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Health and Human Services Committee
March 05, 2013

[LB368 LB430 LB487 LB508 CONFIRMATION]

The Committee on Health and Human Services met at 9:15 a.m. on Tuesday, March 5, 2013, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB508, LB487, LB430, LB368, and gubernatorial appointments. Senators present: Kathy Campbell, Chairperson; Bob Krist, Vice Chairperson; Tanya Cook; Sue Crawford; Mike Gloor; Sara Howard; and Dan Watermeier. Senators absent: None.

SENATOR CAMPBELL: Okay, for our guests in the audience today, we are going to go ahead and start with two gubernatorial appointments that we have before the committee. So I would ask your indulgence just to be as quiet as you can because we have...Mr. Warner is calling in. Is Ms. Neeley in the audience? [CONFIRMATION]

_____ : Yeah (inaudible). [CONFIRMATION]

SENATOR CAMPBELL: Okay, you're fine, you're fine. I just wanted to make sure, before we start out, that we've got everybody in place. I want to welcome you to the hearings of the Health and Human Services Committee. As I indicated, we will start with the gubernatorial appointments, and our first appointment is Mr. Jeromy Warner. Good morning, Mr. Warner. [CONFIRMATION]

JEROMY WARNER: (Exhibit 1) Good morning. [CONFIRMATION]

SENATOR CAMPBELL: And thank you so much for calling in. We appreciate your taking time to visit with us this morning. And we are noting on our agenda that you are an appointee to the State Board of Health. Mr. Warner, have you served on the Board of Health before? [CONFIRMATION]

JEROMY WARNER: No, I have not, but I have tentatively been serving since, I believe, October of last year. [CONFIRMATION]

SENATOR CAMPBELL: Oh, okay. And, I apologize, it's Dr. Warner. [CONFIRMATION]

JEROMY WARNER: That's okay. [CONFIRMATION]

SENATOR CAMPBELL: And as we get started, Dr. Warner, can you tell us a little bit about yourself and your interest on the State Board of Health? [CONFIRMATION]

JEROMY WARNER: Sure. I've been in the state of Nebraska for almost ten years now. I'm a licensed psychologist. I work at Mary Lanning and act in the role of psychologist supervisor and psychology coordinator. I also teach at Hastings College in psychology as an adjunct faculty member, and I...actually, the person that preceded me, Dan

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Bizzell, invited me a number of years ago to become more involved. And I decided to apply for that reason, actually. I am very interested in the process as well as in the being able to be involved in some way with some of these, not just decisions, but some of the laws that come through and to be able to become more aware, too, of all the different systems. So these are some of the reasons why I joined. [CONFIRMATION]

SENATOR CAMPBELL: Well, the Board of Health certainly is a very important position, as viewed from the Health and Human Services Committee, because a lot of our...a lot of the issues and, certainly, the certification, the 407 process, eventually does go on the agenda of the Board of Health. So we very much appreciate your taking time from the schedule because we know that the Board of Health is a demanding time contributor from that standpoint. [CONFIRMATION]

JEROMY WARNER: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: In looking over some of the materials that we received on your application,... [CONFIRMATION]

JEROMY WARNER: Um-hum. [CONFIRMATION]

SENATOR CAMPBELL: ...you were with the Department of Health and Human Services? [CONFIRMATION]

JEROMY WARNER: I was, for approximately four years. I worked...there's a program called the Bridges program that was part of the developmental disability program, which is part of DHHS. And I first left there, well, now almost four years ago, so a lot has happened, I think, in that system since I've been gone. But yeah, yeah, I had some experience in... [CONFIRMATION]

SENATOR CAMPBELL: Exactly. But I do think the Bridges program is still going within the department. [CONFIRMATION]

JEROMY WARNER: Yes. Yes, it is, yeah. [CONFIRMATION]

SENATOR CAMPBELL: And because I know Director Fenner has talked about it when she has appeared before a joint hearing. So that's very critical. What would you see as some of the critical issues that will be coming to the Board of Health within the next couple of years? [CONFIRMATION]

JEROMY WARNER: Well, a lot of the issues, I think, that are even...right now, the board has been reviewing, and I'm aware that they have in the recent past or...on some of the issues that I think have been big also in other states include, as far as scope of practice, we have...I know, out my way, we have a lot of nurse practitioners right now

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that are seeking to expand their scope of practice because they have a limited amount of physicians who can oversee them and, yet, there's a great need. There's been a decrease in the number of psychologists locally, so I know they're also looking at a lot of things as far as referral ability and ability for...we were just talking about telemedicine. I think it's one of the big things that we're going to be reviewing, as well as the ways in which we can maintain confidentiality while doing that. These are some of the issues, even to recently, that we've been discussing. Our referral process as well is a hot topic right now, and I think that's going to continue to be so, probably, over the next few years, so. [CONFIRMATION]

SENATOR CAMPBELL: Dr. Warner, we are...we have several bills before the committee this year having to do with telehealth, with regard to mental health services, particularly for our youth population. Any comments you'd like to make about that area? [CONFIRMATION]

JEROMY WARNER: Well, I see the need for it, definitely, because we have a lot of individuals who live, particularly, in rural communities, where their closest access is probably the hospital or division where they can access that telehealth monitor and, otherwise, they have to travel several, several hours. I get some people that travel five hours, currently, or more to see me. So I could see where, for the review process, for being able to do med updates, things like that, even for doing some psychotherapy, that it could be beneficial not just to individuals but also to providerships, so. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Dr. Warner. That's very helpful. Questions? Senator Bob Krist. [CONFIRMATION]

SENATOR KRIST: Doctor, thanks. Bob Krist from District 10 in Omaha. I'm very interested and have been in our juvenile justice program. And you may have read that we are contemplating restructuring or, actually, closing places that do not provide any kind of evidence-based therapy or training for youth that are incarcerated in detention centers. [CONFIRMATION]

JEROMY WARNER: Sure. [CONFIRMATION]

SENATOR KRIST: Those places, like YRTC in Geneva, are contemplated for at least a reorganization, if not closure. One of my issues with the current system is we detain, we don't treat; and, as you know, statistically, there is a large number of those juveniles who have some issue with mental health and substance abuse, etcetera. One of the things that I think needs to happen is that we need to put some focus on treatment in those facilities and that treatment needs to be evidence based. Can you talk about that for just a second? [CONFIRMATION]

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JEROMY WARNER: And let me clarify here. You're looking at, as far as the evidence-based treatment, or as far as closure or restructuring? [CONFIRMATION]

SENATOR KRIST: No, no, the closing and restructuring is a policy decision, so I don't think you'll want to comment on that. But... [CONFIRMATION]

JEROMY WARNER: That works for me. (Laughter) That's good. You know, standards of practice and best practices are not only something that people talk about right now, a lot, in mental health. But it's something that, across this state, we're making attempts to make people more aware of. For example, here at Mary Lanning, we have some conferences that are coming up, and their main focus is on research-based practices, be able to expose people to those, being able to access the research, also, as it comes through, so that we're reviewing the efficacy of different treatments. Outcomes-based treatment is also very big in that way, determining...basically, these are measures to determine how well a treatment is, not just nationally, but also within our area and, comparatively, from one region to the next. I think that that's very, very important. I think back 20...well, just ten years ago. There's some things that we considered to be best practices or that might have been thought to be research based. But over time, we've come to find there's more effective ways of doing different things or that trauma--trauma is a big factor right now, too, that we're looking at--could have been traumatizing. So, you know, I think it's an ever-evolving process that has to be reviewed and updated. And individuals, anyone who is within treatment--and that includes frontline staff of any type and any level of training--have to be exposed to what is the best practices. And then there has to be some kind of measure in place to determine how effective it is within that facility, programmatically. [CONFIRMATION]

SENATOR KRIST: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Any other questions? Senator Crawford. [CONFIRMATION]

SENATOR CRAWFORD: Thank you, Senator Campbell, and thank you, Dr. Warner, for your service. And congratulations on your employee of the year award when you were working for Nebraska, appreciate that. [CONFIRMATION]

JEROMY WARNER: Well, thank you. [CONFIRMATION]

SENATOR CRAWFORD: In your materials, you indicate that you participate in committees to improve quality of care and living for developmentally disabled and mentally ill individuals. I wonder if you'd just tell us about one of those committees, perhaps, and how that would...how you bring that experience to the board or what...if there are policy implications, for us to hear about that work. [CONFIRMATION]

JEROMY WARNER: Well, I continue...now I participate in a different role than I used to.

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Now I am in what they call a...it's basically a review board, as far as human legal rights. And so I am one of...I think we have to have at least nine members on those boards when they meet, just to go through each individual's treatment, and those nine members come from different...yeah, kind of like the Board of Health is structured. They come from, you know, different practices, so it's a systemic perspective, and including a community member or somebody who is, in some cases, has a developmental disability themselves. And we go through and we review the programs, we review their efficacy, some the stuff I just barely mentioned. That's one of those steps that's in place for the purpose of ensuring that an individual is being treated well and that there's actually some progress. [CONFIRMATION]

SENATOR CRAWFORD: Excellent, thank you. [CONFIRMATION]

JEROMY WARNER: Um-hum. [CONFIRMATION]

SENATOR CAMPBELL: Any other questions? Dr. Warner, I think that concludes our questions for the day. The process...and I don't see any problems with your confirmation from the committee, and then it goes to the full Legislature. And then, I'm sure, you will receive some type of notification from that. Once again, thank you so much for your service. The Board of Health is just a critical component of how we look at health issues in the state, so we very much appreciate your service. [CONFIRMATION]

JEROMY WARNER: Thank you again for letting me participate by phone. That was huge. [CONFIRMATION]

SENATOR CAMPBELL: We understand. You have a great day. [CONFIRMATION]

JEROMY WARNER: All right, you too. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Thank you, Dr. Warner. We will proceed to our next gubernatorial appointment, Dr. Elizabeth Neeley, with the Foster Care Advisory Committee. Good morning. How are you? [CONFIRMATION]

ELIZABETH NEELEY: Very good. How are you? [CONFIRMATION]

SENATOR CAMPBELL: Very good. I'm sure you were listening as we were visiting with Dr. Warner. So tell us a little bit about yourself and how you got interested in this brand-new venture. [CONFIRMATION]

ELIZABETH NEELEY: (Exhibit 2) Great. Good morning, members of the committee. My name is Elizabeth Neeley. By training I'm an applied sociologist, and I've always been interested in kind of being the link between policy issues and academia and providing the methods and knowledge of academia to inform public policy work. And so for quite a

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while after graduate school, I worked for the University of Nebraska Public Policy Center and now own my own research company, doing evaluation, grant writing, and research for the court systems for improving both the juvenile and criminal justice systems in Nebraska and nationally. [CONFIRMATION]

SENATOR CAMPBELL: So tell us how it's going with the Foster Care Advisory Committee. [CONFIRMATION]

ELIZABETH NEELEY: We are very excited. I'm sure that you've all had a chance to meet Kim Hawekotte, who has been named our new executive director. You know, making a major leadership change like that is a really great opportunity for us to sit back and reevaluate the data that we've collected for the past, nearly, 30 years and kind of questioning policies and practices that we've had. Our system is just rapidly evolving, and we want to make sure that we can be responsive, that we can collect both the data that gives us the historical perspective, but that is also adapting to the changes in our system and allows us to make informed policy decisions moving forward. [CONFIRMATION]

SENATOR CAMPBELL: Questions? Senator Krist. [CONFIRMATION]

SENATOR KRIST: There were two critical positions when we reviewed the reconstruction of the foster care committee and the office itself. One of them, to be honest with you, in a different area was the IG. [CONFIRMATION]

ELIZABETH NEELEY: Yes. [CONFIRMATION]

SENATOR KRIST: And the other one was data expertise with...on the board itself. And I was...boy, I couldn't have imagined anybody better coming forward. And I want to thank you for all you've done so far and comment to your board what a great choice you made for your leadership. [CONFIRMATION]

ELIZABETH NEELEY: Thank you. [CONFIRMATION]

SENATOR KRIST: And the offer is there, publicly, again, when it's time that you need help there, let us know, because what we did to you was take you from large to small on the committee. And I know maybe all of the things that were being performed are...there are some holes there, probably. [CONFIRMATION]

ELIZABETH NEELEY: Yep. [CONFIRMATION]

SENATOR KRIST: But so the offer is still there. Thank you. [CONFIRMATION]

ELIZABETH NEELEY: I appreciate that. Thank you. [CONFIRMATION]

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SENATOR CAMPBELL: Other questions from the senators? Dr. Neeley, you have just an extensive background, in terms of data and reports and bringing...and the research element of them, an outstanding resume. What might this committee need to know, as we look into the future, on the data needs, that you would see, from the Foster Care Advisory Committee? [CONFIRMATION]

ELIZABETH NEELEY: That is a great question. March 15 we will be issuing our quarterly report to this committee, and I think that there may be some recommendations contained in that report that will help guide that. We certainly have data challenges with the existing case management systems in place. And part of our moving forward, under Kim Hawekotte's direction, will be kind of outweighing the plan for the future--what data do we need to capture? how will that be captured?--and working in a collaborative manner to make that happen. So I'm sorry that's not a direct response, but it is something that we're working on. [CONFIRMATION]

SENATOR CAMPBELL: It's like an ad, almost: Wait for our report, which is coming in March. [CONFIRMATION]

ELIZABETH NEELEY: Right. It's, yeah, I wanted to, you know, increase the suspense level, so. (Laugh) [CONFIRMATION]

SENATOR CAMPBELL: Absolutely. And it may be the case, after the committee has had a chance to review the report, that we may want to sit down with, certainly, with Ms. Hawekotte and some members of the Advisory Committee for you to be able to amplify on the comments that you make to us. [CONFIRMATION]

ELIZABETH NEELEY: That would be great. Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Any other questions from the senators? We appreciate you coming. [CONFIRMATION]

ELIZABETH NEELEY: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: I realize it's short. Everything this morning is going to be short because of the change. [CONFIRMATION]

ELIZABETH NEELEY: Yep. [CONFIRMATION]

SENATOR CAMPBELL: But in any case, I want to second what Senator Krist said. The committee has worked, diligently, with so many people across the state on the child welfare system, and the Foster Care Advisory Committee is a major linchpin in all of that for the data. So any way that we can help, let us know. [CONFIRMATION]

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ELIZABETH NEELEY: Thank you. [CONFIRMATION]

SENATOR CAMPBELL: Uh-huh. Thanks for coming today. That concludes our gubernatorial appointments for the day, and so we will proceed to the hearings. I want to go through a few procedures first. If you're planning to testify today, we do need you to fill out one of the orange sheets and, when you come forward, you can give it to Diane Johnson, who is the clerk, and she and the pages will see that they get distributed, if you have handouts. If you do not plan to testify but would like to leave us a note, you can do so over on the white sheets that are there. As you come forward please state your name for the record and spell it because the transcribers need to hear you, and they need to make sure that they have the name correctly. I would ask all of you to double-check your cell phones to make sure that they are turned off or on silent. And this is a new announcement for the regulars: This morning we need to go through all of this, four bills, by noon. And so I am really imploring all of you to keep your testimony to the point, not to replicate testimony. And today I really will be watching when the red light comes on because I want to ensure we get through all four of the bills, so please think about that as we go through. And I'll turn the meeting over to Senator Krist. [CONFIRMATION]

SENATOR KRIST: Thank you, Senator Campbell. When you're ready, Senator Campbell, please open on LB508. [LB508]

SENATOR CAMPBELL: Thank you, Senator Krist. Colleagues, we all want Nebraska families to succeed. Preventing children's entry into the child welfare system, when possible and safe and appropriate, is an important strategy. Certainly, prevention also means promoting family stability in the long term. Existing Aid to Dependent Children options and resources can be leveraged wisely to achieve goals related to prevention, stability, success, and transparency for all of our families. LB508 is intended to prevent the unnecessary entry of children into the child welfare system by addressing poverty, which is key to keeping children out of the system. The bill would ensure families are able to provide for their children's basic needs, such as rent and clothing, through the Aid to Dependent...ADC program. People must have a very low income to be eligible for this program. For a family of three this means earning no more than \$740 per month after a 20 percent disregard of earned income. An able-bodied...all able-bodied individuals on ADC must engage in work requirements. LB508 would align the ADC allotment with the cost of living. The allotment is determined by two factors: the standard of need and the maximum payment. Though the standard of need increases every two years by a percentage based upon the cost of living, the maximum payment has not been changed in over 30 years, making it completely out of sync with the cost of living. To correct this, LB508 would raise the maximum payment every two years until it is 70 percent of the standard of need. This summer we had an interim study--actually, two different hearings--on what causes children to enter into the child welfare system.

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And what we found out is that, certainly, we need to begin looking, as we have done about the child welfare system, but at the root causes of what brings children in. And one of those majors is poverty. I was very honored to be picked to sit on the Legislative Planning Committee. Senator Gloor sits on that committee and has sat there. And at our...the first meeting that I went to, Senator Harms talked about that he would like to see the Planning Committee have, as one of its emphasis, the whole idea of children in poverty. And we were given a number of reports, which we'll be glad to share with you. But one of the figures that caught my eye was the children, under six years of age, below 100 percent of the poverty level as a percentage of the population for whom poverty is determined for Nebraska legislative districts. And so this chart outlines all 49 senatorial districts. And they are based not only on the current alignment--although we will get that updated--but on the previous alignment. And in the top ten...this is not a top ten you want to be in. These are the legislative districts with the higher percentage of children in poverty. Three of us on the committee are in that: Senator Cook's district; Senator Krist's district; and Senator Gloor's district. Senator Howard would come in at number 13. Senator Watermeier, his district would be far down on the list. But at 21.4 percent of those, he is still...that district is still higher than the state average of 19.6 percent. Senator Crawford, you and I are far down on the list; but that doesn't mean that we are not any less concerned about the children in poverty. ADC is one way that we can begin to look at this problem, and that is why I brought the bill forward. We have people, certainly, who are going to give you a lot better testimony than I on what this means for children and families, so I'd like to hold questions, perhaps, until we get to the end. Thank you, Senator Krist. [LB508]

SENATOR KRIST: Thank you, Senator Campbell. First proponent for LB508, someone speaking in favor of LB508, please. Welcome. [LB508]

NYATIEM TUT: Do I sit here? Is this where I sit? [LB508]

SENATOR _____: Um-hum. [LB508]

SENATOR KRIST: Yeah, you're fine. Go ahead. [LB508]

SENATOR WATERMEIER: You're right where you need to be. [LB508]

SENATOR KRIST: Make yourself at home. [LB508]

NYATIEM TUT: Good morning. [LB508]

SENATOR KRIST: So before you start, just give us your name and spell it, and then have at it. [LB508]

NYATIEM TUT: Okay, okay. [LB508]

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SENATOR KRIST: All right. [LB508]

NYATIEM TUT: (Exhibit 3) My name is Nyatiem Tut, N-y-a-t-i-e-m; T-u-t, my last name. Okay, my name is Nyatiem Tut, and I am 29 years old. I live in Sarpy County, and I am a single parent of one young boy. Right now we live with my mom, in her apartment, because I am not able to afford residence. I receive SNAP, Medicaid, childcare, and bus vouchers. I am currently working with Employment First to receive ADC benefits. I am frustrated because my benefits are hardly enough to pay for my baby's diapers, gas, laundry costs, and other household needs. I struggle many months out of the year, and I have to ask relatives and friends for support just to buy diapers. This means I have less money the following month, after I pay them back. There have been times that I cut up my son's blankets to make diapers, out of desperation. I do not want to live like this anymore. I am registered for school at Metropolitan Community College, and I start in March. [LB508]

SENATOR KRIST: Take your time. [LB508]

NYATIEM TUT: Sorry. LB508 would help me stay in school and get out of the rut of owing everyone I know. The reason I am going to school is so that I will not have to depend on my ADC and can afford to pay my own living expenses. The bill would allow me to pay for my child's needs, afford going to school, focus on studies, and not have to worry about work on top of everything else. It would reduce my levels of frustration and stress and let me finish school. I'm asking you to support LB508 so that families like mine can afford living and going to school. Please consider the impact this bill will have on the lives of single parents. Sincerely, Nyatiem. Thank you. [LB508]

SENATOR KRIST: You did a great job. [LB508]

NYATIEM TUT: Thank you. [LB508]

SENATOR KRIST: Any questions? Thank you, and thanks for coming. It means a lot. [LB508]

NYATIEM TUT: Thank you for your time. [LB508]

SENATOR KRIST: Next proponent. Next proponent for LB508. Welcome. [LB508]

ALICIA CARTER: (Inaudible). [LB508]

SENATOR KRIST: You might want to just leave those at the table, just in case. Not that I'm proposing that it would happen, but take your time. [LB508]

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ALICIA CARTER: (Exhibit 4) Okay. My name is Alicia Carter. I am 29 years old and a resident of Douglas County. I am a single mom. Sorry, I'm nervous. [LB508]

SENATOR KRIST: Alicia, can you do me a favor? [LB508]

ALICIA CARTER: Hmm? [LB508]

SENATOR KRIST: Take a deep breath and spell your name for me, will you? That will give you a break. [LB508]

ALICIA CARTER: A-l-i-c-i-a C-a-r-t-e-r. [LB508]

SENATOR KRIST: Thank you. Take your time. [LB508]

ALICIA CARTER: I am 29 years old and a resident of Douglas County. I am a single mom of two very young children. I don't have a job, but I really want one. We live in a room of my mother's home. I'm required to pay a portion of her utility bills to live there. I receive ADC, SNAP, Medicaid, and Title XX. At the same time, I hate being on welfare. Last month my car broke down on the way to a job interview. I was so frustrated. I really just want a job, but it seems impossible sometimes. In addition to my portion of the utility bills, I also use my ADC payment to support my family, to buy diapers, wipes, clothes, hygiene products, phone bill, and gas. The money doesn't ever last the entire month. By the end of the month, I get so low on diapers that I have had to keep them on my daughter even when they are wet. I think that, if this bill was passed, I would have a little more money for gas to help me in searching for a job. I would like to be able to buy more diapers. I would like to ask you to support LB508 for mothers like me to be less stressed while caring for our children. [LB508]

SENATOR KRIST: You did great. [LB508]

ALICIA CARTER: Thank you. [LB508]

SENATOR KRIST: Any questions? Thank you so much for coming. [LB508]

ALICIA CARTER: Thank you. [LB508]

SENATOR KRIST: Next proponent for LB508. How many other folks would like to speak as proponents for LB508, just a show of hands? One, two, three, okay. And if you'd like to just make your way forward and make it a little bit quicker, thank you. Go ahead. Welcome. [LB508]

TONI LIDDY: Thank you. My name is Toni Liddy, T-o-n-i L-i-d-d-y. I'm here to support LB508. And I hope that you will consider it with heavy hearts because, as you can see,

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we have those heavy hearts as well. I'm a single mother of four children. At this time they are 13, almost 15, almost 17, and 22. So I grew up and they grew up with the ADC levels as they were and currently are. So I had a lot of these struggles that everyone else is speaking of: not having enough for diapers, especially when there were three in a row; having to reach out to others and then having to pay them back, which makes the next month even worse; car issues; going to school; and having childcare in place. At one point, I had one in day care, a car that had broken down, going to school at Doane College. I would get a ride with the director at Doane College. She would pick us up in the morning, take my daughter to day care. And then my youngest, I would nurse in classes. I mean, not in classes. She would sleep on me in classes, and I would nurse her in the dean's office because I was adamant about getting my education. But I had that support in place from my family and others do not. So making ends meet, trying to get just utilities paid, not talking about rent, even if you have it subsidized, being able to just live like a normal person you have to be not only a master budgeter but try and juggle all the things that any normal American family goes through with car issues or day-care issues or a sick child. I know my oldest, when she got the chicken pox, I was very worried about work and school because they just...the chicken pox wouldn't go away. Her hands were covered with them, and it was just awful. So she had to go to the special day care that I don't think even exists anymore, but Snuggles. And being there for so long and the risk of losing my job for any more time I would have taken off, things of that nature, come up for everyone. And it's so much more difficult, so much more stressful when you do it alone. And as a single mother, that's the story that you're in. So when we raise the, what do you call it, minimum wage every so often but we don't raise this, these people are struggling even harder. I just hope that you'll support the bill. Thank you. [LB508]

SENATOR KRIST: Thank you for coming. Any questions? She's running. (Laughter) She doesn't want any questions. Next proponent. Next person who wants to speak as a proponent for LB508. Thank you. [LB508]

JIM CUNNINGHAM: I might well be out of the order that I was advised of, but I'm going to take my turn at this point. Senators, good morning. My name is Jim Cunningham, and that's J-i-m C-u-n-n-i-n-g-h-a-m. I'm the executive director of the Nebraska Catholic Conference, which represents the mutual interests and concerns of the Archdiocese of Omaha and the Dioceses of Lincoln and Grand Island on matters involving public policy. And I'm testifying today on behalf of the conference in support of LB508, which proposes to increase and, more realistically, set the ceiling on cash assistance grants under the program of Aid to Families with Dependent Children. Since 1968, the Catholic Conference has supported a meaningful ADC program to address the subsistence needs of families who, every day, face the challenges and hardships of poverty; especially children, for this is, after all, the Aid for Dependent Children program. The fundamental basis for our advocacy on this issue lies in our belief that poverty is demeaning to human dignity. As a matter of social justice, there is a common social

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obligation to respond to the needs of those who are materially poor. In our tradition, public policy is best and most responsible when it shows a preferential option for the poor. I was astonished to learn and, really, rather embarrassed to learn that the maximum ceiling on ADC payments had not been raised in such a long time. This is, by no means, the first time that I've testified in front of the Health and Human Services Committee in support of raising the ceiling; in fact, it's probably not the second or third time. But it is amazing to me how time has passed since this last happened. I was trying to think of what might have accounted for that, and I suppose that it has something to do with the emphasis that came to be placed on welfare reform. Nebraska went through welfare reform. And part of that was to respond to the importance of self-sufficiency, moving from welfare to work and, in addition to those issues, there were also issues that needed attention in terms of the support for that welfare reform program: transportation; child care; medical assistance; food assistance. And so there has been, over the years, an emphasis on those support mechanisms to make welfare reform work the way that it was intended to work when it was adopted in the late 1990s. This is a vitally important bill. And one of the reasons it's important is because of the impact that the cost of living increases have had, over the years, since the last time the ceiling was increased. Purchasing power has diminished. And it's important to keep in mind that it is more difficult now for families who are impoverished to meet the subsistence needs of the children under the current ceiling. Unfortunately, the children bear the brunt of the hardship too often. The effect of not helping poor families to keep up with the increasing subsistence costs has a damaging effect on children. Their motivation, their ability to learn and, eventually, their productivity are seriously reduced. Families mired in poverty often see their children convicted and incarcerated or in the child welfare system, as Senator Campbell alluded to. For these reasons, and because the time is right to increase the maximum payment amount under ADC, we urge your support for LB508 and that you advance it to the full Legislature. Thank you. [LB508]

SENATOR KRIST: Thank you, Mr. Cunningham. Any questions for Jim? Seeing none, thank you, sir. [LB508]

JIM CUNNINGHAM: Thank you. [LB508]

SENATOR KRIST: Thanks for coming forward. Next proponent for LB508. Welcome. [LB508]

AUBREY MANCUSO: (Exhibit 5) Thank you. Good morning, Senator Krist, members of the committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. I'll keep my testimony brief today. But as you've heard from previous testifiers, the ADC program has not been able to keep up with the needs of children in our state, and that's especially true when we look at the number of children in extreme poverty. Attached to my testimony, on the first page, is a chart showing extreme poverty among children since 2006 until 2011 and the ADC

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program enrollment. And you'll see that program enrollment has remained flat across that time while the number of children living in extreme poverty has grown significantly. And this is, in part, because the payment rates are so low. You'll also see that about 17,197 children in this state were in the ADC program in 2011, and the average monthly payment was \$320.97. So that's a significant number of children in our state at risk for some of the outcomes that you've heard about. And finally, on the second attachment, entitled, "Making Ends Meet," there's a chart that shows where the ADC payment ranks relative to other measures of economic stability. And you'll see that ADC payments fall far below the minimum wage for either one or two earners, fall far below the poverty line, and significantly farther below what a family would need to be economically stable. We believe that this bill would be a piece of the puzzle in helping to improve our ADC program. Additionally, there are new opportunities on the federal level to apply for waivers under a TANF program, where states can really be innovators in testing new ways to ensure that these programs lead to longer-term employment. So we hope the committee will advance the bill and continue looking for ways to improve this program. Thank you. [LB508]

SENATOR KRIST: Thank you so much. Any questions? Seeing none, thanks for your testimony. Next proponent. Good morning. [LB508]

SARAH HELVEY: (Exhibit 6) Good morning. My name is Sarah Helvey, S-a-r-a-h, last name H-e-l-v-e-y. And I'm a staff attorney and director of the child welfare program at Nebraska Appleseed. One in five children in Nebraska live in poverty, and about half of children enter Nebraska's foster care system due to neglect, which is defined, essentially, as the failure to meet a child's basic needs. So I want to expand just a little bit on the connection to child welfare. As others have mentioned, the ADC program is intended to help families meet their basic needs. One thing that hasn't been mentioned is that one of the four core purposes of the federal program, which is TANF at the federal level, the Temporary Assistance to Needy Families program, under federal law, one of the four core purposes of TANF is to keep children in their own homes and out of the child welfare system. Unfortunately, as others have mentioned, Nebraska's ADC maximum payment rate is out of step with the actual cost of meeting a family's basic needs. And like the ADC program, Nebraska's foster care rates have also been out of step with the actual cost of meeting a child's basic needs. Prior to the passage of LB820 last session that temporarily increased Nebraska's foster care rates, both Nebraska's ADC rates and Nebraska's foster care rates were among the lowest in the country. And both for one child...on the ADC side, a single parent and one child hovered at about \$300 per month. And I've provided a fact sheet to the committee that shows the current rates for both of those programs and the recommended or proposed rates as well. We're very pleased with the progress the Legislature has made, and with the Foster Care Reimbursement Rates Committee, to recommend a rate on the foster care side that would reflect the actual cost of meeting the basic needs of children who must be removed from their home and placed in foster care, and LB508 presents an opportunity

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to do that on the ADC side. By updating the ADC payment we can prevent children from entering the child welfare system in the first place, in accordance with one of the core purposes of the TANF program. And we think that it's important to address those issues in tandem, so we want to thank Senator Campbell for introducing this bill--as others have said, this is a long time coming--and the committee for your commitment to the welfare of children. [LB508]

SENATOR KRIST: Thank you, Sarah. Any questions of Ms. Helvey? Senator Gloor. [LB508]

SENATOR GLOOR: Thank you, Senator Krist. Sarah, I just want to make sure I'm working with the right numbers here. So we're talking about, for a household size of two, moving from 60 to 70 percent, going from \$293 to \$376, in other words, real dollars, \$85 a month increase, once we've moved from 60 to 70. Is that how I...am I reading this correctly? [LB508]

SARAH HELVEY: That's correct. You're looking at the ADC rate on the back of the fact sheet? [LB508]

SENATOR GLOOR: Yeah, on the back of the fact sheet. [LB508]

SARAH HELVEY: Yes. [LB508]

SENATOR GLOOR: Okay, I just wanted to make sure I'm working with something other than percentages in real numbers. Thank you. [LB508]

SARAH HELVEY: Yep, that's exactly what the chart was trying to illustrate. Thank you. [LB508]

SENATOR KRIST: Just one quickie. If you...do you know of any states that actually make this an automatic adjustment based upon minimum wage or any other factors? [LB508]

SARAH HELVEY: I believe states do it differently. We could get you some more information from that. I believe that some states do have a cost of living adjustment similar to what is being proposed in the bill. [LB508]

SENATOR KRIST: Even though this is a step in the right direction, obviously, and long needed, I wonder if we're behind the times by not just adjusting as the minimum wage or some other factors should be weighed. So I appreciate that. [LB508]

SARAH HELVEY: Thank you very much. [LB508]

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SENATOR KRIST: Thank you. Any other questions? Okay, thank you. Next proponent for LB508. Okay, seeing none, any opposition for LB508? Anyone want to speak in opposition? Good morning, Mr. Pristow. [LB508]

THOMAS PRISTOW: (Exhibit 7) Good morning, Senator. Good morning, members of the committee. My name is Thomas Pristow, T-h-o-m-a-s P-r-i-s-t-o-w. I'm the director of Children and Family Services, Department of Health and Human Services, and I am going to be testifying in opposition to LB508 this morning. LB508 would modify the current statute which establishes the payment level for ADC, Aid to Dependent Children, cash grant at no more than \$300 per month for an adult plus one child. This bill would change the base payment amount on a percentage of the ADC standard of need, with an increase in the percentage over the next four fiscal years. The department's concern with this bill is related to the overall impact the passage of all four TANF bills would have on the TANF block grant funding currently available to the state. In addition to this bill, LB236, LB368, LB555, and LB430 all contain new appropriations of TANF block grant funding...funds totaling about \$8.6 million. TANF is not an entitlement program. It's a block grant, meaning that Nebraska receives a specific amount of federal funding for the program. In past years the department did not fully expend the TANF block grant and, therefore, a balance accumulated. In fiscal year 2011, the department requested and the Legislature approved using some of these funds for TANF fund programs in the department that had previously been funded with State General Funds. Beginning in 2011, the department expended more than the annual block grant award of \$57.5 million and has continued that level of spending during the current biennium and the budget requested for the next biennium. As with some other bills, the concept of an ADC increase would be a best practice model. The opposition is in developing the funding stream to pay for it. Thank you for your...thank you for the opportunity to be here today, and I'd be happy to answer any questions you may have. [LB508]

SENATOR KRIST: Director, how much is currently in the rainy-day fund? [LB508]

THOMAS PRISTOW: It's upwards of \$50 million, Senator. [LB508]

SENATOR KRIST: Fifty million dollars in a rainy-day, contingent fund that would do...for what purpose? [LB508]

THOMAS PRISTOW: We are using that as the offset for the difference between what we're budgeted and what we are actually programming. [LB508]

SENATOR KRIST: Okay. All right, any other questions? All right, Senator Howard. [LB508]

SENATOR HOWARD: Thank you, Senator Krist. We've been hearing a lot about the

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TANF rainy-day fund in these four bills that are attempting to access these funds. Can you talk to me about the status of these four bills or the three bills that are not this bill? [LB508]

THOMAS PRISTOW: You mean the status of our position on them? [LB508]

SENATOR HOWARD: No, where they're at in the process, how close they are to being made a priority, whether or not they'll get to the floor. [LB508]

THOMAS PRISTOW: I don't know, Senator, I'm sorry. [LB508]

SENATOR HOWARD: Okay, thank you. [LB508]

THOMAS PRISTOW: I don't know the status. I just...the general concept here for me, or for the operational aspect of this, is to develop...to make sure that the funding stream is sufficient enough to do the programming that I have. The concept that I've heard testimony on today and that you all heard is not in question for me. [LB508]

SENATOR HOWARD: Okay, thank you. [LB508]

SENATOR KRIST: Any other questions for the director? Okay, thank you. Thanks for coming. [LB508]

THOMAS PRISTOW: Thank you, thank you. [LB508]

SENATOR KRIST: Thanks for being here. Any other opposition for LB508? Any neutral testimony for LB508? Okay, with that, any comments/closure from Senator Campbell? [LB508]

SENATOR CAMPBELL: I'm going to do it right here, just to save time. Just to my colleagues, we planned a very, very tight hearing, and I hope you understand that it should not be related to how serious this situation is. We are trying this year to not only look at what the ADC payment is, but we're certainly following Senator Dubas' bill on the foster care payments. And you do not want them to get too much out of sync or a family may say, it's better that they be in foster care, and we all know that that's now where we're trying to go. We're trying to go to serve children in their homes. So I hope you appreciate that fact and, with that, I'll close. Thank you, Senator Krist. [LB508]

SENATOR KRIST: (See also Exhibit 8) Thank you, Senator Campbell. And then one quick note on my part: It is extremely important that the mosaic, the pieces of this puzzle, come together. If we force people into systems that force their children out of their homes, we are doing a grave disservice to the citizens. And I know that's exactly what Senator Campbell just said. But I want to reemphasize, from my standpoint, when

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we have \$50 million in a rainy-day fund and we have bills that are adding up to \$8-point... [LB508]

SENATOR HOWARD: 6. [LB508]

SENATOR KRIST: ...6 million, it begs the question, are we efficiently using...because I think it's raining. (Laugh) So with that, I would close the hearing on LB508 and turn it back over to the Chair. [LB508]

SENATOR CAMPBELL: Thank you, Senator Krist. We will move to the next hearing, which is LB487, Senator Wightman's bill to change healthcare certificate of need provisions. [LB487]

SENATOR WIGHTMAN: Good morning. [LB487]

SENATOR CAMPBELL: Good morning, Senator Wightman. We are pleased to have you. [LB487]

SENATOR WIGHTMAN: Thank you, thank you. It's good to be here. [LB487]

SENATOR CAMPBELL: Whenever you're ready, you go right ahead and start. [LB487]

SENATOR WIGHTMAN: (Exhibit 9) Okay, well, good morning, members of the Health and Human Services Committee. For the record, I am John Wightman, spelled W-i-g-h-t-m-a-n, and I represent District 36. I am pleased to open on LB487, a bill that modifies the certificate of need statutes for rehabilitation beds. This is a bill that Madonna Rehabilitation Hospital brought to me. Madonna, as many of you know, is a hospital here in Lincoln that does a lot of rehab work. They treat all kinds of physical ailments, from knees and hips to brain injury, on both children and adults. And I, among the 49 members of the Legislature, have reason to know what they do since I have been their patient there at about three different occasions. Madonna wants to build a remote location in Omaha. And as part of that process, representatives from Madonna started talking with the representatives from each of the hospitals in Omaha over a year ago and specifically visited with Alegent and Creighton multiple times, beginning last June. In addition, they have been working with the Department of Health and Human Services to make sure that they meet all of the licensing requirements to set up that facility. One of those requirements is making sure that Madonna can set up that facility. One of those requirements is making sure that Madonna can transfer some of its beds from its facility in Lincoln to the facility in Omaha. The pages have distributed an amendment, AM508, that will incorporate changes suggested by the Department of Health and Human Services after LB487 was introduced. The amendment is intended to clarify the language and is technical in nature. You should also have in your file a letter from Health and Human Services with regard to a suggestion that they have. I would

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ask the committee to adopt AM508 as a committee amendment. In Nebraska, there is a certificate of need process for only two types of entities: nursing homes and rehabilitation hospitals. Our law allows nursing home beds to be transferred from one facility to another owned by the same company, so Madonna could transfer some of its nursing home beds to this satellite facility in Omaha. But it turns out that the certificate of need process for rehabilitation beds is much more restrictive. The statute says that you cannot transfer rehabilitation beds from one healthcare facility to another healthcare facility. Madonna assumed that meant you couldn't sell beds to another facility and assumed that it meant that you could transfer beds from one hospital to the same hospital or to your remote location. But the Department of Health and Human Services interprets the statute to restrict any transfer of rehabilitation beds. So I am bringing this bill to clarify that the statute means that you can have rehabilitation beds at one location and that you can transport them to another location, as long as you own and operate both locations. That would allow Madonna to transfer a portion of its beds to its Omaha satellite facility, and it would allow any other hospital to transfer beds between facilities that it owns and operates. I want to point out that the bill doesn't circumvent the certificate of need process by moving beds. There will not be any new beds created. They have the same number of beds that they're talking about in both locations. We would just be allowing the owner of the beds to determine where in the state they are best utilized. In the fiscal note, our Legislative Fiscal staff makes the correct assumption and finds that LB487 has no direct fiscal impact on...in the Medicaid program. The assumptions made by the Department of Health and Human Services are, clearly, incorrect, which makes their estimate incorrect. So it should be no fiscal...no attached or any money that would be required from the Legislature. I would ask the committee to advance LB487, with AM508 as a committee amendment. There will be several speakers following me who will give you some additional details. But I would be happy to answer any questions you might have, to the extent that I can. [LB487]

SENATOR CAMPBELL: Senator Krist. [LB487]

SENATOR KRIST: Just very simply, was it ever your intent, as the introducer, to do away with the CON in any way? [LB487]

SENATOR WIGHTMAN: No. [LB487]

SENATOR KRIST: Okay, great, just for the record. Thank you very much. [LB487]

SENATOR CAMPBELL: Other questions? Senator Howard. [LB487]

SENATOR HOWARD: And you mentioned the fiscal note. The fiscal note assumes that there would be additional beds, and that's incorrect? There wouldn't be additional beds? [LB487]

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SENATOR WIGHTMAN: That was incorrect. We're talking about the same number of beds that they have at the present time. But they're all located in Lincoln, and that's why it was necessary to bring the bill. And they do--and you'll get this from later testifiers--a lot of Omaha patients at the present time and have for a long period of time. But we're still talking about the same number of total beds, yes. [LB487]

SENATOR HOWARD: Okay, thank you. [LB487]

SENATOR CAMPBELL: Senator Wightman, we've just received the copy of the amendment. And I just want to make sure that my assumption is correct, that the amendment is the language that Dr. Schaefer talked about in her letter. [LB487]

SENATOR WIGHTMAN: That's... [LB487]

SENATOR CAMPBELL: And I believe it is the same, but I wanted, just for the record... [LB487]

SENATOR WIGHTMAN: That's our understanding, that it would be, yes. [LB487]

SENATOR CAMPBELL: Okay, because it's an indication that the department has been working with the applicant--Madonna, in this case--on that language, and that's what the amendment is intended to mirror. [LB487]

SENATOR WIGHTMAN: Yes. [LB487]

SENATOR CAMPBELL: Okay. [LB487]

SENATOR WIGHTMAN: It refers to Section 6, but Section 6 is the only portion of the bill in which there is an amendment. [LB487]

SENATOR CAMPBELL: Right, okay, excellent. Thank you, Senator Wightman. [LB487]

SENATOR WIGHTMAN: Thank you. [LB487]

SENATOR CAMPBELL: Will you be staying? [LB487]

SENATOR WIGHTMAN: I will stay. [LB487]

SENATOR CAMPBELL: Okay, excellent. Our first proponent for LB487. Good morning. [LB487]

DAVID BUNTAIN: Senator Campbell, members of the committee, my name is David Buntain, B-u-n-t-a-i-n. I'm happy to be back in front of this committee, having appeared

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for... [LB487]

SENATOR CAMPBELL: We're glad to have you back. [LB487]

DAVID BUNTAIN: This is the first time this session, after having been a regular for 29 sessions, so. What I want to do is give the committee a little bit of context for this bill. I am legal counsel for Madonna Rehabilitation Hospital, and I'm obviously here testifying in support of this bill. For the newer members of the committee, the term "certificate of need" may not have much meaning to you. But at one time this committee spent a lot of time with certificate of need issues and certificate of need legislation. The certificate of need laws were initially passed and were administered...the department had a whole department that administered the certificate of need law. And the notion was that, as a way of controlling healthcare costs, we should require institutions that wanted to build physical facilities to demonstrate that there was a need for that facility because of the cost involved and because of the implications of that for our healthcare costs and the financing system. At one time it even included expensive equipment, such as MRIs. If you wanted to have an MRI, you had to go through certificate of need. And there were these pitched battles between various medical interests over whether one entity or another should get a certificate of need. The market for healthcare services and the competitive environment for healthcare services has changed substantially since that time, but we still do have certificate of need that applies. But it's been modified and there...if you look at the history of these laws, you'll see a number of amendments that have been made. And what we have found is that there's a need to apply them differently in different areas. So you have your acute care hospitals, and that's one kind of issue. You have your nursing homes; that's another issue. We've eliminated the equipment certificate of need now. We are here talking about rehabilitation hospitals, which are treated separately under certificate of need. And currently there is a requirement, if you're going to add hospital beds/rehabilitation hospital beds, that you go through a certificate of need process. That is not what this bill is about. This bill does not affect the number of rehabilitation beds that are being...that are approved. As you will hear from Madonna witnesses, Madonna has been working the last year to develop a very exciting, state-of-the-art hospital in Omaha which would include not just rehabilitation beds, but long-term care beds, skilled nursing facility beds, that would bring the nationally recognized quality of Madonna Rehabilitation Hospital to the Omaha area. We have found, in working on the legal requirements, that we can do this without any problem for long-term care and for skilled nursing facilities. We think that we could do it under the state statute as it currently exists, but there is a legal issue that would have to be worked out and could, conceivably, lead to litigation. And rather than go that route, we thought it would be better to make the change to the statute, to clarify that what Madonna is proposing to do can be done under the current law, which is to move up to 40 of its beds that it's authorized to operate in Lincoln to Omaha. And again, you'll be told...hear some testimony about why that's important. Currently, the law says you can't move beds from one healthcare facility to another healthcare facility. A healthcare

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facility is defined as a hospital in the CON law. You could argue that we're not moving them from one hospital to another hospital because it's going to be Madonna Rehabilitation Hospital. However, the department, administratively, has interpreted "healthcare facility" to mean separate campuses. For example, one that doesn't apply here, but Methodist Hospital and Methodist Women's Hospital. It's one hospital but, because there are two different campuses, they have two different licenses. And so what we want to do is just clarify what we think the law says now, and that is, as long as it's within the same licensed hospital or healthcare facility, you should be able to move those beds. So that's what would be done. And the committee amendment...or, I'm sorry, the amendment that Senator Wightman spoke to is an amendment that we have worked through with the department to make sure that we're on the same page as far as what it...what their concerns are. [LB487]

SENATOR CAMPBELL: Questions for Mr. Buntain? Senator Crawford. [LB487]

SENATOR CRAWFORD: Thank you, Senator Campbell, and thank you for your testimony. Are there regions for the certificate of need? If we're talking about moving, I just don't see anything in the amendment or in the bill that talks about that this transfer would be limited in terms of region and, it seems to me, I remember some earlier discussion that you were...that this transfer might occur within the same region. So I was wondering if you could talk just a minute about if there are regions or how that plays into the content of the bill or what this bill would do, what you're looking to do. [LB487]

DAVID BUNTAIN: There are regions that come into play as to other kinds of healthcare facilities that are under CON. The rehabilitation hospitals aren't subject to the regional restriction. And our...Madonna, basically, serves a region that's larger than the state of Nebraska. [LB487]

SENATOR CRAWFORD: Okay. [LB487]

DAVID BUNTAIN: It serves many patients who come from Omaha to Lincoln. I think last year they had 32 states that referred patients, so it...the...there really isn't...rehab is so unique and it's, fortunately, a relatively small number of beds compared to acute care hospital beds. So you'd need a much wider referral area in order to support the quality of care that a hospital like Madonna can provide. [LB487]

SENATOR CRAWFORD: Okay, thank you. (Inaudible) [LB487]

SENATOR CAMPBELL: Other questions? Seeing none, thank you, Mr. Buntain. Thanks for the history. [LB487]

DAVID BUNTAIN: Thank you, Senator Campbell. [LB487]

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SENATOR CAMPBELL: Good to see you again. [LB487]

DAVID BUNTAIN: Yes, you too. [LB487]

SENATOR CAMPBELL: Our next proponent. Good morning. [LB487]

MARSHA LOMMEL: (Exhibits 10 and 11) Good morning, Senators. My name is Marsha Lommel, M-a-r-s-h-a L-o-m-m-e-l. And I have been CEO of Madonna Rehabilitation Hospital for 24 years and in the field of rehabilitation for 43 years. I'm here to support LB487. Madonna plans to build a state-of-the-art rehabilitation hospital in Omaha. Madonna Rehabilitation Hospital in Lincoln will not change in its capacity or its various programs. Last year Madonna admitted 5,709 patients from 32 different states, 79 of the 93 counties in Nebraska. Patients came from 108 different hospitals across the country, referred by 547 different physicians. Madonna has really become one of the largest and, certainly, the most comprehensive rehabilitation hospital in the country. I currently serve as chairman of the board of directors of our National Rehab Hospital Association, a tribute to the esteem with which the rehabilitation industry holds Madonna. Patients who come to Madonna have sustained very serious injuries which have caused complex medical and disabling conditions. Last year we treated: 580 patients with traumatic brain injuries; 230 with spinal cord injuries, both paraplegic and quadriplegic; 390 pediatric patients; and 1,100 neurological patients in stroke. The reasons for moving or, sorry, developing the rehab hospital in Omaha really are many. I will give you just four. The Lincoln facility, although we have an average occupancy of 83 percent, frequently reaches capacity, especially during the high accident season. Secondly, we need to do a better job of serving our patients who come remotely from states north and states east of Nebraska. As we'll testify later, Omaha is underserved in rehabilitation, resulting in an extraordinarily high incidence of nursing home institutionalization. And then, fourth, we'll be able to work much more closely with both Nebraska and Creighton Colleges of Medicine to advance our rehabilitation research agenda. We have 23 family housing units on campus for families who come from the 32 states across the country and for the day hospital patients who stay for treatment that can only be provided by Madonna. Many patients from Omaha, from Nebraska, as far away as North Platte, and from Iowa travel to Madonna for outpatient surgery follow...or outpatient therapy, following their inpatient stay, because Madonna is the only one that has the technology and the expertise to continue to meet their needs. Just one example of that is the Lokomat. And I did bring the article that was on the front page of yesterday's paper about Jim Unger and his rehabilitation at Madonna. The picture in the Lincoln Journal Star was of the Lokomat. It costs \$350,000 for a Lokomat, and we have two of them, a pediatric and adult one. The nearest facility with a Lokomat is Chicago, so you can see that we really do have to serve patients from across the state, as well the neighboring states. Some people will tell you that rehabilitation is rehabilitation; it's all the same. Most of the time they are mixing up therapy and rehabilitation. A really good example, I think, and a good

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analogy is children's hospitals. Madonna is a freestanding rehab hospital. Children's Hospital in Omaha is a freestanding children's hospital. There are pediatric units in acute care hospitals. Almost all acute care hospitals have pediatric units. It doesn't matter what the occupancy is in those pediatric units. You still need Children's Hospital because they treat a different kind of patient and they have extraordinary services that are only available in the Children's Hospital. So in Nebraska, we have nine rehab units of acute care hospitals. Many of them are small, ten beds or under. A few of them are 20 beds. Most of them have occupancies of 40 to 50 percent, but they don't treat the kind of patients that Madonna treats. Madonna has one... [LB487]

SENATOR CAMPBELL: I'm sorry. We should probably try to finish up, Ms. Lommel. [LB487]

MARSHA LOMMEL: Yeah, this is the end. [LB487]

SENATOR CAMPBELL: All right, thank you. [LB487]

MARSHA LOMMEL: Okay. Madonna has one of only eight accredited pediatric brain injury units in the country, one of only four pediatric spinal cord injury programs in the country. Our patients rank in the top 4 percent of the country for severity of disability and of medical complications. The other handout I have is from one of our patients who has been traveling from Omaha. He's one of many who come several times a week for outpatient therapy. He was going to testify today, but he had a conflict and could not come. At any rate, thank you very much for your attention and your support. [LB487]

SENATOR CAMPBELL: Thank you, Ms. Lommel. [LB487]

MARSHA LOMMEL: Can I answer any questions? [LB487]

SENATOR CAMPBELL: Questions? Senator Gloor. [LB487]

SENATOR GLOOR: Thank you, Senator Campbell. Marsha, I'm looking at the fiscal note that we...is done by Legislative Fiscal analysts for us. And it says, since the service, rehab beds, is so highly specialized and only specific types of high-needs clients can access the service, it is unlikely that relocation alone would increase the capacity. I hear you saying the opposite, which is, the ability to move further north will improve your capacity to use unused beds at a higher level of capacity because it will improve access. [LB487]

MARSHA LOMMEL: You're correct in the second part. Madonna has an ever-expanding market across the whole country and ever-expanding, very high technical and specific services. So we think that that will increase capacity from Iowa, Michigan, from some of the surrounding states, from South Dakota, yes. [LB487]

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SENATOR GLOOR: Let me pursue that then. As you know, an acute care bed isn't just an acute care bed. It can be an OB bed; it can be a surgical bed; it can be an intensive care bed. I'm going to assume the same thing is true when it comes to rehab. Maybe not to the same...in the same categories or diagnoses, but the rehab bed...there are certain groupings of rehab beds, whether it's brain injury, whether it's stroke. I guess I'm asking the question and asking to be educated about the rehab beds that we're talking about. Omaha, are they going to fit in a general category of rehab beds? Or is there going to be a degree of specialization or subspecialization that you try and achieve in Lincoln versus Omaha, Omaha and Lincoln? [LB487]

MARSHA LOMMEL: Basically, what we're planning is that the facility in Omaha will have the same complement of very highly specialized services for brain injury, spinal cord injury, burn, pediatrics. It really...the best analogy I can give you is Children's Hospital. Children's Hospital does pediatric open-heart surgery. But pediatric units in acute care hospitals do general pediatrics, like appendicitis. That same thing is with rehab. There are a lot of small rehab units that take care of some patients with hip replacements, knee replacements, stroke. But they don't have the level of services, the high level of services, that a specialized program has. There is no distinction in the law or in certification or licensure. [LB487]

SENATOR GLOOR: Sure. [LB487]

MARSHA LOMMEL: They're all considered rehab. [LB487]

SENATOR GLOOR: Like acute care beds. [LB487]

MARSHA LOMMEL: Yes. [LB487]

SENATOR GLOOR: Acute care beds, for the most part, fit in the same category. You're licensed for acute care beds. Whether you use them all for OB or all for med/surg, they're still... [LB487]

MARSHA LOMMEL: I see where you're going. Yes, sir. [LB487]

SENATOR GLOOR: Yeah, yeah. And so the same appears to be true with rehab beds, okay. [LB487]

MARSHA LOMMEL: Yes, sir, and it does take years and years and highly specialized equipment and staff training to provide the level of service that we provide. And we're the only ones in Nebraska that do provide that, but the good part is that we bring so many patients in from other states that that's also economically good for Nebraska. [LB487]

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SENATOR GLOOR: Okay, thank you. [LB487]

SENATOR CAMPBELL: Senator Crawford. [LB487]

SENATOR CRAWFORD: Thank you, Senator Campbell. So, I guess, I was following up on the same line of questioning and, if I understand it correctly, so the...if we look at the certificate of need process, then we're just looking at rehab beds. And if you were wanting to put those beds in Omaha, it would not likely be approved under the current process. But you're saying you have a different, specialized kind of rehab that's not really reflected in that certificate of need process. And so, I guess, one question I have for you is, if you think that raises the issue about the whole certificate of need process...or what benefit is it to you if we're keeping that process in place? [LB487]

MARSHA LOMMEL: I'm not sure that it benefits us so much as it benefits Nebraska. [LB487]

SENATOR CRAWFORD: Um-hum. [LB487]

MARSHAL LOMMEL: What happens if you don't have a certificate of need for rehabilitation is that you invite for-profit chains to come build hospitals, rehabilitation hospitals, here. I don't know if any of you remember, but that was true with psychiatric hospitals years ago. When the reimbursement issues change, those places are gone. Plus, you know, the revenue, the profits, from a for-profit rehab chain, whether it's, you know, LTAC or acute rehab, go out of state. They go to the corporate offices. It's not the same as nonprofit healthcare, and so the certificate of need really does protect Nebraska from having an oversupply of rehab beds, but not at the same level as Madonna has. [LB487]

SENATOR CRAWFORD: Um-hum, um-hum, okay. [LB487]

SENATOR CAMPBELL: Go right ahead. [LB487]

SENATOR CRAWFORD: Do you know about what percent of the people that you serve come from the Omaha area or would benefit from that shift? [LB487]

MARSHA LOMMEL: I can get that information for you. Off the top of my head, it's 200-and-something a year,... [LB487]

SENATOR CRAWFORD: Um-hum. [LB487]

MARSHA LOMMEL: ...about 12 a month. [LB487]

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SENATOR CRAWFORD: Um-hum. And you're drawing from all over; people are really coming from all over. [LB487]

MARSHA LOMMEL: Yeah, and, see, you know, whether it's Omaha or it's Iowa or northern Nebraska or...you know, we have children from Louisiana to Wisconsin. You know, it's a national facility. So, you know, I don't...if you count the city of Omaha or the surrounding territory, I'm not sure. I would be happy to get you that information. [LB487]

SENATOR CRAWFORD: Yeah, thank you. [LB487]

SENATOR CAMPBELL: Okay. Ms. Lommel, a question. I just want to clarify Senator Crawford's question having to do with that this is somewhat of a change in the process. It's...you really thought that you might, if I heard Senator Wightman correctly, you really thought that you would fit under the existing language, but the idea was that this is needed to, what, clarify the existing language, and I know that you're changing the process. [LB487]

MARSHA LOMMEL: We're not changing the process at all, Senator. You're quite correct. The Health and Human Services Department has ruled the opposite in other cases. [LB487]

SENATOR CAMPBELL: Right. [LB487]

MARSHA LOMMEL: They have allowed this to happen, exactly what we're doing: moving rehab beds from one facility to another, if owned by the same owner. So this is a new interpretation, to us, and we just want to clarify that interpretation. And the issue is our accreditation, our certification by the federal government will be one. The state says that the two facilities have to be two licenses. So it's kind of a Catch-22. [LB487]

SENATOR CAMPBELL: Right. For some of the members who were on the Health Committee prior to this year, this issue was also in discussion when we talked about the PRTF issue, where every facility with the...under an umbrella still had to count as a PRTF. Do you remember that discussion, Senators? So you're somewhat...I mean, we're somewhat familiar with the issue you're trying to articulate. [LB487]

MARSHA LOMMEL: Yes, Senator, it really is. You know, the federal government and state have two different definitions of what we are. [LB487]

SENATOR CAMPBELL: All right, thank you so much for your testimony today. Our next proponent. How many other people wish to speak as proponents? One, okay, and how many people in opposition? Two. And neutral? All right. Good morning. Go right ahead. [LB487]

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GARY HAUSMANN: (Exhibit 12) Good morning, Senators. My name is Gary Hausmann, G-a-r-y H-a-u-s-m-a-n-n. I am a 57-year-old Nebraska resident from Blair that was injured on September 1, 2006, in a motorcycle accident. I was and, fortunately, still am the chief pilot for Werner Enterprises in Omaha, Nebraska. As I drove home that afternoon from Eppley Airfield in Omaha, I was involved in a very serious accident. Please understand that Madonna Rehabilitation Hospital has a very special place in my heart because of the following story. While riding my motorcycle, I was six miles from home on a two-lane highway and approaching a car. She saw me and was stopped, waiting for me to get past her. As she...as I approached the car, 58 feet from her, she was rear-ended by an SUV and pushed into my path. According to five adult witnesses--please understand that I lost my memory from six hours before the accident until three weeks after the accident--I immediately applied the brakes, laid the motorcycle on its side, then jumped off the back of the cycle. Incidentally, I was wearing a very good motorcycle helmet. [LB487]

SENATOR CAMPBELL: Good, good. [LB487]

GARY HAUSMANN: After the resulting impact with the car, I broke two cervical vertebrae, four ribs, crushed my sternum, collapsed my right lung, and dislocated my right shoulder. However, the most serious was an injury to my brain, termed diffuse axonal injury. According to medical experts, only 9 percent of the victims survive this particular injury and, out of those 9 percent that survive it...understand I'm not bragging. I'm just telling you...I'm giving you the facts. Nine percent survive, and 92 percent of those people that do survive are in a wheelchair the remainder of their life. After 15 days at the UNMC Med Center in Omaha, 5 of those days in a coma, my wife was told that I should be moved the very next day to a rehabilitation hospital. After an extensive search of facilities in the Omaha and Lincoln area and throughout the Midwest, which included Denver, Dallas, and Chicago, my family confidently decided on Madonna Rehabilitation Hospital in Lincoln, Nebraska. I was transported to Lincoln by ambulance, unable to sit up, talk, walk, or function. When first admitted, I could not identify an apple, dog, baseball, or balloon in a children's first grade book. With the guidance of their expert staff of nurses, therapists, and doctors...excuse me. [LB487]

SENATOR CAMPBELL: You're fine. Just take your time, sir. It's okay. [LB487]

GARY HAUSMANN: I began to improve at a very rapid pace. I was very fortunate, as experts suggested that I might be a patient there for several months. I continued to progress and, three-and-a-half weeks later, I was released to my home. My wife and I, along with friends--I'm fine, thanks--my wife and I, along with friends and family, certainly thought it was very unfortunate that Madonna Hospital was 75 miles from Blair. As I think back on my unfortunate turn of events of September 1, 2006, I can't help but realize that I have been very blessed to have had the opportunity of experiencing, firsthand, the incredible life-changing skills that are available through Madonna

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Rehabilitation Hospital facility. While I know that I am very fortunate to have regained my FAA medical and my position as a corporate pilot, I can't help but realize that, without Madonna's help, I most likely would not have recovered to my current level. Thank you very much for listening, and please give some careful consideration to Madonna Rehabilitation Hospital's request for a facility in the Omaha area. Incidentally, two weeks ago, I went to an FAA medical examiner for my annual FAA medical exam. When Dr. Dennis Daley of Primary Care Physicians in Omaha asked me something about my recovery from my accident and my Madonna visit for the three-and-a-half weeks--actually, I had more visits than that--I told him that Madonna Rehabilitation Hospital is considering building a facility in Omaha. Dr. Dennis Daley looked at me and said, we've needed that for a long time, it's about damn time we get that hospital over here. Thank you very much. [LB487]

SENATOR CAMPBELL: Mr. Hausmann, I say to a lot of people, I'm really glad you're here today for your testimony. [LB487]

GARY HAUSMANN: Thanks. [LB487]

SENATOR CAMPBELL: But today, obviously, that has a lot more meaning. So you have every right to brag about the statistics. [LB487]

GARY HAUSMANN: Well, I get choked up every time I talk about it, when you really...when you think about it. [LB487]

SENATOR CAMPBELL: Absolutely. Of course you would. [LB487]

GARY HAUSMANN: But I'm sorry. [LB487]

SENATOR CAMPBELL: Of course you would. And thanks for coming to tell your personal story. Those are the hardest to tell, so do not apologize by any stretch. [LB487]

GARY HAUSMANN: Thank you very much. [LB487]

SENATOR CAMPBELL: Questions from the senators? Thank you, Mr. Hausmann, for coming today. [LB487]

GARY HAUSMANN: Thank you, um-hum. [LB487]

SENATOR CAMPBELL: And all good health to you for all the years to come. [LB487]

GARY HAUSMANN: Thank you very much. [LB487]

SENATOR CAMPBELL: Our next proponent. Good morning. [LB487]

VICTOR WITKOWICZ: (Exhibit 13) Good morning, Senator Campbell and members of the committee. My name is Victor Witkowicz, spelled W-i-t-k-o-w-i-c-z. I'm a senior vice president and chief financial officer at Madonna Rehab Hospital. I've served Madonna for the past 26 years, and I'm here today in support of LB487. Madonna engaged the healthcare consulting division of HDR Architecture, Inc., to perform an inpatient postacute market demand and capacity analysis. The study was completed in the report dated August 7, 2012. For purposes of the study, the primary and secondary service area was defined to be all of Nebraska, northern Kansas, western Iowa, southern South Dakota, and northwestern Missouri. The total population in the service area is approximately 5.6 million people. Total acute rehab admissions in this service area were approximately 5,800, using 2011 as the baseline year. HDR concluded that potential acute rehab admissions could be approximately 7,800. HDR further concluded that Madonna's total acute average daily census for both the Lincoln facility and the planned Omaha facility would be 88. Madonna's current average daily census in acute rehab is 56. Approximately half of the population increase relates to population- and age-adjusted data. That data suggests that the utilization of nursing homes in Omaha is higher than in Lincoln. On any given day there are approximately 59 more residents in nursing homes in Omaha than if the same utilization pattern was utilized or mirrored as in Lincoln. The...Madonna also estimates that services outside of Nebraska would increase as a result of the facility in Omaha and, as I mentioned previously, the 5.6 million population that the service area encompassed. We believe that services from outside of Nebraska for patients coming into Nebraska would generate, at a minimum, \$7.1 million of direct dollars flowing into Nebraska. And when we use the economic multiplier, there would be about a \$13.5 million positive economic impact to the state of Nebraska from out-of-state dollars flowing into Nebraska. Now mention was made, has been talked about, the fiscal note, so I want to address the fiscal note, if I may. And first of all, the fiscal note, in terms of the fiscal note, we're talking about Medicaid. And Medicaid in Nebraska for acute rehabilitation services pays a flat rate per day, regardless of the diagnosis of the patient. So whether one is a stroke patient, a TBI patient, a pediatric patient, there's a flat rate. Okay. There are at least three inaccuracies in the fiscal note that total to \$2.8 million. First, the note assumed an increased census of 82. There will not be an increased census of 82. Second, the note assumed a census was due entirely to Nebraska residents. And as I mentioned, we believe, with an Omaha facility, we'll be able to continue to draw outside of the state of Nebraska into the state of Nebraska. And third, the note failed to take into account the utilization changes. In other words, if nursing home residents...if the population of nursing homes can be decreased, that has a reduction in the Medicaid expenditures in the state of Nebraska, as opposed to an increase in the state of Nebraska Medicaid expenditures. You know, as a society, we say we believe in preventative health services. At Madonna, we believe that providing an intense, high-level rehab program saves money to society in that patients' outcomes are maximized, resulting in those

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patients being able to return to their life roles and then being a productive part of society once again. Economic studies supporting this notion of prevention are rare. However, Northwestern Life Insurance Company, several years ago, did such a study as it relates to brain-injured patients. And their studies show that, for every \$1 spent on rehabilitation, there are \$37 spent in subsequent healthcare costs. One of the ways to determine the similarity or dissimilarity between acute rehabilitation providers--and, as was mentioned earlier, there are eight other providers in the state of Nebraska besides Madonna--is to look at the average length of stay. [LB487]

SENATOR CAMPBELL: Mr. Witkowicz, we're pretty close to the end here. I hope you are close to the end here. [LB487]

VICTOR WITKOWICZ: I am, I am. [LB487]

SENATOR CAMPBELL: Okay. [LB487]

VICTOR WITKOWICZ: Okay. What's being passed around is a chart that looks at the average length of stay for each of the facilities in Nebraska, rehab providers. Madonna's average length of stay is 30 days, while all the remaining acute rehab providers in Nebraska's average length of stay is 12 days. Since Medicare, Medicaid, and insurance companies heavily regulate and manage admissions into acute rehab as well as continued utilization of acute rehab services, we believe the length of stay is a marker for the type of patient that's in the facilities. And we believe that the 30-day length of stay certainly aligns with what we say when Madonna says that we treat the most complex patients, contrasted with the 12-day length of stay with other facilities. The last point I'd just like to touch on briefly is the occupancy that's been mentioned before. Marsha Lommel talked about it. Madonna's occupancy is 83 percent. That's if we utilize the bed...the rooms that we have at Madonna. We currently have 66 rooms at Madonna. [LB487]

SENATOR CAMPBELL: And we really do need to finish up, sir, I'm sorry. [LB487]

VICTOR WITKOWICZ: That's fine. [LB487]

SENATOR CAMPBELL: But I have two more bills to go in an hour, so I really do need to end. [LB487]

VICTOR WITKOWICZ: Okay, fine, thank you. [LB487]

SENATOR CAMPBELL: Perhaps someone will touch on your question to get that. Any questions from the senators for Mr. Witkowicz? He has a lot of data. Mr.... [LB487]

SENATOR CRAWFORD: Could you just...if we're talking about how many beds we

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have and how many beds we're moving to get that shift to the 88, you said it's 56 census currently, and 88 is what it would be when you moved? [LB487]

VICTOR WITKOWICZ: Correct, correct. We have, currently, 87 licensed beds. [LB487]

SENATOR CRAWFORD: Eighty-seven beds? [LB487]

VICTOR WITKOWICZ: Eighty-seven licensed beds; but, as I said, only 66 rooms. And since private rooms are a necessity for the types of patients that we serve, we do not have the capacity that...our capacity is less than what our licensed bed capacity is. [LB487]

SENATOR CAMPBELL: Follow-up questions to anything? If we really skipped out on some data, please, send it to us. [LB487]

VICTOR WITKOWICZ: Okay. [LB487]

SENATOR CAMPBELL: Thank you. [LB487]

VICTOR WITKOWICZ: Thank you. [LB487]

SENATOR CAMPBELL: Our next proponent. Okay, those who wish to oppose LB487. Good morning. [LB487]

JILL POWERS: (Exhibit 14) Good morning. Madam Chair, members of the committee, my name is Jill Powers, J-i-l-l P-o-w-e-r-s. I am the operations leader of rehab services of Alegent Creighton Health in Omaha. I am here to testify in opposition of LB487. This bill is special legislation and allows an entity to bypass the certificate of need process. It also demonstrates a need to revisit the current law. With 11 hospitals and more than 100 clinic locations, Alegent Creighton Health is the largest not-for-profit health provider in Nebraska. Moreover, our work force includes more than 10,000 employees and a medical staff of 1,500 physicians. We are people who are passionate about our work to provide high-quality care for the body, mind, and spirit of everyone in our communities and in our state. Before I begin, I'd like to thank Madonna Rehab Hospital and Senator Wightman for bringing this issue forward for discussion. As many of you may be aware, any legislation that proposes a change to the certificate of need process is likely to generate a lively debate among hospitals and other providers, and LB487 has done just that. The healthcare industry as we know it has drastically changed over the last three years due to the passage of the Affordable Care Act, prompting hospitals and providers to rethink our current delivery system. We know that, nationally, many hospitals--one in six, in fact--will be closing in the coming years due to the inability to absorb the bureaucratic and financial changes that the ACA and other federal provisions have mandated. As such, any introduction of legislation that proposes a change to our current

model of service is one that Alegen Creighton Health examines closely. It is our opinion that LB487 brings forward an important question. In an era where hospitals are competing for limited resources and working to meet the increased insured population prompted by healthcare exchange, baby boomers moving to Medicare, and the decision to expand Medicaid, is the CON really necessary? Hospitals are operating in a world where the consumer is in the driver's seat, and any facility or provider that is able to adapt to this business model is more than likely to be successful. CON limits the ability for hospitals with rehab beds to make necessary changes, changes that provide consumers with accessible, quality, and affordable healthcare. Over the last 30 years, the healthcare industry and the Legislature have offered substantial amendments to the CON law, including a significant repeal of the CON provisions in 1997. Senators at that time recognized that cardiology and other acute care services should no longer be bound by a CON that dated back to 1979. The healthcare industry has changed substantially in those 18 years, and the current law had outlived its usefulness. We submit the same can be said about the CON laws governing the management of both rehab and long-term beds now. Under the current CON rules, as it applies to Nebraska nonprofit hospitals with rehab beds, there are a total of 230 beds throughout the state; yet, with the CON, only 23 new beds can be converted every two years. Given the thousands of newly insured and aging, one can only assume that the demand for rehab services and long-term care will increase as well. In conclusion, we understand Madonna's request. But we believe that if seeking this change proposed LB487 represents an opportunity for their facility to be innovative with their current business model, then we should amend the current certificate of need provisions to allow all facilities with rehab beds the opportunity to meet the demands of the patients and community. Alegen Creighton Health believes firmly that hospitals are strong stewards of their resources and would ask, who or what would be harmed if the CON provisions that are both outdated and unnecessary were removed? On behalf of Alegen Creighton Health, I urge the committee to amend this bill, to repeal the current certificate of need provisions for rehab and long-term care beds, to allow all of Nebraska hospitals and providers to meet the demands of a consumer-driven healthcare industry. Thank you. [LB487]

SENATOR CAMPBELL: Thank you, Ms. Powers. Questions? Senator Gloor. [LB487]

SENATOR GLOOR: Thank you, Senator Campbell. Well, I think I was tracking until I got to your next-to-last sentence about removing CON completely. [LB487]

JILL POWERS: Um-hum, um-hum. [LB487]

SENATOR GLOOR: And so for...other than the rehab beds and long-term care beds that we're talking about, we did that in '97, as you pointed out in your testimony,... [LB487]

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JILL POWERS: Um-hum. [LB487]

SENATOR GLOOR: ...unleashing a flood of new hospital beds, ambulatory surgery centers, surgical suites, imaging centers, imaging suites located around. During that period of time, have we seen healthcare inflation under control, as a result of market forces, do you think? Have we seen dramatic changes in the health status of Nebraskans? Improvements in infection rates? Improvements in outcomes for cardiology? Have...from what we have bought at a higher level, have we seen a dramatic change, as a result of lowering that CON barrier that was there, that's helped Nebraska in some way? [LB487]

JILL POWERS: I believe that care has improved over time. I believe healthcare systems have to improve over time and continue to do so. [LB487]

SENATOR GLOOR: I think there have been some modest improvements. [LB487]

JILL POWERS: Um-hum. [LB487]

SENATOR GLOOR: But I think some of that has to do with the way payers pay for services now. [LB487]

JILL POWERS: Um-hum. [LB487]

SENATOR GLOOR: I'm not sure that I attribute certificate of need as--and the removal of certificate of need in 1997--bringing to bear extraordinary market forces that have helped us in any way when it comes to patient care being improved or healthcare costs being controlled. [LB487]

JILL POWERS: Right. [LB487]

SENATOR GLOOR: And so looking at removal of this completely doesn't get me excited that it brings market forces to bear in the same way that I don't think they came to bear in 1997. [LB487]

JILL POWERS: Right. [LB487]

SENATOR GLOOR: Thank you. [LB487]

JILL POWERS: Um-hum. [LB487]

SENATOR CAMPBELL: Other questions? Thank you, Ms. Powers, for your testimony and information. [LB487]

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JILL POWERS: Okay, thank you. Thank you. [LB487]

SENATOR CAMPBELL: Our next opponent. Good morning. [LB487]

TOM THEROULT: (Exhibit 15) Good morning. I am Tom Theroult. I'm the...T-o-m T-h-e-r-o-u-l-t. I'm the CEO of Select Specialty Hospital in Omaha and have been there since the year 2000. We are here, or I am here, in opposition to the changing of the CON laws. I think that that is kind of an unfair situation to allow that for one and not for the other. As Ms. Powers just brought up, I think, that, really, a visiting of the whole CON issue is, perhaps, something that we should do moving forward. But I wanted to kind of stick with the rehab component here. I think that, you know, in Mr. Witkowicz's testimony he talked about HDR had done a survey and they found that in the service area--South Dakota, keeping that geographic area that they picked out--that they were looking at, there was a potential for, 88 rehab patients. I am assuming on a daily basis is what they're looking at. Currently, in Omaha, there are 62 acute rehab beds. There is a difference in acute rehab versus the subacute rehab, which it seems that we're kind of blending a little bit here. In Omaha, there are, perhaps, more acute rehab or subacute rehab beds than there are in Lincoln. But I think, as far as the acute rehab beds, we have the 62 in Omaha that are not completely occupied, even though they're running at a percentage, you know, from 55 to 75 or 85 percent occupied. So to add additional beds in Omaha, I don't know that that's really necessary. It...the providers that we have--and I use all three facilities, by the way; I send patients to Madonna, to Immanuel, and to Methodist rehab programs--each has a little bit different service that they provide. I don't believe that an additional 40 beds in Omaha are really necessary at this point in time. As Marsha Lommel had stated in testimony back in 2008, you know, rehab is a highly specialized program, and people will travel quite a distance for specialized programs. And that is a good thing, and I think Madonna is a great thing in Nebraska. I just don't feel that we need to add additional capacity in the Omaha market. [LB487]

SENATOR CAMPBELL: Mr. Theroult, am I saying that correctly, sir? [LB487]

TOM THEROULT: Yep, yeah, yep. [LB487]

SENATOR CAMPBELL: Would you spell your last name for the clerk one more time? [LB487]

TOM THEROULT: Yep. T-h-e-r-o-u-l-t. And I had submitted my letters. [LB487]

SENATOR CAMPBELL: Yes, yes. [LB487]

TOM THEROULT: So you guys had that, so I didn't want to read that. [LB487]

SENATOR CAMPBELL: And you have provided a lot of documentation to your letter,...

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[LB487]

TOM THEROULT: Um-hum. [LB487]

SENATOR CAMPBELL: ...which the committee will review and take a look at. Senator Crawford, do you have a question? [LB487]

SENATOR CRAWFORD: Thank you, Senator Campbell. So just to clarify, the bill would allow any facility to move to beds, so just in terms of that's what the bill is, not a specific... [LB487]

TOM THEROULT: Um-hum, right, right. [LB487]

SENATOR CRAWFORD: So the facilities you're talking about could also move beds. And if there was too much capacity in Omaha, someone might decide to move beds somewhere else. Is that true? [LB487]

TOM THEROULT: That is true. [LB487]

SENATOR CRAWFORD: So, I mean, it provides that flexibility, for any health facility with these beds, to move them where the demand might be greater or where greater access for people traveling, where there might be better access for people traveling. [LB487]

TOM THEROULT: Yeah. I think, in the acute rehab side, you have to look though. Madonna has whatever their exact license number is, but I think they just were talking about they have 40 beds that they could move. Other facilities might not have those under their rehab designation at this time. So even if they wanted to move them, they couldn't move them. They might have accessed beds in another area but, as Marsha was talking about the different units, they can't move them. They would have to go through the CON. I just feel strongly that we should not change the current CON law to make an exception for one, as others would have to apply for the CON. [LB487]

SENATOR CRAWFORD: But this is for rehab beds. [LB487]

TOM THEROULT: For rehab only, acute rehab. [LB487]

SENATOR CRAWFORD: Right. [LB487]

TOM THEROULT: We need to specify that there is subacute rehab as well that, you know, many of the nursing home providers in the state do as well. That's...they're doing rehab services. [LB487]

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SENATOR CAMPBELL: Any other additional questions? [LB487]

SENATOR CRAWFORD: No, that's fine, thank you. [LB487]

SENATOR CAMPBELL: Senator Crawford, did you have a follow-up? [LB487]

SENATOR CRAWFORD: No, that's fine, that's fine. [LB487]

SENATOR CAMPBELL: Okay. Thank you, Mr. Theroult, for coming today. [LB487]

TOM THEROULT: Thank you, um-hum. [LB487]

SENATOR CAMPBELL: Our next opponent. Anyone else? Anyone in a neutral position? Okay, Senator Wightman, you're up to close. [LB487]

SENATOR WIGHTMAN: Thank you, Senator Campbell, members of the committee. I know it was pointed out that maybe we ought to repeal the CON provisions altogether and, you know, that certainly is something that this committee might consider in the future. But I don't think that it would fit under the current bill. And I think that, if they wanted that, they would have to bring a separate bill because I just don't see it as being germane to the issue here today. So we found that the testimony is pretty strong, that a lot of those patients that they would have are currently patients that they'll be providing closer service to in Omaha, that there is not going to be that many new patients. But they hope there would be some out of some states, particularly in, probably, South Dakota and northern Iowa, that they would...and maybe in far north Nebraska. I don't know. But we just feel that the services they are providing are unique enough that it would be better to allow them to have some of those beds in Omaha and that it would probably either do no harm or very little harm to anyone else. So I don't intend to make it any more than that unless somebody has some questions, but... [LB487]

SENATOR COOK: You know, I... [LB487]

SENATOR CAMPBELL: Any follow-up questions for Senator Wightman? Did you have a questions, Senator? [LB487]

SENATOR COOK: Yes, and I probably will end up...thank you, Madam Chair, I'll probably end up following up your staff or another testifier. QLI, Quality Living, Inc., is a business that operates in Legislative District 13 that specializes in brain injury. [LB487]

SENATOR WIGHTMAN: I'm having difficulty hearing you, and that's my problem. [LB487]

SENATOR COOK: Well, and I'm going to, as I said, probably follow up with your staff or

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with other testifiers or people representing Madonna. QLI, Quality Living, Inc., is located in Legislative District 13 and specializes in brain injuries and related disorders. And so, them already being located there, I'd be just interested in ensuring that they've had an opportunity to weigh in as well. So I'll ask, I'll be following up on that, and wanted to make you aware. [LB487]

SENATOR WIGHTMAN: Okay, thank you. [LB487]

SENATOR COOK: Thank you. [LB487]

SENATOR CAMPBELL: Thanks, Senator Cook. Anything else? Thank you, Senator Wightman. [LB487]

SENATOR WIGHTMAN: Thank you. [LB487]

SENATOR CAMPBELL: (See also Exhibits 16 and 17.) That closes our hearing. If you are leaving, please leave as quietly as you can because we're going to move right on to the next hearing. And Senator Crawford is making her way. Please take all conversations to the hall. All right, Senator Crawford, we are ready to start. LB430 is Senator Crawford's bill to change asset limitations for the Aid to Dependent Children program, childcare subsidy, and the Welfare Reform Act. So, Senator Crawford, you begin whenever. [LB487]

SENATOR CRAWFORD: (Exhibit 18) Thank you. Good morning, Chairwoman Campbell and members of the Health and Human Services Committee. This is my first time presenting before this committee, and I'm glad to be here and have the opportunity to do so. For the record, my name is Sue Crawford, C-r-a-w-f-o-r-d, and I represent LD45--Bellevue, Offutt, and eastern Sarpy County. In 2011, Senator Jeremy Nordquist introduced LB663, which would have eliminated the asset limit for the Supplemental Nutrition Assistance Program, or the SNAP program. This proposal was amended into LB663, which was introduced by Senator Cook. The final version of that was signed into law later that spring, and that set the asset limit for SNAP recipients at \$25,000 liquid assets. LB430 would increase liquid asset limits for several other public benefit programs, streamlining the qualifications and asset limitations to be consistent with the limit set for SNAP participants, while keeping the income and work requirements in place. These programs include the childcare subsidy and TANF program. Currently, our asset requirements for these programs send conflicting messages about saving and investing in economic self-sufficiency and independence. After a discussion with DHHS, it was brought to our attention that the state also set a separate asset limit for the Low Income Heating Assistance Program, or LIHEAP. As such, I have also brought an amendment to the committee to include LIHEAP, to maximize the streamlining benefit available, so that all of these programs would have the same asset test. I have circulated a copy of that amendment for your consideration. We encourage families to

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save money for retirement, invest in assets and their children's education, and for unexpected income shocks, such as family illness, divorce, or job loss. Yet, when these families experience such shocks and need temporary assistance to make ends meet, they are required to either keep their financial assets below the limit or spend down their limited savings to qualify. Nebraska families that are experiencing a financial crisis should be able to receive short-term assistance without having to sacrifice their long-term economic independence. Clearly, the impact of increased asset limits on TANF recipients and their families is great. The numbers of new families served and, by extension, the cost to the state is small, however. Approximately 18 cases per month are closed due to applications denied for family resources beyond the limit, and that includes childcare and ADC. But LB430 would ensure these low-income families are able to receive short-term assistance without jeopardizing their economic self-sufficiency in the long run. Several other states have increased asset limits or eliminated asset tests for TANF recipients, including Colorado, Ohio, Louisiana, and Virginia. In each state, caseloads increased minimally or not at all. In Virginia, for example, caseloads were 35 percent lower in December of 2011, than in 1997. Previous studies have shown that higher assets limits are strongly correlated with higher savings among current and potential TANF recipients. One such study found that, for every \$1 increase in asset limits, savings by female-headed households increased by \$0.25. Another study found that, for every \$1,000 increase in the state's asset limit level, single mothers were 13 percentage points more likely to own a car, which is important, since automobile ownership is often crucial for securing and maintaining employment. Currently, case workers spend a significant amount of time verifying asset limits for a variety of programs. This bill, with changes coming to Medicaid in 2014 due to the ACA, will allow the department to streamline their verification procedures to allow caseworkers to dedicate less time to screening applicants and more time to helping recipients find meaningful work. And the...we have also, you know, example for you to look at: the benefits application. And we're talking about assets. In Nebraska, we're asking about assets. We're asking about not only savings, but we're also asking about crops, livestock, machinery, and those kinds of assets that someone would have access to. And our contention is that they should not have to spend down or sell those assets if they have a temporary such setback. The childcare estimates provided by DHHS comprise most of the fiscal note's cost, despite the fact that research in other states has not found that these changes have resulted in increased caseload. And we also passed out, I believe, a sheet for you that shows the number of cases closed due to asset resource limitations. And the childcare is the one that's one the fiscal note of the...that we're going to increase the caseload substantially. But if you look in your chart, the childcare is this column right here. And you'll see, in each month, there are one...most months, there are one or two cases that are closed for the childcare or denied for childcare because they exceed that asset limit. So it doesn't look like that it really will...that there's not...I don't see where they're getting that they would have 18 more cases per month. It looks like there are a very small number of cases per month that are denied for these asset limits, in terms of the childcare

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program. And so I disagree with the fiscal note's estimate of how the cost would increase for the childcare program. Aubrey Mancuso from Voices for Children will testify this morning on these estimates and the fiscal note more generally, so she'll have more detail to tell you about that. With that, I'm happy to answer any questions you may have. Or we could wait until other people testify and answer questions after that. [LB430]

SENATOR CAMPBELL: Any questions from the senators? I think we will wait, Senator Crawford. [LB430]

SENATOR CRAWFORD: Okay, thank you. [LB430]

SENATOR CAMPBELL: Our first proponent. Good morning again. [LB430]

AUBREY MANCUSO: (Exhibit 19) Good morning. Thank you, Senator Campbell, members of the committee. My name is Aubrey Mancuso, A-u-b-r-e-y M-a-n-c-u-s-o, and I'm here on behalf of Voices for Children in Nebraska. Senator Crawford did an excellent job in her introduction, so I'll keep my testimony concise today. We believe that, as the state has switched to a primarily on-line application program, it also makes sense to modernize our program policies in ways that reduce our reliance on paperwork. Attached to my testimony is a fact sheet showing some of the asset categories that are currently exempt and not exempt under current law. This bill seeks to make these requirements uniform. And as Senator Crawford stated, the income limits for the program would remain in place, ensuring that help is still only given to those who need it most while streamlining these requirements. Six other states have eliminated asset tests in their TANF programs entirely. And Nebraska is only one of two states in the nation that has an asset limit in its childcare program. Recent research from the New America Foundation has found that improved administrative efficiency in public programs has resulted in states where asset tests have been eliminated. The same research also found that the benefits of eliminating or raising these tests can be limited if the policies are not aligned across the programs because many states, like Nebraska, use a common application form. Asset tests can also encourage lower income families to remain outside of the financial mainstream and doing things like not holding a bank account. And as Senator Crawford mentioned, they can also encourage the spending down of resources necessary for longer-term financial security, like savings for retirement and education. I was also going to speak briefly to the fiscal note. I think, you know, it's fair to say that there are some questions about the number of childcare cases, and it's my understanding that those questions are being followed up on between the Fiscal Office and the department. But I would also note that LB663, the bill that originally made this change to the SNAP program in 2011, did not have a fiscal note. And although SNAP is a fully federally funded benefit, the state pays 50 percent of the administration cost to the state, and there was no administrative cost estimated at that time. And with that, I'll thank you for your time and ask you to consider advancing this bill. [LB430]

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SENATOR CAMPBELL: Any questions? Thank you, Ms. Mancuso. Our next proponent. [LB430]

JAMES GODDARD: (Exhibit 20) Good morning. [LB430]

SENATOR CAMPBELL: Good morning. [LB430]

JAMES GODDARD: My name is James Goddard. That's J-a-m-e-s G-o-d-d-a-r-d, and I am the director of the economic justice and healthcare access programs at Nebraska Appleseed. I'm here today to testify in support of LB430. With the hearing in the morning and thinking about the time crunch, I'm going to go ahead and just abbreviate my comments and just indicate that we support LB430 because it would streamline the service delivery system, also known as ACCESSNebraska, and hopefully it would help avoid work backlogs. That's something that I know many on this committee have heard about. And this bill could go far to helping prevent some of those issues because a significant amount of time is put into verifying assets, even though many families are not actually, ultimately, excluded based on the asset test. It would also remove a barrier to families building savings and achieving economic independence. When a family has no savings, they are put into crisis with a job loss or an emergency, and the bill would allow families to better prepare for the future and remove a barrier to their economic independence. So with that, I will urge the committee to advance the bill, and I'd be happy to answer any questions. [LB430]

SENATOR CAMPBELL: Questions for Mr. Goddard? Thanks, Mr. Goddard, as always, for your footnotes on where we can find additional information about this. That's great, absolutely. Thanks for coming today. [LB430]

JAMES GODDARD: Thank you. [LB430]

SENATOR CAMPBELL: Our next proponent. Okay, those who are opposed to LB430. Okay, those in a neutral position. All right, Senator Crawford, do you wish to close on LB430? [LB430]

SENATOR CRAWFORD: Sure, thank you. Thank you again, Chairwoman Campbell and members of the committee, for the opportunity to appear before you today. LB430 will help encourage all Nebraskans to save money, invest in assets and in their farms, and reduce the threat savings can pose to low-income families who are experiencing a short-term financial crisis. It will also streamline the application process. It is important to simplify ACCESSNebraska as much as possible in order to improve access by individuals who are most in need of assistance, and eliminating many of these asset tests would help to streamline that process. The bill will also help to promote economic development by encouraging investment in education and may allow families to start

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small businesses or engage in other entrepreneurial activities that an asset-poor individual may not be able to do. We had someone who, initially, was hoping to come to testify about having to spend down some of her educational savings accounts because of the asset test, and she wasn't able to show up today. But that's just one personal example of the impact that the bill might have. We must encourage individuals to save, as well as create an administrative system in the state that supports this effort and incentivizes such behavior. Our current asset limits do not accomplish this task. LB430 will go a long way into making this possible. Thank you again for this opportunity to appear before you today. Please vote to advance this bill to the floor to help ensure our public systems encourage savings and financial planning and that we encourage administrative streamlining and modernization. Thank you. [LB430]

SENATOR CAMPBELL: Okay, thank you. You can just stay right there. [LB430]

SENATOR CRAWFORD: Um-hum. [LB430]

SENATOR CAMPBELL: (See also Exhibits 21-23) Any follow-up questions for Senator Crawford? All right, we will move to our next bill, which Senator Crawford also has. LB368 is Senator Crawford's bill to create a Subsidized Employment Pilot Program within the Department of Health and Human Services. So we'll go right ahead, Senator, when you're ready. [LB430 LB368]

SENATOR CRAWFORD: Thanks a lot. All right, thank you, I am. Good morning, Chairwoman Campbell and members of the Health and Human Services Committee. Again, my name is Sue Crawford, C-r-a-w-f-o-r-d, and I represent Bellevue, Offutt, and eastern Sarpy County. In 2009, Congress passed the American Recovery and Reinvestment Act as a response to the Great Recession of 2007-2009. Part of the Recovery Act included increased Temporary Assistance to Needy Families emergency funds to help states meet the increased need for assistance to low-income families. Several states use this funding to create subsidized employment programs, including our neighboring states of Iowa, Missouri, Colorado, and Kansas. The design of these programs varied, however. Each program allowed states to grow job opportunities available to low-income parents and working-age young people. While the national and global economies have begun to recover, many low-income families across the state still struggle to earn a living wage to support themselves and their family. At the same time, many Nebraska small businesses have postponed plans to hire new employees, upgrade equipment, or expand into new markets as they waited out the worst of the Great Recession. LB368 creates a Subsidized Employment Pilot Program that creates new job opportunities for low-income Nebraskans and allows small businesses and other businesses to expand and grow their businesses while minimizing the risk involved in hiring a new employee. Under the program, an employer hires a TANF-qualified person at a prevailing wage, and TANF pays 100 percent of the salary for the first two months of employment. The bill also includes a provision that slowly

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decreases the amount of the wage subsidy received by the employer over the course of the six months so that, at six months, the employer pays 75 percent of the salary and the subsidy is just 25 percent of the salary and then the subsidy ends. As the subsidy decreases, employers pick up more and more of the cost of employment. So by the end of six months, businesses will cover 100 percent of the cost of employment, creating an incentive to keep program participants on the payroll once the program officially ends. Even if the employer does not retain the participant, which I hope they will, these low-income Nebraskans leave the program with job experience, which is critical for getting the next job. Job experience has been shown to be one of the best predictors of higher wages. The pilot program would operate for four years, beginning on July 1, 2014, and ending on July 1, 2018, using the existing, rainy-day TANF funds. These funds have a current balance of \$50 million. LB368 would appropriate only \$4 million of those dollars, \$1 million for each year of the pilot, to fund this program. With these appropriations, LB368 should be able to provide job experience for approximately 200 to 300 low-income Nebraskans and potential growth for many large and small businesses across the state. LB368 provides flexibility for the Department of Health and Human Services to work with either the Department of Labor or a nonprofit organization to administer the program. You may hear that we already have job training programs in this state, such as Employment First's on-the-job training, operated through DHHS, and the Workforce Investment Act, or WIA, program operated through the Department of Labor. The program created by LB368 differs from these programs in several key ways. One, it will serve more Nebraskans than the other programs currently serving low-income families. For example, Employment First's on-the-job training program provided wage subsidy to just 17 participants in 2013...as of January 2013. The Employment First on-the-job training program provides those wage subsidies to people who would...who are receiving TANF benefits specifically. The wage subsidy program created under this bill, LB368, would provide job opportunities for 200 to 300 low-income Nebraskans. Another key difference between the existing program and LB368's wage subsidy program is the population that each program serves. For example, WIA provides career services for unemployed individuals, military spouses who have quit their job due to a change in station, individuals who have a significant barrier to employment or who are identified as low-income, which in this case means Nebraskans at or below 100 percent of the poverty line. LB368 would expand the opportunities for Nebraskans at or below 200 percent of the federal poverty level. Similarly, Employment First's on-the-job training program serves current TANF benefit recipients, whereas the wage subsidy contained in LB368 would serve any Nebraskan who meets TANF service income requirements, which reach up to 200 percent of poverty, so we're reaching a group that's not reached by either of the existing on-the-job training programs. Programs like the one created by LB368 have resulted in increased job retention and higher-wage jobs for its participants. For example, in the state of Hawaii, subsidized employment program reported a 78 percent retention rate as of July 2008. And that's 78...that's not 78 percent who stay on as long as the wage subsidy is there. That's 78 percent of the employers kept the employees after the wage subsidy

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ended. The average wage for these workers was \$9.17 an hour, compared to Hawaii's minimum wage of \$7.25 an hour. Programs in Minnesota and Washington, created in the 1990s, have seen more than two-thirds of its participants successfully obtain unsubsidized employment following their programs. Several individuals here today, including Elizabeth Donner, community development coordinator from Goodwill Industries, will testify to their support and willingness to serve as partners for this project. James Goddard from Nebraska Appleseed will also be here to testify and answer any technical questions about TANF work requirements and how this pilot project might work with the existing TANF work requirements. Thank you again for this opportunity. I'm happy to answer any questions at this time or at a later time. [LB368]

SENATOR CAMPBELL: Questions for Senator Crawford? Senator Gloor. [LB368]

SENATOR GLOOR: Thank you, Senator Campbell. Senator Crawford, is this program likely to be...is the pilot located in one geographical area, one demographic area, or do you see it as a statewide program? Or is it more likely, as a pilot, going to be specific to a certain area in the state? [LB368]

SENATOR CRAWFORD: It is not designed to be designated in a specific portion of the state. I would hope we could get partners across the state. [LB368]

SENATOR GLOOR: Okay, thank you. [LB368]

SENATOR CRAWFORD: Thank you. [LB368]

SENATOR CAMPBELL: Okay, any other questions? Thanks, Senator Crawford. [LB368]

SENATOR CRAWFORD: Thank you. [LB368]

SENATOR CAMPBELL: All right, with those introduction, we'll go ahead and open on...for the proponents. [LB368]

ELIZABETH DONNER: (Exhibit 24) Good morning, everyone. My name is Elizabeth Donner, it's E-l-i-z-a-b-e-t-h D-o-n-n-e-r, and I work for Goodwill Industries. We service eastern Nebraska and southwest Iowa, so not all of Nebraska but a portion of the greater Omaha area. I am speaking today in favor of LB368. It supports a wage subsidy program. Currently Goodwill operates two programs that offer wage subsidies. We call them OJTs. That's essentially the same as the wage subsidy, though, where businesses get reimbursed for hiring participants. We have found that the OJT has proven extremely beneficial for our participants, as well as for the business community that we partner with. What's so great about wage subsidy programs is that it allows individuals to be trained while they are earning a wage, so it's not like they're going to school and

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they're not able to earn a wage. They're actually earning a wage while they are being trained by the employer. They're able to acquire new skills while supporting themselves and their families. These types of programs also allow for a business, especially small businesses, to receive incentives for training employees. Goodwill supports expansion of such programs because of the success that we have seen, as well as the limited resources that are currently available for employer subsidies. Currently, one of our federally funded programs will end in June of this year, and we'll no longer be able to offer those wage subsidies or OJTs to employers. Goodwill is also the service provider for Title I WIA services in the greater Omaha area. And currently our enrollment and program goals are based on state budgets for WIA, and so we don't have a whole lot of involvement in that. It's predetermined. And for fiscal year 2012, we have a budget to have approximately 26 OJT placements for adults in the greater Omaha area, so it doesn't service as many as we would like to. And currently in Nebraska, just based off of the grant application for Employment First, there are 8,000 individuals participating in the Employment First program, so there's a large number out there that could be serviced. Today we're providing you with a number of letters of support from Omaha-based businesses that have taken advantage of the subsidy programs that Goodwill offers and are advocating for LB368. Along with these businesses, I would urge you to advance LB368. It's a win for the individuals struggling with finding employment, and it's also a win for businesses in our community. Thank you. [LB368]

SENATOR CAMPBELL: Thank you, Ms. Donner, for your testimony. Are there questions? Ms. Donner, I have a question. On the current programs that you have available for folks,... [LB368]

ELIZABETH DONNER: Um-hum. [LB368]

SENATOR CAMPBELL: ...what's the duration of those? Because Senator Crawford's bill would be, like, a six-month duration. [LB368]

ELIZABETH DONNER: Um-hum. It's individualized, based on the type of employment that an individual goes into, as well as any education background that they have. But in general, the max is six months, so it varies generally between three to six months. [LB368]

SENATOR CAMPBELL: So having a six-month time period is pretty standard among programs like this? [LB368]

ELIZABETH DONNER: Um-hum, yes, um-hum. [LB368]

SENATOR CAMPBELL: Okay. Do you keep percentages of people who go on to be employed by the companies? [LB368]

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ELIZABETH DONNER: Yes, and I have those if you'd like me... [LB368]

SENATOR CAMPBELL: That would be great. [LB368]

ELIZABETH DONNER: Sure. [LB368]

SENATOR CAMPBELL: You can either provide them to us in an e-mail or to Senator Crawford and she can get them to us, but I would like to see that. [LB368]

ELIZABETH DONNER: Sure. I actually have them. For the WIA programs in 2012, we've had 19 OJTs. Fourteen have been successful and we have five currently participating, and the average wage of that employment was \$12. For our Customer Connect program, which is funding that we receive through the ARRA, we've had a total of 12 OJTs. Nine have been successful. Two of those, though, did transition into other employment that were not originally their OJTs, so I'd consider that a 10 out of 12; and the average wage on that, as well, was \$12. [LB368]

SENATOR CAMPBELL: Okay. Do you...and obviously you have been participating in a number of these programs over the course...over years probably. [LB368]

ELIZABETH DONNER: Um-hum. [LB368]

SENATOR CAMPBELL: Do you find that the success rate for someone staying...do you monitor and follow up to say, okay, they were in this program, so let me see where they are in six months? [LB368]

ELIZABETH DONNER: Yes. [LB368]

SENATOR CAMPBELL: Do you do that? [LB368]

ELIZABETH DONNER: Yeah. Because these programs are essentially federally funded, we do have requirements federally for entered employment and then employment retention. [LB368]

SENATOR CAMPBELL: Okay. [LB368]

ELIZABETH DONNER: So that is tracked. [LB368]

SENATOR CAMPBELL: Good. Do you have any statistics on that, by the way? [LB368]

ELIZABETH DONNER: I don't. All I have here today is just how many have been successfully completed, so. [LB368]

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SENATOR CAMPBELL: Sure. And if you have any of that, to give that to Senator Crawford... [LB368]

ELIZABETH DONNER: Okay. [LB368]

SENATOR CAMPBELL: ...and she can share it with us would be helpful because I think...I know that when we looked at this program before...and I think Senator Mello might have had a bill close to this. [LB368]

SENATOR _____: Um-hum. [LB368]

ELIZABETH DONNER: Um-hum. [LB368]

SENATOR CAMPBELL: I'm seeing nods in the audience. Thank you. That's helpful for my memory...affirming to my memory, actually. [LB368]

ELIZABETH DONNER: Um-hum. [LB368]

SENATOR CAMPBELL: But I remember one of the questions really had to do with...not that we didn't think the program was successful. [LB368]

ELIZABETH DONNER: Um-hum. [LB368]

SENATOR CAMPBELL: But what data do we have to show that, at the end of a period of time, the person is still employed by that company? [LB368]

ELIZABETH DONNER: Um-hum, right, yeah. [LB368]

SENATOR CAMPBELL: And obviously, your six-month look here at the data you've given today would say, fairly successful within that six months. [LB368]

ELIZABETH DONNER: Yeah, um-hum. Correct, yeah. [LB368]

SENATOR CAMPBELL: Okay. And I also would probably hasten to add that, you know, one of the...if you look at your data, one of the things that we'd have to keep in mind is that we've also been in a downturn period in Nebraska. And so for some employers, if your figures go down, we'd have to keep in mind that some employers might have wanted to really keep that employee but, because of the downturn in the economy, may not have been able to. [LB368]

ELIZABETH DONNER: Well, and also, too, it's a population that hasn't had employment...chronically unemployed,... [LB368]

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SENATOR CAMPBELL: Yeah, right. [LB368]

ELIZABETH DONNER: ...so just some of the challenges of going back to work after that, so, as well, so. [LB368]

SENATOR CAMPBELL: Absolutely, absolutely. Thank you so much for your testimony today and for the programs. [LB368]

ELIZABETH DONNER: Yep, thank you. Um-hum, thank you. [LB368]

SENATOR CAMPBELL: Our next proponent. Good morning. [LB368]

SEPTEMBER CARTER: (Exhibit 25) Good morning. How you doing? [LB368]

SENATOR CAMPBELL: Very good. [LB368]

SEPTEMBER CARTER: My name is September, and I am 35 years old and a resident of Douglas County. [LB368]

SENATOR CAMPBELL: You want to say and spell your name? [LB368]

SEPTEMBER CARTER: Oh, I'm sorry. Okay, September, S-e-p-t-e-m-b-e-r. [LB368]

SENATOR CAMPBELL: Okay. [LB368]

SEPTEMBER CARTER: And last name was C-a-r-t-e-r. [LB368]

SENATOR CAMPBELL: You go right ahead. [LB368]

SEPTEMBER CARTER: Oh, okay. I am a resident of Douglas County, and I am a single parent of two. I have a son who is 10 years old and a daughter who is 15. My two children and I have been living with my...in my sister's basement for the last few years, and right now I receive ADC, SNAP, and Medicaid benefits. And I hope to own my business near the future. I have been involved in the Employment First program for about four months, and this is my third time in the program. I am required to complete 30 hours of community service per week. If any hour of required work time is missed, whether because my children are sick or I am sick, I can get sanctioned and lose the assistance. I was looking for a job and became frustrated when I didn't get any callbacks because of a criminal record I just found out about, even though I have an associate's degree. And I decided to go back to school and work on my bachelor's degree in information technology while I work out...work on my court charges. With LB368, instead of feeling worthless, parents like myself will be able to work and make money while holding their heads high. In addition, our kids will not feel like they are part

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of a poverty club because of other kids treating them as if poverty was a disease. I would like to be paid for the work I am able to accomplish and not punished for my past. I will not only be able to prove my self-worth but also be able to prove that I am not less of a person because I hit a stumbling block and needed help to get back on my feet. I appreciate the help I have already received and will be forever grateful. I feel that I have come closer to independence, and I feel that LB368 will bring me closer yet. The bill will place people into jobs, and they will not have to go through the program several times like I have. I support the LB368 and thank you for the opportunity to respond to it, and I ask that you vote to help single parents in their futures. Sincerely, September Carter. [LB368]

SENATOR CAMPBELL: Thank you. Thank you, Ms. Carter. Are there questions from the senators? Thanks so much for your testimony. [LB368]

SEPTEMBER CARTER: Thank you. [LB368]

SENATOR CAMPBELL: Our next proponent. [LB368]

CARLISTA MUSE: (Exhibit 26) Good morning, Chairperson... [LB368]

SENATOR CAMPBELL: Good morning. [LB368]

SENATOR COOK: Good morning. [LB368]

CARLISTA MUSE: ...and members of the Health and Human Services Committee. My name is Carlista Muse. That's C-a-r-l-i-s-t-a, Muse, M-u-s-e, and I am a resident of Douglas County, Nebraska. I am 40 years old, divorced mother of eight children, five currently residing at home. We live with my sister in an apartment, and I am temporarily receiving TANF and SNAP benefits to support my family. I am currently working with the Employment First program doing job searching as well as volunteer work for my community. This is my second time in the program, and my experience has not been any different than the first. I am required to complete 30 hours of job search for jobs that I know I will not last long at. If I had received a meaningful employment opportunity the first time, I would not be back in the program. Instead, I had to take a dead-end job just so that I can afford my living expenses. I do not want another dead-end job, and I do not want to end up in the same position again. I am hoping to further my education by going to school and obtaining an associate's degree in social services. I believe that many changes could be made to improve the Employment First program so that people have a better experience. I ask you today to support LB368. Not only will this bill positively affect us as individuals, but also as a community. It could help businesses grow and be able to bring on new employees. This bill will also allow people to get skills, experience, meaningful jobs, and have more positive outcomes from the program than I experienced. With this bill put into place, people are more likely to be able to become

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self-sufficient. Again, I ask that you please support LB368. Thank you. [LB368]

SENATOR CAMPBELL: Thank you, Ms. Muse. Questions from the senators? When you talk about going through the program twice, is that the Employment First program? [LB368]

CARLISTA MUSE: Yes, ma'am. [LB368]

SENATOR CAMPBELL: Okay, and what made that...so at the end of it, you didn't have a job that...or didn't have an opportunity to have a job that really... [LB368]

CARLISTA MUSE: Right. The first time I was in the Employment First program, I just took a job because I had to, you know, to pay bills, take care of my kids. The second time was because I...the reason why I had to get back in Employment First was because I was laid off. So, I mean, maybe this bill will be able to help other individuals receive meaningful, you know, skills and employment, you know, opportunities so that they will be able to stay in that job longer or advance. [LB368]

SENATOR CAMPBELL: Or be able to link you up with a company that has, you know, your interest in it. [LB368]

CARLISTA MUSE: Right, right. [LB368]

SENATOR CAMPBELL: Okay. [LB368]

CARLISTA MUSE: Thank you. [LB368]

SENATOR CAMPBELL: Thanks, thank you much. Our next proponent. [LB368]

ERICKA GUINAN: (Exhibit 27) Good morning. I'm Ericka Guinan, E-r-i-c-k-a. [LB368]

SENATOR CAMPBELL: I think it's the wind outside. [LB368]

ERICKA GUINAN: Oh. G-u-i-n-a-n. Good morning. My name is Ericka Guinan. I'm a single mom and the self-sufficiency programs facilitator at the Heart Ministry Center, located in Omaha, Nebraska. It's in north Omaha. I'm very interested in this bill both because of my work with women in poverty and also because of my own experience as an unemployed, single mom on welfare, looking for a way out. The Heart Ministry Center offers a food pantry, clothing closet, medical and dental clinic, legal assistance, and counseling. Last year the center counted over 72,000 acts of kindness. We have five employees, and we rely heavily on volunteers. Most of them are sent by the state to complete their community service. Over the past two years, I've personally worked with many of these clients and volunteers to find work. From my perspective, our current

system is failing to meet the needs of those raised in generational poverty. The women that I'm receiving from Employment First have...are not prepared emotionally, mentally, or physically for the job search. They're very eager to work, and they're prepared to work; and they're very hard workers in our warehouse and in our food pantry. But there is a huge knowledge gap, which we see with those that are raised in generational poverty. Many of the women that come into the program are reporting barriers of lack of experience, lack of education, limited childcare, lack of transportation, and then a criminal record. No matter what they say that their barriers are, many have long since given up any job search. And that's not because of laziness, it's because of fear. In generational poverty, women lack the resources, the connections, the knowledge, and the successful role models to help them bridge the gap between poverty and employment. When you're on assistance, especially when you're raised on assistance and everyone you know is getting some type of help, it seems utterly impossible to get free. And you just also feel like there's a stigma attached to you, and there's a big label that is screaming every place you go, whether it's in job interviews or in the grocery store, that just makes you feel like your less than everyone else. And it...that provides a big barrier to those that are even thinking about going to a job interview. I see this with every group of women that come in, that they're just frustrated and in pain and don't want to be stuck. And I've never met anyone that wanted to stay on assistance. I strongly believe that LB368 would benefit the state of Nebraska by creating jobs. It would also benefit those that seem to be stuck in chronic poverty by giving them a chance that they're not sure how to give themselves. And also, more importantly even, is I believe that it would give Nebraska a brighter future because it would create new working role models for the children that are growing up in a cycle of poverty right now. And that's it. [LB368]

SENATOR CAMPBELL: Questions? Sorry. Is it...say your last name for me again. [LB368]

ERICKA GUINAN: Guinan. [LB368]

SENATOR CAMPBELL: Guinan. [LB368]

ERICKA GUINAN: Um-hum. [LB368]

SENATOR CAMPBELL: Thank you. Ms. Guinan. Have any of the women that you've worked with through the center, have any of them been in the Goodwill program that Ms. Donner talked about? [LB368]

ERICKA GUINAN: I have...no. We've checked on the Goodwill program. Many of the women that come to me through Employment First, and this is random, have a criminal record, some of them felonies, and they wouldn't be allowed into the Goodwill program, something about the federal guidelines. [LB368]

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SENATOR CAMPBELL: Got it. If they come to you with that record, what opportunities are open to them? [LB368]

ERICKA GUINAN: Well, they are limited and it is more difficult, but I don't think it's impossible. Usually, when I meet women and they say that they don't have a job because of their criminal record, they've already given up. And so what we do is we take a look at the employers that are hiring with criminal records, and we work twice as hard putting the resumes out. We...it's really important that we're able to, when they're giving the volunteer work in our warehouse or in the food pantry, we're able to give them a recommendation, and so we might have contacts. We do know people that hire. But for me, what I see is the barrier is more mental, you know, that they're just afraid and they...you probably do have to work harder, but there are jobs out there. And the women that I've had in the past that have graduated and gotten jobs and are going to school are very successful. It's just that barrier of fear; and if no one shows you how to do it, and you don't know anyone that's done that. [LB368]

SENATOR CAMPBELL: Have any of them been on a work-release program? [LB368]

ERICKA GUINAN: I haven't had any women that were with the work-release program. I've had women that were still dealing with drug court or probation, but not work release. [LB368]

SENATOR CAMPBELL: Okay, thank you. Any other questions? Thank you for coming today. [LB368]

ERICKA GUINAN: Thank you. [LB368]

SENATOR CAMPBELL: Our next proponent. Good morning. [LB368]

CHERYL PIGNOTTI: Good morning. My name is Cheryl Pignotti, C-h-e-r-y-l P-i-g-n-o-t-t-i, and I'm the vice president of employee services for General Service Bureau and Early Out Services. We are a small, family-owned company in Omaha, Nebraska, and I am in charge of HR, which is also responsible for hiring and recruiting. We became involved with the Goodwill Industries and their Customer Connect program about 16 months ago when, of course, being in Omaha, our employment laid us fairly low, and we were having difficulty finding qualified individuals to work those positions that we were most commonly filling. It's a call center environment. We're actually a collection agency. We work within the healthcare industry, and we were hiring people. What we found, as a benefit with working with Goodwill and having something such as LB368 being passed, is we had the opportunity of bringing in individuals that did not have the experience that we needed for these positions. Since we work within the healthcare industry, we needed medical billing, insurance background. But by bringing

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people in with just some basic skills and having that subsidy, we were able to provide the training, cover those training expenses, which could be anywhere from \$3,000 to \$6,000 an individual, and continue to staff and be successful while we're waiting for those people to become productive and generating revenue for our company. [LB368]

SENATOR CAMPBELL: Would you repeat the name of your company? [LB368]

CHERYL PIGNOTTI: General Service Bureau. [LB368]

SENATOR CAMPBELL: And what does it do? [LB368]

CHERYL PIGNOTTI: We're collections. We have all... [LB368]

SENATOR CAMPBELL: Oh, collections, okay. [LB368]

CHERYL PIGNOTTI: We do bad debt collections and first-party collections for the healthcare industry, so we work for hospitals, doctors' offices, and clinics. [LB368]

SENATOR CAMPBELL: Um-hum. I'm very familiar with a business here in Lincoln that does that. [LB368]

CHERYL PIGNOTTI: Um-hum. [LB368]

SENATOR CAMPBELL: And they also specialize in medical. [LB368]

CHERYL PIGNOTTI: Yes, yes. [LB368]

SENATOR CAMPBELL: So that's what I was trying to...questions from the senators? So you've worked with the Goodwill program for how many years? [LB368]

CHERYL PIGNOTTI: For about 16 months. [LB368]

SENATOR CAMPBELL: Sixteen months, okay. [LB368]

CHERYL PIGNOTTI: Um-hum. [LB368]

SENATOR CAMPBELL: And how many employees have you had through that program? [LB368]

CHERYL PIGNOTTI: We have hired one, and she's actually going to be speaking after I'm finished, so. [LB368]

SENATOR CAMPBELL: Okay. [LB368]

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CHERYL PIGNOTTI: And so we've had one, and she's been successful. [LB368]

SENATOR CAMPBELL: Good, good. [LB368]

SENATOR COOK: One hundred percent. [LB368]

SENATOR CAMPBELL: One hundred percent record there. [LB368]

CHERYL PIGNOTTI: Yeah, 100 percent record. [LB368]

SENATOR CAMPBELL: Senator Cook is helping me on this. Well, thank you so much for taking time to come, and good luck with your company. [LB368]

CHERYL PIGNOTTI: Thank you. [LB368]

SENATOR CAMPBELL: Our next proponent. How many others wish to speak in favor? Okay. Anyone here to speak in opposition to the bill or in a neutral position? Okay, that helps. Good morning. [LB368]

ANTOINETTE WILLIAMS: Good morning. How are you? [LB368]

SENATOR CAMPBELL: I'm very good. How are you? [LB368]

ANTOINETTE WILLIAMS: All right, thank you. My name is Antoinette Williams, A-n-t-o-i-n-e-t-t-e, Williams, W-i-l-l-i-a-m-s. [LB368]

SENATOR CAMPBELL: You go right ahead. [LB368]

ANTOINETTE WILLIAMS: (Laugh) Thanks for having me. I want to say, and try to be brief, that I am employed with the General Service Bureau/Early Out Services, and I have been for six months. I was introduced to the company through Goodwill while I was there. I had...well, before I was at Goodwill, I was...I did the Employment First program. I wasn't very successful with that because of the...oh, I don't want to say limitations, but it just...it didn't work for me. It was hard to keep my household together while doing that. I needed to be working. I had job experience. I did have a criminal background. It wasn't a felony or anything, but, you know, it was a stumbling block for me. So I wanted to work, and when I was introduced to the Goodwill program, I thought that that would be a good place for me to be to, you know, get more experience as far as job search. To me, it was a like a one stop. I was there. A lot of different companies were introduced to that program, one of them being with Early Out Services, so everything was right there. The...you know, if I need to brush up on my resume, anything like that, it was there. And the companies that were coming into the program, it

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was kind of good. It kind of...you didn't have to do so much outside of that, you know. And a lot of people have difficulties, you know, getting out, getting to these places, these different jobs, and so on and so forth, so to me it was a one stop. It worked very well for me. I recommend it to anyone; and so far, so good. [LB368]

SENATOR CAMPBELL: And that's great. Senator Cook. [LB368]

SENATOR COOK: Thank you, Madam Chair, and thank you for coming today. [LB368]

ANTOINETTE WILLIAMS: Um-hum. [LB368]

SENATOR COOK: By way of policy research,... [LB368]

ANTOINETTE WILLIAMS: Um-hum. [LB368]

SENATOR COOK: ...can you tell us what was the primary barrier in...before you were...got from Employment First to your current employer, to your getting...being able to find gainful employment or something that you felt like you could really stick with and move up or get some experience? What would you describe as your primary barrier? Was it because the job was way in southwest Omaha? Was it because...I mean, I'm making things up. Please tell me. [LB368]

ANTOINETTE WILLIAMS: Yeah, right. (Laugh) Myself? [LB368]

SENATOR COOK: Yes. [LB368]

ANTOINETTE WILLIAMS: My story is that of, you know, the previous speakers here. Their story is my story. I had a lot of barriers, whether it be no transportation, not... [LB368]

SENATOR COOK: Okay. [LB368]

ANTOINETTE WILLIAMS: ...no jobs in the immediate area to where I lived, my background, just...you know, it was a lot of different... [LB368]

SENATOR COOK: Kind of a... [LB368]

ANTOINETTE WILLIAMS: Yeah, together. [LB368]

SENATOR COOK: ...hairball or a knot of things. [LB368]

ANTOINETTE WILLIAMS: Exactly. And at the...actually...and at the time of my employment with Early Out Services, I was in a downfall. I had just lost my apartment. I

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was evicted. I didn't have anywhere to stay. I don't have a car. I didn't have any money. I was with the Employment First, but I was sanctioned because of I missed five hours. And to me that was crucial. I had no money. I had no way to feed my family. To me, the punishment didn't fit the crime. So, you know, I had a lot against me, stacked against me; but still, you know, I made it there because I knew that this is what I had to do to better my situation. I didn't know what the outcome was going to be, but I...it was crucial to me at that time, so I could...there was no way for me to say, oh, I can't do this, or find a way to not do that. [LB368]

SENATOR COOK: Um-hum. [LB368]

ANTOINETTE WILLIAMS: It was, I had to do this. So for me, getting there, it's emotional and it was hard. And lucky for me, you know, it was...it panned out. [LB368]

SENATOR COOK: Okay, thank you very much. [LB368]

ANTOINETTE WILLIAMS: Um-hum. [LB368]

SENATOR CAMPBELL: Any other questions? Ms. Williams, I hope you will let me make a personal comment. [LB368]

ANTOINETTE WILLIAMS: Um-hum. [LB368]

SENATOR CAMPBELL: I have a daughter that absolutely loves orange, and she would love that scarf. That's very attractive. It...I don't mean to embarrass you. But thank you so much for coming and telling your story. [LB368]

ANTOINETTE WILLIAMS: Okay, thank you. [LB368]

SENATOR CAMPBELL: I think that's very helpful... [LB368]

ANTOINETTE WILLIAMS: Um-hum. [LB368]

SENATOR CAMPBELL: ...for us to know. And best of luck in this job. [LB368]

ANTOINETTE WILLIAMS: Thank you. [LB368]

SENATOR CAMPBELL: You can just tell your enthusiasm about it. [LB368]

ANTOINETTE WILLIAMS: (Laugh) Thank you. [LB368]

SENATOR CAMPBELL: So good luck. [LB368]

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ANTOINETTE WILLIAMS: Um-hum. [LB368]

SENATOR CAMPBELL: Our next proponent. Good morning again. [LB368]

JAMES GODDARD: (Exhibits 28 and 29) Good morning. My name is James Goddard, that's J-a-m-e-s G-o-d-d-a-r-d, and I am the director of the Economic Justice and Health Care Access Programs at Nebraska Appleseed. I'm here to testify in support of LB368. I don't have to tell the committee Nebraskans have a strong work ethic. Our labor force is very important to our economic strength. Our businesses, and especially our small businesses, rely on our workers to create economic growth and success, and this bill would build on those qualities. LB368 would use existing Temporary Assistance to Needy Families, or TANF, funds to provide employers the opportunity to bring on additional workers with time-limited wage subsidies in order to help grow their businesses. It would also allow workers eligible for ADC services to get meaningful work experience through on-the-job training. In short, this bill would be a win-win that could create business growth and job placements for low-income individuals. The first thing I just want to mention is the program is designed to create job placement and meaningful work experience. The structure of this bill is based on other on-the-job training or wage subsidy programs that have seen success across the country, and part of that is making sure we do work in advance so that we have an administering entity that partners up with employers so that we have an employee-employer match, ensuring that that placement is a natural fit and a good fit, which can help retention and the employee gaining the skills that they need to move ahead. Secondly, LB368 can be successful because it targets in-demand industries. We've heard a little bit about one of them. But looking at some of the successful in-demand industries from the Department of Labor, that includes things like manufacturing, healthcare, and other businesses, and that's a component of the bill. Finally, I would just like to say that this bill utilizes existing funds, as we've heard. These are TANF rainy-day funds. They are sitting there to be used for program purposes such as this and, as of last October, that was \$57 million. It may be a little less. I think we heard that today. But that's still a sizeable amount of money, and I believe this would use about \$4 million over four years for the purpose of job creation. I have included a resource sheet, in addition to the testimony that has other information in it about the bill as well as about other programs, and I could certainly provide more information if there are additional questions. With that, I would urge the committee to advance LB368, and I'd be happy to answer any questions, particularly if there are any technical questions about the program. [LB368]

SENATOR CAMPBELL: Senator Cook. [LB368]

SENATOR COOK: Thank you, Madam Chair. One brief question. It's not technical in nature or particularly related to the bill proposal. But in your professional and/or personal opinion, why does Nebraska have \$50 (million) to \$57 million in this pot? And is that unusual among the 50 states that...or the states that participate? [LB368]

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JAMES GODDARD: I'm not really sure what other states do in terms of rainy-day funds. I think part of the reason there's a sizeable amount of money is because of ARRA, or the American Recovery and Reinvestment Act,... [LB368]

SENATOR COOK: Okay. [LB368]

JAMES GODDARD: ...gave the states some money to do innovative things like this to make sure that folks can...that people aren't just getting laid off and that folks are getting employment. So I think part of the money is from there. I can't tell you for sure...I know it's not all from there, and I'm not sure where the rest of it comes from. I think, you know, it's wise to have a reserve for a program that's as important as this, you know, for that rainy day. But with the amount of money that I think we have right now, we can think about some innovative ideas to get folks from where they are to where they want to be, and I think this is one of them. [LB368]

SENATOR COOK: Thank you. [LB368]

SENATOR CAMPBELL: Mr. Goddard, as you've looked at other programs, because you said this is patterned after other programs, is much of the success or some of the success of this, in terms of who you contract with to be that sort of core agency that then recruits, as we heard from the Goodwill? I mean, obviously, if you don't have that, then it's harder to match skills and create that support. [LB368]

JAMES GODDARD: I think that's right, Senator. Having an administering entity that can create the relationships with employers that you have to have to make this work, I think, is vital. The nice thing about the structure of this bill is there's some flexibility there. The administering entity here could be a nonprofit out there or it could be the Department of Labor. Theoretically, it probably could be both, so there's some flexibility to decide who the best entity is here. And in addition to that, the bill also talks about coordinating with ADC agencies. Those are the ones that actually facilitate the program for Employment First recipients, and that's a good thing in a lot of ways, but also because it wouldn't limit it to single geographic area. We have those agencies that have to, you know, do that work all across the state. [LB368]

SENATOR CAMPBELL: Right. [LB368]

JAMES GODDARD: And so I think you have the opportunity to, you know, make a nice connection between different entities across the state. [LB368]

SENATOR CAMPBELL: And when you talked about the targeted industries, I mean, if you just look at manufacturing, that isn't certainly centered in just the eastern part of the state. And some of the smaller communities where we do have some firms, having good

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employees and ready to work would be important to them too. [LB368]

JAMES GODDARD: I couldn't agree more. [LB368]

SENATOR CAMPBELL: Okay, any other questions? Thanks, Mr. Goddard. [LB368]

JAMES GODDARD: Thank you. [LB368]

SENATOR CAMPBELL: If I hadn't made that last statement, we would have made 12:00, noon, exactly. [LB368]

JAMES GODDARD: (Exhibit 30) Oh, I'm sorry. I also have a letter to hand in on behalf of Jareece Hahn, who couldn't be here today. [LB368]

SENATOR CAMPBELL: Okay, thank you. Anyone else as a proponent for the bill? Anyone who wishes to testify in opposition? Anyone in a neutral position? Senator Crawford, I believe we are back to you. [LB368]

SENATOR CRAWFORD: Thank you, and I'll abbreviate my closing comments here. Thank you again, Chairwoman Campbell and the fellow members of the committee, for the opportunity to hear...to appear before you today. Despite our relatively low unemployment rate, many Nebraskan families are still struggling to make ends meet. Programs such as WIA and Employment First on-the-job training program help to address this need, and you've heard from someone who has benefitted from that type of program as well as some of the challenges of people who have not had access to that kind of on-the-job training/wage subsidy type of program. And you've also heard the success of those programs in this state already that exist in terms of employment after the program and wages that they earn after the program, so I think those are very telling about the potential for this program. The wage subsidy program created by LB368 complements those existing programs, so there is...they reach a broader population than those programs and it's more flexible to adapt and provide opportunities in other industries that are harder to do with those programs. So it's important that it complements those programs and doesn't compete with them or overlap with them. It provides opportunities for more low-income Nebraskans that are currently underserved in those programs and provides opportunities for businesses to expand and to hire at lower risks. The pilot program in LB368 will encourage job growth for the state and help individual Nebraskans achieve goals of long-term economic self-sufficiency. Employers have retained many of these employees after the subsidies end, and many of the participants earn higher wages when they move to other jobs. And, moreover, this program uses existing funds to achieve these goals. Again, thank you for the opportunity, and I ask that you vote to advance LB368 to the floor for consideration by the full body. Thank you. [LB368]

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SENATOR CAMPBELL: Thank you, Senator Crawford. With that, we'll close the public hearing on LB368, and that concludes our hearings for today, so thank you very (recorder malfunction). (See also Exhibits 31 and 32.) [LB368]