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Appropriations Committee
March 02, 2015

[LB565 LB584]

The Committee on Appropriations met at 1:30 p.m. on Monday, March 2, 2015, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB565 and LB584. Senators present: Heath Mello, Chairperson; Robert Hilkemann, Vice Chairperson; Kate Bolz; Ken Haar; Bill Kintner; John Kuehn; Jeremy Nordquist; John Stinner; and Dan Watermeier. Senators absent: None.

SENATOR MELLO: Good afternoon and welcome to the Appropriations Committee. My name is Heath Mello. I'm from south Omaha representing the 5th Legislative District and I serve as Chair of the Appropriations Committee. I'd like to start off today by having members do self-introductions. Starting first on my left here, on your right, is Senator Bill Kintner who will join us shortly from District 2, Sarpy, Cass, and Otoe County.

SENATOR NORDQUIST: Senator Jeremy Nordquist from District 7 in downtown and south Omaha.

SENATOR KUEHN: Senator John Kuehn, District 38, south-central Nebraska.

SENATOR HILKEMANN: Senator Robert Hilkemann, District 4, west Omaha.

SENATOR STINNER: Senator John Stinner, District 48, Scottsbluff, Nebraska.

SENATOR MELLO: Sitting next to Senator Stinner is Senator Kate Bolz, representing the 29th Legislative District in south Lincoln. She will be joining us shortly as well. Sitting next to Senator Bolz is Senator Ken Haar from District 21 in northwest Lancaster County who will also be joining us shortly. And last but not least is...sitting next to Senator Haar is Senator Dan Watermeier, representing the 1st Legislative District in southeast Nebraska who will also be joining the committee shortly. Assisting the committee today is Rachel Meier, our committee clerk; and our pages for the day are Julia and possibly Rachel. On the back tables of the room you will find some testifier sheets. If you're planning on testifying today, please fill out one of the sheets and hand it to Rachel when you come up to testify. It helps us keep an accurate record of today's public hearing. There's also a sign-in sheet on the back desk back there if you do not wish to testify but would like to record your position on a specific bill or agency budget request. If you have any handouts, please bring at least 11 copies and give them to Julia, our page. If you do not have enough copies, she will make additional copies for you. During the portion of today that is for public hearings on legislative bills, we will begin bill testimony with the introducer's opening statement. Following opening statements, we will hear from supporters of the bill, then those in the opposition, and followed by those speaking in a neutral capacity. We will finish with a closing statement by the introducer, if they wish to give one. We ask you begin your testimony by giving us your first and last name and spelling it for the public record. When we hear testimony

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regarding state agencies, we will first hear from a representative of that state agency. We will then hear testimony from anyone who wishes to speak on that agency's budget request. We will be using a five-minute light system today for all testifiers other than the introducer or agency representative. When you begin your testimony, the light on the table will turn green. The yellow light is your one-minute warning. And when the red light comes on, we ask that you wrap up with your final thoughts. As a general matter of committee policy, I'd like to remind senators that the use of cell phones and other electronic devices is not allowed during public hearings. And at this time I'd ask all of us, including senators, to please check and look at our cell phones and make sure they are on the silent or vibrate mode. With that, at this time we will begin today's public hearings with LB565 with Senator Kuehn.

SENATOR KUEHN: Thank you, Chairman Hilkemann,... [LB565]

SENATOR HILKEMANN: Good afternoon, Senator. [LB565]

SENATOR KUEHN: ...and members of the Appropriations Committee. I am Senator John Kuehn, J-o-h-n K-u-e-h-n, representing District 38, seven counties in south-central Nebraska. I'm here this afternoon to introduce to you, for your consideration, LB565 which establishes funding to provide financial support for students who are training or studying in high-needs fields at Nebraska's colleges and universities. By appropriating \$5 million each of the fiscal years 2015-2016 and 2016-2017 to the Coordinating Commission for Postsecondary Education, this program will be provided to students at two- and four-year public and private, nonprofit colleges and universities in Nebraska. The \$5 million appropriation for each year is divided among sources, including \$3 million from the General Fund and \$1 million each from the Health Care Cash Fund and the Job Training Cash Fund. For the purposes of administration of the appropriation, high-needs fields are defined in LB565 as construction trades; transportation, warehousing, and distribution logistics; science, technology, engineering, and mathematics education; healthcare and health services; business administration; and teacher education. Based on the number of certificates, awards, and degrees that are awarded by institutions during the previous year, the money would be proportionately divided and distributed to institutions as the agents for students studying in these high-needs programs. The \$5 million appropriation annually would be distributed equally between students at two-year institutions as well as half at students at four-year institutions, \$2.5 million to each. I truly believe it is good state policy to focus the appropriations of this committee on programs of high demand for employment within the state of Nebraska. LB565 enhances the institutional support for these programs based on performance outcomes, emphasizing those fields which are important to the economic well-being of Nebraska and continuing to develop a skilled work force in areas of need that will result in the development and education of future productive Nebraska taxpayers. At this time, I am welcome to entertain any questions that the committee may have regarding LB565. [LB565]

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SENATOR HILKEMANN: Do we have any questions for Senator? Yes. [LB565]

SENATOR STINNER: How many scholarships or is this given out as a scholarship, as a grant, as a loan or... [LB565]

SENATOR KUEHN: It would actually be funding, it would be \$5 million annually. It would be distributed proportionately to the institution. So it would not be given to students individually. It would be proportioned to institutions based on their proportion of graduates. So based on the number of graduates that each institution in the state has in each of these high-needs fields would determine their proportion of the funding. [LB565]

SENATOR STINNER: Okay. So like the WNCC, the community college, would get an allocation. If they had money left over at the end of the year, is that put back into the fund or is it... [LB565]

SENATOR KUEHN: Not as currently as stated. It's...the idea of the money is to facilitate and support those programs. These are high-needs programs oftentimes which have high budgetary requirements. For example, STEM fields, healthcare fields are relatively budget-intensive programs for institutions. And so it simply provides institutional support to those institutions to encourage and promote those programs as a whole rather than just a grant to an individual student. [LB565]

SENATOR STINNER: Okay. Gotcha. [LB565]

SENATOR HILKEMANN: So, Senator, you would...so the students would actually apply to the institution for the grant. Is that correct? [LB565]

SENATOR KUEHN: There wouldn't be actually any student, direct student application or involvement. So it would be the Coordinating Commission would directly administer the funds and distribute it, based on a proportion of students enrolled in those programs, to the institution. So the institution functions as the agent, as it will, to fund and support those programs. So it's not funds attached to a particular student. It's attached to a particular proportion of students in that program at the institution. [LB565]

SENATOR HILKEMANN: Senator Bolz. [LB565]

SENATOR BOLZ: Good afternoon. This is a subject matter that I care a lot about, so I applaud you for bringing this piece of legislation, but I have a couple of questions for you. The first is I understand that the commission may adopt and promulgate rules and regulations, but I don't see a lot of detail around evaluation and outcomes and expectations and goals, which makes me, you know, question how that will come together. Can you elaborate a little bit on how you envision this working? [LB565]

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SENATOR KUEHN: Yeah. I think certainly that's a reasonable question. I think one of the first pieces with this particular legislation is to see if there is an interest and an appetite, if you will, for that type of an appropriation. So it certainly will require some additional programming support and programming specification, probably through amending this legislation if it should move forward. But certainly the way I see it is on an annual basis, we're looking at essentially two, you know, the full bienniums. We look through the budgeting process, looking at those programs which continue to facilitate and maintain these high-needs programs, and even working with the Coordinating Commission to identify any additional programs which might be of high-needs skills for job training within the state of Nebraska. So certainly the big crux of the outcomes would be continual support of those programs that continue to graduate a high proportion of those majors relative to other programs at that institution, such as teacher education and others. [LB565]

SENATOR BOLZ: While I appreciate that, I think there's probably some more conversation to be had about... [LB565]

SENATOR KUEHN: Absolutely. [LB565]

SENATOR BOLZ: ...you know, it seems to me that some of these initiatives and programs in high-demand fields are currently doing quite well. [LB565]

SENATOR KUEHN: Right. [LB565]

SENATOR BOLZ: So we need to target our resources appropriately. Another question is the use of the Job Training Cash Funds and the Health Care Cash Funds. The Job Training Cash Funds, my understanding is, they fill a real need in meeting immediate needs in terms of getting people on the ground... [LB565]

SENATOR KUEHN: Right. [LB565]

SENATOR BOLZ: ...and in the work force that promotes our economy. And the Health Care Cash Funds of course, according to their name, are to be directed at healthcare fields. So I'm just...I'm trying to get my head around why we would divert funds from the Job Training Cash Fund and the Health Care Cash Fund. [LB565]

SENATOR KUEHN: I think probably more than anything, if we were to look at the Job Training Cash Fund, it has at the end of fiscal year '13 a \$10 million-plus balance, so there are some funds available above the \$2 (million), \$3 million that they're expending every year in terms of programs. So there is a balance there in that Job Training Cash Fund which we can utilize. And while this isn't an immediate need as in a six-month job training turnaround, I think certainly when you look at the two-year vocational

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programs--and I do believe there will be some written testimony that has been submitted and some you may even hear from, especially on the technical side, whether it's construction and trades, some of the logistics, engineering. We even have some support from some in the telecom that really helping these programs, especially in the two-year programs, is a relatively quick turnaround. So that's where the Job Training Cash Fund fits in. The Health Care Cash Fund certainly is one that's been utilized for a wide variety of resources. But when we look at the proportion of these majors that are in healthcare or healthcare services, nursing majors and others, it seems like a reasonable utilization of those funds as well for 20 percent, roughly, of the total annual appropriation. So of the sum total of \$5 million, that represents a significant portion but reflects the role of especially healthcare and healthcare delivery and the STEM education fields from that particular fund. [LB565]

SENATOR BOLZ: Certainly, you know, there's some work force needs in healthcare. I think that's probably worth some further dialogue about diverting the Health Care Cash Funds, which have other purposes, and I'm not sure we're fully meeting those purposes. [LB565]

SENATOR KUEHN: Right. [LB565]

SENATOR BOLZ: I also just, you know, to put it on the record, I think we would probably need some additional specificity around making sure that Health Care Cash Funds only go to those healthcare fields and making sure we have outcomes there, so. [LB565]

SENATOR KUEHN: I think that's certainly something we could take a look at. And to your comment, Senator Bolz, I think it's been interesting, in the process, from the time of introducing this bill up until today, the number of various groups and interest groups that have approached me with regard to the idea and the concept. And so I think that we have put a good idea on the table and there's a lot of great discussion and conversation that can take place between now and the future, so. [LB565]

SENATOR HILKEMANN: Senator Stinner. [LB565]

SENATOR STINNER: If an institution doesn't have a program, doesn't have a track record but wants to develop a program, would these funds be available for them to develop that curriculum and program? [LB565]

SENATOR KUEHN: The language, as currently written, would be based on their prior year's enrollment, so this wouldn't be a start-up. This would be looking at providing support to those programs based on their proven track record of majors in that field. That certainly isn't to say that, for example, a community college wanted to look at expanding its construction management program or a construction program, that as it

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enrolled more majors in the second year that it wouldn't be eligible for additional funding should this program be funded or continually funded in future bienniums. Less of a "build it and they will come" and more of a rewarding and supporting existing programs so they continue to grow and improve. [LB565]

SENATOR STINNER: Thank you. [LB565]

SENATOR HILKEMANN: Additional questions for Senator? Senator, who are you bringing this bill for? [LB565]

SENATOR KUEHN: You know, I've worked with the Nebraska Independent College Foundation on the original idea and concept of this bill. And certainly while that's where the idea originated, it certainly has grown into support from a wide group of organizations, both within the private college of four-year sector but as well as in the two-year trade sector and commercial trade organizations, so. [LB565]

SENATOR HILKEMANN: And did I...and in one of your answers, this is an idea that you're exploring or this is a done deal type thing that we want to get if we...if it's approved by this committee that we take it to the floor? [LB565]

SENATOR KUEHN: I think that the idea or the general concept is if we have an appropriation we'll certainly need to build some of the concerns that Senator Bolz had with the program. Simply giving the \$5 million appropriation, in and of itself, to the Coordinating Commission doesn't make a full-fledged program. We'll have to build a program with some statutory language around it that would ensure the outcomes and the assessments and also provide the guidelines for distributing the funds that Senator Bolz had inquired. So it certainly would require some additional development based on the interest of the committee to moving forward with the appropriation. [LB565]

SENATOR HILKEMANN: So if this committee were to approve it and it's approved by the Legislature as a total body, when would you foresee that these funds might be available to the colleges themselves for the institutions? [LB565]

SENATOR KUEHN: You know, most of the institutions operate on the same kind of fiscal year schedule as does the state, so I don't see any reason why, if the policy were put in place, why we couldn't be seeing those funds made available to institutions already in the next fiscal year. [LB565]

SENATOR HILKEMANN: Okay. Additional questions? Okay, thank you very much. [LB565]

SENATOR KUEHN: Thank you. [LB565]

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SENATOR HILKEMANN: Additional proponents for LB565. [LB565]

FRED OHLES: (Exhibit 1) Good afternoon, Chairman Hilkemann and members of the Appropriations Committee. My name is Fred Ohles, spelled F-r-e-d O-h-l-e-s, and I'm the 16th president of Nebraska Wesleyan University. I am testifying today in favor of LB565. I believe LB565 is a good starting point for a discussion about how to better utilize state resources for higher education. As a recent Lumina Foundation study concluded, simply scaling up the current system is not an option, given the overwhelming financial constraints on our states' budgets. LB565 will focus additional resources on programs of high state need. It will allocate dollars based on the number of degrees awarded in the high-need fields. And then students enrolled in those high-need fields will receive financial aid support. Nebraska Wesleyan University is a liberal arts university, which means that we are an academic community committed to developing habits of mind and citizenship skills, such as intellectual curiosity, critical and rational thinking, creative and artistic expression, respect for our history and traditional values, independent analysis, the building of strong results through effective teamwork, and strong communication skills. Even though many of our students at Nebraska Wesleyan University would not be eligible for these awards, I believe it is consistent with our mission that the state should focus some higher education resources on programs that are needed to drive the Nebraska economy forward. It is important that students at independent, nonprofit colleges and universities will be eligible for the awards. Independent, nonprofit colleges and universities produce 41 percent of Nebraska's bachelor's degrees and advanced degrees. We have the highest percentage of minority students of any sector of higher education. We graduate a higher percentage of our students in four years. We have dedicated our assets to serve the greater public good. And a better economy for the state of Nebraska is important to our institutions on many levels, not the least, our ability to enroll and retain talented students and to receive private philanthropy. The demographic shifts that are occurring in Nebraska need to be reversed. Our college graduates need to be retained in this state and the best way to do that is for them to have jobs when they graduate. LB565 will assist the state in that effort and that is why I support this bill. I'll be happy to answer any questions you have. [LB565]

SENATOR HILKEMANN: Any senators have any questions of Dr. Ohles? Senator Stinner. [LB565]

SENATOR STINNER: I noticed that we use the word "high needs." Who defined the high needs in this bill? I mean what source was that? Do you know? [LB565]

FRED OHLES: I don't have expertise on that point, Senator. I know that one way that we define high needs in Nebraska is students who are eligible for Pell Grants at Nebraska Wesleyan University as at the University of Nebraska-Lincoln. About 20 to 23 percent of students are currently eligible for Pell Grant support. [LB565]

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SENATOR STINNER: So this bill really channels money back into what we determine to be high-need type of jobs to the successful institutions, and it's kind of outcome based. Is that correct? [LB565]

FRED OHLES: I would welcome it having that framework. [LB565]

SENATOR STINNER: Okay. Thank you. [LB565]

SENATOR HILKEMANN: Other questions? Doctor, you said that you thought that this bill would help retain people in Nebraska. You didn't use the term "brain drain," but we use that a lot. In what way do you think that this would...how do you see this bill helping to retain people in Nebraska? [LB565]

FRED OHLES: What I see, Senator, is our ability to bring students from high school right into the Nebraska universities and colleges. There are other resources in every state surrounding us that are drawing our students to other places, so every collar state around Nebraska has a public grant program for its students at public and independent universities, and I think this is a step in the direction of asserting the importance for Nebraska of Nebraska high school graduates going to the institutions here in Nebraska, which both public and private, not-for-profit are very fine and get excellent results. [LB565]

SENATOR HILKEMANN: I heard you say that you felt like maybe your institution may not get as many of these type students as you expected. [LB565]

FRED OHLES: Well, Senator, we have strong, well-established science programs at Nebraska Wesleyan, and those programs would certainly benefit from this legislation. We have a strong program in business and there are others that are identified in this bill. As a liberal arts university, we also teach subjects that would not be covered here, so students who major in English or sociology or some other field. I'm acknowledging that not every Nebraska Wesleyan student would even be eligible under this rubric, but it certainly is beneficial overall. [LB565]

SENATOR HILKEMANN: Okay. Additional questions for...? I have to...I'll just say I said to Mr. O'Neill the other day you were stacking the deck by bringing Dr. Ohles. You have two Nebraska Wesleyan graduates on this committee, but. So any other questions? Okay. [LB565]

FRED OHLES: Thank you. [LB565]

SENATOR HILKEMANN: Thank you very much for your testimony. Other proponents. [LB565]

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CHRIS RODGERS: Good afternoon, Mr. Chairman, members of the committee. My name is Chris Rodgers, that's spelled C-h-r-i-s R-o-d-g-e-r-s, and I am here today to support LB565 on behalf of Creighton University. I currently serve as their director of community and government relations. Creighton supports LB565 because it's important that the state of Nebraska support all students seeking a postsecondary education. Here's a brief background of Creighton University. It was founded in 1878 and for the 12th year in a row Creighton has been named the number one Midwest regional university by U.S. News and World Report. Creighton is the only university in the country offering education in eight health profession programs--dentistry, nursing, medicine, pharmacy, occupational therapy, physical therapy, emergency management services, and public health--on the same walkable campus with our programs in art, science, law, and business. From an economic impact perspective, Creighton has a statewide annual impact of \$787.5 million. Creighton is 1 of the state's top 25 largest private employers and 1 of the 13 largest Omaha employers. Creighton University generated \$38.2 million in state, local taxes...to state and local taxes. Creighton's more than 7,600 students spent approximately \$106 million in Nebraska on products and services. Creighton's graduate outcomes have a tremendous economic impact on our state and, further, the economic brain gain. Creighton graduates have an overall success rate of 95.54 percent, 54.9 percent are employed, 33.29 move on to graduate professional schools, and 7.35 percent enter a volunteer program. Historically, over 50 percent of our graduate classes remain in Nebraska upon graduation, even though 62 percent of Creighton students come from other states and countries, adding to Nebraska's brain gain. Creighton University believes there is room for improvement in Nebraska's postsecondary education policy. In fact, independent, nonprofit colleges and universities are the only postsecondary sector to receive less state-based aid in 2014 through '15 than in 2001-02. In the last five years, Creighton University has experienced a reduction in the Nebraska Opportunity Grant funding of over \$73,000. For 2014 through '15 school years, Creighton University has 76 students receiving funding from the NOG program. However, this is only 29 percent of the students who qualify for this grant program as there are 264 Nebraska residents that are receiving Pell Grant funds. In our opinion, LB565 would go a long way toward improving the policy and would give more students the opportunity to attend Creighton University. One of Creighton University's strategic goals is to increase the enrollment of our undergraduate student population by increasing our freshmen class size each year over a six-year period. This effort began two years ago. And for the Fall 2018 incoming freshmen class, our goal is to enroll 1,200 incoming freshmen students. This goal would put Creighton University at its capacity for undergrad enrollment. In many cases, we see students who are looking to attend private schools in other states, and in large part this is our main competition. If we are afforded the tool to assist in funding high-need employment fields,...more competitive with our other private institutions, especially those schools outside of Nebraska. As you all know, Creighton University joined the Big East Conference last year. Since joining the Big East Conference, we have experienced many challenges

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associated with that move. Our peers are now Georgetown, Marquette, Xavier. And for us to be competitive, we think it's critical that we keep our best and brightest here in Nebraska, especially those who would be looking to leave the state of Nebraska for colleges because oftentimes when they leave it is difficult to get them back. I urge your support of LB565 to allow Nebraska students, who deserve careers in these high-needs fields, the opportunity to attend the postsecondary institution that best fits their needs. This bill is about increasing the capacity of our work force in the needed fields, and will allow the state of Nebraska to retain and recruit its best and brightest students. Thank you. [LB565]

SENATOR HILKEMANN: Thank you for your testimony. Are there questions for Mr. Rodgers? Yes, Senator Bolz. [LB565]

SENATOR BOLZ: Thanks for coming this afternoon. As I understand this bill, it wouldn't necessarily allow you to hire more faculty or to have the best technology in these high-demand fields. It would be focused on drawing the students in. That's the way I'm understanding it. [LB565]

CHRIS RODGERS: Yes, ma'am, that's how I would understand it also. [LB565]

SENATOR BOLZ: So I guess my question is, why an initiative like this rather than just increasing funds to the Nebraska Opportunity Grant Program which we know is targeted to low-income students and students who have met some other qualifications? Can you help me balance out which one makes the most sense or how that fits together? [LB565]

CHRIS RODGERS: That's a hard question to balance out which one. I would say, you know, they're kind of separate in respects. I mean both are needed, but this particularly I think is more to help us meet the public need of the work force other than just the institutional incentives. For us personally, as the university, I mean we are geared toward the health field and that growing need in the area. I can speak on a separate matter as a member of our local work force investment board, which covers Washington, Douglas, and Sarpy County. One of the four areas that is identified as high need in demand is healthcare. And so in that respect, it would help us meet the public business need and the areas where job growth is targeted to go and help us meet the bigger needs of the state in regards to industry and other needs of that sort. [LB565]

SENATOR BOLZ: One follow-up question: Are you having a hard time recruiting students to your healthcare curriculum? [LB565]

CHRIS RODGERS: Well, I mean it's not that it's hard but it puts us in a disadvantaged position, like we said, with our peers around the country because we don't have that base of aid to be able to offer. Most kids that may want to come to some degree may

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have need in those areas and I think it would help us in regard to recruiting and being able to compete on a bigger scale. [LB565]

SENATOR BOLZ: Thank you. [LB565]

SENATOR HILKEMANN: Senator Nordquist. [LB565]

SENATOR NORDQUIST: Chris, did you have the number? You read a number of Nebraskans that attend Creighton are low-income Nebraskans. Do you remember? [LB565]

CHRIS RODGERS: That was the past count. [LB565]

SENATOR NORDQUIST: Oh. Oh, okay. Okay, I didn't know. Do you have any sense of any numbers of eligible students that would potentially be eligible for a program like this at Creighton? [LB565]

CHRIS RODGERS: Not off hand, but I can get you that. [LB565]

SENATOR NORDQUIST: Okay. Thank you. [LB565]

SENATOR HILKEMANN: Other questions from the committee? Seeing none, thank you very much for your testimony. [LB565]

CHRIS RODGERS: Thank you all for your time. [LB565]

SENATOR HILKEMANN: Additional proponents. [LB565]

DENNIS BAACK: Senator Hilkemann... [LB565]

SENATOR HILKEMANN: Hi. [LB565]

DENNIS BAACK: ...and members of the Appropriations Committee, for the record, my name is Dennis Baack, D-e-n-n-i-s B-a-a-c-k. I'm the executive director of the Nebraska Community College Association here to speak in support of LB565. In one of my other roles, I'm also the education chair for the state chamber, and this last year the state chamber did a survey of all the different businesses and stuff in the state and it came back that one of the issues to keep them from expanding and to keep them from growing was work force. And I think this is certainly a good step in the direction of starting to put some dollars specifically to work force development, because that seems to be an issue all across the state of Nebraska. And I think this pinpoints that. Senator Stinner, you asked some questions about the high needs. The Department of Economic Development does lots of studies on that and they have some high-needs areas that

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they identify, and I'm certain that these that are in here already qualify as high-needs jobs, the ones that Senator Kuehn has put in his bill. So I think there's ways of identifying those high-needs jobs and I think this is just a very good step in getting towards fulfilling those work force needs that we have across the state. And with that, I'd be happy to answer questions. [LB565]

SENATOR HILKEMANN: Are there questions for Mr. Baack? Yes, Senator Haar. [LB565]

SENATOR HAAR: Yes, thank you. Of course, with four-year institutions, they are public and private. Is that also true of the two-year or would that mainly be the community colleges? [LB565]

DENNIS BAACK: Yeah, the community college, it calls for two-year and four-year schools. [LB565]

SENATOR HAAR: Right, but are there private two-year institutions? [LB565]

DENNIS BAACK: Community colleges? There are private, for-profit schools that do associate degrees and stuff. Yes, there are private, for-profits,... [LB565]

SENATOR HAAR: Okay. [LB565]

DENNIS BAACK: ...but not for...I don't think there's any nonprofits but I'm not positive of that. Okay? I don't know that for sure. [LB565]

SENATOR HAAR: So I didn't read this bill that carefully, but would this...could this go to for-profits? [LB565]

DENNIS BAACK: This bill, as written, it says it goes only for nonprofits. [LB565]

SENATOR HAAR: Nonprofits, okay. [LB565]

DENNIS BAACK: That's what this bill says. [LB565]

SENATOR HAAR: Thank you. [LB565]

SENATOR HILKEMANN: Okay. Other questions for Mr. Baack? Yes, Senator Stinner. [LB565]

SENATOR STINNER: When we talk about work force development, of course, community colleges really are at ground level on that issue. As you look at this bill and as you look at the needs of the community colleges and how they're going to morph into

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more toward, I guess, more of the construction trades, etcetera, and the dollars associated with that, and then you got career academies coming on-line, what's your sense of where we're at today, where we'll be in five or ten years from now, and what those dollars are going to look like that the needs are? [LB565]

DENNIS BAACK: Well, I think we're making progress. I think we're starting to move into that field where we're more specifically oriented towards job training, although we have been doing that for a long, long time in the community colleges. But I think when you start as a state and you start saying, okay, here's the high-needs areas out there and you start pinpointing and say these are the jobs that we really need to develop specifically in these areas, then you start targeting dollars specifically towards those areas. That also makes it so that we start focusing our programs in those areas so that we can make sure we're exactly meeting those needs. Now we've worked so closely with business and industry that we have business advisory committees and stuff for all of our programs in community colleges and all of them have them. And those advisory committees talk about what's going on today in technology within theirs, what's going on throughout their industries, and then we start to move our curriculum in those kinds of directions. These kinds of funds would certainly help with that as we start changing our technology and our curriculums to match up with exactly what business and industry needs. And I think that's what this bill is doing, is pinpointing those needs and trying to make sure there's some dollars directed directly to those. [LB565]

SENATOR STINNER: Thank you. [LB565]

SENATOR HILKEMANN: Any other senators have any questions of Mr. Baack? Seeing none, thank you very much for your testimony today. [LB565]

DENNIS BAACK: You bet. Thank you. [LB565]

SENATOR HILKEMANN: Are there other proponents for LB565? Seeing no one coming forth, are there any opponents to LB565? Seeing no one coming forward, are there any that are in a neutral position on LB565 today? Seeing no one come forward, Senator Kuehn, would you like to close? [LB565]

SENATOR KUEHN: Unless there are no questions from you all... [LB565]

SENATOR HAAR: Yeah, I would have a question. [LB565]

SENATOR KUEHN: Senator Haar? You bet. All right. [LB565]

SENATOR HILKEMANN: Yeah, would you come forward? I think there's some questions here. [LB565]

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SENATOR KUEHN: Great. Go for it. [LB565]

SENATOR HILKEMANN: Senator Haar. [LB565]

SENATOR HAAR: Saved the tough questions for...no, no. This... [LB565]

SENATOR KUEHN: I knew that was coming, Senator Haar. [LB565]

SENATOR HAAR: This is an easy one. For the purpose of this act, you defined the high-needs fields. Would this be something that would be assigned to a group to keep defining what high needs...or how would you deal with that one? [LB565]

SENATOR KUEHN: Yeah, I think this is certainly something that the Coordinating Commission, you know, going forward have the opportunity to look at and develop and either expand or restrict that high-needs field. You know certainly we have a number of programs in the state, you know, the career academy has been mentioned, which is based purely on financial need. On the other hand, we have state programs which are either loan repayment or forgiveness, for example, for doctoral level healthcare needs. We really don't have anything that is broad-based across the board that truly addresses specific high-need fields in an educational perspective. So I think this is certainly a starting point. I will say starting this process and to what it's developed in terms of just the broad-base of support and the number of whether it's professional groups that are looking for a more trained work force or even educational institutions who have really engaged in this issue, I think just the interest alone shows that we've identified something critical here in terms of targeting these fields at a higher education level, and not just restricting it and thinking of it in terms of, well, this is our public university or state college system and where we're going to go with it but thinking more broadly across the board both in terms of our two- and four-year institutions as a whole as to those performance-based outcomes. So I think it's definitely an idea that will continue to be refined and change shape as the program grows and expands. [LB565]

SENATOR HAAR: But I was just thinking that somewhere in here, so that this doesn't have to come back to the Legislature to redefine high needs that there may be some mechanism for adjustment to that instead of coming back as a bill. [LB565]

SENATOR KUEHN: Yeah. And I certainly think the Coordinating Commission is the perfect group to be able to make those assessments and make those decisions. Yeah. [LB565]

SENATOR HAAR: Good. Thank you. [LB565]

SENATOR HILKEMANN: Any additional questions for Senator Kuehn? [LB565]

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SENATOR KUEHN: Thank you. [LB565]

SENATOR HILKEMANN: Seeing none, thank you very much. This will close the formal hearing on...oh, are there any letters? (Exhibits 2, 3, 4, 5, and 6) We do have some letters that have been filed here in support of LB565: one from the National Association of Utility Contractors of Nebraska; the Nebraska Building Chapter of the Associated General Contractors of America; from Morgan Pusek; and then the Rural Telecommunications Coalition of Nebraska. There were also letters in neutral position from the Nebraska Nursing Facility Association and the Nebraska Assisted Living Association. So that will conclude the hearing on LB565. Let us now move forward to LB584. Senator Schilz. [LB565]

SENATOR SCHILZ: Good afternoon, Senator Hilkemann and members of the Appropriations Committee. My name is Ken Schilz, spelled K-e-n S-c-h-i-l-z. I'm here today to introduce LB584. LB584 would create and appropriate dollars to the oral health clinic grant fund. As I foresee it, a qualified applicant for these funds could be a nonprofit associated with Creighton University School of Dentistry. Article VII, Section 11 of the constitution prohibits the state of Nebraska from providing funds directly to a nonpublic school, but there is not a prohibition for states, cities, and counties to contribute to nonprofits. And it is especially compelling when there is a public purpose for the appropriation. If successful, a 501(c)(3) would be the applicant and recipient of public funds to construct the facility to serve the public. So you may ask why would a senator from Ogallala introduce legislation to assist public oral health in northeast Omaha. Well, I can give you a number of reasons but the main one is that it's the right time for it. Nebraska is sitting on a large Cash Reserve, unless you guys have done something with all that. (Laughter) In my estimation, the Cash Reserve is too high and some dollars should be invested in Nebraska. To me, the Cash Reserve is for one-time expenditures and we, as policymakers, need to be forward thinking and be creative in ways to move Nebraska forward as well. I believe LB584 is a great opportunity for the state Legislature to support oral health for the public, assist with a skilled work force, provide infrastructure, and participate in economic development. And through this legislation, the entire state of Nebraska will feel the positive impacts. For those of you not familiar with Creighton University School of Dentistry, there's an oral health clinic where dental students provide charitable and reduced-fee care to the public. Last year 11,000 patients were served with over 44,600 patient visits. Of these patients, 1,400 were children. These visits amounted to nearly \$6.7 million in discounted and unreimbursed services last year alone. A new facility would allow the number of patients to increase to 15,000. Further, the applicant would be required to provide oral healthcare outside of the metropolitan area, either through school districts or federally qualified health centers. Additionally, an enlarged clinic and dental school will allow for larger class size. Creighton plans to increase the number of students from 85 per class to 115 per class. With the increase, it is my hope there will be more dentists who will decide to start their practice in rural Nebraska. By attracting more dental students to

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Nebraska, they are more likely to land dentists in rural Nebraska. This will not solve our oral healthcare needs alone, but it's a good start. I propose an appropriation of \$16.2 million in the bill. This is 20 percent of the total project cost. The other 80 percent will be paid through private sources. I understand the difficult process the committee has before it in crafting a budget and prioritizing spending. I think this appropriation will pay for itself very quickly. Please consider the public health concern, work force development, infrastructure, and economic development while evaluating this appropriation throughout the difficult budget process. And I'd be happy to try to answer any questions you may have. Thank you. [LB584]

SENATOR HILKEMANN: Okay. Do we have any questions for Senator Schilz? Okay. [LB584]

SENATOR SCHILZ: He's waiting. [LB584]

SENATOR HILKEMANN: All right. Anybody? Senator, is there any...has there been...and you mention you're hopeful of getting some...that we'll get more rural dentists from this. [LB584]

SENATOR SCHILZ: Uh-huh. [LB584]

SENATOR HILKEMANN: Was there any discussion with Creighton with this clinic that there might be some program that they would set up for encouraging rural dentistry? [LB584]

SENATOR SCHILZ: Yeah, and I think there obviously have been conversations to that effect and I think that there's folks behind me that can further delve into that for you. But, yes, those conversations have at least taken place. [LB584]

SENATOR HILKEMANN: Okay. Thank you. Any other questions? Thank you very much, Senator. [LB584]

SENATOR SCHILZ: Thank you, sir. [LB584]

SENATOR HILKEMANN: Are you going to be staying or... [LB584]

SENATOR SCHILZ: I'll stick around. [LB584]

SENATOR HILKEMANN: Okay, good. Other proponents for LB584. [LB584]

MARK LATTA: Mr. Chairman, members of the Appropriations Committee, good afternoon. I'm Mark Latta, M-a-r-k, last name L-a-t-t-a, and I serve as the dean of the School of Dentistry at Creighton University. I am very grateful for your consideration of

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LB584 and I'd like to thank Senator Schilz for introducing the bill and Senators Watermeier and Nordquist for cosponsoring. Creighton School of Dentistry has been graduating exceptionally prepared dental providers serving the oral health needs of citizens of the region since 1905. Unlike many other healthcare education programs where students are placed in clinical settings primarily to observe, more than two of the four years of dental education are spent with our doctor of dental surgery students providing definitive dental services and care, meeting the needs of scores of patients and serving a robust public purpose. We currently enroll 85 students per year in our program. I like to describe the clinics in our facility as a dental hospital, in part due to the comprehensive scope of clinical care we provide and also due to the degree of complexity of the operation that we manage. As Senator Schilz indicated, we serve thousands of patients and provide millions of dollars of discounted or unreimbursed dental care within our facility, often serving our most at risk and vulnerable citizens. In addition, through community outreach projects and in conjunction with numerous community partners, our students and faculty touched an additional 14,000 patients and provided more than \$1.3 million of unreimbursed services outside of our facility. On an annual basis we provided a total of \$8 million of discounted or unreimbursed care. Within the vision of our expansion, we will over a ten-year period exceed \$100 million of these services. The dental profession was recently listed as the number one job in the United States by U.S. News. This has led to a very high demand for dental education, which is reflected in the more than 2,300 applications we receive each year for our 85 first-year positions. As part of Creighton's strategic plan, we have a vision to modernize and expand our education facility to respond to the local, regional, and national demand for dentists and also to increase the number of student clinicians to meet the local and regional demand for dental care. While one-third of the new facility in terms of space will be dedicated to the clinical spaces that will expand our on-site care delivery, these spaces represent nearly 70 percent of the total project cost. We're projecting an expansion of our class size of 30 percent and we will increase the number of treatment operatories from our current level of 155 to more than 200. We will not only increase the number of patients served over all but we will specifically target doubling the number of children served as these represent a special vulnerable population. The calculated economic impact of our project is significant with more than a 190-job increase and a dollar impact over ten years of more than \$220 million. While a private university, Creighton dental graduates represent 30 percent of dentists in our state. The history of the dental work force supply over the last 35 years has led to a current shortage in absolute terms and a maldistribution of dentists nationally. The number of dentists per the U.S. population is projected to decrease as a ratio through 2030, and this is reflected in Nebraska with 50 counties classified as a shortage area for general dentists. We are aware of the work of the Unicameral which you have done on LR422 and are committed as a willing partner with all of Nebraska's stakeholders to these goals. We know good oral health is a significant component to overall wellness for our citizens. Support from the state for our clinic will facilitate programming that would aid in the achievement of the overall intent of LR422. We envision a robust teledentistry platform

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in our new facility that would allow dentists, especially rural providers, to access consultative services from our specialist dental faculty. We would like to expand some of the best practices from our current relationships with Charles Drew and OneWorld Community Health Centers to other community centers in the state. Our Omaha Public Schools outreach program, in concert with Building Healthy Futures, represents a model that could be expanded to rural school districts as well. We would also be able to implement a scholarship program specifically targeted at placing our graduates in designated rural settings with policies to ensure implementation and compliance. Thank you again for your consideration of the bill. I'm happy to respond to any questions that you may have. [LB584]

SENATOR HILKEMANN: Okay. Thank you, Dr. Latta, for your testimony. Are there questions for Dr. Latta? Yes, Senator Haar. [LB584]

SENATOR HAAR: I can't always remember bill numbers. Could you refresh for me what LR422 is? [LB584]

MARK LATTA: LR422 is an initiative that's an evaluation of the future work force and healthcare needs for the state that as I understand is evaluating both work force needs, team-based care, and other models to try and improve health of the citizens of the state. [LB584]

SENATOR HAAR: Okay. Thank you. [LB584]

SENATOR HILKEMANN: Senator Stinner. [LB584]

SENATOR STINNER: I've got a couple questions. One of them, what does it cost a dental student nowadays to get through "dent" school? [LB584]

MARK LATTA: Our tuition is \$55,000 per year for the four-year program. In our school, there's an addition about \$5,500 of fees for instrument leasing. [LB584]

SENATOR STINNER: Is there money available for each student that gets in that they could access loans or...? [LB584]

MARK LATTA: The principal financial model for our dental students from a financial standpoint would be health professional loans that are available to them. As a private institution, by the time our students reach their last year, most of them max those out and then those that have to borrow will typically go into the private market. [LB584]

SENATOR STINNER: Okay. You and I had a conversation today about some of the barriers for students coming out of school starting a dental practice and, you know, they walk into the bank, into my bank, and I'd look at the student loan side of things, then I'd

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look at the \$150,000-\$200,000 required to start a practice, unless there's a practice there. That's a fairly substantial barrier. [LB584]

MARK LATTA: I agree, sir. I think that the scholarship program that we're proposing in particular is complementary to the loan repayment program that already exists. The loan repayment program I think can be successful but it catches a graduate, if you will, on their way out, when they do realize they have that very robust debt. Our proposal really is to target students on their way in, students that have been accepted. We would certainly encourage students to apply for that scholarship first, those that are in our accepted pool from rural areas. Then we would encourage students that are Nebraska residents to apply for that scholarship if they would commit to a rural placement. And then finally any student from our applicant pool that's accepted that...even from another state that would commit to staying in Nebraska in a designated area. We see the advantage in that is that while the students are in their four years of education, through the network of alums that we have, to have those students connect with alums, some that are obviously in shortage areas, to begin to develop the kinds of dialogue that could hopefully address either associateship or partnerships that would mitigate some of those early start-up costs and still provide work force in areas that are needed. We don't certainly propose that this is the complete solution to the problem but another avenue complementing other avenues. [LB584]

SENATOR STINNER: How many scholarships were you suggesting it would sponsor? [LB584]

MARK LATTA: Frankly, Senator, that just depends on the amount of support that we might be able to receive from the state. Our financial plan for funding the capital project if we were able to receive state aid, the revenue model, the business pro forma that we have, would be used to pay back whatever debt service we have. If we subtract from our revenue model from increased tuition, from the increased students a state grant then we could divert that revenue back into the scholarship program. So at the level of the request at \$16.2, we believe we could fund three scholarships a year. Now loaded over four years, that's 12 scholarships in total because we're presuming that we would fund a scholarship for incoming first-year students. On a prorated version of that, we would have to reduce the number of scholarships we could because the resources that we have from the tuition increase would have to be diverted back to debt service, and that's how we develop the model based on saving capital up-front and pay back on the backside, sir. [LB584]

SENATOR STINNER: And you...did you tell us how many areas in rural Nebraska need help? [LB584]

MARK LATTA: Well, currently there are 50 counties that are designated as shortage areas. About...we estimate that about a quarter of the dentists in the state, about 1,250

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dentists that are actively practicing, a quarter of that number are estimated to retire by the year 2017. So we expect that that number will probably go up. For pediatric services, for pediatric dentistry, with the exception of the Omaha and Lincoln metro areas, all the counties are considered shortage area for primary pediatric care. [LB584]

SENATOR STINNER: Thank you. [LB584]

MARK LATTA: Yes, sir. [LB584]

SENATOR HILKEMANN: Senator Nordquist. [LB584]

SENATOR NORDQUIST: Thank you, Senator Hilkemann. Thank you, Dr. Latta. You mentioned the \$8 million annual charitable care that the dental school provides now and that being \$100 million over ten years in a new facility. Can you talk about the impact on Medicaid though, which I assume, you know, we know that statewide but even in the metro areas there are a shortage of access to Medicaid dental providers for adults and children. And you being one of the largest, I don't know if the largest provider, on a quantity basis of dental care for that population. But talk about the potential impacts, at least anecdotally--I'm sure... [LB584]

MARK LATTA: Sure. [LB584]

SENATOR NORDQUIST: ...you probably don't have numbers--about how that hits the Medicaid budget because the alternative for them not getting the dental care they need is to show up in the ER with a serious problem. [LB584]

MARK LATTA: Right. I think there are two discrete populations that we would see if we had the right surveillance data that would be savings in Medicaid. The first are children that our preventive programming and getting children earlier into dentists for less expensive procedures will certainly save costs. Even in the dental program on the backside, a simple preventive treatment or a simple filling, if you will, prevents a tooth extraction or more extensive care for a child that has not been able to get regular dental care. On the adult side, our school sees more patients for urgent care than all the Omaha city hospitals emergency departments combined. So \$100 dental visit is \$1,000 emergency department visit. And in an emergency department, the physicians, this is no criticism, but they provide medication, typically pain medicine and antibiotics, because they're usually treating an infection of dental origin, but they don't get the problem, the underlying problem, definitively treated in an emergency department. We do that in our school in our urgent care clinic. So we believe that an expansion of our services, we actually have a plan in our new facility to expand our hours as well to provide extended coverage for urgent care will relieve the emergency departments because many of these folks are folks that have been accessing the healthcare system through the medical part of Medicaid, which is much more expensive than a preventive

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dental procedure or interventive dental procedure. [LB584]

SENATOR NORDQUIST: Thank you. [LB584]

SENATOR HILKEMANN: Dr. Bolz. (Laughter) No, Senator Bolz. I'm around doctors too much. [LB584]

SENATOR BOLZ: I was going to say I think I just got a promotion. Two questions: The first is just for my own education. Is Lancaster one of those counties who's a shortage area? [LB584]

MARK LATTA: I don't know. I could...I'd have to look that up, Senator. [LB584]

SENATOR BOLZ: I just would like to know for my own information. But the other thing that's appealing to me about this proposal is your outreach to the other communities and you know, specifically looking at the section of the bill about the letters of intent with school districts and federally qualified health centers. Could you just describe to me in a little bit more detail how that would work, how those would be chosen, how those would function, sustainability, etcetera? [LB584]

MARK LATTA: Sure. There are two models that we currently have experience with that we are now in the process of analyzing what best practices are that would be a component of the outreach into the more rural areas. The first is the relationship we have with Charles Drew and the OneWorld Community Health Center where our students rotate through as a leverage work force. The educational benefit for our students is that they're placed in a community setting which we believe is an important part of their educational formation as professionals. We actually provide the faculty in those areas and the students work under our faculty and the faculty license. And the community health centers, if they are able to collect fees, keep all the revenue. We use it as an educational model. We have a lot of experience with what works and what doesn't in those settings to make it a productive process in the way patients are scheduled, for example, in those centers. And we would hope to communicate with the other...I believe there are five other federally qualified centers in the state, I believe two of which provide dental services, that we would want to engage to place our students in those settings under a similar model. With respect to the school program, which we've been working with Building Healthy Futures in Omaha, and we've learned a great deal. We've learned the process of a child getting care is really dependent on education, outreach through the schools to educating the caregivers of the child and families, and tracking them into a dental home in addition to providing educational services and basic preventive services that can be delivered in a school setting as opposed to a clinical setting. And we would hope to contact school districts and essentially expand what we've learned in our Omaha Public experiences and offer that kind of opportunity for those school districts. Part of that is also engaging providers. In the city of Omaha, we

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become a major provider of finding a dental home for those children that are identified with needs in the schools. And that, we actually have a dental health coordinator, that works in conjunction with our community partner to facilitate this in the schools, call the families, and really try and access some of the social and economic barriers to access. We would need to in the rural areas, in the rural school districts proposed, also develop relationships with the providers that are approximate to the school district to build the same kind of dental home pipeline. But we're directly accessing in the schools with our leveraged student work force. We've been successful at significantly expanding access for students. We have more work to do. We think the model is scalable to the rural district as well. [LB584]

SENATOR BOLZ: That's very helpful. Thank you. [LB584]

SENATOR HILKEMANN: Are there other senators that wish to have a doctor's degree conferred upon them yet? (Laughter) Any other questions to Dr. Latta today? Dr. Kuehn and Senator Kuehn. [LB584]

SENATOR KUEHN: I do have a question but I've got the degree already so I'll let it go. (Laughter) Thank you for your testimony today on this bill and I just want to...not to beat a dead horse, as a veterinarian would say. I want to just keep again reexamining this idea about the public service role in this component, because I think it's critical as we evaluate the public role that this appropriation serves. So expanding by 30 students, increasing your operatoriums to upwards of 200, you've talked about a scalable model. In the event that that scale doesn't work or you're unable to make these connections, whether that's with rural districts or expanding forward, how would you see then that this appropriation fits into that overall public health role within the state? So if you were unable to scale this model up or the scholarships don't work, what would be plan B or plan C or how would you envision this moving forward? [LB584]

MARK LATTA: It's a little difficult to answer because in our strategic vision, in our business pro forma, we are committed to the enrollment expansion and the clinical platform expansion. Our trustees have given us authorization to do silent phase, silent campaign fund-raising, which we have done. And we have about a quarter of the revenue generated for the capital part of the project already. The state appropriation really allows us to fund the scholarships based on the economic model that I mentioned. We would be committed, I dare say, almost regardless of whether we get a state appropriation, to try and expand the experiences for our students and our public purpose, because it's essentially mission based from the values of our institution. So I'm not sure I'm answering your question specifically, but we have, in our strategic plan, a commitment to accomplish this project. The risks, as we see it, in implementation, there's some risk in fund-raising obviously because we have to have a certain threshold to move forward. But the risk won't be in engaging students. The risk isn't going to be finding patients that need the service because they're abundant, both in the area and in

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the region. My biggest challenge moving forward, as dean, will be the faculty, is recruiting and retaining excellent faculty to continue the educational mission that we have. But with respect to our business pro forma for funding the project without state funding, we're confident that we can do it. The state appropriation allows us to do that expanded outreach in the scholarships. [LB584]

SENATOR KUEHN: Thank you. That's helpful. [LB584]

SENATOR HILKEMANN: Senator Stinner. [LB584]

SENATOR STINNER: So let's just walk through the financial part of this thing just one time. The total project is? [LB584]

MARK LATTA: \$81,450,000. [LB584]

SENATOR STINNER: Okay. How much of that is going to be fund-raised? I understand this is 20 percent of the project. How much do you envision that you're going to be able to do in a fund-raise mode? And how long is your fund-raising going to last? [LB584]

MARK LATTA: Well, I can't specifically answer that because our board of trustees hasn't set the "put a shovel in the ground" target number. We're estimating that it's probably going to be in the 60 to 70 percent range with capital. We've raised \$23 million. We have an additional \$30 million in outstanding asks and more to come. We're hopeful that sometime this year we'll receive final approval from our trustees. As I said, they've approved both this initiative to approach the state with this idea. They've authorized the formation of the 501(c)(3) to be associated with our clinics, and they've authorized us to go and do the so-called silent phase of fund-raising. With the presidential leadership change at the university, I think that Father Daniel Hendrickson will be seated July 1, I think very quickly after that we'll probably be able to move to a final authorization for the project. So I cannot give you a specific fund-raising number at this particular point because that...well, that's at a much higher pay grade than where I sit, sir. [LB584]

SENATOR STINNER: Well, the other side of it is you did work your financial model out with debt service... [LB584]

MARK LATTA: Yes. [LB584]

SENATOR STINNER: ...which means you may incorporate some kind of bond issue or... [LB584]

MARK LATTA: Or some other financing, based on the university cash flow. [LB584]

SENATOR STINNER: Okay. [LB584]

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MARK LATTA: We've run that in the most conservative sense at 50 percent philanthropy and 50 percent through the growth. I think our trustees would like to have more philanthropy than that 50 percent,... [LB584]

SENATOR STINNER: Okay. [LB584]

MARK LATTA: ...and that's what we're expecting. That's certainly what we're working towards. But we have a fairly short return on investment for whatever debt service we have to carry on a 50/50 plan. [LB584]

SENATOR STINNER: So do you think it's a five-year payback or debt service coverage is how I usually look at it? [LB584]

MARK LATTA: It's about seven years on a 50/50 plan. [LB584]

SENATOR STINNER: Okay. And 50 (percent), that's \$40 million, right? [LB584]

MARK LATTA: Yes, sir. [LB584]

SENATOR STINNER: Okay. [LB584]

MARK LATTA: It's seven from the time the building opens; it's nine from the time that the hole gets in the ground. [LB584]

SENATOR STINNER: Okay. Is there any possibility that this is going to last more than two years, which would put it outside the 2017? [LB584]

MARK LATTA: Well, there's always a possibility. But this is the number one capital priority at the university at this point. The language that our trustees, the chair of our trustees and our trustee leaders are saying is we're going to do this, we've just got to get our financing lined up. But again, Senator, I'm operating a little bit out on a limb here speaking for our trustees. [LB584]

SENATOR STINNER: Okay. Thank you. [LB584]

MARK LATTA: Yes, sir. [LB584]

SENATOR HILKEMANN: Any other senators have any questions of Dr. Latta? So if I understand this, Doctor, you've already...you've got \$23 million already pledged,... [LB584]

MARK LATTA: Yes, sir. [LB584]

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SENATOR HILKEMANN: ...\$30 million that has...probably is contingent upon getting some help from the state of Nebraska? [LB584]

MARK LATTA: Those community leaders are watching the deliberations of the Unicameral very carefully, yes, sir. [LB584]

SENATOR HILKEMANN: Okay. And so if you were to get the \$16 million from the Legislature, the \$23 million you have, the \$30 (million), you would be within \$10 million of your goal. Is that correct? [LB584]

MARK LATTA: I didn't do the math, sir, but, yeah, it would be pretty close. [LB584]

SENATOR HILKEMANN: Close? [LB584]

MARK LATTA: Yes, sir. [LB584]

SENATOR HILKEMANN: Okay. All right. Out of curiosity, you say that your students end up with about \$60,000 a year in fees. [LB584]

MARK LATTA: Yes, sir. That's not living expenses. That's the tuition and fees. Yes, sir. [LB584]

SENATOR HILKEMANN: I understand. I understand that. What percentage of your students receive scholarship at the present time and to what level? [LB584]

MARK LATTA: Most of the scholarships that we have within the School of Dentistry that are offered to our students are scholarships focused on diversity. Most students, we have several scholarships, for example, that might be a 50 percent scholarship that would allow an underrepresented minority student, for example, to access our education. We...and, Senator, I'm sure you're familiar with tuition discounting as the way universities matriculate students, that there's the retail and the wholesale price. In aggregate our tuition discounting, the amount of scholarship we deliver is less than 3 percent. So it's very little. [LB584]

SENATOR HILKEMANN: Less than 3 percent. [LB584]

MARK LATTA: Yes, sir. [LB584]

SENATOR HILKEMANN: Okay. Additional questions? Thank you, Dr. Latta, for testifying here today. [LB584]

MARK LATTA: Thank you, Mr. Chairman. [LB584]

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SENATOR HILKEMANN: Other proponents for the LB584 today. [LB584]

FRANK PATTERSON: Hello, Senators. It's a pleasure to speak to you. My name is Frank Patterson, F-r-a-n-k P-a-t-t-e-r-s-o-n. I'm a 2011 graduate from Creighton dental school. I'm here today respectfully to ask for your support of LB584 so more dentists like me can set up practices in rural Nebraska to help overcome the critical shortages of dentists. I traveled from Valentine six hours to come talk to you for five minutes, then I'll return six hours tonight so I can see patients tomorrow. The reason for this is I feel this is a very important message and I want to portray that to you in the best way possible and hope that I am able to do so from my perspective. I was born in Idaho. I lived there until I was 27 years old. I was wanting to go on to dental school, came to Creighton. Creighton accepted me to their dental program. Loved it, I thoroughly enjoyed the program, learned an immense amount. Time came for me to graduate; where do I go? Do I return to Idaho? Do I...what is the end result for me? I want you to know that I looked at Washington, Oregon, Idaho, Montana, Wyoming, Utah, Nevada, Arizona, New Mexico, North Dakota, South Dakota, Colorado, Nebraska. The place that I found that needed the most service was right where I'm at right now--Valentine, Nebraska. I bought a dental practice there that had been for sale for five years. The practice just to the east in Ainsworth, Nebraska, had been for sale for six years. After I bought the practice in Valentine, purchased the practice in Ainsworth. There was a dental practice in Winner, South Dakota, that closed down. Just across the border services, patients go up there from Springview, Nebraska, they go see dentists, doctors for services there and I reopened that practice after it had been closed down for two years because I see the need. It's not all about the bottom line. It's more about taking care of the patients and helping to provide services to them. We service about 8,000 patients in this community. There's four doctors. I have three associates that work for me. I want to portray this message that Creighton facilitated me staying here in Nebraska. You know, I really feel happy with what I've been able to accomplish in such a short amount of time and it all has to stem from Creighton. Creighton providing with the opportunity to come to school here, loving the people that are here in Nebraska, which I thoroughly do, and I feel myself a Nebraskan and I am very proud to say, go Huskers. A lot of people would say, you know, ask me where I was born. I say, well, I wasn't born in Nebraska but I got here as quick as I could. One thing that I have been able to see in our communities is that we're able to keep more of our...due to the wonderful education that we were able to receive at Creighton as far as our advanced skills in our learning, we're able to keep more of the small...more of the earnings in our small communities for economic growth and development. One of my practices, we were able to double our gross revenues. What does that mean? It means we're able to hire more employees. It means that we're able to, instead of sending those patients up into South Dakota to a larger community, we're able to keep that revenue in our facility or in our area, our community. I never set out to practice here in Nebraska, but I am ever so grateful to be here and I want to thank you for your time. I respectfully ask you to support LB584. Thank you. If there's

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any questions. [LB584]

SENATOR HILKEMANN: Okay. Are there any questions from the senators for Dr. Patterson? Yes, Senator Kuehn. [LB584]

SENATOR KUEHN: Thank you, Dr. Patterson. I appreciate you coming down and making the trip to visit with us today. As you think about your Creighton experience and your understanding of the proposed expansion of the program and improved operatoriums and the outreach, having been in the program and with your peers, how would you see the expansion of this program enabling other students, as you once were, to participate in Nebraska? What specifically about the \$16 million would be a good investment for Nebraska, in your opinion? [LB584]

FRANK PATTERSON: You know, that's a very good question and if I answer that, my answer would be to see some of these students that are at the school have outreach, even as far away as out into Valentine and Ainsworth, to facilitate their understanding of what a wonderful community it is to be where I am, to be where other...I mean some of you senators are and to see that, you know, it's a great place to live and to raise a family and to grow. [LB584]

SENATOR HILKEMANN: Senator Stinner. [LB584]

SENATOR STINNER: I do want to thank you also for making the trip down here. We're extending that trip right now but I think you underscore very well that 25 percent that's 50 and older. More practices are coming up. Do you see anybody in your peer group wanting to get back to Nebraska that may be out of there, what that critical mass of folks that we can get back, engaged into rural Nebraska? [LB584]

FRANK PATTERSON: Yes. And I think that this would facilitate that. As we...I had a lot of...coming from Idaho, I had a lot of friends that went off to other dental schools--Cleveland, Ohio; Milwaukee, Wisconsin; Kentucky; different areas--and what I found is they tend to have a desire to stay in those communities. Now I'm not saying specifically in a rural community, but you get to know people. You live in a community for four years, in a state for four years and, yes, I see that that, upon graduation, quite frequently they want to just where they're at. [LB584]

SENATOR STINNER: So this four scholarships that are proposed here for people to stay in Nebraska and in these areas where we need them is a big, big plus in your mind. [LB584]

FRANK PATTERSON: Huge. Huge. [LB584]

SENATOR STINNER: Very good. [LB584]

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FRANK PATTERSON: And there is currently a scholarship program for some of these underserved areas, and I participate in that and that's huge for me as well to help. As a banker, you would understand--to get some of my loans taken care of, to be able to provide and to expand and to provide these services for patients. [LB584]

SENATOR STINNER: Absolutely. Just to ask a question, when you go for continuing education, how far do you have to travel? [LB584]

FRANK PATTERSON: I'm going to CE March 10 and 11 in Denver,... [LB584]

SENATOR STINNER: Okay. [LB584]

FRANK PATTERSON: ...so 12 hours. [LB584]

SENATOR STINNER: Thank you. [LB584]

SENATOR HILKEMANN: Any other senators with questions? Doctor, you mentioned that you had three associates. [LB584]

FRANK PATTERSON: Yes, sir. [LB584]

SENATOR HILKEMANN: Where did you recruit...from where did you recruit your three associates? [LB584]

FRANK PATTERSON: So I've had different externs come in from many different schools, but the three associates that I have, one of them is from Loyola. It was a school that shut down years ago. He's about 45 years old currently. The other two are younger than I am. One came from Indiana and one came from Case Western, which is in Cleveland, Ohio. [LB584]

SENATOR HILKEMANN: Do you anticipate that these associates will stay with you for a longer period of time? [LB584]

FRANK PATTERSON: That is the plan. They plan to buy into the practice and buy into the vision, per se. [LB584]

SENATOR HILKEMANN: Okay. Additional questions for Dr. Patterson? Doctor, good luck to you in your practice and your enterprise, and thank you for testifying, coming here today. [LB584]

FRANK PATTERSON: Thank you all so much. [LB584]

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SENATOR HILKEMANN: Additional proponents for LB584. [LB584]

ALAN BADOOR: Chairperson Hilkemann and members of the Appropriations Committee, my name is Alan Badour, that's A-l-a-n B-a-d-o-u-r. I'm retired. I live in Valley, Nebraska, and I am here in support of LB584. I've received excellent and still receive excellent service and outstanding treatment from Creighton School of Dentistry. To put this into context, I really never cared for dentists. I would go to great lengths to avoid them. Then I broke a tooth and I went to a dentist in our community and he suggested the tooth be extracted. One of my neighbors happens to be Dr. John Shaner, who is the department chair and director of clinical teams at Creighton Dental School. He suggested that I call urgent care and have my broken tooth treated. I called the number. I was immediately given a date to come see the dental student/doctor. I had an outstanding experience. From the time I entered the lobby, I saw staff that was trained well and they placed high value on relationships with their patients. They made me feel at ease. They were friendly, even neighborly, making the relaxing process a reality. I was able also to work with the same dentist/student through my treatment. I believe in you finish what you start. The tooth was saved and it wasn't even extracted. I was also impressed how clearly he explained everything to me. I knew up-front what he was going to do, the tools he planned to use. He explained the x-rays to me--and I'm a novice, I'm a retired railroad engineer--and the treatments he was going to perform. I was also very impressed with the state-of-the-art tools that the students are trained on in how to perform and treat any of the dental problems that they come across. I've also been back for a root canal and a cap, and I received the same start-to-finish excellence, as far as I'm concerned. Where else can you get a second, third, and fourth opinion within 15 minutes? This impressed me to no end. Like I said at the beginning, I didn't like going to the dentist, but I now show up for my appointments at Creighton 20 minutes early. Thank you. And if you have any questions, I'd like to...be happy to answer them. [LB584]

SENATOR HILKEMANN: Thank you for your testimony. Any senators having questions of Mr. Badour? Is that...pronounced that correct? [LB584]

ALAN BADOOR: Yes, that's correct. Yeah. [LB584]

SENATOR HILKEMANN: Okay. Thank you very much for coming this afternoon. [LB584]

ALAN BADOOR: Thank you, Senator. [LB584]

SENATOR HILKEMANN: Additional proponents. [LB584]

DEAN COPE: Good afternoon, Vice Chairman Hilkemann and the members of the Appropriations Committee. My name is Dean Cope, that's D-e-a-n C-o-p-e. I practice

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dentistry in Cambridge, Nebraska, which is out in Furnas County, and I'm here today in support of LB584. As a 1993 graduate of Creighton School of Dentistry, I want to tell you how the school has had a meaningful impact on my life and my livelihood, which in turn I've been able to share with Cambridge and the surrounding areas. For the past 19 years I've operated a rural dental practice serving the people of Cambridge in Furnas County and the surrounding area. I have a diverse patient base, ranging from small children up to adults who are nearly 100 years old. Patients drive as far as 90 miles to see me. Because of the skill and education I received at Creighton School of Dentistry, I'm able to meet a wide array of oral health needs for my patients. The services I provide range from routine preventive care and single tooth restoration to handling more complex cases, such as dental implants, root canals, oral surgery, and full mouth rehabilitation. At Creighton School of Dentistry I was well trained to be practice ready and was able to provide complex dental services right from the start. Because of these skills, my patients have access to a high level of dental services, which reduces their need to travel further. This access translates into fewer patients seeking dental care in hospital emergency rooms, which is a tremendous savings for greater Nebraska healthcare delivery. My practice is more than just a dental office. I employ six people who contribute back to the community as well as the local economy. I'm part of a thriving rural community where each of us knows each other's families. We cheer for the kids at school and their activities, and we celebrate the milestones of life. I want to mention one thing. There was talk about outreach, and this is off my notes, but back eight years ago or so I had a young lady from Albion come out and spend a week with us. My wife is a physician. She couldn't decide between dental school or medical school so she spent two days with my wife and three days with me. So she went to dental school at Creighton and now practices in Albion. So that's how I see as a possible outreach to get the students exposure to rural Nebraska and to interest them in practicing in that type of area. Not only did I gain technical skills at Creighton, I was exposed to Creighton's point of difference--the Jesuit Catholic mission of compassionate service and leadership that strengthens communities. For example, I serve on the local school board and I'm board president, and have served on the economic development board and the school foundation. Recently our board signed an agreement with Nebraska College of Technical Agriculture, which is up in Curtis. That agreement will allow students to earn dual credits in high school and college. They can earn up to 30 credit hours at little or no cost to them. This will help prepare them to come back to our area of the state and to rural Nebraska. This is not unlike LB584 in that it's promoting education, brain gain, and rural economic development. I mention these roles to demonstrate how a practicing rural dentist like myself can impact and foster brain gain in rural areas of Nebraska, to keep our state thriving economically, and can have a positive role on rural development. This is why I'm here today, is to respectfully ask for your support of LB584 so that more dentists like myself can be trained by Creighton to be practice ready for rural areas of our state, providing critical access to oral healthcare for children, the elderly, and others in need, while advancing a positive community impact. Thank you. And I'd welcome any questions. [LB584]

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SENATOR HILKEMANN: Thank you, Dr. Cope, for your testimony. Are there senators with questions for the doctor? Seeing none, you did a good job. No one has any questions, Doctor. So thank you for coming in from Cambridge. [LB584]

DEAN COPE: Thank you for your time. [LB584]

SENATOR HILKEMANN: Are there other proponents? Okay. [LB584]

JEANEE WEISS: (Exhibit 1) Good afternoon. My name is Jeanee, J-e-a-n-e-e, Weiss, W-e-i-s-s. I want to take this opportunity to thank the Appropriations Committee for the opportunity to provide testimony in support of LB584. I serve as the CEO for Building Healthy Futures. Building Healthy Futures is a nonprofit organization that works to improve the health for our communities' underserved children and youth through thoughtful collaboration and advocacy. To that end, Building Healthy Futures builds collaborative partnerships between the communities' schools, health systems, higher education, insurance, and business to ensure that children are healthy and able to reach their maximum potential while in the classroom. Beginning in 2013, Building Healthy Futures entered into a partnership with Creighton University School of Dentistry. Recognizing approximately 15,000 children within the Omaha Public Schools alone did not have access to oral healthcare, the Child Oral Health Collaborative was formed to help bridge gaps in care. Through the work of the Collaborative, Creighton's Healthy Smiles Program was created and launched in January 2014 utilizing Creighton dental students as the providers of care. The Healthy Smiles Program includes oral health education, screening, application of fluoride, and for certain grades and ages the application of sealants to permanent molars. In addition to providing these valuable preventative services, Creighton's dental program has provided dental care coordination to ensure students requiring more extensive follow-up are able to be connected to a dentist in the community, to a federally qualified health center, or back to the dental school for further care. Within their first year of the Healthy Smiles Program, 177 Creighton dental students provided dental care in schools located within our underserved communities. This experience exposed dental students to alternative care environments and hopefully will increase their interest in serving in rural and urban communities upon graduation. Five thousand eight hundred and thirty-two students within eight elementary buildings received oral health education and care. However, due to limited capacity of dental care providers and students, approximately ten other schools in underserved communities in Omaha still lack oral health access. Across those eight elementary buildings, approximately 30 percent of students pre-K to 6th grade we have found have untreated decay, and Healthy Smiles is providing care in some schools with decay rates as high as 40 percent. Of those with untreated decay, 27.5 percent were classified as urgent or emergent, indicating that the child was in pain; had decay in one or more area of the mouth, therefore, likely requiring surgery for treatment; or they had an abscess or infection that was present, which can quickly

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become life-threatening. Over 300 families receive dental care coordination in an effort to connect students to a dental home and support for navigating barriers, such as transportation, language, dentists that accept patients that have Medicaid or are uninsured, need for office hours during nontraditional times, or fear or lack of understanding regarding the need for dental care. The Healthy Smiles Program has made extensive efforts to reach out to other dental providers in the community and truly works to connect children and families to the type of care that is the best fit, as illustrated by the following story from our dental care coordinator. During a screening in Fall 2014, "Phillip" complained of pain and discoloration in his front teeth. The dental care coordinator from Creighton recalled seeing Phillip in Spring 2014 with the same complaints and that his family had been referred to a community dentist at that time. When the dental care coordinator followed up with Phillip's parent regarding the referral initially made, the parent identified multiple barriers they had experienced: one, it was a new provider to them so they lacked a relationship with that provider; two, work schedule--Phillip's mom often worked out of the state; three, the new provider was only open for appointments Monday through Friday from 9:00 to 4:00; and four, they were currently uninsured, as their current application for coverage was still pending. The child was then referred to Creighton University Pediatric Center. The parent had a work conflict for the initial appointment at Creighton, then a second conflict for a subsequent appointment at Charles Drew Health Center. The dental care coordinator made numerous contact attempts and, fortunately, was able to schedule an appointment at Creighton. The new patient appointment was a success. Within two weeks the child returned for a follow-up appointment and Phillip had his two front teeth repaired and was no longer in pain. The dental care coordination was the key to success for Phillip and his mom. Very few dental providers have the ability or capacity to stick with the family over multiple months in an effort to ensure treatment is eventually achieved. The role of the dental care coordination at Creighton is truly unique and without these added supports, many children served would not have received their follow-up care. Building Healthy Futures and the Child Oral Health Collaborative are very grateful for Creighton's active participation in support of underserved children. The collaborative understands that thousands of children still do not have access to oral health throughout the state. With increased capacity, more dental students, and the ability to schedule more pediatric appointments that LB584 would provide through the expansion of the dental school, more children would be reached, more schools served, and more dental students would be exposed to alternative care environments that serve children in underserved communities. Therefore, I hope the Appropriations Committee will move LB584 out of the committee as a first step towards ensuring that more of Nebraska's children are connected to high quality dental care. Your consideration of this legislative bill is greatly appreciated, and I welcome further questions. [LB584]

SENATOR HILKEMANN: Thank you, Ms. Weiss. Are there any questions from the senators of Ms. Weiss? Senator Kintner. [LB584]

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SENATOR KINTNER: Hey, thank you for coming out today. [LB584]

JEANEE WEISS: Uh-huh. [LB584]

SENATOR KINTNER: Appreciate it. When you look at families with pediatric dental needs, what percent of those families just have a lot of other financial pressures that the dental stuff gets pushed down to the bottom? What percent don't know any better, don't know that they need to take their kids? And what percent are just crappy parents that don't do the right thing? [LB584]

JEANEE WEISS: Well, I only know the data that we collect, so I can say that the data that we collect traditionally indicates that about...and we target high-need communities, that 60 percent of them are on Medicaid. However, we run into issues within the Omaha community of dentists being able to accept Medicaid. So the number of dentists that accept Medicaid patients is relatively small. Therefore, the support that Creighton provides is greatly appreciated. We have about 30 percent that are uninsured. And again, between the federally qualified health centers and Creighton, they often are able to step in and provide those services. But the other barriers we run into really have to do around education and fear. One, that the parents often don't connect--why do I need to fill this cavity in this baby tooth when it's going to fall out in a year or two--not understanding the decay that's present in that baby tooth will be passed on to the permanent tooth that follows. Secondly, you also have parents that in the past, if they grew up in poverty as well, likely did not access dental care until it was an emergency or they were in a lot of pain. So often the parents associate going to the dentist as being in pain and, therefore, they, in an effort to kind of protect their child of their own fears around dentistry, may postpone taking that child to the dentist. So there's a lot of different barriers that we work with. And what's very helpful is that dental care coordinator can help bridge some of that, those fears, those education pieces, as well as help them navigate the system to get connected. [LB584]

SENATOR KINTNER: I didn't think you'd take the bait in calling anyone a crappy parent. I just threw it out there. [LB584]

JEANEE WEISS: Yeah. (Laugh) [LB584]

SENATOR KINTNER: Just wanted to see...just to see if you'd grab at it maybe. (Laughter) Thank you very much. I appreciate it. [LB584]

JEANEE WEISS: Uh-huh. Thank you. [LB584]

SENATOR HILKEMANN: Additional questions? I'm curious, I'm not sure, just as we were talking here, I mean you talked about the amount of Medicaid coverage, patient care that's provided at the Creighton clinic. [LB584]

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JEANEE WEISS: Uh-huh. [LB584]

SENATOR HILKEMANN: Do you know, is there any percentage of the dental care provided by this state in Douglas County, how much of that ends up going to Creighton? Has there been any study? [LB584]

JEANEE WEISS: I don't know that. [LB584]

SENATOR HILKEMANN: I'm sure that wouldn't be your area but... [LB584]

JEANEE WEISS: Yeah, I'm outside of...or I'm with Building Healthy Futures so, therefore, outside of Creighton, so I don't know that. [LB584]

SENATOR HILKEMANN: Uh-huh. Uh-huh. That would be an interesting number to have at some point. [LB584]

JEANEE WEISS: Uh-huh. [LB584]

SENATOR HILKEMANN: Any other questions? Thank you very much for coming to testify. [LB584]

JEANEE WEISS: Thank you. [LB584]

SENATOR HILKEMANN: Additional proponents for LB584. Are there any opponents to LB584? Seeing none, are there any persons on a neutral capacity on LB584 which would like to testify today? Seeing none, Senator Schilz, would you like to close? [LB584]

SENATOR SCHILZ: Real quick. Thank you, Senator Hilkemann, members of the committee. Thank you very much for taking the time, giving me the opportunity to present and sponsor this bill. I would like to thank everyone that's come in, in support of this. I think it...I think that as the testimony showed that there is a great need out there, not just in the Omaha area but across the whole state and rural America, as that is. And I think that anytime you have a facility and an institution like Creighton, that you know almost 30 percent of all dental students that want to go into it are applying at that school, we should hold that up as a shining beacon and do everything we can to help promote that, especially when we see the needs of rural Nebraska and what we need for access to that kind of care out there. So with that, I would be happy to try to answer any questions if there are a few. [LB584]

SENATOR HILKEMANN: Senator Haar. [LB584]

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SENATOR HAAR: It's not Dr. Haar? (Laugh) [LB584]

SENATOR HILKEMANN: I'm done giving out doctor's degrees. [LB584]

SENATOR HAAR: Well, thank you. Senator Schilz, you started out by talking about a prohibition of spending state dollars. Could you go through that part again? [LB584]

SENATOR SCHILZ: What was that again? I'm sorry, which part? [LB584]

SENATOR HAAR: When you started out talking about spending state dollars on private schools. [LB584]

SENATOR SCHILZ: Right. Well, basically, basically, I mean under the law today, the state cannot directly give money to a private institution. But as the bill sets out, that would not be the case here. This money would go to an actual 501(c)(3) that would then mete that money out. So that's the plan of moving forward with this bill if that works. [LB584]

SENATOR HAAR: And 501(c)(3) would be Creighton as well or a separate entity? [LB584]

SENATOR SCHILZ: This would be separate from them, as far as I can see (inaudible). It would not be Creighton-exclusive, no. This fund could probably be accessed by any private school or any school that wanted to do this, if they meet the criteria, yes. [LB584]

SENATOR HAAR: Okay. Yeah, I would like to, maybe just between us, we can explore that part of it. That's the only part here that bothers me is that it seems we're sort of going around...we found a work-around to... [LB584]

SENATOR SCHILZ: Thank goodness for those. [LB584]

SENATOR HAAR: Yeah, and we all use them, but I want to understand that thoroughly before we vote on this. [LB584]

SENATOR SCHILZ: Sure. Absolutely. Absolutely. [LB584]

SENATOR HAAR: Thank you. [LB584]

SENATOR HILKEMANN: Okay. Senator Bolz. [LB584]

SENATOR BOLZ: Thank you. I think this is a very thoughtful bill. I appreciate that. I just...I just have one question. The bulk of the funds goes to the facilities itself, but to me what's most exciting is everything that comes along with that: is the students and the

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partnerships. I'm...there's just a little flag in my mind about the sustainability of that piece of it and I just wonder if you could speak to that a little bit further. I don't question the mission or the commitment to that mission by whoever would apply, but I'm just a little concerned that this vision...there's no clear articulation of how that...the rest of it is sustained and maybe you could help me understand better. [LB584]

SENATOR SCHILZ: Yeah. And maybe you can help me too. When you say "the rest of it," can you explain that? I mean... [LB584]

SENATOR BOLZ: As I'm reading the bill, the appropriation, the dollars from this committee go to the physical building. [LB584]

SENATOR SCHILZ: That's correct, yes. [LB584]

SENATOR BOLZ: But what's exciting to me is this commitment to training at least 100 students a year, having five partnerships. [LB584]

SENATOR SCHILZ: I see. [LB584]

SENATOR BOLZ: And I see how that will come together initially. I'm just a little concerned about the long-term sustainability of that. [LB584]

SENATOR SCHILZ: Sure. [LB584]

SENATOR BOLZ: And maybe you can just help me understand it better. [LB584]

SENATOR SCHILZ: Yeah. And I...that part, and folks can correct me and come around and say if this is wrong, but I think the main thing that we see here is that there is more demand or there's more opportunity for demand for them increasing their student population. I think that Creighton understands what they're stepping into and understands that there will be responsibilities that will fall upon them as they move forward. And I fully...I fully expect that they have worked on that and looked at those situations before they came along to say, hey, we can afford to build the building. I would guess, and others can correct me if I'm wrong, but I would guess that that has already been figured into their equation and has...and they have a plan to do that. I don't know specifically what that is, but I can find out for you if you'd like me to. [LB584]

SENATOR BOLZ: I just...just a small piece of a much bigger picture, you know, perhaps something in the grant application can point to a long-term commitment that would put me at ease. [LB584]

SENATOR SCHILZ: Appreciate that. I'll get back to you. [LB584]

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SENATOR HILKEMANN: Senator? [LB584]

SENATOR STINNER: I just have a quick question and it relates back to Ken Haar and the 501(3)(c) idea. Is there another precedent that you can think of in your career that we've done this? [LB584]

SENATOR SCHILZ: You know, I know that there's grants that may be not necessarily in the dental school or in education but...and there might be though, but I know that there's other examples there. I can't cite them today but I will explore that and get that back to you. [LB584]

SENATOR STINNER: I would presume we could get a legal opinion on this. [LB584]

SENATOR SCHILZ: I would guess that somebody would be able to do that for us. [LB584]

SENATOR STINNER: Okay. [LB584]

SENATOR HILKEMANN: So as I understand, Senator, that this appropriation is not going to Creighton University. This appropriation is going to the 501(c) which will run the clinic at the Creighton University Dental School. Is that correct? [LB584]

SENATOR SCHILZ: I believe that what the...and people can...that what will happen is that the 501(c)(3) will give a grant to Creighton to be able to build this and then Creighton would operate it from there on, if I understand it correctly. [LB584]

SENATOR HILKEMANN: Okay. Anybody have any additional questions? Senator Schilz, thank you for coming this afternoon. [LB584]

SENATOR SCHILZ: Thank you very much. [LB584]

SENATOR HILKEMANN: Are there...were there any letters in response? Okay. Seeing that, that will close the hearing on LB584 this afternoon. Thank you all for coming for that. [LB584]