR244]

BRENDA DECKER: Some are shared; some are fully dedicated. Towers are an

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expensive endeavor, and so we share some towers with NPPD, we share some towers with NET. We've reused as many towers statewide as we could that belong to the state of Nebraska. [LR244]

SENATOR BRASCH: And that is my next question is: Are the towers publicly owned by the state of Nebraska or are they privately owned, and what is the proportion of 51 towers? How many belong to the state? How many belong to a private...? [LR244]

BRENDA DECKER: It's a combination and I'd have to get you the exact numbers. If you consider NPPD part of the state of Nebraska,... [LR244]

SENATOR BRASCH: Sure, um-hum. [LR244]

BRENDA DECKER: ...which they're a political subdivision,... [LR244]

SENATOR BRASCH: Um-hum. [LR244]

BRENDA DECKER: ...there is a very number that are actual commercial rental, very...I would say under 15. [LR244]

SENATOR BRASCH: And then are the towers that we have...is it very similar to a wireless tower? Are they subject to weather? [LR244]

BRENDA DECKER: Yes, ma'am, they are. [LR244]

SENATOR BRASCH: Okay. And recently I've learned that in many areas we're turning to a technology of using copper hubs and going on structures that are less subject to lightning strikes. Is that something that VHF's, the... [LR244]

BRENDA DECKER: The high frequency? [LR244]

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SENATOR BRASCH: Yes. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR BRASCH: Is that something also utilizing that? [LR244]

BRENDA DECKER: We actually have gone through all of the standard configurations as to how do we protect our equipment and all of that...those kinds of things. We're in the process of adding redundancy to a lot of our sites so that if one site goes down another site will pick it up, and we're in that process as we speak. [LR244]

SENATOR BRASCH: And then are these also connected to servers throughout the state? Is that...does it use a very similar technology? [LR244]

BRENDA DECKER: It's... [LR244]

SENATOR BRASCH: Or is it strictly the voice goes along? [LR244]

BRENDA DECKER: It is somewhat...I'm trying to think of a way to describe it. We have, actually, control centers or control equipment that operates the statewide radio system, and that's where they're ultimately connected to, and we have two of those and they're redundant across the state. [LR244]

SENATOR BRASCH: And that's what I was wondering on the redundancy. But that again, if something happens weatherwise or a catastrophic event, we only have one other redundant system. [LR244]

BRENDA DECKER: We have two locations. So we have one in one location and we have one clear across the state in another location. So if we lost, for example, if we lost

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Lincoln, we could pick it up in another city down... [LR244]

SENATOR BRASCH: And then I've also heard conversation and dialogue that our public power districts across the state, or public power, countywise, that they have some capacities to also help in communications. Is that correct? [LR244]

BRENDA DECKER: They are. We have partnered with NPPD for that reason. They provide us with a lot of those capabilities. [LR244]

SENATOR BRASCH: And so each county has an option to work with their public power district or their... [LR244]

BRENDA DECKER: How we have allocated the system is the...NPPD works with the power entities, the locals work with our agency, but, yes, we're all riding on the same system. [LR244]

SENATOR BRASCH: Okay. And then my other question is: What do you think the greatest asset is of what we have today or what is a gap that is urgently needed to be filled? [LR244]

BRENDA DECKER: I think our greatest asset is, actually, the system and the ability that we have created a system that we can actually share with our public power, literally. We have won awards for the fact that we are sharing systems between the state agency and power. I think the other thing is our ability to communicate in this state. We have had several requests to come in and talk to local agencies and help them through this process. I did one yesterday with a local government that said, how do we get this connection made and how do we move forward? So I think that's one of our greatest assets. The thing that, I guess, I would tell you is probably the thing that I wish I could fix, is the time that it takes to go and spend with each of these people and make sure that you have the ability to understand what they're trying to accomplish, how their

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system works, and how we can make it interconnect. It takes meetings, it takes time, and that's...that hurts us. [LR244]

SENATOR BRASCH: Very good. Thank you, Ms. Decker. I have no other questions. [LR244]

BRENDA DECKER: You bet. Thank you. [LR244]

SENATOR BRASCH: Very good. [LR244]

SENATOR MELLO: Senator Dubas. [LR244]

SENATOR DUBAS: Thank you, Senator Mello. Thank you,... [LR244]

BRENDA DECKER: You bet. [LR244]

SENATOR DUBAS: ...Ms. Decker, for being here. I don't know which one of these questions to ask first. I guess let's just back up and... [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR DUBAS: ...say, what should a statewide radio system look like? What are we trying to achieve when we create this statewide system? [LR244]

BRENDA DECKER: As a nonuser I think that's one of the questions that I would suggest that you ask the Patrol or whatever. But I can tell you that, as we looked at how we could accomplish a statewide system, we talked to numerous counties. We talked to the state agencies that were involved. The RFP was a group effort that literally covered all the public safety disciplines, local and state, and I believe what they believe they came up with in the RFP was to build a solid system that could be used by all entities.

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[LR244]

SENATOR DUBAS: I guess, when I think of statewide,.. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR DUBAS: ...that means border to border, north, south, east, west. [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR DUBAS: And I'm a huge advocate of local control. But when we're creating a statewide system, one that will serve us wherever we're at,... [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR DUBAS: ...I struggle with this allowing the locals to kind of set up their own systems that somehow we're trying to plug into a statewide system. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR DUBAS: So I asked this question of Mr. Berndt, too: Do we really have a reliable system when we have the different locals trying to figure out how they plug their...themselves into the statewide system, whereas, I think Senator Harms alluded to this as well, if we truly created a statewide system where everyone is using the same kind of equipment, we're all on the same page, we would have...maybe we could have avoided some of these problems we're looking at right now? [LR244]

BRENDA DECKER: In a perfect world, had we created a system and said to the locals, you're all going to join the system and it's going to be one system, the best way to interoperate, yes, is to have everyone on the exact same system. At the time we were

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looking at it--and I'm not sure even it's changed today--I don't know that we have that option. [LR244]

SENATOR DUBAS: Well, I...you know, it's all about public safety... [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR DUBAS: ...and how do we achieve that public safety and how do we make sure law enforcement and fire and personnel all have that access to that communication, so, you know, you've alluded to some, you know, making sure that we were operating economically. I get that. But sometimes you have to spend a little money to make sure that you're saving money and lives in the end. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR DUBAS: So I appreciate your answers. Thank you. [LR244]

BRENDA DECKER: Thank you. [LR244]

SENATOR MELLO: Senator Nelson. [LR244]

SENATOR NELSON: Thank you, Chairman Mello. Thank you, Brenda, for coming today. [LR244]

BRENDA DECKER: You bet, Senator. [LR244]

SENATOR NELSON: I'm not a high-tech person but I'm trying to grasp the basics here. Senator Mello, in this material that he gave us here, summarizes with one of the reports. I'm just going to read from it: In October 2008, Motorola, the Office of Chief Information Office, NPPD began construction of a new statewide communication system for use by

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the Nebraska State Patrol, the Fire Marshal's Office, Game and Parks, Department of Roads, and NPPD. [LR244]

BRENDA DECKER: Yes. [LR244]

SENATOR NELSON: So those were the major agencies, right? [LR244]

BRENDA DECKER: Yes, sir. [LR244]

SENATOR NELSON: Have they had any trouble communicating with each other, to the best of your knowledge, under this system? [LR244]

BRENDA DECKER: That would be a better question for the colonel, but it's my understanding that they have not had issues communicating, but... [LR244]

SENATOR NELSON: They have issues of intercommunication. [LR244]

BRENDA DECKER: Um-hum. [LR244]

SENATOR NELSON: All right. It says that the system replaces an analog low-band radio with a new digital trunked radio system and it's been built to APCO Project 25 standards, the industry standard of the United States. [LR244]

BRENDA DECKER: Yes, sir. [LR244]

SENATOR NELSON: It goes on to say that requiring it, it achieves 95 percent mobile radio coverage, and I think we've covered all that. Mobile...or, rather, Motorola is not new to this. They've done these systems in a number of states. [LR244]

BRENDA DECKER: Yes, sir. [LR244]

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SENATOR NELSON: Are they proving satisfactory in other states, to the best of your knowledge? [LR244]

BRENDA DECKER: They are proving satisfactory but I can tell you that, from my conversations with Motorola and my conversations with the other states and even conversations with some of the larger local entities, the things that we're experiencing are not unusual for a new system when it goes in. [LR244]

SENATOR NELSON: All right. [LR244]

BRENDA DECKER: It's a learning process. [LR244]

SENATOR NELSON: All right. The system "talkgroups" have been designated to permit interoperability between state agencies, NPPD, and local law enforcement. [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR NELSON: Now what I'm hearing today, local law enforcement, sheriffs, and others are having trouble getting into that system. I'm going to imagine that any number of vendors go out to the various counties and say, we have this system, we can provide it a little more cheaply, this is what it will do for you. Did I understand that there are about 25 counties now that are part of the system? [LR244]

BRENDA DECKER: There are about 25 counties who have connected with the consolettes, yes, yes. [LR244]

SENATOR NELSON: Okay. So in line with what Senator Dubas has asked, as other counties come in,... [LR244]

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BRENDA DECKER: Um-hum. [LR244]

SENATOR NELSON: ...do you anticipate that there will be guidelines as to what they have to have and the amount of training because I think each...they're subscribers, aren't they? [LR244]

BRENDA DECKER: Yes, sir. [LR244]

SENATOR NELSON: Subscribers are responsible for purchasing their own equipment, with aid, of course, also for their own training and everything like that. [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR NELSON: So do you envision that there will be better guidelines in the future or requirements? Is that something that we should insist upon? [LR244]

BRENDA DECKER: As entities come forward to us and say, we'd like to join the system, we give them the options, and there are, I believe, there are five options that they can get...use to get onto the system. One of the options is to just buy into our radio system, do not replace your radio system, literally come on and become an absolute user of the statewide radio system. Lincoln County has decided to do that. They are a full user of the system. You can also come on with a consolette. That is...that's something that they can get Homeland Security for, be able to patch in their system. It's vendor...it's pretty vendor agnostic as we move down that road. There is an option to actually purchase a radio and install it in a piece of equipment into your console and be able to communicate. Paraclete is an option, or a combination of those, based on what exactly the county is trying to accomplish. So it's a complicated discussion but it is a discussion we get through with the counties as they come to us and we're able to get them on the system. [LR244]

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SENATOR NELSON: Final question: Do they have to pay a certain amount each? The county has to come up with a certain amount if...from prior testimony, and then other funds are also applied to help them out, is that correct? [LR244]

BRENDA DECKER: Yes. And we have, actually, a system so that we make sure that everyone is paying the same amounts and so they do get it. They are told all of the fees up front. The other thing that happens is, quite frankly, when a county says, we want to join the state system, we look at this is what it costs to join the state system. We have a dollar amount based on what they're trying to accomplish. And then we ask them, are there any assets you're willing to bring to the system? For example, Lincoln County brought a tower. So we then said, okay, if we're going to use your tower and you're going to allow us to do that to help our coverage in that area, we're going to credit you back for that piece of the system and your fees go down. So again, it's a cost model that we've got out there. [LR244]

SENATOR NELSON: For the counties that are not presently subscribers, how do they contact with the State Patrol in an emergency, for instance? Are they able to do that? [LR244]

BRENDA DECKER: There is the ROC channels that Al Berndt talked about, the frequencies that can be used on a national basis and, actually, I believe that's the process that we worked through with the volunteer firefighters as well. [LR244]

SENATOR NELSON: All right. Thank you. Thank you, Chairman. [LR244]

SENATOR MELLO: Senator Kintner. [LR244]

SENATOR KINTNER: Good morning. Thanks for coming out. [LR244]

BRENDA DECKER: Good morning. [LR244]

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SENATOR KINTNER: I'm sure this is the highlight of your day. [LR244]

BRENDA DECKER: Yeah. Yes, sir, it is. [LR244]

SENATOR KINTNER: Yeah, I don't know much about this stuff. I just know I can't get cell phone coverage in half my district down in Cass County. [LR244]

BRENDA DECKER: Yes, sir. [LR244]

SENATOR KINTNER: Every time we build a tower, how much is a tower? [LR244]

BRENDA DECKER: Oh, it depends upon if we own the land. But let's just put a number out there of...I have a number in here. If we can wait one minute maybe I can tell you. I'm sorry, I didn't bring that with me. But let's...I think the last one we built was somewhere around \$35,000, \$40,000. [LR244]

SENATOR KINTNER: Not too bad. Okay, so...and then did we lease the ground? Did we take it by eminent domain? [LR244]

BRENDA DECKER: We do not take it by eminent domain. [LR244]

SENATOR KINTNER: Okay. [LR244]

BRENDA DECKER: We either lease it or it's on state property. [LR244]

SENATOR KINTNER: On state property, okay. What was the process when we said, jeez, we need a statewide radio network? Did you put out a bid? [LR244]

BRENDA DECKER: Yes, sir, we did. [LR244]

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SENATOR KINTNER: Okay, you put out a bid. What... [LR244]

BRENDA DECKER: We put out an RFP. [LR244]

SENATOR KINTNER: Well, just give me the...in layman's terms, what did you ask for?
[LR244]

BRENDA DECKER: We asked for a system that would cover the state in 95 percent coverage; we asked for a system that would be able to do in-car communications. It's been awhile, so I'm...I mean, we asked for some specific things, gave them some information about what we currently had. [LR244]

SENATOR KINTNER: So we selected Motorola. [LR244]

BRENDA DECKER: A team selected Motorola, yes. [LR244]

SENATOR KINTNER: A teamwork, okay, okay, very good. [LR244]

BRENDA DECKER: Yes, we did. [LR244]

SENATOR KINTNER: What's your involvement? You know, so Motorola gets the contract and they're chugging away and building towers... [LR244]

BRENDA DECKER: Um-hum, yes. [LR244]

SENATOR KINTNER: ...and testing stuff. What's your involvement with that? [LR244]

BRENDA DECKER: Our involvement is to make sure that they stay on project and on time and within the budget and then, also, to make sure that we did the coverage testing

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that actually proved we had the coverage that they were promising us. We literally hired retired Patrol officers to drive the entire state and measure whether they had coverage where we were being told we had coverage and where we didn't. [LR244]

SENATOR KINTNER: You know, I don't know the processes and everything. I'm just trying to figure this whole thing out. But it would seem to me that you say, okay, we'd like a bid. We want 95 percent coverage. We need it in three years. [LR244]

BRENDA DECKER: Uh-huh. [LR244]

SENATOR KINTNER: We're coming back in three years, let us see what you got. And then they're responsible to have it. [LR244]

BRENDA DECKER: Uh-huh. [LR244]

SENATOR KINTNER: If they don't have it in three years, it's like a highway contract--they start paying a penalty. They're responsible to have it. Why are you so involved in making sure they're on time, making sure they're doing this? Why don't you just say this is the specs, you do it, let us know when you're done, and we need it to be done by this date? [LR244]

BRENDA DECKER: Right. We rolled this out in four phases, Senator. [LR244]

SENATOR KINTNER: Okay. [LR244]

BRENDA DECKER: What we did is we started out in the western part of the state and we divided the state into four phases and into various troop areas. [LR244]

SENATOR KINTNER: Uh-huh. [LR244]

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BRENDA DECKER: And so we started in the western part of the state and we moved east. And what we did is we made sure in each piece of the state we were able to verify that they had done what the contract had said. The concept of saying we're going to roll out an entire radio system, turn it on in one day, train everybody, I mean not...and I understand what you're saying... [LR244]

SENATOR KINTNER: Right. [LR244]

BRENDA DECKER: ...and then find out that we've got a problem it is a little difficult, because at that point you've really got a problem. Now you've got a system and it's interfering and it's doing other things. [LR244]

SENATOR KINTNER: Yeah, but you'd have a pretty cheap system if you putting penalties in. We don't have it done, start paying us back or we don't make the last payment... [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR KINTNER: ...or something like that. I mean is there any financial penalties if Motorola doesn't get this thing straight? [LR244]

BRENDA DECKER: Absolutely. [LR244]

SENATOR KINTNER: Okay. [LR244]

BRENDA DECKER: We have not made the final payment on this system. [LR244]

SENATOR KINTNER: Well, good. Good. Good. Good. [LR244]

BRENDA DECKER: We have held the payment, yes, sir. [LR244]

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SENATOR KINTNER: All right. Well, I'm just trying to figure this stuff out. And I'm not saying anyone did anything wrong. I'm just trying to figure out how you did it. So you did something like I said, but you just didn't say let us know the final date. [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR KINTNER: We kind of rolled it out. [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR KINTNER: Okay. [LR244]

BRENDA DECKER: They did all the installation, you're absolutely right. [LR244]

SENATOR KINTNER: Okay. I don't think I have any more questions. Thank you. [LR244]

BRENDA DECKER: Thank you. [LR244]

SENATOR MELLO: Senator Brasch. [LR244]

SENATOR BRASCH: Thank you, Senator Mello. And thank you, Ms. Decker. [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR BRASCH: I have just a couple more small questions as these questions are being asked. The Office of the CIO, in my memory, this is...it dates back to then was Governor Johanns. Is that correct? Or was it before that? [LR244]

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BRENDA DECKER: It was first created in...it was under Governor Johanns, yes, it was. [LR244]

SENATOR BRASCH: It is correct. [LR244]

BRENDA DECKER: So, yes. [LR244]

SENATOR BRASCH: Okay. And then technology has dramatically changed. And I'm guessing that your responsibilities have shifted and changed. And I know I believe factually as well that your office has taken leadership nationally in education communication, a lot of recognition through different entities. And so the need for communications and networking and education has been one of your starship projects. Is that also correct? [LR244]

BRENDA DECKER: Yes, ma'am. [LR244]

SENATOR BRASCH: And I believe you're branching off into the hospital now, working with that, solidifying that network, correct? [LR244]

BRENDA DECKER: Yes, ma'am. [LR244]

SENATOR BRASCH: And at the same time, is it the role in...that you have taken in the statewide emergency system, is it that you've been the copilot and not the pilot or...and the technology keeps changing. I'm just wondering how we just went like a rocket ship in the other two areas and we're still struggling on assurance, interoperability, reliability, communications in our state. [LR244]

BRENDA DECKER: Interoperability nationwide is an issue. [LR244]

SENATOR BRASCH: Okay. [LR244]

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BRENDA DECKER: The federal government is struggling with it. I think you would find that is an issue even in the areas where they would say...South Dakota, for example. They put in a statewide system. They mandated that their locals would join it. But if they have a school emergency, are their schools on it? I'm not sure of that answer. But emergency communications has taken on a different role in all states. And interoperability is a huge issue nationwide. The other thing that has happened, quite frankly, is with the evolution of technology, communications have changed significantly. We were replacing a system that had been in use for over 50 years, and we took a giant leap from analog radio system to the digital age. Things like Internet protocols that have to be considered in these systems were not something we even talked about when the original system was put in. So I think part of the struggle is we have taken such a giant leap and yet it's where we needed to be if we're going to interconnect across our borders. [LR244]

SENATOR BRASCH: Very good, thank you. [LR244]

BRENDA DECKER: You bet. [LR244]

SENATOR MELLO: Director Decker, a couple questions I have. One, I'd appreciate it if you could provide the committee a copy of the RFP and the contract and the report from L.R. Kimball in regards to your testimony. [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR MELLO: I asked this of Director Berndt and I think it was kind of directed towards your way a little bit, which is we've spent roughly \$60 million as a state in federal Homeland Security dollars for communications equipment. [LR244]

BRENDA DECKER: Right. [LR244]

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SENATOR MELLO: We only have 25 counties directly connected to our system. Why is that? [LR244]

BRENDA DECKER: Some of those grants started before our system was actually being specified and moved forward. Some of it was they worked with our office. We explained to them what we were trying to accomplish, how we were moving forward, and they may have made a decision to go a different direction because they just felt that that wasn't going to meet their needs. We are working hand in hand with NEMA to try to get the next rounds of grants to make sure that as people want to spend those on communication systems that we are more able to make the rules rather than respond to what the agency does. [LR244]

SENATOR MELLO: But ultimately, NEMA can make the rules now. They can make the determination not to give out dollars for projects if they didn't meet your specifications in regards to the equipment that you want local governments to be part of this system. So we're giving out dollars, in theory, to fund systems that we know are going to need...probably need more money and/or just aren't directly connected to the statewide system. And that's my...I'm trying to get my hands wrapped around, why are we giving money out to systems that aren't our own but yet you're here today and we've heard from other questions from other senators asking about the local interoperability component that seems to be an ongoing challenge with local law enforcement? I just want to get my hands wrapped around, why are we not only giving out money to systems that are incongruent with our statewide system? [LR244]

BRENDA DECKER: I think we've had that conversation with NEMA, and that is one of the things that they are doing. They are actually having those conversations with counties. But you'd have to ask AI for sure to figure out if he's actually set up any of those rules and see. [LR244]

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SENATOR MELLO: Would that require...is that something I...I'll follow up with Al afterwards whether or not that follows rules and regulations. Would that require statutory changes? [LR244]

BRENDA DECKER: I can't answer that. What I can tell you is what we've done in the other areas, as Senator Brasch said, we've done a similar situation with education in this state, and it was completely voluntary. None of it was mandated. It was a situation where we said let's connect all of our K-12, our K-20 schools together, quite frankly, and they could come to us to get some funding and get some ability to connect. And we did set up statewide rules as to if you're going to get this money, this is what the rules are going to be. And quite frankly, we are...by next summer we anticipate we will have 100 percent participation in the state of Nebraska. [LR244]

SENATOR MELLO: One I guess kind of one...I guess Senator Dubas asked the question and I guess it's just for our purposes moving forward from an appropriations perspective... [LR244]

BRENDA DECKER: Sure. [LR244]

SENATOR MELLO: ...which is why didn't we mandate to all counties and cities, when we created this system, to be part of the system? Why didn't we do it? Was it economics? Was it cost, the state didn't want to put the money up to make sure that we had a statewide system we wanted to have? Was that the reason why we didn't mandate everyone to join right away when we created this? [LR244]

BRENDA DECKER: That...as the Lieutenant Governor said, that's really a policy question. But I can tell you there had been several studies. We had done a study. We had done a Statewide Communications Alliance of Nebraska was created at one point to study this issue and to mandate everyone to be part of the system. And that study came back and did not go anywhere. The...I honestly don't know what the final reason

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was, but I know at one point the proposal came from the administration to build a system of systems, which is what this system is, and that was the one that the Legislature was able to participate in and fund for the state of Nebraska. [LR244]

SENATOR MELLO: So we built a system of systems, but we didn't mandate anyone to join the system. [LR244]

BRENDA DECKER: Yes, sir. [LR244]

SENATOR MELLO: I guess kind of my last question, and I...Lieutenant Governor, I posed it to him but I think he kind of deferred to you and Director Berndt, which is moving forward, looking to the future, what do we have to do? Do we need to look at statutory changes and policy changes to start moving cities and counties to join the system? Because it's been...roughly, this process started in '07. It's now soon to be 2014, seven years later and we only have 25 counties directly connected to the system. Do we need to start directing more resources to counties and local law enforcement to join and mandate that they start joining moving forward? [LR244]

BRENDA DECKER: I can't answer whether you'd need to mandate counties to move forward. I think that's, again, that's a policy decision for the Legislature. But I can tell you that the system has been fully operational and up and running since 2012 where we have actually said it's up and running; now let's make sure that we've got everything we need to have and get this thing up and moving. In that time, we've gotten that many counties to join, which in my mind is a good thing. We've actually convinced that many people that they want to be part of the system. We continue to work with counties on a weekly, if not daily, basis; and we get inquiries and there are requests being made to NEMA for additional consolettes to be funded. So in my opinion, I don't make policy so I don't know. It's one of those things where if you tell somebody they're going to do this, I don't know that you'll get as much participation as you would if it's something they want to do. [LR244]

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SENATOR MELLO: But we're still funding. I mean I guess I understand and can appreciate your perspective on that. But I guess that goes back to my initial question, which is we're still...the Legislature is still appropriating money for the system. We're still appropriating federal funds to NEMA for them to be able to disburse grants for Homeland Security funds. So essentially the operation is still spending and contributing money towards these communication systems. The policy is whether or not you start directing and earmarking, so to speak, these monies only towards people who want to join the system, is my question more than anything else. [LR244]

BRENDA DECKER: Okay. [LR244]

SENATOR MELLO: The power of the purse string the Legislature gives your office and NEMA to execute the program. You have the ability to be able to make designations of where that money goes; thus, you can mandate people to join your system by giving grants to them. [LR244]

BRENDA DECKER: Yeah. I think I see what you're asking me. The decision as to whether there can be a condition put on the federal funds, the Homeland Security dollars, that if we're going to give it to you for communication systems it's got to be to join the system and get interconnectivity, I believe NEMA has that authority to do that. I don't have any authority over the funds. Now I have authority over who connects...how the connections are made to the system, and that I can...we can help NEMA with. But whether they can actually do that, that I don't know. I don't know if they have that ability. [LR244]

SENATOR MELLO: Okay. [LR244]

BRENDA DECKER: I believe so. [LR244]

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SENATOR MELLO: Thank you. Thank you, Director Decker. Is there any other questions? Senator Brasch and Senator Conrad. [LR244]

SENATOR BRASCH: Just very brief: Training has been mentioned several times. [LR244]

BRENDA DECKER: Uh-huh. [LR244]

SENATOR BRASCH: Whose responsibility is the training? Is it the vendors at Motorola that trains or is it an entity or agency? Who delivers and is that a major cost or a factor in...I've learned the equipment I thought was \$1,300 per piece. So that wasn't an issue. Is it the training or upgrades or? [LR244]

BRENDA DECKER: The training was part of our contract with Motorola. They helped us develop training. The training is actually a joint effort between the State Patrol, myself or my office, and Motorola. And I believe the colonel is going to talk a lot about what their training has been and what their plans are for the future. But we do have scenario-based training, regular training built into it. [LR244]

SENATOR BRASCH: Train the trainer training and on-line... [LR244]

BRENDA DECKER: Yes, ma'am. [LR244]

SENATOR BRASCH: ...and different...very good. Thank you. [LR244]

BRENDA DECKER: You bet. [LR244]

SENATOR MELLO: Senator Conrad. [LR244]

SENATOR CONRAD: Just a quick follow-up question on Senator Mello's. [LR244]

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BRENDA DECKER: Sure. [LR244]

SENATOR CONRAD: In addition to the federal dollars, though, the state has made a considerable investment in this system... [LR244]

BRENDA DECKER: In the state system. [LR244]

SENATOR CONRAD: ...and related activities... [LR244]

BRENDA DECKER: Yes, ma'am. [LR244]

SENATOR CONRAD: ...to the tune of millions and millions of dollars. [LR244]

BRENDA DECKER: Right. [LR244]

SENATOR CONRAD: So there wouldn't be any conditions on the utilization of those funds to, say for example, require coordination. [LR244]

BRENDA DECKER: Yes. Yes, ma'am. [LR244]

SENATOR CONRAD: Yeah. [LR244]

SENATOR MELLO: See no further questions. Thank you, Director Decker. [LR244]

BRENDA DECKER: You bet. Thank you. [LR244]

SENATOR MELLO: Colonel Sankey. Just for a point of clarification, looking at the clock, we do have another interim study after the statewide radio system. So we will continue to go through the lunch hour, if necessary, to finish Senator Bolz's interim study, which

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follows shortly. Good morning. [LR244]

DAVID SANKEY: (Exhibit 2) Good morning. Senator Mello and members of the Appropriations Committee, Senator Dubas and members of the Transportation and Telecommunications Committee, I am Colonel David Sankey, S-a-n-k-e-y, and I have the pleasure of serving as the superintendent of the Nebraska State Patrol. I appreciate the opportunity to be here today to provide information regarding the State Patrol's experiences with Nebraska's statewide radio system. In 2007, the Nebraska Legislature provided funding for the statewide communications project, with the goal of improving communications for state law enforcement agencies, including the State Patrol, to better serve the citizens of Nebraska. Working through the request for proposal process, Motorola was selected as the vendor, and a contract was signed between the chief information officer, the Nebraska Public Power District, and Motorola in October of 2008. A multiphase implementation approach was adopted, beginning with the troop areas in western Nebraska and working to the east. In February of 2010, Troop E, which covers the Panhandle area of Nebraska, began using the system. Troop D, the North Platte area, and western Troop B, the Valentine area, began using the system in July of 2010. The rest of the State Patrol continued to utilize the old radio system while the infrastructure was developed and frequencies were identified. In July of 2012, Troop C, Grand Island, Troop A, Omaha, and eastern Troop E, Norfolk, began using the system. Finally, in September of 2012, headquarters troop area, Lincoln, was activated and all state troopers were using the new system. I want to mention that prior to each area's activation on the system, training on the mobile radios, the portable radios, and the system was provided to all officers. Since troopers in western Nebraska had been utilizing their radios for over two years prior to the rest of the state's activation, it was necessary to upgrade the radios in Troop E, Troop D, and western Troop B with the latest programming, so that all of our radios would have the same capabilities. In May of 2012, Troop E's radios were reprogrammed, and they were testing the updates for 30 days prior to going statewide when a significant event occurred in Alliance, Nebraska. On June 12, 2012, an armed gunman entered a pharmacy in downtown Alliance and

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took the pharmacist hostage. During the 17-hour standoff, an Alliance police officer and a Nebraska state trooper were shot and injured. Over 65 troopers responded to Alliance from all over the state. This incident presented many communication challenges. Troopers responded with radios on the new system with the latest upgrades; troopers responded with radios on the new system with older firmware; and troopers responded with old radios using the old radio system. Once troopers converged on the scene utilizing three different radios, it created a significant communication problem. This was the first time that so many users were utilizing the system in a single area, and coverage problems, due to buildings and terrain, were discovered. Additionally, this is the first time that we discovered that the Digital Vehicle Repeater System, known as the DVRS, in each one of our vehicles would not sync with one another, as we had been informed by the vendor. As I mentioned, this incident caught us in between radio programming updates and in transition from the old system to the new system. The State Patrol and our partners have learned a lot since June 2012, and I do not foresee a situation such as this occurring again. In October and November of 2012, after all the initial users were active, the OCIO and Motorola began statewide coverage testing of the system. Coverage testing resulted in utilizing one or two of the available three talk paths on each tower to conduct testing. This left one or two talk paths for the users and, as a result, increased the number of trouble reports that users submitted to document the problems they experienced while using the system. As we transitioned into 2013, the State Patrol, the OCIO, NPPD, the State Fire Marshal, Game and Parks, and the Nebraska Emergency Management Agency continued to meet at monthly meetings to identify problems and solutions for the system. Since the State Patrol is a user on the system, we focused our attention on those areas of responsibility within our control. They are training, vehicular noise, and vehicular equipment, to include installation and location, and the use of the DVRS. In February of 2012, we identified personnel within the State Patrol as subject matter experts. Troopers, investigators, and communication specialists with significant knowledge, experience, and expertise with the system worked together with the OCIO and Motorola to develop a curriculum that was hands-on and comprehensive. They spent April and May of 2013 traveling the state, meeting with

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users in small groups to explain the solutions to some of the problems previously mentioned, and ensure that the users had a good understanding of how to manage the system. Moving forward, additional scenario-based training is being planned for late 2013 and early 2014. Additionally, the State Patrol will be incorporating statewide radio system training at every annual in-service training from now on. As mentioned earlier, we discovered that the DVRS system did not sync to one another, as anticipated, when multiple units responded to the same scene. This required a change in our training to teach each trooper to manually shut the DVRS off until they were on scene. A solution has been identified and new circuit boards have been ordered that should help alleviate this problem. To address the vehicle equipment concerns, antennas have been moved to the roof of the vehicles, and the radio heads have been relocated within the vehicles for improved signal strength and operations. Finally, the State Patrol contracted with the Nebraska Center for Excellence in Electronics, located right here in Lincoln. The engineers at the NCEE tested 33 Nebraska State Patrol vehicles in their sterile environment, free of external radio emissions, commonly called noise. In their final report, the engineers at the NCEE concluded that the additional public safety equipment and the electrical interference caused by a vehicle's engine had an insignificant impact on radio operation. In conclusion, the State Patrol has experienced steady improvement with the statewide radio system over the last year, and we continue to work with the OCIO, NPPD, and our other partners on the SRS to identify ways that will make the system even more effective for our troopers, so that we can provide the service that our citizens expect and ensure the safety of our officers. I appreciate the opportunity to be here today, and I'd be happy to answer any questions you may have. [LR244]

SENATOR MELLO: Thank you, Colonel Sankey. Are there any questions from the committee? Senator Brasch. [LR244]

SENATOR BRASCH: Just a brief question. Good morning, Colonel Sankey. [LR244]

DAVID SANKEY: Good morning. [LR244]

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SENATOR BRASCH: And a shout out to your troopers who are in the vehicles with a laptop and all the radios. And I had the opportunity to spend a shift with one of them in our district, and they are packed in that vehicle and that's their all-day office, correct? [LR244]

DAVID SANKEY: That's their office, correct, and there is a lot of technology in our cars these days, yes. [LR244]

SENATOR BRASCH: It's absolutely amazing. And the one thing that I believe I remember is that...is it communications just don't go over the state border? Some of it is still dependent on a phone call, correct, or radio or...? There was an incident, I believe, where they had to identify someone and it could not be done on the laptop that's within the...is there still a little disconnect or is it fully connected statewide but not state to state, intrastate versus interstate? [LR244]

DAVID SANKEY: Yeah, we've been focusing our efforts on getting all the state agencies to use the system and to identify some of the gaps that Ms. Decker has talked about within our own system. And we're working with the locals in our own state to try and get interoperability. Once we achieve that then I think we'll reach out to our other state partners and try to achieve some interoperability with them. But most of the time, if we have an incident that occurs, say for example, with Iowa, our communication specialist will get on the phone with Iowa and will communicate with them. [LR244]

SENATOR BRASCH: Very good. And from just six hours of a short shift on my part, it's very efficient, very effective, very professional. And thank you to your agency and all that serve to help protect us. Thank you. [LR244]

DAVID SANKEY: Thank you, Senator. I'll pass that along to them. [LR244]

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SENATOR BRASCH: Thank you. [LR244]

SENATOR MELLO: Any further questions for Colonel Sankey? I have one and it's more of an update. The State Troopers Association of Nebraska I thought had filed a grievance against the State Patrol in reference to the statewide radio system. I believe that happened when we were in session during the past winter and spring. I know you're limited what you can say in regard to discussing that, but is that grievance still ongoing right now or has that been resolved? [LR244]

DAVID SANKEY: It is progressing. [LR244]

SENATOR MELLO: Okay. [LR244]

DAVID SANKEY: Yes, it's progressing to the next step, which is a hearing. [LR244]

SENATOR MELLO: Okay. All right. Senator Dubas. [LR244]

SENATOR DUBAS: Thank you, Senator Mello. Thank you, Colonel Sankey, for being here. Going back to the number of counties that are connected to the system, how does that impede your job when we're dealing with counties that don't have that interoperability yet? [LR244]

DAVID SANKEY: Well, for those locals that we do not have interoperability with, it complicates it sometimes, because sometimes our trooper and a deputy are the only law enforcement officers in that county. And so we need to be able to communicate. And what we have had to do for many years, because we really didn't have good interoperability with the old system either, but what we've had to do for many years is our communication specialist would call the local dispatcher and they would communicate through one another. Now you've heard a lot about consolettes this morning, and more and more counties are obtaining the consolettes, putting it in their

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consoles, and that seems to be a fantastic solution. And so where we've seen those happen, their dispatcher and our dispatcher can patch their system into our system and we can communicate effectively. And so we've seen steady improvement there and we expect to see more improvement there. And as more folks get those consolettes, I think we'll achieve greater interoperability. [LR244]

SENATOR DUBAS: The word "patch" has been used a lot this morning. When I think of a patch, I think of something like on a pair of jeans that, yeah, it covers a hole but it's not always as strong as the original garment. When we're patching into the network, are there opportunities for some weaknesses there? [LR244]

DAVID SANKEY: Well, I think to achieve ultimate interoperability, the best thing would be for the local agencies to actually purchase the correct equipment and join the statewide radio system. But I think in the meantime there is a cost-effective way, using these consolettes, for them to connect. Maybe I should use the word "connect" rather than "patch." Patch seems to be the language in the radio world. But they do connect and our experiences when that occurs is it's been very effective and we've had good interoperability. [LR244]

SENATOR DUBAS: All right. Thank you. [LR244]

DAVID SANKEY: You bet. [LR244]

SENATOR MELLO: Senator Harms. [LR244]

SENATOR HARMS: Thank you, Colonel Sankey, for coming and testifying today. Appreciate it. Do you feel comfortable that the dead spots are being covered with the present system we have, because you still have people who might be at risk, and are you comfortable with where we are? [LR244]

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DAVID SANKEY: We do have areas of dead spots, of coverage problems. We're working with the OCIO to identify those areas. I think we have a pretty good handle on where those are at now and I think our troopers in the field have a pretty good idea where those are at. So we're working together to try and do what we can to fill those gaps. But am I comfortable that we have gaps? No, I'm not, sir. We want to continue to work and try and get those gaps covered. [LR244]

SENATOR HARMS: Will that take then coverage of more towers or how are we going to actually fill those gaps? [LR244]

DAVID SANKEY: Well,... [LR244]

SENATOR HARMS: Because I guess that was my biggest concern originally. Even at 95 percent, I don't know if we're there or not, I assume we are, I'm not questioning the previous testimony, but the dead spots are a real concern. [LR244]

DAVID SANKEY: Yes, they are. You know, I don't know that it's a simple answer as to how do you fix it. I think there's many things we're trying to do. I think these antennas that Ms. Decker mentioned that are coming on board will allow them to turn the antennas on existing towers... [LR244]

SENATOR HARMS: Uh-huh. [LR244]

DAVID SANKEY: ...in different directions that will help cover some of those gaps. For example, I believe that the tower she mentioned that's coming on in Cheney will allow greater coverage in the Lincoln area, allowing the existing antenna to be turned toward the south to help cover that area that we have a coverage gap in, same thing in southeast Nebraska in the Benkelman area, same thing in the York area. [LR244]

SENATOR HARMS: In regard to the training side of things, I've had the chance and I've

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taken some time to visit with other people on the Highway Patrol, both in this area as well as where I live, and they feel that the training that's been most successful for them has been when they send someone at their level to train the trainer. [LR244]

DAVID SANKEY: Uh-huh. [LR244]

SENATOR HARMS: They go in and they're not as intimidated by someone who is truly an expert in this field, comes in from the outside. And they feel more comfortable because they can ask the questions and don't feel like they're looking...not...they're just not approaching it appropriately. That has been a great aid, I will tell you that, from at least the people that I have talked with. They like that idea. But I think we have a long ways still to go on that training aspect, because, like I said that previously, that's a very sophisticated system... [LR244]

DAVID SANKEY: Uh-huh. [LR244]

SENATOR HARMS: ...and you have to keep a lot of things in mind when you're pulling up to a situation that's dangerous about whether you switch that radio and when you switch that radio, and what really takes place is...I would just say that I think you're on track. But according to the folks that I have spoken to or the people that are in this field feel like we still have a ways to go on the training aspect and something that you're going to have to continue to intensify in order to reach the comfort level for them. [LR244]

DAVID SANKEY: Yeah. And one of the aspects of any training, whether it be firearms training or emergency vehicle operations training, is repetition, and so we need to continue to provide training to our people, continue to work with them, especially those that don't grasp technology as well as others. And you're exactly right, Senator. What we've done is we've identified our subject matter experts across the state and our troopers have really responded well to that. So that's the same groups that's going to

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start some training here at the end of this year and the beginning of next year, and we're going to focus on some scenario-based incidents, incidents like the Alliance situation and some other...and pursuits and those types of things where it's high stress, and we learn how to use the system as optimally as we can. [LR244]

SENATOR HARMS: Well, thank you very much. [LR244]

DAVID SANKEY: Thank you, Senator. [LR244]

SENATOR MELLO: Senator Nelson. [LR244]

SENATOR NELSON: Thank you, Chairman Mello. Thank you, Colonel Sankey, for coming today. [LR244]

DAVID SANKEY: Thank you, Senator. [LR244]

SENATOR NELSON: What is your fall back in those dead spots there? How do you communicate? [LR244]

DAVID SANKEY: Well, our troopers have had to respond, have had to resort to using their own cell phones in some cases; some cases, we don't have cell phone coverage but we have radio coverage. So ultimately, they just have...they're learning where we have current dead spots. We're working as an agency with the other agencies to try and fix those dead spots, but ultimately, if it's a dead spot, it's a dead spot. And they can try and use their cell phones, but that's about it. [LR244]

SENATOR NELSON: Thank you. The major users, NPPD, Fire Marshal, Game and Parks, intercommunication among those subscribers, are there problems there? [LR244]

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DAVID SANKEY: No. In fact, we dispatch for those other agencies, so it works very well. [LR244]

SENATOR NELSON: Okay. Thank you. [LR244]

SENATOR MELLO: See no further questions. Thank you, Colonel Sankey. [LR244]

DAVID SANKEY: Thank you, Senators. [LR244]

SENATOR MELLO: Next testifier. [LR244]

DAVID WEBB: Chairman Mello and members of the Appropriations Committee, members of the Transportation and Telecommunications Committee, my name is David Webb, last name W-e-b-b. I am currently the chief information officer for Nebraska Public Power District. I hold a Bachelor of Science degree in electrical engineering, and I have 32 years of experience in the utility industry: 17 with Illinois Power, 7 with Oklahoma Gas and Electric, and 8 with NPPD. I'm here to provide testimony about NPPD's involvement with the statewide radio project and our use of the new system. For many years, NPPD struggled with an aging, conventional, land mobile radio system. In early 2008, we were once again considering a new system. Because our service territory includes the majority of Nebraska's 93 counties, the proposition, we knew, would be an expensive one. Early estimates for a basic voice-only system, including radios for us, ranged from \$20 million to \$40 million. So providing, we know, providing coverage for a state the size of Nebraska is definitely an expensive proposition. During that time, we learned that the state faced a similar situation. And since Nebraska is a totally public power state and NPPD is a political subdivision, we participated in meetings with key leaders from several state public safety agencies to discuss the possibility of a partnership. And it seemed obvious to that initial team that building and sharing one system was clearly the right thing to do, both for NPPD customers and for the citizens of Nebraska. An interlocal agreement was developed and the project began.

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Now for me, this is the third trunked land mobile radio system deployment that I've been a part of in my career. And though new digital technology has been incorporated in the radio and systems' electronics, the basic approach taken for this project, that some others have described, too, was similar to the implementations that I was a part of in Illinois and Oklahoma. Basic approach was to, you know, identify the available resources, towers, network connectivity, those things; establish coverage goals; and then proceed through an iterative process with the selected vendor that balances the best coverage design with cost considerations and efficient use of existing facilities. We deploy the system, evaluate performance, and begin an ongoing process of operating the system and making cost-effective improvements. The difference from those earlier systems, and actually the thing that I'm proud to have been a part of, is the partnership between a public power utility and state public safety agencies. It is absolutely what I believe other states should do, where I've been, others, and we're often cited by organizations like Utilities Telecom Council, the UTC, and the Electric Power Research Institute as a model for other regions to consider. For us, the statewide radio system is a success for our operations. While there are specific locations within the state where coverage enhancements are underway, overall coverage and performance of the new system is vastly superior to the system it replaced for us. It is providing NPPD with vital field crew communications that we can rely on for many years to come. Granted, our operation doesn't often require us to interface with other systems, and I know the committee has touched on this. As an engineer, I recognize that challenge is technically and operationally more complex. In my opinion, it's a factor in many other reported problems that we've talked about. However, I do know the team. I have staff that's on that team and I know they are committed to the continuous improvement of the system, and I believe all the issues can and are being resolved. Thank you for the opportunity to testify, and I'd be happy to try to answer any questions you have for us. [LR244]

SENATOR MELLO: Thank you for your testimony, David. Are there any questions from the committee? Seeing none, thank you. [LR244]

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DAVID WEBB: All right. Thank you. [LR244]

JIM HEINE: Good morning. [LR244]

SENATOR MELLO: Morning. [LR244]

JIM HEINE: (Exhibit 3) Chairpersons Mello and Dubas, and members of the Appropriations, and Telecommunications and Transportation Committees, for the record, my name is Jim, J-i-m, Heine, H-e-i-n-e, and I am the State Fire Marshal. I am here today to provide information relating to the statewide radio system. The State Fire Marshal agency is a user of the SRS. The agency was part of the initial meetings where discussions were held to clarify the needs of state entities in a communications system. The agency provided detailed information regarding the unique needs of the agency's users. These needs were based on the duties and work conditions within the agency. These requirements were incorporated into the specification requirements used to create the RFP. The agency participated in the technical evaluation portion of the RFP but not the financial evaluation. The current system is working effectively for our agency in most areas. Routine usage has alerted field staff to areas where coverage may be spotty. The addition of new towers will help with these problems. Participation in some of the major wildfires during 2012 also revealed the need for internal procedural/protocol changes to allow for effective communications. There have been some accessibility issues, but these issues are being addressed and progress is being made toward eliminating many of the accessibility issues. Given the specific needs of the agency, the SRS is effective. Agency field staff have all the equipment necessary to meet the needs of their job requirements. The agency currently has 49 radios in use. Through cooperation with other state entities, installation procedures have been developed to allow for proper installation on various types of vehicles utilized by the agency. There will be ongoing costs associated with maintaining the equipment, in addition to the annual user fees for the radios utilized by agency field staff. Additionally, there will be costs associated with the need for new equipment to replace end of life or broken units.

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Agency field staff have received detailed and comprehensive training on the operation and capabilities of the radios issued to them, in addition to the overall operation of the SRS. These trainings were developed and administered by agency staff members with detailed knowledge of the SRS. The trainings were administered by the same staff members at four locations across the state. These trainings covered information from the extreme basics, such as turning on the radio, all the way through the advanced usage issues. The trainers encouraged participants to contact them with additional questions after the training and to request any additional training that might be needed. Reported problems have been analyzed and steps taken to alleviate the problem when solutions are available. As changes are made within the SRS, additional training and refresher courses will be offered. Thank you for your time, and I will be happy to answer any questions you may have. [LR244]

SENATOR MELLO: Thank you, Marshal Heine. Are there any questions? Senator Harms. [LR244]

SENATOR HARMS: Thank you very much for coming. Appreciate it. In your testimony you talked about that the current system is working effectively for our agency in most areas. What areas is it not working? [LR244]

JIM HEINE: There's just a few dead spots around the state that correspond with what the colonel and the other... [LR244]

SENATOR HARMS: And where are some of those? [LR244]

JIM HEINE: There are some on the...out west, to my knowledge. [LR244]

SENATOR HARMS: I know that. [LR244]

JIM HEINE: But to get you, you know, a complete list, if you would give me the time to

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get that together for you, I certainly will get to you where our dead spots are. [LR244]

SENATOR HARMS: I would like to have that and I think this committee would like to have that so we can track that. I don't think that we should have areas, particularly where you need to have them, and have dead spots. In regard to 2012 and the, as you testified before, the wildfires, I understand that we were pretty close, because we couldn't actually communicate with each other appropriately, and in some cases came close to people getting caught in the fires, as it blew back. And they didn't know whether those were back burning starting or they started on their own, and almost got trapped because they couldn't communicate. When you talk about internal procedures and protocol changes, what kind of protocol changes would you make and what were the problems there? [LR244]

JIM HEINE: Well, some of the issues were that, as I think Mr. Berndt testified, with contact with the airplanes. That was one of the protocol changes that were made and there is designed now channels that my staff can contact with the SEATs, or the single engine air tankers is what they're called, the airplanes. That was one of the protocols. There's now four channels that we can utilize to have communications abilities with those tankers. [LR244]

SENATOR HARMS: Now were we able at that time to be able to communicate to other people that were there fighting the other portions of the fire? Were we able to communicate back and forth with other firefighters? [LR244]

JIM HEINE: To a certain degree, yes, we could, because we were using the statewide radio system for staff and spotting. And the planes, we did have an individual that was at the incident command center that could relay information back and forth through their local interoperable system that they were using. [LR244]

SENATOR HARMS: Thank you. [LR244]

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SENATOR MELLO: I have one question and it's maybe a fairly broad question, Marshal Heine, is we've heard this, the Appropriations Committee has heard from Colonel Sankey, both during the regular session and today, a little bit more detail in regards to some of the challenges they had when they started utilizing the system in 2010. When did your agency start utilizing the system? [LR244]

JIM HEINE: The same time as... [LR244]

SENATOR MELLO: The same time? [LR244]

JIM HEINE: Yes, sir. [LR244]

SENATOR MELLO: Did you experience the same kind of challenges in regards to your vehicles, in regards to antennas not being able to acquire a signal, certain kinds of motherboards or chipboards that need to be replaced in the receivers in your vehicles, the aspects that Colonel Sankey kind of walked us through, the technical aspects of the changes needed in the vehicles? Has your agency gone through the very similar thing that they've done through? [LR244]

JIM HEINE: Similar but maybe not as extreme as they've gone through, because we utilize the radio differently, somewhat, than what the Patrol does. We aren't doing response like they are. Our use of the radio system is somewhat different. As far as what the colonel was talking about with the DVRs, we never hooked ours up the way theirs are. They're automatic. Ours are manually that you turn them on and you turn them off. You know, theirs is a different system for their jobs, not for what we need to utilize them for. So there was differences. [LR244]

SENATOR MELLO: Uh-huh. [LR244]

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JIM HEINE: But, you know, the training that we did, staff were trained by Motorola and then it was, as someone had said, train the trainer, and that's what we utilized. And we did have those training sessions in four areas of the state. It is a system that takes a lot of training and we're continuing to offer the training, as I said in testimony, so if staff is having problems, we'll get together with them and give them individualized training if we have to. We only have...one good thing--we only have 49 radios. [LR244]

SENATOR MELLO: Uh-huh. [LR244]

JIM HEINE: So it's a lot easier to provide one-on-one, if we have to, versus if you have 400. [LR244]

SENATOR MELLO: And this is a recollection, and I'm going to look at Director Decker from our Appropriations hearing during this spring, which is the CIO's Office was going to set up, in conjunction, I thought, with other state users, a portal where individual users could submit challenges, problems they had out in the field, concerns that came up along the way as they have been utilizing it. Has your agency or any of your field staff, is that something that they're utilizing on a regular basis, that ability to be able to provide up-to-the-minute, so to speak, concerns and challenges when they're out in the field? [LR244]

JIM HEINE: Yes. Yes, it is. We're utilizing that system. [LR244]

SENATOR MELLO: Okay. Senator Brasch. [LR244]

SENATOR BRASCH: I'm just curious here. Thank you, Chairman. And thank you for your testimony. We hear about towers and in some areas people use satellite. Is satellite ever integrated into the communication system where there are no towers or there's a geographic divide or something? I believe in Montana, their firefighters up in the mountains, they use a satellite system to identify hot spots and things like that. Do

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you know, are we totally tied into tower technology and perhaps...? [LR244]

JIM HEINE: Well, Senator, that question, in my opinion, should go to the OCIO's Office. I'm not the radio expert. [LR244]

SENATOR BRASCH: Okay. I can ask that another time. But I believe that that's been used in remote areas. [LR244]

JIM HEINE: You certainly could be right. [LR244]

SENATOR BRASCH: Okay. All right. Thank you so much. [LR244]

JIM HEINE: I can't answer that question. [LR244]

SENATOR BRASCH: No other questions. [LR244]

SENATOR MELLO: Senator Kintner. [LR244]

SENATOR KINTNER: Thanks for coming. [LR244]

JIM HEINE: Yeah. [LR244]

SENATOR KINTNER: Someone testified earlier that he was a policeman in Lincoln; he had dead spots in Lincoln, which I thought was pretty amazing. What is your expectations for coverage? What do you expect this system to do? [LR244]

JIM HEINE: Give us a reliable communication system to be able to contact my staff and for them to be able to contact each other, especially in a large event that would be happening, as the wildfires were, to be able to set up that "talkgroup" so that they were out there during that event and could communicate and relay information. [LR244]

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SENATOR KINTNER: What level of dead spots, I guess you call it, is acceptable to you? [LR244]

JIM HEINE: As the colonel said, there shouldn't be any, but the system is being worked on and they are going, in my opinion, they're going to get it fixed. It's just something that's going to take time to find the dead spots. You yourself mentioned something about cell phones, that you can't get cell phone coverage. [LR244]

SENATOR KINTNER: Jeez. [LR244]

JIM HEINE: And, you know, this is a system that the OCIO's Office is working diligently to get coverage that we need in the areas in question. Look at how long it's taken and how long the cell phones have been around, and there's still dead spots. So I think they're going to get the system operational to everyone's needs. [LR244]

SENATOR KINTNER: Yeah, I guess my frustration is not life and death; it just drives me nuts when I can't even call my office in my district. I'll tell you, I'm glad we didn't use Sprint for this, by the way. Thank you very much. Appreciate it. [LR244]

JIM HEINE: Thank you, Senator. [LR244]

SENATOR MELLO: Seeing no further questions, thank you, Marshal Heine. Oh, Senator Bolz. [LR244]

SENATOR BOLZ: I'm just curious. You referenced needing communications in the case of a big event, and we never want to have to think about that kind of scenario but we've certainly, in recent American history, had to face some really big events. Can you help me understand, in the case of a big event, a Boston Marathon bombing, something really significant, would there be challenges in terms of the emergency responders

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coming together and having different understandings of the different communications system? What I mean is, you know, there was a reference earlier to having an automatic system turning on for the DVRS... [LR244]

JIM HEINE: Uh-huh. [LR244]

SENATOR BOLZ: ...and yours isn't. What would happen if multiple emergency responders were coming together in a big event and they all had a different understanding of how one piece of equipment or one system worked? [LR244]

JIM HEINE: Well, that's where the mutual aids in the counties are. Typically, they train together and utilize the radio system together. And as Mr. Berndt said, the training, and as the colonel said and everyone says, it's the training that makes the difference when a large event occurs. If you utilize the radio system, you have the radios, you have the frequencies in, and you've practiced and trained with them, in an emergency at least that way everyone knows what to do and how to handle it. In the perfect world, you know, that's the way things work. [LR244]

SENATOR BOLZ: So are there different emergency responders all trained on all of the three different systems that we're currently using now? [LR244]

JIM HEINE: Again, that's something with...not the statewide radio system. That's something with the individual fire departments, rescue squads. It's a local issue, not with the statewide radio system. [LR244]

SENATOR BOLZ: Okay. Thank you. [LR244]

SENATOR MELLO: See no further questions. Thank you, Marshal Heine. [LR244]

JIM HEINE: Thank you. [LR244]

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SENATOR MELLO: Next testifier. [LR244]

JERRY STILMOCK: Good morning. [LR244]

SENATOR MELLO: GOOD MORNING. [LR244]

JERRY STILMOCK: Madam Chairwoman, Mr. Chairperson, members of the committees, my name is Jerry Stilmock, J-e-r-r-y, Stilmock, S-t-i-l-m-o-c-k, testifying on behalf of my two clients: the Nebraska State Volunteer Firefighters Association and the Nebraska Fire Chiefs Association. In preparation for this morning, and since the last year's wildfires, I've had an opportunity and intentionally visited with state troopers, fire chiefs, the sheriff's department, and federal fire suppression folks to try to get a handle on what was happening. And if I go back, maybe 15 years, I went to Kansas City, went to a Big 12, Big 8 football game and everybody wanted to speak to everybody at the same time, and 80,000 people could not do that from Arrowhead Stadium. When you take an incident where you take 350 volunteers, couple that with 300 National Guard people, and put them in the same incident fighting in an area, Complex 24, the area south and near Valentine last summer, it is doggone hard to communicate, because I've heard the Colonel say, or Ms. Decker say that we have three pathways using the statewide system. Well, it just isn't going to happen with that volume of people. That said, I also wanted to give regard, since those wildfires, to the members of the Legislature but also those that spoke, Ms. Decker, her office, Mike Jeffres, Mr. Berndt from NEMA. They've spent countless time sitting down with me and representatives of the volunteers to find out where do we go from here. One of them I heard this morning is fantastic. At the time, unfortunately, we collectively, whoever "we" you want to include in, did not know that there were some volunteer fire departments that were operating under UHF. We know now that in order to go from ground to air, that communication has to be under VHF. We know that because of these incidents. Thank goodness, we don't have tragedies. But we know that now, and NEMA, through Mr. Berndt, have taken

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upon that department to get those 12 departments that they've identified with these VHF radios. We know of a system...we know of a situation, pardon me, that in 2012 there was a fire, there was a call for air support, there was the air support on its way, and we know that there was the inability to communicate because the ground did not have the VHF system. South Dakota lent its radio. The system...the event was able to eventually incorporate aerial support. But there was that moment, I don't know how long as I speak to you this morning, how long that event was delayed because...the good result is we now have that much more communication that we can look at. The...I look at...we hear the term "hot spots" or in reference to the federal wildland fires, and we know that there were 19 individuals killed in June 2013 at the Yarnell, Arizona fire. We know that there was about 32 minutes of no radio communication. What we don't know is if that contributed or caused the 19 casualties, the 19 deaths. Thank goodness, nothing like that happened last year. But we're learning. We now know--we, the volunteer side of it--we know that there are Paraclete systems available. The Paraclete system, if I understand it...and if I understand it, those people are growing weary trying to explain it to me, but it allows different frequencies, the VHF, the UHF, the 800, to go into one system at one location and allow the program abilities so those different frequencies, that otherwise would be unable to communicate, to communicate. The one thing that I think we as volunteers, the men and ladies that I represent, took away from this, is they have to continue to educate, look upon opportunities to become educated and continue with training. You can't take 700 people in an event and expect that carpenter or the implement dealer parts person that are volunteer fire chiefs, and take command of that type of situation without having training and without having the knowledge how to...I'm encouraged by, even today what I've heard. It's not incumbent upon me to understand what's important is the chiefs out in those areas and we've given them another tool of ground to air. We have that in place now. The Paraclete, there were...there were stories that after the series of fires last year, that it was discovered that these Paraclete cabinets, if you will, were there; but the chain of command never reached, at least in one instance, the volunteer fire chief that could have utilized or maybe could have helped out in the situation. So I'm encouraged and I think we're headed in the right

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direction. Thank you. [LR244]

SENATOR MELLO: Thank you, Jerry. Are there any questions from the committee?
Senator Dubas. [LR244]

SENATOR DUBAS: Thank you, Senator Mello. Thank you, Jerry, for being here. So what are you hearing from your members or what are your members doing to increase training and communicating with their local dispatchers about what their needs are and what they'd like to see happening at the local level? [LR244]

JERRY STILMOCK: Frankly, I think some of them are still pounding their head against the wall, and saying, well, we have a VHF system at Department A, and neighboring or adjacent we have a UHF system. That becomes frustrating. You know, the training is always an issue with volunteers because they are volunteers. It's time away from their employment. How do they take time away from their employment? They take vacation. They take leave without pay. Those are real difficult things. And I've become deeply knowledgeable, at least listened to South Dakota. South Dakota has a paid fire force out there on catastrophes when you go into wildland fires. They have a paid staff of 50 firefighters on the state side of life. If an event is large, they can deputize volunteers to make them state employees. The point being, and trying to answer your question, is time is of the essence. And I could no more take a day out of my workday, as it is for a volunteer to go out and try to take that additional training. And the second part, or another part of your question is, it's...you know, I took Spanish in high school, I took Spanish in college, but no hablo espanol. I mean, it's hard to do if you don't practice it. And so...and that's the other part of it. I have to know it but then I have to practice it. I can't take swimming lessons at age 5...well, maybe I can. I think maybe my Spanish analogy probably sticks better. It's you have to be able to practice it. [LR244]

SENATOR DUBAS: I think that's a point that we really need to hone in on here today. I mean, I certainly appreciate our paid professionals and what they do. But some

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legislation that I've carried for volunteer firefighters in the past, I believe we're at 80 percent, or more, of our state relies on volunteers... [LR244]

JERRY STILMOCK: Absolutely. [LR244]

SENATOR DUBAS: ...on volunteers to protect our property, as well as our lives. And as you said, these are people that don't do that on a regular basis. They aren't at the fire station every day. And so to make sure that they have the training, the comfort level, the equipment, all of the things that they need to carry out their duties, I think is probably...we need to elevate that part of this discussion and helping them feel comfortable with what we're putting in place. I'm not exactly sure how we do that, but I don't think we can overlook the importance of our volunteers. But if we want them to be able to use this system and be effective with the system, we've got to bring them into this discussion. [LR244]

JERRY STILMOCK: Listening to you, Senator Dubas, it reminded me of volunteers really are...I mean, outside of Keith County or maybe Buffalo County, volunteers don't use, to my knowledge, the statewide system. They're using something else. The statewide system is the backbone. In order to participate in that backbone, you have to leave the infrastructure that you've, you know, you developed and put in place. Part of it is leaving what you're familiar with. The other part is the expense. If the reports to me are correct, it's about \$3,000 for a radio. Volunteers departments operate...and I won't go into that whole part of it, but on a shoestring budget. And \$300 or \$400 for a radio is a lot of money. So I'm here to tell you that, so far, no one on the volunteer side has told me they anticipate...their department anticipates to the statewide system, because of the expense. Time is short. I better stop. [LR244]

SENATOR MELLO: Senator Brasch. [LR244]

SENATOR BRASCH: Thank you, Chairman Mello, and thank you as well, Jerry, for your

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testimony today and to all the agencies...or entities you represent. And I do realize that not only, you know, are your EMTs, your volunteer firefighters, you know, some of them not only take their vacation but they are paying for textbooks out of pocket, and we're talking \$200 manuals on training, and go to events across the state to better themselves so they can better help us. And as a state we owe a lot of gratitude to our volunteers and anyone in enforcement that runs towards trouble when everyone else runs away from trouble. [LR244]

JERRY STILMOCK: Yes, ma'am. [LR244]

SENATOR BRASCH: And my thanks there. And the whole dialogue this morning here is on how can we better, cost-effectively, reliability, deliver the statewide emergency system, be it the sheriff, local law enforcement, fire, and others. However, one thing that is, is technology is ever-changing, starting from the brick cell phone. And now it changes. And going statewide and looking at how the servers are now taking up half the size, and technology is man-made...man- and woman-made technologies. And, you know, 100 percent deliverability I think is expecting a lot at this point in time; that, you know, we've talked about interoperability and we talked about redundancy, the communication. And there is a geographic divide in...even in Nebraska. You know, we look at...out in Scottsbluff where we have mountains or the flat plains. So today I think, you know, a lot of questions have been asked from our committee on why have we spent this much money and why has it taken that much time? I think technologies would be one of the issues here. I've worked in that area for over ten years, knowing that you have project managers. Delivering it is very difficult. But what our role here today would be is this whole entity here, you are the keepers of safety and responding; and if not by technology...I know, is there an answer? Do you see a gap that, you know...and I believe, in the EMT area, it's an agency that you're...they don't fall under? They're not truly Health and Human Services. There's an identity of who's high... [LR244]

JERRY STILMOCK: Yeah. EMS is having an identity crisis in the state, yes. [LR244]

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SENATOR BRASCH: Exactly. [LR244]

JERRY STILMOCK: There's nobody that parents...I mean, Health and Human Services does. But local jurisdiction, there's no local jurisdiction mandating that if somebody folds, that there's coverage for EMS. It's kind of brotherhood of community that...well, we'll help out Otoe or Talmage; we'll go cover. [LR244]

SENATOR BRASCH: And to me that's something that, you know, I believe we could help solve it some way. Technology is reliant on vendors. We're reliant on what is available here and now, and there's a dollar figure to that. And so I'm just wondering if besides the radio system here, if we're looking at one thing that is more doable, that could be effective, that we can work on the radio statewide system, there's something we can implement today that it's more than likely ever-changing. But in your view, you know, is that something too, that go-to place of assurance for the EMTs and the volunteer firefighters? [LR244]

JERRY STILMOCK: Yes, I think there is something that we need to keep in mind and to try to improve in addition to the radio. Yes, Senator. [LR244]

SENATOR BRASCH: In addition to that, so. [LR244]

JERRY STILMOCK: Yes, ma'am. [LR244]

SENATOR BRASCH: Okay. Thank you. [LR244]

JERRY STILMOCK: Yes, ma'am. [LR244]

SENATOR BRASCH: And again to everyone, our thanks for their volunteerism. [LR244]

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JERRY STILMOCK: I appreciate your words and I'll be sure and glad to extend that.
[LR244]

SENATOR BRASCH: Thank you. [LR244]

SENATOR MELLO: Seeing no further questions, thank you, Jerry. [LR244]

JERRY STILMOCK: Thank you, Senators. [LR244]

SENATOR MELLO: Next testifier. [LR244]

BRIAN PETERSEN: Well, good morning, Senator Mello. Thank you for the invite. And Senator Harms, great to see you again. Senator Bolz, a resident of south Lincoln, so...and to the rest of the committee of senators, good morning. I appreciate this opportunity. I'm Brian Petersen, B-r-i-a-n P-e-t-e-r-s-e-n. And I serve the State Troopers Association of Nebraska as well as the State Law Enforcement Bargaining Council of Nebraska, which serves the State Fire Marshal's Office, the Game and Parks Office, associations, and the state troopers out of that of that syllabic state law enforcement. On behalf of the men and woman of the State Troopers Association, and those State Fire Marshall Office members and the Game and Parks Association, we wouldn't be here today had there not been what was mentioned previously, likely a grievance action that was filed against the state. And that grievance action was filed on my behalf for the concern and consideration of the officers that this radio station serves. And it was directed at the Nebraska State Patrol, originally, because there was not a mechanism for me as a steward of the association to perhaps, per se, file against OCIO or file against the state directly. So because the agency had to be specific, but it does encompass the behalf of the membership of the Fire Marshall and Game and Parks as well. Several key and, I think, high-risk incidents have showcased the deficiencies in this system over time. And while I won't be specific to the tactics of the officers which this system serves, I can tell you that there have been great strides to fix the system of

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the last couple years. And specifically those initiatives and those efforts have been done by the Nebraska State Patrol, of which Colonel David Sankey has made mention with the extensive training that's taken place. The system is still not fixed. As we've talked about here this morning, there's 25 counties of coverage on the system out of the 93. There's coverage gaps. There's disparity in the coverage of the state, a coverage map based on where the towers are located, and that disparity largely encompasses the Highway 20 corridor, which we know is the largest or the longest U.S. highway in the country, and a very busy highway today, still. So with that being said, one of the things that stood out to me and has always stood out to me in previous months and the year when the Troopers Association started to talk about this system a little bit, is just that: Who's in charge? And we kind of heard a little bit of it this morning in testimony, and it's broken up into different sectors of agencies that are representing or being represented by the radio system. So who's in charge of this? And, you know, the research and planning has taken place now for a decade, a better part of a decade. This system is in a five-year operational status and we sit here today and talk about deficiencies and we sit here today and talk about capabilities and coverages and training and infrastructure and so forth. And that's some of the concerns that I have, as the State Troopers Association president, as well as the officers that are in the field today. The coverage maps, for instance, are based on the RF noise that we've heard about in cars. And initially, you know, there was some testing done by just plain cars without any equipment within them. And I know that there's reports back from professional agencies that say the RF noise is not a factor. But there is a great distinction between cars that were utilized to test the system with the retired troopers initially, and what we have in the field today, because of the complexity of the patrol cars, because of the computers that are within the cars, the radar units within the cars, the overhead lights that create a lot of noise, and so forth. So there's some disparity there. And it's just important that the committee realize that although it's accounted for in this disparity, you need to make sure that the map that you're seeing is based on certain RF noise levels that show that, because it varies from what looks like normally a Verizon map, very, very good coverage in the state, to a coverage map that is very, very limited as you increase the

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noise within the cars. One of the things on the complexity that I'll talk about briefly and then open it up for the questions. The...and I'm not going to get into the specifics of the actual tactics, again, of officers in responding to high-risk incidents; but just a scenario. If you direct traffic in a snowstorm and there are several officers that are involved with it, there's confusion yet...and we're working thorough this with great training and we're going to overcome this, but it's not necessarily a training issue or an in-hand issue of the officer. It's an issue of the limitations of the vehicle repeater system, how it was designed from the start with Motorola, and that contract had changed midstream and then there was an adjustment to the vehicle repeater system. And for boring technical terms, it's changed to where the algorithms do not track necessarily when the car moves. So if you have several officers that come to an area and direct traffic in a snowstorm off of an accident, and that one primary vehicle repeater system is serving all those officers, and that car gets moved just a short distance, it will throw the officers off of the system. And so that's something that's a real infrastructure issue that has to be looked at. And then some of the other workarounds to work incidents are the strengths and the fact that you have to leave the system occasionally, as it's been referred to. So with that, I'll just talk about...just mention the interoperability is a five-year issue now, so. And I'll close with questions. [LR244]

SENATOR MELLO: Thank you for your testimony, Brian. Are there any questions from the committee? Senator Conrad. [LR244]

SENATOR CONRAD: Hi. Thank you so much for your service and being here today on behalf of frontline first responders. Definitely appreciate it. Do you have any sense, in visiting with peer organizations in other states, if they face similar problems in utilization of these types of technologies? I don't want to put you on the spot. I just didn't know. And we've heard some I think different opinions about whether or not these issues facing Nebraska are unique or are similar to other systems across the board. And just wanted to give you a chance to weigh in on that. [LR244]

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BRIAN PETERSEN: I have a very limited sense. I know that South Dakota, for instance, did go through transition. I know that Kansas went through transition, as well, and that was a by-product of them consolidating some of their dispatching and how they operate their state. And there's growing pains. You know, there's teething issues with any system. But this system here is going from what we had before as a plug your DVD player in and find the right channel on your television, to plugging in your new Blu-ray player and having to program it so that it's capable of going to the Internet and then you have to find the right channel on the other end of you television and there's a plethora of channels to choose from. And each time, in this particular case, you know, once you get that accomplished at home in your living room, it's set. But each time that officers respond to a scene, there's a little bit of variance as far as who's the primary, who is going to be addressing...who's going to have the vehicle repeater on, and so on and so forth. [LR244]

SENATOR CONRAD: Thank you. And just a final follow-up question. Do the folks in the field, on the front line, feel safe with the system as it operates today? [LR244]

BRIAN PETERSEN: The folks on the front line that are utilizing the system have a lot more confidence today than they had prior, because of the training. There are still numerous issues that affect the system that aren't necessarily visible, whether it be officers in a certain area operating...overloading the capacity of the tower with a couple talk paths. If other entities are utilizing the talk paths on the particular tower and we don't know it, officers don't know it in the field; and so they get what's referred to as a stoppage or a bump. When they try to key up the mike and say something, they're rejected. But so many of these issues are kind of like the analogy I utilize is the check engine light on your car. It will come on and it will tell you specific things that are wrong, but if you...there are things that could be wrong that don't necessarily show with a light. So, you know, if the brakes on your car are bad, it doesn't show with a check engine light, if something else is wrong. It's just a specific set of parameters. And that's where, continuously in the field, officers are saying at X event we showed up and this was

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happening; we couldn't communicate, we couldn't talk. But it is much, much better.
[LR244]

SENATOR CONRAD: Well, that's good. That's good to know. And then finally, you're a taxpayer... [LR244]

BRIAN PETERSEN: Yes. [LR244]

SENATOR CONRAD: ...is that a fair assessment? [LR244]

BRIAN PETERSEN: Yes. [LR244]

SENATOR CONRAD: Do you think Nebraska taxpayers, from your personal perspective, have gotten a good value from this system? [LR244]

BRIAN PETERSEN: Well, that's one of the things I was going to mention at the very beginning, and I was remiss in not doing so, that, you know, we're talking about officer safety here... [LR244]

SENATOR CONRAD: Um-hum. [LR244]

BRIAN PETERSEN: ...and we're talking about officers of Game and Parks, Fire Marshal, state troopers, officers of volunteer firefighting, tankers that respond to a forest fires, but I was remiss in mentioning that the taxpayers were ultimately the ones who we serve, not necessarily those who have paid the tax dollars and have gotten the system. Simply from the public's perspective or the law enforcement perspective of those officers of which I represent as their president and the association, it's a service that's owed to the public, it really is, to have a good system. And so it's a very difficult question to answer. [LR244]

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SENATOR CONRAD: Very good. Thank you. [LR244]

SENATOR MELLO: Senator Harms. [LR244]

SENATOR HARMS: Thank you very much for coming and thank you for your frankness. I appreciate that. You indicated that the system really isn't working appropriately. And what would really be helpful, I think, for me, and maybe some of other committee members, is for you just to make a list for us of all the things that are not functioning appropriately. It gives us a little bit better handle to maybe follow up on some of those and to make sure that we can help resolve those issues. And if it's financing, then that opens up the door for us on the appropriation side; if it's just another system, the telecommunication Chair can get involved. By coming together maybe we can help kind of fix it, it would be helpful. And secondly, if you had the power and could wave a magic wand, what are the top priorities you would say need to be fixed now? [LR244]

BRIAN PETERSEN: I'll go back to the vehicle repeater system that's in place in the patrol cars, that there just has to be clarity, more clarity on the operation, and the faults. And maybe there's a new system out there, maybe that's some of the appropriation side of it. I know there's geographical issues that have to be overcome. You mentioned sheriff's office. And maybe not every sheriff's office can get onto this system but it's simply where the towers are placed. But that is a key concern of mine is the...is being able...that repeater system is the link between the officer and their portable radio that's on their hip, to their car, to the system, back to the dispatcher. And if that vehicle repeater system is the weak link, the officer is without communication; they resort back to their cell phone. That's a huge portion of it. [LR244]

SENATOR HARMS: Yeah, once they leave their car they have to depend upon that. [LR244]

BRIAN PETERSEN: Absolutely. [LR244]

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SENATOR HARMS: (Inaudible). [LR244]

BRIAN PETERSEN: They have to depend upon it. [LR244]

SENATOR HARMS: Yeah. [LR244]

BRIAN PETERSEN: And there's been different procedures. And again, you know, I can't talk specifics to the Fire Marshall and Game and Parks Association, but the Patrol has done a great job with them. They've come up with new tactics...not tactics, but procedures and equipment and placements to decide when that repeater gets turned on and how it's turned off and so forth, because you can't have a patrol car moving down the road with a repeater on. It will cause a lot of errors for a lot of other officers in the field. That is probably the single point, largest concern that we have. And then secondly is the capability of the three talk paths. Early on, in this, when the grievance was filed and the media it covered it a little bit, it was, I think, quoted as the standard in the industry is three talk paths for this type of a radio system. And now we know we're seeing the increases in the talk paths across the state on some of these towers and these geographical areas. That's a big thing, too, in capacity, because other agencies are a part of the system. And I know the frustration lies at many different levels. [LR244]

SENATOR HARMS: It would be really helpful if you have a little bit of time and can set aside, just kind of make a list of the things, for us, that you feel that the troopers are concerned about, and then I think we could probably take that from there and we'll do our part on this side of the issue. I think that's important for us. I'm assuming, and I know you can't probably talk much about this, but I'm assuming because a grievance has been filed and it hasn't been withdrawn, that our law enforcement folks still feel that they're at danger within this system. Is that correct? [LR244]

BRIAN PETERSEN: Well, the law enforcement folks feel that it's important that the

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grievance stay in place as of today, and we're going to arrive at the next stage of the process that I believe Colonel Sankey had mentioned that we'll move to the arbitration stage of that with an arbitrator. And, you know...and it fulfills many of the same purposes that we are here today for in this committee, to identify the shortcomings. And, you know, the win-win situation is to the point that we could walk away with saying we don't need the grievance in place anymore because we've done everything we could, working collectively as agencies and associations that look out for the safety of the officers. That would be the perfect scenario. But we just have to ensure that what we've talked about today gets put in place. [LR244]

SENATOR HARMS: Well, that's the object of the whole system is to make sure that the people that are in the field are safe. I don't care whether you're a highway patrolman or a sheriff or, you know, locally; that should be our goal and that's, like, the thing that I've said from the very beginning as this thing started to unfold, and I don't think that we should ever allow, in this great state, time that our law enforcement individuals feel that they're at risk. Once you get out of that automobile and your repeater is not working and those sort of things take place, then I think we're really in danger; and I think those things need to be fixed, period. [LR244]

BRIAN PETERSEN: And I'll comment just briefly on safety, and it's what we have today in the repeater system. For an example, the repeater, when you activate it when you come to a stop behind a motorist or whatever the case may be, when you activate that repeater it takes five seconds for that repeater to link to that officer's portable radio. And we know in traffic stops, there's a lot that can take place in five seconds. [LR244]

SENATOR HARMS: Yeah. [LR244]

BRIAN PETERSEN: And that's, you know, obviously I will shed the sincerity in the wake of that, as an example, as much as I think it's important that you realize that five seconds, we're talking law enforcement officers, is a lot of time, at times. [LR244]

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SENATOR HARMS: Well, thank you very much. [LR244]

SENATOR MELLO: Senator Brasch. [LR244]

SENATOR BRASCH: Thank you. Thank you for your testimony, as well, here today. And I'm curious, when we talk about that five-second gap, is that the technology? Is it because our technology is broken or inferior, or is it the software that it's not real time; it was designed to pass through in that pass...is it the technology's limitations or is it that our system we purchased, it is an operational deficit? You know, I don't quite understand that five-second lag time. Is it software, hardware? [LR244]

BRIAN PETERSEN: A combination thereof. But I would actually defer the technological aspect of it to somebody within OCIO or Motorola. I just know that that's the time frame. [LR244]

SENATOR BRASCH: Because there's software and interoperability that has real time versus there are softwares that are designed to...there is a delivery time. And I'm not familiar with... [LR244]

BRIAN PETERSEN: The repeater has to be active and the repeater has to be identified by the radio and acknowledged by the radio. [LR244]

SENATOR BRASCH: Okay, very good. [LR244]

BRIAN PETERSEN: So, for an example, when other officers show up to the scene, if one person is the primary, the dominant repeater, those officers can seek that repeater in that car with their radios. But there's a lag. There's time it takes for that technical radio, which is a computer, to...with identifying an algorithm, to identify that this is the one, the vehicle-based system that I need to utilize right now. And that happens

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individually. If it's an officer and one officer in one car in one traffic stop, it takes time. And so the officers have to bear that in mind, that safety aspect. Right now, that's just a...it's a by-product of what we have, what those officers have in the field. You can train all you want for it. You can train to turn it on at the right time and turn it on early or whatever the case may be so that you have that. It's just awareness. It's simply making sure that that awareness is reiterated over and over again. [LR244]

SENATOR BRASCH: Very good. Thank you very much. [LR244]

SENATOR MELLO: Seeing no further questions, thank you, Brian. [LR244]

BRIAN PETERSEN: All right. Thank you. [LR244]

SENATOR MELLO: Real quick, how many are left to testify on LR244, the statewide radio system? Two. Okay. Next testifier. [LR244]

CRAIG STOVER: Chairman Mello, Senators, appreciate the opportunity to be here today. I've listened to the testimony this morning, and think it's...I think all of it... [LR244]

SENATOR MELLO: Real quick, could you just spell your name for the record, please? [LR244]

CRAIG STOVER: Excuse me. S-t-o-v-e-r. Stover. The testimony this morning, I believe, has covered the majority of my points, so I'll be extremely brief. But prior to implementing this statewide radio system, our old radio system had failed. It had been up and running for about 40 years, and we were looking at not having any options at that point in time. For the most part, I would say this, that the radio system that we've got now with the statewide radio system, has afforded us much better communication than what we have ever had in the past. Thanks to the State Patrol, we also have 24-hour dispatch which is something that we did not have previously out there. Direct

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communication between the State Patrol troopers and our officers is now possible, whereas before that was not an option. We're slowly gaining interoperability with other law enforcement agencies, police departments, and county sheriffs out there; and in some cases, local fire and rescue. As more and more of them come on board, there's no doubt that it is just going to enhance the capabilities of the entire system. We now have, for the most part, a reliable system that works for us across the entire state. Now there are a few issues and all of these issues are improving. I learned a little bit this morning in listening to some of the testimony. But there are a few spots out there that are dead spots. As game wardens, we're accustomed to dead spots out there. We have fewer dead spots now than what we had in the old radio system out there. There seems to be times when some of the towers become overbooked, overloaded; and at the time, officers will get a busy signal. It sounds like everything is in place for those issues to be addressed. We...there is a learning curve. You can't just pick up this radio and start talking on it. You've heard all about this, this morning. It falls upon us in order to provide that training. We do, do it, on a regular basis, or we're getting better at providing that training out there. As people become more familiar with it, I believe that the overall functionality will also improve. Lastly, an issue from our standpoint, we purchase low-end portables and low-end repeaters, so we do have a couple of headaches, ongoing headaches, such as with our portables. We have to key them twice in order to activate that repeater, to talk through the repeater. We've been told that we can get through that issue out there. However, at some point in time in the future, we may have to replace those repeaters. That's about all I have for you. If you've got any questions. [LR244]

SENATOR MELLO: All right. Thank you for your testimony. Are there any questions from the committee? Seeing none, thank you. Next testifier. [LR244]

TOM NESBITT: Almost good afternoon, isn't it? My name is Tom Nesbitt, N-e-s-b-i-t-t. I'm retired from the State Patrol, and I've had the privilege of being the Superintendent Colonel of the State Patrol until I retired in June 2005. Appropriations Committee,

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Senator Mello, thank you for the invite to come in and testify. And it's kind of nice to be here without having charts, as I did in the past, for my budget and those things, and dealing with that and trying to convince we need the money, but. And also, Senator Dubas, it's nice to see you. Senator Dubas and I grew up in the same town, how about that? And her husband made a lot of blocks for me when I was a running back so I could clear those holes; I always remember that. So it's nice to see you, Senator, as always. Anyway, when I was a Colonel Superintendent, there was a past law, it was called LB1211, if I remember the correct number on that, and that formed SCAN. And what SCAN was is different entities within state government, private...excuse me, private-sector, public-sectors of firefighters and sheriffs, police, everyone was represented on the committee, and worked through the process of working on this interoperability of having a statewide system. And that went on for some time. In fact, Governor Heineman was the chairperson of that at one time, when he was Lieutenant Governor and the head of Homeland Security, and did an excellent job with that and to work through that process of trying to figure out what was best for interoperability. And we came to an understanding that it was very expensive to do what we needed to do. But the one thing that we did understand from being in that committee and all the entities involved with it, we needed to have interoperability; but also everyone needed to be on the same wave frequency, etcetera, so that we could communicate. And as we know, in order to do that, that's a very expensive proposition because you have to buy the equipment. Because I can tell you, I attended many volunteer fire meetings across the state when I was the chairperson of that committee, and that's a huge issue and having the money to be able to do that. And really, to do it right, you have to have the commitment and the financial resources in being able to do that to have an integrated, interoperable system. We came up with what we thought was the best frequency, which is a 700 megahertz system. It was a new technology at that time. We thought that that was a good process of going through it, but a very expensive process as well, in doing that. We know that also in order to make this thing work, the public safety...and I can't tell you...I've had a lot of firefighters, I've had a lot of troopers, I've had a lot of deputies, I've had a lot of people call me since this thing started, and I've retired, and to get my

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viewpoint on it. And again, the people that have testified here are just absolutely professional people that have the best interests at heart in trying to fix this problem; believe me, they do. And they work very hard in doing that and I want to make sure that the committee understands that. But in order to accomplish that, the last thing that you need is having to think what you've got to do to make a radio work. I'll tell, it's just real simple. Everyone wants to pick up a mike and push a button and talk, and they want to be able to talk to whoever they want to talk to. That's the simple analogy of that, and that's what the expectations are. Now, we can go into training--and training is hugely important and a huge part of this, and I understand that. The Patrol is blessed in being able to have the days of training and being able to do that. Volunteer firefighters, it's a little different story. Those guys and those gals that are running those fire trucks or running those ambulances have day jobs that they've got to do, and some night jobs as well, too; so it brings in a different thing to be able to accomplish that, an issue to be able to accomplish to get that training. But training is a huge thing. And again, all they want to do is they want to show up, they want to push the button, and make sure they can talk and get the help that they need to. I can tell that when I was Colonel, we had a situation out in the Ogallala area that a trooper was chasing a guy that just robbed something, I can't remember exactly what he robbed. And I listened to the tape, and he said, I'm getting in the dead spot; I sure hope that he doesn't stop; I'm not going to stop him in this dead spot. Well, guess what? Stopped in the dead spot. Guess what? There were gunshots involved with that situation. Of course, other troopers, other deputies, whatever, were heading that way. But the situation was it was a dead spot. You will never get rid of all the dead spots. I'm telling you that I don't think that's possible. I don't think you can have 100 percent coverage. I don't know that that's possible, to be honest with you. But I do know this: Your Bender Motorola is very efficient, very effective, and they have the professional staff that they can figure those things out for you. So that's probably enough for me saying, so if there's some questions, I'd be happy to answer those from you. [LR244]

SENATOR MELLO: Thank you for your testimony, Tom. Are there any questions from

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the committee? Seeing none, thank you, Tom. [LR244]

TOM NESBITT: Okay, thanks a lot. [LR244]

SENATOR MELLO: Seeing no further testifiers, that will end today's public hearing on LR244 and will take us to our next public hearing, LR273. Senator Bolz. [LR244]

SENATOR BOLZ: (Exhibit 4) Good afternoon, members of the Appropriations Committee. It's not news to anyone in this room that our population is aging. It's not news to anyone sitting on those chairs that providing Medicaid services to our aging population is a significant portion of our budget. Given that and given the hour, I'll cut to the chase. Why do we need to have this conversation? Why do we need to have it in Appropriations, and why do we need to have it now? Well, first, the baby-boomer population isn't aging in the future; it's aging right now. We will have a 75 percent growth in people, age over 65, by the year 2030. The curve is inclining currently. Secondly, our home- and community-based care systems are not at full capacity to serve these folks' needs, particularly our Area Agencies on the Aging who provide the front-end services for folks to keep them out of nursing homes and in home-based care, where they prefer to be, have a challenge in terms of the growing demographic needs and the changing in the geographical disbursement of our aging population that we need to adjust sooner rather than later. Second, there are currently opportunities on the table to pull down almost \$9 million in federal funds to make structural adjustments, to make sure that we're serving people on the front end with lower-cost home- and community-based services. With a few adjustments, we can pull down what's called the Balancing Incentive Payment plan funding stream and have a significant infusion of dollars to keep people in their homes now. However, that opportunity will go away in the next two years if we don't take action now. Finally, the Department of Health and Human Services currently has plans to implement Medicaid managed care for our long-term care systems. This is a potentially effective and responsible way of dealing with our Medicaid population. However, we need to be forward-thinking in terms of how

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we provide oversight to Medicaid long-term managed care as well as the larger population of folks who are not yet Medicaid-eligible but need services to stay in their homes, to retain that lower cost level of services, and to avoid entry into costly nursing homes, which for every individual costs us over \$56,000 a year. There are several charts in front of you illustrating the demographics, illustrating the significant number of folks who are both Medicaid-eligible now and who are near Medicaid-eligible and may quickly spend down and become folks who rely on Medicaid services in our nursing home population. And finally, there's a list of the current services that we're providing. I'll leave it there and I'm happy to answer any questions; but I'll turn the microphone over to some of the experts who will provide details on those circumstances and needs, so that we can continue to move it along and get everyone to lunch. [LR273]

SENATOR MELLO: Thank you, Senator Bolz. Are there any questions from the committee? Senator Harms. [LR273]

SENATOR HARMS: Thank you very much, Senator Bolz, for your testimony this morning and introducing this. Do you have any kind of a map that shows geographically where these people are located? I'm just kind of interested in looking at the split between rural and urban America. [LR273]

SENATOR BOLZ: Certainly. Certainly, we'd be happy to get that information to you. June Pederson, with the Area Agencies on Aging will discuss those needs when she testifies. But I can tell you at this point in time that because the way that our Area Agencies on the Aging formula currently works, we need to make some adjustments to better serve our aging population in smaller communities and in rural areas, because a significant amount of that funding is per capita. When folks move to the urban areas to access the amenities and the healthcare, we need to make sure we're not shortchanging those rural districts who still have a significant number of seniors. [LR273]

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SENATOR HARMS: Yeah, one of the problems that I have observed and also we found, I think, in our Planning Committee, that in rural Nebraska we're finding that there's quite a movement from rural to urban; but that's young families, that's younger people that are moving. And so what's left then are people like myself who are trying to age gracefully here. And the children aren't there, there's no one to take care of them; and that's a problem, and it's going to become even a more complicated problem in regard to being able to get their medicine, get their groceries, and all these things that fit into people living at home. Urban America is going to be a little easier, I think, because there are just so many more opportunities, and they're not going to have to drive 50 miles or 60 miles to go to the doctor, or 100 miles to go to the doctor, or to buy groceries. That's why I'm asking the question. I want to see geographically how that's broken out. And then it's going to...it will complicate the problems, but it needs to be fixed and there needs to be a balance between the two, because I think the rural area that's going to get hurt will be rural Nebraska on this. [LR273]

SENATOR BOLZ: I agree. [LR273]

SENATOR HARMS: Okay, thank you. [LR273]

SENATOR MELLO: Senator Kintner. [LR273]

SENATOR KINTNER: Senator Bolz, thanks for thinking ahead and thanks for looking at the big picture; try to do a little planning. That's kind of unusual sometimes with government, I think. In terms of these programs with Medicaid, how much flexibility do we have to really do? Aren't most of their things pretty much, top down, you're going to do it this way and maybe we'll give you a waiver if...you know, maybe, but maybe not? Do we have much flexibility in how we approach this stuff? [LR273]

SENATOR BOLZ: It's a fair question. We are moving towards something called Medicaid managed care, in which we'll contract out with a company to provide an array

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of services for folks who are Medicaid-eligible. I think it's a good strategy. I think it's smart. But we have to do it in an effective way, and I think this committee, in 2015, will have to provide the right oversight to make sure that we're providing the right array of services and that we're rolling out those flexibilities that you speak of in the right way. We've seen, in other programs, that rolling a massive systemwide change out, is no easy task. I think that's what we heard all morning. So we need to make sure that our Medicaid managed care has the system of supports and providers pulled in underneath it, so that when we move to that smarter, more flexible system of care under Medicaid managed care, we can do it successfully. [LR273]

SENATOR KINTNER: Do we...what's our obligation now, just currently with what we're doing, and how would we...? Increase our obligation, decrease our obligation? I mean, what are we looking to do here? [LR273]

SENATOR BOLZ: That's an excellent Senator Bill Kintner question; I appreciate it, honestly. And I think we're actually on the same page in terms of serving this demographic and serving this population. When someone moves into nursing home care and becomes income-eligible for Medicaid, it's an entitlement and it's an obligation. And the third chart in your packet highlights the significant number of folks who are either currently Medicaid-eligible because of their age and their income or are near Medicaid-eligible. The population that we need to focus on, the population where we have the greatest opportunity to save money, is the population that is near-Medicaid-eligible, keeping those folks in their homes and providing them the lower-cost community-based services, cares for their needs, meets what they want, because they want to stay home, and saves the state dollars. So making sure that we have a front-end system that's caring for the baby-boomer population is what this whole conversation is about. [LR273]

SENATOR KINTNER: Thank you. [LR273]

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SENATOR MELLO: Senator Nelson. [LR273]

SENATOR NELSON: Thank you, Mr. Chairman. Thank you, Senator Bolz. Is what you just said, was that a description of Medicaid managed care, keeping people in their homes? Or could you just tell us what that includes: Medicaid managed care? [LR273]

SENATOR BOLZ: Sure. And I can get you a summary of the initial conversation about Medicaid managed care that the Department of Health and Human Services is currently undertaking. They are in the process of developing their request for proposals, so they're having a series of town hall meetings. Medicaid managed care will likely include a lot of these up-front services that we're talking about, these flexible services: transportation, medication assistance, all of that. And so I do support Medicaid managed care. I think it's a useful strategy. At the same time, we need to think of aging as a continuum, because you're not only on a continuum in terms of your needs, your health, your ability to be mobile, those kinds of things; you're also on a continuum in terms of spending down your assets and resources and leading down to a point at which you are going to need to access Medicaid managed care, because you need to rely on the state for that type of assistance. So again, the distinction is there's a population of folks that we can provide home- and community-based services to, to delay their eligibility for Medicaid managed care and save us money. [LR273]

SENATOR NELSON: Thank you. [LR273]

SENATOR MELLO: Seeing no further questions, thank you, Senator Bolz. The first testifier today on LR273. [LR273]

COLLEEN ANDREWS: (Exhibit 5) Hello. My name is Colleen Andrews. I'm a member of the State Unit on Aging Advisory Council, and also am employed for Emerald Communities and work with the elders, and have also worked for Aging Partners for eight years. I worked with the Medicaid waiver program at that time. And the Advisory

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Council is a member under the executive branch, and we support the Legislature is allowing older Nebraskans the choice of a living arrangement. The choices do include a home situation that may be their own home as assisted living, or long-term care facility. And having worked with that program for many years, if I had a dollar for every time a person told me "I want to go home" or "I want to stay home," I could be wealthy. And also for those same folks who cannot, for safety reasons or health reasons, be in their own home, I would be even more wealthy; because there are many that want to stay in their own homes but the costs are so prohibitive that they really can't. And we have always looked at fiscal responsibility in working with Governor Heineman and all of those things, and that trying to keep people in their own homes is a wonderful option. I work with assisted living, and that's also a wonderful option. Being in a nursing home is becoming a wonderful option because many, at least in Lincoln, many of those homes are converting over to strictly private rooms for all of their residents. And when they do that, there's not that discrimination against people having to be in their own home...or, you know, having to share a room like they have in the past. We meet twice a year, our council does. And when we meet, we discuss all of the things that are roadblocks, problems, for the folks in the aging network. And one of the things that we have seen is, of course, that there's a budget cut coming for folks in the rural areas because of the shift in population to urban; and the services that they provide are so vital to the folks that come to see them. And so our concern, of course, is that that cut or that be looked at so that those folks are not suffering or having to lose programming, such as their senior centers or their meals or transportation, medical appointments, and all of those things. And I wanted to say also that the home- and community-based waiver program can save millions of dollars, and has. I worked on the committees to help set up the regulations for the assisted-living Medicaid waiver. I also was on the committee to determine what the duties of a Medicaid waiver services coordinator would be, and then went to work for that program; and I saw personally how wonderful it could be for those folks. But one of the things that we have seen as an issue in my current position, and in the past, is the vagueness of those regulations, the ones that say they don't address, particularly, how much staff is required for the number of residents that are there. They

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don't say what levels of care can be provided in assisted living. But they do say, if a person is going to be under Medicaid waiver in assisted living, that they must meet nursing home level of care. And when that happens, of course, they are a higher level of care and need more assistance than many of the other folks that are there. It's very cost-prohibitive for an assisted living to provide nursing home level of care for a person at the rate that we are currently being paid. And what I had hoped, way back when we started with those regulations, would be that we could look at different levels of care in assisted living and different levels of pay. And I know it would become difficult, but that's kind of what I had always hoped would happen. The only other thing that I would like to say is that we support the quest by the state of Nebraska in exploring grants and other test projects that are available, and we would really like to see some of those things come into place through the aging network and helping other folks to get...to take advantage of some of the grants and other projects that are out there. [LR273]

SENATOR MELLO: Thank you for your testimony, Colleen. Are there any questions from the committee? Senator Harms. [LR273]

SENATOR HARMS: Thank you very much for coming. You talked about the cuts coming to rural Nebraska. Is that going to be determined by the number of people that live there? [LR273]

COLLEEN ANDREWS: The census, um-hum. [LR273]

SENATOR HARMS: Okay. And do we have any idea in what we're talking about in regard to dollars? [LR273]

COLLEEN ANDREWS: I don't have that form here, but I know that there are people (laugh)...I've read through it and we've discussed it at our meetings, and it's...there's an increase coming to the larger areas, the Aging Partners Omaha, ENOA, Northeast Nebraska, and cuts coming to the others. And I know you have speakers that are from

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those other areas that can address that probably more exacting than I brought with me.
[LR273]

SENATOR HARMS: Okay, thank you. [LR273]

COLLEEN ANDREWS: Um-hum. [LR273]

SENATOR MELLO: Senator Nelson. [LR273]

SENATOR NELSON: Thank you, Chairman Mello. Thank you, Ms. Andrews, for coming. Early on, you talked about it being cost-prohibitive to keep people in their own home. Are you talking there about 24-hour care? [LR273]

COLLEEN ANDREWS: Yes. Yes. [LR273]

SENATOR NELSON: Okay. But for just daytime care and things like that, that's a little more feasible for the individuals? [LR273]

COLLEEN ANDREWS: It certainly is. But with Medicaid waiver, remember, they have to be at nursing-home level of care, even in their own home, for Medicaid waiver to approve. [LR273]

SENATOR NELSON: Will you go into a little more detail? Then you said assisted living facilities are cost-prohibitive. Cost-prohibitive for that facility, because they're not getting enough reimbursement, is that what you mean? [LR273]

COLLEEN ANDREWS: Exactly, um-hum. [LR273]

SENATOR NELSON: All right. Thank you. [LR273]

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COLLEEN ANDREWS: Um-hum. [LR273]

SENATOR MELLO: Seeing no further questions, thank you. [LR273]

COLLEEN ANDREWS: All right. Uh-huh, thank you. [LR273]

SENATOR MELLO: Next testifier. [LR273]

JUNE PEDERSON: (Exhibit 6) Good afternoon. My name is June Pederson, and I am speaking on behalf of the Nebraska Association of Area Agencies on Aging. What I brought to you looks formidable, but they're mostly pictures and it won't take long. The only thing I would like to read to you is the mission and vision that the AAAs have for elders in our community. Our mission is to advocate for the continued development of a community services delivery system of Area Agencies on Aging for older Nebraskans. Advocacy efforts include negotiations with state agencies, legislative advocacy, and coordination with related statewide agencies and organizations. Our vision is a statewide network of community-based services which enhances the lives of older adults through a wide range of options for lifelong living--providing supports for maintaining independence, community long-term care services, and assistance to family caregivers--without regard to income. The first page you have is a picture of the area agencies across the state and all of our names, so you can call and ask questions. And on the back are the elected leaders that provide the supervision for each particular agency. The second page is a list of services; I think you'd be surprised. You know we do senior centers, we provide congregate meals and home-delivered meals. But we also do lots of education. We provide financial counseling for people who need that. We look...my agency has an insurance agent that does not sell insurance; he's registered, but he helps people look at long-term care insurance, which is something that we recommend highly. Our goal was to reach those people that are in their fifties and get them to buy it early. So that's a list of the things that we do. And then you find a pie chart. I find that it's easier to understand what you're doing for us as a state if you know

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where funding comes from, otherwise, and the pie chart shows you all the places that we receive funding from; and I will go into that in more detail, but that can be something for you to reference. The next page is something that Senator Bolz shared with you as well. I want to call your attention to the top bar chart, and note that in 2014, and again in 2015, we will see an increase in both CASA and Care Management; and we're very grateful for that. The CASA funds are the best money anybody could get, because it comes with...it's discretionary. We don't have to say we can only use it here. When we get funds from the federal government, they come in programs; so you can only use money for meals or you can only use money for health education. The CASA funding has been a godsend and we're grateful for that increase. Care Management funds have also been increased. And we earned those. That's not something that you send to us; we earn them. We provide the service through our care managers. We submit a bill to DHHS and they reimburse us for the hours of work that we do. And I will tell you that most of us run out of money before we run out of year. So when you see June and July or April and May, we may be done with the money that we were allocated, and we continue to do that...continue to provide the service. This is the statute that provides those services; so I wanted you to know where that came from. Appendix F is a puzzle. Appendix F is the Older Americans Act Projected Funding Plan. The State Unit on Aging put this together. You might read it; it'll be enlightening. It tells how they distribute the money. And I've found it very complex. It's based on population, poverty, minority status, lots of different things. And the following page shows you what that formula looks like when we get it. Area Agencies on Aging get something called a reservation table, and you have a copy of the most recent reservation table. It shows us what we're getting in federal dollars, what we're getting in Care Management dollars and CASA dollars. So this is our budget for our services. The page with the pie charts on it shows you the number of people that we serve across the state. I know that Senator Harms would like a map, and I would be glad to make that for you, but I don't have it today. I will tell you that the census population shows a darkening through the middle of the country from Texas all the way to the Canada border. There's a heavier, denser population of older adults in the Midwest. This chart does not tell you that we distributed

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thousands of farmers' market coupons, because the state unit doesn't ask us to tell them that, so it's not in our database. But those are important things that we do for low-income people. And finally, this is my important page. This is your return on investment. If you begin at the top, it shows the two funding streams that are provided by the state of Nebraska. They come to about \$7.5 million. Then there are other funds that come in from other state funding; from the Older Americans Act, which are federal dollars. Medicaid waiver is an enormous issue for us; city and county funding is important. Counties have to provide 25 percent of all of our administrative costs, and they've been good about doing that. Finally, you get to a grand total of almost \$42 million, which says that for every dollar you put into CASA and Care Management, you get back \$5.63 in services to elders. And the very last thing that I brought for you is an opportunity...the Legislative Resolution said, give us some ideas about how other funding can be done. One of our members put together this chart which shows, in very small detail, that if you wish to look at a per capita funding for each person that was 65 and older, this is what it would look like, and it would be more; but that funding would move with that person. Every legislative district would be covered equally by the number of people that you have in your district. So I give that to you and I expect to talk to you about that more when the session comes around. Have you questions? [LR273]

SENATOR MELLO: Thank you for your testimony, June. Are there any questions?
Senator Harms. [LR273]

SENATOR HARMS: Thank you very much for coming. You know, I was looking at your chart here that you have where it talks about CASA and Care Management funds.
[LR273]

JUNE PEDERSON: Yes. [LR273]

SENATOR HARMS: From the information I've had an opportunity to work with and observe, through our long-range Planning Committee, if you actually take that 65-plus

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population and you show that by age, like 65, 70, 75, 80, and 90, and you carry out that to 2020, probably 2030, the number is staggering. [LR273]

JUNE PEDERSON: Yes, it is. [LR273]

SENATOR HARMS: The number is absolutely staggering that you're going to have that in that age category. [LR273]

JUNE PEDERSON: And Senator Bolz's charts show that. [LR273]

SENATOR HARMS: Yeah, it is staggering. And it multiplies the problem that we have, particularly for rural Nebraska, and that is that when I did a particular piece of legislation that addressed driving--which was not very popular--at a certain age, I caught a lot of flak over that. [LR273]

JUNE PEDERSON: I remember that. (Laugh) [LR273]

SENATOR HARMS: Yeah, I am sure you do. But the idea was not to get it passed; the idea was to set the stages for what the problems are in rural Nebraska. I had no intent of that thing passing--and it did. And the point that I have here is that the services that you're going to have to have in rural Nebraska are critical. And if you cut back on those services where you have the elderly, and a fairly healthy large number of people that have left there, there is no hope for those individuals. And research shows, from the research that I've had a chance to read, shows the longer you can stay in the home, the healthier that you'll be, the better off you'll be. As soon as you go into a controlled environment, into a nursing home or wherever it might be, not so well. And most people want to be in their home; they want to be in a familiar environment. And I realize there's a time that you have to make that move. But the problem that you have that I see is that the children who are no longer in rural Nebraska only see Mom and Dad during the holidays. They have no idea what's going on; they have no idea if they're having

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difficulty driving; they have no idea if they have difficulty getting their medicine or getting their groceries or buying clothing or whatever it might be; and Mom and Dad don't want to tell them, because they know what the options are. And so I think the problem is really complicated and I applaud Senator Bolz for bringing this forward because it was an issue that I picked up on very quickly over the long-range planning, as well just a piece of legislation I introduced just to test the water and see that we get people's attention. Because that is a problem. Not only that, and their safety is at risk. [LR273]

JUNE PEDERSON: Yes. [LR273]

SENATOR HARMS: We already know that. And there are a lot of medical reasons why people shouldn't be driving, sometimes at 18 years old, because they have medical risks. But it complicates it after 65. And so I hope that, you know, this gets a little traction and we have this discussion, because long-term this is going to be a serious problem for Nebraska, and I think we have the responsibility to take care of our elderly and the aging population. They have served this great state. They have paid their taxes. They've been a part of this state. We have a responsibility not only as children, but as a state, to make sure that they're not starving to death; that they have an opportunity to get medical services and they have an opportunity to live a life that's respectable until the end comes. Thank you. [LR273]

JUNE PEDERSON: Had we had more time, I have a list of things we'd do if we had more money, and transportation is at the top of it. We would do more preventive services so that fewer people were ill and needed to go into facilities. We would work on those. We're all about community-based services. So thank you for that. [LR273]

SENATOR HARMS: Yeah. The problem that I've seen, though, on the transportation side is we're just not funding it enough. We're not putting enough money in the funding side of this thing for people and for the folks to get away from driving to be able to go to the grocery store and other places. I mean, that's an issue where I live now... [LR273]

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JUNE PEDERSON: It is. [LR273]

SENATOR HARMS: ...in regard to the funding aspect and not enough money there. So I think when you look at this whole aspect, it's a pretty big challenge, but I think it's one that we know is coming; and I think Nebraska needs to step up and start the planning now before it becomes the crisis, because you don't make good decisions in a crisis time. [LR273]

JUNE PEDERSON: Absolutely right. Thank you. [LR273]

SENATOR MELLO: Senator Bolz. [LR273]

SENATOR BOLZ: Two questions for you, June. The first is, in our conversations I've heard you touch on the way that you triage folks, essentially; the way that you address the needs of folks and decide and figure out how to meet the needs you can meet and deal with the needs that are unmet that you have to delay. Can you, for the rest of the committee, talk us through that process a little bit? [LR273]

JUNE PEDERSON: When someone calls our office, whether it's a client or a family member, we generally...we try to make an appointment with them, in person. We ask...we visit with them in their own homes, find out what the issues are, and if...sometimes it only takes one or two visits. You can set up a service and that's all it takes. One of the things we do best is help people use the assets that they have, wisely. They last longer that way. So we'll work with someone; we'll see what they need; we'll help provide those services, if we can in their homes. If they get to a point where they're low-income and they've reached that Medicaid status, then we help them find those benefits. One of the things we do really well is help those people that are on that cusp, that are not quite Medicaid-eligible, with supportive services. So many, they only need someone to come in twice a month and do something, and they help...in my agency,

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they help contribute to that cost. So maybe \$2,000 a year--a year--for the whole service, can keep them out of Medicaid and in their own home. [LR273]

SENATOR BOLZ: Let me ask another question, if I may. Can you tell me about your experience in getting the administrative funding from the county? Do you have any concern in the future about them retaining that commitment to your programs and services? [LR273]

JUNE PEDERSON: I have been very fortunate in the eight counties that I serve that we have gone in with return on investment documents, and they've been quite willing to provide that. The more counties lose in terms of funding through the state or from the federal government, then I think they're more likely to look at reducing what they provide for us; and so that is a concern. Thank you. [LR273]

SENATOR BOLZ: Thank you, June. [LR273]

SENATOR MELLO: Seeing no further questions, thank you, June. [LR273]

JAMES SUMMERFELT: (Exhibit 7) All right. Thank you, Chairman Mello and Senator Bolz, and the Appropriations Committee, for the opportunity to testify today. I'm James Summerfelt, S-u-m-m-e-r-f-e-l-t, president and CEO of the Visiting Nurse Association, and I'm also representing the Nebraska Association for Home and Community Health Agencies today, testifying in support of LR273 to identify budgeting strategies to support an array of services needed for Nebraska's aging population in a fiscally responsible manner. The aging of Nebraska population, which has been talked about already in rural locations as well as urban, the demand on acute care health providers, the prevalence of chronic disease, and the rapidly rising cost of healthcare, provides a sense of urgency for finding innovative, cost-effective solutions that improve the health and well-being of seniors in Nebraska. Telehealth monitoring and the intervention by a home healthcare agency and nurse in the home is a solution. In Nebraska, many senior

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citizens, from heart failure, diabetes, other serious chronic illnesses, contributing to millions of dollars of Medicare and Medicaid expenditures for costly care. Telehealth demonstrates the capacity to save public healthcare dollars using state-of-the-art daily telemonitoring to partner with physicians, home care nurses, patients, and their caregivers, to medically managed, chronically ill seniors in a home care setting. Nebraska ranks 8th in the nation in the percentage of persons aged 85 and older, and 18th in the nation of a percentage of persons aged 65 and older. Despite decades of declining death rates, heart disease remains the leading cause of death in Nebraska and the United States. In 2010, in Nebraska, the total number of heart disease deaths were 3,355, comprising almost 30 percent of all deaths in Nebraska. Telehealth provides daily monitoring of an individual's health status, allowing for early intervention to help reduce the risk of emergency room visits or hospitalizations, rehospitalizations, by providing prompt medical attention. When individuals live in rural areas, management of chronic health conditions may be challenging. If individuals are compliant with monitoring on their own, they still may not report concerns promptly to their doctor or they may not be able to obtain a clinical appointment as quickly as they would like, due to heavy patient volume in those rural health clinics. Telehealth provides an effective community health intervention by monitoring individuals remotely, keeping them safe in their homes and reducing healthcare costs, while being able to respond swiftly when their vital signs are out of range and need prompt medical management. So the goals of telehealth are to enhance the quality of life for frail, elderly, or disabled individuals; reduce costly unnecessary emergency room visits and hospitalizations; maintain better control of chronic disease; prevent or delay costly placement in a skilled nursing facility, and to reduce some burden and hardship on the client, spouse, or adult children. Frequent visits to the emergency room and regular admissions to the hospitals are monetarily expensive to the healthcare system; but even worse, they are emotionally distressing and disruptive to the lives of the seniors and their families. The objectives of telehealth are to reduce emergency department visits, rehospitalizations, and to keep seniors safe in their homes, providing education on how to monitor their health using the telemonitor and how to keep their chronic disease under control.

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Individuals who benefit the most from telehealth and telemonitoring are typically homebound, they have a skilled need, and they meet one of the following criteria: frequent diuretic, blood pressure, or other medication changes; frequent hospitalizations; frequent emergency room visits; new coronary artery bypass grafts; new to home oxygen; new acute congestive heart failure or obstructive pulmonary disease; new diabetic or new to insulin; uncontrolled hypertension; unstable cardiac arrhythmias; and a new pacemaker. So telemonitoring allows home care staff to monitor clients on a daily basis. The technology allows a home health agency, in coordination with other healthcare professionals, daily detect potential health complications early before it becomes a crisis. Each day the monitor takes the client through an assessment, which includes collecting heart rate, blood pressure, weight, and pulse oximetry. The monitor also asks the client up to ten questions, which they can answer yes or no; and something like: Are you noticing swelling in your extremities or difficulty breathing? So the central station nurse then coordinates that information with the caregiver, with the home care nurse, with the primary care physician; and they can change the medications as needed. So early evaluation and identifying any subtle changes; contacting caregivers; identifying specific areas of the client education that require reinforcement to improve compliance; provide/document any education to the clients about their common signs and symptoms that they should be aware of; and communicating to the doctor's office to report any concerns, is a successful telehealth program. So during 2012, our program--I jumped to the end here--our monitored patients actually experience almost 10 percent fewer hospitalizations than the nonmonitored clients. And, in 2012, an average hospital stay is over four days and charges of over \$28,000. In 2013, our patients, also the satisfaction scores were very high. They felt that it was helping them understand their chronic disease better, made them feel more involved in their care and having more security. So I urge...thank Senator Bolz for bringing this to our attention. I urge for us to look at telehealth with senior citizens, whether funding this is through grants and other options. In the material that I also provided you, we did get a grant several years ago through the CDC in Iowa for \$350,000, and we've demonstrated that we saved almost \$1.5 million, which avoided

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other expenditures in the healthcare system. So with that, I'm sorry I went over a little bit, but thank you for your time. And I'll open it up to questions. [LR273]

SENATOR MELLO: Thank you so much, James. Are there any questions from the committee? Senator Harms. [LR273]

SENATOR HARMS: Thank you very much for coming and testifying. As you look at your map here, there's some really gapping holes in rural Nebraska. And the other thing I think we need to keep in mind that we...a lot of these smaller rural hospitals are on the course to close. They're not going to be open in the future. A lot of these mega hospitals now, and the trend are the large mega hospitals, are coming in and purchasing these small rural hospitals, on the basis that they'll have better care, it'll be more cost-effective; that, in fact, they began to close them down once they purchase them to take out the competition and force them to go further into more of the urban areas. That's a real concern that I have. And what you have here is that our problems are going to become more complicated as these smaller rural hospitals, you know, start to close. So what you're indicating in that telehealth, to me, is probably one of the keys that'll help us be able to monitor and be able to keep people in their homes a little bit longer, because they're not going to have access to running to the emergency area of the hospital; they're not going to be there in these smaller rural communities, so, as we have them today. So how does that actually work then; what kind of a system? [LR273]

JAMES SUMMERFELT: Well, thank you. The map, let me explain...the map is actually the best visual of what our current coverage is, and that is really through three agencies: Good Sam, Tabitha and ourselves, and Columbus Hospital too, so. And right now, there is no reimbursement for telehealth. Medicare doesn't reimburse for it. Medicaid doesn't reimburse for it. Commercial insurance. Managed Medicare doesn't reimburse. And I know for a fact, managed Medicaid won't reimburse for it. So the only agencies that have entered into this, they've done it on their own investment in order to make the most of their staff's time. So there's an ROI on the investment. I would

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guess...and because of our membership throughout the state, the reason...the number one reason people don't get into it is because there isn't any reimbursement. So if we were to set up some sort of mechanism, which 18 other states do have Medicaid reimbursement for telehealth, I would envision us having this all covered. Because I just took a 50-mile radius around the agencies that do have telehealth right now. So it really could, I think, again, with the carrot of reimbursement of some sort, and we could go through a grant process to define what that would be, we could get better coverage. But with decreasing physicians and nursing, we've got to be able to use technology to maximize their services, and also, as I said, getting the patients and the families and the caregivers more engaged in chronic disease management. It's a solution. [LR273]

SENATOR MELLO: Seeing no further questions, thank you, James. [LR273]

JAMES SUMMERFELT: Thank you. [LR273]

SENATOR MELLO: Real quick, as we're looking at the rest of the hearing, can I get a show of hands of the number of other people who are going to testify? Four. Okay. [LR273]

NICK FAUSTMAN: (Exhibit 8) Good afternoon. I'm Nick Faustman, N-i-c-k F-a-u-s-t-m-a-n. I'm the vice president of government affairs for the Nebraska Health Care Association, which is the parent association to a family of entities, including the state's largest association for nursing facilities, which is the Nebraska Nursing Facility Association, otherwise known as NNFA; and the state's only association dedicated specifically to assisted living facilities--that's the Nebraska Assisted Living Association, or otherwise known as NALA. Both NNFA and NALA represent nonproprietary, proprietary, and governmental long-term care facilities in the state. NNFA and NALA are grateful to Senator Bolz for bringing LR273 and these topics forward for discussion, especially at a time when the Health and Human Services Committee considers LR22, which aims to address what Nebraska's healthcare system should look like 15 years

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from now. The questions posed by these studies are especially relevant to our membership because the organization and financing of long-term care services will grow more problematic with the aging of the baby boomers. In that light, it is important to remember that all the stakeholders here today are all partners in the continuum of care, and I hope that my remarks will enhance the discussion today. Senator Bolz has asked me to comment specifically on managed care for long-term services and support. In short, managed care is a contracted service with a for-profit insurance company that will provide an insurance plan for our most vulnerable citizens. This is the way the department would like to structure long-term care services and supports, beginning in 2015, meaning that the total time line as we understand it, is less than two years--quite an aggressive goal for such a short time frame. The Centers for Medicare and Medicaid Services, CMS, provides states with a general time line of major activities that must occur in order to implement managed care, and one such activity is communication with stakeholders to plan accordingly. Early this fall, as Senator Bolz mentioned, the department began holding statewide town hall meetings in an effort to gather input from clients and service providers. Through these meetings and participation on the stakeholder advisory committee, we continue to learn more about the process and the time line set forth by the Division of Medicaid and Long-Term Care. Our membership, however, is extremely apprehensive about the prospect of managed care and urges the state to proceed cautiously. Generally speaking, nursing facilities and assisted living facilities are concerned that they will incur greater amounts of uncompensated care or undercompensated care through the introduction of another entity, which is the managed care organization, into the system. This takes more of the available resources, which are already very limited, as you know. Naturally, we hope that the savings may arise from managed care are achieved through shifts in utilization and not through reduced reimbursement to providers. Should the state of Nebraska implement managed care for long-term services and supports, NNFA and NALA could offer the following recommendations on how to proceed in the best way possible. First, NNFA and NALA would request to be involved in the design of the request for proposal, the RFP. The associations themselves would not gain any financial benefits from the

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involvement but could help ensure overall effectiveness, and therefore the success of the plans. And secondly, the contract agreed to with the managed care companies should address transparency. In other words, if savings are realized, Nebraskans should know how much was saved and how these savings were realized. Third, the managed care organization's provider network must be adequate, not only for the beneficiary but for the provider. The department assures us that any willing provider will be in the network, at least during the beginning of the contracts. In addition to these three recommendations, there are many other suggestions that our associations could make for legislation or for the contract itself, such as prompt payment provisions, administrative simplifications, and consistency across the plans that will be offered. NNFA and NALA contend that the better the contract is written, the better the services and the delivery system can be. If we refer back to LB1158, in 2011, which established the framework for the managed care contracts for behavioral health services, we see that many of the concerns that providers have can be appropriately addressed statutorily without being overly prescriptive and hampering the flexibility of the department to adjust specifics based upon the bids that it receives. It must be noted that based upon literature available at the present time, there is little definitive data suggesting that managed care results in substantial cost savings to the Medicaid programs. Only 12 states have implemented managed care for long-term services and supports; and so far, results seemed to have varied. Therefore, we should closely examine the experiences of these other states in an effort to improve and manage the costs of the Medicaid program. There is no need to rush this process. It's often said that there are three ways to manage the costs of the Medicaid program: one, cut the number of those who are eligible for the program; two, cut the number of services covered by the program; or three, cut reimbursement rates for providers. There is, however, a fourth way that does not necessarily negatively impact the lives of individuals or the business models of providers, and that's innovation. More specifically, we as a state should pursue innovative programs that lead to savings and aim to improve quality and access. The Legislature has recently been pressed to devise innovative tax reforms. The same approach can and should be considered when it comes to our healthcare

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system. Fortunately, there are currently some innovative programs in Nebraska. But if we intend to be successful in addressing problems in the long-term care, we must be clear as to what the overall goal is. If our goal is, as a state, controlling the costs of long-term services and supports by transitioning the population back to the community-based settings, let's look at programs such as Money Follows the Person to determine why we're not getting them there. If the goal is managing care across the continuum, we should be looking at innovative programs such as the Program of All-Inclusive Care for the Elderly, which is otherwise known as PACE. In addition, the federal government is taking steps to explore innovation. The Commission on Long-Term Care concluded its work earlier this fall, just in September, I believe, and it issued a report just two months ago. One of the recommendations from that report is the establishment of a national advisory committee to address the extensive work needed to develop a sustainable, comprehensive program that will improve the organization and financing of long-term care services. Again, as a trade association, we urge caution when it comes to managed care. This would be a massive overhaul for this sector of the healthcare delivery system. Fortunately, our associations enjoy a solid working relationship with the Department of Health and Human Services' Division of Medicaid and Long-Term Care, so we will continue to work with them and the Legislature, as partners, to prepare for modernization of long-term care. [LR273]

SENATOR MELLO: Thank you for your testimony, Nick. Are there any questions from the committee? Seeing none, thank you. [LR273]

NICK FAUSTMAN: Thank you. [LR273]

SENATOR MELLO: Next testifier. [LR273]

MARK INTERMILL: (Exhibit 9) Good afternoon, Senator Mello and members of the Appropriations Committee. My name is Mark Intermill; that's spelled M-a-r-k I-n-t-e-r-m-i-l-l. And I'm pleased to be able to talk to you today about LR273, which

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addressed budgeting for future needs of our older population. And I want to just mention...focus on the year 2026, which seems like a long ways away, but it's really just over 12 years, and that's the year that the oldest baby boomer will reach the age of 80. And I picked the age of 80 because that tends to be the age where people begin to have some need for some sort of long-term care services. As I looked at the demographics, it looks like we'll see a 4 percent increase in the 80-plus population in 2026, and we'll continue to see 4 percent increases in that age group for the next 20 years. And to put that into perspective, if that happened to the entire population of Nebraska, we would grow from 1.8 to about 4.2 million over the course of 20 years. So we're looking at a sizeable increase in the population that's going to need services. So the question is, how do we prepare for that? And I think we have some evidence from our past experience. And I've noted here, that the 65-plus Medicaid spending has declined and I think that's an underreported fact in Nebraska. In 1985, nearly 42 percent of the Medicaid spending was for persons over the age of 65. By 2012, that had dropped in half; so only 21 percent. We've actually spent less in 2012 for services to people over 65 than in 2002. And if Medicaid spending had grown at the same rate as the consumer price index for that period of time, we would have spent \$663 million more in 2012 than we did. The general fund share of that would be about \$270 million that we didn't spend during that period because of some changes that took place back in the late part of the twentieth century. And those policy initiatives have been alluded to today. The Care Management Program that the Area Agencies on Aging operate are one of the reasons why we have seen a decline in Medicaid spending. We've been able to divert people who need care from moving into a nursing home, being able to provide that care at home. The expansion of the Medicaid waiver program that occurred early in the twenty-first century was another resource that we've been able to utilize to keep individuals from using more nursing home care. And Senator Kintner asked about flexibility. I think that is one of the key things, the flexibility that we have is to provide lower cost services to replace higher cost services. We have also seen that it appears to be that these past initiatives have run their course. We're starting to see growth in the expenditures. In 2013, we did see increases in nursing facilities in some of the in-home

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services programs. What we did, back in near the turn of the century, may be running its course; and it's time to take a look at what the next steps are to make sure that we are able to continue to provide the services that we need to provide in a cost-effective manner. And I think one of the key elements as we look at that is the need to take a look at integrating initiatives, both the non-Medicaid initiatives as well as the Medicaid initiatives. And Mr. Faustman mentioned managed care, which is good insofar as it goes, but it only addresses the Medicaid population. I've included a chart that shows the Medicaid population over the age of 65 in my testimony. You can see that people who are eligible for Medicaid span the income spectrum. There are some people over 400 percent of poverty who qualify for Medicaid because the cost of nursing home care takes about 500 percent of poverty to cover it; so people are able to spend down to Medicaid eligibility at a relatively high income. What we need to do is take a look at the initiatives that we can provide that address those lower-income individual's needs that are effective in being able to divert them or provide the support they need to continue to live at home, which is where our surveys can find that people prefer to live, so that we can be able to continue to provide cost-effective long-term care services. And with that, I'd be happy to try to respond to questions. [LR273]

SENATOR MELLO: Thank you for your testimony, Mark. Are there any questions from the committee? Senator Kintner. [LR273]

SENATOR KINTNER: Mark, thanks for coming out. I just can't help but remember very vividly AARP being a prime backer of Obamacare, and we saw how well that worked out. Why would you have any credibility, sitting there trying to tell us what we should do here? [LR273]

MARK INTERMILL: Well, Obamacare hasn't even rolled out yet. I mean, some things are rolling out. And the Congressional Budget Office indicates that over the ten-year period, that it is going to be...actually reduce the deficit. There are things that were included in the Affordable Care Act that offset costs of the Affordable Care Act in such a

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degree that it has been scored as deficit neutral, actually reducing the deficit somewhat. So based on what the Congressional Budget Office has indicated, I think, you know, we saw that and saw that it does have a positive effect on our budget deficit. [LR273]

SENATOR KINTNER: You haven't quite sold the people of our state on that idea. Maybe you might work a little harder on that. [LR273]

MARK INTERMILL: Well...and Senator, we are. And the people that we are talking to, I'll just give you an example of a woman who received one of those letters that said her \$3,000 a year policy was going to be replaced by a \$5,000 a year policy. She did her due diligence and looked into the exchange, and found out she could get a policy that was better than her \$3,000 policy, for \$1,000. So people just haven't had a chance to look. Unfortunately, because the Web site doesn't work, they haven't had the opportunity to really take a look at what their options are. [LR273]

SENATOR KINTNER: Well, when you come down to my district to make the case, bring your gun with you. You won't be very popular. Okay, well, thank you very much. Appreciate that. [LR273]

MARK INTERMILL: Sure. [LR273]

SENATOR MELLO: Senator Bolz. [LR273]

SENATOR BOLZ: Just briefly, Mark, could you explain to us how AARP works; how many members you have and are your members the ones who drive your policy? [LR273]

MARK INTERMILL: Yeah. We have...in Nebraska, we have about 200,000 members. We have an executive council in Nebraska comprised of members. Nationally, we have a national policy council that is comprised of members; actually we are looking for

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replacements of people who might be interested in being on the national policy. They are volunteers who set policy for the organization. [LR273]

SENATOR BOLZ: Well, that's helpful. And two more questions, Mark. Mark, are seniors good voters? [LR273]

MARK INTERMILL: They tend to vote at a higher rate than some younger age groups. [LR273]

SENATOR BOLZ: Very good. Last question: Could you explain for the committee the opportunity that's afforded to us by the Balancing Incentive Payment Program and how close are we to meeting those requirements? [LR273]

MARK INTERMILL: Yeah. I think any time you look a planning process that we hope that you will agree that we need to engage in, there are requirements, there are needs for some sort of resources to be able to fulfill the obligations of that process. We do have an opportunity that the state government could pursue with the Balancing Incentive Payments Program. This is something that the federal government is offering, recognizing that they have a stake in Medicaid payments, too, for long-term care. They want to make sure that those payments are made as efficiently as possible. So what they're asking states to do, and offering funding for them to do this, is to take a look at changing the long-term care system to make sure that they are doing those proven techniques that help control the cost of long-term care services. What the federal government will do, will offer, is a 2 percent enhancement...2 percentage points enhancement in our FMAP for long-term care services if we pursue things like using a single point of entry, using a standardized assessment process so that we are assured of providing similar services in similar situations and other types of techniques along those line that would assist in making sure that people are able to get the services that they need. So I think we would be able to realize some additional funding. It is time-limited. We have until, I think, September 30, 2015. That would be the period at

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which the additional enhanced payments would end. So the sooner we get into this, the more resources that we would have to pursue a planning process. [LR273]

SENATOR BOLZ: Great. Thank you. [LR273]

SENATOR MELLO: Seeing no further questions, thank you for your testimony, Mark. [LR273]

MARK INTERMILL: Thank you, sir. [LR273]

MICHAELA VALENTIN: (Exhibits 10 and 11) Good afternoon, Chairman Mello and members of the Appropriations Committee. My name is Michaela Valentin, spelled M-i-c-h-a-e-l-a V-a-l-e-n-t-i-n; and I am the registered lobbyist for Home Instead Senior Care. I am here to testify in support of LR273. Home Instead Senior Care is a Nebraska-based international franchised network that provides high-quality, nonmedical care for older adults. In Nebraska, we are in 90 of the 93 counties, and our network consists of more than 900 independently owned and operated franchise offices across the globe that help seniors and their family through the home care state of aging. Home Instead franchise offices employ more than 65,000 professional trained caregivers. Home Instead has been cited for its business success by the International Franchise Association and by several publications, including Time, The Wall Street Journal, The New York Times, Entrepreneur, and Franchise Times. Our model is predominantly private pay. We are not looking to become a vendor of Medicaid. Rather, we believe we can partner with this committee and this state on a strategic level and provide our expertise in senior care through leadership, through policy recommendations, data sharing, and solutions to the long-term care crisis. Home Instead literally wrote the book on senior care, and you have it before you. In December 2012, the Nebraska Legislative Planning Committee made policy recommendations to prepare for the great influx of aging adults who will access Medicaid. One of the focal points of that study was providing assistance to family caregivers. I would ask this committee to consider using

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the Home Instead model of private-pay at-home nonmedical care, as a resource in addition to what was recommended. It is imperative that we continue to attract caregivers and promote at-home care through legislative incentive options, such as student loan payments, relief for college graduates who want to be caregivers, or creating a tax credit for paid in-home care as a part of the comprehensive financial planning strategy. And I know Senator Bolz introduced a tax credit bill for family members who are at-home caregivers. It is important to count paid home care as a service on the continuum of services available to seniors as they age. Research conducted by Home Instead Senior Care indicated that there is a correlation between the use of paid in-home nonmedical care and a lower number of doctor visits by care recipients. And in the packets that you all have received, there's numerous, I think five or six different reports that are empirically tested methodological studies that were conducted by Home Instead. Having in-home nonmedical care helps reduce the need to make a visit to the doctor's office, and it supports family members who need respite care from their loved ones. It is a policy imperative to determine at which points on the healthcare continuum that in-home nonmedical care can best augment clinical care or, in some cases, prevent the need for clinical care, as well as to consider a tax credit incentive for paid at-home care, one of the last expensive options in the array of senior health services. This incentive will help drive the optimization of the healthcare continuum and keep state and federal programs, such as Medicaid and Medicare, from being overburdened. As an example of potential savings, I'd like to tell you about a recent hospital readmission study that we conducted with Henrico Doctors' Hospital and Home Instead Senior Care. The 11-month quality improvement objective was to evaluate whether patients who receive transitional care services provided by a nonskilled provider were less likely to be readmitted, compared to a similar group of patients who received the standard protocol for being discharged from a hospital. The readmission rate among those patients receiving interventions through at-home care was 97 percent better than the national Medicare readmission rate for patients with congestive heart failure. The Legislature's Planning Committee report also noticed that a cultural change in discharge planning is needed. Discharge planners should be

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educated as to all community-based resources available to them, and possibly incented for completing a smooth transition plan that does not result in readmission, with a penalty, within a certain time frame. Home Instead Senior Care would like to partner with the Legislature and state on a public/private campaign to increase awareness of at-home community-based options and the importance of utilizing the correct resource at the optimal time in the healthcare continuum. Thank you for your time and I am happy to take any of your questions. [LR273]

SENATOR MELLO: Thank you for your testimony, Michaela. Are there any questions from the committee? Senator Kintner. [LR273]

SENATOR KINTNER: Thank you for coming. [LR273]

MICHAELA VALENTIN: Thank you. [LR273]

SENATOR KINTNER: Just...and Nick, I could have asked you this question too; I just didn't think of it when you were sitting there. Tell me, in your mind, what does the healthcare delivery services system for seniors look like? Kind of tell me, in your mind, how do you see it fitting together and serving this population? [LR273]

MICHAELA VALENTIN: Well, Senator Kintner, if I was looking at it just objectively as your average person... [LR273]

SENATOR KINTNER: And where do you fit into that (inaudible)? [LR273]

MICHAELA VALENTIN: I would say the average person does not know all of the services available to them on the healthcare continuum. And the reason that that is a problem is because when you're talking about finances and budgetary planning, of course, you want people to utilize the least expensive services first. At-home adult day care and paid at-home care, in addition to family caregiving, are the least expensive

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resources on that continuum. And 90 percent of adults want to stay home. The problem that you run into with the healthcare delivery system is you have that population that wants to stay home; but, as many of you alluded to earlier, you have the kids that don't live in the rural areas. And situations are always made in crisis mode. So it's, like, I can't take care of mom; do I put her in a nursing home? And that seems to be the first level of where people start to go. But as these fine folks all testified, there are many community resources that are available that a lot of people don't know about. And I feel that what we need to do is collaborate together, all of us, on a campaign about access. Because the ultimate goal of this legislative resolution is to keep the finances down when we're talking about getting people on the state rolls. And I think you can do that best through opening people's eyes to discover that there are actually services out there that are underutilized, even though they're present, and that people are not considering. Because decisions, when it comes to seniors in the healthcare continuum, are being made, for the most part, in crisis mode. [LR273]

SENATOR KINTNER: When should someone start looking at this?

When...anything...we educate them. When do they need to really start seriously looking at their options? Based upon, you know, what you know and what you represent, what's the optimum time for people to start looking at this and thinking ahead and planning? [LR273]

MICHAELA VALENTIN: That's a great question. Home Instead believes the perfect time to start looking at this is when an adult child is 40 or their parent is 70. So we call it the 40/70 rule. And in respect to my elders, you know, in the reverse, they like to refer to it as the 70/40 rule. But it's just whoever wants to have the conversation first. But that is the time that we think you should start looking at it, because those are the right age groups where you're able to make those decisions with your parents. Hopefully, they are still completely, you know, with full capacity, that there's no dementia or Alzheimer's and they're able to participate in having a say-so in where they want to live out the rest of their years. [LR273]

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SENATOR KINTNER: See, I thought the best time to do it is after the will was made out. But who knows. Thank you very much. I appreciate it. [LR273]

MICHAELA VALENTIN: Other questions? [LR273]

SENATOR MELLO: Senator Nelson. [LR273]

SENATOR NELSON: I don't have any questions. I want to thank you for coming today and for giving us all this material, which we'll have an opportunity to read, and giving us a little more knowledge about this type of care that can be provided for seniors at lower cost, hopefully. Thank you. [LR273]

MICHAELA VALENTIN: Thank you. [LR273]

SENATOR MELLO: Seeing no further testimony, thank you, Michaela. Next testifier. [LR273]

LANA WOOD: (Exhibit 12) Good afternoon, Senator Mello and Appropriations Committee members. My name is Lana Wood, L-a-n-a W-o-o-d. I'm the director of FirstCare Home Health here in Lincoln, and I'm also here on behalf of the Nebraska Association of Home and Community Health Agencies and its members; and we are in support of LR273. Just a little bit of background on the home healthcare services in Nebraska right now. Elderly are generally the largest percentage of patients that Nebraska home care providers serve. About two-thirds of our patients are Medicare and the other third are divided between private pay and Medicaid. It's estimated that nearly a third of home care patients are dual-eligibles, meaning they have Medicaid and Medicare; and we expect that this is going to grow by leaps and bounds in the future, where many of the people we're seeing are going to have both Medicare and Medicaid services. Nebraska has about 70 licensed home health agencies currently, and they see

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a wide variety of patients across the state: those who need simply some companion or light housekeeping services; those who need short, acute rehab services for a small duration of time due to an acute injury; and also those who are chronic, long-term patients, some who need 24-hour care in nursing in their homes. Home care, like others have talked about, is the less expensive option. It offers greater independence for our citizens, and it's something we, of course, would like to see grow in the state. As Senator Bolz suggested, NAHCHA also supports participation in federally funded programs like the Balance Incentive Payment Program. In your packet, there is a copy of Nebraska's BIP numbers that you can look at. As you examine current funding streams providing for the needs of aging Nebraskans, we want to note that home- and community-based represents only 1.8 percent of the total Medicaid and CHIP expenses. It's by far the lowest healthcare cost delivery option for our state's Medicaid population. Different funding streams that we're seeing right now include, of course, Medicare and Medicaid long-term care insurance policies, private pay, and managed care options. In 2015, DHHS is looking to funnel all Medicaid patients and Medicaid waiver patients, with the exception of maybe a few developmentally disabled persons, into managed Medicaid. The experience of my agency and other agencies reflect a great concern about the Medicaid managed care program. Concerns include, the lack of understanding by the managed care organizations of what home health visits require in terms of actual time, actual cost, and medically necessary services. Agencies are currently struggling with the reimbursement of the managed care organizations out there, especially the patients who require a higher frequency, those who need multiple visits a day, those who are going to need to receive care continuously for the rest of their lives in order to keep them at home. Now, we don't know who the MCOs will be in 2015, but it is a concern. Currently, Health and Human Services sets the rates for the managed care organizations and tells the Medicaid managed care agencies what they'll pay, what they'll reimburse home healthcare. In 2015, this is going to change. They will no longer set those rates. It will be up to the MCOs individually to determine what those rates will be and then negotiate them in contracts with different agencies. The Appropriations Committee examines the availability of waivers to promote strategic

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initiatives in long-term care for services for elderly Nebraskans, and this has proven to be very beneficial in the past for our elderly citizens who have multiple disabilities and require long-term healthcare. As we make plans for expansion, the waiver program could continue to be a great way to deliver care in a cost-effective manner. However, it is difficult to know and it is of concern, with MCOs taking over waiver services, as well, what those reimbursement rates will be and how they could be changed. As the Appropriations Committee seeks to identify existing data for long-term care services needs and trends, NAHCHA would respectfully encourage implementation of pilot projects similar to LR270. NAHCHA worked with Senator Al Davis to draft LR270, which would examine identification or creation of methods keeping elderly Nebraskans safe in their homes. The Rural Health Initiative Pilot Project document, which is included in your handouts, details the proposed pilot projects for four communities in District 43. Secondly, NAHCHA would be happy and would be very...would like to work with the Appropriations Committee to conduct any studies examining operating costs, utilization and future needs for expansion of home- and community-based healthcare services for the elderly Nebraskans. [LR273]

SENATOR MELLO: Thank you so much for your testimony. Are there any questions for Lana? Seeing none, thank you so much. [LR273]

LANA WOOD: Thank you. [LR273]

SENATOR MELLO: Are there any further testifiers today on LR273? Seeing none, Senator Bolz, do you wish to close? Senator Bolz waives closing. That will end today's public hearings on LR273 and LR244. Thank you for attending. [LR273]