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Health and Human Services Committee March 8, 2023
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HANSEN: All right. So we'll get started with the gubernatorial appointments today and I appreciate everyone being here on the phone. And so what we'll do is I'll introduce at least for those on the phone so they can know what's going on the committee members that are present right now starting on my right with Senator Ballard.

BALLARD: Beau Ballard, District 21, northwest Lincoln and northern Lancaster County.

HARDIN: Brian Hardin, District 48: Banner, Kimball, Scotts Bluff Counties.

HANSEN: All right. And this is Senator Ben Hansen of District 16, and I'm the Chair of the Health Human Services Committee and also have my legal counsel Benson Wallace with me and committee clerk Christina Campbell. So what I'd like to do is we're going to go in the order of, of the three appointments today and what we'll do is I'll just kind of introduce each one in turn and then you can talk a little bit about yourselves, the position, some of your qualifications, and kind of fill us in on maybe why you are running for the position and then we'll open it up for questions for each person from the committee and kind of go from there. So what I'll do is I'll first start off with Deacon Donald Blackbird with Child Abuse Prevention Fund Board and have you introduce yourself and kind of fill us in on why you're running.

DONALD BLACKBIRD: OK. Can you hear me?

HANSEN: Deacon, yeah, yeah, we can hear you.

DONALD BLACKBIRD: OK. Sorry, it was taking a second to unmute there. My name is Deacon Donald Blackbird. I'm the principal at St. Augustine Indian Mission in Winnebago, Nebraska. I'm an ordained member of the [INAUDIBLE] Catholic Clergy, and originally I came to the Nebraska Child Abuse Prevention Fund Board at the request of the Victim Outreach Advocacy at the archdiocese, who had served previously. I had worked with her on some of the safe environment protocols in place for the archdiocese for monitoring abuse at the church and being representative of the [INAUDIBLE] as well [INAUDIBLE] of helping promote child abuse prevention and do that up here in the northeast part of the state [INAUDIBLE] and the reach of the Nebraska Child Abuse Prevention Fund Board and to the tribal communities here, as well as into some of the rural areas adjacent [INAUDIBLE] prevention

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systems that are being utilized across the state boost those local communities here and help them to access the funds available to them to also implement those protocols and those activities here in this part of the state.

HANSEN: OK. And you're up, you're up in Walthill, right?

DONALD BLACKBIRD: Yes, my-- I'm-- yeah, my hometown is Walthill, Nebraska on the Omaha Reservation.

HANSEN: OK. Well, good. Well, I, I appreciate you filling us in. What I'll do is I'll open it up to the committee and see if anybody has any specific questions for you. Are there any questions from the committee? Yes, Senator Hardin.

HARDIN: Thank you for being here. And just a 10,000-foot question, kind of describe the challenges as you see them. Can you do that for us briefly?

DONALD BLACKBIRD: [INAUDIBLE]

HARDIN: Just a big, a big picture of what you see that needs to happen with the, the Child Abuse Prevention Fund Board moving forward. What are the-- what is the nature of the, the problems to fix?

DONALD BLACKBIRD: Oh, I, I appreciate that. Yeah, I think right now I've served for one, one term and I am now applying for my reappointment so I've had the opportunity to sit on the, the board and learn about some of the research practices that are being utilized. And I think some of the, from the top down, what we're looking at now is a statewide plan for community well-being aligning research available through the Child Abuse Prevention Fund Board with the goal across the state for those who work in the area of child abuse. So finding a way to connect with all those different agencies serving, have one common position, one common set of goals moving forward and [INAUDIBLE] and get those out to follow up with finding a way that effectively and [INAUDIBLE] that information out at what are the challenges of our state and that we're looking to hopefully address [INAUDIBLE].

HARDIN: Thank you.

HANSEN: OK. Any other questions from the committee? All right, seeing none. So Deacon, what we'll do is we'll end up taking this to Executive Session and, and discussing the appointment and then moving

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it out to the floor for a vote from the whole body. And then that's kind of how the process works. We'll vote it out if, you know, if we-- everybody agrees we vote it out of committee and then it goes on the floor for your nomination-- appointment. That will be the next step. So I appreciate you joining us on the phone and filling us in and thank you for volunteering and your commitment to the Nebraska Child Abuse Prevention Fund Board.

DONALD BLACKBIRD: I, I appreciate the opportunity and you taking the time to allow me to call by phone today. Is there anything else you need from me or should I just [INAUDIBLE]?

HANSEN: Yep, I think you're good. It seems like all the questions have been answered so I appreciate it. You're good to go.

DONALD BLACKBIRD: All right. Thank you very much.

HANSEN: OK. That will conclude the hearing for the appointment for Deacon Donald Blackbird. And now we move on to, to Miguel Rocha for the Commission for the Blind and Visually Impaired. Are you there, Miguel? [RECORDER MALFUNCTION] and then on the Commission and kind of fill the board and we'll see if we have any questions.

MIGUEL ROCHA: OK. So I have been associated with the Nebraska Commission for the Blind and Visually Impaired since 2016. I was-- I am blind so I have been taking their, their course there, gone to their educational center in Lincoln. I was there for six months training to be independent, so I did that. I also, while I was going to the educational center there, also received my certification for [INAUDIBLE] certification. Right after I did graduate there, there was a position for the Business Enterprise Program that is through the Randolph-Sheppard Act and I went ahead and took that opportunity that was for running the National Guard cafeteria out in Ashland. I did that [INAUDIBLE] months and then the government took it over. After that, another opportunity opened up with Offutt Air Force Base when they were doing the STRATCOM cafeteria there and I basically started from, from, from nothing and got it up and running. And then [RECORDER MALFUNCTION] go back to school so I'm going to UNO for my Management Information Systems. And then the opportunity of becoming a commissioner for the Nebraska Commission of the Blind came along and I thought that that would be a great fit, fit me. And I wanted to give back to that organization [INAUDIBLE] Nebraska, so hopefully I can be a, a positive outcome for Nebraska Commission for the Blind and Visually Impaired if I'm appointed.

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HANSEN: OK. Well, thank you for filling us in. Hey, so you've been in the, in the mentoring program, you said, right, and that's, that's kind of been-- so you kind of already sort of been affiliated with the, the, the Federation of the Blind and Nebraska Commission for the Blind and Visually Impaired in some aspect with the mentoring program, right?

MIGUEL ROCHA: Yes. I've been-- the program for the Business Enterprise is the Nebraska Business Enterprise program through the, you know, the Randolph-Sheppard and also through the National Federation of the Blind, who I'm also a, a member of for the outreach chapter for the National Federation of the Blind. So, yeah, I've been in contact with the Nebraska Commission of the Blind for, for quite a bit.

HANSEN: OK. Well, let's just see if we have any questions from the committee here. So are there any questions on the committee? Yes, Senator Hardin.

HARDIN: Miguel, how are things in Scottsbluff and Gering? I heard it snowed a little bit.

MIGUEL ROCHA: Yeah, it, it's good, it snowed a little bit, but, but it's pretty warm so it, it didn't stick too, too much.

HARDIN: Nice. Hey, from, oh, a million feet up in the air, can you describe what you believe is the greatest challenge right now for what's happening with the Commission for the Blind and Visually Impaired? What do you see as the biggest challenge coming up in the next year to two years? Can you describe that for us?

MIGUEL ROCHA: Yeah, so I think due to the pandemic, the clients were not attending the summer of the educational center there but, you know, that everything's coming along. I believe they're, they're going to come in with a new client and actually with new employees who are going to be training at the center. So I believe in April we should have 12 people training for the center. So getting people into the center and knowing about the, the benefits of going to the center is, is a great example that, that I would like to, to continue helping them. Also, I hear in, in Lincoln, Nebraska, they allow to show them that, that, you know, they can be independent. And [INAUDIBLE] independency, the Nebraska Commission for the Blind can help you with that. You know, they, they train you, they provide assistance for employment, and so I think that would be the goal for me in that position.

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HARDIN: OK. Thank you. I'm just curious, do you know what kind of employment opportunities are going on? Can you describe those?

MIGUEL ROCHA: There has been-- currently there is employment for, for becoming orientational or vocational rehab counselors.

HARDIN: OK.

MIGUEL ROCHA: I know that they just hired a, a management technology personnel. And so they're, they're, they're getting more employees because of the, the, the need that the people are, are wanting. But the client itself, they, they provide, you know, the, the regular assistance of, you know, helping with the resume and, and trying to get you into contact with social network, you know, personnel and stuff like that.

HARDIN: OK. Well, thank you very much.

MIGUEL ROCHA: You're welcome.

HANSEN: All right. Are there any other questions from the committee? All right, seeing none. Miguel, I appreciate you calling in and filling us in on your, your appointment, your desire to be on the Commission for the Blind and Visually Impaired. And so just like, just like I mentioned before, we'll end up meeting as a committee and taking a vote on it in committee and if it moves through the committee it will go onto the floor for your appointment. And then so that's kind of the next steps, I guess, you can expect. So I appreciate you calling in and we'll be hearing from you soon.

MIGUEL ROCHA: OK. Thank you. And then just, do you know the timeline on that or [INAUDIBLE]?

HANSEN: Well, I would expect us to vote on it in committee probably within the next two to three weeks and then it all depends on the timeline of when it gets on the floor.

MIGUEL ROCHA: OK. Appreciate your time. You guys have a good day.

HANSEN: Thank you, Miguel.

MIGUEL ROCHA: Bye.

HANSEN: All right. Well, that will conclude the hearing for Miguel Rocha and his appointment to the Commission for the Challenged [SIC]

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and Visually Impaired and we will move on to Georgina Scurfield.
Right?

GEORGINA SCURFIELD: That's right. Yeah.

HANSEN: All right, the Child Abuse Prevention Fund Board. Welcome.
Thank you for coming.

GEORGINA SCURFIELD: Thank you. Good afternoon, Senators, and thank you for listening to me for a moment or two. My name is Georgie Scurfield-- G-e-o-r-- well, Georgina, G-e-o-r-g-i-n-a, Scurfield is S-c-u-r-f-i-e-l-d. I'm asking for an appointment to a second term of the Nebraska Child Abuse Prevention Fund Board. I am a retired social worker. I worked for 20 years as the director of the Court Appointed Special Advocates program in Sarpy County. I worked before that as a director of a small program in Omaha that was working with children who'd been impacted by sexual assault. And prior to that, for 12 years in London, before I married my Air Force husband and we came to Sarpy County, which is why I sound like a native Nebraskan [INAUDIBLE]. After I finished work as the CASA director, I worked with an organization called Lift Up Sarpy County, which was one of the first counties to bring community response to Nebraska. There were five counties in the beginning. Community response is a way of working within a community which brings together churches, nonprofits, government agencies to try and build a collaboration that can address the problems that parents are facing and prevent children either going into the child welfare system or prevent them staying there or prevent them going into higher levels of care in the criminal justice system. Community response in Sarpy County began in one city at a time. We looked at the school districts really and began to work the program around one school district, and that meant we started in Bellevue and then moved across the county. What struck me then and still does is that for families to thrive and raise healthy adults, they need some basic resources. So they need to have income, they need to have housing, they need to have education for their children, and they need some kind of social connection. Isolation isn't good either. So when we were looking at how we built up community response in Sarpy County, we very deliberately started with the school social workers who knew where the problems were and knew who the families were for that particular school district. And that gave us some kind of grounding in where we need to go, we asked them the questions. What we found, particularly-- of course, everything is a moving target so in Sarpy County, particularly, housing and affordable housing was always a problem. And after the 2019 floods where we lost 450 of our most

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affordable mobile homes, it became a, a crisis and I think is still a problem. To-- and you asked the former candidate, Senator Hardin, housing and affordable housing is really essential. We were seeing children who moved every three months because their parents were getting evicted or couldn't afford the apartment they'd moved into and needed to move on or move back to grandma's and grandma couldn't keep them all the time so they moved again. And sometimes they were moving schools as well that often and that was not good for those teachers either. We also saw, saw parents who didn't have good childcare so they could get jobs but those jobs demanded them to work a certain number of hours and they could often not stay because they couldn't spend time, find a way to keep their children safe. So childcare was an essential, affordable housing is, is an essential. And, and then if, if we tie affordable housing and childcare together that means people who are working, and the vast majority of the families we worked with had two parents working, most of them had certainly one parent if they were single-parent families they were all working, but they couldn't afford to have quality housing and quality childcare and had-- and it took us a while to discover this some levels of debt that they would not talk about to begin with. Sometimes that was consumer debt, credit card, very little of that, actually, because they weren't allowed to borrow a whole lot because they weren't earning a whole lot so that was at about \$3,000 maybe. Some of them, however, had student loans that was \$6,000 or \$8,000 or \$10,000, and that sometimes was because they had bought into the idea that they could buy a better job by having more education. But often got themselves into debt and didn't complete the education because they were still struggling with how to earn a living and how to pay for the childcare and all the other things that were making demands so they had the debt but not the education. For those families who had medical debt, it became beyond a point where the agencies that we were working with together could really address the issue because that debt was often \$50,000, \$75,000, \$100,000 for families who earn \$45,000 a year. And it was just beyond how we could help. But what we did get to do in Sarpy County, and which brought me to this board, was work with Nebraska Children and Families Foundation to look at what we could do in our local communities and what was needed. And, and every community who have opportunities to come together in community response across the state and now, I think there are only ten counties who are not yet engaged, bring agencies together, bring churches into the communication, bring schools into the communication, bring social service agencies and county administrators in to say what does our county need? And then they submit a grant request to the Nebraska Child Abuse Prevention

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Fund Board. What we've been able to offer through the board, and the funding comes to us from a percentage of the fees from marriage licenses and divorce filings, ironically, but so we have at the moment a budget about \$400,000, it may go up because we've noticed in the-- during the pandemic that less people are getting married, but so that may increase a little. We have that money that we can give to communities to help with childcare, to help with managing mental health, to help with parenting skills. And those are the things that we think we can address with the kind of funding we have in Nebraska Child Abuse Prevention.

HANSEN: Thank you for that. Very thorough. That was great.

GEORGINA SCURFIELD: All right.

HANSEN: All right. Are there any questions from the committee? Well, I think you did a great job actually. That, that was good, so.

GEORGINA SCURFIELD: Thank you.

HANSEN: Yeah, I, I, I had some questions in my head but you answered all of them already, so.

GEORGINA SCURFIELD: All right.

HANSEN: But I appreciate you coming and just like I mentioned before we'll kind of work through the committee and then it goes on the floor and we'll kind of go from there, so.

GEORGINA SCURFIELD: Thank you very much indeed.

HANSEN: All right. Thank you. Appreciate it. All right. Well, that will end the hearing for Georgina Scurfield for the Child Abuse Prevention Fund Board and we will adjourn for about five minutes. We'll take a break for about five minutes and reconvene at 1:30 sharp.

[BREAK]

HANSEN: All right. Well, welcome back to the Health and Human Services Committee. I just want to briefly go over at least some of the policy and procedures for the meeting today. Please turn off or silence your cell phones. We will be hearing four bills and will be taken in the order listed on the agenda outside the room. On each of the tables near the doors to the hearing room, you will find green testifier sheets. If you're planning to testify today, please fill one out and

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hand it to Christina or one of the pages when you come in to testify, this will help us keep an accurate record of the hearing. If you are not 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. Also, I would note if you are not testifying but have an online position comment to submit the Legislature's policy is that all comments of the record must be received by the committee by noon the day prior to the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask if you do have any handouts that you please bring ten copies and give them to the page. We will be using a light system for testifying. Each testifier will have five minutes to testify. When you begin, the light will turn green. When the light turns yellow, that means you have one minute left. When the light turns red, it is time to end your testimony and we will ask you to wrap up your final thoughts. When you come to testify, please begin by stating your name clearly into the microphone and then spell both your first and last name. The hearing on each bill will begin with the introducer's opening statement. After the opening statement, we will hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. On a side note, the reading of testimony that is not your own is not allowed unless previously approved. And we do have a strict no-prop policy in this committee. So with that, we will begin with Senator Conrad. Is she here?

WALZ: No.

HANSEN: OK.

M. CAVANAUGH: I have to go introduce a bill.

HANSEN: So do you just want to move to yours?

M. CAVANAUGH: I have to introduce a bill across the hall.

HANSEN: We will not move to yours. OK. Let's do this-- let's--

M. CAVANAUGH: I, I could-- we--

HANSEN: Nope, you're fine. You go ahead. Let's take about five minutes here and we'll see if Senator Conrad will be ready and then we'll

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bring her up here and we'll kind of go from there, so. I just want to give her time to get up here.

[BREAK]

HANSEN: Yeah. Yeah. So we'll open up the hearing for LB310 and welcome Senator Conrad to open.

CONRAD: Thank you so much, Chair. Thank you so much, members, for your time and consideration of this measure. My name is Danielle Conrad. It's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I'm here today representing north Lincoln's "Fighting" 46th Legislative District and I'm proud to introduce LB310. LB310 is a measure that is important to a lot of families in our district and across the state and that-- thank you so much-- a cameo appearance by one Julia Holmquist-- let the record reflect-- this measure is important to a lot of families in my district and across the state and touches upon a lot of key issues before the committee and before the Legislature this year. So before I jump into some of the meat of it, just wanted to let you know a couple of things. When you look at the information from the Legislative Research Office, we get some really important statistics about districts at a glance where we can kind of see how our particular districts kind of rank in comparison to other districts and a lot of key metrics. So one of the metrics that is always in my head and always in my heart in regards to measures like these to support working families and economic self-sufficiency is that my district in north Lincoln frequently is right at the top or in the top five or in the top three for the highest percentage of families living in poverty in the state. And so that's why it's always been a hallmark of my personal legislative agenda and my work to try and do all that we can to provide ladders to opportunity and dignity for families that are living in poverty. And that's really what is at the heart of LB310. It's been many years since the state has made adjustments to either eligibility or the Standard of Need for key anti-poverty programs like TANF and ADC. I believe Senator Cavanaugh has another measure before this committee to address-- factor. Mine is focused on elevating the Standard of Need. And what that does is just to provide a little bit-- a few more resources, a little bit more breathing room to families that are living in poverty and working their way out of poverty to help meet basic needs as the program was intended. You will hear from some policy experts after about how this measure would put us in, I think, a better position when looking at how some of our sister states handle eligibility and Standard of Need for these different programs. And the other thing that I want to leave you with is, is really just

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two additional components. It's no surprise to anybody in any district that inflation is taking a toll on our families, on our businesses, on our budgets. And low-income families are struggling with some of those inflationary pressures, perhaps more so than others, because they just don't have the breathing room to make adjustments in their budget. So whether it's the pinch at the pump or increasing childcare prices or what they're seeing in regards to a trip to the grocery store, families in need are, are really getting crunched by inflation. So this is one way to help to address those inflationary pressures and to provide a little bit of breathing room and a little bit of additional dignity to, to families that are living in need. So that's one piece. The other piece that's really important about this is it will be no surprise to anybody on this committee that one of the biggest issues that we have to grapple with together as a state is what to do with those TANF rainy day funds? What do we need to think about in terms of how we got to this place where we have such a significant balance on those rainy day funds and what's the best and highest and appropriate and allowable purpose to expend those funds moving forward? My contention to you is that those funds belong in the hands of families in need. They don't belong sitting in a trust fund or a state coffer. They need to be pushed out to the families who are so eligible so that they can meet their family's basic needs. That's the intent of those dollars. We need to make decisions about how to utilize those dollars. This measure should be one piece of that conversation and one piece of that puzzle. So I'm happy to turn it over to other members. I'll double check my notebook to see if I left out anything really important along the way. There's a lot of technical aspects to these bills, as you know, with all public benefits programs, but those are really the key values underlying why I brought this measure forward and, and I'm grateful for your consideration and happy to answer questions.

HANSEN: Thank you for that--

CONRAD: Yes.

HANSEN: --rough opening. That was perfect, actually. Any questions from the committee? Senator Riepe.

RIEPE: Thank you, Senator. Thank you, Senator Conrad. My initial question is-- and maybe it's why 85 percent from 55 because as opposed to a 60 percent? I did note in the fiscal note that it would-- this move to 85 would put Nebraska in what I'm sure is the top quartile, sixth in the nation and, you know, and the fiscal note is substantial

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would maybe be my kindest word. I'm just trying to get foundation maybe before we hear from others.

CONRAD: Sure.

RIEPE: Do you have some thoughts on that?

CONRAD: I do. And thank you so much, Senator Riepe. I think my, my general kind of thinking in regards to selecting that number was a couple of things. One, I can't speak to the exact fiscal circumstances for all of our sister states, but what I do know and what I did know when I was putting together this measure was that we are in this unique, if not extraordinary, position to have this very, very high balance in our TANF rainy day fund. And I recognize that there are implications for General Fund and otherwise here, but I wanted to start the conversation at a broader place because of some of those fiscal and economic considerations. I also appreciate and understand that typically measures like these are subject to negotiation. So I wanted to make sure that we had an opportunity to engage in a constructive negotiation about how to update and evolve some of these critical work assistance programs together over the course of, of the legislative session.

RIEPE: So you wanted to start the negotiation under a very healthy level.

CONRAD: That's absolutely right. I wouldn't think that there would be any other way to negotiate.

RIEPE: Thank you very much.

CONRAD: What's that?

RIEPE: I said thank you very much. Yeah.

CONRAD: Yes, to be very.

RIEPE: I don't disagree with you.

CONRAD: Yes, and to be very candid and from a policy perspective, I believe in it. We know from the research that the more dollars that we put into the hands of families in need based on those right here in the local economy, there's a multiplier effect. We also know from the research that it's been a long time since we updated these, that families are grappling with inflation. And the more dollars that we

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put directly in the hands of families in need that has impact for life-- implications when it comes to dealing with brain development, toxic stress, trauma, what have you-- the best, the best programs through our cash assistance programs to effectuate some of those, those kind of policy outcomes.

RIEPE: OK. Thank you, sir. Thank you.

HANSEN: Any other questions from the committee?

CONRAD: I'm not afraid to be bold, Senator.

RIEPE: I noticed that.

CONRAD: Thank you so much.

RIEPE: And I respect that.

CONRAD: Thank you.

HANSEN: Thank you. We'll take our first testifier in support of LB310.

DIANE AMDOR: OK. Got a lot of paper because I wasn't expecting three testimonies. Going to give you another one. Sorry.

HANSEN: You can take your time. The time has already started, your five minutes have already started.

DIANE AMDOR: Uh-oh.

HANSEN: I'm just joking.

DIANE AMDOR: Yeah, I'm just going to give you all, all the things.

_____: Sounds good.

DIANE AMDOR: And the next time I come up, you won't have to hand out anything for me. Thank you.

HANSEN: Welcome.

DIANE AMDOR: Good afternoon, Chairperson Hansen, and members of the Health and Human Services Committee. My name is Diane Amdor, D-i-a-n-e A-m-d-o-r, and I'm testifying on behalf of Nebraska Appleseed in support of LB310. I'll also be testifying in support of LB290 and I'm distributing materials for both of those bills at this time.

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Nebraska's Temporary Assistance to Needy Families, or TANF, program funds should be used to provide assistance to Nebraska's lowest income families. Aid to Dependent Children, or ADC, is Nebraska's program that provides direct cash assistance to families living in poverty. ADC is one of the programs funded by the federal TANF Block Grant. I have had the privilege of meeting dozens of current and former ADC recipients over the last three years with my time at Applesseed. The women who I've spoken with have, in their own words, fought like hell to get out of poverty. A few of them are still fighting that struggle. The state has the resources to help them win that fight, and I hope that you will be as inspired by them as I have been and so I've included a few of their stories in my written testimony today. Unfortunately, they were unable to make it to be here in person. Nebraska's TANF funds are dramatically underutilized. As you heard on Friday in the LB233 hearing, the Department of Health and Human Services has repeatedly claimed to have a plan for spending down the TANF rainy day fund. But a lack of transparency and accountability has led to the state's failure to use the full amount of the TANF Block Grant for its intended purpose, providing temporary assistance to Nebraskans living in poverty, resulting in the accumulation of over \$131 million in the TANF rainy day fund, which is one of the largest accumulations of TANF funds in the country. The DHHS TANF spending plan still lacks accountability and transparency. Thanks to the work of this committee and the Legislative Fiscal Office over the past two years, along with excellent reporting from local media, Nebraska taxpayers now know more than we did a year or two ago about the department's so-called TANF spending plan, and I provided a few key documents to the committee members via email earlier today. These documents clearly show the department's plan does not add up. The TANF spending plan includes an increase, a significant increase in TANF funds allocated to childcare subsidies. At the same time, actual childcare expenditures and caseloads are lower than they have been in years, and the state now has an additional \$10 million in federal funds separate from TANF funds for at least the next two years, specifically for childcare subsidies. The department's TANF work group recommendations don't include any options for an ADC eligibility or a benefit increase, which would be the most efficient and the most impactful method for spending down this fund. These options do require legislative action. As a result, the TANF work group recommendations would have no effect on the TANF rainy day fund. Taken together, the new programs would not even result in Nebraska using the full \$56 million TANF Block Grant fund in the next fiscal year and would not come close to spending down any portion of the TANF rainy day fund.

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Direct cash assistance should be the first priority for TANF spending. Nebraska has not diverted TANF funds away from direct cash assistance to the extent that other states have. This is a positive aspect of Nebraska's TANF program that should be protected and expanded. This fact is highlighted in both the LB290 and LB310 fiscal notes where they state that increasing the Standard of Need would result in-- sorry, that's just from LB290-- would result in Nebraska expending a higher percentage of its annual TANF grant on the ADC program. This-- the point. Instead of spending time and state resources developing new programs that will take time to establish, take time to get that money into the hands of the families who need it, the department should increase access to direct cash assistance via the existing ADC program. A growing body of research shows that financial assistance reduces stress on parents and lowers child maltreatment rates. There's a study conducted by Columbia University that estimates that for every \$1,000 provided to families with children, society reaps over \$5,000 in benefits down the road. ADC is one of, is one of the only TANF-funded programs in Nebraska that specifically targets low-income Nebraskans. Other proposals for spending TANF funds do not include income limits at all or include income limits closer to 200 percent FPL or higher. Those programs are not bad ideas, but they should be-- should not be a higher priority for TANF spending than direct cash assistance for the lowest income Nebraskans. For these reasons, we thank Senator Conrad for introducing this bill, and we urge this committee to spend down the TANF rainy day fund by increasing direct cash assistance to ADC recipients. Thank you for your time. I'd be happy to answer any questions.

HANSEN: All right. Thank you for that testimony. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you, Senator-- Chairman Hansen. My first question would be is, is TANF and TANF rainy day fund is that one in the same?

DIANE AMDOR: So there's the TANF Block Grant that we receive every year, approximately 56 [RECORDED MALFUNCTION]. In the past five years or so, we have not come close to spending the full amount of that \$56 million.

RIEPE: How much was it?

DIANE AMDOR: \$56 million every year.

RIEPE: OK.

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DIANE AMDOR: And then--

RIEPE: That's federal money?

DIANE AMDOR: Correct. Yes, federal money. And then the what, what we call the TANF rainy day fund, I believe the department refers to it as the TANF reserve fund, that's the amount of that block grant that accumulates each year that we have not spent. That's-- I, I don't know the accounting term, I can't, I can't imagine it's physically sitting in a pot somewhere but that's how I think of it in my mind is we get \$56 million each year. We spend somewhere between 45 and that's one of the spreadsheets that I sent you because I don't remember those numbers so well. We spend a portion of it. For the last five years, we've spent about \$46 million a year. The money that we don't spend is in the TANF rainy day fund. So we keep getting more and we keep not spending it.

RIEPE: Did, did we not burn down, spend down the TANF money because we had federal money out of the ARPA funds?

DIANE AMDOR: I--

RIEPE: That we went to them first because we know they had an expiration date on them?

DIANE AMDOR: I think that could have been a factor, obviously in the last year or two, but doesn't explain why this goes all the way back to fiscal year 2017. There was no ARPA funding back in federal fiscal year 2017. This has been ongoing for a long time. For years and years, I provided a link-- or I think-- sorry, I provided testimony in the LR407 hearing documenting all of the legislative proposed proposals that had been put forth over, over about the course of ten years suggesting uses for the TANF rainy day fund. And every time the department would come in and say these funds are already obligated, you can't do this or it would cost too much and you will have a General Fund impact. Over and over again, and I'm at least encouraged to see that they're not saying that this year. They're at least acknowledging those funds aren't obligated.

RIEPE: So the \$56 million that we get from the feds does the state of Nebraska put anything into the fund?

DIANE AMDOR: Well, not into the fund. There is a requirement for maintenance of effort funds to be spent out of General Fund dollars in order to continue receiving that federal block grant.

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RIEPE: OK. My ques-- if I may?

HANSEN: Um-hum.

RIEPE: Just one last. I was trying to follow this along in the sense of saying how does it-- because when I was in here before 2017, we were raiding every fund that could move and so I'm-- that's what, like, \$56 million, how did we miss that?

DIANE AMDOR: And at that time--

RIEPE: Maybe we couldn't because it's federal.

DIANE AMDOR: In 2017, that is the last year that we did spend the full amount of the \$56 million block grant. And I think we might have even gone over it slightly so dipped into the rainy day fund a little bit in that fiscal year.

RIEPE: OK. That's been very helpful. Thank you. Thank you, Chairman.

DIANE AMDOR: You're welcome.

HANSEN: Any other questions from the committee? Senator Walz.

WALZ: Thank you, Chairman Hansen. Thanks for coming today. Numbers for TANF families have shrunk from 5,000 to 2,500. It seems like that's a very small number. Can you talk about that a little bit?

DIANE AMDOR: Sure. And that's-- there's definitely no indication that we have fewer families living in poverty in Nebraska. We, we did briefly with the expansion of the federal child tax credit, which Senator Conrad has another bill that would bring that back to the state level. The past year or two, we did see somewhat of a reduction in poverty levels and particularly child poverty levels. But we know there are a lot of people living in poverty and even deep poverty who are not receiving ADC funds. And as far as we've been able to uncover, some of the reason for that is the eligibility level for this is way too low. It's-- you have to be making hardly anything to be eligible for it. And the benefit amounts are so low and the requirements are so strick that for some people it's just-- it's too much to be able to stay on this, get on this program and stay on this program. The work that you're required to do to stay on it isn't worth the amount of money that you get. And it's easier to hustle in other ways that aren't quite as, I guess, invasive or challenging, I suppose. There

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are accountability measures in place that are very difficult for people to be. This is not an easy program to get on or to stay on.

WALZ: Can, can I ask another?

HANSEN: Yes.

WALZ: Can you, can you expand on that, the requirements?

DIANE AMDOR: So there is a work requirement that applies to most ADC recipients. You have to be either doing job seeking or actually working. But again, pretty much as soon as you have any earned income, the amount that you receive from ADC starts going down. And so it's often that choice that you hear about the cliff effect with other bills in front of the Legislature this session of making that choice between receiving assistance that will help your family in the long run be in a better position or choosing what works today and just figuring out somehow how to make ends meet. Does that--

WALZ: Yep,--

DIANE AMDOR: --answer your question?

WALZ: --that helps a lot. Thank you.

DIANE AMDOR: You're welcome.

HANSEN: Any other questions from the committee? Senator Riepe.

RIEPE: Thank you, Chairman Hansen. Another question. I'm trying to learn a lot today. What are the other potential uses for TANF funds?

DIANE AMDOR: Sure. So there are four federal purposes for TANF so what TANF can be used for. I don't believe I put that in the written testimony, but it's-- the initial one is to provide assistance to needy families and with a particular goal of maintaining children in the household so not needing to have the use of child welfare funds, providing assistance to maintain a family unit and help parents maintain employment or education, I believe, and then preventing out-of-wedlock pregnancies, and child-- childcare.

RIEPE: You used the-- if I may, sir?

HANSEN: Yep. Yes.

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RIEPE: You used the word family units. Is this-- because the thing I think is a major challenge is fatherless homes, does this try to unite that just because there's more money on the table or does-- is there some motivation for, I don't what that could be, to get fathers engaged?

DIANE AMDOR: I think that is one of the more controversial aspects of the TANF Block Grant in general, so the switch back--

RIEPE: That's probably why I'm kind of attracted to it.

DIANE AMDOR: --the switch-- I mean, I think it's that political tension, right, of what are-- you can't-- are we just giving money to people just for them to do whatever they want with or are there strings attached? And in the case of ADC funds and TANF funds, there are a lot of strings attached. And one of the purposes of those strings is this idea that there's a certain type of family unit that is most beneficial to society. And while I think we have some maybe disagreements about what that is, that, that's in there, that's what federal TANF dollars-- it's one of the purposes it's in there.

RIEPE: OK.

DIANE AMDOR: And I do think and want to acknowledge that there is some research showing the benefit of parental involvement. That's one of the reasons behind our interest LB233 and removing restrictions on the use of child support funds and making sure that, that money that a parent is trying to use to send to support their children is actually used to support those children instead of being held by the state to reimburse this program. There are-- there is research to show that it benefits children and the families participate more.

RIEPE: I don't want to be argumentative or a [INAUDIBLE], but you said some benefits, some publications, and I would say there are a whole bunch of them, that say the importance of a father in the house.

DIANE AMDOR: Um-hum. Yeah.

RIEPE: OK. Thank you, Mr. Chairman. Thank you.

HANSEN: Yes. Really quick, Benson, our legal analyst, is sending all the committee members Liz Hruska's report on TANF and it talks about what it can be used for, the ins and outs of it. It's an easy read so he's sending it to you right now. So even as we're going through it,

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if you want to look at it you can. Senator Ballard, did you have a question?

BALLARD: That may have answered my question, but maybe since you're here.

DIANE AMDOR: Sure.

BALLARD: Can you give me-- I know it's a federal program, but can you give me a little brief history on TANF, how it just, how it came about, and then kind of touch on is there any reporting requirements in TANF? Are they-- are, are these dollars that are going out are they-- is there some metrics that they're being used and the benefit of them?

DIANE AMDOR: Yeah, I can speak to that a little bit. I, I will say this is-- very excited to have a captive audience to talk about TANF. This has been an area of interest of mine since I started working at Appleseed, and in particular because of as soon as I started working at Appleseed, we started hearing from families who were-- I started in March of 2020. So everything was all up in the air. The rainiest day that the state has ever seen, and there were families contacting us saying that they were trying to access this program and they couldn't. That either they were being told that they couldn't meet their work requirements by attending online classes because there had to be an in-person class component and there were no in-person classes being held. That wasn't an option. And the flexibilities are there at the federal level to work with families on these issues and they still weren't able to access it. So that's not answering your question. It's a little bit of context of why I am dumping you with so much information about this topic today, and I appreciate it. But as far as-- so the history of TANF, it was AFDC federally. That's like, that was the federal direct cash assistance, the classic welfare program that you may have heard lots of stereotypes about throughout time. In the 1990s, there was welfare reform and AFDC was changed to TANF and then each state was then responsible for creating their own programs for what to do with those TANF funds. Initially, a lot of states replicated what they had been doing with the AFDC funds, and then over time, many states have shifted to spend a smaller and smaller portion of that funding on direct cash assistance. Other states have spent those dollars on other things. Some of them aren't even honestly having very much to do with addressing poverty at all, in my opinion. And other states like Nebraska just didn't spend as much and that's what got us in the state we are today as far as the rainy day fund.

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Reporting requirements, the state is required to have a, a TANF plan that they send to the federal ACF, Administration for Children and Families, so it has to lay out this is what we are doing with our TANF dollars and this is how we see them fitting into the purposes of TANF. So that's one of the main kind of accountability measures for the state and the department in that sense. Does that answer your question?

BALLARD: That does. Thank you.

HANSEN: Senator Ballard [SIC].

HARDIN: Did we happen to see that 131 mostly grow during COVID because, as you pointed out, there were inherent pieces to how a TANF function that were simply impossible during how the lockdowns functioned? So did most of that come during 2021 or-- and, and, therefore, has it kind of tapered down since then in terms of the hockey stick that must have taken place?

DIANE AMDOR: Um-hum. I have not been successful in getting the most recently updated TANF spending plan from the department in spite of sending a records request. In response, I received a PDF version [RECORDER MALFUNCTION] that had one tab but did not have the actual expenditures tab. If any of the committee members would like to urge the department to send that document, I could have answered that question for you today. But I would again say that some-- perhaps some of that decrease in TANF spending over the last couple of years, some of that could have been due to the things we would normally use TANF dollars for we were able to use all their federal dollars for. But again, that does not account for 2018, 2019, and most of 2020. Does that answer your question?

HARDIN: Kind of and thank you.

HANSEN: OK. Any other questions from the committee? All right. So you said 2017 has spent down most levels?

DIANE AMDOR: Since 2017?

HANSEN: 2017 is when the last time they spent down and they used up all TANF funds--

DIANE AMDOR: Federal--

HANSEN: --maybe even went over a little bit?

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DIANE AMDOR: Federal fiscal year 2017 is the last time that the state used the full amount of its annual grant.

HANSEN: OK. I can't remember if Senator Conrad was a senator in 2017. Were you? Oh, I was going to blame you for spending all that money. Now I have to blame Senator Riepe.

DIANE AMDOR: And again, I believe that the biggest difference in that is the amount that we're spending on childcare subsidies. And I think both the state and federal government have, over time, begun to recognize the importance of childcare to a functioning society. And we have started to find other methods of funding that so the need to use this specific program has decreased over time. That is an approved way to use TANF dollars. We don't think that's a bad way to spend TANF dollars. But again, the more that we can maximize the use of TANF funding for direct cash assistance and find other avenues to fund the other things that we currently use TANF for the better.

HANSEN: And if I can ask one more technical question, has, has the, the appropriation to the states been the same or have they changed over time, like, gotten up or down?

DIANE AMDOR: No, that's been \$56 million approximately since the '90s when AFDC switched to TANF. That is based on a percentage of what the state received in the last year that it received AFDC. And over time that block grant number has not adjusted, which means that it has lost value over time. But that's something for me to go talk to our federal representatives about. I won't bother you with that.

HANSEN: Well, thank you. Yeah, because, I-- one of my general concerns with anytime we get federal assistance is it's \$56 million now, then next year it's \$30 million. Right? Either way, I don't think we're tied to it so--

DIANE AMDOR: Right.

HANSEN: --it's, it's, it's--

DIANE AMDOR: Yeah, that one's been very consistent. If anything, I think federal advocacy is pushing for that to increase, not to decrease--

HANSEN: OK.

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DIANE AMDOR: --because that's not very much compared to what it used to be.

HANSEN: I just have a concern about our federal debt. I think eventually they're going to do something about it maybe. And so these programs like this, I think they're going to go after, you know, instead of Medicare and Social Security. So OK. Seeing no other questions from the committee, hey, thanks for filling us in, too, on TANF. Appreciate that.

DIANE AMDOR: Thanks for your time.

HANSEN: All right. We'll take our next testifier in support of LB310. Welcome.

ANAHI SALAZAR: Good afternoon, Chairperson Hansen and members of the Health and Human Services Committee. My name's Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I'm representing Voices for Children in Nebraska. I also combined my testimony for LB290 and LB310, so I'll be addressing TANF in both of them in my testimony. Every Nebraskan deserves financial stability and security for their family. Over the past three years, the pandemic has affected all Nebraskans, but has been especially devastating for families that were already struggling to make ends meet before the start of the crisis. Voices for Children supports LB290 and LB310 because each bill would make a needed change in our Aid to Dependent Children Assistance program that would put rainy day funds to use to support children in poverty immediately. The federal Temporary Assistance for Needy Families, or TANF program, is designed to help lower income families with children achieve self-sufficiency and is meant to respond to economic insecurity. States are allowed to carry over TANF funds from year to year to a point in a rainy day fund. Stuningly, our state has saved over \$110 million in federal TANF funds, nearly double the block grant amount we receive annually even as Nebraska families are still weathering the economic crisis of the pandemic, facing record-high inflation and preparing for a potential recession looming on the horizon. There are a number of programs funded by Nebraska-- in Nebraska by TANF. One is the Aid to Dependent Children, or ADC program, which provides time-limited direct cash assistance to families with children in deep poverty. Current participation in ADC is shatteringly low, in part because of the administrative barriers and in part because of the formula calculated to allow families eligibility is based off a remarkably low Standard of Need, or SON. The current Standard of Need used to determine eligibility for the Aid to Dependent Children is

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\$601 for an individual and \$140 for each additional individual in the home. For a two-parent household with two children, the Standard of Need by which income eligibility is determined is currently around \$1,021 a month or \$12,252 annually, less than the 50 percent of the federal poverty level of \$30,000 for a family of four in 2023. LB290's Standard of Need more closely mirrors the federal poverty line, providing a better match to the program's target population of children in poverty and an appropriate use of the \$110 million currently sitting in the fund. The Standard of Need is, is also used as part of the formula to calculate the amount of aid family-- of aid for each family in the program receives. Currently, ADC payments are made at just 55 percent of the Standard of Need. Voices for Children also supports LB310 because it would modify the payments upward to 85 percent of the, of the Standard of Need, putting more money immediately directly toward children's basic needs, the intent of the program. For the family of four described above or earlier under the current Standard of Need this would mean a little over \$300 per month in additional assistance to spend toward food, clothing, housing, and other basic necessities. TANF funding is meant for Nebraska's children living in poverty, not state investment accounts. By adjusting our calculations for Standard of Need and amount of aid, LB290 and LB310 would put accruing TANF immediately to use to protect children from the harmful effects of poverty in the long term and to build stronger Nebraska communities. We thank Senator Cavanaugh and Senator Conrad for bringing these bills forward and the committee for your time and care for Nebraska's kids. We urge you to advance it and thank you.

HANSEN: Thank you. Are there any questions from the committee? Yes, Senator Riepe.

RIEPE: Thank you, Senator Hansen. Maybe you can help me out on this, it says temporary assistance. What's, what's your definition of temporary? I mean--

ANAHI SALAZAR: Yeah, I think. I mean, every family situation is different, but you can't be on ADC, I believe, for more than 60 months.

RIEPE: 6?

ANAHI SALAZAR: 60.

RIEPE: Oh, 60.

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ANAHI SALAZAR: Yes. So it is-- it's not a program you can be on forever. There is a limit on it and temporary-- yeah, maybe if, if someone gets laid off and is looking for work it may take, you know, someone a month, it may take them a year or two, and we definitely want families to still be able to provide for their family, for their children in those uncertain times.

RIEPE: Five years didn't seem like temporary to me, but.

ANAHI SALAZAR: Yeah.

RIEPE: Judgment call. Thank you, sir.

HANSEN: Any other questions from the committee? All right. Seeing none, thank you.

ANAHI SALAZAR: Thank you.

HANSEN: Anybody else wishing to testify in favor of LB310? Welcome.

NATALIA TU: Thank you. Good afternoon, Chairperson Hansen and members of the Health and Human Services Committee. My name is Natalia Tu. That's N-a-t-a-l-i-a T-u, and I am the research and policy associate at the Women's Fund of Omaha. At the Women's Fund, we believe that economic security is again foundational to achieving gender equity in our states. And for this reason, we fully support LB310 and low-income working Nebraska families by increasing the maximum payment level for monthly assistance under the Aid to Dependent Children program. I have some more recent numbers, so since 2022 the Standard of Need for the program has been \$601 and \$140 for each additional eligible individual. And so considering, as other testifiers have mentioned before, the Standard of Need represents a combination of monthly recurring expenses for basic necessities, including housing, utilities, clothing, home supplies and, and insurance and taxes, among other things. If we take the current rate, that would provide only folks about \$330.55 to the recipient, so. And considering the rapidly increasing cost of living, this can really put low-income Nebraska families in a particularly vulnerable position. So put simply, we think the current maximum payment level is not enough. And we understand that the proposed legislation to increase this payment level to 85 percent will undoubtedly help hardworking Nebraska families, especially those headed by women. So we know that the gender wage gap has very real implications for the economic security of women in our state and Nebraska women still make less than men at 78 cents

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per dollar, and this disparity only grows for black and Latina women. These disparities, coupled with the fact that 33.2 percent of women work in low-wage positions in our state, and nearly a quarter of Nebraska households are headed by single women indicate just how critical direct cash assistance from the ADC program can be for women caregivers in our state to ensure that their family's basic needs are met. This committee has the opportunity to support the neediest families in our state by increasing this monthly maximum percentage to better reflect the ever [RECORDER MALFUNCTION] living and it will also provide hardworking Nebraska families the opportunity to build financial stability and eventually transition off the program. So for those reasons, we urge you to support LB310. Thank you.

HANSEN: Thank you for your testimony. Are there questions from the committee? I might have a, a couple of questions and I probably should have asked these of a previous testifier but I was curious and maybe Senator Conrad can answer them. Do we have, like, data or statistics on how the money is being spent? So we give it to somebody-- like, how do we-- is there-- what-- is there any, like, determining factors on how it's supposed to be spent?

NATALIA TU: Do you mean in terms of the recipients and how we decided that?

HANSEN: Yes. Yes. So we give the money to the recipient and, like, there's-- do we-- are there any-- I don't think there are any of like a, like a policy on how they're supposed to use it, right, for food or for housing or for rent?

NATALIA TU: Yeah.

HANSEN: Can they go out and just buy like a-- I don't know--

NATALIA TU: Right, that is my understanding, too.

HANSEN: --a scooter with it? I don't know. Not saying they're going to, but like, like I'm curious on, like, what they're spending the money on.

NATALIA TU: I think, you know, I think-- I believe my understanding is that that money is dependent on how the family wishes to spend it, especially since it's not that much money to begin with for each unit. So I will say I don't know that they actually collect the specific data of how each family spends that money, but I'll leave that to

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Senator Conrad and also folks for LB290 I'm sure will be able to answer that too.

HANSEN: Senator Conrad has all the answers for everything--

NATALIA TU: Yep.

HANSEN: --so I'm not worried about it.

CONRAD: Just remember that.

HANSEN: OK. All right.

NATALIA TU: Thank you.

HANSEN: Any, any other questions? Just making sure. All right. Thank you.

NATALIA TU: Thanks.

HANSEN: Anyone else wish to testify in favor?

GARRET SWANSON: Hello.

HANSEN: Welcome.

GARRET SWANSON: I also wrote mine and just generally in support of LB310 and LB290 and ADC in general. But my name is Garret Swanson, G-a-r-r-e-t S-w-a-n-s-o-n, and I'm with the Holland Children's Movement in support of LB310 and LB290. Increasing Aid to Dependent Children payments can be critical for families living in poverty. Poverty often means that individuals and families struggle to meet their basic needs, including food, clothing, housing, and medical care. These struggles can have significant impacts on the physical, emotional, and mental health of individuals and families. By increasing the amount of money in ADC payments, families living in poverty can have access to more resources to meet their basic needs. This can help reduce food insecurity, ensure that children have adequate clothing, clothing and a safe place to live, and provide families with access to necessary medical care. Additionally, increasing the amount of money in ADC payments can help reduce the stress and anxiety associated with living in poverty. When families have access to more resources, they may experience less financial strain and be better able to plan for the future. This can lead to improved mental health and well-being for adults and children.

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Finally, increasing the amount of money in ADC payments can help address systemic inequalities that contribute to poverty. Families living in poverty often face significant barriers to education, employment, and social mobility. By providing increased financial support, public assistance programs like ADC can help mitigate these inequalities and provide families with the resources they need to build a more stable and secure future. Senators, with the rising price of goods due to inflation is more important than ever that our support systems keep up with the increased needs. I would also stress this legislation isn't just increasing hand outs. As stated in the fiscal note of both bills, there will be an increase in participation in the Employment First Program. This means more job training and assistance for Nebraskans looking to reenter the workforce or gain the necessary experience and skills to provide a better standard of living for themselves and their families. Thank you to both Senator Conrad and Senator Machaela Cavanaugh for bringing these bills to aid Nebraskans. We urge them to be voted out of committee. And I know the department is here and will probably testify on a lot of these technical questions. It's such an expansive program.

HANSEN: All right. Thank you for your testimony. Are there any questions from the committee? Senator Walz.

WALZ: I just have a quick question. Hi, Garret. Thanks for coming today. The paragraph that you talked about, not just increase in hand outs, but it's both bills will be an increase in participation in the Nebraska Employment First Program means more job training and assistance. I'm just curious, does it also allow individuals to attend school to receive-- OK.

GARRET SWANSON: Yeah, so--

WALZ: It might have been a simple question, but I just wanted to--

GARRET SWANSON: Yeah, and that's definitely something maybe the department can touch on a little bit more about it. It, it's the Employment First Program, which is a partnership between DHHS, Department of Labor, and another organization, I'm trying to remember, and they can provide specialized assistance and even job placement with certain businesses. I don't know exactly if they do stuff with educational learning opportunities, but I do know they help with, like, on-the-job training, which is also, you know, a good education.

WALZ: OK. All right. Thanks.

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HANSEN: Any other questions? Senator Riepe.

RIEPE: Thank you, Chairman Hansen. I noticed in your testimony, in your written piece here, it says-- it said this fund, and I wanted to clarify to see if this is correct, this can help reduce food insecurity. So it's another, if you will, pipeline. They can use the money as they choose to spend money on food for children and family?

GARRET SWANSON: Yeah, I don't know. I'm not very well-versed on what all the stringent guidelines are for what they can spend the money on and, like I said, that might be a good question for the department when they testify. But ADC giving this money to family, I believe families can-- will make the right decisions for that best benefits them and this will help them get out of poverty.

RIEPE: Do you know if there are any restrictions? I know I've seen some documentaries at times that, you know, are they limited to certain cuts of meat or, you know, I mean, what, what-- because these are the things that don't bode well, if you will--

GARRET SWANSON: Yeah.

RIEPE: --the general public if they-- you can hear these [INAUDIBLE] stories of one person bought a lobster or a steak or something like that and it gets blown up in the paper--

GARRET SWANSON: Sure.

RIEPE: --or it gets blown up, whatever.

GARRET SWANSON: Yeah, I've seen stories like that when it comes to our, our SNAP program, obviously this is different than our SNAP program. It's actually an interesting note in the fiscal note if, if, if you've had a chance to read of that even the fiscal note states passing this kind of legislation would lessen the burden on SNAP. So if we are interested in that as a problem, this is actually a, a good way to combat that in, in my opinion.

RIEPE: OK. OK. So it lessons that burden.

GARRET SWANSON: Yeah, lessons that burden on other programs like SNAP.

RIEPE: OK. Thank you, sir. Thank you, Chairman.

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HANSEN: Yes. Any other questions? What-- maybe another-- maybe the department can answer this one, but the families who do get this does that affect the-- their eligibility for other programs by affecting their poverty percentage?

GARRET SWANSON: That is a really good question, because in the fiscal note it also mentions programs like LIHEAP, namely SNAP. And in the fiscal note, it notes that there could be less of a burden on these programs. So to me, that would mean, yes, that if they get these kind of benefits--

HANSEN: I would assume, yeah, from what you said.

GARRET SWANSON: Yeah.

HANSEN: So, like, if they're, like, right on the kind of like 120 percent or 140 percent poverty level or 120 percent and then they get this and it moves over than they're not eligible--

GARRET SWANSON: Yeah.

HANSEN: --for SNAP. I didn't know for sure if that [INAUDIBLE].

GARRET SWANSON: That's, that's how I read the fiscal note.

HANSEN: OK.

GARRET SWANSON: Oops. Sorry. But yeah, it might be a more better question for the department but that-- I'm-- that's how I read the fiscal note.

HANSEN: OK. All right. Thank you. Any other questions? Seeing none, thank you for coming.

GARRET SWANSON: Thank you.

HANSEN: Anybody else wish to testify in support? Welcome.

RASNA SETHI: Thank you. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Rasna Sethi. That's R-a-s-n-a S-e-t-h-i, and I'm the policy analyst with OpenSky Policy Institute. I'm here to testify in support of LB310 because TANF provides necessary dollars to enable families to achieve economic stability. The bill is responsive to economic conditions and providing direct cash assistance is an effective approach to addressing poverty.

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First, ADC funded by-- is funded by a \$56 million a year block grant under TANF and it provides direct cash assistance to help families achieve [RECORDER MALFUNCTION]. Currently, only 24 percent of our TANF block grant is used for ADC. This bill would increase that amount. I calculated it for LB290, but I don't know the percentage it would increase for LB310, but it would increase the benefit amount for a family of three from \$485 to \$750. This bump would help families afford basic necessities, including food and, more importantly, achieving economic stability through stable housing. Right now, TANF recipients cannot afford fair house-- fair market rent as determined by the U.S. Department of Housing and Urban Development, which is \$833 for a two-bedroom apartment in Nebraska. ADC, at its current benefit level, only constitutes for about 56 percent of FMR. Whereas in 1996, it made up for about 75 percent. That's only one area where ADC benefits have failed to match the cost of living and LB310 would make the program more responsive to actual expenses families in poverty face. Under the current schedule, the benefit levels have lagged behind 2022 [RECORDER MALFUNCTION] 27 percent. Just over the past year, the prices of groceries rose 12.2 percent, which is the greatest single increase since 1979. This bill would address that discrepancy going forward. According to the fiscal note of this bill the cost distribution of-- would only be a fraction of the TANF rainy day fund of \$130 million. For these reasons, we urge the committee to support LB310. Thank you.

HANSEN: All right. Thank you for your testimony. Are there any questions from the committee? Seeing none, thank you for coming. All right. Anybody else wishing to testify in support? Seeing none, is there anybody who wishes to testify in opposition to LB310? Welcome.

ANDREW KECK: Good afternoon. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Andrew Keck, A-n-d-r-e-w K-e-c-k, and I am the deputy director of finance for the Division of Children and Family Services within the Department of Health and Human Services, DHHS. I'm here today to testify in opposition to LB310. LB310 would increase the payment standard for the Aid to Dependent Children, ADC program, and compromise the sustainability of current TANF-funded programs. The ADC program is funded by the Temporary Assistance for Needy Families, TANF Block Grant and state funds. Based on the Administration for Children and Families TANF Cash Assistance Report, Nebraska's TANF cash assistance payments are 28th highest in the country; Colorado is 18th, Iowa is 32nd, and Missouri is 47th. The proposed increase in LB310 would make Nebraska the sixth highest ADC cash payment in the country. ADC

payments are calculated using the Standard of Need. The Standard of Need represents a regular recurring monthly cost of a family's basic living needs, which includes the monthly combined cost of food, clothing, sundries, home supplies, utilities, laundry and shelter, taxes and insurance. The current ADC payment is statutorily calculated using 55 percent of the Standard of Need. LB310 would increase the ADC payment calculation to 85 percent. The current maximum monthly payment an individual receives in Nebraska is \$331. This bill would increase that payment to \$511. The proposed increase may result in more applications for ADC, causing an increased workload for DHHS. This would require additional positions. The increased payment obligation in this bill would compromise the department's ability to sustain its other programs that are currently TANF funded. These programs include, but are not limited to, Healthy Marriage and Family [SIC] Initiative, Jobs for America's Graduates, Home Visiting, and several child welfare services that support maintaining children in their family home. Even if no additional programs are funded by TANF, LB310 could fully deplete the TANF balance by 2030. LB310 would also impact families' eligibility and assistance received for other economic assistance programs that are income based. Per federal law, both the Supplemental Nutrition Assistance Program, SNAP, and Low Income Home Energy Assistance Program, LIHEAP, consider the ADC payment as unearned income when determining eligibility. An increase in ADC payment amounts could impact a family's eligibility for SNAP and LIHEAP causing a decrease in benefits received for some households. The ADC payment increase could also impact families' eligibility for other income-based programs not administered by DHHS, such as housing assistance through the United States Department of Housing and Urban Development. Additionally, other economic assistance programs use the ADC payment standard such as the Emergency Assistance Program. Therefore, as the ADC payment standard increases, the maximum payment amount for the Emergency Assistance Program will also rise. Another bill introduced this session, LB290, would also impact the ADC payment amount. If both LB290 and LB310 were to pass, the payment amount would be further increased, thus depleting the TANF funds at an accelerated rate. In summary, by increasing the payment standard for ADC, LB310 would compromise the sustainability of current TANF-funded programs and it could negatively impact families' eligibility for other economic assistance programs. Given these considerations, we respectfully request the committee not advance this legislation. Thank you for your opportunity to testify today and I'd be happy to answer any questions.

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HANSEN: All right. Thank you for your testimony. Any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Thank you. Thank you for being here. Don't usually get to ask questions of somebody who's testifying simultaneously against one bill and also mine but I will try to keep it just to this bill. In your testimony, you talk about some programs. What does it cost annually to operate the Healthy Marriage and Fatherhood Initiative?

ANDREW KECK: We have \$2 million for that program.

M. CAVANAUGH: And the Jobs for America?

ANDREW KECK: Right now, we have \$2.9 million.

M. CAVANAUGH: \$2.9 million, and that is operated by the state or is that given to--

ANDREW KECK: Which program?

M. CAVANAUGH: The Jobs for America.

ANDREW KECK: That is a cooperation with the Department of Labor and the United Way of the Midlands.

M. CAVANAUGH: OK. The Home Visiting, how much does that cost?

ANDREW KECK: Right now, we have about \$2.5 million.

M. CAVANAUGH: OK. All right. So this committee had a hearing, an interim hearing on TANF, there's \$130 million in the rainy day fund. In that hearing, it was very clearly stated that the department cannot spend down the money in the rainy day fund unless the Legislature takes action to change eligibility. So we're trying to change eligibility with these bills and you're opposing us doing that. Can you explain that?

ANDREW KECK: LB310 does not change any eligibility.

M. CAVANAUGH: It increases the amount.

ANDREW KECK: The amount of payment, but not eligibility.

M. CAVANAUGH: But you can't spend it unless we do that.

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ANDREW KECK: DHHS has a plan for all these different types
[INAUDIBLE].

M. CAVANAUGH: Oh, my goodness. He said the right words. The plan,
what's the plan?

ANDREW KECK: The plan is currently under review.

M. CAVANAUGH: When can we expect the plan?

ANDREW KECK: It's still under review at this time.

M. CAVANAUGH: When can the committee expect the plan?

ANDREW KECK: I do not have a defined date at this time.

M. CAVANAUGH: So you want us to take no action on \$130 million rainy
day fund because you have a plan under review that you cannot give us
a timeline on?

ANDREW KECK: DHHS has a plan that is still under review.

M. CAVANAUGH: Are you hazing me?

ANDREW KECK: No.

M. CAVANAUGH: I feel it. I feel like this is, like, a joke. I
genuinely feel like this is a joke.

ANDREW KECK: No.

M. CAVANAUGH: I don't feel like you're taking this seriously or the
department is not taking this seriously. We had an interim-- this
committee had an interim study about TANF and you're coming in here
and telling us that you have a plan, but you won't tell us what the
plan is and you won't spend \$130 million and you don't want us to
spend \$130 million because you have a plan, but you won't tell us what
the plan is. This feels like a joke. And if it's not a joke, it's just
horribly disrespectful to the people of Nebraska, especially those
that are financially hurting. It's horribly disrespectful.

ANDREW KECK: Part of our plan is to have these funds used for other
purposes outside of just the ADC grant. Some of them include the Jobs
for America's Graduates, which does improve access to unemployment--
for employment. We are looking to expand that one in the future as
well too--

M. CAVANAUGH: By--

ANDREW KECK: --about that.

M. CAVANAUGH: It's \$2.9 million.

ANDREW KECK: The current budget in the future, you have \$6 million budget for that one.

M. CAVANAUGH: When in the future?

ANDREW KECK: Next year in '25.

M. CAVANAUGH: OK, so--

ANDREW KECK: Again, it's a slow roll out.

M. CAVANAUGH: --so that's \$3.1 million.

ANDREW KECK: Um-hum.

M. CAVANAUGH: We're still not spending down-- you're still not spending down \$130 million.

ANDREW KECK: Part of our plan also, too, is to continue to expand our childcare. Part of the reason why our balance has, has grown in the last--

M. CAVANAUGH: What do you mean expand childcare?

ANDREW KECK: We're looking to look at the subsidy program, reach out to families who may not be using, using subsidy childcare. During the pandemic we've seen our numbers decrease and so we're reaching back out to those families.

M. CAVANAUGH: And how would the TANF money be used for childcare? It would be given direct assistance to families so that they could pay for childcare?

ANDREW KECK: Prior to the-- prior to the pandemic, we were spending on average \$16 million a year. And due to the low numbers as part of the pandemic, now we're much lower than that, around \$12,000.

M. CAVANAUGH: I'm, I'm, I'm, I'm just asking for clarification on how that works, like the mechanism. So you're, you're talking about

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childcare, but are you giving money to [RECORDER MALFUNCTION] like to pay for childcare?

ANDREW KECK: Um-hum.

M. CAVANAUGH: So direct assistance to pay for childcare?

ANDREW KECK: So we spend our General Fund dollars first for childcare and then we use the TANF funds for those--

M. CAVANAUGH: OK.

ANDREW KECK: --as part of the, the childcare proram-- program.

M. CAVANAUGH: And how-- is there a cap on how much we can spend on that?

ANDREW KECK: Up to 30 percent of the TANF grant.

M. CAVANAUGH: Can be used for childcare?

ANDREW KECK: Um-hum.

M. CAVANAUGH: OK.

ANDREW KECK: That's part of the federal rules.

M. CAVANAUGH: OK. And that doesn't-- does that 30 percent include administrative costs or is that separate? Can we--

ANDREW KECK: Separate.

M. CAVANAUGH: So we can also use the administrative costs can be offset by the TANF. This is helpful. I'm not being-- I'm being serious. This is helpful. This is helpful information.

ANDREW KECK: Yeah. You bet. Yep.

M. CAVANAUGH: Like explaining to us what you're doing, why you're doing it, and how it's working, that's what we want. When the department comes here, especially when it comes to TANF, we want to know what is going on. It is very frustrating to be told you have a plan and not anything else. So thank you for this information. I look forward to hearing from the department a timeline on this plan, and I highly encourage you prioritizing getting that to this committee. Thank you.

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ANDREW KECK: Thank you.

HANSEN: Any other questions from the committee? All right. Seeing none, thank you.

ANDREW KECK: Thank you.

HANSEN: Is there anyone else who wishes to testify in opposition? All right. Seeing none, anyone-- anybody wish to testify in a neutral capacity? Welcome.

KJERSTEN HYBERGER: Good afternoon, my name is Kjersten Hyberger. That's K-j-e-r-s-t-e-n H-y-b-e-r-g-e-r, and I'm here just to testify in a neutral capacity. Senator Hansen and Senator Riepe, I've heard you both ask previous testifiers about monitoring how the recipients spend this money. I'm just here as a single mom. I have not received TANF or ADC, but I do currently receive SNAP and I am on a program with the Housing Department. I am fully responsible for all five of my children. I'm a full-time student. I had to go back to school after putting an ex-husband through 90 percent of the school and then he dropped out. So I'm just here as one of those people that is low income and working day in and day out to try and better my life and provide a, a platform of stability for my children to not have to experience what I have. And I just want to share a little bit with you. I very recently was-- came up to the top of the list on Section 8 housing, that's where they pay a portion of my rent, and it was very scary because they have-- you have to find an apartment. They decide, you know, how many bedrooms you qualify, and then you have to find an apartment in this window. And with the current housing market rates, if I would have had to move out of the apartment that I was already living in, I wouldn't have been able to find a place in Lincoln that would allow my children and I to rent within the guideline and actually qualify for a stipend on my rent. I'm doing my internship now, getting ready to graduate, and I had to be afraid that the \$15 an hour I was going to make for a few weeks was going to mean I didn't qualify for the rent anymore. People that are receiving things like ADC and TANF and food stamps, I know there is-- you have seen these reports of isolated incidents of people abusing that and absolutely that happens but by and large we are hard working people. The cost of living right now is-- it's just extravagant. And then I need a vehicle that's reliable. I'm working, I'm going to school, I have kids and I have to pay the state, you know, taxes on my car every year. I had to get four new tires. That's \$600, if I'm lucky. The expenses are one on top of the other. So if I'm qualifying for something like LIHEAP. I'm

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not taking a \$300 a month payment and buying lobster or a brand new scooter for my bike. Now my kids have birthdays so, yeah, my kids are going to get gifts, but other people don't know where those resources come from or if that was grandparents and to act as though we would be mispending the state's funds, quite honestly, I wasn't planning on testifying, but I, I was offended to be in the room. And you guys don't know my situation by looking at me, I don't necessarily look like what you might think a poor single mom of five kids looks like. But let me just tell you, my kids are now almost 16, 18, 20 and 22. My oldest just graduated from college and is in LPS as a teacher. My next child, I managed, she worked her butt off to get the highest scholarship for her dream school in New York, and I put on a credit card trips out there to get her back and forth all through COVID. So also, sorry, I need a drink of water. You know, I have access to credit because at one time my life wasn't bottomed out and so now I'm paying 15, 16 percent that I'm going to have to, you know, be accountable for once I do graduate and get a job. So I just wanted to lend some perspective to what the recipients look like because they look like me. And if you want to ask me any questions, I'm completely open to it and I will be honest with you. That is really all I have to share. I apologize. I'm kind of nervous right now and my throat is dry. Thank you so much.

HANSEN: It's OK. Thank you for your testimony. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you. Well, I would like to say this is, you know, none of our questions to you or the other witnesses is intended to be an attack by any means. We have a responsibility as a committee, and we're here elected by taxpayers so we have to ask some of these what seem to you to be mean or disrespectful. We don't intend for them to be that way, but we do have a fiduciary duty to ask tough questions, so.

KJERSTEN HYBERGER: Yes, Senator, I agree that you do.

RIEPE: And I don't mean for this to in any way be personal to you, it's just because we're generally dealing with larger numbers. That's what, as a committee, that's what we have to do. So I just wanted to clarify that so that you didn't leave here thinking we're as rotten as some other people might think we are. Thank you. Thank you, Mr. Chairman.

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KJERSTEN HYBERGER: Thank you for that clarification. I don't think that. I mean, I want to work in policy. That's what I'm in school for. That's why I'm here. I'm working on my internship. I'm just not covering the bill we're talking about now so I'm here at my own accord.

HANSEN: OK. Any other questions from the committee? Senator Day.

DAY: Thank you, Senator Hansen. I just wanted to say-- is it Kyleberger [PHONETIC]?

KJERSTEN HYBERGER: Hyberger.

DAY: Hyberger. I appreciate you coming and sharing your story. You're a political science major?

KJERSTEN HYBERGER: I'm actually an environmental studies major with a policy focus because I think that people making policy about the environment should actually understand the science behind it. So I left culinary after losing my job twice at the beginning of COVID. I just said, I'm out of hospitality, I love science, I want to impact policy, and I think I should be informed to do that.

DAY: Thank you for coming and sharing with us today. I know what it feels like to be a single mom and to be struggling and to go back to school to get an education. And I know that sometimes these questions can feel really personal when you're just trying to put food in your kids' mouths. And I just appreciate you coming up here and sharing.

KJERSTEN HYBERGER: Thank you.

DAY: Thank you.

KJERSTEN HYBERGER: And I'm not offended and I do-- I know you take the weight of the responsibility of your job seriously, and I thank you for that. But sometimes just putting a face, you know, to these abstract stories can be helpful.

HANSEN: I was going to mention that because, to me, testifiers such as yourself are more-- lend more credibility, I think, when it comes to bills. Because we hear from lobbyists all the time, you know, which give us good information and fill us in on some of the minutia of the bill, but a lot of times we don't have actual people who are affected by the bills that we are listening to come and testify so I appreciate you coming.

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KJERSTEN HYBERGER: Thank you.

HANSEN: OK. Any other questions? All right. Seeing none, thank you.

KJERSTEN HYBERGER: Thank you.

HANSEN: Anybody else wishing to testify in a neutral capacity? All right. Seeing none, we'll welcome up Senator Conrad to close on LB310. And for the record, we did have some letters. We did have 16 letters in support, zero in opposition, and zero in the neutral capacity, so.

CONRAD: All right. I'll take it.

HANSEN: The floor is yours.

CONRAD: Thank you so much, Chairman. Thank you so much members of the committee for your consideration and good questions during this hearing. I wanted to just respond to a couple of threads of questioning to try and be helpful to the committee in your further deliberations. So the first question can have a certain set of questions around, you know, what kind of strings are on cash assistance, what can these dollars be utilized? So I want to respond in a couple of different ways as I understand the program design. So in order to be eligible for cash assistance in the ADC, TANF programs, you have to meet a bunch of requirements, work requirements, job training, job search, education. So those are the strings what we say that you need to do to be eligible for this program's cash assistance. And then once the cash assistance comes to you, it's, it's cash assistance. So it's meant by design to be flexible, to meet the individual family needs, basic needs for things that aren't covered through other programs. Senator Hansen, to your question, there have been fairly extensive, exhaustive studies about what families utilize these cash assistance benefits for, and perhaps there may be outliers here and there, but consistently what the research shows is it's childcare, transportation, educational costs, food and housing. It's meeting its intended policy goals, which is to meet a family's basic needs that aren't otherwise accounted for. So I'm happy to follow up with the committee and provide some of those citations, but that's kind of the overview and picture of how the program's intended to work and how it is working. The other thing that I wanted to touch upon, because I think it's important dealing, you know, kind of trying to sort through all of these different programs and their complex political and fiscal and legal histories and particularly in an era of term limits where, you know, everybody's grappling to get up to speed

with the alphabet soup, TANF, ADC, what all of these different things mean and by no means do I pretend to be an expert on these topics but I am an enthusiastic student. And so one thing that I thought would be helpful to kind of talk about was just a little bit, very, very generally, Ms. Amdor did a great job of laying this out, but you might remember during the 1990s under the Clinton administration there was a pretty pitched battle about welfare reform in the country. And so President Clinton, working with Congress and working across the political spectrum, there was a lot of push and pull about how to emulate our, quote unquote, welfare programs to shift kind of how they were operating to meet some different policy goals, to address questions of misuse or waste or fraud. And so there were all different kinds of things put into place, lifetime limits, monthly limits, family caps, all of these different kinds of eligibility things. So this was, this was the product of a long and hard-fought political compromise to try and rethink welfare as we know it. You might remember hearing about that from the 1990s. So these are the programs that have carried forward. So as part of that, the federal government says, hey, states, we're going to be giving you this chunk of change, millions and millions of dollars. But we're also going to give you the flexibility to figure out the best way to use this to meet your citizens' needs in your particular state. According to some big outlines, childcare, family planning, marriage promotion, basic needs, those are kind of the big four in terms of how we can utilize these funds. So that being said, I, I want to also note kind of some of our history here in Nebraska. So we've made strides in updating our cash assistance, our self-sufficiency support work, support programs over the years and across the political spectrum. There was a huge effort when the state came together to say, hey, we're going to, we're going to create LB775. We're going to create a huge tax incentive program for big business and economic development. And as part of that conversation, senators said we're also going to address what we're doing for the least among us. And they made a concerted effort to help to address families in need at the same time they were providing economic assistance to some of the largest businesses in our state. So I want to note that as one historical point in terms of kind of where we are in Nebraska and how we got there. The other thing I want to let you know is I had the opportunity before I was member of the Legislature the last go around and when I was a baby lawyer at Nebraska Appleseed, kind of just cutting my teeth on a lot of these important issues, we had an opportunity to work with people like then-Senator Mike Foley, who then went on to, of course, be our Lieutenant Governor and our Auditor, etcetera. And because of his deep

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and abiding faith perspective, we worked with him and other senators to remove some of the restrictions on cash assistance in Nebraska's program, like the family cap that penalized larger families and made economic decisions harder for families that were living in poverty. So we've continually found ways at different points in our political history to come together, maybe for different reasons, but to find common ground in consensus that includes helping to lift up families in need and give them more pathways out of poverty like these programs were intended to do. The other thing that I think is important to note on that continuum of our history is look no further than 2015 when Senator Kathy Campbell was Chair of this esteemed committee, and this was the last time we increased the Standard of Need in the ADC program was under her leadership, you know, about eight years ago or so. And Senator Campbell brought forward this because we've continually updated our programs to, to meet families needs over time [RECORDER MALFUNCTION] forward a measure to increase the Standard of Need. And you can go back and you can check the transcript. The HHS testimony was almost verbatim to what you heard today, that if we make these changes we'll run out of money, we'll see a run on the program. And it's, it's their job to be cautious and to look at all of the different factors that might come into play. However, their predictions were wrong. At that point, we had about \$50 million in our rainy day fund and they said that if we made those Standard of Need changes it would basically wipe out the program. In fact, we made those changes and the rainy day fund has tripled. So I ask you to take that information into consideration when evaluating the weight given to HHS's prediction and testimony that you heard here today. And to, Senator Riepe, to your point and I'm glad that you brought it forward, we have to be unafraid to ask hard questions and we absolutely have to honor our fiduciary duties. But let me be clear, we need to ask those same hard questions to code agencies and to state agencies and executive board agencies that come before us because we have legislative oversight of how they operate. And that money is not their money. That money is taxpayer money that is funneled through the federal government and is meant to support poor families. It's meant to support working families. It's not meant to be under the control and discretion of HHS. It's meant to be pushed out to help poor families. Because when we give poor families a little breathing room, it helps them work their way out of poverty. And that's the goal. That's the goal for all of us. The best anti-poverty tool we have available is a good job, right? But in order to get a good job, you need to have education. You need to have job training. You need to have the ability to secure and seek that job. And that's exactly what

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the policy goals and values underlying ADC are. So I just wanted to, to point that out very clearly. And then the last piece I will just note is I've lived through the recessions in this body in trying to figure out how to balance the budget. And let me tell you, it is, it is scary and it is arduous when those kinds of fiscal conditions present themselves. There's certain pots of money that we can raid, that we can bring into the General Fund to help meet our basic, basic obligations. But there are some that don't have that kind of flexibility, like this rainy day fund. We can't just run out and make a run on that and bringing it into the General Fund when times are tough because these funds are meant to go to poor families in need working their way out of poverty. But your point is well taken, Senator Riepe. And here we are, of course, today at a time of unprecedented fiscal health in our state. But what we've seen continually is that the least among us, families in need, families that are struggling, families that are working their way out of poverty, have continually been left out of the conversation, whether it comes to the tax relief that this Legislature provided in recent years that left out middle class and low income [RECORDER MALFUNCTION], whether it's a lack of an ability to update these critical work support programs. So I firmly believe the time is right to address this issue, to make some updates, to evolve the programs, to meet our shared policy goals, and advance our shared values. Because we all know that we all do better when we all do better. And it's critical that we use the resources that we have available to help our constituents who can't hire a bunch of high-priced lobbyists to come down here and put in bills, but are counting on us to be the voice for all of the people in our district and all across the state. The last piece I'll leave you with is this, there is a really incredible organization in north Lincoln that I volunteer at frequently. It's called the Center for People in Need, and they serve people all across Lincoln, low income, new immigrants. And my family, and I take my kids there as well because I think it's a really important experience for, for us to volunteer together in that, in that capacity. And it's always a very rich experience. And in talking to the families in need who utilize the center's services, do you know what they're really looking for sometimes when we do back-to-school events or Christmas toy land or whatever it might be? They're eager to see things like menstrual products. They're eager to see things like notebooks and school supplies and things like that, that they don't have those extra pennies at home and other programs don't cover to meet their basic needs. Those are the things that, like, are in the hottest demand. And that, you know, really are what the families are

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looking for help in, in trying to find to live their lives with dignity. And that, I think, is such an important experience because it reminds me about really what we're talking about here. And the current Standard of Need is \$601 for an individual and \$140 for each additional member household. Changing the Standard of Need to 85 percent would be very, very modest to help families meet basic needs and live with dignity to cover things that other programs don't cover to help live their daily lives. So I'm happy to answer questions. Thank you for indulging in the history lesson. But I think that this, Senator Cavanaugh's measure, other measures that you have before you, the SNAP bill, etcetera, we need to put our heads together and figure out a package that honors our values, that helps advance our policy goals, and that it is reflective and thoughtful of where we are in our state's fiscal position. Thank you.

HANSEN: Thank you for the history lesson, especially for Senator Ballard because I think during the Clinton administration he was still learning to crawl. [LAUGHTER]

BALLARD: I was just born. [LAUGHTER]

HANSEN: So even I remember the great compromise in 1986 or something like that.

CONRAD: Yeah, that's right. That's right.

HANSEN: And also, I think you had a good point that what I was trying to get at--

CONRAD: Yeah.

HANSEN: --is where the money is being spent, because I think if you give a family general money--

CONRAD: Yeah.

HANSEN: --where they are going to spend the money kind of gives us an idea as legislators what's important to people. Right?

CONRAD: That's right.

HANSEN: And so that kind of gives us an idea of where we need to allocate resources, not just now but in the future so I--

CONRAD: Right.

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HANSEN: --think gave us some direction on whether it's childcare, education, or transportation--

CONRAD: Yes.

HANSEN: --where people want to spend their money. Right?

CONRAD: That's exactly right. And Senator Hansen, also as I follow up with some of these additional citations for you and the committee to take a, a deeper look at, there's been some really exciting research across the country and a pilot program right here in Nebraska that maybe you have heard about that demonstrates when you give families in need direct cash assistance, it has lifelong, lasting, positive impacts on brain development, on educational attainment, on career trajectory. And so I'd really like to make sure that those learnings are incorporated into our consideration for programs like this as well.

HANSEN: OK. Are there any questions from the committee?

CONRAD: Thank you.

HANSEN: I have a question again.

CONRAD: Sure. Yes, please.

HANSEN: OK. You have an eligibility as in-- not so much, not so much in eligibility but the requirements of the program.

CONRAD: Um-hum.

HANSEN: How does somebody become eligible for it, like as, like as a certain poverty level?

CONRAD: Yes.

HANSEN: Is it like-- what, what is it, do you know?

CONRAD: Oh, gosh, I don't know it right off the top of my head. I think that's contemplated in Senator Cavanaugh's bill that you will hear, I think, today as well in terms of changing the eligibility. But it's, it's very low. And if memory serves, Nebraska perhaps is, is lower than many other states when it comes to the actual eligibility to enter the program. It's based on income primarily and family size and those kinds of things. And then once you meet that eligibility

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threshold you have to do the job training, the work search, the education or the actual work hours to stay within the ADC program to get the cash assistance program.

HANSEN: OK. And, and if, if I remember I think this helps-- you're talking about this is used-- supposed to be used for needy families.

CONRAD: You got it.

HANSEN: I think that's two out of the four requirements, isn't it? The other two is maintaining, like, two marriage households. Right? And the other one is out of wedlock, like, trying to prevent out-of-wedlock relationships. Right? Those are, like, the four criteria.

CONRAD: Yeah, that's right. I think it's childcare, I think it's family planning related, and then I think there to help families in need, and then family preservation or compensation--

HANSEN: Yeah.

CONRAD: --kind of policy goals that we talked about a little bit there.

HANSEN: OK.

CONRAD: And I would be very open-minded and will be before the committee next week to talk about how we can improve access to family planning services and how that needs to be a piece of the puzzle with a lot of the issues that we have before us. But would be another piece to think about in relation to these funds. In addition, the childcare piece which I know goes hand in glove with our workforce challenges as well.

HANSEN: OK. I got to ask one more thing.

CONRAD: Please.

HANSEN: Because you touched on-- you said-- is it 2015 is when DHHS came and said their concern was if we spend it this way we're going to spend it down?

CONRAD: Yes, that's right.

HANSEN: Wasn't it spent down in 2017?

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CONRAD: I, I don't believe so. I will go back and double check. I think 2017 perhaps was one year where we actually came close to utilizing the full amount of our federal block grant. I don't think that our rainy day fund was depleted in 2017.

HANSEN: Got you. OK.

CONRAD: That might be the distinction there.

HANSEN: OK.

CONRAD: One thing that, that does come to mind, though, and I think goes to Senator Cavanaugh's line of questioning, HHS has been promising this committee a plan in regards to this issue since, I think, 2017. And here we are this many years later. And I think that that's probably why you hear such frustration in her voice. And I know Senator Arch and others have expressed similar concerns about how we find ourselves in this position on such a critical issue with such a, you know, a, a big state agency that has a lot of tough work before it and a lot to balance. But it's, it's just simply not acceptable from a taxpayer perspective that we would need to wait this long to get a clear plan from a state agency about federal dollars that are not their own.

HANSEN: As much as it pains me to admit, Senator Cavanaugh might have a point.

CONRAD: Yeah, let the record reflect. Yes.

HANSEN: She might have a point.

M. CAVANAUGH: It doesn't pain you that much.

CONRAD: Yes, yeah, absolutely. And thank you so much, Mr. Chairman. And in closing, I'd ask you to let one thing remain on your heart as I close out this bill. We heard together over the last many days on the floor of the Legislature about how important it was to fully explore all strategies to help families in need. Now I came down on a different side of some of those strategies in the bills that were before us on the floor this week but many of you did not and I take you at your word sincerely that you want to do what you can to help families in need. This is a piece of that puzzle in addition to LB753. Thank you.

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HANSEN: OK. Thank you. All right. Well, that will close our hearing for LB310, and then we'll actually open up right now with LB510 and--

CONRAD: OK.

HANSEN: --welcome Senator Conrad again to open for this one.

CONRAD: Thank you. Thank you so much.

HANSEN: Welcome back.

CONRAD: Thank you, Senators. Thank you, Chairman Hansen. My name is still Danielle Conrad, D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I'm here representing the "Fighting" 46th Legislative District of north Lincoln and I am pleased to introduce LB510. LB510 would require the Department of Health and Human Services to include annual cost-of-living adjustments in all child welfare rates paid out of the Program-- thank you so much-- paid out of the Program 354 in order to ensure the needs of vulnerable families are being met and to assist providers in budgeting. So like many of you who just last year or in years past who were out on the campaign trail, I had a chance to meet with different stakeholders, both in my district and those that had business before the Legislature. And I had a chance to hear from a lot of child welfare service providers about frustrations they were having in ensuring equity in their contracts with the Department of Health and Human Services. One of the solutions that they identified to kind of help to address the needs of childcare, child welfare service providers across the state was to ensure that perhaps cost-of-living adjustments could be kind of baked into state law or the contracting process to help them address the workforce challenges that we know are present across the state to address supply chain or inflationary issues that impact their business bottom line, just like a lot of other businesses are grappling with both large and small in each of our districts and all across the state. And, of course, it will be no surprise to this committee that our state continues to grapple with ensuring that we have the appropriate pieces in place to have a strong safety net for kids in need. And our child welfare providers are a big piece of that safety net and we need to make sure that we're doing all that we can to-- [RECORDER MALFUNCTION] they have the resources they need to recruit and retain top talent to help vulnerable kids and families on the front lines. So I know some of them are here today and they can tell you a little bit more about how this measure may impact their bottom line and advance their important work. Which is arduous work, which is important work, which is work that's important to our

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state's future. So the final piece that I wanted to let you-- two final pieces that I wanted to let you know about. Number one, if you look at the Governor's budget, there was, I believe, a 0 percent increase suggested for many provider rates, including child welfare rates. So that's something that I continue to be a strong advocate for, not only to the administration, but to our colleagues on the Appropriations Committee. And I'm hopeful that we'll continue to see some movement there. But I do think in light of that fact, it's perhaps even more important that we have these conversations before other jurisdictional committees to make sure the needs of our child welfare providers are being met so that they can continue their important work. And it's no surprise to this committee, which has jurisdiction this year over things like, say, for example, LB626 and the near-total abortion ban that you've advanced to our body for deliberation later this year. And one thing that I've always tried to be consistent about in my approach to reproductive justice issues is that I support all families and all choices. So whether that's women in need of access to abortion care, measures like this also help to lift up service providers that specialize in adoption services, which is a critical piece of the puzzle. And supporting families in need, whether it's the economic bills that we heard earlier, the childcare bills or the child tax credit bills that are pending out there as well. So I see these issues as all interlinked and under a reproductive justice kind of agenda and umbrella. And one thing that I think is important about bringing this measure forward is that this, this really does help to lift up a lot of adoption service providers across the state as well. So there's brilliant people here who do incredible heartwork who can tell you more about how this would impact their bottom line and their, their, and their work in our state. But I'm happy to answer any questions.

HANSEN: All right. Thank you. Are there any questions from the committee? Seeing none--

CONRAD: All right, I may have worn out my welcome.

HANSEN: Well, no, not yet. Senator Cavanaugh.

M. CAVANAUGH: I actually wanted to answer a question--

CONRAD: Yes, please.

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M. CAVANAUGH: --from, from the previous-- sorry, I should have done this on the previous. It's 50 percent of the federal poverty limit is the eligibility.

CONRAD: Thank you. Thank you, Senator. I did not have that right off the top of my head.

M. CAVANAUGH: Sorry. I meant to say that before and then I get so caught up in you agreeing with me.

HANSEN: I know.

CONRAD: Threw you off guard. And I know that sometimes it's hard to, like, peg that to what real numbers look like. And I know I was visiting with Senator Linehan in the course of her debate on scholarships and tax credits. And I think, if memory serves, and again, I know there's experts behind me, but I think the existing 100 percent of the family-- federal poverty level for a family of four is about \$27,000-ish, I think.

M. CAVANAUGH: So it's half of that.

CONRAD: So it would be half of that so.

M. CAVANAUGH: So you make like you're in the Legislature?

CONRAD: Yes. That's a number very familiar to us.

M. CAVANAUGH: Yes.

CONRAD: Yes, yes.

M. CAVANAUGH: Just sorry, wanted to clarify that.

CONRAD: Thank you.

HANSEN: All right. You're staying-- oh, Senator Riepe. Never mind.

CONRAD: OK.

RIEPE: Thank you, Chairman. Sorry for the late call here. In the fiscal note it talks, it says there is a-- there will be a significant increase in State General Fund. But they don't, they don't clarify what, I mean, I would look at that and say, well, what's significant? What does that mean? I mean, that's not your-- that's them. I'm kind

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of like, how do we even make any decisions based on a-- it may be significant.

CONRAD: Yes.

RIEPE: Might be \$1,000, it might be \$100,000. I don't know.

CONRAD: Yes, that's right. And I think perhaps maybe-- I can't speak for HHS, but they may have been responding to the fact that there wasn't a fund source identified in the bill itself, and perhaps that would kind of change or refine their thinking in the fiscal note. But we'd be happy to continue to work with them in the committee and the fiscal analysts to, to refine that so that you have full information available so you know what you're committing to or not there. Yes, thank you.

RIEPE: Are you also confident that they will update the rates?

CONRAD: That they will update the rates for child welfare providers.

RIEPE: [INAUDIBLE]

CONRAD: Oh, I'm sorry. I just didn't hear.

RIEPE: I'm sorry. There was a note in here about staff will need to update rates. I'm just curious whether you had any insight information.

CONRAD: Well, I--

RIEPE: [INAUDIBLE]

CONRAD: --don't, I don't, I don't have any inside information, Senator. But I'll tell you, I'm an eternal optimist and I'm always ever-hopeful that the state of Nebraska will do the right thing on behalf of our most vulnerable kids and those who serve them.

RIEPE: Can I add the word you're also persistent?

CONRAD: That I-- yes, you may. I will take that friendly amendment.

RIEPE: That is [INAUDIBLE].

HANSEN: I think with the fiscal note-- use general funds, I think because--

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CONRAD: Yeah.

HANSEN: --there's no fund [INAUDIBLE].

CONRAD: That's right.

HANSEN: And I think they're going by a 5 percent cost of living increase per year.

CONRAD: I think that's right.

HANSEN: Which comes out to about \$6 million. And then I think it's still eligible for 40 funding, right? And that would be about \$1 million originating from the federal government.

CONRAD: That's right. Can kind of help to offset that.

HANSEN: So we're looking at about \$5 million, I think, one year. And then it compounds the next year, it's about \$6.5 million, I think, [INAUDIBLE] around there.

CONRAD: Yes. Thank you for putting that on the record, Chairman. I appreciate that. Thank you.

HANSEN: OK, any other questions from the committee? Seeing none. Thank you.

CONRAD: OK. Thank you so much. And I am running back and forth to Government and Judiciary, but I'll be here for closing and, and questions, if I can be. Thank you so much.

HANSEN: All right, thank you. All right. We'll take our first testifier in support of LB510. Welcome.

KELLEY MAST: Thank you. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. And may I say, I'm impressed that you can be so alert and attentive to the testimony in an afternoon session. So thank you. I'm Kelley Mast, spelled K-e-l-l-e-y M-a-s-t. I'm the director of family services at Compass in Kearney. We're a nonprofit organization that has served Nebraska child welfare for about 16 years now. We're also a member of the Nebraska Alliance of Family and Child Service Providers. We are an association of child welfare providers who individually contract with DHHS to provide child welfare services to thousands of families, over 70 Nebraska counties. Our employ-- employees drive over 3.5 million-- [RECORDER MALFUNCTION]

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annually, ensuring children and families receive the services that they need. I want to thank Senator Conrad for introducing this bill. I wanted to start off by saying that often when people think of child welfare, they think it is-- [RECORDER MALFUNCTION] foster care. And while that's an important service in the child welfare system that many of us providers provide, it's not the only one. We also provide services like parenting time and supervised visits. This is a service whereby one of our employees monitors or supervises a visit between a child and their biological parent because the state has deemed that it is in the best interest of a child. That's generally children that have been placed into foster care. We also provide family support. This is a service where we may assist families in finding housing or transportation, helping them develop better parenting skills or any other-- any number of other skills or resources. We also provide intensive family preservation and intensive family reunification. Both of these services require a therapist who works with the families to either keep them together or help them to get back together. We do drug testing. We provide for several other services as well. And like Senator Conrad mentioned, we often provide transportation to services and visits in rural Nebraska. Those can be 30, 40 or 50 miles away, one way. From 2010 to 2019, the rate for most of these services remained flat or decreased. I provided a handout that illustrates this for family support as well as for parenting time, supervised visitation and for travel time. More recently, we have received some increases that unfortunately don't make up for the nearly ten years of flat rates. As you look at that handout, I hope what jumps out to you is that over the last 10 to 12 years, your child welfare provider partners such as us have done a lot more with a lot less money. Over that time period, DHHS has continually increased their expectations of providers, and rightly so. We want to be held to high standards. We have seen rising business expenses. We have served thousands of families through a pandemic. We are experiencing record-high inflation. And once again, the Governor's budget calls for no increases to child welfare provider rates. We can, can-- we cannot continue to operate in this manner. We have to be able to plan. We have to be able to budget. We have to be able to give our employee raises, which indeed we have done all of these years. We don't have any more expenses to cut, and therefore we are refusing to take cases that are not financially viable. Because of the travel time rate, most of these cases that are being turned away are in rural areas where distance is an issue. LB510 would go a long way to help you meet the needs of your child welfare system and strengthening the partnership

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we have with the state. And I'd be happy to answer any questions you might have.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you, Senator Hansen. You said the word therapist, and I'm just trying to say, you know, what's the experience or education level and does that vary from what you can get, where you can get it to, to be able to cover your territory?

KELLEY MAST: Yeah, absolutely. So those, those two services, they require a licensed therapist to provide those services where we're addressing the therapeutic needs in the home as well as practical needs.

RIEPE: What kind of a license is it?

KELLEY MAST: A licensed mental health practitioner, provisionally licensed mental health practitioner in Nebraska.

RIEPE: That doesn't necessarily require a bachelor's degree or--

KELLEY MAST: Those, those licenses require a master's degree.

RIEPE: Master's?

KELLEY MAST: Now, many of our services that we provide do not require a master's degree. But most of the services listed in there prefer a bachelor's degree in a human services-related field.

RIEPE: Yeah, that's a keyword too, that "preferred" is different than "required" but.

KELLEY MAST: That's correct.

RIEPE: I was just curious, especially out in more rural markets, you know, it's not so easy to get that kind of talent.

KELLEY MAST: It's been very, very challenging to, to find. Particularly therapists in the rural areas to provide, provide these services.

RIEPE: OK. Thank you. Thank you, Chairman.

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HANSEN: Any other questions from the committee? Seeing none. Thank you.

KELLEY MAST: Thank you.

HANSEN: We'll take our next testifier in support.

MIKE BETZOLD: Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. I'm Mike Betzold, spelled M-i-k-e B-e-t-z-o-l-d. I'm the CEO of Better Living Foster Care and Family Services, and we have offices here in Lincoln, Omaha, Columbus, Grand Island, and Beatrice. I'm also a member of the Nebraska Alliance of Family and Child Service Providers. And I want to follow up on Kelley's testimony and the handout that he shared with you. For the services we provide, we are reimbursed a defined hourly rate when we are face to face with clients, as stated in our annual contracts from DHHS. As you would expect, the rate for each service is different and determined by the department. However, DHHS has stated over and over that the Legislature is who approves and increases any provider rates that we are given. I want to repeat that. You guys are responsible for the rates that we're paid, and I don't know when that changed because I don't know how many of you were involved in the rate setting that took place for the Eastern Service Area contracts when privatization was taking place. Anyway, there is a perception among DHHS staff that the rates providers are paid goes directly to the employees who provide these services. Furthermore, DHHS has stated that a 2 percent margin is enough for a provider to stay in business. Nothing could be further from the truth. The rate paid to these services, like family support, is expected to cover employee hourly wages, work that is directly done with children and families. Most providers are paying anywhere from \$19 to \$20 an hour for these employees. This leaves approximately \$30 left over that has to cover expenses, including employee benefits like health insurance, vision, dental coverage, wages for administration, including supervisors, finance, HR, legal services, workman's comp, professional liability, auto insurance. In addition, like any business, we have other expenses, including rent and utilities. We have to buy office supplies, computers, and we have to provide a car seat for every child referred to our agency to be able to transport them. We also have general business expenses, such as the cost associated with hiring employees, initial onboarding training, as well as ongoing training of employees, much of which is spelled out in our contract with DHHS and added to year after year. Last, we always have annual changes and additions to the language in our contract which increase our expenses. There are unfunded mandates

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provided-- that providers have to figure out how to fund with rates that really remain stagnant. I'm here to tell you that often the rate for one hour of service does not cover the expenses incurred. When ten-- with ten years of flat rates, the \$59.80 per hour we are reimbursed now for some services is, is inadequate, especially in a time of high inflation and a competitive hiring environment. Likewise, the \$22.96 drive time rate paid by DHHS, which is the time one of our employees spends in a car transporting either a child or an adult to either a visit or some other service barely covers that employee's hourly rate. Not to mention the other expenses that I've already listed. At this point, it's important to note that many of us are structured as for-profit businesses. Our sole source of income are reimbursement rates. We are Nebraska small businesses trying to improve the lives of children and families that we serve. Once again, the Governor in his budget is recommending that our rates remain flat, that it-- and this is not a partnership in our opinion, and it's actually punitive. We can't plan. We struggle hiring employees. We can't serve all the families who need services. And while DHHS has added more providers to do prevention services, these are services that keep children from going into foster care that keeps them in their bio home with the idea that we're going to save the state dollars by addressing safety issues and continuing to work with the family while their children are intact. Since 2021, there has actually been about a 20 percent decrease in the, in the number of families who are receiving this type of prevention service. Why? Because we can't hire the licensed mental health practitioners that the program requires us to have based on our contract. Since we can't hire the staff, we can't work with as many families. We can't work with as many families, therefore, you have more families who are struggling, who aren't getting the assistance that they need. I want to reiterate what Kelley said in his testimony. Providers routinely decline referrals from the department because we don't have the staff to serve them, and it doesn't make financial sense to accept some of the cases that are out there. This, this plate-- sorry, this places a greater burden on DHHS staff, which is a little frustrating when you hear that their staff got a 20 percent increase in their rate last year and they're getting another rate in their increases coming up.

HANSEN: Gonna have to interrupt you. Red light went on.

MIKE BETZOLD: Thank you.

HANSEN: So if you can [INAUDIBLE].

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MIKE BETZOLD: Thank you for your time. I'm happy to take any questions.

HANSEN: Thank you. Any questions on the committee? Seeing none. Thank you for coming to testify.

MIKE BETZOLD: Thank you.

HANSEN: Anybody else wish to testify in support? Welcome.

TIM HRUZA: Good afternoon, Chair Hansen, members of the Health and Human Services Committee. My name is Tim Hruza, last name spelled H-r-u-z-a, appearing today on behalf of the Children and Family Coalition of Nebraska, also known as CAFCON. Our organization is a group of child welfare providers, all nonprofit-- [RECORDER MALFUNCTION] provide services statewide to children and families in need. Includes associate members such as Boys Town, Lutheran Family Services, Child Saving Institute, a number of others that provide services primarily in the Eastern Service Area, but throughout the state. So sort of with that, with that context, I want to start by thanking Senator Conrad for introducing LB510. She has another bill that's in Appropriations that we will also be supporting to, to have a continued conversation about how DHHS pays for child welfare services and the providers who provide those to families on behalf of the state. With that, let me give you a couple of things for context. This bill seeks a cost-of-living-adjustment approach to contracts. As you've heard testifiers before me sort of explain, there's been periods of time where we go flat rates for a long time. We don't have any system in place that regularly reviews how those rates are handled. Sometimes it's 2 percent, sometimes it's 0 percent. I think, as Senator Conrad mentioned in her introduction, this year also includes a proposal, at least from the Governor's budget standpoint, for 0 percent increase. We did receive a fairly substantial increase in a lot of services last year from the Legislature to the tune of about 15 percent. One of the testifiers before me also referenced the Eastern Service Area as part of that with, with our providers providing-- many of them providing services in the Eastern Service Area. One thing that I think keep in context as you consider provider rates and how that worked out last year as compared to this year, the transition out of the Saint Francis management of that contract resulted in a decrease in the amounts that-- in the rates that providers were being paid under contracts with Saint Francis versus what the state base rates were. So what that amounts to is even though this, the Legislature last year increased rates on some services,

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again, not all services, but on some services to the tune of 15 percent, that ultimately resulted in a wash after July 1, once the transition took place back to DHHS. So some services actually had decreases last year, some had small increases. But the 15 percent number did not, did not work out to being that for a lot of providers in the Omaha area. I'll also add the cost-of-living-adjustment approach is a good one in our opinion. What I think is also very telling for the conversation and how you look at this with a proposal of a 0 percent increase this year in the, in the present budget, the fiscal note suggests an average, assumed average of about 5 percent. So when you, when you're talking about cost of living or inflationary pressures, I know that we can, we can talk about how COVID and how even this last year might have been an anomaly and maybe we're looking at something different moving forward. But if we're going to use a base standard of 5 percent and we go ten years without increases, it can be really detrimental to where we're at with rates. I've done a survey of our members and asked them for some, some feedback. Just one responded to me that one service that they provide, they calculate that they're about 53 percent underfunded based on what they get right now from a contract rate. As the testifiers before expressed, when we fall short on what we get paid per service, that's made up either in how we handle overhead or we're relying on the private sector to pump in those dollars. That works pretty well, and we do a great job of trying to raise philanthropy. And I think every nonprofit that provides these services would tell you it's a partnership between what the state pays and the work that they do in fundraising. But that only goes so far, particularly when you're looking at large inflationary rates and periods of time when they're a 0 percent interest. Finally, a couple of more notes that I got back from providers. This year alone, 13 percent increase in healthcare costs for some of our providers. Insurance rates going up 11 percent due largely to the nature of their work, the sensitive nature and the high-risk liability. Mileage rates increasing with gas prices up 6.8 percent. Worker's comp and unemployment is increasing between-- [RECORDER MALFUNCTION] just from their business standpoint for what they're doing. That doesn't include wage pressures and people searching for jobs. The final thing I would say, we don't have a regular way of reviewing rates. The department does a rate study on occasion. I think the last time that might have been done was about 2015. When I started representing CAFCON in 2018-- or excuse me, 2019, we were working with Director Wallen to renew that study. At the time there were promises that that, that might happen, that we would get that done. And as far as I know, nothing has been done in terms of that. We see an annual

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cost of living adjustment as a bare minimum of what we should be considering. We also have some other ideas that we would like to work on, either with this committee and with the Legislature moving forward. But thanks to Senator Conrad. Ask you to advance LB510 to the floor.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you. Thank you for being here. My question would be, is the organization you're representing, is that the same composite minus PromiseShip? Because I think they used to be in that same consortium. Is that fair?

TIM HRUZA: I, I don't know for sure whether ship was ever a member of CAFCON. They may have been back when they were managing the Eastern Service Area. I have only represented CAFCON maybe toward the tail-end of that PromiseShip period. Our members include a number of contractors that would have contracted with PromiseShip before the transition to Saint Francis, but I don't know whether PromiseShip has ever been a member. Some of our members may also have been board members at PromiseShip, but I don't, I don't know that history well enough, Senator. I'm sorry.

RIEPE: My memory is that Boys Town was part of the group that created PromiseShip to come forward.

TIM HRUZA: I do think that Boys Town might have been, like I said, involved in the board and the management of PromiseShip.

RIEPE: Very much so.

TIM HRUZA: But CAFCON is very much a separate entity.

RIEPE: Yeah, right or wrong, very much so. Thank you, though. Thank you, Chairman.

HANSEN: Yep. Any other questions from the committee? I was just running some preliminary numbers. And so if we go by the annual cost of living, on average, 5 percent increase. Right now we're at-- according to this, we're at \$59.86 an hour. It would be above \$100 an hour in ten years.

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TIM HRUZA: I, I don't know what you're looking at. The services are paid differently, so that may be one service or, I don't know, one of the testifiers--

HANSEN: It's the sheet here they gave [INAUDIBLE]--

TIM HRUZA: I haven't seen that sheet either.

HANSEN: OK.

TIM HRUZA: I'm sorry. So I haven't seen that sheet. Some of the, some of the services-- services vary, right? So it depends on what you're talking about. I think that's probably for one of the particular--

HANSEN: Family support and parenting time, supervised visits.

TIM HRUZA: Right. So they have different services that are paid at different contractual rates based on how they determine the individual, the amount of supervision needed, the types of licensure or the people that need to be doing that. I, I think I see your point, which is that if it grows--

HANSEN: Cumulative effect, yeah.

TIM HRUZA: --that much exponentially, yeah, it has a cumulative effect. I don't know whether that's necessarily the best approach. But I do think, like I said, when you go ten years without a cost of living adjustment or any adjustment, right, when we have flat rate increases or even in a 0 percent right now when we in some service areas had losses last year as a result of the Saint-- that Saint Francis transition, we fall behind really fast. And I-- and that is not only in terms of the amount of the rate paid, but in terms of how we're staffing, how many people we have, how many kids we can service or provide services to. I think our point and the advocate-- the position that we would be advocating for would be we need some mechanism where we're reviewing this on a more regular basis than just kind of allowing DHHS or the administration to make a recommendation, go through the legislative process and come here. We're asking for increases to this committee, we'll be asking for them in the Appropriations Committee in a couple of weeks. When we do that routinely without a process for reviewing it, we fall behind and then we get so far behind we can't make it up, Senator. It's, it's a huge ask then for you guys to find room in your budget for 10, you know, 10 percent, double-digit increases to help get us back to sustainability so.

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HANSEN: OK. Yeah, and I know there's sometimes when it does go up, it's 5 percent, but it can go down too. So it's not like, I don't know, I'm assuming that's the average. Just about what the fiscal note gave is 5 percent, so I don't know. It could be more, could be less.

TIM HRUZA: One, one other thing that I might just add that we have considered and we've started putting the pieces together, on the foster rate review side, we do have a mechanism, a statute called the foster-- [RECORDER MALFUNCTION] which is a committee composed of service providers and others that get together and kind of look at those rates that you see what the needs are in comparison to the current economic situation and the employment market. And every two years make a recommendation to the Legislature about what, what rates should be set at, where increases should be. And in that instance, also how foster parents should be reimbursed for different things. We think that's a really decent model to consider if we're not able to do a private independent rate study through the department on a regular basis. Maybe putting together a committee like that might be a really good way for us to at least revisit the conversation and with, in partnership with DHHS, the Legislature and the providers have a conversation at least every two years with some, some data and stuff together. So I think that's another thing we could explore.

HANSEN: OK. Senator Ripe.

RIEPE: Thank you, Chairman Hansen. Some of the legislation we're seeing coming through is talking about-- included in the legislation is a requirement for a two-year salary review. To me, that's much more friendly than a, a CPI or some brand new committee that's going to do it on their own because they're going to have to hire some expertise. It's not a simple job doing a salary survey that has validity and integrity. So I'm not saying that's what you want to do on this, but we have seen some of that.

TIM HRUZA: And, and to your point, Senator, and to, to my last comment to the Chairman, too, if we're talking about that, that two-year rate review committee-- and maybe a committee is not the best way, but a review or a salary review, the only other thing I might add is that these rates do take into account the overhead cost or should, right, to that matter. Like so we're talking about not only the costs or the hourly wages of our employees on the private side, but also the overhead for the upkeep and maintenance of the transportation vans that are used in getting, you know, moving kids around or families around, the, the oversight, the materials and supplies that are used

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in certain instances, too. And so your point is well-taken, but I think that the--

RIEPE: I could [INAUDIBLE] some out.

TIM HRUZA: --regular review is kind of what we're advocating for regardless. When we stagnate, and it does not reflect kind of that economic reality out in the market, it ends up falling to, to us to make up the slack somehow. Or, as some of the testifiers expressed before, to decline to, to serve and provide the services that we-- that the state has agreed to provide.

RIEPE: OK. Fair enough.

HANSEN: Any other questions from the committee? Seeing none, thank you.

TIM HRUZA: Thank you.

HANSEN: Anybody else wishing to come in support of LB510? Welcome back.

GARRET SWANSON: Thank you. Members of the Health and Human Services Committee, my name is Garret Swanson again, G-a-r-r-e-t S-w-a-n-s-o-n, in support of LB510. Increasing child welfare reimbursements rates can have several potential benefits for children and families involved in the child welfare system. Some of these benefits include improving the quality of care. When child welfare agencies receive higher reimbursement rates, they may be able to provide better quality care for children in foster care and other placements. This could include improving the quality of group homes or residential facilities, providing more training and support for foster families, or increasing access to mental health services and other supports. Two, supporting family reunification. Higher reimbursement rates can also help support efforts to reunify children with their families by providing more resources and supports for parents who are working to address the issues that led to their children being removed from their care. This could include providing more intensive family preservation services, offering substance abuse treatment or mental health services, or providing housing assistance and other supports. Reducing the number of children in foster care. By providing more resources and supports to families, child welfare agencies may be able to prevent children from entering foster care in the first place or help them return home more quickly if they do not enter care. This could help reduce the

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overall number of children in foster care and promote greater stability for families. Four, attracting more caregivers. Higher reimbursement rates can also help attract more foster parents and other caregivers in the system, ensuring that there are enough placements available for children who need them. This could help reduce the strain on existing foster families and ensure that children are placed in safe and stable homes. Overall, increasing child welfare reimbursement rates can help support better outcomes for children and families involved in the child welfare system, improving their safety, stability and well-being. Senators, this legislation-- this Legislature has made it clear the quality of Nebraska child welfare system is a bipartisan issue. We've seen great legislation brought forward over the last few years-- [RECORDER MALFUNCTION] to improve the system. Let's keep building off of the successes and learn from our mistakes. And most importantly, renew our pledge to make Nebraska's child welfare system the best in the country. We strongly urge this bill be voted out of committee, and we thank Senator Conrad for proposing it. Thank you.

HANSEN: Thank you. Any questions from the committee? Seeing none, thank you.

GARRET SWANSON: Thanks.

HANSEN: Anybody else wishing to testify in support of LB510? OK, seeing none. Is there anybody who wishes to testify in opposition to LB510? Welcome back.

ANDREW KECK: Good afternoon. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Andrew Keck, A-n-d-r-e-w K-e-c-k, and I'm the deputy director of finance for the Division of Children and Family Services within the Department of Health and Human Services Services, DHHS. I'm here to testify in opposition to LB510, which will require the department to include an annual cost-of-living adjustment, COLA, in all child welfare rates. The department acknowledges the important role providers play in supporting youth and families. Simply put, we cannot do the work we do without them. DHHS aims to balance the efficient use of taxpayer dollars with the need to ensure appropriate service rates for providers. Effective July 1, 2022, DHHS increased rates by 17 percent for child welfare services, including out-of-home maintenance, agency support of foster care, drug testing and transitional living services, independent living services, intensive family preservation and intensive family reunification. On top of the 17 percent rate

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increase, family support, parenting time supervised visitation, and travel time and distance received an additional [RECORDER MALFUNCTION]. LB510 proposes an annual cost-of-living adjustment that would create an unpredictable budgetary need for DHHS due to the changing nature of the COLA. To estimate the impact of this bill, DHHS utilized a 5 percent inflation rate for 2022. For state fiscal year 2024, the overall increase would be \$6.1 million. Assuming a compounded increase of 5 percent in the following year, the impact for state fiscal year 2025 would be approximately \$12.6 million. LB510 would also negatively impact how DHHS negotiates rates with new services moving forward. DHHS currently negotiates rates based on the provider's cost of service over the contract period. LB510 would require a COLA increase in addition to the cost of services identified by providers. This could result in service rates that are higher than the actual cost of providing the service. DHHS leadership, including CEO Dannette Smith, facilitate bi-monthly provider council meetings with leaders from the child welfare provider associations to coordinate child welfare services across Nebraska. The intent of these meetings is to improve service delivery and strengthen collaboration, sorry-- between DHHS and provider agencies. Contracts are a standing agenda item, including updated time frames to ensure providers have adequate time to review and execute contracts prior to their start date. DHHS is currently developing a new practice and finance model for child welfare in Nebraska in accordance with LB1173 in 2022. LB1173 requires DHHS to contract with an independent consultant to assist in developing the framework for this practice and finance model. The bill also created a three-branch strategic leadership group that has been named Reimagine Well-Being. One of the core components of this initiative is to develop a comprehensive finance model in partnership with the, with the consultant. LB510 can negatively impact DHHS's ability to implement recommendations related to its finance model. In summary, LB510 would create unpredictable budgetary needs for DHHS. It could also negatively impact negotiation with service providers in development of a comprehensive finance model. Given these considerations, we respectfully request that the committee not advance this legislation. Thank you for the opportunity to testify today, and I'd be happy to answer any questions.

HANSEN: Thank you. Any questions from the committee? Seeing none, thank you. Anyone else wish to testify in opposition? Seeing none, is there anybody who wishes to testify in a neutral capacity? All right. Seeing none, we'll welcome Senator Conrad back up to close. I think we had some letters, the record, yeah, 350 in opposition. I'm sorry,

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scratch that, zero. Five letters in support, zero in opposition, zero in the neutral capacity for LB510.

CONRAD: Very good. Thank you. Be still, my heart.

HANSEN: Yes.

CONRAD: Thank you, Chairman Hansen. I appreciate the committee's consideration of this matter. I'll just leave you with one-- kind of one quick point in closing. While of course the provider community and the families that they serve really appreciated that provider rate increases in the last biennium, the flat rate that we see presented in the Governor's budget this go around, it doesn't make up the difference. Just because they got a bump that didn't quite even meet their costs and their needs in the last go around, and now it's met with a 0 percent increase, they're still falling further and further and further behind. So whether it's this solution, something before Appropriations, some combination thereof, we have to make sure that we don't keep losing ground in our child welfare services. And we have to really keep that, that policy goal focused as in upcoming deliberations in the budget and, and before this committee. I appreciate your time. Happy to answer any questions.

HANSEN: Thank you. Are there any questions from the committee?

CONRAD: OK, thank you.

HANSEN: Thank you. All right, that will close our hearing for LB510. And we'll now open up for LB290 and welcome Senator Machaela Cavanaugh to open.

M. CAVANAUGH: I am introducing two bills simultaneously. So I am going to introduce this and then walk down the hall and introduce another one, and then I'll come back here.

HANSEN: All right.

M. CAVANAUGH: It's that kind of day. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a C-a-v-a-n-a-u-g-h, and I have the privilege of representing District 6 in west central Omaha. I am here today to introduce LB290. It proposes to increase the eligibility limit for Aid to Dependent Children the direct cash assistance program funded by the Temporary Assistance for Needy Families. I am just going to cut to the chase, I actually left the piece of paper on my desk. If

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you wouldn't mind grabbing it, because it has-- it's on the little notepad. Thank you. Thank you. Because I did do some quick math and I used a calculator, I didn't trust my own math here. But the current annual income eligibility for the Aid to Dependent Children for a single person is \$7,212. So my bill would increase, if you make \$13,590 or less then you would qualify for this assistance. So that is sort of the quick and dirty of what this bill does. It just increases how much money a person can make before they're eligible for the Aid to Dependent Children. So a family of four would make \$27,738. So that's it. That's what it does. Any questions?

HANSEN: All right, I like it. Any questions from the committee? Seeing none, thank you.

M. CAVANAUGH: Well, I might be back to close--

HANSEN: If you're here.

M. CAVANAUGH: --I might not be back to close. I guess we'll just see.

HANSEN: All right. Sounds good.

M. CAVANAUGH: Thank you.

HANSEN: Yep. We'll take our first testify in support of LB290. OK, anybody wishing to testify in support. We don't-- anybody want to? OK.

M. CAVANAUGH: I'll probably just waive closing then.

HANSEN: Yep. That's fine. Thank you. Welcome back.

DIANE AMDOR: Thank you. A lot less paper this time.

HANSEN: Yes.

DIANE AMDOR: Because you have it all. Good afternoon again, Senator Hansen and members of the HHS committee. My name is Diane Amdo-- Amdor, D-i-a-n-e A-m-d-o-r, I'm the staff attorney for the economic justice program at Nebraska Appleseed. Nebraska Appleseed supports LB290. The number one priority of the Legislature this session when it comes to TANF funding issues should be increasing the availability of direct cash assistance for the lowest-income Nebraskans. LB290 would increase the eligibility level and the benefit amount and would also adjust the benefit amount annually instead of every other year, which is the current practice. The bill you heard previously, LB310, would

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just increase the maximum benefit amount and would not increase the eligibility amount for ADC. I'm not going to talk at you forever, but I wanted to touch on a few points from the hearing on LB310. There was some question about when was the last time that we spent down the block grant entirely. To clarify, 2017 is the last year that we spent down our annual amount of the block grant. We have never had a \$0 balance of the rainy day fund. That's from with Liz Hruska's LR407 report. She noted that we have never, we have never had a \$0 balance in that, in that fund. There are also some comments about the responsibility for taxpayers, and I think some, some of the stereotypes that we hear about when we talk about public assistance programs that I think one of the previous testifiers on that bill addressed in a very eloquent way from her own experience. So I'll just reiterate that it's really important to remember that stereotypes are just that, stereotypes. And these programs affect real people living real lives. And I think some compassion and understanding is very important to keep in mind. Also, if we're talking about responsibility to taxpayers, as a taxpayer, I do not think it is responsible to have \$131 million sitting in a fund and not being used. When the purpose of it is to reduce poverty that will then, hopefully in the long run, and I think there's some documented studies that show that this does happen, that will decrease our costs in other areas in the long run. It, it just it doesn't make sense. It doesn't make fiscal sense. And it's just-- [RECORDER MALFUNCTION] for the state of Nebraska, to be frank. I believe the department had mentioned that this would impact SNAP and LIHEAP eligibility levels. It's not clear how, I guess, LB310 would impact the eligibility levels for those programs. The benefit amounts could be impacted. I don't see how the eligibility would, so more clarity on that would be helpful. And Senator Walz had asked a question about education and whether or not that was allowed. And yes, that is allowed under the work requirements-- where education can be counted towards the work requirement for TANF. There was an individual who testified at the LR407 hearing who talked about her experience as a young single mother working her way through college while she was receiving ADC assistance. This also kind of addresses Senator Riepe had a question about whether five years was really temporary. If you're thinking about how long it usually takes to go through a four-year college program, that's generally close to four years. And that individual is currently working with former foster youth, which she herself is a person who was formerly in foster care. The time frame of this program needs to be at least that long to allow people to get to a point where they can get some kind of job that's not just in the hospitality industry. That's not just some of the lowest wage

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positions in our state. I think, I think those are most of the points. I also do want to flag the document that I handed out previously. It's an overview of three of the ADC-related bills you've heard so far this session. It includes a chart that maps out the proposed changes to the standard of need and the maximum payment levels. It includes the standard of the as a percentage of FPL. I know it's a lot of numbers that are thrown around there, so-- [RECORDER MALFUNCTION] in really spelling out where we're at now, where these proposed changes could lead us. And I hope that this committee will consider these proposals and combine them in some way that will utilize these funds to the benefit of the Nebraska's lowest income families. Thanks again for your time.

HANSEN: Thank you for your testimony. Are there any comments or questions from the committee? I dug through the fiscal notice on LB310. And I think one of the things we're talking about LIHEAP and SNAP, why that might aff-- might would decrease the ADC payment as ADC payment increases. SNAP and LIHEAP consider the ADC payment as unearned income when determining eligibility. So there I think-- that's what it said in the fiscal note anyway so.

DIANE AMDOR: So that for eligibility, but if you look at that handout of what is the percentage of-- someone who's able to receive ADC, that means that they're basically at 50 percent FPL. The LIHEAP eligibility level is, I don't know that one off from my head, but it's higher than 50 percent FPL. So I see how it could decrease their benefit levels, but like those numbers don't match up. I don't see how that could touch--

HANSEN: OK.

DIANE AMDOR: --eligibility.

HANSEN: Just I mentioned that because that's what I saw in the fiscal note.

DIANE AMDOR: Yep.

HANSEN: Trying to find it.

DIANE AMDOR: Thanks.

HANSEN: OK. [RECORDER MALFUNCTION] thank you for your testimony.

DIANE AMDOR: Thank you for your time.

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HANSEN: All right. And so we will take our next testifier in support of LB290. Welcome.

NATALIA TU: Thank you. Hello again, Chair Hansen and members of the Health and Human Services Committee. My name is Natalia Tu, and I'm a research and policy associate at the Women's Fund of Omaha. That's N-a-t-a-l-i-a T-u. Again, economic security is foundational to achieving gender equity in our local communities. And because of that, we are here in support of LB290 and its measures to increase the monthly standard of need under the ADC program. I won't reiterate everything that I said for LB310, but I'll just note that the standard need here and, you know, we know that the cost of basic necessities can add up quickly. And reports from 2016 specifically note that one working adult in our state needed to make around \$2,200 per month to cover basic expenses and to be considered economically secure. So that includes putting away a little bit of money for retirement and emergencies as well. During that same year-- and that, that number is around \$3,500 for a working adult with an infant. During the same year, if you break down the number by demographics of the 70 percent of all Nebraska households who were considered economically secure, only 24 percent of single women with children were considered economically secure within those numbers. So that's compared to 53 percent of single men with children and 68 percent of married couples with children. So again, we note the gender wage gap and how that's more pronounced for black and Latina women. And also considering that more than 30 percent of women in our state work in low-wage positions, we understand that this legislation will help offset some of those costs, especially for working mothers and their families in the state. So because of that, we understand that this legislation is critical and we urge you to support LB290. Thank you.

HANSEN: Thank you. Any questions from the committee? Seeing none, thank you.

NATALIA TU: Thanks.

HANSEN: Take our next testifier in support. Welcome.

RASNA SETHI: Hello again, Chairman Hansen, members of the Health and Human Services Committee. My name is Rasna Sethi, that's R-a-s-n-a S-e-t-h-i, and I'm the policy analyst with OpenSky Policy Institute. Two things that I wanted to flag in this testimony for LB290 is that, as stated before, I calculated that this bill would increase the amount of the \$56 million a year block grant under TANF to 55 percent.

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And it would support a family of three-- of four, pardon me, from \$562 a month to \$1,271 a month, as per the fiscal note. And one other thing I wanted to state for the record is, is that in my last testimony I stated that cash benefits are seen as an effective approach to poverty alleviation. In the Baby's First Years study, a randomized trial where Omaha was one of the study sites, young children whose mothers receive direct cash via debit cards showed significant benefits of cognitive development. The low-income mothers in the study were able to increase their purchasing power and decide where they wanted to direct their modest cash amount-- the modest cash amount they received, whether to food, rent, childcare or other expenses. Helping not only their families, but also local businesses. And just to reiterate, we support this bill because it enables families to achieve economic stability. The bill is responsive to changing economic conditions as it is tied to inflation, and the standard of need would increase every year as opposed to every two years. And as stated, providing direct cash assistance is an effective approach to addressing poverty. And with that, I'll take any questions. Thank you.

HANSEN: Thank you. Are there any questions from the committee? Seeing none, thank you. Anybody else wishing to testify in support? OK, seeing none. Is there anybody who wishes to testify in opposition? Welcome back. You get the fun job today, huh?

ANDREW KECK: Good afternoon again, Chairman Hansen and members of the Health and Human Services Committee. My name is Andrew Keck, A-n-d-r-e-w K-e-c-k, and I'm the deputy director of finance for the Division of Children and Family Services within the Department of Health and Human Services, DHHS. I'm here to testify in opposition to LB290, which would change the standard of need requirements for the department's age-- Aid to Dependent Children, or ADC. LB290 would increase the ADC payment amount, making Nebraska's cash payment the highest in the nation, and it would compromise the sustainability of current TANF-funded programs. The ADC program is funded by the Temporary Assistance for Needy Families, or TANF, block grant and state funds. Based on the Administration for Children and Families' TANF Cash Assistance Report, TANF-- Nebraska's TANF cash assistance payments are 28th highest in the country. Colorado is 18th, Iowa is 32nd and Missouri is 47th. LB290's proposed increase would make Nebraska's monthly TANF cash assistance payment the highest in the country. ADC payment amounts are calculated using the standard of need. The current-- the standard of need represents the regular recurring monthly costs of families basic living needs, which includes monthly combined costs of food, clothing, sundries, home supplies,

utilities, laundry and shelter, taxes and insurance. Per statute, the ADC payment is currently calculated using 55 percent of the standard of need. The standard of need, \$601, which results in a \$331 payment for an individual. LB290 would increase an individual's standard of need to \$1,132.50 and increase an, an individual's payment amount to \$623. These calculations are based on the minimum household size. However, a majority of ADC households have between two and five family members. Payment amounts increase as the household size increases. The increased payment obligations in this bill would compromise the department's ability to sustain its other programs that rely on TANF funds. Due to the increased budgetary constraints that would result from this bill, DHHS would not be able to sustain current programs in addition to the proposed payment increase in the long-term. These programs include, but are not limited to: Healthy Marriage and Fatherhood-- [RECORDED MALFUNCTION] Jobs for America's Graduates, home visiting and several child welfare services. LB290 could also impact families' eligibility and assistance receive for other economic assistance programs that are income-based. Per federal law, both the Supplemental Nutrition Assistance Program, SNAP, and Low Income Heating Assist-- Energy Assistance Program, LIHEAP, consider ADC payments as unearned income when determining eligibility. An increase in ADC payments amounts could impact families' eligibility for SNAP and LIHEAP, which could decrease benefits received for some households. The ADC payment increase could also impact families' eligibility for other income-based programs not administered by DHHS, such as housing assistance through the United States Department of Housing and Urban Development. Additionally, other economic assistance programs use the ADC standard of need, such as the Emergency Assistance Program. Therefore, as the ADC standard of need increases, the income limit for the Emergency Assistance Program will rise, resulting in more eligible families for this program. DHHS would need additional economic assistance [INAUDIBLE] program positions to support the increase in applications and case management for newly eligible families. Another bill heard today, LB310, would also propose an increase in the ADC payment, payment calculation. This could-- [RECORDED MALFUNCTION] the ability to maintain TANF-funded programs. In summary, LB290 would increase the ADC payment amount, making Nebraska's cash payment the highest in the nation. It would compromise the sustainability of current TANF-funded programs, and it could negatively impact families' eligibility for other economic assistance programs. Given these considerations, we respectfully request that the committee not advance this legislation. Thank you for the opportunity to testify today, and I'd be happy to answer any questions.

HANSEN: Thank you for your testimony. Is there any questions from the committee? Do you think you could touch on that question I asked to testify previously about how this would affect SNAP, SNAP and LIHEAP?

ANDREW KECK: Right. So when the benefits are calculated, looks as an entire budget. And so when the ADC payment amount goes up, the other ones would go down because they look at all the income. And so it's a percentage of, of that income.

HANSEN: OK. Not percentage of poverty or poverty level? OK. All right, OK. OK, seeing no other questions, thank you for your testimony.

ANDREW KECK: Thank you.

HANSEN: Anybody else wishing to testify in opposition? Seeing none, is there anybody wishing to testify in a neutral capacity? Seeing none, for the record, there were 18 letters in support of LB290, zero in opposition and zero in the neutral capacity. And Senator Cavanaugh waives her closing and that will end the hearing for LB290. And we will now open it up for LB595 and welcome Senator Hardin to open.

HARDIN: Thank you, Chairman Hansen, and good afternoon fellow senators of the Health and Human Services Committee, the finest committee in the building. I am Senator Brian Hardin. For the record, that is B-r-i-a-n H-a-r-d-i-n, and I represent the Banner, Kimball and Scotts Bluff Counties of the 48th Legislative District in western Nebraska. I'm here to introduce LB595. LB595 would increase the current pharmacy technician- or intern-to-pharmacist ratio from the current law of 3 to 1 to now allowing a 4 to 1. Now is the time to give Nebraska businesses more staffing flexibility, specifically those in healthcare, as we look to ensure the healthcare demands of all Nebraskans are met. Pharmacies are a key and continuous source of care and advice for patients. However, there are not enough pharmacists and pharmacy technicians to adequately serve the healthcare needs of Nebraskans. These shortages do not mean that there is a lack of patient demand. Instead, existing pharmacies are actually under immense pressure to meet the full need of our state. This growing demand for services corresponds with a need to delegate pharmacy administrative tasks to technicians, which allows pharmacists to focus on providing these services. Pharmacists must be able to better utilize their clinical expertise to care for patients rather than spending time on other administrative tasks. This is especially true in my part of the state, where pharmacists may be the only healthcare professionals within an area. LB595 will maximize the use and value of

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pharmacy technicians without sacrificing patient safety. Amending the pharmacy technician ratio will enable pharmacists to focus more on counseling patients, performing medication therapy management, providing disease management programs, engaging in other important pharmaceutical patient care services, and conferring with other healthcare professionals, thus permitting a higher level of service to patients. These services offered by pharmacists help patients better adhere to their medication regimens and ultimately serve to improve patients' health and wellness and reduce our nation's healthcare costs. If you take a look at the map that's been handed out to you, you'll see that 38 states have a pharmacist-to-technician ratios that are less restrictive than Nebraska's current 3 to 1 ratio. Of those, 24 states and the District of Columbia do not place any limit on the number of technicians a pharmacist can supervise. Those are the purple states. Personally, I'd like to see us be a purple state, allowing pharmacies to have as many or as few interns or technicians as they feel works for their pharmacy. Governor Ricketts lifted the ratio via executive order throughout the pandemic, thus testing this policy change. I realize that getting the whole cake is not realistic in this situation, so I decided to settle for just a slice this year by only increasing the ratio by a one tech or intern. In Nebraska, to become a pharmacy technician, individuals must be 18 years or older, have a high school degree or equivalent, must be registered with the state and must pass an exam and become certified either through the state or a national certification program. I do have two pharmacists behind me that may be the best for questions. But if you prefer to speak with someone on the reserve squad who sits on the bench, I'm here to answer your questions for you.

HANSEN: All right, thank you for that opening. Any questions from the committee? You know what's-- I love your analogies. And I think one was-- one of the ones you used was sometimes it's hard to fit the barrel of the day and the thimble of what-- reality or thimble of-- right?

HARDIN: Sure.

HANSEN: I had to write that one down. And so sometimes it is hard to accomplish a lot in one day, I think you're saying, right, in such a short amount of time?

HARDIN: It is.

HANSEN: And so I think that pertains to this bill--

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HARDIN: Right.

HANSEN: --in one aspect or another. So you're staying to close, I'm assuming, right?

HARDIN: I will be here.

HANSEN: All right. OK. All right, we'll take our first testifier in support of LB595. Welcome.

TODD LARIMER: All right. Chairman Hansen, members of the Health and Human Services Committee, Senator Hardin, thank you for that introduction of this legislation. My name is Todd Larimer, T-o-d-d, last name, L-a-r-i-m-e-r. I am proud to serve as a community pharmacist in Nebraska City. I am a member of the Nebraska Board of Pharmacy, which I am not here in that capacity. I also serve on the Nebraska Pharmacists Association. I appreciate the opportunity to present testimony in favor of LB595, which would amend the current pharmacy technician-to-pharmacist ratio and also interim ratio to 4 to 1, which I'm just going to refer to as the ratio or technician ratio, which would better allow pharmacists to meet patients' unique and specific needs. In my day-to-day work, I rely on support and expertise of pharmacy technicians in providing care and services to our community members. Community-based pharmacists, pharmacy technicians and interns are integral members of the community that bring significant value to the individuals they serve. The role of pharmacist is expanding in many locations, and pharmacists are in a unique position to provide a variety of clinical services intended to prove-- improve patient health outcomes, while at the same time service racially diverse communities. This can include not only delivering effective and tailored pharmaceutical care, counseling and education about medicine, diet, health, wellness, but also establishing meaningful personal connections and building positive relationships. Pharmacists are trusted healthcare professionals, and as the role of pharmacists expands, we are possibly the first stop on the patient's healthcare journey, most frequently due to availability, affordability and/or geography. Now, I'm sure you guys are aware that, you know, we have a critical need for healthcare workers in our country right now. And the first response I had when asked if we need to increase pharmacy, the pharmacist tech ratio was, was absolutely yes. But we also need more pharmacists. I mean, that's just the reality. But for the past few years, it has been shown that our pharmacist workforce is shrinking. As reported by the American Association of Colleges of Pharmacy, from 2011 to 2021, there has been

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a 60 percent decrease in pharmacy school applications. Professor Klesper from the University of Nebraska College of Pharmacy presented information at the July 1, 2022 Board of Pharmacy meeting that between the two colleges in the state of Nebraska, historically, we usually have about 200 incoming pharmacy students. This last fall we had 60. It doesn't take long to do the math and see this is a declining process, and it's going to be something that's going to be critical in some point in the future. So is adding more pharmacists realistic? Based on those numbers, my answer is no, it's not. But we could help the profession and the increased workload by increasing the pharmacist-to-tech ratio. During the height of the pandemic at my practice, we did use four technicians to provide services to our patients, particularly one, one technician that basically did nothing but immunizations. If we would not have had that fourth person, especially being [INAUDIBLE] we would have missed opportunities to provide a lot of health coverage to our patients. So we gave them a more than-- like amount of immunizations. I had testified previously on LB202 that, you know, we did almost that first year we did almost 8,000 immunizations. It's not possible to do that without having an extra set of hands. In my current practice now, when I have four technicians working, one of those technicians has to flip their badge around. So it says sales associate or cashier, because I can't supervise four technicians. I can't have the appearance of having four technicians being under my supervision. There are times when I have three technicians and a sales associate. I spend more time on administrative functions, helping that sales associate and monitoring her to make sure she's not performing tech functions than I am doing the things that only a pharmacist can do. So the takeaway here is that I have certified technicians that cannot util-- I cannot utilize properly due to the current ratio. And I'm also spending more valuable time on administrative things than I am on clinical things. You have the math in front of you that Senator Hardin-- and I also give you a graph that shows you all the states that have different things. And I'm not going to bore you about going through those one by one. As Senator Hardin said, there's 38 states that have pharmacist tech ratios that are less restrictive than Nebraska. And 24 have none. So what does that tell us, right? From a pharmacist perspective, it tells me A, we have the ability to make-- use of professional judgment, to make our best decisions about our patients. Two, those states realize that for us to do our jobs, we need to be able to have the hands that we need to be able to do the administrative things that pharmacists should not be spending their time doing. So I strongly support LB595, because it will better maximize pharmacists' time to spend on patient

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care by expanding the role of pharmacy technicians who will perform more administrative tasks without sacrificing patient safety. Expanding the pharmacist-to-tech-- tech ratio will help us provide better patient care for the people of Nebraska at pharmacies, which is one of the most accessible locations in healthcare. Chairman Hansen, members of the committee, I appreciate your time. I'd be happy to answer any questions.

HANSEN: Thank you for your testimony. Are there any questions from the committee? Seeing none, you got off the hook. All right, thank you for your testimony. We'll take the next testifier in support of LB595. Welcome.

BRAD TROJANOWSKI: Thank you for the opportunity. My name is Brad Trojanowski, it's B-r-a-d, and it's T-r-o-j-a-n-o-w-s-k-i. I'm very familiar with spelling that, I get asked a lot. So I've been a practicing pharmacist in Nebraska for 27 years out of 32. I spent about three or four years in Iowa. In those 27 years, I watched Nebraska go from zero technicians in outpatient pharmacy to 3 to 1. Gave me a good opportunity and really see the impact of technicians and how their numbers have grown and the, the ability of them to really multiply the ability of our pharmacists to do their jobs. Pharmacy technicians are a critical part of our pharmacy teams. They handle the billing, data entry, filling and a lot of other duties. With the growth in prescription volume over the past 30 years, my job would be impossible without them. They contribute in many ways, but the biggest impact they have is freeing up my time. My time is the most valuable thing I have in the pharmacy. I spend that time to answer patient questions, counsel, provide medication therapy management, do many other things. But without that time that those technicians give me, those duties would be impossible to perform. Patient safety is impacted in a positive manner because by having more technicians, we can take care of each patient in a much more timely fashion and reduce the need to feel rushed. Unfortunately, COVID has really made a lot of people in the public impatient. They take a lot of that out on us. And having more help would actually allow us to feel much safer in performing our duties. The thing I enjoy most about being a pharmacist, talking to the people, talking to public, doing those things. But I need the help to be able to do that. The COVID pandemic really showed the vital of techs as immunizers. There's currently a bill under consideration, LB202, that would allow techs to immunize. The problem is, I can have a tech immunizer, but under the current ratio, what that's actually doing is by having the one technician immunize in the fall for, say, flu, I'm now down to a 2 to

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1 ratio realistically. That's just not doable. The executive order that Governor Ricketts signed last year, or a couple of years ago, to allow techs to administer vaccinations, not counting towards the tech ratio proved that we can safely do this. Technicians are highly trained. They're well-- they have to be certified. It's not like we're hiring somebody off the street and just throw them in there. They're a valuable part of the team. Without them, we would have never been able to vaccinate the number of people we did for COVID. Working for Walgreens, our 55 stores in Nebraska administered over 400,000 COVID shots. That would have been impossible without tech immunizers. I have some experience working in Iowa as well. Iowa doesn't have a tech ratio. I spent three years there managing a pharmacy in Council Bluffs. At no point did I feel like the number of technicians I had made anything unsafe. I guarantee you the Iowa board of pharmacy takes patient safety just as seriously as Nebraska's does, yet they feel it's safe. So as a pharmacist, I'm trained to license to use my professional judgment. That's what I want to do. I want to be able to use my judgment to decide what's an appropriate workforce. I don't want an arbitrary number. And let's face it, that's what this 3 to 1 ratio is. It's just an arbitrary number. Somebody could sit there and say, hey, let's try this. So in closing, you know, I ask you for support. And I'm willing to answer any questions.

HANSEN: Thank you-- committee? I have a few.

BRAD TROJANOWSKI: OK.

HANSEN: Do you-- have you seen or do you know when, with the statistics, the other states that have no limit, are there increased rates of patient safety issues? Like--

BRAD TROJANOWSKI: Yeah.

HANSEN: --were we're dispensing medication wrongly or the wrong kinds because we have now a larger ratio?

BRAD TROJANOWSKI: Do I have numbers on everything? No. But I can tell you in the three years I spent as a pharmacy manager in my store in Council Bluffs, Iowa, I did not see an increased rate compared to, say, when I managed a store in Bellevue or in Omaha.

HANSEN: OK. And Iowa doesn't have any limit, right?

BRAD TROJANOWSKI: Iowa has no, no tech limit.

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HANSEN: OK. Do you spend more time with techs or with interns or is it kind of the same?

BRAD TROJANOWSKI: Well, I have a lot more techs, so I spend a lot more time with technicians. If I have an intern, it's different because I would probably have an experienced technician train a new technician because they're training to do their job. Whereas an intern, I'm more likely to be teaching them more to be a pharmacist. So I'm going to be teaching them, coaching them on patient counseling, things that a technician can't do.

HANSEN: OK. Because I've had some pharmacists approach me about this bill.

BRAD TROJANOWSKI: OK.

HANSEN: And they're concerned about they, they don't have an ability to determine their workforce because they don't know the business, right?

BRAD TROJANOWSKI: OK.

HANSEN: Like maybe some others do. And so then their concern is like, well, we're going to be pushed to have 4 to 1, and some might be interns. And so they're, they're concerned about their time limit because they don't have that freedom to say, well, I just want-- I'm comfortable with 2 to 1.

BRAD TROJANOWSKI: OK.

HANSEN: You know, they work for an organization says, no, you're doing-- [RECORDER MALFUNCTION] I mean, that's a concern of theirs, right?

BRAD TROJANOWSKI: Correct.

HANSEN: I didn't know-- when I was asking that question about how much time you spent on each one, I noticed there are some states who say you can do 4 to 1, so long as they're all techs.

BRAD TROJANOWSKI: OK.

HANSEN: Or you can do 3 to 1 with one intern. Right? And so I know some states have altered there's a little bit because they recognize the time spent on interns versus techs, I think, right? Because techs

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actually do the job, you know, you shouldn't spend a lot time training them. Right?

BRAD TROJANOWSKI: Right.

HANSEN: So that's why I asked that question. That's what I was kind of concerned about so.

BRAD TROJANOWSKI: And I-- too, the big difference is, I'm going to have a technician. I even have a technician that's worked for me for 20 years. An intern hopefully is going to graduate within four. So I'm going to spend a lot more time on that because I have them, have them for a short time. Whereas that technician after 15, 20 years, they pretty well know their job in and out. And they come to work and they just go to work and do it. They don't need a lot of supervision or additional coaching and training.

HANSEN: And if I could ask one more.

BRAD TROJANOWSKI: Um-hum.

HANSEN: I think it's, I think it is Washington, I think, who does-- they have the ability-- [RECORDER MALFUNCTION] at the supervising pharmacist's discretion. I think. Do you think that's feasible? Like they say, OK, you can actually-- we'll do 4 to 1, but it's up to the discretion of the managing pharmacist. Right? So if there is one who works for a large organization, they're comfortable with 3 to 1, they have that choice to do that. They're not forced to go to 4 to 1. But I don't know. I don't know if that's even feasible or if that's--

BRAD TROJANOWSKI: It--

HANSEN: --what your thoughts are on that.

BRAD TROJANOWSKI: That would be very business-dependent. But ultimately, I guess to me, as the pharmacist, if I felt that patient safety in any way, shape or form was compromised, I'd have to speak up. And if I felt like my, my employer did not take it seriously, I'd find another job.

HANSEN: OK.

BRAD TROJANOWSKI: I mean, ultimately, the buck stops with me as the pharmacist.

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HANSEN: Yeah.

BRAD TROJANOWSKI: And I'm very serious about that.

HANSEN: That's why I'm torn a little bit too. I don't want to tell businesses to do too much, but I also want to leave, you know, leave some discretion up to the pharmacist to decide what they want and the business. So it's kind of.

BRAD TROJANOWSKI: I will tell you, though, my experience, the pharmacists in Iowa, they don't feel it's a burden. They really don't. They feel that having more technicians gives them freedom. And like previous testifier said, there are times we have a technician who's very capable of doing the job. But because of this arbitrary number, they come in and they can't perform the duties they're capable of to do it. And it's, it's really disheartening to have to tell them right now, you're a cashier, you can't be a tech.

HANSEN: OK.

BRAD TROJANOWSKI: Especially when they see the work load and think, I could be contributing to my coworkers and I can't.

HANSEN: OK. Any other questions from the committee? Just to make sure. All right. Thank you for coming.

BRAD TROJANOWSKI: Thank you.

HANSEN: Thank you for answering my questions, too. Anybody else wishing to testify in support?

RICH OTTO: Good afternoon, Chairman Hansen, members of the Health and Human Services Committee. I'm Rich Otto, R-i-c-h O-t-t-o, testifying in support of LB595 on behalf of the Nebraska Retail Federation and the Nebraska Grocery Industry Association. Thank you to Senator Hardin for introducing this legislation. As the senator and previous testifiers went over, it does increase the pharmacy-to-technician ratio from the current 3 to 1 to 4 to 1. The map outlines the states very well. Again, 24 states and the District have no ratio, along with 14s that-- 14 other states that are higher than Nebraska. Again, we appreciate the work that the state did and the Ricketts administration did as far as issuing executive orders to waive the ratio throughout the pandemic for allowing us to vaccinate more people. This near, nearly two-year pilot program shows positive outcomes can be maintained while allowing flexibility. The ratio need was in existence

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prior to the pandemic. Member pharmacies preferred to have an additional technician. Prior, we did have previous legislation introduced. Senator Halloran in 2019 had legislation to increase the ratio. But now post pandemic, the need is even greater. Pharmacies have been tasked as one of the most-- they're the most convenient location for vaccinations, and pharmacies clearly stepped up to meet that challenge throughout the COVID pandemic. Now, again, I want to go back to LB202. We want to continue to help this, and we do appreciate the work that Senator Walz has done on allowing technicians to continue to administer vaccines. We again appreciate the support that the Nebraska Pharmacy Association did for that, specifically completing the 407 review. And we're very optimistic that it will get passed. We just want to highlight again that when the Biden administration ends the state of emergency, I believe May 17, technicians will no longer allow-- be allowed to give vaccinations. And that will hold true in Nebraska as well. Without that, it will default back to pharmacists and nurses to administer vaccines. Now, I mentioned nurses specifically because early in the pandemic, many retail pharmacies were utilizing nurses to help meet this demand for vaccinations. Again, in the retail pharmacy, we want to be part of the solution. We don't want to, again, be pulling nurses in for-- in future circumstances off their line, specifically when the state has such a dire shortage. This is a workforce and staffing shortage issue. Retail pharmacy is not immune to that. I'm sure you've heard that from nearly every business that you talk to. I think everyone here today would agree that we need more pharmacists and more technicians. However, we do have trained certified pharmacy technicians that are working, but yet due to the ratio, there are times when they have to be a cashier, work in other parts of the store because they cannot be helping in the pharmacy and are hindered by that. Again, we see this as a workforce development bill in front of you. Again, Senator Riepe, it has no fiscal impact. I don't know how many workforce development bills are asking for significant funds from the state, job training programs, apprenticeships. We're not asking for any money. We're just asking for one more trained professional to help. And again, we do agree with that fiscal note as well. With that, I'd be happy to answer any questions you may have.

HANSEN: Thank you. You sure you don't want to ask for any money?

RICH OTTO: It probably would help.

HANSEN: I think every bill we've had this year is asking for money, so it's kind of nice to see [INAUDIBLE].

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RICH OTTO: Well, we wouldn't want the department to come and oppose it so.

HANSEN: Yeah, that's true. That's true. Any questions from the committee? All right, seeing none. Thank you. Anybody else wishing to testify in support? All right, seeing none. Is there anybody who wishes to testify in opposition to LB595? Welcome.

MARCIA MUETING: Hi, everybody. Boy, you guys put in some long days.

HANSEN: This is early so far.

MARCIA MUETING: Oh, my goodness. Chairman Hansen, members of the committee, my name is Marcia Mueting, M-a-r-c-i-a M-u-e-t-i-n-g. I am-- I spent my testimony as the CEO of the Nebraska Pharmacists Association and a registered lobbyist as well. I want to remind you that the Nebraska Pharmacists Association represents pharmacists, interns and technicians. It is unfortunate that our profession is kind of split-- [RECORDING MALFUNCTION] but I've got some information that I'm, I'm excited to share with you that I hope will add some clarity. I definitely agree with the proponents of this legislation. Pharmacy technicians are invaluable. I think that Dr. Trojanowski and I am graduated the same year when technician-- there were no technicians in pharmacies when we graduated. And we've seen the progression go from 1 to 1 to 1 to 2 to 1 to 3. So let's talk a little bit about what is the role of a pharmacy technician. It is to assist a pharmacist in situations that-- [RECORDER MALFUNCTION] professional judgment, such as filling prescriptions. In pharmacies, the workflow bottleneck is with the pharmacist because the pharmacist must verify all of the work that is done by a pharmacy technician. Administrative tasks can be designated to a clerk, doesn't have to go to a technician, and it shouldn't go to a pharmacist. It is important to note that the pharmacist supervising pharmacy technicians and the pharmacist designated as the pharmacist in charge of a pharmacy is legally responsible for the action of the technicians, whether that pharmacist in charge is present in the pharmacy or not. A pharmacy technician cannot counsel patients, evaluate a medical order or supervise another pharmacy technician. Currently, as stated before, a pharmacist can, can supervise up to three individuals at once. Last summer I personally visited 140 pharmacies and hospitals across our state. Only one pharmacist told me that they would like to have another technician. All of the other locations that I talked to when I asked about workforce noted that it was more pharmacist help that was needed. So when you go to the pharmacy, do you have to wait for your

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prescription or immunization? Yeah, we do now. Is it possible your pharmacist has more work to do than is humanly possible? I cannot imagine supervising three technicians that are brand new, let alone four. One of the biggest issues right now is technician turnover. I am providing you with the results-- that's this year-- of a survey completed in June of last year. The study was done because there was a perception that Nebraska had a pharmacist shortage. So we wanted to find out. We wanted to measure. What we found out is that there is an area of practice, pharmacy practice, namely-- [RECORDER MALFUNCTION] pharmacies, where many pharmacists are experiencing emotional and physical exhaustion. I have highlighted on, on your copy, I think it's on the back of the second page, this information. Additionally, community chain pharmacists disagree or strongly disagree that they can practice pharmacy safely at their current pharmac-- pharmacy practice site, according to this study. The data were collected with the current supervision ratio of 1 pharmacist to 3 individuals. And this is Nebraska data. An additional person for the pharmacist to supervise will push pharmacists past the breaking point. This bill was not introduced at the request of large hospitals nor independent pharmacies, or even ten-bed hospitals in our smaller communities in Nebraska. This bill was introduced on behalf of the community chain drugstores who are putting profits before people. It is unfortunate that the proponents did not approach the NPA before introducing this bill. There may have been an opportunity to discuss our concerns. I will tell you a potential solution is, within the existing law right now, is to add an additional pharmacist which would allow three additional technicians at any location. If passed, LB595 will negatively impact not only our pharmacists' working conditions, but also pose a risk to the safety of our patients. The NPA would respectfully request that the committee not advance LB595. And with that, I'd be happy to take any questions.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you. I guess my first question was, would be do statistics exist regarding seminal events as a result of using technicians? Do you have some sense of-- I guess what I'm saying is these seminal events, these crises that have been created by technicians, or is that--

MARCIA MUETING: I'm unaware of, I mean, there are some, some crises where a technician has made an error. It is important for the

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committee to know that pharmacy errors are not required to be reported outside of a, of a, of an organization.

RIEPE: Pharmacist or pharmacies?

MARCIA MUETING: Any pharmacy. Hospitals have a really great reporting tool. But in, in Nebraska, across the United States, pharmacies, community pharmacies dispensing to patients who are outside of the hospital are not required to report errors--

RIEPE: OK.

MARCIA MUETING: --outside of their organization. Every, every organization is required to have a process to look at errors and do what they can to prevent them.

RIEPE: OK. Another, if I may, Senator? Why don't select pharmacies hire additional pharmacists or is that the compounding fact you just talked about? You hire one pharmacy-- pharmacist, you get one pharmacist plus three technicians [INAUDIBLE].

MARCIA MUETING: You don't have to-- right. The ratio as it is right now doesn't require a pharmacy to have three technicians per pharmacist. That's not a requirement. It's a limit. But pharmacists are expensive. We're healthcare professionals that have spent a lot of time going to school.

RIEPE: [INAUDIBLE] rich.

MARCIA MUETING: We're, we're loaded [LAUGHTER]. No, you know, pharmacists are expensive. Their expertise is valued and as it should be. We're the drug experts. It's a piece of the healthcare pie that is ours alone. I will tell you that there's been a lot of interesting tactics or interesting strategies to hire more pharmacists. Sign-on bonuses have been offered. And one of the biggest concerns that I have is for, especially for our young pharmacists-- and I was just assured by our schools that the numbers for next year in Nebraska are going to go back to where they were before. That this year was a blip on the radar so. I know that the applications are down this year for sure, but that is not what I was led to believe at the school. I do want to share that according to a 2022 report from the American Association of Colleges of Pharmacy, student loans for pharmacists when they graduate amount to an average of \$170,000. That's a lot of money. And so why would you stay at a horrible-- or at a job that had very, very difficult working conditions, has more work for you to do than you can

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possibly do? It's because you don't have a choice. So what I'm told is, why don't, you know, why don't you hire more pharmacists? I've posed the question to folks in this room. Why don't they hire more pharmacists? They say we can't [RECORDER MALFUNCTION]. However--

RIEPE: Can't afford them or can't find them?

MARCIA MUETING: Well, there is a problem. Very few people are, are willing to go into a very difficult pressure cooker situation. They may sign up to, to work somewhere and then they start working there and find out how completely difficult it is. Without a doubt. I don't-- it doesn't matter how many technicians you have, a pharmacist is always the bottleneck. They have to check everything. And I think adding a technician is like giving somebody an anchor when they're drowning. What they need is more pharmacists' help. Those pharmacists need the help of another pharmacist to talk to patients, to do the MTM, to do these other services they keep talking about. But that's not going to be accomplished by adding another technician. It just adds more work to the pharmacist. And that's my concern. According to a report that I read just this morning, one of our, our chain stores represented saw a \$28 billion annual gross profit in 2021. Another one of our chain stores had a \$16 billion annual gross profit. So it's hard for me to say there's not enough money to hire more pharmacists. Luckily, I've never, never been part of an organization where I have to worry about shareholders. Pharmacies in Nebraska right now are shortening their hours. Anybody know why? It's because they can't find people that want to work in that situation, whether it be technicians or pharmacists. They're struggling to find people that are willing to work under those conditions. And those conditions can, can-- when their, their-- when their pharmacist is there-- when there's one pharmacist at a store and they get to take a lunch break, if they close the gate and they're closed from 1:30 to 2:00 or whatever for a lunch break, that means that there is one pharmacist that is opening that store and the same pharmacist is there all day without another pharmacist to help them, without another pharmacist then to even give them the relief to go to the bathroom.

RIEPE: Aren't they required by law to have a break for every 4 hours?

MARCIA MUETING: Not that I'm aware of. And some states have, have mandated breaks. What I'm hearing from most pharmacists is when they close that gate for 30 minutes, they are furiously trying to get caught up. They're back there filling as many prescriptions as they

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can, not answering the phone, working with the techs, just trying to get caught up.

RIEPE: OK. Little personal story for me, Chairman.

HANSEN: Yep.

RIEPE: A good friend of mine worked as a pharmacist and CV-- one of the pharmacies.

MARCIA MUETING: OK.

RIEPE: And he was telling me that on a given Sunday that pharmacy, that community chain paid a pharmacist to drive from Omaha to Norfolk just to open the pharmacy, to keep the store open.

MARCIA MUETING: Well that, that gave that, the pharmacist that's regularly there a day off, which I think is fabulous. But it also means that they don't have enough pharmacist staff to cover without bringing someone in from outside. I can't imagine. I was very fortunate. When I worked as a pharmacist, I work for an independent and I worked for a grocery store chain. I worked for Hy-Vee and Hy-Vee, even, even here in Lincoln, they're great with, with staffing. There's always pharmacist overlap so that the pharmacist can actually go to the bathroom or leave the store, leave the leave the area and the store altogether to go get something for lunch.

RIEPE: OK.

MARCIA MUETING: When there's only one pharmacist there, they have to be on the premises to-- for something, anything to be dispensed.

RIEPE: What's your reaction in terms of the level of technicians? And I know we heard some saying, well, the ones that have been there for say 15 years are very high performers, can almost function without a pharmacist. Except for the fact that the pharmacist does need to check to make sure that they don't make that-- what can be a very critical mistake. So what, what's your sense? Do they need more or is the training adequate that they're getting now, the techs?

MARCIA MUETING: Well, and we do a pretty good job of training techs, and we have to because the requirement-- [RECORDER MALFUNCTION] is you have to be 18 and a high school graduate, and you cannot have been convicted of a nonalcohol-related drug misdemeanor or felony. Those are the requirements of a pharmacy technician. Is that someone off the

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street? So, so there aren't a lot of requirements for a pharmacy technician. I think we do in general do a good job of training them and they are required after they have been registered with the state for a year to become certified. And certification is, is a training program. Some people can do a home study. Some people go to Southeast Community College for a, you know, yearlong curriculum of becoming a pharmacy technician and passing a national exam that demonstrates their knowledge.

RIEPE: I, I find my place. In a rural community, is that more inclined to do on-the-job training, and are they allowed to do that? As opposed to going to Southwest College, which might be impossible for them to commute and to do that?

M. CAVANAUGH: There is a pathway for--

RIEPE: So that it's not a strict you must have this credential?

MARCIA MUETING: That is correct.

RIEPE: OK.

MARCIA MUETING: That is correct. A number of training hours, which I think is about equal to six months of full-time work. I'll have to double-check that for you. About six months of full-time work as a technician would allow someone to sit for the exam. They don't have to go to a community college. And you're right, the technician shortage is real in our short-- in our rural areas. You know, some of our smaller pharmacies-- and that's what's interesting, is they're not having any trouble hiring techs.

RIEPE: In rural areas?

MARCIA MUETING: In some rural areas they have, they'll have a real difficult time covering a maternity leave or if someone moves away. You know, that technician has, has been working at that pharmacy for a long time. The pool of candidates, of people, especially now, like as mentioned, people are angry. People are nasty. And if their prescription is not ready, for whatever reason, it's become OK for them to shout and scream and treat other people poorly. And unfortunately, our pharmacy technicians are at the front line. It's difficult to get people to do difficult jobs. There is one way to fill a prescription correctly. Everything has to be right. There are an infinite number of ways it can be wrong. Is that important? It's important to me. So any technician that I worked with, I made sure

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that I checked their work, that there were 30 tablets in the, in the bottle. It was the right patient, right drug, right dose.

RIEPE: I have one more, please.

HANSEN: OK. Yeah.

RIEPE: Thank you, sir. I guess my curiosity is when we look at the map here--

MARCIA MUETING: Um-hum.

RIEPE: --how we go from Iowa with none and we have three, and I'm kind of like, is there a tipping point in here or--

MARCIA MUETING: Yeah.

RIEPE: How do-- how are they able to manage with no restrictions and yet we're, we're saying three is as far as we want to go?

MARCIA MUETING: That's a great question. Every state pharmacy laws are a little bit different. One thing that, that, that wasn't mentioned before is that while Iowa has an unlimited number of technicians that can be supervised by a pharmacist, they also require mandatory patient counseling. And I have the information already.

RIEPE: Mandatory counseling?

MARCIA MUETING: Yep. In Nebraska, what's required is someone at the pharmacy has to ask you, do you have any questions? You have to have an offer to counsel. Do you have any questions for the pharmacist? in Iowa that does not suffice. In Iowa, it says every pharmacy that's open to the public located in Iowa, that-- [RECORDER MALFUNCTION] notice that Iowa law requires the pharmacist to discuss with the patient any prescriptions dispensed to the patient that are new or a change in drug therapy.

RIEPE: Pharmacist.

MARCIA MUETING: Pharmacist. Interns are also allowed to do this counseling as well under Iowa law. But my point is, is sure they have an unlimited, but they also have a requirement for patient counseling on all new drugs or changes in therapy. So we can't, we can't look at that ratio alone.

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RIEPE: Check and balance.

MARCIA MUETING: Right. There are other factors in Iowa that engage that pharmacist. And the board of pharmacy in Iowa is serious about enforcing that. There have been pharmacies that have been cited for not-- failure to, to counsel.

RIEPE: Thank you. Thank you, Chairman.

HANSEN: Why don't we just do what Iowa does?

MARCIA MUETING: And require mandatory patient counseling?

HANSEN: I don't know. Is it good or bad? Do you like it?

MARCIA MUETING: I love talking to patients. It was the best part of my job. But I'm, I'm concerned that there will be areas of practice that don't have enough pharmacist coverage to make that law happen.

HANSEN: OK. Just curious to know the difference. If you guys ever see-- both of you see a state that you both really like--

MARCIA MUETING: Um-hum.

HANSEN: --that appeases both sides. I don't know, I'm just kind of curious to know if there is one or not so.

MARCIA MUETING: Sure.

HANSEN: What's reciprocity like right now for pharmacists in the state of Nebraska?

MARCIA MUETING: As far as--

HANSEN: Like, how easy is it for them to go from one state to another? Like, if someone from Iowa wants to all of a sudden start working here as a pharmacist, do the-- like any new licensing or exams or any kind of fees or that kind of stuff?

MARCIA MUETING: Yes. If you're an old pharmacist and you got licensed in California before 1990, you have to take the pharmacy knowledge exam and the pharmacy law exam to get licensed in Nebraska. If you've been recently licensed and you've taken the pharmacy knowledge exam in just about any state, all, all they would-- a person would have to do is, is to take the pharmacy law exam. Because, like I said, laws are different in each state.

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HANSEN: Can I ask one more thing, what's what's the national--
[REORDER MALFUNCTION] pharmacist to pharmacy techs, do you know?

MARCIA MUETING: That I do not know.

HANSEN: And I kind of just threw it out there. I was just kind of
curious to what the national average compared to what we're doing
compared to what other states are doing. Because we hear unlimited.
Are they doing 10 to 1? I mean, I don't know. So I was just kind of
curious-- [REORDER MALFUNCTION]

MARCIA MUETING: Yeah. The ratio also, also needs to be examined
because we have, we have states in the United States where pharmacists
are allowed to prescribe. And that would take a lot of time. I mean,
for oral contraceptives is a great example.

HANSEN: OK. If I can ask one more thing.

MARCIA MUETING: Yeah.

HANSEN: What's the average-- how much does the pharmacy tech average
pay? Do you know?

MARCIA MUETING: I do not know that. I believe it's around \$14 or \$15
an hour in Nebraska. I know that if pharmacy technicians are asked to
do more work, which I think is, is, you know, on, on a wishlist of
certain areas of pharmacy, that the technicians have a bigger scope of
practice, they're going to want more money.

HANSEN: Sure. And I looked at your, your statistics that you
highlighted here.

MARCIA MUETING: Yep.

HANSEN: But it's hard to tell that they're experiencing physical
exhaustion at work. They also agree that that, that pharmacy safety at
their current pharmacy practice site that, yeah, there's some issues
with that.

MARCIA MUETING: Um-hum.

HANSEN: But I can't tell, is that because of the lack of pharmacists
or because of lack of techs. Because if they have more techs, wouldn't
they be less stressed?

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MARCIA MUETING: That's a great question, which was not asked. It does say on table two, this one, a couple of pages back. There's a couple of measures that, that I think help answer the question.

HANSEN: OK. OK. I have to read this then. OK.

MARCIA MUETING: Yeah. Is it, I don't know, maybe one, two, three down: disagreement on I feel that my work environment has sufficient pharmacy technician staff that allows for safe patient care. And you'll see that chain community pharmacy was one of those practice settings that stuck out.

HANSEN: OK.

MARCIA MUETING: And down further it says: I feel the workload-to-staff ratio allows me to provide for patients in a safe, effective manner. And there again, chain community pharmacy stuck, stuck out.

HANSEN: OK.

MARCIA MUETING: And that's, you know, right now with 3 to 1.

HANSEN: OK. All right.

MARCIA MUETING: Pharmacists have come to me and said, I don't believe that if I work for an employer X, that if I say, you know, I'm not comfortable supervising more than two pharmacy, pharmacy technicians or two interns or whatever it is, they're pretty certain they'll lose their job. So the best question is, Marcia, why are there a whole herd of pharmacy technicians and pharmacists behind you ready to testify as to why they don't think this should be increased? And that is because they're, they're concerned they would lose their job. If you need your job to pay your loans or support your family, I think that's, that's not a chance you'd take.

HANSEN: OK. Thank you. Any other questions from the committee? Seeing none, thank you very much.

MARCIA MUETING: You're welcome.

HANSEN: Is there anybody else wishing to testify in opposition to LB595? Seeing none, is there anybody wishing to testify in a neutral capacity? All right, seeing none, we will welcome up Senator Hardin to close. And for the record, we had no letters for the record.

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HARDIN: Well, thank you to everyone who came to testify on both sides of this one. It is an interesting one. I do think this is the statement, this colorful map is the statement. If there were no states already doing this, we'd say, wow, this is highly theoretical. It's not. In fact, right here in Nebraska, it's not theoretical either. That's the way it's been throughout the pandemic and we did not have outcries of challenges going on in terms of how this functioned during that period of time. With pharmacy school applications down 60 percent, right now, I do have a suggestion for those of you with young adult children looking for what to do in life. This could be a wonderful opportunity for them, even for those of us here. There are some in the room who make only \$12,000 a year, this could be an amazing opportunity for a second career. Unfortunately, adding another pharmacist would be great if we could only find them. Name the category of medical profession in Nebraska and you just named a category with shortages or extreme shortages. The entire Panha-- Panhandle of Nebraska, has a total of one available psychiatrist. He's my neighbor and I keep him pretty busy, as you might imagine. So scarcity is a theme, and this is a safe and meaningful way to address this one category of care. Glad to answer any questions.

HANSEN: Are there any questions from the committee? My six-year-old is already going to be a chiropractor, so no pharmacist. Sorry.

HARDIN: Well, you just--

HANSEN: Or a professional golfer.

HARDIN: --let them spend some time with me so.

HANSEN: All right. Seeing no other questions, thank you very much. That will close the hearing for LB595 and that will close our hearings for this afternoon.