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Health and Human Services Committee
February 16, 2017

[LB311 LB358]

The Committee on Health and Human Services met at 1:30 p.m. on Thursday, February 16, 2017, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB311 and LB358. Senators present: Merv Riepe, Chairperson; Steve Erdman, Vice Chairperson; Sue Crawford; Sara Howard; Mark Kolterman; and Lou Ann Linehan. Senators absent: Matt Williams.

SENATOR RIEPE: This is the Health and Human Services Committee and I am Merv Riepe, I'm Chairman. I represent District 12; which in Omaha is Omaha, Millard, and Ralston. I'm going to now ask some of our members, starting clear at the right here, our committee members to introduce themselves. So, gentlemen, sir.

SENATOR KOLTERMAN: Senator Mark Kolterman, District 24: Seward, York, and Polk Counties.

SENATOR HOWARD: Senator Sara Howard, I represent District 9 in Midtown Omaha.

KRISTEN STIFFLER: Kristen Stiffler, legal counsel.

SENATOR CRAWFORD: Good afternoon. Senator Sue Crawford, District 45; which is eastern Sarpy, Bellevue, and Offutt.

SENATOR LINEHAN: Good afternoon. Lou Ann Linehan: western Douglas County, Elkhorn, Waterloo, and Valley.

TYLER MAHOOD: Tyler Mahood, committee clerk.

SENATOR RIEPE: Okay. Thank you very much. We also have two pages with us today: Marilyn Synek. And, Marilyn, I think you're from Grand Island, is that right?

MARILYN SYNEK: Kearney.

SENATOR RIEPE: Oh, that's a bad faux pas on my part then. Kearney. And also with us is Jordan Snader, who is from Oakland, Nebraska. So they are very helpful and we appreciate them both very much. I want to go through a little bit. This is your opportunity to participate in the legislative process in Nebraska, and we welcome you to do that. Committee members at times

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will come and go. For example, Senator Williams is not going to be able to be with us today, and Senator Erdman is introducing two bills in the Government Committee. So you may see him come in; you will not see Senator Williams today. You will also see some of our committee members who at times get up and leave because they do have to introduce or they have to testify to other committees. We also...you will see some of them working on computers and we encourage that. Some of us work on paper, some of us work on computers. Some of the rules of engagement for today are to first of all please silence or turn off your cell phones. If you're going to testify, we ask you in the interest of moving the process along and being fair to everyone that you come up to the front rows to get staged for presentation. The process is one of the senator who is opening on the bill or presenting the bill will introduce; we will then follow his or her opening by proponents; we will then go to opponents; we will ask for neutral testimony; and then we will ask Tyler over here, our committee clerk, if he has any letters that have come in from individuals who are not able to be here and testify. Following that, then the introducer of the bill will have an opportunity to come up and make closing comments if he or she chooses. Those of you coming up, we do not have a time limit on the introducer. So, Senator Morfeld, you're going to have a big shot here. Let me finish up just a few things. We will ask all of you to state your name and then spell your name so that we can get it...because this is all being recorded, and it's important for the record. We will ask you to be concise. We do work here on a five-minute clock. You will see the little timer on the front there, the lights. We go four minutes on green, one minute on amber, and then it will go to a red. And when you see the red, we would ask you to try to pull together your final comments. We won't stop you abruptly, but if it goes too far I will ask you to wrap up your comments. I want to do...to read into the record so I get it absolutely right is, 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. Also, any written materials may be distributed to committee members as exhibits only while testimony is being offered. Please hand them to a page for distribution to the committee and staff when you come up to testify. You will also need ten copies. If it so happens that you don't have ten copies, as quickly as you can, please share those with our pages. They are great about going out and coming back with the pages necessary. With that, I am pleased to introduce Senator Adam Morfeld, who is going to be presenting on LB311. Senator, you are welcome to take the mike. [LB311]

SENATOR MORFELD: (Exhibit 1) Thank you, Chairman Riepe. Members of the Health and Human Services Committee, my name is Adam Morfeld. For the record, that's A-d-a-m M-o-r-f-e-l-d, representing the "Fighting 46th" Legislative District, here today to introduce LB311. LB311 eliminates the lifetime ban on eligibility for food assistance for those with past drug felonies. This bill removes a barrier to successful reintegration, while also reducing hunger for individuals and their families that are affected. Currently, 43 states have opted out or modified

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similar bans, with 18 states opting out entirely, including our surrounding states of Iowa, Kansas, and South Dakota. I introduce this legislation because access to food is foundational to meeting a person's most basic needs. And denying a stable food source for those reentering the community after being convicted of a drug felony is counterproductive and increases the likelihood of recidivism. Studies also show that women and children are disproportionately impacted by this ban, as almost twice as many women as men are on SNAP, and higher numbers of women are being convicted of drug charges than men. Also, SNAP benefits are short-term. The average individual utilizes SNAP an average of 9 to 12 months. The rules also require that able-bodied persons are working in order to receive benefits for longer than three months. I urge you to look at the handout that should have been passed out here, that shows and compares the cost data between SNAP and incarceration. I would like to go over some of those facts. A person convicted of a drug felony spends on average of 1.6 years in jail, based on 2009 numbers that we have. The average cost to incarcerate somebody for one year in Nebraska is \$35,000 and... \$35,950. The average cost to incarcerate somebody for a drug crime is \$57,520, if you're looking at that 1.6 year calculation. The cost per month for SNAP on average of all households is \$258 per month for working households--and that's households in which one member of the family is working, it's \$328. The median length of SNAP participation for new enrollees is about 12 months. All benefits are federally funded. The state only has to share 50 percent of the cost of administration, which is pretty minimal. The fiscal note on LB311, if you switch to that, estimates a General Fund impact of \$16,537 for fiscal year 2017 to '18 and \$19,048 for fiscal years 2018 to 2019 for administrative costs to serve 187 new people. So using the highest numbers, it would cost \$19,048 in General Fund dollars per year to provide food to 187 new people seeking to get on their feet and reintegrate into their community, and in many cases help support their families. And they have to work at least 20 hours per week to be eligible to qualify for SNAP after the first 3 months. So we only spend \$984 on food stamp benefits per person for the three months they are not required to work; or we can spend \$53,925 to incarcerate just one person for a drug felony, including those who may repeat offend because they had trouble reintegrating into the community. As you can see, it is much cheaper to provide minimal food support to someone who is facing reentry than it is to incarcerate them. This bill is incredibly cost-effective and the General Fund impact is minimal, and it actually saves money in the long term...not even the long term, I would say the short term. Further, just as a personal note, before going to college I worked as a grocery store manager after high school for two years full-time, and I served as a cashier and a backroom manager for many different people from many different walks of life. And I can tell you firsthand that people who utilize SNAP benefits are hardworking individuals who are often just down on their luck and need a bit of assistance to get back on their feet. In addition, on another personal note, my mother, while she was a single mother with three kids, utilized similar benefits through the WIC program and federally subsidized housing. And it was also a very effective program for her to help feed our family and get back on our feet while she was working full time. In addition...or, excuse me, we should not punish children for the mistakes and trials of their mothers and fathers, and our current law does exactly that. And this is

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why I introduced LB311. This bill would eliminate the ban on eligibility for drug felons in Nebraska, reduce barriers to reentry, further streamline the SNAP application process, and help families meet their most basic needs. I urge your favorable consideration of LB311, and would be happy to answer any questions that you may have. [LB311]

SENATOR RIEPE: Thank you very much. Are there questions from the committee? Must have done a remarkable job. You'll stay around for closing later? [LB311]

SENATOR MORFELD: I will. Thank you, Senator. [LB311]

SENATOR RIEPE: Thank you. We would like to now hear from proponents. Proponents? Okay. Please state your name and spell it and the mic is yours. [LB311]

JEFF KANGER: (Exhibit 2) Thank you, Chairman Riepe. My name is Jeff Kanger, J-e-f K-a-n-g-e-r. I'm the associate director for prolife and family at the Nebraska Catholic Conference. You'll see on the handout being passed around that our executive director, Tom Venzor, was planning on being here and put together a letter, but apparently he's golfing with the nice weather today. I'm joking. That's going to be in the record. [LB311]

SENATOR RIEPE: Put that in the minutes. [LB311]

JEFF KANGER: (Laugh) Yeah, can we strike that? But, no, thank you for the opportunity to be here, and Senator Morfeld for introducing this piece of legislation. The Nebraska Catholic Conference represents the mutual public policy interests of the three Catholic bishops serving in Nebraska. And the Catholic Conference supports the intentions of LB311 as well as LB128, which has a further date of hearing. Adequate, nutritious food is a basic need that is integral to protecting the life and dignity of the human person. SNAP provides an important government program that assists in meeting this basic need to combat hunger in the nation by feeding millions of people every year. Eliminating access to SNAP for people who have at some point in their lifetime committed certain crimes repeatedly creates risk to successful reentry into society. Balancing rehabilitation of offenders and managing state resources is a noble effort, and the NCC thanks both Senators Morfeld and Groene. Knowing that there are two varying policy proposals on this issue between Senator Morfeld and Senator Groene, the NCC hopes that a satisfactory, prudent, and just compromise can be reached between the two proposals. We see wisdom in both proposals, in terms of granting more robust access to SNAP benefits, but also including provisions to ensure self-responsibility and providing the proper assistance that may be needed with those who may be overcoming previous drug-related convictions or addictions. In addition to the assistance that is provided through SNAP, the Catholic Church and her many parishes, organizations, and programs across the state of Nebraska remains an avenue among

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many others in assisting those who have difficulties in their present circumstances in accessing the basic need of food. Thank you for your time and consideration of this important fundamental matter, and I would be happy to try and answer any questions. [LB311]

SENATOR RIEPE: Thank you. Are there questions? Seeing none, thank you very much. [LB311]

JEFF KANGER: Thank you. [LB311]

SENATOR RIEPE: Additional proponents? [LB311]

NATALIE NELSON: (Exhibit 3) Good afternoon. My name is Natalie Nelson, N-a-t-a-l-i-e N-e-l-s-o-n. I'm the SNAP intake manager for the Food Bank for the Heartland in Omaha. Thank you again for inviting us here today, and Morfeld for introducing this bill. Again, my name is Natalie Nelson and I work with the Food Bank for the Heartland. The mission of the Food Bank is to provide emergency and supplemental food for the people in need in Nebraska and western Iowa, and our vision is to eliminate hunger in our community. In order to complete that mission, the Food Bank for the Heartland provides SNAP application assistance, education, and SNAP support for those in need across the state. Our scope of work and the clients that we engage with is varied. We come across homeless individuals, families, seniors, those with disabilities, students, working people, and everything in between. One issue that continues to come up is those with felony drug convictions being turned away. Food is vital for self-support, sustainability, and successful integration into society. Therefore, in order to obtain that, access to food is essential. Denying a stable food source to those reentering the community after committing a drug felony is counterproductive. It creates a significant challenge for those trying to get on their feet and be productive, active members of society. It also creates a barrier to preventing recidivism. This law was enacted in 1996 during the war against drugs after only a few minutes of debate, and a state can opt out of it through legislation. Most of our neighboring states, which we've mentioned before, have removed this barrier; including Iowa, Kansas, and South Dakota. On a more personal note, last year during the Kids Cafe, a program that serves lunch from a food truck to children in the Omaha metro area during the summer months, I helped volunteer to serve food. While I was there, two homeless individuals also came over to help and spent most of the hour making sure the children had food they needed. After we were done serving, we stayed to help clean up. While we were cleaning up I asked them if they were receiving SNAP benefits. The gentleman said he was unable to get SNAP due to the drug felony ban. He had a distribution charge, which made him permanently ineligible to receive SNAP. This man was trying to turn his life around, help his community, and contribute positively to society. However, this barrier keeps him from reaching his full potential. With the help of SNAP he wouldn't have to rely heavily on the community resources and pantries that honestly don't

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provide the food at the level that SNAP does. Individuals and families are still getting punished based on a completely arbitrary, outdated, and limiting rule. Those that are denied food stamps are going without, since many pantries have restrictions of use or access. SNAP helps get people through that gap, since the EBT card allows them to purchase food multiple times per month. We also see families affected by this roadblock. A family might not be able to get the full amount of assistance they need to cross the bridge out of poverty. They are unable to make ends meet because money in the budget, especially for food, is still just too tight. By removing the current barriers, we also cut down on the work DHHS has to do by not having them track down and process verification of treatment, conviction charge, and other legal information. While it may add a few more cases, overall casework and processing will be less time consuming for our hardworking DHHS staff. LB311 would provide stability, options, self-sufficiency, and hope for some of their most overlooked community members. Our SNAP outreach team helps people apply for SNAP. We are regularly asking about the drug felony question and we are screening people out. This is how we see this ban affecting people on a daily basis as well. In 2016, we prescreened 21 clients who were not able to apply because they were convicted of drug felonies, therefore, wouldn't qualify for SNAP. Ultimately, LB311 would reduce barriers to reentry, streamline the SNAP application process, and help individuals and families meet their most basic needs, and also would create more opportunities for success. Thank you again for your time. I'll try and answer any questions you may have. [LB311]

SENATOR RIEPE: Okay, thank you. Are there questions from the members of the committee? We're a pretty quiet group today. Thank you for coming. [LB311]

NATALIE NELSON: Yeah, thank you. [LB311]

SENATOR RIEPE: Additional proponents? Are there any more proponents, those supporting? [LB311]

RONALD TILLMAN: My name is Ronald Tillman, T-i-l-l-m-a-n. Please forgive me, I get winded sometimes when I do a lot of talking, so it might take me a little bit. I want to thank everybody. Thank you for allowing me to speak before you this afternoon. [LB311]

SENATOR RIEPE: Sir, could you spell your name for the record, please. [LB311]

RONALD TILLMAN: T-i-l-l-m-a-n. [LB311]

SENATOR RIEPE: Okay. [LB311]

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RONALD TILLMAN: I spoke before you all last year concerning this fight, with my childhood and all that. And I'm here to talk to you again about it. My life from the age of 9 to 16 was in (inaudible) center for mental health, I went from St. Joe's to YDC. At the age of 18, I discharged out of YDC and got a boot from my parents out to the streets. I was taken to Open Door Mission when it was down on 10th and Howard at that time, and I learned how to be a man there, you know, along with other drunks and addicts and everything. My life has been a turmoil. I've done...for the last 20 years after I became an adult I went from job to job, town to town, place to place, just trying to find a place to fit in. I even joined the Navy. I served my country, and I'm thankful to be...serve my country. My crime was I thought I was helping a friend. A gentleman that I knew from my doctor's office, he came by, he worked all day long out of town and he missed his appointment. So I gave him some of my instant release medication. Well, I didn't think about it. I figured distribution was selling. I wasn't selling. I gave it to him. You know, so eight months later they came and arrested me because they couldn't get any more charges on me, you know. I was found guilty. I admitted that I...because it says on the bottom of the bottle it's a federal offense on the bottom of a prescription bottle. I never really paid attention to that. And, you know, my parents always gave our medication between kids and all that, yeah, but, you know, finally in the '90s I was diagnosed with bipolar disorder and severe depression. This was after my service and everything, my life has already been tore up, you know. So I struggled, you know, but I finally was able to get treatment and all of that now that I had a diagnosis. I went and I found treatment wherever I could find it. While I was a client in Houston at MHMRA, I received my disability and I returned to Nebraska, hoping that it would be different. Also before leaving Houston I was involved in a traffic accident that caused damage to my spine, and doctors down in Houston had me on tramadol, a synthetic pain killer. When I returned to Nebraska, the pain management doctors here didn't approve of tramadol. They put me on morphine. Before I knew it, I was on 240 milligrams of morphine a day. All right, so, you know, I couldn't work, I couldn't do anything, you know. I was arrested for distribution, sentenced to three to six years in prison. I served the three years and was released without parole or supervision. Before being released, though, a social worker did get me hooked up with a place to stay at the mission; and also treatment at CenterPointe, which I successfully completed all phases of their treatment and their living program. I have my own place now after three and half years. I spend most of my days going from food bank to food bank trying to get a little bit of food. My oxygen tank only lasts me four hours. It takes an hour to get to the food bank. I might be at the food bank two or three hours. Before I get ready to leave, I'm out of oxygen, but I got to still get home. Well, I got to go without. You know, several times I've arrived home with no oxygen. Now I've been told that the reason you don't want to change this is you're afraid of recidivism (sic)--that's a hard word. But wouldn't a regular drug addict be more to recidivism (sic) or whatever than, you know, a drug dealer? You know, I learned my lesson. I served my time, I learned my lesson, but now I'm going to be punished for the rest of my life just because of this one crime that I caused. I live on \$735 a month. I pay \$425 a month rent. I have to pay utilities, I got to...there is no money left there for food. Without SNAP, I can't eat properly. I don't know if you know, but Destenie

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Commuso, she's from Lincoln here. In 2006 she was arrested for manufacturing and distribution, but she got SNAP because she was offered drug court. Drug court was never offered to me in Fremont, so I never was allowed to get it. So now I have to take and be punished the rest of my life and, you know, I've served my country, I've done things...you know, I understand I broke the law. I did the time, you know. But why am I being punished again? This is double jeopardy. [LB311]

SENATOR RIEPE: We have a red light, sir. Are you able to kind of wrap it? [LB311]

RONALD TILLMAN: Yeah, I'm through. [LB311]

SENATOR RIEPE: Are you okay? [LB311]

RONALD TILLMAN: Yes, sir. [LB311]

SENATOR RIEPE: Let's see if there are some questions from the committee members. Any questions? Did you...I have a question. You said that you received SNAP, and yet you said it... [LB311]

RONALD TILLMAN: No, I don't receive SNAP. [LB311]

SENATOR RIEPE: Oh, I thought you said you had. [LB311]

RONALD TILLMAN: No, I'm fighting this to receive SNAP.. [LB311]

SENATOR RIEPE: Okay. [LB311]

RONALD TILLMAN: ...so that I can eat. You know, going to food banks a lot of times there's not much food left at the food banks. You know, there's a lot of people that go through there and there's not a lot of food to distribute. You know, so, you know, just to get a proper meal, you know, I have to go to one every day to get a couple things here, a couple things there. You know, and I might only get a meal or two at a time. [LB311]

SENATOR RIEPE: Okay. Are there other questions? If not, thank you for your service and thank you for testifying. [LB311]

RONALD TILLMAN: Thank you. [LB311]

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SENATOR RIEPE: I think we have another proponent over here. [LB311]

KAITLIN REECE: (Exhibit 4) Good afternoon, Chairman Riepe and members of the Health and Human Services Committee. My name is Kaitlin Reece, K-a-i-t-l-i-n R-e-e-c-e, and I'm a policy coordinator at Voices for Children in Nebraska. Child well-being is inextricably linked to the well-being of their parents. Voices for Children in Nebraska supports LB311 to strike provisions banning certain persons from drug-related felony convictions from participating in SNAP because it removes a barrier to stability for Nebraska children who are already vulnerable. Many people affected by this provision are parents. In recent months, Voices for Children has organized listening sessions with Nebraskans who have had personal experience with parental incarceration to discuss how our justice system has affected the lives of children. What we have learned corroborates a growing body of research that suggests that children have shouldered significant costs as a direct result of decades of punitive public policy decisions. We actually were participating in some focus groups yesterday and I can tell you this is one of the policy ideas that was identified over and over again from participants as a barrier for supports for themselves and their families. Children depend on strong relationships with adults and research has linked parental incarceration to a multitude of adversities that last into adulthood, including antisocial behavior, poor educational performance, and decreased physical and mental health. Most alarmingly, research suggests that altogether the effects and strain of the incarceration of a family member oftentimes leads children to demonstrate law-breaking behavior and become justice involved themselves. Our current ban creates an additional burden for many children in our state in a time when food insecurity has risen over 67 percent in the last decade. Last year, over 111,000 Nebraska families struggled to put food on the table. In our conversations with Nebraskans, financial instability was a constant theme for children who have faced parental incarceration. LB311 is a first-step measure to ensure that our state invests in effective interventions, especially as we continue to navigate meaningful corrections reform. Since its inception, SNAP has been shown to be one of the most effective federal antipoverty programs, lifting an estimated 34,000 Nebraskans above the poverty line. Excluding individuals for a crime for which they have already paid is contrary to the effectiveness of this program and a clear need in our state for programs that strengthen families for successful reentry and reduced recidivism. The current ban makes the process of reentry all the more difficult for parents, and can have collateral damage on their children. We thank Senator Morfeld for introducing this legislation, and I'm happy to answer any questions you may have. [LB311]

SENATOR RIEPE: Okay. Thank you very much. Are there questions? Senator Linehan. [LB311]

SENATOR LINEHAN: Thank you for being here today. Thank you, Mr. Chairman. So if someone is incarcerated but they leave jail and they have children or a spouse, the children and the spouse can get SNAP benefits, right? It's just that person can't get SNAP, right? [LB311]

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KAITLIN REECE: If there is another adult in the household. I think sometimes what we see is, especially if it's a single mother that is the ex-felon, then there is no other adult in that household. The children are still eligible, but the parent can't go and sign up for benefits. [LB311]

SENATOR LINEHAN: So the parent...even if the parent is disqualified they can't sign-up for benefits for the kids? [LB311]

KAITLIN REECE: I think the children are still eligible, but I think it sometimes creates confusion where the adult might think because they are ineligible that they...it kind of discourages then children. [LB311]

SENATOR LINEHAN: I understand that, but they're still eligible, the children are eligible. Now whether the parent is eligible or not, it doesn't...the crime doesn't fall to the kids or their... [LB311]

KAITLIN REECE: No, right. The children are still eligible, but the parent is not. [LB311]

SENATOR LINEHAN: Okay. All right, thank you very much, appreciate that. [LB311]

KAITLIN REECE: Yeah, and it would limit the amount that they would be eligible in the household otherwise. So they have to...that person's income I believe is excluded from the calculation. [LB311]

SENATOR LINEHAN: Right, just the kids would...I got it. [LB311]

KAITLIN REECE: So they could get a smaller amount than of SNAP benefits than they might otherwise be eligible for because the parent's income is excluded. [LB311]

SENATOR LINEHAN: Okay. All right, thank you. [LB311]

SENATOR RIEPE: So the parent...say if there are parents in the family, two, the one that's not the felon (inaudible) is still eligible for SNAP. [LB311]

KAITLIN REECE: Right. [LB311]

SENATOR RIEPE: Okay. So you have one person that's missing out. [LB311]

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KAITLIN REECE: Right. [LB311]

SENATOR RIEPE: Okay. Are there other questions? I have a question. It's out of the Omaha World-Herald on the 15th. It's not a quiz. [LB311]

KAITLIN REECE: Okay. [LB311]

SENATOR RIEPE: It's just...and I quote. It says, Nebraska was one of 11 states where more people received food stamps last fall than in 2015. It goes on to say Iowa followed the national trend--fewer people there took food stamps last year. So it seems like Nebraska is on a trajectory that's different than the nation. I don't know whether you have a comment on that. [LB311]

KAITLIN REECE: Sure. I mean I know our SNAP participation is lower than other states so I'm not sure. I would have to kind of look at the article to be able to respond more. But I do know that our participation rate might not be lower compared to Iowa, but, you know, we're a low-income state so I think that might also have something to do with it. But I'd have to...I can look for the article and get more information for you. [LB311]

SENATOR RIEPE: Well, it's a little difficult when they say 11 states received more. More than what? [LB311]

KAITLIN REECE: Um-hum, yeah. [LB311]

SENATOR RIEPE: Okay. If there are no other questions, thank you very much. [LB311]

KAITLIN REECE: Thank you. [LB311]

SENATOR RIEPE: And we will look for other proponents. If you could just state your name and spell it, we'd appreciate it. [LB311]

DESTENIE COMMUSO: It's Destenie, D-e-s-t-e-n-i-e, Commuso, C-o-m-m-u-s-o. I was mentioned a minute ago. I'm for this bill, not only for what I do today but for the way it benefited me in early recovery. In 2006 I was 20 years old and I was charged with manufacturing, delivery, possession with intent to deliver a controlled substance, which was methamphetamine. I had a ten-year addiction and I was 20 years old when I got sober. So if you do the math, you know, it's not something that I started on my own or, you know, something that you think about doing when you grow up. It was something that was introduced to me by my family, and my father did

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die when I was 16 of his addiction and I was left on my own. The state of Nebraska made me an adult. So at that point, I didn't have, you know, those positive adult role models in my life telling me to go to school or go to college or, you know, all of that stuff. I had what I know and that was drugs and that was dealing drugs and I knew it made me money. Did I want to do it? No. I hated that life. You know, people, they daydream about, you know, having big houses and nice cars and, you know, all of that stuff. And I would daydream about going to sleep every night and waking up in the morning and going to a real job. That's all I wanted. But I couldn't get out of that life without the help. So 2006 Nebraska State Patrol drug crimes, they helped me. And I did get adult drug court. I think, one, because of my age; and two, because of my past criminal history it all involved drugs. At first, I wasn't doing well on drug court because I wasn't used to the...I always tell people that drug court was like my father and St. Monica's was like my mother because I didn't have those things. And so all of the responsibilities that came along with drug court, you know, I was...I had to have a full-time job. I had to go to treatment Monday through Friday 8:00 to 4:30. I had to go to four AA meetings a week. I had to go to drug court for two, three hours every Friday. I also got put on mental health meds when I first got on to drug court. And so I had all of these things going on and I didn't even have time to sleep. I did get SNAP benefits and I utilized them for the first six months of my recovery because, you know, I went from making...and I'll be honest. I was making \$2,000, \$3,000, you know, probably a week selling drugs. And I went from that to making \$5.25 an hour so that full time was probably between \$300 and \$400 a month. So if you figure paying rent, which I never had to pay bills before, so paying my rent and paying dues for drug court and gas...I didn't have a car. I had to pay for transportation to get to all these different places. I didn't have money for food. So if it wasn't for, you know, SNAP benefits, I don't think I would be sitting in front of you today. I would have went back. Because it's not...you know, it's not that people want to go back to that life, but sometimes we get put in a position where we need to survive and I call it survival. We do what we know to do when we need to survive. Today, though, I am the reentry coordinator for the Mental Health Association of Nebraska. We assist individuals with behavioral health issues coming out of state correctional facilities. So that's not only previous addiction issues, drug charges, distribution charges, but that's also mental health issues. And a lot of our folks, they can't get SNAP benefits. We do have a housing program. It's called the Honu Home. They can stay for free up to 90 days when they're released. During that time, we help them obtain and maintain employment. But that first couple of months is really crucial because, you know, they don't come out getting \$15-an-hour jobs, you know. And minimum wage, it has went up but you still can't pay all your bills and buy food for a whole entire month off of \$9 an hour. It's just not...it doesn't work. We have had people come out that aren't able to get the SNAP benefits that myself I know I went and I bought them groceries. I have three children of my own that I need to support. But with my upbringing, I can't see somebody going without food and yet there is a food bank every day. But I would challenge all of you to go to one and eat what you get from there. A lot of times the stuff is already expired. It's, you know, there might be...you might get a box of food and there's probably going to be some things you're able to save and use, but there's

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also a lot of things that are not edible anymore. I mean that's the truth. And so this bill would help not only the people coming out but it would help the people that are out here struggling still with these charges. And I think, you know, if recovery is the expectation, we should be allowing resources to help them in that early recovery. I mean, we're not a bunch of people that just want to live for free off of the state. You know, we just sometimes need a little help. Not all of us were put in, you know, a perfect position to get life started. Some of us have to learn that as we're adults. [LB311]

SENATOR RIEPE: Okay. Thank you. Okay. We do have a red light. [LB311]

DESTENIE COMMUSO: All right. [LB311]

SENATOR RIEPE: Do you have a closing comment or...? Okay. [LB311]

DESTENIE COMMUSO: Thank you, Senator. [LB311]

SENATOR RIEPE: Okay. We'll see if there are some questions from the committee members here. Are there any questions? Okay. [LB311]

DESTENIE COMMUSO: All right, thank you. [LB311]

SENATOR RIEPE: Thank you for being with us. Additional proponents. Any more...here comes one. Are there other proponents out there that are wishing to testify? If there are, we're asking you to move up to the front. Or if you're going to be an opponent, please move up to the front so we can move along. Thank you for being here, if you'll state your name and spell it, we'll... [LB311]

FRAN KAYE: Thank you for letting me be here today. My name is Fran Kaye, F-r-a-n K-a-y-e, and I'm just speaking for myself. I volunteer in the prisons; and when people come out, they still know me. And I sometimes also buy food for them. But I think it's extremely important, particularly for children. It seems like, okay, if the kids can get the benefits but mom can't it's going to be okay. But really it just makes everything much harder. And it's also...it is a problem with people not knowing that they can get benefits. And the way it's set up it's confusing because it says "head of household" and then everything is under head of household. So it looks from the form as if you can't. And I know people are just confused. And I'm confused trying to help people sometimes. But more important, the whole family needs to have food. It looks like it's fungible, but, you know, when mom is not eating and the kids are, the kids know that. And it doesn't work very well. A number of years ago when my son was eight he testified in front of the

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Judiciary Committee regarding welfare proponents. And the thing that he said that really stuck out for me was kids don't get to choose their parents and it's still true. So anything that affects children because their parents made a mistake, there seems to me something profoundly wrong with it. And I really appreciate Senator Morfeld introducing this bill to help children. Thank you very much. [LB311]

SENATOR RIEPE: Okay, thank you. Are there questions? Seeing none, thank you very much. Are there additional proponents? Seeing none, are there people in opposition, opponents? [LB311]

DOUG WEINBERG: (Exhibit 5) Good afternoon, Senator Riepe and members of the Health and Human Services Committee. My name is Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g. I am the director of the Division of Children and Family Services of the Department of Health and Human Services. I am here today to testify in opposition to LB311. Currently in Nebraska, a person can have up to two felony convictions for possession or use of a controlled substance and have participated in or completed treatment and be eligible for SNAP benefits. The department is supportive of those citizens who strive to overcome drug addiction and meet eligibility standards for assistance by allowing a person to have up to two felony convictions for possession or use of a controlled substance and remain eligible for SNAP benefits. LB311 proposes to remove all language that limits eligibility for felony drug convictions including exclusionary criterion of a felony conviction for the sale or distribution of a controlled substance or the intent to sell or distribute a controlled substance. LB311 proposes to remove language making all offenders eligible regardless of felony drug use or felony drug distribution. The potential inability to participate in the SNAP program will no longer serve as an incentive to participate in or complete treatment and a disincentive to dealing illegal substances. As a director at Health and Human Services, I have stewardship of tax dollars earned by the hard work of our neighbors. The department cannot support a bill with the potential consequence of the use of tax dollars to support those who choose to sell and distribute addictive drugs to the children and families in our communities. I want to emphasize that the current language regarding disqualification is based on felony convictions, not just charges or misdemeanor convictions. In addition, the increase in recipients would require additional department resources to determine and process eligibility. LB311 would increase the number of SNAP recipients by an estimated number of 746 individuals resulting in the need for additional case managers. I'm happy to answer any questions you may have. [LB311]

SENATOR RIEPE: Senator Crawford. [LB311]

SENATOR CRAWFORD: Thank you, Chairman Riepe, and thank you, Director, for being here today. I wondered if you would walk us through how your department identifies those who have

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had the two felony convictions for possession who have gone through the licensed or accredited substance treatment programs. I want to understand what that process is in terms of being able to certify that those who have had the convictions have had the required treatment and to see what that process looks like and what that might require in terms of administration. [LB311]

DOUG WEINBERG: Right. Those individuals are required to provide documentation to the department to establish if they either are in treatment or have completed treatment. [LB311]

SENATOR CRAWFORD: And so someone certifies or checks. [LB311]

DOUG WEINBERG: Yes. [LB311]

SENATOR CRAWFORD: So that requires some staff time I assume for someone to check that, certify that. [LB311]

DOUG WEINBERG: Some staff time, as would any other alert for any change of circumstances. [LB311]

SENATOR CRAWFORD: Right, right. And so if that requirement was not there, that would be less staff time in terms of checking that criteria. [LB311]

DOUG WEINBERG: Potentially. [LB311]

SENATOR CRAWFORD: Yes. So that is someone who is currently in that program or has completed it, either one. [LB311]

DOUG WEINBERG: Correct. [LB311]

SENATOR CRAWFORD: Correct, right. And so the language that...if someone got in trouble for some kind of distribution in the past, current language doesn't allow them to have that opportunity to get treatment (inaudible). [LB311]

DOUG WEINBERG: That is correct. [LB311]

SENATOR CRAWFORD: That's right. So if someone...and I think...well, your testimony talks about using tax dollars to support those who choose to sell and distribute. That's in the present

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tense. And the bill itself is about benefits for someone who in the past has done it and has completed their punishment for doing it. [LB311]

DOUG WEINBERG: That is correct, but there is no prohibition from that individual continuing after serving a sentence or whatever. [LB311]

SENATOR CRAWFORD: So if someone were to qualify for food stamps then choose to sell drugs in their community and were arrested, that would end their food stamp qualification. [LB311]

DOUG WEINBERG: Only a felony conviction. [LB311]

SENATOR CRAWFORD: Felony conviction, right, right. [LB311]

DOUG WEINBERG: Yes. [LB311]

SENATOR CRAWFORD: So we do...even striking this language, if someone were to choose to sell drugs in their community and they were convicted of that, they would lose their food stamp eligibility. [LB311]

DOUG WEINBERG: Under current statute. [LB311]

SENATOR CRAWFORD: Yes. Thank you. [LB311]

SENATOR RIEPE: Are there...Senator Howard. [LB311]

SENATOR HOWARD: Thank you, Senator Riepe. Thank you for visiting with us again today. Nice to see you. I wanted to ask about the fiscal note. I did have some...I mean, maybe it's just a basic question, but it was a question about the joint labor management workload study committee. And our fiscal note indicates that that was conducted in 1992. Do you have any more recent workload studies that you've been working off of since even ACCESSNebraska was implemented? [LB311]

DOUG WEINBERG: I could check. I'm not aware of any off the top of my head, but it is possible there is some updated work. [LB311]

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SENATOR HOWARD: Should you be doing more workload studies on how you're managing applications? [LB311]

DOUG WEINBERG: We are constantly looking at workload, not always in a formal study or a study done by an outside party. But we can give you kind of some of the work that's been done since 1992. [LB311]

SENATOR HOWARD: Okay, since 1992. And then I wanted to ask about the application process for food stamps. Is a child able to apply for themselves? [LB311]

DOUG WEINBERG: A parent would apply on behalf of the child. [LB311]

SENATOR HOWARD: And does the parent have to be eligible along with the child? [LB311]

DOUG WEINBERG: No. [LB311]

SENATOR HOWARD: And so if the parent is listed, because we've run into some challenges on the ACCESSNebraska side where if the head of household is not eligible that slows down the process for the eligible individuals within the household, is that something that you're still seeing as a problem? [LB311]

DOUG WEINBERG: No. [LB311]

SENATOR HOWARD: Can you tell me a little bit about how our time lines are going for SNAP application processes? [LB311]

DOUG WEINBERG: They're still doing very well. Our timeliness is above the federal standard. [LB311]

SENATOR HOWARD: What's the federal standard? [LB311]

DOUG WEINBERG: Ninety-five percent. We've been running close to 99 percent. [LB311]

SENATOR HOWARD: Can you tell us a little bit--just because it's a new issue for the committee--can you tell us a little bit about the difference between an expedited SNAP application and a regular SNAP application? [LB311]

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DOUG WEINBERG: There are three types of applications. There are new applications that either expedite dependent upon the circumstances or regular applications. There is also recertifications. [LB311]

SENATOR HOWARD: And then where would a child fall in that? [LB311]

DOUG WEINBERG: Depending upon if it's a recertification or...I'm not sure if they would be in a standard or an expedited. [LB311]

SENATOR HOWARD: Okay. Thank you. [LB311]

SENATOR RIEPE: Senator Linehan. [LB311]

SENATOR LINEHAN: So I understand it's kind of...this is the way you have it set up now you see from your testimony it's a carrot to get people to take treatment, drug treatment. [LB311]

DOUG WEINBERG: Yes. [LB311]

SENATOR LINEHAN: Okay. So when you leave prison so is...hopefully that's when people try to help you. So are they asked right then, do you want to take treatment or not treatment? And if they said, yes, I'll take treatment, then would they be eligible for SNAP benefits right away? [LB311]

DOUG WEINBERG: Well, the treatment would only apply to those that are convicted for use or possession. And again, there could be a period of time where they may be eligible for SNAP prior to sentencing and actually incarceration so it would be during that time period where they'd be in treatment or complete treatment. [LB311]

SENATOR LINEHAN: Okay, so I'm sorry. So they leave prison; and if they're in treatment, they'd be eligible for SNAP? [LB311]

DOUG WEINBERG: That is correct or if they completed treatment prior to entering prison. [LB311]

SENATOR LINEHAN: Prior to entering or prior to leaving? [LB311]

DOUG WEINBERG: Either one. [LB311]

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SENATOR LINEHAN: Okay. Okay. So your point is that you think we need to leave it the way it is because they need to have treatment. It's a carrot. That's what you're thinking. [LB311]

DOUG WEINBERG: Correct. [LB311]

SENATOR LINEHAN: Okay. Okay. Thank you. [LB311]

SENATOR RIEPE: Senator Crawford. [LB311]

SENATOR CRAWFORD: Thank you, Chairman. [LB311]

SENATOR RIEPE: Senator Linehan, did you get finished up? [LB311]

SENATOR LINEHAN: Yeah, I did. Thank you. [LB311]

SENATOR RIEPE: Okay. Senator Crawford. [LB311]

SENATOR CRAWFORD: Thank you, Chairman Riepe. So I just wanted to follow up on that front. If it were allowed in terms of would it be the case if we really want to make sure we're using it as a carrot, would the department change their position if it were the case that those who were charged with past distribution but had some evidence of treatment, would you...would the department be in favor of allowing them to qualify if they had evidence of treatment because that's the carrot, we're getting them turned around as well? [LB311]

DOUG WEINBERG: I mean, that would be a consideration. I can't speak for law enforcement records, but I think it's often a situation where a distributor or dealer is not necessarily a user, so treatment may not be appropriate. [LB311]

SENATOR CRAWFORD: Interesting. [LB311]

SENATOR RIEPE: A question that I have is was this fall under the philosophy of this three strikes? Because you say a person may have up to two felony convictions so it looks like it's the third one that disqualifies them? [LB311]

DOUG WEINBERG: That is correct. [LB311]

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SENATOR RIEPE: So it's three strikes... [LB311]

DOUG WEINBERG: For use and possession, for use and possession, correct. [LB311]

SENATOR RIEPE: Okay. So there is some cushion, if you will, or some margin. [LB311]

DOUG WEINBERG: Correct. [LB311]

SENATOR RIEPE: Okay. Are there other questions? Seeing none, thank you very much. Additional opponents, those in opposition. Okay, seeing one, are there any who are testifying in a neutral capacity? Seeing none, Tyler, do we have any letters of support or opposition? [LB311]

TYLER MAHOOD: (Exhibits 6-14) Yes. I have the following letters of support: a letter from ACLU of Nebraska signed by Amy Miller; a letter from the Health Center Association of Nebraska signed by Amy Behnke; a letter from the National Association of Social Workers Nebraska Chapter signed by Kelly Keller; a letter from Nebraskans for Peace signed by Tessa Foreman; a letter from the United Way of the Midlands signed by Shawna Forsberg; a letter from Anne DeVries representing herself; a letter from Holland Children's Movement signed by Sarah Ann Kotchian; a letter from Nebraska Appleseed signed by Ken Smith; and a letter from Jasmine Harris representing herself. [LB311]

SENATOR RIEPE: Okay. Thank you, Tyler. Senator Morfeld, you're welcome to close. [LB311]

SENATOR MORFELD: Thank you, Chairman Riepe. And as Senator Erdman is getting back from his testimony, I'm happy to report there was no neutral testimony on my bill (laughter). I was scared of that. [LB311]

SENATOR ERDMAN: That's good to know. [LB311]

SENATOR MORFELD: In any case, I've got about seven or eight little points I want to make fairly quickly. First, I failed to mention that I am working with Senator Groene. He came up to me when he introduced his bill which is, you know, a little bit further away from my bill but still within the realm of trying to find a solution to this issue after our debate on the floor last session. We haven't been able to sit down and have an extensive conversation. I think Senator Riepe wanted to be a part of that. We will figure out a time to do that and him and I have both talked very briefly on this. I think we can find common ground between our bills. So I'll work with him to do that and hopefully have a solution by the time his bill is heard in committee. In addition, you know, I've been a member of the Judiciary Committee for the last two, now three sessions.

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I've also served on the LR34 prison special investigative committee. And I think that anytime that we look...anytime that we're reviewing punishment I think that we should look at what is the overall public policy rationale for putting that punishment in place to prevent the crime that's being committed, that that punishment is being used for that crime. And I will submit to this committee that anybody who is distributing drugs, anyone who is using drugs oftentimes to cover up a mental health issue or some kind of other issue that's not being addressed, is not thinking about the food stamp benefits that they may lose when they're committing that crime. Now I think prison can be a deterrent to a lot of crimes and I think that we should have prison punishments for many crimes. I think that that's a suitable thing. I think that's a reasonable expectation of society. That being said, I just don't believe that anybody is thinking, oh, gosh, I shouldn't sell this drug, I might lose my food stamp benefits eight months or eight years after I get out of prison and complete all of the necessary requirements to that. It just doesn't make any sense. And this is such a minimal amount of money to us but such a huge amount of money to some of these individuals. Mr. Tillman came up and said, I think, that he makes...he brings in \$725 a month. Now first off, I can't even imagine living off \$8,000 a year. Second off, \$300 additional a month in food stamp benefits is a big deal for an individual like him. And I drive by the food pantries every day in my district and there are lines that go on for a block. And oftentimes, there's not food left over for the people at the end of that line. And so I just want to address that. In addition to Senator Linehan's questions about treatment, I'll tell you that oftentimes if the court feels as though a person still has an addiction problem once they're getting out of prison or likely to, they will order treatment, in which case they will likely get that treatment sooner than later. But the court...the system is already working how it should. That's a part of them getting out of prison and staying out of prison is the court-ordered treatment afterwards. And so if somebody is at a high risk, we have systems in place--and I think better systems after the last two or three years in some of our investment in our justice system--to identify those individuals and get them treatment. For the folks that don't receive treatment, they've been identified as being either low risk or no risk for reoffending or having drug issues or they took treatment while in prison. And so for those folks to require them to go back through treatment, number one, is saying the Department of Corrections isn't doing their job or the courts aren't or a combination thereof. And then number two, these treatment programs are not cheap. So if they're not court ordered and folks are making \$725 a month like Mr. Tillman, to be able to afford that treatment program is near impossible. And not only that, we've talked to some of the different agencies that provide these treatment programs, the waiting list is out the door because they're taking care of the court-ordered folks that they're getting grant funding for. And so oftentimes they can't even get in there. And the highest risk time for some of these individuals is right after they get out of prison when they're trying to find their way through society and be productive citizens. So I think that there are major issues with us saying, hey, listen, if you're not court ordered to treatment, even though the court and the corrections system has said that you don't need treatment, you still need treatment and, by the way, we're not going to help you pay for that treatment. Good luck finding that treatment. Oh, and by the way, there's a huge waiting

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list that's probably a few months long or a few weeks long at the very least for that treatment program. The other thing that I'll say is, you know, in response to the department, and the director and I have had long conversations about this issue, it's \$20,000 every year max by the second year. That is not a lot of money. I know that we're looking at a budget problem, but that is not a lot of money to ensure that at least 183 people get food stamps so that they can very temporarily, remember, this is around 3 months--3 to...actually I think the average time was 9 to 12 months if I look back at my testimony--it's not a lot of money. And then all the other money--which is taxpayer money too, I realize that--comes from the federal government. We just pay for half the cost of administering. If that is a barrier to the department taking on this program, I can guarantee you I can make three calls tonight to funders in Lincoln and Omaha and get the \$20,000 for the state. Because I tell you what--it's going to pay off in the long run. It's better than the \$36,000 a year that we spend on incarcerating somebody and the \$56,000 a year overall over the average 1.6 years that these people spend in our criminal justice system. And this way they can be on their way to being productive members of society and having a job and paying taxes and contributing again. In terms of some of the other things that were noted, and I think that Senator Crawford brought this up, you know, with distribution there is no opportunity for people to get treatment. And I would like to see the director's statistics on the fact that a lot of distribution folks aren't also suffering from addiction as well because I've seen statistics to the contrary. And a lot of...I know that for us and particularly media and pop culture distributors are not looked kindly upon, and I'm not saying that they should be. That being said, in my experience with talking with people, oftentimes distributors are people that are trying to feed an addiction. That does not excuse their action. They should go...they should serve time in prison for that. But that being said, I can also say that we should also have better mental health services and other programs so they don't get to that point but that's another conversation. But that being said, a lot of times this is a mix of addiction and just trying to get by; and that doesn't excuse their behavior in selling, but it is not black and white. And I think Mr. Tillman's testimony behind me is maybe an outlier example. But I don't think it's an uncommon example either of somehow how people get caught up in distribution but they're not necessarily the person creeping around the school corner or doing something like that. And the bottom line is regardless of what their actions are in the past we all have a benefit and stake that they be productive members of our society, that they are given a few months to get back on their feet so that they don't recommit some of these crimes or be put in a position where they make poor decisions again. With that being said, I'd be happy to answer any questions. And I appreciate the committee's time and consideration. [LB311]

SENATOR RIEPE: Well, I for one am pleased that you and Senator Groene are now best friends. [LB311]

SENATOR MORFELD: (Laugh) Sing Kumbaya. [LB311]

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SENATOR RIEPE: Kumbaya. [LB311]

SENATOR MORFELD: All the way to the Governor's signature I'm sure. [LB311]

SENATOR RIEPE: Well, we had originally scheduled for Senator Groene's bill, which is a like bill, but he had a serious bill maybe that was... [LB311]

SENATOR MORFELD: Yeah. [LB311]

SENATOR RIEPE: I'm not sure which committee it was in. [LB311]

SENATOR MORFELD: This is a serious bill, too, though, Senator. Now that's a big one. LB640 is a... [LB311]

SENATOR RIEPE: According to him, his was super serious. [LB311]

SENATOR MORFELD: Yeah, super serious. [LB311]

SENATOR RIEPE: So anyway,... [LB311]

SENATOR MORFELD: Yeah. Fair enough. Thank you, Senator. [LB311]

SENATOR RIEPE: Otherwise, but we didn't want to hold your bill back. [LB311]

SENATOR MORFELD: I appreciate that. [LB311]

SENATOR RIEPE: Are there questions from the committee? I have a question. Do you want to...I know you've carried this bill at least last year. I don't know the history goes back. Are there any changes in this or is this simply freshened up and redirected because of its importance to you? [LB311]

SENATOR MORFELD: Yeah, you know, Senator, I need to look at the original draft from last year. I don't think it is because last year I believe just completely removed the ban; but I may be wrong in that and I don't want to mislead the committee. So I will get back to you on that. [LB311]

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SENATOR RIEPE: Okay. And quite frankly, we may come back to you to make those few calls to raise this money. [LB311]

SENATOR MORFELD: I think it would be pretty easy (laugh) but I'd be willing to do it. [LB311]

SENATOR RIEPE: Not with robocalls I assume. [LB311]

SENATOR MORFELD: Not robocalls, just two or three people in the Rolodex. [LB311]

SENATOR RIEPE: Okay. Are there any other questions? [LB311]

SENATOR MORFELD: Thank you very much. [LB311]

SENATOR RIEPE: Thank you. You did a nice job. With that, that concludes the hearing on LB311 and thank you very much. Our next presenter is Senator McCollister with LB358. Senator, welcome. [LB358]

SENATOR McCOLLISTER: Thank you, Chairman Riepe, members of the committee. Another super serious SNAP bill. Good afternoon, Chairman Riepe and members of the committee. I am John, J-o-h-n, McCollister, M-c-C-o-l-l-i-s-t-e-r. I represent the 20th Legislative District in Omaha. Most often the single greatest barrier to self-sufficiency for low-income individuals is what we commonly refer to as the cliff effect. Eligibility for a work support program such as Supplemental Nutrition Assistance Program, or SNAP, is based on income. Eligibility standards for this program are typically below 200 percent of the federal poverty level, with benefits phasing out as earnings increase. The unintended consequence of this design either creates a disincentive to work toward economic mobility or leads to a situation in which the parent or guardian is working harder but is financially worse off. Today I'm introducing LB358, a bill that's similar to a bill presented by Senator Howard in 2013 and Senator Cook in 2015. The bill would address the cliff effect in SNAP by allowing working families to accept raises or other small increases to their income without losing the vital support of SNAP. LB358 would accomplish this critically important change by increasing the gross income eligibility limits over a two-year period while keeping the current net increased limits in SNAP unchanged. With this adjustment, families that successfully demonstrate expenses like childcare can still prevent them from being able to afford food to feed their families, they would be eligible for SNAP with this increase. Following are some of the facts to keep in mind as we consider policy changes about Nebraska's SNAP benefits and the families who rely on them. One hundred percent of the costs for SNAP are funded by the federal government. The administrative costs for SNAP are split

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50/50 between the federal government and our state. Current SNAP rules apply to a two-prong income test, both before and after deductions like childcare, healthcare, and housing costs. Nebraska's gross before deduction income standard is currently 130 percent of the federal poverty level. Nebraska's net after deduction income standard is currently 100 percent of the federal poverty level. States can adopt an option to lessen the cliff effect in SNAP by increasing gross income eligibility. This is what LB358 would do. Deductions are standardized through a formula for individual household features such as household size, childcare, excess medical expenses, and shelter. In Nebraska, 74 percent of Nebraska families who receive SNAP benefits have children under 18. This is higher than the national average of 68 percent. Twenty-nine percent of Nebraska families include members who are elderly or disabled, while 48 percent of families have members who are working. SNAP provides services to the poorest Nebraskans. Less than one in five SNAP recipients earns an income above 100 percent of the federal poverty level, which for one person is right at \$12,000. Average monthly benefit for each household member in 2016 was \$114. This breaks down to \$1.27 per person per meal. SNAP benefits generated \$240 million...\$241 million of economic activity in Nebraska communities throughout the state. According to a fall 2016 analysis on the USDA's Web site during an economic downturn, a \$5 increase in SNAP benefits generates \$9 of economic activity. Another USDA study commissioned under President George W. Bush found that \$1 in SNAP benefits equals \$1.84 in GDP. Additionally, Moody's Economy found that \$1 in SNAP benefits equals \$1.73 in GDP increase. The current cliff effect creates a disincentive for job advancement. Often even a small raise does not make up for the loss in benefits. This forces workers in SNAP households to turn down raises and promotions. Children who are in families struggling to make ends meet and have access to SNAP are 16 percent less likely to be obese and 18 percent more likely to graduate from high school than children with similar backgrounds and no access to the program. LB358 would create a two-tier change over two fiscal years. In 2017 and '18, eligibility would move from 130 percent to 158 percent of the federal poverty limit. Then in fiscal year 2018-19, it would increase from 158 percent to 185 percent. This two-step process would position Nebraska in the top half of states that have raised their gross income eligibility limit. Fifteen, or almost half of the 31 states, have taken up this option, raised their state's gross income eligibility even higher to 200 percent of the federal poverty level. In 2000...in the spring of 2015, I had a chance to see how our current eligibility...SNAP eligibility worked or didn't work for one of my constituents. I'll call her Jane. Jane was a young woman who was raising an infant son alone. She was a member of the National Guard, Nebraska National Guard, and was excited to be moving to my district because she had been hired for a new job that offered a small but very welcome pay increase and even a chance for future advancement. Within a few months, Jane found out how efforts to secure a better job had produced unintended consequences. When Jane learned that her small pay increase would mean that she was no longer eligible for SNAP and some other housing assistance, she called my office. We worked with the Ombudsman's staff to find help for Jane. Her son had developed a digestive problem and required special infant formula that Jane could only acquire with her SNAP benefits. Jane's enthusiasm about her new job and increased

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pay turned to disappointment and fear about how she and her son would make it without SNAP and housing assistance. Senator Kolterman, Jane felt so strongly about the need to describe her experience to help herself and others, she came to Lincoln on November 12, 2015, and testified at your LR181 hearing. As you will recall, your study was intended to examine how to build Nebraska's work force and support personal responsibility and personal growth for all Nebraskans. The hearing included testimony about the negative effects of the fiscal cliff in acquiring and maintaining employment in our state. Those negative effects are still with us for Jane, who is still my constituent, and for many other people who undoubtedly live and work in each of the other 48 legislative districts. In light of our current budget challenges, LB358 was deliberately planned to phase in over two fiscal years. Remember that 100 percent of the aid costs for SNAP are funded by the federal government and the administrative costs for SNAP are split 50/50 between the federal government and our state. I would also remind you that SNAP generated \$241 million of economic activity in Nebraska communities throughout the state. The fiscal note for LB358 is remarkably similar to the note for LB330 in 2013. The General Fund impact then, as in now, was based on an estimated workload increase. I would point out that in 2013 the Fiscal Office commented that the workload study referenced in the Department of Health and Human Services' fiscal note is from 1992, 1992, which is before the automated N-FOCUS eligibility system was implemented, the ACCESS call centers were operating, and the option for on-line applications was available, and the resource limit was increased to \$25,000. The work process has substantially streamlined since 1992 and is not applicable to the current processes. If the department's estimate of workload costs were out of date in 2013, I would suggest they are even more out of date and unrealistic in 2017. The fiscal note for LB358 also estimates that approximately 1,840 households would benefit for SNAP in fiscal year 2017 and '18, and 4,545 new households would be able to receive SNAP in fiscal year 2018-19. These figures represent a lot more people who would feel secure in their desire to work toward self-sufficiency for their families. They could hope, feel hope, and this would be a great incentive. It's time for Nebraska to be...move up into the other 30 states that have raised these limits. Thank you. [LB358]

SENATOR RIEPE: Okay. Thank you, Senator. Are there questions from the committee? Senator Crawford. [LB358]

SENATOR CRAWFORD: Did you find any evidence from looking at the other states in terms of what their administrative cost difference was that we can compare with these estimates? [LB358]

SENATOR McCOLLISTER: No, I haven't, Senator Crawford. Sorry. [LB358]

SENATOR CRAWFORD: Thank you. I appreciate you bringing this bill. Also, just to clarify, so the...since we're leaving the net the same, that's really...that means that people can make more

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money but their housing costs, medical costs, childcare costs really get taken care of by the extra money that they were making and it's,... [LB358]

SENATOR McCOLLISTER: That's correct, Senator. [LB358]

SENATOR CRAWFORD: ...what, 100 percent poverty is the net. [LB358]

SENATOR McCOLLISTER: Yes. [LB358]

SENATOR CRAWFORD: Net stays the same. [LB358]

SENATOR McCOLLISTER: The absolute limit, according to the federal government, is 200 percent for the gross before deductions. And there are a number of deductions that are eligible to be applied. So, yeah, again, Nebraska is 130 percent and we would propose to move those limits in a two-prong, two-year kind of increase. [LB358]

SENATOR CRAWFORD: Thank you. [LB358]

SENATOR RIEPE: Senator, do you have a...I know we do have a fiscal note on it. Although it's a match from the federal government, there's still...looks like \$189,000. [LB358]

SENATOR McCOLLISTER: Well,... [LB358]

SENATOR RIEPE: Have you thought about that sum? [LB358]

SENATOR McCOLLISTER: Yeah, I also served on ACCESSNebraska and I was rather impressed with the way they're now doing their work and I think, you know, perhaps that fiscal note is, as I indicated in my testimony, doesn't reflect the productivity increases that they've made. And they have been impressive. So I would hope the fiscal note is perhaps less than the number indicated. [LB358]

SENATOR RIEPE: Okay. Other questions of Senator McCollister? Seeing none, thank you very much, Senator. We will now go to proponents. [LB358]

SARAH COMER: (Exhibit 1) Good afternoon. Thank you for letting me be here today. I'm here to provide my support of LB358. My name is Sarah Comer, S-a-r-a-h C-o-m-e-r. I work for the Food Bank of Lincoln as a SNAP outreach and partner relations manager. The Food Bank of

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Lincoln belongs to the Feeding America network, which is America's largest food bank network. We, along with the Food Bank for the Heartland, are responsible for the distribution of food to more than 150,000 people across the state of Nebraska. In focusing on our mission to eliminate hunger, we have realized that emergency and episodic food distribution alone will not suffice. This has brought us to become actively involved in outreach to the over one-third of people in the state that are eligible for SNAP yet do not receive this benefit. The Food Bank of Lincoln and the Food Bank for the Heartland currently employs nine full-time staff whose sole function is to provide information, education, and application assistance to Nebraskans around SNAP benefits. Let me tell you why. Hunger is still a very existent and prevalent issue in Nebraska. Based on a 2016 report from Feeding America, there are an estimated 245,000 food-insecure Nebraskans. A family that is insecure does not always know where their next meal is coming from. While the majority of households that are food insecure are eligible for SNAP, there is a statewide average of 13.3 percent of households that fall between 135 and 185 percent of the federal poverty level. That equates to roughly 244,600 Nebraskans. We have counties as low as 2 percent of the population in that bracket, Loup County, and as high as 50 percent in Logan. Of the 736 residents in Logan County, half of them are considered to be in poverty but not poor enough to qualify for SNAP. Statewide, that 13.3 percent are not currently eligible for SNAP in Nebraska due to the current income guidelines. That being said, I'm not here to discuss data, although I could do that all day. I'm here to tell a story. A large part of our SNAP outreach is assisting clients with the arduous SNAP applications. The first step in that process is an income prescreening. All income is included in the SNAP gross income limits, including, but not limited to, wages, child support, retirement benefits, Social Security, and so much more. We frequently see people that are over income...or over the gross income even by a few dollars. Sally is a 28-year-old single mother with a bright and vivacious 7-year-old daughter living in Sarpy County. She has her high school diploma and works full time at a low-income housing unit in Omaha, just making over minimum wage. Sally frequently turned down merit and performance raises because the raise would put her over the gross income limit for SNAP. Sally decided to decline the promotions because her increase in income would not be high enough to cover the loss of her SNAP benefits. She was faced with a steep cliff. Sally declined raises and promotions three separate times due to the gross...current gross eligibility limits. Sally reluctantly accepted a promotion with the company and lost her SNAP benefits. Sally states, "I had to make a choice, I was tired of living in extreme poverty so that I could receive \$250.00 a month in SNAP benefits. I decided that making more money to try to get out of my situation was better for me and my daughter. Will losing SNAP hurt my budget? Of course, but I was tired of being punished for wanting to get out of poverty." With the proposed increase to 185 percent of the tier of gross federal poverty level, Sally and her daughter would be eligible for SNAP once again. I've seen this cliff effect firsthand as Sally is my sister. And the state of Nebraska has many families struggling because they are unable to make their food last between paychecks. Even though they don't have the liquid assets to spend on food, their gross income makes them ineligible for SNAP. This is because you must qualify for the gross eligibility before any other important

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household costs are factored in, such as medical bills, utilities, cost of housing. We do not believe that Nebraskan families should have to choose between food and other basic needs, such as electricity, child or after-school care, healthcare costs, or rent. Through SNAP benefits, families can access healthy food through local grocers, lessening the burden and expense for the family and supporting their local retailers and economy. Using SNAP benefits also lessens the weight on pantries and community supports, and ultimately LB358 will allow more working families to utilize the SNAP benefits. We at the Food Bank of Lincoln urge your support for LB358 to continue to end hunger in Nebraska. I will be open to any questions you might have. [LB358]

SENATOR RIEPE: Are there questions from the committee? I have a question. [LB358]

SARAH COMER: Yeah. [LB358]

SENATOR RIEPE: I know we often talk about SNAP in urban areas and the poverty levels in urban areas, and truthfully we have probably...I'm not a statistician on this, but I get concerned about the rural... [LB358]

SARAH COMER: Yes. [LB358]

SENATOR RIEPE: ...and the access to food banks and... [LB358]

SARAH COMER: Uh-huh. Absolutely, and... [LB358]

SENATOR RIEPE: ...maybe even the information now on getting on SNAP. [LB358]

SARAH COMER: Right, and SNAP... [LB358]

SENATOR RIEPE: Do you have any thoughts on that? [LB358]

SARAH COMER: SNAP is incredibly important in the rural communities. As much as the Food Bank of Lincoln and the Food Bank for the Heartland try to get food out to the other side of the state, it's hard just...you know, we have a large area to serve. So by increasing the SNAP income limits, people in Banner County, in Loup County, and all the way out can go to their local retailers, use those SNAP benefits locally, and have access to that food, rather than waiting for our mobile pantry to come by or trying to fit into the pantry, the local pantry rules that might

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give them only food once a month. So by having that ability to have the food stamps in their local community definitely, definitely helps food in our rural counties. [LB358]

SENATOR RIEPE: Is it your sense that they're less likely to step forward and ask for SNAP? [LB358]

SARAH COMER: Yes. And as a SNAP outreach team, we have made a very concerted effort over the last fiscal year to target our red counties, and red counties are counties where we just don't get enough food. So we have a list of about 15 counties statewide where we are really focusing on getting the word out, actively recruiting people, helping them sign up for SNAP, and letting them know that program is out there and they can use it if they need to. And then we still run into people that are over the income limits and don't qualify for it, so we have been making a very concerted effort to get food into those hard-to-reach communities and kind of remove the barriers, remove the stigmas, and say this is here for you to use and let us help you receive these benefits. [LB358]

SENATOR RIEPE: Okay. Senator Erdman. [LB358]

SENATOR ERDMAN: Thank you, Senator Riepe. I appreciate the fact that you mentioned Banner County. That's amazing. Banner County, as you well know, maybe, and maybe not, they have not one retail store of any kind. You cannot buy anything in Banner County. [LB358]

SARAH COMER: Correct, yep. [LB358]

SENATOR ERDMAN: And there's several counties that way out there in the west. But I am impressed you knew where it was. [LB358]

SARAH COMER: Oh, yes, that's one of our red counties so we...I have a very working knowledge of all the counties across the state so it's part of my job, so. [LB358]

SENATOR ERDMAN: Appreciate it. Thank you. [LB358]

SARAH COMER: Yeah. [LB358]

SENATOR RIEPE: Okay. Thank you very much. [LB358]

SARAH COMER: Yes. Thank you. [LB358]

SENATOR RIEPE: Are there additional proponents? [LB358]

KAITLIN REECE: (Exhibits 2 and 3) Good afternoon again. I'm Kaitlin Reece, K-a-i-t-l-i-n R-e-e-c-e, with Voices for Children in Nebraska. Children need access to nutritional food in order to ensure healthy development. Families working hard to make ends meet should not have to choose between a promotion at work and food in their children's bellies. Sadly, because of the way our public assistance programs are currently structured, this is a reality for many families and a major barrier towards economic self-sufficiency. Too many Nebraskan families get trapped in a cliff effect where a small raise at work triggers a much larger loss in work supports like childcare or food stamps. What's more, because eligibility rules vary from program to program, these cliff effects can have a much larger cumulative impact on a family's budget when considered together. In budgetary terms, a 30 cent decrease in benefits for every additional dollar earned across three programs, such as TANF, SNAP, and childcare, equals a 90 percent marginal tax rate on that additional earned income. Fortunately, states can smooth this cliff effect with policies like LB358. And 31 states, including Iowa, Florida, North Carolina, and North Dakota, have all addressed the cliff effect in the Supplemental Nutrition Assistance Program, or SNAP. The pages should have distributed a chart that outlines the different states and what their gross income eligibility levels are. Voices for Children in Nebraska supports LB358 because it takes steps to address the cliff effect in SNAP and improves the program in a way that supports longer term financial security for families. SNAP is an important work support that prevents children from going hungry and has kept millions of children out of poverty. SNAP participation has been shown to reduce low birth weight and infant mortality in newborns, decrease the likelihood of childhood obesity, and other positive health and educational outcomes. Our recent study, completed by the University of Missouri, found that a \$100 increase in SNAP benefits reduced the likelihood of ER visits for low blood sugar or hypoglycemia in children by 13 percent with an average savings of \$1,186 per visit. LB358 leaves the net income requirements for SNAP in place, ensuring that only families who really need it receive this type of assistance. Eligibility is then determined based on whether a family's net income, the income actually available to purchase food, is less than 100 percent of the poverty level. Right now, if a single mother with one child working full time at \$10 an hour accepts a 50 cent raise, she will no longer be eligible for assistance. With a raise, the worker will earn \$80 more a month but stands to lose, on average, \$260 a month in food assistance. For many families, the hard work that earned them the raise doesn't pay off. They must turn down the raise or promotion, undermining their ability to advance and succeed long term. Under LB358, the worker can accept the raise and still qualify for assistance once her shelter and childcare expenses are deducted. For these reasons, we urge the committee to advance LB358 to General File. We thank Senator McCollister for introducing this important bill and I'm happy to answer any questions you might have. [LB358]

SENATOR RIEPE: Are there questions? Senator Linehan. [LB358]

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SENATOR LINEHAN: Thank you, Mr. Chairman. Thank you, Kaitlin, for being here today. We discussed earlier...I have some questions about what...okay, so I understand what 100 percent of poverty is and what 130 percent of poverty is, so I worked out the chart, 158, 100. But that's...where I get confused is your gross and what that means. They can't be, after the deductions, they can't be above the 100 percent. [LB358]

KAITLIN REECE: Correct. [LB358]

SENATOR LINEHAN: So is there a way you could provide for the committee a list of how that works, what deductions? [LB358]

KAITLIN REECE: Sure. So I can...I'll go over briefly a couple of what the deductions are and then I'm happy...there's actually a simulator that you can type in different scenarios and it can kind of walk you through what the benefits might be and what your income levels would have to be and things like that, so I'm happy to share that with the committee after the hearing. So some of the deductions, so there's an earning deduction for work-related expenses, so this might be payroll taxes. It's also part of the work incentive for SNAP that there's an earnings deduction, dependent care deduction, excess shelter. So this is when housing costs exceed half of your net income after all other deductions are met and that's a set amount and so it's the amount that's over that half that's the amount of excess shelter. That's how they calculate it. And then if you have things like child support, that...there's also a deduction for that. So it depends on the individual family what all the deductions are, but there is kind of a standardized format for them. And like I said, there is a benefit calculator that you can type in. So while families may be able to have a...you know, accept a raise and have a slightly larger gross income, they still will need to meet the net income of 100 percent of poverty. So for a family of three, that's \$20,000 a year, just over \$20,000 a year. Let's say you have a family of six, so two working parents and four children. The 100 percent of poverty after all of those standardized deductions, you would have to be earning \$32,580, which is less than minimum wage, 40 hours a week, for two people. So it's...your net income is still going to need to be very low to qualify for this program. [LB358]

SENATOR LINEHAN: Are the poverty rates--the 100 percent, 130 percent--are those nationwide? [LB358]

KAITLIN REECE: Yes. [LB358]

SENATOR LINEHAN: So it's the same if you live in New York City and you live in Nebraska. [LB358]

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KAITLIN REECE: Yes. I believe there might be...it's for the 48 contiguous states. I think maybe there's a different rate for some of the territories and things like that. [LB358]

SENATOR LINEHAN: Would be, right. Did you notice on the chart that you handed out some of them are at 160 percent? [LB358]

KAITLIN REECE: Yes. [LB358]

SENATOR LINEHAN: So Iowa is 160 percent not 185 percent. [LB358]

KAITLIN REECE: Right. [LB358]

SENATOR LINEHAN: Did you...I'm not noticing any states close by that are at 185 percent. Did I miss one? [LB358]

KAITLIN REECE: I would have to take a look. I don't have them down in front of me. I know that there's quite a few that are above us, at 200 percent. I think that was something that... [LB358]

SENATOR LINEHAN: But I do think cost of living plays some effect here because it's a lot more expensive to live in California than Nebraska. [LB358]

KAITLIN REECE: Sure. [LB358]

SENATOR LINEHAN: But that might be one reason but I don't know. Okay. Those are...yeah, I would love to... [LB358]

KAITLIN REECE: Well, Montana--I guess that's a near neighbor--they're at 200 percent looking here. I would imagine their cost of living is more similar to ours than California. [LB358]

SENATOR LINEHAN: So the simulator, that would be great, I'd appreciate it. [LB358]

KAITLIN REECE: And North Dakota, so. [LB358]

SENATOR LINEHAN: Thank you very much. [LB358]

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KAITLIN REECE: Yeah. [LB358]

SENATOR RIEPE: Other questions? I noticed on the handout it talks about liquid assets for Nebraska is at \$25,000. [LB358]

KAITLIN REECE: Yes. [LB358]

SENATOR RIEPE: Many others seem like, the way I read it, they're \$5,000 taxes and... [LB358]

KAITLIN REECE: So there are a few that are \$5,000. I think there's a lot more that have no limit. [LB358]

SENATOR RIEPE: Yes. [LB358]

KAITLIN REECE: And I think when the \$25,000 was put into statute, the original proposal was to have no limit. [LB358]

SENATOR RIEPE: Oh, I see. [LB358]

KAITLIN REECE: And so \$25,000 was the...\$25,000 was kind of the amount that was arrived at. [LB358]

SENATOR RIEPE: Okay, very good. Are there any other questions? [LB358]

SENATOR LINEHAN: (Inaudible.) [LB358]

SENATOR RIEPE: Senator Linehan (inaudible). [LB358]

SENATOR LINEHAN: Thank you, Mr. Chairman. I forgot to ask my question. [LB358]

SENATOR RIEPE: Not a problem. [LB358]

SENATOR LINEHAN: Do you know what the mean and the average income is for Nebraska family of four? [LB358]

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KAITLIN REECE: I would have to check. I want to say it's around \$40,000-something, but I don't want to say the exact number without checking. I know the Department of Labor has those statistics. [LB358]

SENATOR LINEHAN: Okay. So could you get that for me? [LB358]

KAITLIN REECE: Yeah, absolutely. [LB358]

SENATOR LINEHAN: Thank you. Thank you very much. [LB358]

KAITLIN REECE: Yeah. [LB358]

SENATOR RIEPE: Okay. Seeing no others, thank you very much. [LB358]

KAITLIN REECE: Thank you. [LB358]

SENATOR RIEPE: Additional proponents, please. [LB358]

JENNIFER CREAGER: Good afternoon, Senator Riepe, members of the committee. For the record, my name is Jennifer Creager, J-e-n-n-i-f-e-r C-r-e-a-g-e-r, senior director of public policy at the Greater Omaha Chamber, here today in support of LB358. And thank you to Senator McCollister for introducing the bill. The chamber is so pleased and was very proud to support and be part of a coalition on LB81 in 2015 which was bill addressing the childcare, the cliff effects, excuse me, in childcare. And I thought that I might share part of our testimony on that bill which is because the same sentiments apply here. Over the last few years, employers in Nebraska have an increasing number of positions to fill and that has led to more and more businesses becoming aware of the conundrum of the cliff effect. Employees are offered promotions, pay increases, and additional hours, and some employees are faced with very difficult decisions: take the promotion, take the pay increase, move from part to full time, and lose the assistance that has been helping to get them by. For some, that really presents no choice at all. As much as they want to do it, the earnings increase does not come close to covering the cost of their household expenses. As you consider this proposal, we would ask that you also look to the overall economic effect this would have. Low-income families pay taxes. Higher earnings for those families mean that they would be paying more income and sales taxes. This should be part of estimating what this proposal might cost. In the bigger picture, though, there is immeasurable value in getting people on career paths that lead to economic stability. This involves everything from state revenues to the general quality of life in Nebraska that comes with getting families out of the cycle of poverty, even if it is only one family at a time. Addressing the

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cliff is one way, and one very important and very effective way, that we can extend a hand up to those who need it. It would be a hand up to those who want to succeed, to progress, to get ahead in life, and to contribute more in their professional pursuits and to their community. It is a pretty straightforward approach that would have a major impact. There is often reference to the working poor. This is something that we can do to help make that term obsolete and we would like to help you and the people this would help do just that. Thank you for your time today. Senator Linehan, I would just mention I had testimony on a similar bill and I believe the average wage in Nebraska, according to Department of Labor statistics, is somewhere between \$40,000 and \$42,000, so I'll get...I could get... [LB358]

SENATOR LINEHAN: Average wage or average household income? [LB358]

JENNIFER CREAGER: Average, I'm sorry, average income, average income. So I will get...I can get you the exact figure but... [LB358]

SENATOR LINEHAN: Okay, that would be good. Thanks. I'm sorry. [LB358]

SENATOR RIEPE: That's all right. Senator Erdman. [LB358]

SENATOR ERDMAN: Thank you, Senator Riepe. Thank you for coming today and your testimony. You made a statement that intrigued me a bit. You said they pay more income tax. Do you know at what level those people would pay income tax if they qualify for this program, or if they would at all? [LB358]

JENNIFER CREAGER: I think it depends on their wage level. So I know...I don't have those figures in front of me, but I believe that a single...I know the top tier of the income tax for a single taxpayer starts at around \$29,000, so, and there are three lower tiers than that. So I'm happy to follow up and get you that information. I just don't have it off the top of my head. [LB358]

SENATOR ERDMAN: So let me re-ask that then. Is it possible that someone could apply and be eligible for SNAP and still pay income taxes? [LB358]

JENNIFER CREAGER: Yes. [LB358]

SENATOR ERDMAN: Okay. [LB358]

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SENATOR RIEPE: Any other questions? Seeing none, thank you very much. [LB358]

JENNIFER CREAGER: Thank you very much. [LB358]

SENATOR RIEPE: Welcome. [LB358]

DAVID PIESTER: Thank you. [LB358]

SENATOR RIEPE: If you would just state your name and spell it for us. [LB358]

DAVID PIESTER: (Exhibits 4 and 5) All right. Thank you. Mr. Chairman and members of the committee, my name is David Piester, D-a-v-i-d P-i-e-s-t-e-r. I live in Lincoln. I appear here today as an individual and as a volunteer for the Center for People in Need, a nonprofit organization in Lincoln that serves poor and low-income people mostly in Lancaster County. The center offers food, clothing, educational courses, ESL classes for refugees, computer skills trainings, job skills training, and direct services to assist people in their day-to-day struggles to self-sufficiency. Each year the center is visited over 20,000 times by clients for services of one kind or another. To be eligible for services from the center, a client must be living on income less than 150 percent of the federal poverty guidelines. About 90 percent of the center's clients live in households where at least one adult is employed in some fashion. A majority of those employed are employed at one full-time job and over a third are employed at one part-time job. But even with employment considered, a majority of the center's clients live on household incomes of less than \$1,250 per month. Many of them have to choose between paying bills and buying food. Many have childcare expenses which barely make it economically advantageous to work at all. To say that these people live from hand to mouth would be an understatement. Even when employed, the wages they earn don't allow them to save any money. All of their earnings are spent, and usually well before the next paycheck. LB358 would raise the gross amount a person could earn and remain eligible for SNAP benefits, formerly known as food stamps. The bill is an attempt to make it more feasible for these people to accept small raises in their employment, thus avoiding what is commonly called the cliff effect. That is when a person on public assistance cannot afford to accept small raises from their employment because the raised income makes them ineligible to receive public assistance or reduces the amount they can receive. Food prices are rising and wages at the lowest levels are trending downward, as shown by one of the charts that are distributed. It is more important than ever now that the cliff effect be addressed. This will encourage work by allowing people to keep small raises without sacrificing their eligibility or amount of SNAP benefits. I would direct you to the booklet that I distributed that's called the "faces of poverty." It's based on a survey in Lancaster County of 1,000 poverty families in December at a toy giveaway. And specifically to page 8 and 9 where it talks about food insecurity, they are...there are some statistics there which I think are rather shocking. But I want

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to call to your attention first that 56 percent of the respondents reported they worried about having enough food for the next week, with 20 percent saying they didn't have enough food for that day. Also, 45 percent of respondents reported having to skip meals and 54 percent had to choose between paying for bills...excuse me, food or paying other bills. This bill would make modest changes in the eligibility criteria for food stamps. It raises the amount of earnings a person can make and still be eligible for SNAP done in two steps: first, by raising the permissible income to 158 percent of the poverty guideline, and then to 185 percent for the year 2018 and thereafter. The bill specifies that the net income eligibility limit would not be changed. LB358 will encourage SNAP recipients to work by allowing them to accept small raises and still keep their SNAP benefits, thus enabling them to take one small step upward in income; otherwise, they may turn down such raises in order to remain eligible for SNAP, thereby keeping them at poverty-level incomes. Encouraging public assistance recipients to work is sound public policy and the Center for People in Need urges your favorable consideration of LB358. Are there questions? [LB358]

SENATOR RIEPE: Thank you. Senator Erdman. [LB358]

SENATOR ERDMAN: Thank you, Senator Riepe. Your nonprofit organization you work for here in Lincoln, or volunteer for, where do they get their funding? [LB358]

DAVID PIESTER: It's all private donations and foundations, some grants but mostly donations. [LB358]

SENATOR ERDMAN: Okay. Your comment about wages are going down, did we not just raise the minimum wage here a while back? [LB358]

DAVID PIESTER: That's a national figure and it reflects numbers from the Bureau of Labor Statistics. And other than that, I can't tell you what. If you look at it, the arrow is going down. [LB358]

SENATOR ERDMAN: Okay. But we did raise the minimum wage. [LB358]

DAVID PIESTER: Yes. [LB358]

SENATOR ERDMAN: It's really hard for me to understand how the wage can go down when we raise the minimum wage. [LB358]

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DAVID PIESTER: Well, as I say, that's a national figure. I don't know of any local survey in that respect. [LB358]

SENATOR ERDMAN: It's peculiar. [LB358]

SENATOR RIEPE: Other questions? Senator Linehan. [LB358]

SENATOR LINEHAN: Thank you, Chairman. Thank you very much. This is very helpful and great information. So I'm going to ask you a question that's a little off what you presented here today. Do you find it ironic at all that the chambers of commerce would be in here supporting this? [LB358]

DAVID PIESTER: Well, I think...I don't know if there is an irony there or not, but every dollar spent--and low-income people spend every dollar they get--multiplies in the economy. That multiplying factor is something in the area of \$2-something, \$2-point-something, but I don't know what it is. I would think that that would be cause for support by a chamber of commerce but I, you know, I'm not them, I can't speak for them, so I don't know. [LB358]

SENATOR LINEHAN: Do you have opinions on the wage...the...so you spoke about wages being on a downward trend. Do you have a reason that you believe that's happening? Because it does seem ironic, back to Senator Erdman, that we're now talking about handing SNAP benefits to people who are paying income taxes, so something seems askew there. So do you have a...I mean I don't...where are we... [LB358]

DAVID PIESTER: I don't know why those numbers are what they are. I'd have to confer with the Bureau of Labor Statistics as to how they got the numbers and what they stood for. I really can't explain them other than that. [LB358]

SENATOR LINEHAN: Okay. Thank you for your service to your community. [LB358]

DAVID PIESTER: I apologize. [LB358]

SENATOR LINEHAN: No, no, very good. Thank you very much for being here. [LB358]

SENATOR RIEPE: Thank you. Any more questions? Seeing none, thank you very much. [LB358]

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DAVID PIESTER: Thank you. [LB358]

SENATOR RIEPE: Do we have other proponents? [LB358]

JAMES GODDARD: (Exhibit 6) Good afternoon. My name is James Goddard; that's J-a-m-e-s G-o-d-d-a-r-d, and I'm the director of the economic justice program at Nebraska Appleseed here today to testify in support of LB358. I don't want to or need to repeat any of the good testimony in support of this bill. I guess I just wanted to offer a few thoughts this afternoon and one of those is really that this committee has done a tremendous amount of good work over the last several years in addressing the cliff effect, primarily in childcare but we've made some steps forward and I commend the committee for doing that. And I think that that's happened because there's a lot of common agreement around this issue. We want people to be able to move from where they are at a lower income eligible for a program like SNAP to where we want them to be and where they want to be: at a higher income with a better job. And our policies need to match that goal to reward work so that people can take a raise, take a new position, get a better job. And so LB358 would continue the good work of this committee on the cliff effect and I would urge the committee to support the legislation. Thank you. [LB358]

SENATOR RIEPE: Thank you. Are there any questions from the committee? Seeing none, thank you for being here. [LB358]

JAMES GODDARD: Thank you. [LB358]

SENATOR RIEPE: More proponents, please. Are there any more proponents? Are there any opponents who are in opposition? Welcome back. [LB358]

DOUG WEINBERG: (Exhibit 7) Thank you. Good afternoon again, Senator Riepe and members of the Health and Human Services Committee. My name is Doug Weinberg, D-o-u-g W-e-i-n-b-e-r-g. I am the director of the Division of Children and Family Services in Department of Health and Human Services. I am here today to testify in opposition to LB358 which will increase the gross eligibility limit for a subprogram within the SNAP program from 130 percent of the federal poverty level to 158 percent in the first year and 185 percent of the FPL in the second year. Currently in Nebraska SNAP has adopted the state option to implement a Temporary Assistance for Needy Families, TANF, funded program to establish broad-based categorical eligibility. In Nebraska this program is also known as the Expanded Resource Program, or ERC...or ERP. This subprogram within Nebraska SNAP allows the state to set the resource limit and income guidelines for individuals who qualify for broad-based categorical eligibility. LB358 proposes to increase the gross income guidelines for those who qualify for the broad-based categorical eligibility program from the current gross income guideline of 130 percent of FPL to

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150 of FPL in the first year and, again, to 185 percent of the FPL in the second year for individuals who qualify for this TANF-funded program. After the second increase, the gross income guidelines would remain at 185 percent of FPL. The net income guidelines for SNAP would not change. This income level would remain at 100 percent of FPL. Based on the U.S. Census figures, increasing the FPL from 130 percent to 158 percent would increase the potential client base by approximately 82,400 persons, or 36,800 households. Due to the amount of eligible expenses necessary to pass the net income test, it is estimated that approximately 5 percent, or 1,840, of these households would now be eligible for SNAP benefits. The addition of 1,840 SNAP cases would require ten additional social service workers, two case aides, and one social service supervisor. According to U.S. Census figures, raising the FPL limit from 158 percent to 185 percent would increase the potential client base by an additional 121,200 persons, or 54,100 households, for a cumulative total of 203,600 persons, or 90,900 households. Due to the amount of eligible expenses necessary to pass the net income test, it is estimated that approximately 5 percent, or 4,545, of these households would be eligible for SNAP benefits. The additional 4,545 SNAP cases would require 15 additional social service workers, 3 case aides, and 1 social service supervisor. The total number of increased staffing at the point of full implementation of LB358 would be 25 social service workers, 5 case aides, and two supervisors. I am happy to answer any questions you may have. [LB358]

SENATOR RIEPE: Senator Erdman. [LB358]

SENATOR ERDMAN: Senator Riepe, thank you. So after saying that 25 additional people, how much is it? [LB358]

DOUG WEINBERG: That worked out to be \$300,000 in state and \$300,000 in federal funds in state fiscal year '18 and \$1 million state and \$1 million federal in state fiscal year '19. [LB358]

SENATOR RIEPE: Which fiscal year? Which fiscal year did you say? [LB358]

DOUG WEINBERG: '19. [LB358]

SENATOR RIEPE: Okay. [LB358]

SENATOR ERDMAN: Thank you. [LB358]

SENATOR RIEPE: Senator Howard. [LB358]

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SENATOR HOWARD: Thank you, Senator Riepe. Thank you for visiting with us again. What's the going rate for a case aide right now? How much do case aides make? [LB358]

DOUG WEINBERG: I don't have the exact figure off the top of my head. I can get that to you. [LB358]

SENATOR HOWARD: Just a ballpark? [LB358]

DOUG WEINBERG: Ballpark, they will probably be making I would guess around \$20,000 per year. [LB358]

SENATOR HOWARD: So how many case aides are currently employed by the department who would be eligible for SNAP benefits? [LB358]

DOUG WEINBERG: Who would be eligible for SNAP benefits? I do not know. [LB358]

SENATOR HOWARD: Okay. Thank you. [LB358]

SENATOR RIEPE: Okay. Thank you. Let's go to Senator Linehan then we'll come back to Senator Crawford. [LB358]

SENATOR LINEHAN: Thank you, Chairman. Your numbers, because I've been, ever since noon when I first looked at this, very confused as to how if we move benefits up to 185 percent of poverty level we would be...for a family of four we'd be at about the median income for Nebraskans. So by that number alone, the median income is around \$50,000, household income. [LB358]

DOUG WEINBERG: Okay, um-hum. [LB358]

SENATOR LINEHAN: So if you have a median household income around \$50,000, 185 percent of poverty for four is \$45,510. But what you're saying here is what I've been trying to find out for the last few hours. Just...they don't qualify, though, because by the...they have to have enough deductions to get them back down to \$24,600. [LB358]

DOUG WEINBERG: That is correct. They'd have to have enough eligible deductions or expenses to reduce their net to 100 percent. [LB358]

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SENATOR LINEHAN: So how...do you see people making \$45,510, they wouldn't ever have enough deductions to get them back down to \$24,600, would they, or...? [LB358]

DOUG WEINBERG: Potentially. [LB358]

SENATOR LINEHAN: Okay. Okay, well, these numbers are very helpful. It makes it more obvious what we're doing here. Thank you. [LB358]

SENATOR RIEPE: Thank you. Senator Crawford. [LB358]

SENATOR CRAWFORD: Thank you, Director, and thank you for testifying today. Are the workload estimates for this program based on the same case study that the workload estimates were based on for the previous bill we heard today? [LB358]

DOUG WEINBERG: Possibly. I don't know the assumptions behind the fiscal. It's very possible. [LB358]

SENATOR CRAWFORD: So in that fiscal note it indicated where the workload study numbers came from. I wonder if you could let us know where these workload estimates come from. [LB358]

DOUG WEINBERG: I certainly will. [LB358]

SENATOR CRAWFORD: Yeah, because I do think department has worked very hard to become much more efficient and so I think it's important that we recognize our increased efficiency... [LB358]

DOUG WEINBERG: Absolutely. [LB358]

SENATOR CRAWFORD: ...and capability as we try to figure out,... [LB358]

DOUG WEINBERG: Right. [LB358]

SENATOR CRAWFORD: ...you know, what we're able to do and how we're best...how we can best invest our limited resources that we have. [LB358]

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DOUG WEINBERG: Absolutely. The fiscal I have does not have the source documentation but I can find that out. [LB358]

SENATOR CRAWFORD: I appreciate that. Thank you. [LB358]

SENATOR RIEPE: Okay. Any other questions? Thank you, Director. Any more opponents? Seeing none, are there any here to testify in a neutral capacity? Seeing none, Tyler, do we have any letters? [LB358]

TYLER MAHOOD: (Exhibits 8-11) Yes. I have the following letters in support: a letter from the Health Center Association of Nebraska, signed by Amy Behnke; a letter from the United Way of the Midlands, signed by Shawna Forsberg; a letter signed by...or representing herself signed by Anne DeVries; and the final letter is from the Holland Children's Movement, signed by Sarah Ann Kotchian. [LB358]

SENATOR RIEPE: Thank you very much. I would add that Tyler has one of the toughest jobs trying to get people's names pronounced correctly. It's not an easy job. Senator McCollister, would you like to close? [LB358]

SENATOR MCCOLLISTER: Thank you. Thank you, Chairman Riepe, members of committee. As I look at the role or at the mission of the state of Nebraska, I think providing food for poor people is one of the most basic things we can do. You know, a person shouldn't be faced with either not enough food or shelter or not having medicine that's...but we have an easy way to provide the food and SNAP is a great program to do that. Dealing with the cliff effect I think encourages upward mobility and that's a most basic American value. So I think dealing with this problem, the problem with the cliff effect, is something that this committee and this entire Legislature should work on. Cost benefit, the cost benefit, yeah, we are uncertain what this program will cost. I brought up the fact that the department is still using 1992 figures and, as I heard the fiscal analysis on both bills, you know, I'm still not sure what the real cost is. And I'm grateful that you're looking for the real numbers to determine what the cost might be. But the effect is positive and if we can provide food stamps to a greater number of people, given the multiplier effect that occurs when that money is brought into the state, it's a good thing and we help people take care of one of their most basic problems. So I think that's the reason to advance this bill. I appreciate the time you've spent listening to the testimony. Happy to answer any questions. [LB358]

SENATOR RIEPE: Thank you, Senator McCollister. Are there questions? Seeing none, thank you very much for being here. And that closes the hearing on LB358 and that closes our hearing

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for today. We will be going into Executive Session so that we'll be having to clear the room with the exception of reporters. [LB358]