

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

[LB189 LB205 LB206 LB493]

The Committee on Appropriations met at 1:30 p.m. on Tuesday, March 14, 2017, in Room 1524 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB189, LB205, LB206, and LB493. Senators present: John Stinner, Chairperson; Kate Bolz, Vice Chairperson; Rob Clements; Robert Hilkemann; John Kuehn; Mike McDonnell; Tony Vargas; Dan Watermeier; and Anna Wishart. Senators absent: None.

SENATOR STINNER: (Recorder malfunction)...body to the Appropriations Committee hearing. My name is John Stinner. I'm from Gering and I represent the 48th Legislative District. I also serve as Chair of this committee. I'd like to start out by having members do self-introductions, starting with Senator Clements.

SENATOR CLEMENTS: Hello, I'm Rob Clements from Elmwood, representing Cass and Sarpy County, District 2.

SENATOR McDONNELL: Mike McDonnell, LD5, south Omaha.

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

SENATOR STINNER: John Stinner, District 48, all of Scotts Bluff County.

SENATOR WISHART: Senator Anna Wishart, District 27 in west Lincoln.

SENATOR VARGAS: Senator Tony Vargas, representing District 7, downtown and south Omaha.

SENATOR STINNER: Senator Watermeier and Senator Kuehn will be joining us later, and I know that Senator Bolz is running around here somewhere so she'll be here shortly. Assisting the committee today are Jenni Svehla. She's our committee clerk. And I am flanked again by my two favorite legislative analysts: Liz Hruska and Sandy Sostad. At each entrance you'll find green testifier sheets. If you are planning to testify today, please fill out a green sign-in sheet and hand it to the committee clerk when you come up to testify. If you will not be testifying at the microphone but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearing. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please silence or turn off your cell phones. Move to the reserve chairs when you are

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

ready to testify. The order of testimony is introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies, we will first hear from the representative of the agency. We will then hear testimony from anyone who wishes to speak on the agency's budget request. When you come up to testify, please spell your first and last name for the record before testifying. Be concise. I'm requesting that you limit your testimony to five minutes. Written materials may be distributed to committee members as exhibits only while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come to testify. We will need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearing with Agency 25, Health and Human Services. Good afternoon. [AGENCY 25]

(AGENCY BUDGET HEARING)

SENATOR STINNER: Seeing no other testifiers, that concludes our testimony on Agency 25, Department of Health and Human Services. Thank you all for staying this late. I will now open LB205, designated aid funds, fiscal year '16-17, developmental disability appropriations. Senator Krist. [AGENCY 25]

SENATOR BOLZ: I think you've got Senator Howard (inaudible).

SENATOR STINNER: I still have Senator Howard here. Excuse me, I take it all back. I'm going to open with LB189. I didn't see you back there. I thought you were headed out. [LB189]

SENATOR HOWARD: Oh, yeah, been there for a while. [LB189]

SENATOR STINNER: I'm sorry about that. (Laughter) Senator Howard, how are you this evening? [LB189]

SENATOR HOWARD: (Exhibits 1 and 2) I'm just great, so happy to be here. I do have some handouts for you if the pages would like some exercise. Okay. I'm going to cross out "afternoon," say "evening." Good afternoon/evening, Senator Stinner and members of the Appropriations Committee. I am Senator Sara Howard, H-o-w-a-r-d, and I represent District 9 that encompasses midtown Omaha. I'm here today to talk to you about LB189, legislation that appropriates \$1 million to the Department of Health and Human Services for the sole purpose of recruitment and retention of Children and Family Services caseworkers to ensure that caseload standards in Nebraska are able to be met. And I'm just...does everybody have this one? This is the caseload report. Okay, when it comes around I will go off script and I will talk to you about that a little bit more. So in December of 2016 the Inspector General of Child Welfare, Julie Rogers, who you all

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

know, released her annual report of findings and recommendations for Nebraska's child welfare system. The report highlighted 22 cases where children involved in the child welfare system or the juvenile system died or were seriously injured, and 4 deaths that occurred in licensed child-care facilities. These are 22 deaths and serious injuries that may have been prevented with a robust and fully staffed Child and Family Services work force. Ms. Rogers' report also identified a number of systemic issues that need immediate attention. Chief among those concerns is the high caseload burden on Nebraska's child welfare workers. These are the staff who are first in line to protect the children in our state who are at risk of abuse and neglect. And for Senator Clements' benefit, because you are new, my mother was a front-line worker for 34 years for the state of Nebraska before she was a senator for 8. And so this is very much sort of a family, family history. So the report specifically noted in its opening letter, for the fourth year running the OIG has pointed out high caseloads for child welfare caseworkers as a primary obstacle to keeping maltreated children safe and delivering quality services. Until Nebraska's leaders, that's us, commit to additional resources to lower caseloads, the child welfare system and the children and families it is designed to serve will continue to suffer. The problem goes all the way back to 2003 and some folks, including my mother, would argue that it goes all the way back to the '60s and '70s. But let's start in 2003. That's when Governor Mike Johanns released a report signaling a shortage of caseworkers and overburdened caseloads. High caseloads and workloads directly affect and cause negative outcomes for children and families in the child welfare system. And when staff have too much work, just like when we have too much work, our quality of work declines and errors are made. In an effort to address the problem, minimum caseload standards were put into law in 2012 with LB961, and so this is when I will bring up this guy. Do you guys all have a copy of that? (Exhibit 1) Okay. If you go to the first page, this grid here is a breakdown of how we look at caseloads. Okay. So if it's an "initial assessment," and I think now we all know what an "initial assessment" versus "ongoing." Initial assessment is that investigation. So when somebody gets a call to the help line and they're going to do an investigation, there's a lot of work involved. You want to do a lot of phone calls and do your due diligence, and so it takes a lot of time. And so an initial assessment case is treated a little bit differently than what's called an ongoing case, so that's when the child is removed or the family is receiving services and that's ongoing. The reason why you don't want to have the same worker doing initial assessment versus ongoing is because one is really investigative, right? We're investigating you. We're going to find out what's been done wrong. And the other one is ongoing in the sense that we're going to try to help you get to permanency. And because those are two very different philosophies, you rarely want to have those two kinds of caseloads combined. It's not considered a best practice. And so when we're talking about IA, or initial assessment, when we're talking about ongoing, and when we're talking about combined, that's what that means. Does that all makes sense? I'm not allowed to ask you questions. So when you're looking at this caseload report that we asked the department to prepare for us several years ago, they give it to us once a year and that gives us and you sort of your idea of what a caseload is. So if a whole family and children are in the home, that's one case. If one child is out of the home, that is one

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

case. There could be multiple siblings in multiple placements. If they're out of the home, each one is their own case. Does that makes sense? Not allowed to ask you questions. Okay. Since 2012 when we put in these caseload size requirements the state of Nebraska has yet to be in compliance with those standards that we put into statute. In July of 2016, statewide caseload results were only 63 percent in compliance across initial assessment, ongoing, and combined caseloads. And that is this piece of paper that I brought you. (Exhibit 2) So this is what the department gave to use over the summer, in June, and what they've done is they separated them out by "Initial Assessment Only" across the top. Only 36 percent of their workers were in compliance as of June 30, 2016; for "Ongoing," 34 (percent) were out of compliance. I apologize, 36 (percent) out of compliance; 34 (percent) out of compliance. If you flip it, they have the "Combination." The combination is the really concerning one because 49 percent of those workers were out of compliance at the time. And then for "Total Caseloads," 63 (percent) were in compliance or 37 (percent) were out. What I gave you on the back was an e-mail from NFC. So the report that we got with the big boxes, that is a point in time report. That gives you what was happening on that very day. What NFC gave us for this study that we did was sort of a day-by-day, so we got multiple points in time. And if you look at the bottom, there are percentages. Then you can average out the percentages of how much they're in compliance, as opposed to a point in time, you get your monthly idea of how much you're in compliance with the caseloads. Does that makes sense? Okay. All right. We've already explained initial assessment. When there's high caseworker turnover in the system, it equals expensive impermanency for children. The Foster Care Review Board reports that one third of children in our state have had four or more caseworkers over their lifetime, and we've seen little improvement over the last three years in terms of that type of turnover. A study done in Milwaukee County in another state found that children who had only one caseworker achieved timely permanency in 74.5 percent of their cases, compared to kids who had two or more workers, which went down to 17 percent. So most of our kids have more than four workers and so their odds of getting to permanency become leaner and leaner with every additional caseworker that they have. Okay? Caseworker turnover correlates directly with increased placement disruptions, and a placement can be anything from a foster home to a group home to going back home with your family. But a new caseworker may view a situation differently and choose to move that child out of a specific placement. Other complications from multiple caseworkers include gaps in information, which is really challenging; loss of documentation; or a loss of an ability to even follow how the parents are doing, right? We have court-ordered services and the caseworker is really focusing on the child, but it's really hard to keep track of the parents as well. Essentially, you're a caseworker for both, bio parent and the...parents and the child who's out of the home. So new workers tend to lack a case history. I mean just think about, Senator Clements, your first day and everybody is like, oh, we've been doing this forever just this way, and you're like I have no idea. That's exactly what it's like for a caseworker taking on a new case. They have no case history. They're unfamiliar often with the quality and availability of the services that are already being received by the family. An effective case management, and

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

Senator Wishart knows this better than most, is based on the creation of relationships and trust, and those take time. So over the interim we had LR513. It's an interim study resolution that looked at the way that caseload size is currently determined in our state statutes. That's where we got this document from the department. (Exhibit 2) So we tried to model our caseload size after the Child Welfare League of America, and we really initially in 2012, and I wasn't here, really wanted to put those caseload sizes in because caseworkers were saying they were overburdened, but there was no way to understand by how much without any caseload standards. Now our research found that the problem with high caseloads has been consistently noted throughout the years and I haven't seen a lot of action on the part of the Department of Health and Human Services to correct this issue. In fact, when Director Weinberg came to speak with us, I said, do you know of any other statute where you can come to a committee and tell us about how out of compliance you are with the law that we've created for you? I mean he just gives us a percentage of how much we're out of compliance. And I couldn't think of one and neither could he. The bottom line is that there's not enough people to do the bulk of this work, and unless there are more positions or more positions to be filled by caseworkers, there's nothing that's going to change within our system. Another way to build up this work force is to increase the salaries of these workers as they become more experienced. So right now...and actually if you want to...they have to tell us the salaries in the report as well, which is very, very helpful. If you looked on page 7 of this report you can see our average salary for a child and family support worker is \$36,880 right now. Their benefits are about \$12,000. What concerns me is that they're making below 300 percent of the federal poverty level to do this work. When my mother was working, she had a case aide who actually received food stamp benefits to help her family and still came to work everyday for the state. We are paying our caseworkers less than most of our surrounding states. The average tenure for a worker in Nebraska, which is a great question, is covered, I believe, on page 8. So on page 8, if you look at the Child and Family Services specialist, you can see that the minimum that somebody has been there has been two months. So they came on, went through training, stayed for two months, left. The longest is 28 years. But then the average across all of them is 3.46. So we're seeing that consistent turnover in caseworker. And just in terms of those service areas, you know, the Central Service Area, the longest tenure for somebody there is six years, you know? And we'll be here hopefully for eight and I still don't feel like I know everything here. You'll be here for longer, Senator Clements, so you'll have to cover for the rest of us. So lifting the salaries of these individuals as part of the consideration when you think about this bill should be seen as an investment, not an expenditure. These jobs are stressful. I can't express that enough. They're emotionally taxing. And these employees deserve to be compensated at an appropriate level. One million dollars has a high impact now and I understand that we are in a time of budget shortfall and fiscal restriction, but this is a long-term investment. If we were able to ensure that children and families are being better cared for and protected, now receiving the services that they need, I truly believe that it will reduce their dependency on our state as they grow. I thank you for your time and consideration of this issue. And I would be happy to try to answer any questions you may have. [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR STINNER: I have a question. [LB189]

SENATOR HOWARD: Yes. [LB189]

SENATOR STINNER: I'm going to beat Senator Bolz to my question. [LB189]

SENATOR HOWARD: Okay. (Laughter) [LB189]

SENATOR STINNER: On page 7, you have a line called "Vacancies," and it has three stars by it, says "Authorized unfilled positions,"... [LB189]

SENATOR HOWARD: Uh-huh. [LB189]

SENATOR STINNER: ..."Authorized unfilled positions,"... [LB189]

SENATOR HOWARD: Uh-huh. [LB189]

SENATOR STINNER: ...not in compliance with our statutes but we have authorized unfilled positions. [LB189]

SENATOR HOWARD: Yes, sir, and that actually went up from the previous year. The previous year's report had indicated that there were only 23 vacancies and now we're up to 30. [LB189]

SENATOR STINNER: So our caseloads are over what we mandated with our statute but we have authorized unfilled positions of 30, which could bring it down pretty close to in compliance with the statute. Is that...? [LB189]

SENATOR HOWARD: You know, it's hard to say. I don't know what type of work force research they've done. What I understand is that I couldn't even begin to tell you how many workers they would need to get us into compliance because I'm not sure that they can tell us. I mean we need to fill these positions, but we also need to make sure that they're positions that people can afford to have. I mean \$36,000 a year is not very much for a caseworker. If we're not offering some type of merit increase or something along those lines, why would you stay? [LB189]

SENATOR STINNER: Thirty-six thousand...how close to that is...is at the poverty level? [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR HOWARD: So \$36,880 is 298 percent of the federal poverty level. [LB189]

SENATOR STINNER: Okay. Any additional questions? For the hundredth...record-setting hundredth time, Senator Bolz. [LB189]

SENATOR BOLZ: I warned Senator Stinner what this day was going to be like. [LB189]

SENATOR STINNER: (Laugh) [LB189]

SENATOR BOLZ: What is your vision for how the dollars would be used? What do you think would make the greatest impact for how we utilize the million dollars for recruitment and retention? [LB189]

SENATOR HOWARD: So that's an excellent question. I want the department to use it in the way that they see fit, whether it's we need additional bodies to do the work or we need to make sure that our bodies don't leave and we pay them more. Or if you look at...I'm...and I have some grave concerns about the quick turnover for trainees and for people when they initially get into the field. So what is it that they're not getting in terms of training and support when they first go into this job that we're not providing to them? And I know there have been conversations about shifting a lot of the training into a webinar system or shifting away from those in-person trainings or utilizing a mentoring system, which is so interesting because when my mother was there she wanted a mentoring program. They wanted to implement one and the department said we don't have the resources to do so. And so whatever retention looks like, I would hope that Director Weinberg could speak to that more. The bill, as drafted, we wanted more positions but they're not filling the vacancies that they currently have. [LB189]

SENATOR BOLZ: I appreciate that. I think when we did something similar in the Department of Correctional Services, we also added a report so that we could have information back about the effectiveness and the department was able to find some really effective strategies, like the mileage reimbursement for folks going out to Tecumseh. And so I would maybe make that as a suggestion but also point it out as an example of a time when we've implemented a similar strategy that was effective. [LB189]

SENATOR HOWARD: Certainly. And if I may piggyback off of that as well, training is also important fiscally for us. So when we think about IV-E funding from the federal government, one of the key pieces of IV-E funding or making a child IV-E eligible is that initial replacement upon removal. So seasoned caseworkers know exactly how to do this, but that first placement has to be a IV-E eligible placement. If that child is not placed in a IV-E eligible placement, they lose

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

their IV-E eligibility for life. And so my mother had a child...she ended up working in the adoption...they had an adoption unit when she was at the state. We don't have it anymore. She had taken a child who had been available for adoption for about eight years, and found a kin relative in Texas, took him down there. They wanted to bill for some mental health services and found out that he was not IV-E eligible, never would be. And the state of Texas didn't want to pay for them and the state of Nebraska didn't want to pay a Texas provider to do so, and so the family paid for it out of pocket because they cared about this child. And so IV-E eligibility and ensuring that you have that drawdown, part of the key for that drawdown is to make sure that you have trained workers who know exactly where to place that child, at least for that initial placement, and how to maximize your IV-E funding. Does that makes sense? [LB189]

SENATOR STINNER: Any survey work on people that quit? I do quite a little bit of it. [LB189]

SENATOR HOWARD: That would be a good question for Director Weinberg. And I'm certain Mr. Marvin from the union can also speak to that as well. [LB189]

SENATOR STINNER: That would probably give you a pretty good idea of working conditions, training, mentoring, you know, lack of support, you know, those types of things. [LB189]

SENATOR HOWARD: Well, mentoring isn't there, so they wouldn't have that. [LB189]

SENATOR STINNER: Oh. [LB189]

SENATOR HOWARD: And I think training is what I'm starting to hear in my office, which I think some people still think my mother works here, which is great. And the training is something that folks are concerned about because this is not the type of work that you can learn through a webinar, it's not the type of work that you can learn on-line, and it's certainly not the type of work where you would want to send somebody into a home not knowing kind of what's behind that door and what type of needs that family might have. [LB189]

SENATOR STINNER: Senator Vargas. [LB189]

SENATOR VARGAS: Thank you for being here. [LB189]

SENATOR HOWARD: Thank you. [LB189]



Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR VARGAS: This is...I asked this question earlier of somebody else around competitiveness of pay, making sure we have the right talent. I don't know if this is the question for you or for Mr. Marvin, but you mentioned...so the \$36,000 let's say on average for, you know, for somebody. How does that compare to other states? [LB189]

SENATOR HOWARD: All of our surrounding states are higher than that. And I can get you the numbers. Anecdotally, we help pay for some education for our social workers and often what happens is when they finish they immediately move to Iowa... [LB189]

SENATOR VARGAS: Yep. [LB189]

SENATOR HOWARD: ...because they can get paid more there. And so essentially, we're training a work force that we are not able to keep. [LB189]

SENATOR VARGAS: For somebody else. We're training a work force for another state. [LB189]

SENATOR HOWARD: For another state. You're welcome, Iowa. [LB189]

SENATOR VARGAS: Yeah. And again, do you know anything about how over, you know, as people become more tenured or more years of experience, how their salary increases? Do we have any data on that? [LB189]

SENATOR HOWARD: Ooh, that may be a good question for Mr. Marvin as well. [LB189]

SENATOR VARGAS: Okay. And then how do we compare for these average benefits? The benefits, you know, are equally as important when people are thinking about competitiveness (inaudible) salary. You know how that compares? Is it also below other states around us? [LB189]

SENATOR HOWARD: No, but that's a good question... [LB189]

SENATOR VARGAS: Okay. [LB189]

SENATOR HOWARD: ...and I can follow up on that. [LB189]

SENATOR VARGAS: All right. That would be helpful. Thank you very much. [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR STINNER: Senator Wishart. [LB189]

SENATOR WISHART: Well, thank you, Senator Howard, for bringing this bill. It's very relevant to the testimony we've heard today on our budget. This is...I wouldn't say it's off topic, but one of my concerns, you know, even looking at these numbers is that some kids, especially those that have multiple different foster family experiences because they might be very high needs, there is not one person in their life that is consistent, not one adult in their life that's consistent. Have you looked at all, in the research that you've done, you know, I think it's important that we fund caseworkers, but are there other programs across the country where maybe it's volunteer or maybe it's just a kind of a foster position where somebody is not a foster family but they are an advocate for that kid and stay consistently with them throughout their time in the child welfare system? [LB189]

SENATOR HOWARD: I mean I could see the CASA system serving in that function, but obviously not every child has a CASA. [LB189]

SENATOR WISHART: Yeah. [LB189]

SENATOR HOWARD: Or guardians ad litem,... [LB189]

SENATOR WISHART: Okay. [LB189]

SENATOR HOWARD: ...but not every GAL has the capacity to do casework. [LB189]

SENATOR WISHART: Yeah. [LB189]

SENATOR HOWARD: The case management is supposed to be in a beautiful and robust system is that you have one caseworker. They know the ins and outs of your case and they help you get to the permanency that's appropriate for you. [LB189]

SENATOR WISHART: Yes. [LB189]

SENATOR HOWARD: If you're the child, if you're a family, they work with you in that same way. What was concerning to me was that we were seeing so much turnover with caseworkers. What I was hearing from families was that the person who was most consistently seeing the children were actually the transportation workers. So they were the ones who were picking up the children to go to visitation with bio Mom and Dad or grandparents or...and so those were the

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

ones that they saw more consistently than their own caseworker. And those are, obviously, very low-paying jobs. But then you know the transportation specialist not the person who's in the courtroom telling the judge how a placement is going, right? They don't have standing. But they shouldn't know more than the caseworker, that's for sure. [LB189]

SENATOR WISHART: Yeah. [LB189]

SENATOR STINNER: Any additional? Senator Clements. [LB189]

SENATOR CLEMENTS: Thank you, Senator Howard. I was wondering what the academic education degree of a caseworker needs to be. [LB189]

SENATOR HOWARD: I believe they start with a bachelor's, but they can...my mother ended up having a master's that, thank you, the state of Nebraska paid for in the '70s. But there's a range but usually you start with a bachelor's. [LB189]

SENATOR CLEMENTS: At a minimum. [LB189]

SENATOR HOWARD: At a minimum. And can you imagine sort of having a bachelor's degree, knowing everything--obviously when you come out of college you're smarter than everybody else--and having to make decisions for families that are very, very difficult? I can't imagine feeling equipped to do that on a first day as a caseworker. That would be terrifying to me. [LB189]

SENATOR CLEMENTS: Is that a bachelor's in social work or...? [LB189]

SENATOR HOWARD: I believe right now it is just a bachelor's. [LB189]

SENATOR CLEMENTS: Just of... [LB189]

SENATOR HOWARD: I have a bachelor's in history so I could do it. [LB189]

SENATOR CLEMENTS: ...general, okay, any. All right. [LB189]

SENATOR HOWARD: Yeah. [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR CLEMENTS: Thank you. [LB189]

SENATOR HOWARD: Thank you. [LB189]

SENATOR STINNER: Senator Hilkemann. [LB189]

SENATOR HILKEMANN: Senator Howard, thank you for bringing this. This is very eye-opening. I have a couple of questions, however. [LB189]

SENATOR HOWARD: Sure. [LB189]

SENATOR HILKEMANN: Now is the average time that we have it, is...do you know, is this similar to if we were doing this for Kansas? And you said the salary and so forth is higher in those. But longevity and so forth, is that...would that be similar? In other words, I understand that this is a job but a really high burnout job... [LB189]

SENATOR HOWARD: Absolutely. [LB189]

SENATOR HILKEMANN: ...for the most part. [LB189]

SENATOR HOWARD: You know, I can't speak to what tenure looks like in other states and I'm not sure if other states require this same type of report, which we started to require after we put in the caseload standards. I can only imagine that it's similar. However, in states that are better managing your caseload size, I mean the work as a whole is high burnout, right. The work as a whole is wrenching. [LB189]

SENATOR HILKEMANN: Right. [LB189]

SENATOR HOWARD: Imagine feeling like you're doing wrenching work and there's no possibility that you will get a case to completion because you have too many. I mean one of the...so when I was younger, which all of my stories revolve around that, my freshman year of high school my...I went to...I'm in my Duchesne uniform. Picture it-- red skirt, dirty polo, and I went with my mother to the grocery store and then we got home. And the minute we got home she had a call and it was a bio parent who said, I can't do it anymore, this kid won't listen to me and I need you to come get them right now. And so she already had a foster placement lined up and so she couldn't leave me at home. We went and picked up these two boys, two baby boys, and the bio mom said, I don't want them anymore, I'm happy to relinquish. And she said, he

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

never listens to me, three-year-old toddler, never listens to me. And she gave us two grocery bags of their things, which were clothes. They were just plastic grocery bags, one for each boy. I carried one up the hill, my mother carried the other. We met the foster family at the top of the hill. And come to find out that the reason why he wasn't listening was because he was deaf and had been deaf the whole time. [LB189]

SENATOR HILKEMANN: Wow. [LB189]

SENATOR HOWARD: And so...but my mother was doing that at 6:30 on a Wednesday, right? And she was trying to manage a caseload size that was more than 24 hours a day and she was taking her own child to go pick up kids because it was such an exigent or emergent situation. I mean this is something that's obviously very personal to me because I remember seeing my mother go through this and cry about these families, but it would almost be more workable if you had a caseload that you could actually do a good job on. So I can't speak to what it's like in Kansas or Iowa. [LB189]

SENATOR HILKEMANN: Uh-huh. [LB189]

SENATOR HOWARD: I can only speak to what it's like in Nebraska and here we have a lot of work to do. [LB189]

SENATOR HILKEMANN: Thank you. [LB189]

SENATOR HOWARD: Thank you. [LB189]

SENATOR STINNER: Additional questions? Seeing none, thank you. [LB189]

SENATOR HOWARD: Thank you. I will waive closing right now (laughter) for you guys. [LB189]

JULIE ROGERS: (Exhibit 3) Good evening, Senator... [LB189]

SENATOR STINNER: Good evening. [LB189]

JULIE ROGERS: ...Stinner, members of the Appropriations Committee. My name is Julie Rogers, J-u-l-i-e R-o-g-e-r-s, and I serve as your Inspector General of Nebraska Child Welfare. For the record, the OIG is charged with providing legislative oversight, ensuring accountability,

Appropriations Committee  
March 14, 2017

---

and identifying systemic issues in Nebraska's child welfare and juvenile justice systems. Specifically, we investigate death or serious injury of system-involved youth and complaints of wrongdoing to children and families being served by or through our child welfare or juvenile justice systems. I'm going to talk about over the course of the past fiscal year the two particular investigations that we conducted. Our investigations revealed that high caseloads and workloads were directly contributing to negative outcomes for children and families in the child welfare system. Staff serving Nebraska's vulnerable children and families have extremely important and demanding jobs. When staff have too much work, corners get cut, things get missed, and errors are made. Although minimum caseload standards for child welfare staff were put into place four years ago, they still cannot meet the threshold. A skilled, stable work force is key to delivering effective services. While reasonable caseloads are certainly part of this effort, we recommended that DHHS take additional steps to strengthen its work force in a number of areas. We recommended that DHHS adopt additional training, including in the area of initial assessment, medical aspects of child abuse, engagement of families, and safe sleep for infants. We recommended that DHHS adopt a plan designed to reduce caseworker turnover and adopt strategies to lessen disruption when cases transfer from one worker to the next. So two examples of reports we did, the first: a four-year-old child was admitted to the hospital with a skull fracture and bruising all over his body. During the subsequent investigation, the child revealed that his father had been physically abusing him repeatedly and had caused the skull fracture. In the six months before the injury, the hot line received 11 reports of alleged physical abuse of the four-year-old by his father, five of which were investigated. In each case, DHHS or law enforcement incorrectly concluded that no physical abuse occurred. The child had been diagnosed with special needs and developmental delays, which made it difficult for professionals to communicate with him during investigations into child abuse reports. A few weeks before the injury, DHHS had gotten the family to agree to voluntary, or noncourt, case but services had not yet been provided. Among the findings in this case were the following: The hot line incorrectly screened a number of reports of possible abuse; two, the use of safety and risk assessments was incomplete; and three, ongoing services and supervision were slow to be put in place. Among our recommendations: develop additional training for initial assessment staff, update and provide additional detail on response priority definitions, expand quality assurance and continuous quality improvement at the hot line, and conduct an analysis to determine whether supervisory staffing at the hot line was adequate. DHHS accepted all recommendations pursuant to this investigation. In 2015 the hot line had only four supervisors responsible for reviewing screening decisions and priority response time on every intake, ideally within 24 hours. Data collected by DHHS on hot line calls showed that the hot line received anywhere from 5,811 to 7,075 calls a month between May 2014 and April 2015. This means that each supervisor was responsible for reviewing and catching any errors on average of over 1,500 calls each month in addition to other duties. Given its current resources, the overall quality of intakes and screening decisions is impressive. However, we noted a number of errors in this particular case and others that contributed to delaying or preventing a response to situations where children were in jeopardy.

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

We question whether the supervisory staffing level at the hot line was adequate to ensure that no cases slipped through the cracks and recommended that DHHS conduct an analysis to determine whether supervisory staffing was sufficient. The second example was the example I mentioned earlier where death and serious injury followed a child maltreatment investigation. Two major findings in that report were: one, initial assessment policy and procedure was not consistently followed; and two, initial assessment and mixed caseloads do not comply with state law. And there's some more detailed information in my written testimony. Our recommendations: increase the IA work force to comply with caseload standards; two, increase the number of supervisors at the hot line and increase ongoing training and supervision; and three, enhance data available. And then for the record, on a question about vacancies earlier in the afternoon I heard Director Weinberg say that as of today he has 45 vacancies. That's what I wrote down. So thank you. I'm happy to answer any questions you might have. [LB189]

SENATOR STINNER: Any questions? Senator Hilkemann. [LB189]

SENATOR HILKEMANN: What states do child welfare well? [LB189]

JULIE ROGERS: And I think most would say there is not one state that does child welfare, as a whole, well. One state might do some particular aspect of child welfare well but I don't think anyone can point to one that does all, the whole, well. [LB189]

SENATOR HILKEMANN: Okay. Thank you. [LB189]

SENATOR STINNER: Senator Wishart. [LB189]

SENATOR WISHART: Just to add to that, has your office or do you know of any research where we look outside of this country at other countries that might do child welfare well? [LB189]

JULIE ROGERS: My office has not, since its inception, looked to other countries to see what they have done, but I'm sure there are... [LB189]

SENATOR WISHART: Yeah. [LB189]

JULIE ROGERS: ...are systems that do...that keep kids safe and have good outcomes that we can emulate or try to work towards bettering our child welfare system. [LB189]

SENATOR STINNER: Additional questions? Senator Clements. [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR CLEMENTS: Thank you, Inspector. Senator Howard was asked how are they supposed to spend this money and she replied, as HHS sees fit. Would you have any direction as to how they should spend the money? [LB189]

JULIE ROGERS: I think that they know their system best. I know they have been doing exit interviews to see why caseworkers leave. I think that's a good starting place for them. Whatever their greatest need is, right now it's hard to see from an outsider what their greatest need is because one problem exasperates the other. So if there's a high turnover rate, there's lots of vacancies, and we have many new workers. It's just hard for me to dictate. [LB189]

SENATOR CLEMENTS: Yeah, the question is...for me the question is kind of between more workers or higher pay for existing workers. Which is a higher priority to you? [LB189]

JULIE ROGERS: I have never been a caseworker so I don't...I don't think that they do the work for the money, but I certainly would look into merit increases or ways to be promotable within the system. If you're good at being a caseworker, there's no incentive to stay. You have cost-of-living increases, but my understanding is there are not different levels of being a good caseworker. You could apply to be a supervisor but then we lose a good caseworker again. [LB189]

SENATOR CLEMENTS: Well, thank you. [LB189]

SENATOR STINNER: Any additional questions? Seeing none, thank you. [LB189]

JULIE ROGERS: Thank you. [LB189]

MIKE MARVIN: (Exhibit 4) Well, good evening again. Again, my name is Mike Marvin, M-i-k-e M-a-r-v-i-n. I'm the executive director of the Nebraska Association of Public Employees. We are the union representing the vast majority of state employees. I want to thank Senator Howard for bringing this bill. This bill...you will see handouts that I've given you. I have not given you written testimony but I'll give you several handouts. This job title is the Children and Family Services Specialist Trainee, which is number three on our turnover list. And number 22 on the list is Child and Family Services Specialist. We do expect trainee classification to have a little higher turnover. People say this job is not for me when they try it and things. But that turnover rate is still nowhere near acceptable, so those are issues that need to be addressed. And as the IG had in her report, she talked about the caseloads, she talked about the need for more employees, about the need to retain employees. And while Senator Howard doesn't have any ideas on how to spend the money, I do. It's necessary to retain more employees. If we retain them, we don't need



Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

to hire as many. The first step is to start keeping the employees that you have. You can't have them and that experience going out the door. I would love to see that money used first and foremost as to retain employees. The agency can do merit raises and bonuses. In the past when these kind of bills have come up, agencies have testified that the NAPE contract will not allow them. I don't know that that's going to happen again now because we have different people, but I did bring in as my second handout the page out of the NAPE contract and highlighted is 11.1.1, "Nothing in this Agreement prevents the Employer from providing, in addition to the provisions of this Article, merit increases/bonuses to employees." They have the ability to do that. They may not have the PSL to do that and that might be some of the issues for that, but I think with the vacancy rates the PSL may be there. So I think that is the first thing, is you have to slow down the exodus. You have to keep the people. If you don't slow that down you can just keep hiring and hiring and hiring, you know? So it is important that we keep those people. Several of you asked several questions that I have some of the answers to here. Senator Clements, you asked about the minimum qualifications. A bachelor's degree in social work, psychology, sociology, counseling, human development, mental healthcare, education, criminal justice or another closely related field is required. Senator Vargas asked about wages and a way to move through the pay line. I will tell you that as we negotiate these contracts we have a minimum hourly rate and a maximum hourly rate. Since 2002 there has been no way to move off the minimum rate. It became not comparable by CIR standards and the union had no way to force it. We tried in 2006 and the CIR rejected us. That does not mean that it cannot be agreed to. Governors Johanns and Heineman clearly would not agree to it. During our last negotiations Governor Ricketts agreed to a concept to move through that minimally funded that ability to do that. We don't think it was a meaningful piece to put in a contract but we did it because we felt we had to have at least something that we could build on in the future. Right now, as I'm looking down here at a Child and Family Service Specialist, the current starting wage is \$17.89 an hour. We have a top wage of \$25.89 per hour. So if there was a means to move through that pay line, that would greatly enhance their desire to stay, I believe. So we can use this money to bring those people in and give them wages. Despite whatever the agency may say, the contract gives them the right. Now again, PSL may be a different thing. So my red light is on. I won't go any farther in depth in that, but I'd be happy to answer any questions about how that nonmovement occurred and what can be done. [LB189]

SENATOR STINNER: Any questions? Senator Vargas. [LB189]

SENATOR VARGAS: Was asking a question before of Senator Howard in regards to comparability for non...beyond the wages and benefits. [LB189]

MIKE MARVIN: Okay. [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR VARGAS: How do we compare? [LB189]

MIKE MARVIN: This is all an interesting thing as we get into the comparability, but on our benefits, on our vacation, sick leave, we are higher than all of our comparables. Actually, we are probably, and I don't remember this class, but in many of our classes we are above comparability on the wage issue also. Comparability used to be the surrounding states around us. In 2011, when they redid the CIR law, our comparability became pretty bad, pretty bad. We could go to states that had half as many state employees to twice as many state employees. So since 2011 we've been comparing to states like Arkansas, Louisiana, New Mexico, Kansas. We do get Iowa in there. This year it was borderline as to whether Colorado would fit if we went to the CIR. We had it in our array but the state didn't have it in their array. So our comparability by law is not good. That does not mean that the state and the union cannot come to an agreement on a different array. The law specifically allows that. The state has just been unwilling to come to a different array. I asked this year that we went back to a surrounding state array, which is what we had prior to 2011, and the state refused. [LB189]

SENATOR VARGAS: And just another follow-up question Senator Clements made me think about. If you were making recommendations, you mentioned recruitment as one and retention, right, retention actually. What strategies would you suggest for increased retention knowing your members? [LB189]

MIKE MARVIN: More wages, an ability to move through the pay line. That always helps. But support. These people go under mental stress as they're going into these places where they see child abuse, they see the worst. There's no mental support for them, you know, somewhere that they can go. If you raise the issue it's go to EAP, which you get a couple visits at EAP and then you're reaching into your own pocket. Maybe there needs to be a peer support type group, maybe it needs to be somebody who can come in from the outside and talk to them about the things that they see and they experience in their jobs every day. That would be one thing. Mentoring when they're doing the job, everybody's caseloads are so high and the experienced employees' caseloads are just as high. So rather than being able to mentor somebody who's going through the job, they're doing their own work and trying to get it done before they have to go to court and they have reports that are not done and everything else. So an ability for experienced employees to spend time mentoring new employees would help. [LB189]

SENATOR VARGAS: That's helpful. It reminds me of my first year of teaching. That actually applies as well. Thank you very much. [LB189]

MIKE MARVIN: All right. [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SENATOR STINNER: Any additional question? Thank you. [LB189]

MIKE MARVIN: All right. Thank you very much. [LB189]

SENATOR STINNER: Good evening. [LB189]

KIM HAWEKOTTE: (Exhibit 5) I have to look at my notes. It is good evening now. [LB189]

SENATOR STINNER: Good evening. [LB189]

KIM HAWEKOTTE: Sorry. Senator Stinner and members of Appropriations Committee, my name is Kim Hawekotte, K-i-m H-a-w-e-k-o-t-t-e, and I'm the executive director at the Foster Care Review Office and we're here in support of LB189. As I've sat here all afternoon, one of the things that I do want to stress, and I brought it out in my testimony, we hear a lot about caseloads and the numbers. To me what has to go hand in hand that I have not seen happen in this system yet is to look at workloads. In other words, you have to figure out what goes into that individual case and where is the time being spent by these workers doing what, and then how can we maybe get more case aides? Can we get more efficiencies? Can we bring in a better computer system? But if you actually did a workload study...and I'd say, Senator Clements, to answer your question, I would really like to see some of the funds go into a workload study to figure out where is our time being spent so that we can realistically set a caseload that they can meet. Because if I don't know what they have to do, how do I know if they're meeting it? And so that's brought out here. A couple of the other things I just want to bring up is some of the relevant research, Senator Howard is very right, the major study that's used is out of Milwaukee County, Wisconsin. The one stat that she didn't mention, that if you have six or more case managers your chance to timely permanency is less than 1 percent. So what does that mean for us as a child first? We know that if we have caseworker turnover or more case managers on a case that they have less time to interact with the family, which then means that the children are in care longer. It means they reenter out-of-home care more. It means they have multiple placements. It also means that their chance of finding a permanent home goes down and down. But just as important for this committee is what type of fiscal impact does that have on us as a state. It has a huge fiscal impact. The U.S. Department of Labor did a study and said the cost of worker turnover is approximately one third of that worker's annual salary. So you just heard what the annual salary was, \$36,800. You got to figure for every worker that turns over, we as a state are spending \$10,000 to \$15,000 going out that door because we didn't retain that worker. I agree retention is key, but there's also research out there that shows for a case manager it is six months to advertise, recruit, and train new employees to assume a full caseload. So we've got to figure you could say, well, I've got a body in that chair right now doing this caseload, but if they haven't been there six months they're still new. It's just like you, Senator Vargas, when you were a teacher. It takes a

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

while to learn how to do it, and the same goes with a case manager. A couple of local data that I did bring up in my testimony, too, as part of the 4,000 reviews that the Foster Care Review Office does every year, we report out on how many case managers have been involved with that family, because there's some research out there that says every time a case manager change, it delays that case from four to six months. And you will see on page 4 we have that listed, which I don't think is...has not had any change in my four years in this job. But whether you are with Health and Human Services or if you're with a lead agency in the Eastern Service Area, more than one third of our families have had three or more...four or more workers. And when I say 4 or more, we have some that have 8, 10, 12 workers since we've been involved with a case. That is unacceptable to us and why cases are not moving forward. And like I said, we haven't seen any improvement in, whether by a lead agency or by HHS, in the last four years. This is about what it's been. Last, you heard Director Weinberg talk about the 29 percent turnover rate. Well, to me that means every three years I've got new people coming in. But to me just as concerning was the vacancy rate. So I looked up their vacancy rate for HHS and for NFC in the Eastern Service Area, and as of December of 2016, based upon their own internal report, the state rate was 10.1 percent; Senator Stinner, in the Western Service Area it was 13 percent. And these are vacancies so these are positions they could fill if they could get the people. But the more concerning thing for us was in the Eastern Service Area, which is Douglas and Sarpy County, some of your highest employment ability, NFC had a vacancy rate of 12 percent. So somehow we're doing other things that don't need to be done that we really need to look at. That's why to us this bill is so important so we start looking at that retention and training issue to keep people on this job. One final comment I do remember, because I have been involved in the system for over 25 years--I'm going to be gentle to myself because it's late at night--but I do remember back when I was in the county attorney's office case managers did have different levels. So you might have a Caseworker I, a Case Manager II, a Case Manager III. And with that came commensurate pay so you could entice people to stay on for longer time periods rather than, the same as with my staff, my staff today, if they've been here ten years they make the same as a brand new staff that walks in the door. That's hard to explain to staff members. It's hard to explain to case managers. So I'm available for any questions and thank you for having your patience today as we've learned all of this information. [LB189]

SENATOR STINNER: Senator Clements. [LB189]

SENATOR CLEMENTS: Thank you. On that chart on page 4, those who had four or more workers, surprises me that the contract workers, there's 36 percent, almost as much as the state. They seemed to be testifying earlier that the state's rotation of workers was really high but you...can you explain why contract workers are about the same? [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

KIM HAWEKOTTE: I can't, Senator. I could just say based upon our data, that's a data set we keep and we see no difference between the state or the lead agency with regards to worker changes. [LB189]

SENATOR CLEMENTS: Well, that's surprising. Thank you. [LB189]

SENATOR STINNER: Additional questions? Seeing none, thank you. [LB189]

KIM HAWEKOTTE: Thank you. [LB189]

JULIA TSE: (Exhibit 6) Good evening again. My name is Julia Tse, J-u-l-i-a T-s-e, and I'm here on behalf of Voices for Children in Nebraska. Since I went over time earlier I will try to keep my comments brief. We agree with a lot of the sentiments and concerns that have been brought already by previous testifiers. We...our organization primarily monitors some of the data that we see statewide. And just to add to some of the concerns that have already been brought about the number of caseworkers that children see, you know, it's not uncommon for kids to have more than ten placements. And I think that that is something that is impossible to separate from some of our caseload and workload issues. And in my written testimony you'll see some of the average salaries that neighboring states offer to their child welfare workers. I won't go through all that but I will just say, as somebody who was very recently out of college and looking for direction in life, I think that it's not unreasonable to say that just a few thousand dollars can make a really big difference, especially for somebody who's trying to pay off student debt or start a family. So we were really happy to participate in the interim study that occurred over the summer about this issue and we relayed some of our thoughts on how complex this issue is. Money isn't everything but it kind of is, but I think that this should also consider supports for workers. And secondary trauma is real. Senator Stinner, you're right that not everybody can do this job and it takes a lot out of you. So offering supports and adequate training is really important to this. And so with that, I'll just wrap up my comments by saying that our case managers are our front line of service to our state's youth and we depend on them to fulfill our promises, and I think that LB189 is an important first step to ensuring that we can fulfill our promise. And with that, I would thank you and thank Senator Howard for your time and consideration. [LB189]

SENATOR STINNER: Thank you. Questions? Seeing none, thank you. [LB189]

JULIA TSE: Thank you. [LB189]

SARAH HELVEY: Good evening. [LB189]

Appropriations Committee  
March 14, 2017

---

SENATOR STINNER: Good evening. [LB189]

SARAH HELVEY: (Exhibit 7) My name is Sarah Helvey, S-a-r-a-h, last name H-e-l-v-e-y, and I'm a staff attorney and director of the child welfare program at Nebraska Appleseed, and we strongly support the appropriation proposed in LB189 for the recruitment and retention of child welfare caseworkers to bring us in compliance with statutory caseload standards. I also will not repeat some of the information that has been provided to date. I think it laid out very well the fact that this has been a core challenge for a number of years to address unmanageable caseload and workload levels of front-line child welfare workers, including legislation over a number of years, and also the alarming data that has been brought to light about the impact of that. It is within that history and context that Nebraska Appleseed strongly supports this bill. This is imperative, we think, for the safety of children and for the state of Nebraska to be in compliance with the statute. It's also good policy and can save money. The recent child welfare blueprint report, which I provided to the committee earlier, identified addressing workload and turnover issues as a priority area for improvement, and noted that high caseloads and turnover has a negative impact on the entire child welfare system, causing disruption in relationships with families, expensive costs of recruitment and training, and gaps in information available to case managers and judges. In addition, according to the National Conference of State Legislatures, a survey found that 60 percent of responding states reported cost savings as a result of caseload reductions, and that's consistent with some of the information that Kim Hawekotte provided earlier and Senator Howard as well about some of the cost that we see in that turnover: training, loss of knowledge, and also slower time lines to permanency for children. The ongoing failure of DHHS to comply with the existing statutory requirement has and continues to put children at risk of harm, and so we urge the committee to support LB189. And we thank Senator Howard for her efforts on this bill. [LB189]

SENATOR STINNER: Thank you. Any questions? Senator Bolz. [LB189]

SENATOR BOLZ: Thank you for your testimony. And I'm not asking this of Nebraska Appleseed. I'm asking this as a broad vision question. Could our lack of compliance with caseload standards or delays in assessments or anything else that you've heard listening today, does any of that make us vulnerable to legal action? [LB189]

SARAH HELVEY: I believe that it could, yes. [LB189]

SENATOR BOLZ: Could you tell me on what basis? What would be a pressure point that might result in a lawsuit? [LB189]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

SARAH HELVEY: That there's a clear standard set forth in statute that the department is not meeting and particularly if you have a situation which we've seen where children have experienced harm as a result of that. [LB189]

SENATOR BOLZ: Thank you. [LB189]

SENATOR STINNER: (Exhibit 8) Any additional questions? Seeing none, thank you. There any more proponents? Seeing none, any opponents? Seeing none, anybody in the neutral capacity? Seeing none, I believe the senator is waiving closing. And I do have a letter of support from the National Association of Social Workers, Nebraska Chapter. That concludes our hearing on LB189. We will open with LB205. Senator Krist. [LB189 LB205]

SENATOR KRIST: (Exhibit 1) Good evening. I want to take a little liberty on LB189 and just add to Senator Clements' comments. Sometimes when you have an unstable work environment, the people leave early or don't stay around or find other employment. In the case of NFC in the Eastern Service Area, there has been some instabilities that have caused those workers, not knowing where their future is, to leave. So that may add up to it. This time of the evening, I'm sure...first of all, my name is Bob Krist, B-o-b K-r-i-s-t, and I represent the 10th Legislative District in northwest Omaha, along with a north-central portion of Douglas County which includes the city of Bennington. I appear before you today in introduction of LB205. At this time of the evening, I find that it's often good to hand out my testimony so that you have something to refer to because I'm sure you're tired and I understand that. LB205 appropriates \$7 million to Health and Human Services to be used to reimburse Nebraska's community-based developmental disability service providers for services rendered on or after October 1, 2016, and for which no federal funds were issued in the rates paid to the providers by the state for those services because of an error the state made with the federal waiver. The mistake made by the previous administration's HHS is complicated, suffice to say it essentially boils down to HHS directing providers to bill for certain services provided for weekends, but failing to include that in our state waiver plan that the federal government approves. Boil that down--I'm going to tell you to provide the service, but I'm not going to pay for it. When this error was discovered last summer, the state chose to stop reimbursing providers for the federal portion of the services after October 1. Complicating the situation, services kept being provided, however, this bill is intended to appropriate the money to make up for that lack of funding. Your committee's fiscal year '16-17 deficit appropriation that was signed into law did include money to fix this HHS error, so I was hoping this bill would become moot. However, I am told that the amount included in the deficit appropriation was likely not enough to provide reimbursement until about March 1, which is when the department expected to have a new federal waiver approved and in place. And guess what. We still don't have a waiver approved and in place as of today. So additional funding may be needed to be secure, to continue reimbursing providers who had relied upon the department's erroneous billing guidance. I believe there is at least one provider behind me to amplify my

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

concerns. And interesting to note, even though the department is currently not paying and still waiting for the waiver, it's included in the new contract; so they want them to continue to do what they're doing and lose money. We have to put a stop to this practice. And those providers, by the way, one of them that I know for sure in the city of Norfolk has folded up their tent and gone home; and we'll see more doing the same thing unless we make good on the state's promise to pay providers for those critical services. [LB205]

SENATOR STINNER: Thank you. Questions? Senator Bolz. [LB205]

SENATOR BOLZ: Earlier...thank you, Senator Krist. Earlier today we heard from Director Miller and she said that she had not heard from any providers that were closing doors. Could you just elaborate for the record on what your knowledge is regarding the provider in Norfolk? [LB205]

SENATOR KRIST: I believe the name of the provider in Norfolk is Envision and there are also two in the Omaha area that are about that close. One of them is cutting services I know, stopping services, continuing to service those that they have but not taking any additional clients. [LB205]

SENATOR BOLZ: Thank you. [LB205]

SENATOR STINNER: Any additional questions? It sounds like it's going to be a 90-day process, based on what they told us today, to get...and I think that they also said they had some funds to fill the gap, but there has to be a process of submitting the claims and, you know, just the regular stuff that apparently you have to do anyway. So that's what we know today. [LB205]

SENATOR KRIST: And I was listening to most of your hearing, and I did hear that. I just...I go back to the privatization debacle when I first came here in '09, '10, '11 time frame. And the funding and the businesses that we caused to close their doors because we couldn't make good on our promise as a state. Ninety days is a long time for a small mom-and-pop business to keep those doors open and keep losing money and still provide services. And these are critical services. [LB205]

SENATOR STINNER: Agreed. Thank you. [LB205]

SENATOR KRIST: Thank you. [LB205]

SENATOR STINNER: Any additional proponents? Good evening. [LB205]



Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

DEBBIE SALOMON: (Exhibit 2) Good evening, Senators. My name is Debbie, D-e-b-b-i-e, Salomon, S-a-l-o-m-o-n, and I am here to testify on LB205 and if you can merge LB206. I am the mother of Lisa and Jillian Salomon who have intellectual disabilities, medical needs, hearing impairments, vision impairments, language impairments, and spinal issues. Their care provider, Tyrie Owens, is also here with us today. I am here to tell you our story and the need for increases to provider pay. I am a special education teacher by profession. I have always had to work due to having the better and cheaper insurance than my husband. Lisa has worked part-time and needed job coaching since she graduated. When Jillian graduated, she was ill with an E. coli wound infection and needed IV antibiotics for the next year. This was her last spine surgery, at least as of today. She was well enough not to sit home, but instead of part-time employment we had to choose a day program. ENCOR, at the time, was the only agency that had a nurse on staff, so they accepted Jillian with her central line. She is still with ENCOR and their staff is excellent and fairly consistent. Lisa works in the morning and is at ENCOR with her sister for a few hours each afternoon. Jillian volunteers two mornings a week using job coaches and job development from Career Solutions. In 2002, my husband had a heart attack. He recovered but we needed emergency funding for residential at that time as I had to work and Lisa was home each day at 11:00 after her work hours. She works 15 hours a week after her two bouts of cancer. My husband Mark passed away in November 2004. Hands of Heartland has provided us with 24-hour staffing for an apartment we rented for Lisa and Jillian to live in. They have never been paid for all the hours they devote to the girls. In 11 years, weekday staffing changed multiple times and each time I saw Lisa and Jillian's anxiety and behavior escalate. Lisa and Jillian are well mannered but constant change is never good for people with intellectual disabilities. Tyrie was our weekend staff person for eight years when once again our weekday staff changed. Tyrie loves Lisa and Jillian as her own and approached me about the girls moving in with her as a home teacher. Changes had worn on her also. Hands of Heartland physically moved the girls into Tyrie's home and the past two and a half years have gone extremely well, and Lisa and Jillian's anxiety and behaviors have calmed down. Tyrie provides all services, including driving the girls to their jobs, day program, many, many social and educational events, and providing 24-hour care. She is the epitome of what parents want for their adult children. Hands of Heartland has been there for my daughters and me at every turn all of these years, as have ENCOR and Career Solutions. Our providers in Nebraska are underpaid and overworked. Retention of employees is a major issue due to pay. People move from agency to agency or leave the world of disabilities. This is a serious situation for our sons and daughters. We see behaviors and physical manifestations from all of the staffing changes. These people truly care but they need to support their own families. They need the agencies to pay living wages and benefits. They can't do this without your help today. From a mother who relies on services, please fund LB205 and LB206 in respect for the agencies and all caregivers in Nebraska and treat them as the professionals that they are. Thank you. Are there any questions? [LB205]

SENATOR STINNER: Thank you. Any questions? Seeing none, thank you. [LB205]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

DEBBIE SALOMON: Thank you. [LB205]

DAVE MERRILL: (Exhibits 3 and 4) Intentionally, my name is Dave Merrill, D-a-v-e M-e-r-r-i-l-l, and I was very intentional about having the last speaker go. They have waited so patiently today and it's important for you to know that when we talk about these numbers there's a face behind every one of those numbers. I'm testifying today on behalf of the Nebraska Association of Service Providers, NASP, and we represent over 30 certified providers of specialized services to individuals who experience developmental disabilities across the state. There is a letter that we would also like to have included in the record along with my testimony. And on the back of that you can see the NASP members listed. There are over 4,000 individuals who provide supports in rural and urban areas in a variety of public, not-for-profit, and for-profit organizations. We want to thank the Appropriations Committee for past support for individuals who experience developmental disabilities and, in particular, for your efforts in LB22 passed earlier this year. We also want to thank Senator Krist for introducing LB205 and LB206. We are testifying in support of LB205 to fill the gap in funding. And I thought Senator Krist explained it pretty well so I'm just going to skip down part of the testimony, other than to remind you that when Beatrice State Developmental Center lost its federal funding, the state of Nebraska stepped up with state funding to replace the lost federal funding until the federal funding could be restored. And that's exactly what we're asking this committee and the Legislature to do as well. We've already addressed October through February. And by the way, Senator Stinner, I did not buy the state's response about the 90 days in claims. We're talking about a fluid system of 4,200 people where people are coming in and out every single day. There's a computerized system that we submit our claims on. And while there are some issues of authorization, I believe this could happen tomorrow if they chose to have it happen tomorrow. I also believe they could choose just to do October, November, and December, and wait for the other months if they chose to. But in any case, I respectfully disagree with the need for the length of time. Part of it has to do with I want to be able to meet March payroll, which is coming at the end of this month, and so we're trying to make those things work. I put in some explanation about extended family homes in my written testimony. I also wanted you to understand that we are different than many of the other providers that you hear testify. When you were hearing from hospitals yesterday and when a hospital had a high number of Medicaid patients, they were affected more directly because they didn't have as many other funding sources. For providers of specialized services for developmental disabilities, the people we support don't have health insurance and they typically live in poverty and don't have...aren't able to pay for services. So while some other agencies might have some sort of split of a third health insurance, a third from the state, and a third, you know, from different sources, we are totally dependent upon these appropriations and these contracts. The other thing that I have to tell you is I've been involved in this field and working with the Legislature for over 30 years. And you heard somebody testify today it was the first time that we had heard a recommended reduction. It's also the first time that I remember that we had a contract in place with the state of Nebraska. We had no input into that contract. It was take it or leave it. And

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

when the federal money was lost in September, they told us in October they're going to start shorting us. For us, it was \$200,000 a month and it was 6.4 percent of our total budget; but we were already planned and set up for the year working through that. And so I just want you to know that we have lots of challenges right now. And I can explain unfunded mandates and cost transfers. You heard some about the cost transfer with the criminal background checks. For an agency like ours that has 965 employees and you start talking about having us pay for what the state requires and had previously paid for is simply a cost shift. It's not a cost savings to the state. And so I know I'm...there's my red light. I know that you're tired, but I'd be happy to answer any questions. [LB205]

SENATOR STINNER: So your computation here, \$1,196,011 is per month what the (inaudible). [LB205]

DAVE MERRILL: That would be March. [LB205]

SENATOR STINNER: Okay. [LB205]

DAVE MERRILL: That would...because we thought the waiver was going to start in March. The state says it might start in April now. That would be the month of March as I understand it. [LB205]

SENATOR STINNER: I didn't buy their explanation either on... [LB205]

DAVE MERRILL: Oh (laugh). [LB205]

SENATOR STINNER: ...reimbursement because I know there's a system that you submit your claims... [LB205]

DAVE MERRILL: Yes. [LB205]

SENATOR STINNER: ...and it's kind of an automatic. Otherwise, you wouldn't get paid monthly, right? [LB205]

DAVE MERRILL: And identifying each individual and the specific service for that time before they pay out that money makes no sense in an entirely fluid system where new people are starting every day and leaving every day and all of that. There's a system in place. And I realize

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

people have up to six months to bill, but it's minor compared to the bigger picture, to me. [LB205]

SENATOR STINNER: Right. Additional questions? Seeing none, thank you very much. [LB205]

DAVE MERRILL: Thanks. You are one of the hardest working Appropriations Committees of all of them, and they've all worked hard, but, man, you guys are working hard today. [LB205]

SENATOR STINNER: Any additional proponents? Good evening. [LB205]

MICHAEL CHITTENDEN: (Exhibit 5) Good evening, Senators. Thank you for your time today, appreciate it. My name is Michael Chittenden, M-i-c-h-a-e-l C-h-i-t-t-e-n-d-e-n. I'm the executive director for The Arc of Nebraska. The Arc of Nebraska is a support and advocacy agency working with and for people with intellectual and other developmental disabilities since 1954. In fact, it is due to the efforts of families that started The Arc that we have the home and community-based service system that we have. We are a statewide organization with nine local chapters and approximately 1,000 members, although we support all people with I/DD. We are also affiliated with The Arc of the U.S. I do want to clarify that we don't have a dog in this fight, per se, as a lot of state Arcs are service providers. The Arc of Nebraska has always chosen not to be a service provider so we don't have any contract with the state of Nebraska to provide services. Everything we do is via donation and membership fees. The Arc of Nebraska supports LB205, a bill to help restore the funding by providing the waiver providers reimbursement for what they did in good faith. I say that to make a specific point: the providers did act in good faith, as you just heard. They provided the services they were contracted to provide. The fact that the former director of DHHS-DD improperly used a payment formula, it was not their fault. The fact that there was no oversight of the DD director and the administration, the last administration, was not their fault. Services were provided. People with I/DD did receive habilitative services. They were provided the means to be a part of their communities. They were safe and the providers did their job. Why would you punish those that actually followed through on their responsibilities? Historically, when federal funding was taken away from BSDC, the state of Nebraska stepped up and paid for those services at BSDC. The precedent was set. We need to follow through with that precedent. At this point, I know it's been a late night and we've got more bills so I will just say again we support LB205. We thank Senator Krist for his insight, and we recommend that you not punish those that followed through on their contractual agreements. I'll answer any questions that I know you will not ask. [LB205]

SENATOR STINNER: Thank you. Any questions? Seeing none, thank you. [LB205]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

MICHAEL CHITTENDEN: Excellent. Thank you, Senators. [LB205]

SENATOR STINNER: Any additional proponents? Any opponents? Seeing none, anybody in the neutral capacity? Senator Krist, closing. [LB205]

SENATOR KRIST: This could mean the end of the day. The bolts are falling out of the chair. Just a quick note and then I'll move on to LB206. I was here at the tail end, the beginning of the BSDC issue and it was \$40 million we lost in federal funding; and the state did come through and provide for those people and for those services. So the precedent that's been talked about should be understood as the right thing to do, so. [LB205]

SENATOR STINNER: Just have one thing to get on the record. No providers were overpaid by the federal government, were they? [LB205]

SENATOR KRIST: I doubt it. [LB205]

SENATOR STINNER: Okay. Thank you. Okay. That concludes LB...the hearing on LB205. We will now go and open the hearing for LB206. [LB205 LB206]

SENATOR CLEMENTS: Mr. Chairman, just a point of clarification. That \$40 million, did that require a bill like this to fund? [LB205 LB206]

SENATOR KRIST: It requires special appropriations, yes. Yeah, we had to move money from two or three different places, and your fiscal analyst can fill you in on how that happened. We actually lost the funding, DOJ investigated the process, and it lasted for several years before we got the funding back. [LB205 LB206]

SENATOR CLEMENTS: Okay. [LB205 LB206]

SENATOR KRIST: (Exhibit 1) Good evening. My name is Bob Krist, B-o-b K-r-i-s-t. I represent the 10th Legislative District in northwest Omaha along with north-central portions of Douglas County, which includes the city of Bennington. I appear before you today in introduction of LB206. LB206 appropriates funds to HHS to be used to increase provider rates by approximately 3 percent in fiscal year '17-18 and '18-19 for community-based developmental disability services. I brought similar bills to this committee in the past, and we've been successful in seeing very small rate increases in prior bienniums. Of course, this year we have a difficult situation and I'm well aware that we do not have the money to fund everything that we would like to fund. The state, however, does have an obligation to fund basic government services and this is one of

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

those functions that we can't just ignore and hope will go away in a couple of years. Our state's developmental disability providers do amazing work caring for our fellow citizens, citizens who are truly special people. My daughter is one. Without appropriate state reimbursement rates, providers simply won't be able to stay in business and services simply won't be available. Unlike other providers, developmental disability providers do not have any other payer to simply shift their costs on to if the state isn't good enough to cover the cost of providing these services. I understand you've been talking about 1 percent. I'd like to see the full 3 percent. I know that's a stretch, but I do believe that we have ignored this population for several years. We are cutting their services even now, even without the crisis that is projected in the next two years. That's not this year. You all know that. I think that you should reach down and look at a full 3 percent. And with that, I'll take any questions. [LB206]

SENATOR BOLZ: Thank you, Senator. Go ahead. [LB206]

SENATOR WISHART: Well, thank you, Senator Krist. As a freshman senator, I just have to say you're an inspiration to me. So thank you for introducing this legislation. I wanted to ask you, since you're intimately aware of the developmental disabilities in the state, do you know of other states that are outshining us in terms of the supports that they give to people with developmental disabilities? [LB206]

SENATOR KRIST: The Boys Town organization has given us data over the years which, when I was on Health and Human Services Committee and now on Judiciary Committee, has led me to believe that the state of Florida is one of those places where developmental disabilities are treated at a much higher level. And by that I mean there's particular attention paid to cost of living and services that are provided. And I know that Jerry Davis would be happy to talk to you about that Florida model. There are a couple of other states that come to mind, but the one that has always come to mind when it talks about developmental disabilities and payments has been the state of Florida. [LB206]

SENATOR WISHART: Because what's concerning to me, you know, aside from making sure that we continue to pay providers the rates that they need to be able to provide really quality services to this population, is that there are a lot of wait lists for people. And I need to learn more about this, but from what I've looked into, some of these wait lists are for people to be able to get access to be able to maybe work a little bit part time and be even more integrated into the community. And that's really disappointing to me that they're going to sit for years on that wait list. [LB206]

SENATOR KRIST: We're so...I'll tell you of an experience that relates to that. We are so worried about being politically incorrect that we're worried about changing the names on workshops

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

which are sheltered workshop environments rather than really being worried about getting young people and adults to work that want to work in a job placement. But not everybody can go into the local community. So these sheltered places that we allow them to go to are not day-care centers. They're not adult day-care centers. They're places where the individuals feel productive. They actually get a paycheck. They manage their SSI money against their paychecks. So in my opinion, we have been too concerned with being politically correct and not concerned with putting the money where it needs to be put and that's against the programs and services that are out there. Thanks for the question. [LB206]

SENATOR CLEMENTS: The bill's summary says we'll increase by 3 percent. It looks like it's 3 percent the first year and another 3 percent the second year of the biennium. [LB206]

SENATOR KRIST: In the biennium, yes, sir. Consistently 3 percent across the board, right. [LB206]

SENATOR CLEMENTS: Okay. [LB206]

SENATOR KRIST: And I think my information is correct that you'd already talked about 1 percent so that would be an additional 2 percent over what you...that you already discussed. [LB206]

SENATOR BOLZ: Thank you, Senator. Any proponents for LB206? Hi, Alan. [LB206]

ALAN ZAVODNY: (Exhibits 2 and 3) Before I get serious, I have a couple things I want to say. I took my chair at 12:15. I was the first one here and I was by myself. I'm hoping you won't charge me rent. And we should have ordered pizza a long time ago. And Senator Stinner is not here, but I may need a note from the Chairman to my wife that I really am working this late. (Laughter) All right, now to the task at hand. Forget good afternoon, it's good night, members of the Appropriations Committee. For the record, my name is Alan Zavodny, A-l-a-n Z-a-v-o-d-n-y. I am the chief executive officer of NorthStar Services. NorthStar covers a 22-county area in northeast Nebraska. I am in my 36th year in this field. I am also proud to serve as mayor of the 2,906 fine citizens of David City, Nebraska. I am representing NASP today and we are also passing out a letter to be submitted for the record. Services for people with developmental disabilities are the responsibility of the state of Nebraska, period. In roughly 1974, the state of Nebraska was divided into six regions that covered the state. These regions were made up of interlocal agreements by the counties in different geographic areas. Services were also provided by entities such as Mosaic, which provided faith-based supports. Before going any further, I'd like to thank Senator Krist for introducing LB206. He has been a consistent advocate for some of the most vulnerable citizens of Nebraska. These citizens just happen to experience a

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

developmental disability. Senator Krist joins a distinguished list of former senators such as Dennis Byars, Don Wesely, Pat Engel, Steve Lathrop, and Colby Coash, to name a few, that also understood the importance of these supports. What are the issues? Rates paid to providers were last studied for content in 2011. Since then, providers have had to find ways to pay for items not in existence when the rates were constructed. Those items include, but are not limited to: the Affordable Care Act--for NorthStar that was an over \$500,000 increase; a minimum wage increase to \$9 an hour in Nebraska; the need to have Internet to conduct our business; and most recently, a shift from the state to providers to conduct annual background checks on all employees. Formerly, the state paid for these and they were only done when the employee was initially hired. I'm sorry to say that much of the previous testimony that I have offered before this committee in prior years has come true. We can't find staff to hire, certainly in adequate numbers. We have contracted significantly. We are down about 110 people since 2008. There is no waiting list money, so through attrition it stands to reason that we will continue to shrink. That means the capacity in community-based services is shrinking. Despite sharing our concerns, we continue to see that there is never a good time to fund developmental disability services. When times are good, we want to give back to the taxpayer. When times are bad, we are told we simply can't afford it. Your community-based DD system has been in crisis for a while. Notice I didn't say will be in crisis. I can only speak for NorthStar as far as strategies to deal with the current situation. We are planning significant cuts to staff. Supports in several communities will cease to exist and not be available in the next year or two. It is unlikely that once they leave these communities that they will ever return. Frankly, the rates do not meet current expenses. A wise person once said that if you lose a nickel on every bottle of pop you sell, it doesn't help to sell more bottles of pop. That is where we are. It pains me to say this, but we have not done enough to educate the Legislature to understand DD services and how they work. For all intents and purposes, you, along with the federal match, is about 97 percent of our total funding. We have tried to reach out to some of our senators. One told us to go get some grants. That isn't even a reasonable response to this situation. Time does not permit me to go into all of the reasons the financial picture has flipped. We are not a special interest group here asking for money. We are conducting your business, and no longer can afford to do so. I've attached an employee cost breakdown so you can see for yourself what an employee costs per hour. These are not high-paying jobs. And I just, if I could take the liberty of responding to a question, a good question from Senator Wishart, the states that are doing a really, really good job, most of them you'll find are the ones that have actually lost lawsuits and they've been mandated to provide good services because they weren't doing a good job. With that, I'm done. [LB206]

SENATOR STINNER: Thank you. Any questions? Senator Bolz. [LB206]

SENATOR BOLZ: Thanks, Alan. You get the question maybe for the last time I'll ask. Director Phillips indicated that the criteria we should use for assessing adequacy of rates include equity



Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

across states, fairness across the division or Department of Health and Human Services access and history. Do you have any comments about rate adequacy based on those criteria? [LB206]

ALAN ZAVODNY: Well, I find it fascinating because you can't just look at the rate we're paid because so many other factors go in. They briefly talked about the OAP, or the objective assessment process, which means people are assigned a value of what they think the supports they need. The interesting part about the OAP process when you've been here a long time, you know that they used the amount of money the state had given and they tried to divide that pie. So to say our rates are adequate, we know that there are many things that weren't considered when they were last looked at in 2011. But you've got to factor in also the amount of money that's been appropriated, the amount of money that each person gets of that pie that's available and it is a moving target. It changes every day. These programs started in roughly 1974 and people have passed away in that time. They're getting older. If LB495 passes, the one stable funding source we as providers have, and that's in Health and Human Services right now and you've been encouraged to help see that through, LB495 means you're going to have kids graduating from school--again respectfully disagreeing with what I heard earlier--and losing skills because they're not going to get those services that quickly. It just doesn't happen. The other really gloomy side of what I want to say today is even if you gave us the \$10 million to totally eliminate the waiting list I don't think we have that capacity currently. And that's just being very honest. And Senator Mello has liked that about me and hated that about me, so I guess that's what you get. [LB206]

SENATOR BOLZ: Just one more question, Alan. We have heard from the Division of Developmental Disabilities about changes happening at BSDC and cost savings that are being created by right-sizing that system. And I think it's my perspective as an advocate that it's only appropriate to move institutional resources into community-based resources if there is a need. Do you have a comment about that? [LB206]

ALAN ZAVODNY: BSDC is a complicated thing. The cost per person living there is extraordinarily high. There are some people that, frankly, and I'm going to speak from a community-based standpoint, it's always been said that anybody can be served in the community but some are much more challenging. I've always said if they burn down downtown Bloomfield, we'd never live that down. There are people who like to set fires. There are people who are somewhat physically aggressive. And I think you need certain types of supports. And BSDC has some expertise in some of those specific kind of areas. But the problem from years ago that I don't think any of you were probably serving in the Legislature at that time was they kind of made a promise to families that if they wanted to stay at BSDC they could. That was probably the wrong thing to do. I always tell our employees never make a promise you can't keep, and I think they did at that time. So people were saying you promised us we wouldn't have to move our loved one, and there are people who are great fits for the community. Our employment numbers are awesome. We don't have sheltered workshops. We don't use them anymore. They're

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

more of a hub. We have people out working in the community. And Senator Engel used to always brag about the fact that people are working, I think it shocked him always, but people are out there. They were working jobs. And sometimes they told us to go get lost. They didn't want us around. That's when we knew we had done well. [LB206]

SENATOR BOLZ: I know it's getting late so forgive one follow-up here, but what I'm really trying to ask is I think that part of the reason that we've been able to right-size BSDC is because the community-based providers have stepped up to provide services as new people come into the system. And so it seems to me that it's appropriate to reinvest dollars that we're saving through right-sizing BSDC back into the community. And I don't know if you agree with that or not. I think that's a philosophical idea that we've heard from stakeholders. [LB206]

ALAN ZAVODNY: I think we took almost every person that the Department of Justice said should be transitioned out and we did step up and do that, so it was done. [LB206]

SENATOR STINNER: Senator Wishart. [LB206]

SENATOR WISHART: So you spoke about if we were today to decide we are going to invest \$10 million and get every person on that waiting list into the programs that they're waiting for that we wouldn't have the capacity for that. Have we as a state gone through, say, a 10- or 20-year strategic plan for how we would better serve people with developmental disabilities and deal with the wait list? [LB206]

ALAN ZAVODNY: Unfortunately, not really. We've kind of gone by the seat of our pants year by year to see what the funding has been. It's been since...I don't know if Senator Wesely is still around, but last time we really looked at things was two decades, Into the Light, which was a publication in 1991; really haven't done much since then. [LB206]

SENATOR WISHART: Okay. [LB206]

SENATOR STINNER: Any additional questions? [LB206]

ALAN ZAVODNY: Call maintenance. You've got a problem there. [LB206]

SENATOR STINNER: Seeing none, thank you. [LB206]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

MICHAEL CHITTENDEN: (Exhibit 4) Hello again, Senators. My name is Michael Chittenden, M-i-c-h-a-e-l C-h-i-t-t-e-n-d-e-n. I'm the executive director for The Arc of Nebraska. We support LB206, a bill that adequately funds providers of home and community-based services for their supports and services. I say "adequately" to make a point. The HCBS providers in the state are never fully funded, as you've heard. Historically, this group of businesspeople has been treated very poorly. They're not allowed to negotiate their rates or contracts. As a whole, the state looks to rebase on a somewhat regular basis. However, these are done on data taken from two to three years previous to the date that they're looking at before the rebasing. Additionally, the providers are only given generally a 1 to 2 percent increase on a yearly basis, if at all--sometimes it's zero base--and then asked to continue to provide services as the cost of doing business rises, you know, 3 to 3.5 percent. You can see how the problem continues to compound. And every year they start further behind than the year before. Add to this the cost of unfunded mandates, which you've heard some testimony about, and you get a better picture of how the home and community-based providers are beginning to feel the stress of not being adequately funded. And I think the previous testimony says we've been there already. We're beyond that point. Well, they are beyond that point. Again, we don't provide services. We ask that you study this very carefully but learn from behavioral health when people were moved into the community without adequate services being ready in the community. We need to start funding community-based providers. I agree with Senator Krist. We need to make sure that we are looking at all people because not everybody fits into specific categories. There will always be the need for, you know, workshops. Not everybody can have a competitive community-based job. But as we prep people more for that through WIOA, we will need to have that ready and available. So we support LB206 and we stand ready to help the state make a long-term commitment and a long-term plan and will sit on any committee to do so. With that, I thank you for your time and will answer any questions. [LB206]

SENATOR STINNER: Any questions? Seeing none, thank you. [LB206]

MICHAEL CHITTENDEN: Thank you for your times tonight, Senator. [LB206]

SENATOR STINNER: Any additional proponents? Seeing none, any opponents? Seeing none, anybody in the neutral capacity? Senator Krist, would you like to close? [LB206]

SENATOR KRIST: Just to say that the 3 percent is an additional 2 percent over what you proposed, and it's time to send a message to this community that we do stand by what you do and we care about what you do for the people you care for. [LB206]

SENATOR STINNER: (Exhibits 5 and 6) Thank you. Any questions? That concludes the hearing on LB...excuse me. I have two letters. One is from Mosaic and the other from Nebraska

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

Planning Council on Developmental Disabilities and Mosaic. Those are two letters of support. We now will close the hearing on LB206, open the hearing on LB493. Senator Krist. [LB493]

SENATOR KRIST: (Exhibit 1) I'm still Bob Krist, B-o-b K-r-i-s-t, and I still represent the 10th Legislative District, northwest Omaha along with north-central portions of Douglas County, which includes the city of Bennington. One of the things that I have heard for the eight years that I've been here is that we don't have data systems that collect the information that we need. We can't reach out for providers and people who need it and target in those services that are out there that are critical to keeping people...to reducing recidivism and finding the right services in the community. Well, here's your opportunity. For only \$171,000 out of General Funds or any cash fund you can pull it out of, I'm asking you to look at the Network of Care portal and how it offers government-sponsored Web sites that provide faster, easier access to comprehensive community services, information, support, advocacy, news, and assistance on a local level. You're getting a copy of my testimony. I'm not going to read the whole thing. The Network of Care was first acquired in 2008 by the Nebraska department of mental health and was implemented in every county in the state. In 2013, the Nebraska Association of Local Public Health Officers acquired the Network of Care for Public Health for all counties. In 2014, the Public Health Officers Association acquired for the Federal Veterans Administration to install the Network of Care for Veterans. And I believe that that veterans of care to date, just within this year I believe, and somebody will come after me that will tell me I'm wrong if I am, but it received over 80,000 hits just in terms of asking information about veterans. We don't prepare our veterans well enough on a DOD level as they exit into our communities, and they don't know the services that are available to them. This is a great place for them to get the information that they need. On the behavioral health side we spent \$101,250 setup, \$108,000 annual maintenance; public health, \$20,000 and \$15,000 annual; veterans, \$47,500, \$85,500 annual; aging, \$75,000 and \$81,000 on an annual. At this point, a key discount for the Network of Care nationally kicked in which would allow for the addition of four additional care portals including: prisoner reentry, which happens at a good time for us, a really good time; developmental disabilities; children and families/or foster care; and domestic violence. Given Nebraska's current spending on correctional issues, I would like to point out that the department of Probation has given considerable interest to the Prisoner Reentry Network to establish the network in conjunction with day service centers, day-care centers that they have set up...day reporting centers, I'm sorry. This portal can reduce recidivism by helping recently released prisoners better engage with the treatment community and it is also a useful tool for families, probation officers, corrections staff, and the courts. I would venture to guess that those that are jamming out still have families and people who are concerned and would want to reach out and find out where those services can be acquired, even for someone who is jamming out of the system. The founder and CEO of Trilogy's Network of Care, Bruce Bronzan, is here today to testify and he can probably answer any specific questions you have. I think this is a low-hanging fruit and the investment that I'm

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

asking you for today on a positive side sustains those portals long term so that we can continue the connectivity that we need to support the state and its citizens. [LB493]

SENATOR STINNER: Any questions? Seeing none, thank you. [LB493]

BRUCE BRONZAN: (Exhibit 2) Good evening. I am Bruce Bronzan, B-r-u-c-e B-r-o-n-z-a-n, and I'm from California. I live in San Rafael, just north of San Francisco, and was one of the cofounders of the Network of Care program. And I must say, just as a personal note, it's so interesting listening to your hearing today and so many of the issues are so familiar to what we have in California. And I had the honor of sitting on your side of the table for almost 20 years in California government. And so it's delightful to be on this side to be able to participate here in your work and to give you a success story. The Network of Care is, as the senator mentioned, was adopted here. Nebraska was an early adopter of a program that we piloted in California with a grant from the state for...to demonstrate it. It was hugely successful, spread all over California very quickly and then it spread to other states. And your department of mental health was actually one of the first in the nation to implement it statewide, and it was used as a demonstration site for the rest of the state mental health directors through (inaudible) and NASMHPD associations nationally and through the National Association of Counties. What this is, is a series of Web portals that are localized. They're customized to each area, local area in your state so every one of your districts currently has this and they have it for mental health for many years. And the public health officers got the public health version of it, and then they brought in some additional funds and mixed with theirs and we did some donations of ourselves to establish a veterans portal that you have, which is a very successful work. And then your department of Aging established the aging site statewide so you really have tremendous use of this. We checked the use monitor just before I left and you had somewhere in the neighborhood of just under 500,000 page views just this last year, just in the last single year. Now that's not a big number for Google, but that's a very big number for a state your size for social services and mental health and veteran services. To just give you a glimpse of what they do, using veterans, there's nothing in the country that tells the veteran all the services that they're eligible for. And I think you all in your seats know that we have a bit of a catastrophe in our country. Veterans coming back from combat with PTSD and traumatic brain injury have such a rough time that suicide is committed about every half an hour around the clock, week in, week out; month in, month out; year in, year out. More people kill themselves coming back from combat here than die in combat, which means it's more dangerous to come home than it is to stay in war. And one of the reasons that that happens is because they don't know where to get help. If they go to the VA services and they're not there, like they're 150 miles or 200 miles away, they're out of luck. If they are there but there's a six-month waiting list and you're in crisis, you're out of luck. And they don't know that anything else exists because no one tells them. The VA doesn't tell them, DOD doesn't tell them, Reserve Affairs doesn't tell them; no one tells them what else is available. And in a number of studies conducted by the VA and the DOD this has been painfully

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

clear with those who kill themselves that they are crying out for help, they want help, but they don't know where to go. And what we developed this program for that is working beautifully in your state is it tells them everything that's available regardless of which bureaucracy it sits in. So it's nonbureaucratic. It's in the middle and says, well, here's DOD services or Reserve Affairs and here's VA, but here are local services, county-based services, state services, community-based, not-for-profits, support groups which are plentiful and can do an enormous amount of help. They can save lives. And so it's something that they can get to easily without cost that you are providing and they can get that information immediately, and we upgrade it continuously on your behalf. So it's a real success story. And what the senator has done is this funding enables us to go ahead with the rest of the four programs that you are entitled to. Our agreement with NACo, NASMPHD, NACMHDDD and all the national associations that we are partnered with--we're basically their technical arm for states and counties--is such that if you have four, you can get the other four systems. It's like a package deal. And we're seeing this more and more but you have a lot of interest right now within your criminal justice system to make the next one on the list Prisoner Reentry. This is a portal that was piloted in Philadelphia that better engages folks who are getting out of prison, coming back to the community, with the treatment community if the underlying issue is mental illness or addiction. And it's very successful. It helps them live their lives and it reduces the recidivism rate because intervention actually has a huge impact, successful impact in getting them back straight in line. So I've exceeded my time, but that's a quick view. [LB493]

SENATOR STINNER: That's okay. You're from California. We'll give you a few extra seconds. [LB493]

BRUCE BRONZAN: Oh, thank you. [LB493]

SENATOR STINNER: It's only 6:00 your time, right? [LB493]

BRUCE BRONZAN: I know. I feel fresh. [LB493]

SENATOR STINNER: Any questions? Senator Wishart. [LB493]

SENATOR WISHART: So how does somebody hear about this portal? [LB493]

BRUCE BRONZAN: Very good question. The...for like mental health, when we started mental health nine years ago, something like that, we had...back then we had a press conference to kick it off statewide; we had local press conferences. And then a lot of other things that we work with, the department of mental health--your department of mental health has been just great--I mean

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

they piggybacked on special programs, mobile units that go around for crisis intervention. They use a lot of tools that they already have at their disposal to get the word out. But you also had a lot of great coverage by your press. The news media, radio, newspaper, and so on publicized it and that's sort of the first shot off across the bow that gets people aware of it. We're always kind of amazed at how embedded it gets real quickly. It's the one place where everything is and so it quickly becomes the place to go. Your aging site is one of the newest so it still has a way to increase. They increase every single year in their participation. The aging site is used actually more for ADRC and reporting requirements. We have a very sophisticated referral platform that's attached to it. That was publicized extensively throughout the state by the public health officers and had very good, very good participation as a result. So each one is a little bit different depending on the culture of that subject area. [LB493]

SENATOR WISHART: Have you found that some of the organizations and nonprofits have utilized this and it helps people get out of silos and reduces redundancy? Because sometimes what you see is a bunch of different organizations with the same mission, but they don't really know about each other and they're even within the same school district trying to do similar things. [LB493]

BRUCE BRONZAN: That's exactly right. That's a very good question and observation because a case manager in a given agency may not know that there's another agency that's complementary across the street. Because why? Because those case managers turn over and the departments turn over and, you know, there's a lot of change and they just...they can't keep up with it. They're trying to keep up with their caseload. So, yes, this is a huge tool for them to know about each other and to work more cooperatively. In fact, when...about the second year--and we've been doing our work for 16 years--we got requests by case managers to do training sessions. This is private sector case managers. And so now what we do whenever we launch a site is we do, as part of our maintenance that you pay for, is that we do unlimited training sessions for agencies, public and private, for their case managers so they can all learn about it and all use it. In addition to helping them use it, we get information from them that enriches the site. So we're very much connected to the service community and we find often in many communities we're the only thing that's kind of in the middle for them. [LB493]

SENATOR STINNER: Additional questions? Seeing none, thank you. [LB493]

BRUCE BRONZAN: Thank you so much. [LB493]

SENATOR STINNER: And welcome to Nebraska. How's that? [LB493]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Appropriations Committee  
March 14, 2017

---

BRUCE BRONZAN: Oh, by the way the propaganda that was given out to you earlier--it's buried in the paper--but this kind of has a quick overview of the programs. And if you have any questions, just call me directly. I'd be happy to go over it with you. [LB493]

SENATOR STINNER: Thank you. Any additional proponents? Seeing none, any opponents? Seeing none, Senator, would you like to close? [LB493]

SENATOR KRIST: I have about a three-page closing that kind of summarizes. [LB493]

SENATOR STINNER: There you go. [LB493]

SENATOR KRIST: No. You've had enough. Thank you for your time and your attention. [LB493]

SENATOR STINNER: (Exhibit 3) Okay. I do have a letter of support, Nebraska Planning Council on Developmental Disabilities also has weighed in as supporting LB493. So seeing nobody else for questions, we will now close the hearing on LB493 and we are finished for the day. [LB493]